

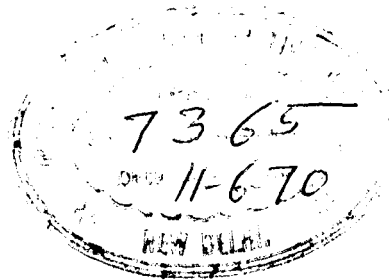


SCC-ICA FELLOW-UP SEMINAR (SOUTH-EAST ASIA)

Venue : Conference Hall, International Cooperative Alliance, Regional Office & Education Centre
43, Friends' Colony, New Delhi-14 (INDIA)

Dates : February 2 - 12, 1969

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INTERNATIONAL COOPERATIVE ALLIANCE
Regional Office and Education Centre for South-East Asia
43, Friends' Colony, New Delhi-14



SCC-ICA FOLLOW-UP SEMINAR (SOUTH-EAST ASIA)
February 2 - 12, 1969, New Delhi, India

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R E P O R T

OF

THE SCC-ICA FOLLOW-UP SEMINAR (SOUTH-EAST ASIA)

New Delhi, India

February 2 - 12, 1969

Jointly organised

by

SWEDISH COOPERATIVE CENTRE
Fack
Stockholm-15
Sweden

INTERNATIONAL COOPERATIVE ALLIANCE
Regional Office & Education Centre
for South-East Asia
43, Friends' Colony, New Delhi,
India.

gs/February 19,1969.

SCC-ICA FOLLOW-UP SEMINAR (SOUTH-EAST ASIA)
International Cooperative Alliance
Regional Office & Education Centre
for South-East Asia
43, Friends' Colony, New Delhi-14, INDIA

R E P O R T

SCC-ICA FOLLOW-UP SEMINAR (SOUTH-EAST ASIA)
New Delhi, India, February 2 - 12, 1969

1. Introduction

A Follow-up Seminar of selected Asian participants who had attended seminar held in Stockholm by the Swedish Cooperative Centre, was organised in New Delhi from 2nd to 12th February 1969. The seminar was jointly organised by the Swedish Cooperative Centre and International Cooperative Alliance, Regional Office and Education Centre for South-East Asia. Thirteen participants from Ceylon, India, Japan, Malaysia, Nepal, Pakistan, Philippines and Thailand participated in the seminar. The programme had centred on discussions in groups and plenaries of the subject areas listed below :

- i. Categories of cooperative workers to be trained abroad;
- ii. Special need of foreign training in view of requirements of these categories.
- iii. Subject areas to be studied in Sweden.
- iv. Future forms of seminars and courses, education methods and follow-up activities to be carried out by the Swedish Cooperative Centre.

In addition, the seminar had the benefit of lectures on cooperative marketing theory by Prof. K.F. Svardstrom of Uppsala University in Sweden, recent developments in cooperative training at Var Gard by Mr Gunnar Dahlander, Principal, Var Gard, Sweden; training of Indian cooperative personnel abroad by Mr Brahm Perkash, General Secretary of NCUI; and cooperative development and its problems in

India by Mr B.K. Sinha, Member-Secretary, Committee for Cooperative Training, (National Cooperative Union of India), New Delhi. Brief introductions on the Swedish Cooperative Centre and the ICA Regional Office and Education Centre were also provided by Mr Alf Carlsson, Director, Swedish Cooperative Centre, Stockholm and Mr J.M. Rana, Director, ICA Education Centre, New Delhi respectively.

The seminar was inaugurated by Mr B. Venkatappiah, Chairman of the Advisory Council for ICA Regional Office and Education Centre. The inaugural function was presided over by Mr P.E. Weeraman, ICA Regional Officer for South-East Asia. His Excellency, Professor Gunnar Heckscher, Ambassador of Sweden in India, and Mr Brahm Perakash, General Secretary of the National Cooperative Union of India, were present at the opening function of the seminar.

2. Requirements of Cooperative Training Abroad

Education and Training are of crucial importance for cooperative education and training facilities are developed to some extent in all countries of the Region. It is felt that these training facilities should be fully and effectively utilized by the various movements, before individuals are sent out for further training abroad. The programmes of training abroad must therefore be carefully worked out by the movements in the Region. Inadequacies within the domestic training facilities should be conveyed to the offering countries for their guidance to receive some additional contribution which could be had only through foreign training facilities. In this context reference was made to the report of the International Conference on Cooperative Education convened in New Delhi between February

16-23, 1968 in which the need for bridging the communication gap between the offering and deputing countries was stressed. This view was also emphasized by Mr Brahm Perkash in his lecture on "Training of Indian Cooperative Personnel abroad".

The seminar felt that training abroad would be useful on account of the inadequate availability of theoretical and practical knowledge with regard to the techniques of management and the technical operations of cooperatives in different fields of economic activity. In addition to filling in these gaps, training abroad would be useful as such training exposes the participants to different types of structural organisations and parliamentary systems of cooperative movements etc. than those obtaining in their own countries and to cooperative developments in a different environment. This would thus open up before them new areas in which cooperative activities could be developed as well as different managerial and operational techniques which cooperators in foreign countries may be practising. Further, training abroad would be helpful especially in learning about methods adopted by foreign movements to tackle problems similar to those faced by the participants' own movements, and modes of providing technical services of a nature required in their movements, as well as pit-falls experienced by the cooperative movements elsewhere. Finally, the exchange of experiences among the participants themselves is of great value in the learning process and helps in forging closer links among the various movements in the Region.

The three groups which were formed on a sub-regional basis were asked to indicate the fields of cooperative activities in which training abroad was required. The groups' suggestions are given below in order of priority in respect of different movements.

Nepal and India :

1. Agricultural Cooperation

- a) Marketing
- b) Processing (activities such as food-grains, oil seeds, milk, fruits and vegetables, meat and poultry.)

2. Non-agricultural Cooperation

- a) Consumer Cooperatives
- b) Fisheries Cooperatives
- c) Industrial Cooperatives
- d) Housing Cooperatives

Ceylon and Pakistan

- i. Agricultural cooperatives including multi-purpose cooperatives (credit, supplies, services and marketing).
- ii. Consumers Cooperatives
- iii. Small-scale industrial cooperatives
- iv. Large-scale cooperative industrial enterprises.

Philippines, Malaysia, Thailand and Japan

- i. Consumer Cooperatives.
- ii. Agricultural cooperatives including production, marketing and credit activities.
- iii. Housing and Insurance Cooperatives.
- iv. Credit and Banking Cooperatives.
- v. Industrial Cooperatives.

All the three groups were agreed that cooperative education should be given high priority for training abroad. In this context, the seminar emphasised the importance of training of trainers to train the various categories of personnel employed by the movement in its different sectors.

3. Selection of participants for foreign training

It was felt that formal study training should not be given to persons who are below the level of senior Executive Officers, whether they be in cooperative organisations or in the Government.

In selecting the participants for foreign training, it was suggested that care should be taken to select only those persons in leading positions who have sufficient working experience and have the necessary authority to implement new ideas, or who have the possibility of influencing policies. Persons suitable for foreign training in order of priority should be from the national level, the State level and the District level cooperative organisations including those from primaries operating on a large-scale. It was also felt that the experienced personnel in the Cooperative Department should get high consideration for training in view of the vital role played by governments in cooperative development in the Region.

From Cooperative organisations the candidates to be selected should be the Chief Executives, the second in command and/or Departmental Heads having managerial tasks, and lay persons who have leadership positions in cooperative organisations. Officers who are at the directing level such as the Registrars of Cooperative Societies, and senior officers of the Cooperative Department should also be included for foreign training.

Other categories of cooperative workers to be covered by foreign training should include teachers of cooperative training colleges, Cooperative Education Officers and those leaders and employees who are "coming men".

Training of executive personnel from cooperative organisations should be in the various fields and techniques of management including, for instance, planning, purchasing of commodities, sales, financial and personnel management. In the field of consumer cooperatives, it was suggested that the training for managerial staff should be particularly in the fields of market research, purchasing, retailing, display, sales promotion and financial control. The cooperative departmental personnel could with advantage be given training with regard to broad lines of future development including organisational structure and techniques of management. Teachers of Cooperative Training Colleges and Cooperative Extension Officers may be given training in techniques of teaching including Audio-Visual Aids and specific training in their subject areas.

While it was felt that study tours may be included in the training programmes for the various categories of personnel there were some categories of personnel for whom main reliance may be placed on study tours. These categories would include Cooperative leaders who occupy elected positions in national and regional cooperative organisations and heads of cooperative departments or their deputies. Varying durations were suggested by different groups, but the general opinion appeared to be in favour of short study tours geared to specific requirements. The period of study tours may range from two to eight weeks. These study tours should have the aim of providing an appreciation of the policies and developments in the advanced cooperative movements which may have relevance to cooperators participating in the study tour programmes. Study tours may also be arranged for individual outstanding cooperators at grass-root level.

The seminar suggested that it is essential to ensure that the participants who have undergone foreign training should be available for work within their own movements for a reasonable period of time, as for example, about three years after their return. Also, the participants selected should be in such an age group that the movement can look forward to several years of service after their return. The person selected should be such that he is in a position to absorb both academically and language wise, the knowledge to be obtained from a foreign movement. It was suggested that some arrangement be made whereby guarantees are provided by the sponsoring organisations for the participants to remain in cooperative service for some reasonable time after completion of their training abroad.

4. Training facilities to be provided by the Swedish Cooperative Centre

The seminar gives the highest priority for training requirements of agricultural cooperation in South-East Asia, it being the most important cooperative activity, at present and for a foreseeable future. Other fields of training requirements should be Consumer Cooperation, Cooperative Education, Housing Cooperatives, Insurance Cooperatives and Cooperative Industrial Enterprises.

After having located the training needs of the cooperative movements in the Region, and what additional training facilities are needed from outside the Region, the seminar turned its attention to training facilities that could be provided from Sweden to meet some of these needs.

4.1 Agricultural Cooperation

The following subject areas should be given preference by the Swedish Cooperative Centre in organising training programmes for cooperators from South-East Asia.

4.2 Agricultural supply and marketing

This training should include a detailed study of the present set-up and work organisation of the various branches of Swedish Agricultural Cooperative Movement. It should deal with the supply of inputs, provision of agricultural extension, supply of farm equipment and servicing, receipt of agricultural produce, grading, storing, processing and sales.

4.3 Dairy Cooperatives :

This should include study of development and standardization of products for a common national brand, rationalization of market and distribution arrangements throughout the country, improvement of cattle breeding, processing of milk and milk products and the importance of use of milk recording system. In this context, the well-known Amul Dairy in Gujarat in India was referred to as a suitable object of study within the Region.

4.4 Meat and Poultry :

This should include study of Animal breeding, rearing, collection, slaughter, processing and marketing.

4.5 Cooperative Banking :

Agricultural Credit Cooperation was mentioned as a subject of study for cooperative leaders from South-East Asia, because of the paramount importance of agricultural cooperative credit within the Region of South-East Asia. The seminar emphasised the possibilities of studying the particular fund-raising aspects of the agricultural credit cooperatives and loaning operations of cooperative banks for marketing, processing and other agricultural cooperatives.

The seminar also mentioned the great differences that exist between the set-up and functioning of agricultural cooperative credit in Sweden and in various countries of South-East Asia with regard to financing of farmers for agricultural operations. In view of this the relevance of the specific experiences which could be provided by Swedish cooperation in this particular field was **limited to certain areas.**

5. Consumer Cooperation :

It was stated that in most countries of South-East Asia Consumer Cooperatives have been a weak link in the cooperative set-up. In view of the special experiences in Sweden in the field of Consumer Cooperation, it was suggested that cooperative leaders at various levels could preferably be sent to Sweden for training in the field.

Considering the present stage of development in Consumer Cooperative Movement in South-East Asia, it was stated that more emphasis should be placed in such training programmes on distribution of foodstuffs. Training should be given in the various fields of consumer cooperative activities with emphasis on practical aspects. The following examples of areas were suggested to be included in a training programme referring to management of consumer cooperatives: market research, purchasing, wholesale distribution and prepacking, retailing, display, sales promotion, financial management, accounting and auditing.

The Consumer Cooperative Movement is highly developed in Sweden. It was emphasised that a large part of the experience could, with proper adaptation to the special circumstances prevailing in the Region, be applied with great benefit.

6. Other branches of Cooperative Movement in Sweden :

Other branches of the Cooperative Movement in Sweden in which training facilities could be provided are the following ones : Housing Cooperation, Insurance Cooperation and Cooperative Industrial Enterprises.

It was observed that training could be provided in Sweden only in respect of major industrial enterprises. Such Industrial enterprises very often e.g. being subsidiaries of apex cooperative organisations, differ from the concept of Industrial Cooperatives as it is understood in South-East Asia. Thus, Sweden may provide a very limited area of experience relevant to the needs of the Region in the field of Industrial Cooperatives.

The relatively advanced stage of Insurance and Housing Cooperation in Sweden should provide an excellent opportunity for training of cooperators in these two fields. Both these branches of Cooperative Movement, with a few important exceptions within the Region of South-East Asia, are relatively under-developed. Both Housing and Insurance Cooperatives provide, according to the seminar, potential areas of cooperative activity in South-East Asia. Taking into consideration that almost all the countries in this Region are thickly populated, Housing Cooperation may especially provide a device to solve the serious housing problem for the large masses of the population, within the Region.

7. Duration of training programmes :

The consensus of the Seminar was that the duration of the training programmes provided by the Swedish Cooperative Centre should be of a period between 8 and 12 weeks, and a recommendation was made that this

seminar should be in specific and specialised fields and should be intensive in character.

8. Pre-Seminar Preparation

8.1 If possible, some correspondence courses should be developed to orient the participants to the Swedish cooperatives after their selection has been made. In any case, selected participants should be furnished in advance with basic information material about the cooperative development in Sweden and with other material to be studied in preparation for training in Sweden.

8.2 Selection of participants must be made sufficiently in advance. The participants should be, by and large, of the same level both in educational background and in the position they occupy in the cooperative movement (whether on the government side or on the non-official side), and they should either be directly engaged in or likely to be assigned to the field of at least one of the main subject areas to be studied under the seminar.

8.3 To facilitate implementation of the newly acquired experience by the participants, it was suggested that the cooperative leaders, if visiting Sweden, should be given opportunities of making study tours in the same fields in which their executives are being trained at the seminar in Sweden.

8.4 It was also suggested that the participants should also prepare written statements covering their background experiences, problems faced by them in the course of their cooperative work and the problems on which they require guidance from foreign experience. This should be done well in advance before the start of the seminar.

9. Education Methods :

The following methods were suggested for utilization by the Swedish Cooperative Centre in its training programmes :

9.1 Introductory Sessions:

The background statements prepared by the participants before their joining the seminar should be circulated among the resource persons, participants and others who are to be associated with the seminar. The seminar may start with the presentation of these statements by the participants with brief oral introduction.

9.2 Lecture-cum-Discussion method.

9.3 Audio-visual aids, including demonstration of equipment and methods.

9.4 Group discussions and syndicate studies on subjects of common interest, followed by plenary sessions.

9.5 Case studies on various aspects of cooperative development particularly related to the conditions prevailing in South-East Asia.

9.6 Study visits and field trips.

9.7 Individual assignments and on-the-job training.

9.8 Panel discussions and debates on selected subjects.

9.9 Reading assignments with provision of library facilities and time.

9.10 Evaluation sessions at appropriate stages.

9.11 Writing of reports and their follow-up

10. Follow-up activities

10.1 The seminar organised by the Swedish Cooperative Centre may be continued for a period of one to two weeks at a location within the Region of South-East Asia, preferably where an Asian model could be studied. Such a continuation seminar may be jointly arranged by

the Swedish Cooperative Centre and the ICA Regional Office and Education centre.

10.2 Representatives of the sponsoring organisations and participants in seminars in Sweden could be invited to these seminars.

10.3 An Information Bulletin could be issued at suitable intervals, for example, twice a year, by the Swedish Cooperative Centre for the information of the ex-participants and their sponsoring organisations.

This information Bulletin may include subjects, e.g. Cooperative Development in the Region, latest cooperative developments in Swedish Cooperative Movement, contributions from the participants of the past seminars and information about preceding seminars and their participants.

10.4 After returning from Sweden, the participants should submit reports to their organisations with copies to the Swedish Cooperative Centre, and, wherever possible, publish articles on the topics of their studies.

10.5 It was suggested that short-term study programmes for selected former participants in their fields should be arranged at a place where they can utilize library facilities and get the guidance of cooperative advisers.

10.6 It was suggested that the Swedish Cooperative Centre and the International Cooperative Alliance may make their publications available to the ex-participants according to their need and choice. They should also keep track of the development of the cooperative movement in their respective countries with special reference to those spheres in which the participants have been specially trained.

10.7 It was suggested that Follow-up Seminars should be held at suitable intervals with the purposes of evaluating and refreshing knowledge gained by participants.

11. Miscellaneous :

11.1 The Seminar suggested that the training programmes conducted by the various International Cooperative Training Centres could be made more effective and useful if these programmes are co-ordinated. It was suggested that such co-ordination and rationalisation could be brought about under the auspices of the International Cooperative Alliance.

11.2 It was suggested that more opportunities to visit South-East Asia should be provided to those who are concerned with the conduct of Swedish seminars as it would help them in appreciating better the local problems.

11.3 In case the seminar is going to study various major topics and the participants are to be divided into different groups, it is necessary that the Swedish Cooperative Centre obtains background information from the Region on the various main problems prevalent in the Region within the field of study which is being undertaken by the participants. The participants, it was suggested, should have the choice as to which specialised group they should belong. Subject areas allotted to the participants should be in accordance with the specialisation of the participants.

11.4 The group leader should preferably be one who has good knowledge and experience of the cooperative movements in Asian countries. Visitors from the Swedish Cooperative Centre should, during their visits to Asian countries, invariably contact the ex-participants of the seminars held in Sweden. This will be useful also as a follow-up.

11.5 As regards the financial aspect of the seminar, it was suggested that the allowances to the participants could be increased considering the cost of living in Sweden.

11.6 It was suggested that the Swedish Cooperative Centre could help national Cooperative Training Institutes in the Region by way of supply of audio-visual aids for teaching Swedish Cooperation e.g. films, film strips and slides.

11.7 It was suggested that the Swedish Cooperative Centre could invite Asian students and experts of related subjects, studying in Sweden to take part in some sessions of the SCC Seminars.

SCC-ICA FOLLOW-UP SEMINAR (SOUTH-EAST ASIA)
International Cooperative Alliance,
Regional Office & Education Centre for S.E. Asia,
43, Friends' Colony, New Delhi-14, INDIA.

gs/Feb.25,1969

PROGRAMME

17

February 2 - 12, 1969

Session No.

Sunday, 2nd February

Arrival of the participants at Hotel Vikram.

7.30 p.m.

Welcome Dinner by S.C.C. at Hotel
Oberoi Intercontinental.

Monday, 3rd February

9.00 - 10.00 a.m.

Registration of participants.

10.00 - 11.00 a.m.

1

Inaugural Session

11.00 - 11.30 a.m.

Tea break.

11.30 - 12.00 noon

2

Information about ICA Regional Office
and Education Centre for South-East Asia

- Mr J.M. Rana, Director, ICA Regional
Office & Education Centre for S.E. Asia.

12.00 - 2.30 p.m.

Lunch break.

2.30 - 3.00 p.m.

3

Information about the Swedish Cooperative
Centre and its activities.

- Mr Alf Carlsson, Director, Swedish
Cooperative Centre, Stockholm.

3.00 - 4.00 p.m.

4

(a) Working Methods of the Seminar

4.00 - 4.30 p.m.

Tea break.

4.30 - 5.30 p.m.

(b) Distribution of questionnaires

(c) Distribution of questions for group
work

- Mr Rune Forsberg, Swedish Cooperative
Centre, Stockholm.

Tuesday, 4th February9.30 - 12.30 p.m.
a.m.

5

Group Discussion on :

5.1 Categories of Cooperative Workers to be trained abroad.

5.2 Special need of training in view of various requirements of these categories.

12.30 - 2.30 p.m.

Lunch break

2.30 - 4.00 p.m.

6

Plenary Session :

Chairman : Mr Alf Carlsson

4.00 - 4.30 p.m.

Tea break

4.30 - 5.00 p.m.

7

Selection of Indian Cooperative Personnel for Training Abroad.- Mr Brahm Perakash, General Secretary,
National Cooperative Union of India.

Chairman : Mr P.E. Weeraman

5.00 - 5.30 p.m.

Questions and observations

Wednesday, 5th February9.30 - 12.30 p.m.
a.m.

8

Group Discussions :

(a) Subject areas to be studied in Sweden

(b) Outline to Seminar Programme

12.30 - 2.30 p.m.

Lunch break

2.30 - 4.00 p.m.

9

Plenary Session :

Chairman : Mr Alf Carlsson

4.00 - 4.30 p.m.

Tea break

4.30 - 5.30 p.m.

10

Presentation of Cooperative Marketing Theory- Prof. K.F. Svardstrom
Department of Economics & Statistics,
Agricultural College, 75007, Uppsala
Sweden.

5.30 - 6.00 p.m.

Questions and observations.

Thursday, 6th February

9.30 - 12.30 p.m.
a.m.

11

Group Discussions on

- Future forms of (a) Seminars and Courses
(b) Education Methods
(c) Various Follow-up
Actions

12.30 - 2.30 p.m.

Lunch break

2.30 - 4.00 p.m.

12

Plenary Session :

Chairman : Mr Alf Carlsson

4.00 - 4.30 p.m.

Tea break

4.30 - 5.00 p.m.

13

Recent Developments in Cooperative Training
in Sweden - A Case Study of Vår Gård.

- Mr Gunnar Dahlander, Principal, Vår Gård,
Stockholm

5.00 - 5.30 p.m.

Questions and observations

8.00 p.m.

Dinner by N.C.U.I. at India International

Friday, 7th February

10.00 - 11.00 a.m.

14

Cooperative Development and its Problems
in India

- Mr B.K. Sinha, Director (CT), Ministry
of Food, Agriculture, Community Develop-
ment and Cooperation, Govt. of India.

Chairman : Mr J.M. Rana

11.00 - 11.30 a.m.

Tea break

11.30 - 12.30 noon

Questions and observations

12.30 - 2.30 p.m.

Lunch break

3.00 p.m.

15

Visit to Super Bazar, New Delhi

- Dr Dharm Vir, Joint Director, I.C.A.
Regional Office & Education Centre

Saturday, 8th February

9.30 - 12.30 noon 16
a.m.

Recent Cooperative Developments in South-East Asia

Report from participants

Afternoon

Free for Sight-seeing in Delhi

- Mr I.S. Gupta, Office Manager, I.C.A.
Regional Office & Education Centre.

Sunday, 9th February

Visit to Agra (Taj Mahal)

- Dr Dharm Vir

Monday, 10th February)

) 17

Study visits to Cooperatives in the Punjab State

Tuesday, 11th February)

- Mr Lionel Gunawardana, Deputy Director,
I.C.A. Regional Office & Education Centre

- Mr Shiro Futagami, Deputy Director,
ICA Regional Office & Education Centre.

Wednesday, 12th February

2.30 p.m. 18

Final Plenary Session

Chairman : Mr Alf Carlsson

Presentation of the Draft Report

Concluding Remarks

- 7.30 p.m.

ICA Dinner
Ashoka Hotel, New Delhi

SCC-ICA FOLLOW-UP SEMINAR (SOUTH-EAST ASIA)
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Regional Office & Education Centre
for South-East Asia,
43, Friends' Colony, New Delhi-14
INDIA.

SCC-ICA FOLLOW-UP SEMINAR (SOUTH-EAST ASIA)

New Delhi, India, February 2-12, 1969

List of Participants

A. Participants

1. CEYLON
 1. Mr W.B.C. Senerat-Nandadeva
Deputy Commissioner of Cooperative
Development,
Department of Coop. Development
Duke Street, P.O. Box 419,
Colombo -1.
 2. Mr Rohita Tillekeratne
Hirana Road, Walana
Panadura.
2. INDIA
 3. Mr B.L. Dhar
Deputy General Manager
Super Bazar
The Cooperative Store Limited
Connaught Circus
New Delhi- 1.
 4. Mr K.C. Jain
Secretary
The National Federation of
Industrial Cooperatives Ltd.,
A-26, N.D.S.E. (Part II)
New Delhi - 16.
 5. Mr R.V. Nadkarni
Reader
Vaikunth Mehta National
Institute of Coop Management,
5, B.J. Road
Poona-1.
 6. Mr Syed Turabul Hasan
Special Category Deputy Registrar (Coop)
Office of the Collector
Mahabubnagar (A.P.)

3. JAPAN 7. Mr Tetsuo Toyofuku
Fund Section of Accounting Department
National Purchasing Federation of
Agricultural Cooperative Associations
5, 1-chome, Otemachi, Chiyoda-ku
Tokyo.
4. MALAYSIA 8. Mr Sulaiman bin Daud
Department of Cooperative Development
Alor Setar
Kedah.
9. Mr N. Jeganathan
Central Accounts Office
Post H.Q., Federal House
Kuala Lumpur.
5. NEPAL 10. Mr Bhogendra Chaudhary
Department of Cooperatives
Ministry of Land Reform & Agriculture
His Majesty's Government
Singh Durbar
Kathmandu.
6. PAKISTAN 11. Mr Hamid Ahmad
Asstt. Registrar of Coop Societies
13, Gulberg Road
Lahore, West Pakistan.
7. PHILIPPINES 12. Mr Ben P. Faustino
General Manager,
Central Coop Exchange Inc.,
Rooms 113-115, 2nd Floor, ARLE Building
Corner J Ruiz Street & Aurora
Boulevard Extension
San Juan, Rizal.
8. THAILAND 13. Mr Kwanthai Thaiyadham
Ministry of National Development
Rajdamnern Avenue
Bangkok.

B. Swedish Cooperative Centre

14. Mr Alf Carlsson
Director
Swedish Cooperative Centre
Fack, Stockholm 15
Sweden.

Swedish Cooperative Centre (contd...)

15. Mr Gunnar Dahlander
Principal
Var Gard
Stockholm, Sweden
16. Prof. K.F. Svardstrom
Lantbrukshogskolan
Institutionen for ekonomie och statistik
Uppsala 7
Sweden
17. Mr Rune Forsberg
Swedish Cooperative Centre
Fack, Stockholm 15, Sweden.
18. Miss Heidi Wasstrom
Swedish Cooperative Centre
Fack, Stockholm - 15
Sweden.

C. International Cooperative Alliance R. O. I. & C.
New Delhi

19. Mr P.E. Weeraman
Regional Officer
20. Mr J.M. Rana
Director (Education Centre)
21. Mr M.V. Madane
Joint Director
(Technical Assistance & Trade)
22. Dr Dharm Vir
Joint Director (Education Centre)
23. Mr Lionel Gunawardana
Deputy Director (Education Centre)
24. Mr Shiro Futagami
Deputy Director (Education Centre)

Secretaries

25. Mr S. S. Avadhani
26. Mr Gurcharan Singh

SCC-ICA FOLLOW-UP SEMINAR (SOUTH-EAST) ASIA
International Cooperative Alliance
Regional Office & Education Centre for S.E. Asia
43, Friends' Colony, New Delhi-14 (INDIA)

S/January 31, 1969

BACKGROUND PAPER TO SESSION No. 13

RECENT DEVELOPMENTS IN COOPERATIVE TRAINING IN SWEDEN

by

Mr Gunnar Dahlander
Principal, Vår Gård

Vår Gård is responsible for implementing a training programme within the Cooperative sector including retail, wholesale as well as industrial enterprise having a total staff of 60,000 employees. This background paper will provide the basis for my discussion of the Swedish model as a system for what we may mention as Internal Staff Training in modern terminology.

The following basic facts should be borne in mind. Sweden has about 8 million inhabitants which means 2.8 million households. Consumer Cooperative Societies affiliated to KF include 1.4 million members. Each member is, as a rule, representing one household. The share of the Cooperative retail trade in Sweden with regard to foodstuff is 26 per cent. With regard to the total volume of retail trade, the share of the Cooperative sector is 18 per cent. The Consumer Cooperative Movement including societies, the network of shops, Super Markets and Department Stores, Wholesale organisations and Restaurants as well as a number of various industrial enterprises taken together constitute the biggest concern in the whole of Scandinavia. The task set up for Vår Gård is to provide a training system for all these various categories of employees in total amounting to an average of 60,000 employees a year.

The basic feature of the training programme of Vår Gård is that all employees should have passed through an elementary compulsory schooling for at least seven years. For the younger generation, the minimum number of years at school is 9 years. In addition to this, a large proportion receive additional education between 2 and 4 years. This relatively high standard of education provides Vår Gård with an opportunity of introducing even fairly advanced correspondence courses and literature studies. Finally, staff training in this context is referred to as training within the cooperative organisation which is built upon the elementary/obligatory general education in Sweden, a training which is aimed at equipping the employees for their present as well as future tasks within the Cooperative Movement.

METHODS OF TRAINING

1. The traditional Vår Gård system is devised on the following model :
Basic training is given at the place of work of the employee-trainee and is given through introduction, instruction, guidance and practical experience.
2. Training is also given through courses in the local societies.
Teaching material for these local courses is provided by Vår Gård.
Teachers and Instructors at these local courses are trained at Vår Gård.
3. Correspondence Courses to be studied by employees individually or in groups together with other employees is another method of training adopted. According to the traditional practice, the individual performances of the students are sent to the central Correspondence School for examination and assessment the result of which is sent back to the individual trainees after assessment.

COURSES AND SEMINARS AT VÅR GÅRDPre-conditions for discussions on Vår Gård model of training:

- i) The objective of training within the Cooperative is that all employees, no matter what kind of work they do within the Movement, must have the possibility of getting some training for present and future tasks within the Movement.
- ii) Individuals having potential qualifications of leadership must, through this system of training, be discovered and picked out for further advanced training.
- iii) Every single training programme should provide both the fundamental training and training for future tasks of the individual.

B. Vår Gård provides training for the following categories of employees:

- i) Employees **at** various levels in Food Stores;
 - ii) Employees at **various** levels in Department Stores and specialized shops;
 - iii) Employees at various levels in Restaurants;
 - iv)** Employees at various levels in Meat Processing factories;
 - v) Employees at various levels in large bakeries;
 - vi) Employees at various levels in Regional Warehouses;
 - vii) Employees at various levels at the main offices, local societies and in industrial offices;
 - viii)** Employees in various kinds of industrial enterprises run by Cooperatives.
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gs/Feb.1,1969

SCC-ICA FOLLOW-UP SEMINAR (SOUTH-EAST ASIA)
International Cooperative Alliance
Regional Office & Education Centre
for South-East Asia,
43, Friends' Colony, New Delhi- INDIA.

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WORKING METHODS OF THE SEMINAR

1. The main purposes of the Seminar are the following :
 - (i) To evaluate the present and future role of SCC Seminars in the context of the need for additional training facilities for cooperative leaders from South-East Asia;
 - (ii) To provide an opportunity for former participants of the Swedish Seminars to meet and exchange experiences regarding the latest cooperative developments within the Region with special emphasis on education. Some information about recent developments in Sweden with regard to the Cooperative Movement will be provided.
2. The evaluatory part of the Seminar is based on Group Discussions followed by Plenary Sessions. The Seminar has been divided into three small groups, thus providing better facilities for a thorough and quick discussion within the groups. The groups are also constituted on the basis of a geographical division, which, it is hoped, would secure some conformity in views within the groups on various vital aspects of training provided by the Swedish Cooperative Centre.
3. In each Group, the Director has selected one Chairman and one Secretary. This selection could however be regarded as a proposal and the Groups may feel free to make any changes they think fit. Each plenary session will include the traditional

oral reporting by the various groups. These reports will be evaluated by plenary discussions. Each Chairman and Secretary are together responsible for delivering the draft reports from each group work session, to the Secretariat (Mr S.S. Avadhani) at the end of the Plenary Session or not later than the following morning. On the basis of these reports, a final report will be made which will be discussed at the final Session of the Seminar. This report will be of importance for the future formulation of SCC policy with regard to training, and may also have certain implications for ICA as well as for other organisations organising similar training programmes outside or inside the Region of South-East Asia.

4. The Plenary Session will be held in the lecture hall and the groups will be advised by the Secretariat where the Group Discussions will take place.
5. On the 8th February, the participants will be requested to speak for about 10 to 15 minutes on Recent Cooperative Developments in their respective Countries to the rest of the Seminar. Since Mr B.K. Sinha will have dealt with the recent developments in India in his speech on 7th February, the Indian delegates will be given limited time to speak on the subject. In cases where there are more than one participant coming from the same country, they will together be given 20 minutes in which they will inform about the various developments in their country. If possible, the participants are kindly requested

to prepare and hand over a written statement well in advance to the Secretariat so that the paper could be made available to the Seminar before the Plenary Session in time for the briefing.

7. The daily programme will be circulated in advance.
 8. The Study Tours are regarded as a regular part of the Seminar programme.
 9. For our guidance, individual and confidential questionnaires will be distributed to each participant, and the participants are kindly requested to complete the questionnaires individually and hand over the same to the Director at their earliest convenience.
 10. Since the quality of the final report is of vital importance as indicated above, the Groups and the individual members of the Groups are requested to have preliminary discussions about the various questions (points) outside their official programme of the Seminar and before the actual Group Discussions take place. This is because the Group Reports will form the basis for the final report which will exclusively deal with the evaluatory part of the Seminar.
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A/4th February, 1969

R E V I S E D

COMPOSITION OF GROUPS FOR GROUP DISCUSSIONS

001 30

GROUP I (Conference Hall)

1. Prof. R.V. Nadkarni, India - Chairman
2. Mr Syed Turabul Hasan
3. Mr K.C. Jain, India - Secretary
4. Mr B.L. Dhar, India
5. Mr Bhogendra Chaudhary, Nepal

GROUP II (Library)

1. Mr W.B.C. Senerat-Nandadeva, Ceylon - Chairman
2. Mr Hamid Ahmad, Pakistan - Secretary
3. Mr Rohita Tillakaratne, Ceylon

GROUP III (Fellows' Room)

1. Mr B.P. Faustino, Philippines - Chairman
2. Mr N. Jeganathan, Malaysia - Secretary
3. Mr Kwanthai Thaiyadham, Thailand
4. Mr Tetsuo Toyofuku, Japan
5. Mr Suleman Bin Daud, Malaysia

SCC-ICA FOLLOW-UP SEMINAR (SOUTH-EAST ASIA)
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GROUP DISCUSSION - SESSION 5

Introduction

Technical assistance in the form of inviting Cooperators from different developing countries to attend different types of training courses and seminars in countries which have more established Cooperative Movements is based on the following assumptions :

- 1. Due to insufficient relevant cooperative experience, scarcity of resources, etc., it may be difficult for the countries to provide necessary training facilities themselves.
- 2. Certain types of cooperative training-cum-education can with advantage be given outside the country, in many cases also very different, environments.

Question 1 :

According to the Group, are the assumptions stated above correct ?
Would the Group like to add to the assumptions made above ?

Question 2 :

To discuss who should be given training abroad and what type of training should be given, we ask the Group to discuss the following questions :

- a) Analyse what types of cooperatives, according to the Group, should first be considered in receiving training facilities abroad? Please list branches of Cooperative Movement,

Cooperative Organisation at various levels etc., preferably according to a certain priority which the Group would like to attach to the various cooperative activities in the context of training facilities to be received abroad.

- b) Please list what categories of cooperative workers within the various cooperative organisations should, according to the Group's opinion, preferably be given special training abroad. Give examples of specific functions within the various categories of personnel etc. who, in the opinion of the Group, should first be considered for special training abroad.
- c) Specify the level of seniority of such cooperative workers below which training abroad should not be considered.

Question 3 :

Describe briefly the type of training which should be provided for various categories of cooperative workers in different sectors of the Cooperative Movement from outside the country itself. Please be neither too detailed nor too general in the Group's statements to give an overall picture of the demand for such training. The Group may draw a simple chart showing what the various categories of cooperative leaders in the different sectors of the Movement, might need in this context.

Question 4 :

Is the Group of the opinion that there are certain categories of Cooperative workers for whom a Study Tour would be a relevant and useful form of training abroad? Please indicate the categories, levels of participants, qualifications of such participants and the minimum and maximum length of such a Study Tour.

Question No. I

The assumption about training in foreign countries being necessary due to insufficient training resources within the country is valid in case of Nepal but not in case of India where systematic training arrangements are available at the Junior, Intermediate and Senior levels. The recent establishment of Vaikunth Mehta National Institute of Cooperative Management, Poona, has filled up a serious gap in the field of managerial training for cooperative personnel in the country. However, opportunities to study developments in foreign countries are important in as much as they expose the participants to environments and developments different from those in their own country. However, such an exposure to foreign environment must be restricted to only such personnel who have considerable working experience in their own country and have utilised the internal training facilities fully and developed a degree of maturity which will enable them to look at the foreign developments with a discerning mind so that they will not attempt blind imitation but will have the capacity to adapt to their own conditions what they have seen abroad.

Question No. II (a)

Training facilities abroad would be useful in the following branches of the cooperative movement listed in order of priority with reference to the importance of the cooperative activity and the extent of its coverage.

- I. Agricultural Cooperation.
- i. Marketing
 - ii. Processing
 - a) Foodgrains
 - b) Oil seeds
 - c) Milk
 - d) Fruits and vegetables
 - e) Meat and Poultry
- II. Non-Agricultural Cooperation.
- i. Consumers Cooperation
 - ii. Fisheries Cooperatives
 - iii. Industrial Producers Cooperatives
 - iv. Housing

Question No. II (b)

In selecting the personnel, care should be taken that only those who have working experience and have the powers to implement new ideas or the possibility of influencing policies should be selected. They should be from the organisations in order of priority at i) the National level, ii) the State level and iii) the District level including from big primaries.

Question No. II (c)

In case of institutional candidates they should be i) Chief Executives, ii) Middle Management Personnel like Department Heads who have managerial functions and powers. Departmental officers, officers permanently borne on the cooperative cadre and not below the level of a senior directing officer at the Headquarters.

Question No. III

Training to institutional officers should be in the areas of planning and management within the institutions including financial planning procurement, marketing, personnel development, etc. The study include the techniques and processes involvement.

Question No. IV

Cooperators like the office-bearers of cooperative institutions at the National and the State level and for senior officers of the Government like Secretaries of Central and State Governments and Registrars of Cooperative Societies and other State level officers concerned with cooperative development would require opportunities for having a look at the cooperative developments abroad not so much for studying the techniques and procedures but for gaining an appreciation of the trends and policies which could be useful in formulating policies for the Movement and the institutions within the country. The period of the study tours should be not less than two weeks and not more than eight weeks.

In respect of personnel to be deputed abroad whether for a training course or for a seminar or a study tour, it is necessary to ensure that those to be deputed have the facility of communicating in the language of the country to be visited or in the language in which interpretation facilities are available in the country concerned.

GROUP DISCUSSION - SESSION 5.

GROUP -II

Chairman Mr. W.B.C. Senerat-Nandadeva
Secretary " Hamid Ahmed
Member " Rohita Tillokeratne

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Question - 1

Our group is of the view that the assumptions stated in the Note are basically correct but they require amplification. It is observed that these assumptions refer to the need for training abroad grouped under "negative" and "positive" aspects. We propose to amplify them on the same basis.

(i) "Negative Aspect" (Lack at home)

One of the chief reasons for co-operative training abroad is the lack/inadequate possession of theoretical knowledge and/or practical experience of

- (a) techniques of management with special reference to co-operative activities, both of a general nature and of a specialized kind and, in particular, concerning ways and means of developing the particular co-operative activities for the greatest good of the greatest number of members; and
- (b) the technical workings of each of the spheres of cooperative activity (e.g. dairy, consumer, fisheries etc.)

(ii) "Positive Aspect"

On the other hand training abroad provides trainees with an opportunity,

- (i) to acquaint themselves at first hand with
 - (a) types of structural organization and parliamentary systems of co-operative movements outside their own countries;

- (b) methods adopted by foreign co-operators to tackle problems similar to those in their own countries (e.g. by the establishment of research institutes);
 - (c) modes of providing technical services of a nature required in their own countries;
 - (d) trends of the development of the co-operative movement in other countries in order both to plan for the future development in their own countries and also to guard against the pitfalls experienced by co-operative movements elsewhere for purposes of long term planning; and
- (ii) to meet with co-operators from other lands, the better to understand their specific problems, and to establish cordial relations with them, the more to underline the universality of human experience.

Question - 2

(i) Branches

- (a) Co-operatives (including Multi-purpose) predominantly concerned with the development of agriculture including all aspects thereof (i.e. credit, supplies, services and marketing);
- (b) Consumer Co-operatives (including all aspects thereof and, where pertinent, production/processing and packaging of consumer goods);
- * (c) Small-scale Industrial Co-operatives (handicrafts, handloom Weavers etc.)
- * (d) Large-scale Industrial Cooperatives.

N.B. * We feel these priorities should be reversed but we have taken the present state of the economy and co-operative activity in the region in giving this priority.

(ii) Levels

- (a) National Federations of different types
- (b) Regional Federations of different types
- (c) Large-scale specialized primary societies (e.g. Dairy, Consumer, Fisheries etc.)
- (d) Large-scale multi-purpose primary societies.

B. In answer to this question we would indicate at the outset that Government personnel in the Cooperative Departments should get high priority for training in view of the vital role played by government in countries of this region in the development of the co-operative movement. More often than not it is the government which for better or worse has taken the initiative in promoting the development of one or more spheres of co-operative activity.

We give the following priority to both government and non-governmental co-operative workers.

<u>Category.</u>	<u>Functions</u>
(a) Heads/Deputies, Senior Assistants and Specialist Assistants of Co-operative Development Departments.	Making of Policy and its implementation.
(b) Co-operative Leaders both of Apex and other Co-operative Organisations.	Making of Policy and its implementation.
(c) Co-operative Teachers (Training Colleges) and Co-operative Extension Teachers.	Teaching co-operation and technique of Co-operative Management to departmental officers and non-officials. Member Education and Publicity
(d) Co-operative (General Managers & Executives of large Co-operatives).	Execution of Policy.

C. We think that special training should not be given below the level of senior executive officers either governmental or non-governmental with the exception of Co-operative leaders.

Question - 3

<u>Categories</u>	<u>Type of Training</u>
(a) Senior Co-operative Departmental personnel	(i) Broad lines of future development including (a) organisational structure, (b) new techniques of over all management through seminar-cum- study tours
(b) Co-operative Leaders.	(ii) Research Fellowships of 4-6 weeks for part seminar participants.
(c) Co-operative Teachers (Training Colleges).	(1) New Techniques of Teaching including Audio-Visual Aids. in (2) Specialized training/their own specific sides.
(d) Co-operative Extension Teachers.	New Techniques of Member Education including Audio-Visual Aids.
(e) Managers	Latest development in the technique of management with special reference to particular fields.

* N.B. Vide Answer to Question 2 for details of categories.

Question 4

Yes. We are of the view that study tours should not only form part of the special training courses for the categories enumerated in Answer to question 2 but should also be extended to the following categories for which study tours alone would be appropriate.

<u>Category</u>	<u>Level</u>	<u>Qualification</u>	<u>Director</u>
a. Government Personnel	Heads of Departments Senior Assistants and Special Assistants.		1 week to 4 weeks.

- | | | | |
|-----|---|--|--|
| b. | Members of Cooperatives (Producers). | Dedicated <u>Young</u> Co-operators and specialists in their own spheres (e.g. good cooperative farmers.). | 1 week to 4 weeks. |
| (c) | Employees of Cooperatives (Intermediate level). | Assistants in different branches. | Matriculate Young with potential future.
1 week to 4 weeks. |

<u>Group - III</u>	Chairman	-	Mr B.P. Faustino
	Secretary	-	Mr N. Jeganathan
	Member	-	Mr Kwanthai Thaiyadham
	Member	-	Mr Tetsuo Toyofuku
	Member	-	Mr Suleman Bin Daud

In this competitive world of ours, training and education are important pre-requisites for the efficient management of any business enterprise, more so in a cooperative organization. Sound and efficient management go hand in hand with education and training. It is therefore of vital interest to the Movement that there should be ample opportunities made available to cooperative workers for their training and education. In order to sustain the interest of the members and to withstand keen competition posed by private enterprises, cooperatives should constantly endeavour to keep the members informed, provide suitable educational facilities for members of committees of management to acquire more knowledge and experience in the management of societies and to train their employees to discharge their duties efficiently and to the satisfaction of the members of their organization.

Question 1.

Assumptions contained in Question No. 1 are only partially correct in the sense that necessary training facilities are at present provided by the cooperatives themselves and/or existing institutions. However, in certain specialized fields, like consumer cooperatives and agricultural marketing and credit, there is felt at present :

- (a) lack of sufficient relevant cooperative experience in these fields;
- (b) lack of competent and experienced management personnel, and
- (c) lack of financial resources.

As to Question 2, the group fully agrees with the assumptions contained therein, although in certain instances, the need may be for certain specialized participants to be sent for training only, not for training-cum-education.

Question 2

(a) Types and priorities

- (1) consumers and agricultural (production, marketing, credit)
- (2) housing and insurance
- (3) credit and banking
- (4) industrial societies such as printing, cottage industries, etc.

(b) Categories

- (1) Those directly involved in or in a position to influence decision making in apex, secondary and fairly large-sized primary societies;
- (2) Government or department officials directly or actively involved in management and/or supervision and/or planning for such societies;
- (3) Senior staff of training institutions; and
- (4) In special cases, members and/ or employees of societies who show or hold promise of potential leadership in the near future should be sent abroad for specialized training.

(c) Level of seniority

Those below executive/administrative level should not be considered.

Question 3

<u>Type of Coop.</u>	<u>Category</u>	<u>Type of Training</u>
Consumer	Managerial (committee, staff, board)	Purchasing, retailing, display sales promotion, research, financial control
Agricultural	- 0 -	Production, marketing, credit and research
Housing and Insurance	- 0 -	All aspects
Industrial societies	- 0 -	Production, marketing, research

NOTE: In appropriate cases, the above categorization involves categories 1 to 4 immediately preceding.

Question 4

Yes, the group is of the opinion that for the following categories, study tours would be useful and relevant forms of training abroad :

- (a) Officials of both private and government sectors directly involved in cooperation, as well as parliamentarians whose lines of work involve cooperation, and
- (b) Those involved in specialized fields of cooperative activity such as planning and organization for housing and insurance societies.

As to period of training, a minimum of two weeks and maximum of two months.

As to qualifications, the group felt that the following should be minimum requirements :

- (a) He must have had at least three years experience in his own specialized line.
- (b) He must be of such an age so that the society can look forward to more years of service from him upon his return.
- (c) He must be in a position to absorb, academically and language-wise, the knowledge to be obtained from the host country and to implement the same afterwards in his own specialized field.

Along more general lines, the group also felt that the following should be considered: willingness of the person to be sent abroad to bind himself to serve the movement at least for a reasonable period of time upon his return.

Other matters about which the group expressed **its views are as follows:**

- (a) The group is of the view that research, with special relevance to planning for future activities, is a field of training very much needed in this region; and
- (b) Considering the involvement of government in the **movement** in this region, and the declaration of the United Nations that cooperation is the most effective instrument for economic upliftment, relations between the cooperatives and the government sector should be strengthened to achieve maximum results in the economic and social life of the people.

SCC/ICA Follow-up Seminar
4th February, '69

TRAINING OF INDIAN COOPERATIVE PERSONNEL
ABROAD

By
Shri Brahm Perkash, MP, General Secretary,
National Cooperative Union of
India

At the outset, I wish to convey my grateful thanks to the Swedish Cooperative Centre and the I.C.A. Regional Office for affording me this opportunity to meet the participants of this Follow-up Seminar. I have the good fortune of being associated with the I.C.A. Education Centre for South-East Asia since its inception and have been watching its development with interest. I have had close contact with the Swedish Cooperative Centre also for the last few years. I am happy to say that both these Centres ^{have} had been rendering valuable service for proper and healthy development of cooperative movement in this region. Before I talk of problems of training of Indian cooperative personnel abroad, I would like to mention in brief the development of cooperative movement in this country. Shri B. Venkappiah, Chairman of the Regional Advisory Committee has already touched this subject in his inaugural address, but it would be worthwhile to repeat them in brief.

Cooperative Movement in India officially started in 1904 with the passage of Cooperative Societies Act. It began as an agricultural credit movement but after independence it made inroads in various spheres of our economic activities. Today about 90 per cent villages are covered by village societies and are meeting about 30 per cent of the short

and medium credit requirements in agriculture. Long-term credit to farmers is provided by the cooperative land development banks - their annual disbursement of credit during the last year being to the tune of Rs. 78 crores. In the field of agricultural marketing, all the marketing centres are covered by the primary marketing societies and they have established their own federal structure upto the national level. The value of agriculture produce marketed during the last year has touched at about Rs. 360 crores. About 1,600 processing units of various types have been organized in the country. Fifty-five cooperative sugar factories are in production while 21 factories are at various stages of establishment. The sugar production of the cooperative units account for 61 per cent of the total national production. Besides, 63 cooperative spinning mills have been licensed. Cooperatives have also made a beginning in secondary and tertiary processing in oil seeds industry. Four cooperative solvent extraction plants have already gone into production. There are about 48,000 industrial cooperative societies of workers and artisans dealing mainly in weaving, oil crushing, fruit and vegetable preservation, leather, metals and other cottage and village industries. Since after 1962, the consumer cooperatives have spread in almost all the towns having a population of 50,000 or above and have established a federal cooperative structure upto the national level. The value of retail trade through consumer cooperatives was of the tune of Rs. 300 crores during the last year. Good progress has been registered in dairying industry. The number of dairy cooperatives stand at 8,046 and they handle milk of the value of Rs. 8 crores.

The most notable amongst them is Amul Dairy which is perhaps the biggest dairy in Asia and has established a high reputation for its products. The number of fisheries societies is about 3,400. The value of their catch was Rs.2.04 crores while their sales were of the order of Rs.4.01 crores. The number of primary housing societies is about 12,000 which have been federated into 13 State level federations. The national level organization of Housing cooperatives is under organization. The number of tenements constructed by them during 1965-66 was 15,218. There are seven cooperative insurance societies doing general insurance work. The total annual gross premium collections amount to about Rs.2 crores.

With this rapid expansion of the cooperative movement in this country in various spheres, arrangements for training of personnel and education of members have also been made. Training to cooperative personnel is being imparted through a complex of training institutions consisting of the National Institute of Cooperative Management at the top for senior personnel, 13 cooperative training colleges for inter-mediary level staff and 67 junior level training institutes. Apart from conducting basic courses in Cooperation, the training colleges provide specialized training in subjects like cooperative marketing, cooperative banking, industrial cooperatives, consumers cooperatives, long-term credit, dairy cooperatives and so on. Some of the Universities have also introduced Cooperation as a subject at the graduate and post-graduate levels. The Member Education programme is being carried out

through about 700 peripetetic units spread all over the country. The Member Education at present is mainly confined to agricultural credit societies and industrial cooperatives.

The instructors provide member education to the office-bearers, managers, managers and secretaries of the primary societies in short duration courses. For the education of ordinary members, the technique of study circles is being made use of at many places. The educational instructors are trained at the All India Training Institute at New Delhi which imparts training in the teaching techniques. The instructors are fed with visual aids etc. by the National Cooperative Union of India.

New techniques of management are, however, developing round the world. In order to supplement the training that is available in the country itself, there is a great advantage in getting some key personnel trained in the advanced countries of the world. We have been receiving invitations for sending our people abroad for training through the Government of India under various schemes i.e. Colombo Plan, UNESCO, ILO, FAO etc., International Cooperative Alliance and directly from the advanced cooperative movements. So far, we have received offers for various training courses from the movements in countries like Canada, Czechoslovakia, Denmark, German Democratic Republic, Hungary, Israel, Japan, Poland, Rumania, Sweden, U.K., U.S.A., U.S.S.R. and West Germany. The various categories of personnel deputed for training abroad consist of high government officials working in the cooperative departments, leaders in the cooperative movement, and officials working in key positions in

different cooperative organizations. So far 140 persons have been sent abroad for different courses in the last five years.

The selection of candidates for training abroad is done by a specially appointed Selection Committee of the Union comprising the representatives of the Government of India, International Cooperative Alliance and the cooperative movement. As soon as any offer is received by the National Cooperative Union, it is notified to its member-organizations and applications are invited from them. While making the selection, the Committee takes into consideration the qualifications and experience of the candidates, vis-a-vis, the requirements of the course and tries to maintain a regional balance in selection. Similarly, the Government of India in respect of invitations received by them for foreign training, have appointed a Selection Committee headed by the Minister for Community Development & Cooperation, on which there is also a representative from the National Cooperative Union of India. At times, it becomes very difficult to make the selection as the number of applicants is generally very large - most of them possessing the requisite qualifications.

The persons are deputed for training abroad as and when such offers are received by the National Cooperative Union. By and large, the Union does not have the choice of the subject for training at all. There is, therefore, a great scope for adjusting the training programme to the training requirements. The areas of our requirement are

in the fields of agricultural extension, processing and consumer industries, dairying, insurance, fisheries and modern management techniques of business cooperatives. Our problem is the training of trainers, to train the various categories of personnel being employed by the movement in its different sectors. In short, we need training facilities in specific and specialized fields. This necessitates the organization of courses which may be specially tailored to suit our needs. To achieve this objective, mutual consultation by the recipient countries and the sponsoring countries will be essential.

By and large, the countries sponsoring various training programmes invite names of candidates for training on the basis of equitable quota from various developing countries. In doing so, the local situations prevailing in the respective countries are at times not taken into consideration. There are many developing countries whose needs are quite large because of the rapid development and diversification of the cooperative movement in their areas. It will, therefore, perhaps be proper to give weightage to the size of the movement and their requirements while allocating the number of trainees from the various developing countries in a particular region.

At present, there are about half a dozen cooperative training institutes which impart training to various types of personnel working in the cooperative movement in the various developing countries. These centres work quite independently of each other and have not established any relationship within themselves. The training programmes conducted by these centres could be made more effective and useful if they are rationalized

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and co-ordinated under the aegis of the International Cooperative Alliance.

The various developing countries in this region are at different levels of cooperative development and their training requirements differ from each other. At present, the courses conducted by the advanced movements are generally the same to all the countries irrespective of their actual requirements. It will be worthwhile if special courses could be conducted by them taking into consideration the needs of the participating countries. If need be, special courses could be held for a country or a group of countries having similar situations.

It will not be beside the point to mention here that the Indian Cooperative Movement does provide training facilities to developing countries in various fields. About 30 candidates are trained every year at our various training colleges. Apart from receiving candidates in the various courses being conducted by the cooperative training colleges, special training programmes are also prepared to suit the requirements of various candidates. The number of candidates trained under the various training schemes can be further extended on request.

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Regional Office & Education Centre for S.E.Asia
43, Friends Colony, New Delhi-14, INDIA

February 4, 1969

SESSION NO. 8

QUESTIONS FOR GROUP DISCUSSIONS

- Question No.5 : The Group has now prepared a chart locating areas of cooperative training requirements in South-East Asia which preferably could be provided from abroad. The Group has also listed different categories of cooperative workers who should receive the various training facilities. Please discuss and indicate which of these training needs, according to the group, could preferably be met in Sweden (but not necessarily exclusively from Sweden.)
- Question No.6 : Suggest two or three main types of Seminars which, according to the Group, should be arranged by the SCC for its maximum contribution to cooperative education in the Region of South-East Asia.
- Question No.7 : Please discuss in detail and give an outline of a full programme for one of these seminars.
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GROUP DISCUSSION - SESSION 8GROUP - I

Chairman	-	Prof. R.V. Nadkarni
	-	
Member	-	Mr Syed Turabul Hasan
Member	-	Mr B.L. Dhar
Member	-	Mr Bhogendra Chaudhary

Question -5.

Training for co-operative personnel could be provided in Sweden in following areas :-

I. Agricultural Cooperation

(a) Cooperative Marketing	For Executives of State Federations, National and Agri. Supply and Sale Cooperatives.	Study of SLR & SSS SL & RLF	- its supply of inputs, provision of technical guidance, supply of farm equipment & servicing, receipt of agri. produce, grading, storing & sales.
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Duration 3 months

(b) Dairy Coops.	For Executives of Milk Supply Unions having or planning to have processing of milk into milk products and Dairy Development Officers.	Study of SMR & milk recording societies & cattle breeding societies (SHS) SL & RLF	- development of standardisation in products with a common national brand, rationalisation of the market and distribution arrangements throughout the country. Pricing of milk and milk products, improvement of the cattle breed and the importance and use of milk recording system.
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Duration 3 months

(c) Meat & Poultry	- For Executives of meat & poultry Coops and Officers in charge of animal husbandry Dept.	Study of SS & SA, SL & RLF	Study of animal breeding, rearing, collection, slaughter, processing, marketing.
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Duration 3 months

- II. Consumers' Coop.
 - i) for Chief Exec Purchase Office & Sales Manager State Federation
 - ii) for General Manager of Department

Duration 4 months

- III. Housing - for Executives of State Federations and State Departmental Office in charge of Co-operation at HQ

- Note: i. A briefing session on housing arranged at ICA Education session.
- ii. 75% of the total period for work.

Duration 1 month.

Question - 6.

Group has considered Education as di-
purpose following Seminars would be useful :

- Seminars:
 - i. for Instructors in
 - ii. for Education officer Zonal Education Office
- in (a) Study Circle, Group in KF's Afton Skol RLF Quinnoquilles
- (b) Correspondence Course Brev Skol
- (c) Audio-Visual technique member education in

Duration 2 months
(during the study circle)

Question 7.Programme for Seminar
in Study Circles.

- Agencies organising
 - formation of groups
 - selection of leaders
 - selection of subjects
 - supply of study material.
 - duration of study sessions & frequency of meetings.
 - role of the study leader.
 - follow-up of study circle.
 - programming of study circles and administration connected with it.
- i. Introduction
 - Programme of Adult Education in Sweden.
 - ii. Study Circle Theory. 2 weeks.
 - 1 week.

II. Participants should visit and observe functioning of study circles discussing different subjects and visit Folk High School. 1 week.

III. Practical project to work out a programme of study circle on return home and preparation of study material for one study circle. 4 weeks.

Two days of Follow-up at the end.

SCG-ICA FOLLOW-UP SEMINAR (SOUTH-EAST ASIA)

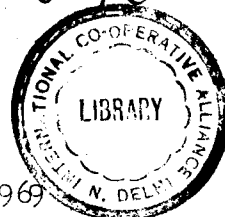
GROUP II

Chairman : Mr. W.B.C. Senerat-Nandedeva
Secretary: Mr. Hamid Ahmad
Member: Mr. Rohita Tillekeratne

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Session No. 8

5th February, 1969

Question No. 5

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5.1 We have listed in our answer to Question 3 the five main categories of cooperative workers through the training of whom abroad, the cooperative movements in the Region would derive the maximum possible benefit. These categories fall into three main groups, viz. :-

- a) Cooperative Leaders (both governmental and non-governmental) being those in a position, and having the power and authority, to determine policy and direct its implementation;
- b) Cooperative teachers (both governmental and non-governmental) being those entrusted the responsibility of transmitting the required knowledge and skills and, in the case of member education, their reorientation to other cooperative workers within the country; and
- c) Cooperative executives (generally employees of cooperatives holding posts of General Managers and perhaps Senior Assistant G.M.M. in charge cooperative enterprises and, in particular cases, governmental officers being specially trained to advise cooperative executives in management), being those directly concerned with the execution of new policies that are to be implemented for the future development of the movement as a whole or particular aspects thereof in each country of the Region.

5.2 We shall now proceed to define, as best we may, and particularise the areas of training in respect of each of the above classes and to indicate which of these training needs would

preferably be met in Sweden.

5.3 Cooperative Leaders

Cooperative Leaders should be trained in the broad overall aspects of the techniques adopted by cooperative organisations in the more developed countries to meet the requirements of economic development in spheres relevant to their respective countries which have been undertaken by the cooperative organisations in the more developed countries. The priorities for these different spheres of cooperative activity are, as already indicated in our answer to Question 2(A) :

- 1) Agricultural Cooperation;
- 2) Consumer Cooperation;
- 3) Industrial Cooperation.

5.4 Our group is of the view that the required training in consumer cooperation can be imparted exclusively in Sweden and this would be true in respect of Agricultural Cooperation too. But in the latter sphere there should be associated training undertaken in other countries as well (e.g. Denmark for dairy cooperatives and perhaps Japan for general agriculture). We also feel that it would be desirable, whenever possible, to include a study tour to well established project or a recently started pilot project in one of the countries of the Region itself, which has been successfully undertaken or meaningfully planned (e.g., alphabetically, a Ceylonese agricultural credit project, an Indian dairy project or a Pakistan sugar mill project). We consider that such a study tour would help to bring the problems connected therewith closer home both physically and psychologically.

5.5 In the field of industrial cooperation, we would observe rve that training could be provided in Sweden only in relation to major industrial cooperatives, generally those undertaken as subsidiaries of KF. But in this connection, we would also suggest that since the financing of such cooperative industrial concerns would pose problems for the movements in our own equities, training in cooperative financing should be a conditional precedent to training in industrial

cooperation itself.

5.6 Cooperative Teachers

Teachers at cooperative colleges which undertake training of both cooperative departmental personnel and cooperative employees as well as teachers given the function of member education could be given training in Sweden, in the latest techniques of both teaching itself and of the evaluation of such training in the light of the objectives outlined therefor.

5.7 In our view a seminar held at Vår Gård with study visits to other Education Centres and meeting with past students working in cooperatives should open out new horizons for our teachers provided, however, that the cooperative world in their own countries are attended to the new objectives for which Vår Gård has been established. Otherwise, such teachers would be misfits in their own countries on their return.

5.8 Cooperative Executives

Cooperative executives could be profitably trained in Sweden itself preferably with the direct assistance and collaboration of KF's Economic Divisions. They should be trained with special reference to the techniques of management (both financial and administrative and technical (e.g. warehousing, transport)).

Question No : 6

1.1. Seminar for Cooperative Leaders (including governmental and non-governmental) in: (i) Cooperative financing, in particular, regarding (a) ways and means for (i) building up own capital; (ii) securing capital from other sources. (b) techniques of budgeting and economic evaluation of project.

(ii) Structural organisation and parliamentary system for cooperatives.

1.2. Seminar for Cooperative Teachers in latest techniques of training and member education and trends in cooperative

development.

- 1.3. Seminar for Cooperative Executives in Management Techniques with special reference to the spheres of activity relevant to the countries concerned (e.g. consumer, agricultural etc.)

Question No : 7

9th International Cooperative Seminar, 1971, on Cooperative Financing and Budgeting.

7.1 Participants to be selected from all ICA member countries in the Region and to be divided into three study groups for the purposes of the seminar.

7.2 Each group will study two subjects encompassing both study of Swedish models and their applicability to the Asian scene.

7.3 The Seminar will be of 8 weeks duration and the programme is given below :

7.4 First Week (Plenary Session)

- General introduction
- Introduction to Swedish Cooperative Movement
- General lectures on aspects of Cooperative Finance related to the first set of topics to be studied by the three groups, e.g. on (i) Need for capital in cooperative sector, (ii) Methods of capital formation adopted in Sweden and (iii) Borrowed capital - elsewhere advantages and disadvantages.

Second Week } Group sessions
Third Week }

These two weeks will be devoted to lectures and, where appropriate, visits to institutions, relating to the subject areas of the first set of topics assigned to the three groups and writing of group reports.

Fourth Week (Plenary Session)

1st two days - free for other study visits. (Secretariat will type reports for cyclostyling).

3-5th day - Presentation of each group report to the Plenary Session and its discussion there at each group will be required to amend its report where necessary in accordance with the wishes of the plenary session (6th day)

Fifth Week

Introduction to second group of topics,

e.g. : (i) Budgeting
(ii) Economic Evaluation
(iii) Long-term planning for development.

Sixth, Seventh and Eighth Weeks

As for 2nd, 3rd and 4th weeks.

7.5 Lectures

Lectures should be given by specialists in the given fields both in the plenary session weeks (1st and 5th) and in the intensive study group sessions (2nd, 3rd, 6th and 7th weeks).

7.6 Venue

		<u>Reason</u>
1st Week §	Stockholm	Recreational facilities available.
5th Week §	(Hotel City Domus)	
2nd/3rd Weeks §	Vår Gärd (except when on tour)	Better suited for concentrated study.
6th/7th Weeks §		
4th Week	Stockholm	Recreational facilities available.
8th Week	(Hotel City Domus)	

N.B. : 1) The Seminar may be from 8-10 weeks' duration depending on both the intensity and the extension nature of the studies.

- 2) The lecture topics given herein are only examples and do not necessarily cover all aspects that should be covered in a Seminar on "Cooperative Financing and Budgeting" designed for cooperative leaders, which examination we have been unable to do for lack of time.
- 3) It is suggested that the Swedish Cooperative Centre obtains background information about the Cooperative Financing prevalent in each of the different countries of the Region before determining the topics that are to be studied by the three groups.

S/February 5, 1969

GROUP III

1. Mr B.P. Faustino, Philippines - Chairman
2. Mr N. Jeganathan, Malaysia - Secretary
3. Mr Kwanthai Thaiyadham, Thailand - Member
4. Mr Tetsuo Toyofuku, Japan - Member
5. Mr Suleman bin Daud, Malaysia - Member

GROUP REPORT ON SESSION NO.8

(A) Subject areas to be studied in Sweden

Question No.5 :

The training needs which could be met in Sweden:

Cooperatives are highly developed in Sweden and therefore there are several areas for Cooperators in developing countries where training and education could be acquired. Some of these are :

1. Consumer Cooperatives :

In so far as the countries represented in this Group are concerned, Consumer Cooperatives have been a weak link in the cooperative set-up. In Sweden the backbone of the Cooperative Movement is the Cooperative Consumer sector, and as such the Cooperators could be sent for training in this particular aspect of the Movement.

Considering the present stage of development in the Consumer Movement in this Region however, the Group feels that more emphasis should be placed in the course of training on the matter of foodstuffs; and then, instead of placing equal emphasis at all levels of training up to the Department Store stage, it is felt that it would be of more immediate benefit to the trainees if concentration were made only up to the Super Market level, and above that just a cursory or passing study to sort of round off the course for the

participants.

Specifically, the areas of studies for Consumer Cooperatives could be divided into Purchasing, Retailing, Display, Sales Promotion, Research, Financial Control, Accounting and Auditing.

The general opinion of the Group was that while the Consumer Movement is very very advanced in Sweden, and therefore it is not expected that the entire experience could be lifted and applied in full to countries of our Region, it is nonetheless felt that very much of the experience could, with proper adaptations to the circumstances obtaining in this Region, be applied with maximum benefit.

2. Insurance and Housing :

Sweden has also made tremendous progress in the field of Insurance and Housing thereby providing excellent opportunities for training of cooperators in these two aspects.

As these two types of societies are relatively new in this area with the possible exception of Malaysia where there are now Housing and Insurance Societies, and also in Japan where there are now Insurance Societies, the Group feels that all aspects of these Movements should be studied by the participants coming from this Region.

Aside from the fact that these two are a very fertile areas of cooperative activity, the need for starting these Movements is made more urgent by the fact that almost **all the** countries represented in this Group are thickly populated, and housing poses quite a serious problem.

Housing could also be studied by prospective trainees in such other countries as Germany and France. As to Cooperative Insurance, this could also be **studied** in other countries such as Switzerland, U.S.A., England and Belgium.

3. Agriculture :

Specific areas such as credit, purchasing, processing and marketing could very well be studied in Sweden. In the same manner organisational patterns and schemes, relationship between the preliminary, secondary and apex societies as well as rationalization of these patterns could be specific areas of studies.

Question No.6 :

- a) Agriculture : (1) Credit; (2) Purchasing; (3) Processing;
(4) Marketing; (5) Patterns of Organisation and relations
between primary, secondary and apex societies.
- b) Consumers : (1) Production specially on foodstuff;
(2) Retailing; (3) Display; (4) Sales Promotion;
(5) Market Research; (6) Financial Control, Accounting and
Auditing systems; (7) Correspondence Courses.
- c) Insurance and Housing :

All aspects for reasons stated earlier.

B. For outline of Seminar Programme, please see Question No.7

Question No. 7 :

The following outline of one Seminar on the specified lines for Agriculture is given below :

1. Duration of the Seminar : 8 Weeks

First Week : Orientation

It is suggested that this orientation could be given as follows :

- a) Pre-training course, preferably to be held at the
ICA Regional Office in New Delhi for 2 or 3 days

both primarily to orient the participants coming from the Region as to the type of training they are going to undergo as well as to give them a general idea of what to expect when they reach their destination. It is felt that this would help the participants to adjust faster to their new environments. The rest of the week could be spent in Sweden. It is for general orientation, background, briefing and such pertinent matters as economic, social and historical background of the Movement in Sweden.

- Second week : Credit
- Third week : Purchasing
- Fourth week : Processing
- Fifth week : Marketing
- Sixth week : On-the-job training in specialized field, the choice being left to the participants.
- Seventh week : Observation and Field Visits and other types of societies to round off the experience of the participants not only in the Agricultural field but also in other fields.
- Last week : Writing of reports, submission of papers and Evaluation.
-

SESSION NO. 11

QUESTIONS FOR GROUP DISCUSSIONS

Question No.8 : The Groups have now discussed the training requirements for various categories of cooperative workers. Some of these training requirements have also been suggested by the Groups to be provided by Sweden. The Groups have also made suggestions with regard to different types of seminars and have suggested outlines for seminars.

Please discuss various educational methods which you would like the SCC to use in Seminar Programmes.

The Groups may start with some assessment regarding what could be a proper balance between theoretical and practical training. Pure practical considerations, for instance, location in Sweden of the Seminars, accommodation etc., may also in this context be of great interest.

Question No.9 : Please discuss in detail the various practical and realistic follow-up activities on various parties in the context of SCC Seminars.

Question No.10 : Please give, according to the Groups' opinion, some indications of one or two major weaknesses in the present programme of SCC seminars in Sweden. Please suggest how they could be overcome.

Question No.11: Any other question to be discussed by the Group.

GROUP SESSION - SESSION 11

GROUP - I

- Chairman - Prof. R.V. Nadkarni
- Member - Mr Syed Turabul Hasan
- " - Mr B.L. Dhar

Question - 8

- Methods:
1. Selection of participants must be made at least 3 months in advance.

2. Pre-seminar preparation : Supply basic information material about the Co-operative development in Sweden in the area to be covered by the Seminar and require the prospective participants to prepare a written statement covering the following aspects :

- a) their own background experience;
- b) problems faced by them in the course of their cooperative work and the way they tackled the problems (this should include both problems which they solved and the problems for which they were not successful in finding appropriate solutions);
- c) Problems on which they require guidance from foreign experience and the areas of development abroad from the study of which they expect to get the necessary guidance.

(This statement should be routed through the National Cooperative Training Institution so that the Institution also could make observations on areas which should be studied by the participants.)

Seminar proper :

- 1) The introductory statements submitted earlier by the participants should be circulated among all the participants as also those who might be involved in the seminars as lecturers, resource persons etc.

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The seminar should start with presentation of these statements by the participants with brief oral introduction.

These introductory statements should be made the basis for working out the detailed programme of study within the broad frame work of the seminar that would have already been formulated, making adjustments in the programme to suit the specific needs of the participants e.g. selection of areas for syndicate groups studies or for individual studies.

These statements also help in mutual introduction of the background, experience and needs of the participants and in building up mutual support among them.

2) Lectures by experts in different fields supplemented by audio-visual aids.

3) Syndicate studies of problems in which more than one participants indicate their interest.

4) Individual assignment for study of a problem in which the participant may have special need and interest.

5) **Observation study visits.**

6) **On the job study.**

N.B. 5 & 6 should be integrated with 3 & 4.

7) Follow up discussions of group and individual assignment reports.

The group has indicated in the earlier report that the allocation of time between theoretical and practical study should be in the proportion of 25 : 75. This is only a broad indication to emphasise importance of practical study but there is need for flexibilities with reference to the needs of the participants and the areas of study.

For the Agricultural Seminars, Sanga Saby and for Consumers' Seminars, Var Gard and for Housing Seminar at HSB School. For practical work in the institutions suitable for the study.

Question 9.

- 1) After conclusion of the study programme in Sweden, a follow-up Seminar should be arranged in I.C.A. Education Centre to which should be invited representatives of sponsoring institutions and also some participants who had participated in similar seminars in Sweden earlier.
- 2) An information Bulletin to be issued annually or half yearly by the SCC containing the following sections :-
 - a) Seminars conducted during the preceding year/half year
 - The participants, the areas of study, the subjects on which group syndicate or individual study reports have been prepared.
 - b) Contributions of participants of past seminars on :
 - i) their experience in implementing the ideas gained during their study in Sweden and problems on which they would want further elucidation from experts;
 - ii) special developments in their areas.
 - iii) latest developments in the cooperatives in Sweden
 - structural changes, new activities etc.
- 3) Refresher seminars of participants in earlier seminars once in three years.

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Question 10.

The group has no detailed idea about changes in the programming of the Seminars by S.C.C. after the members in the group had returned from Sweden. But one point that was seen to be a source of weakness during the 1st & 2nd Seminars was that the Lecturers did not have orientation into the conditions and problems of developing countries. Since then some persons from the Swedish Cooperative Movement had been to the Asian Region as experts and can be expected to appreciate the problems of the area better. More opportunities to those concerned with conduct of Seminars as lecturers, resource persons etc. to visit the Asian region might prove useful.

Visitors from Swedish Cooperatives should during the visits to Asian countries invariably contact the ex-participants of Seminars held in Sweden. This will be useful also as a follow-up.

Question 11.

S.C.C. could help the National Cooperative Training Institutes in the Region by supplying audio-visual aids for teaching Swedish Cooperation, e.g. films, film strips and slides.

SCC/ICA FOLLOW-UP SEMINAR (SOUTH-EAST ASIA)
International Co-operative Alliance
Regional Office & Education Centre for
South-East Asia, 43 Friends' Colony, New Delhi-14

A/6th February, 1969

GROUP DISCUSSION - SESSION 11

<u>GROUP - II</u>	Chairman	-	Mr W.B.C. Senerat-Nandadeva
	Secretary	-	Mr Hamid Ahmad
	Member	-	Mr Rohita Tillekeratne

Question No. 8

8.1 Theoretical and Practical Training

If we were to understand by "theoretical training" instruction in theories and underlying principles as against instruction in the practical application of such theories and/or principles ("practical training"), we feel that at least equal weightage should be given to both, if not a slight bias towards "practical training" (as defined above). This would hold good for all types of seminars whether co-operative leaders, co-operative teachers or co-operative executives.

8.2 If, on the other hand, we were to understand by the distinction between "theoretical", and "practical", training, instruction whether oral or demonstrative ("theoretical") as opposed to instruction "on the job", i.e. by actual working ("practical"), we would assign the same priority as indication in previous paragraph as indicated in previous paragraph but we are of the view that "practical training" (in this more specialised sense) cannot be imparted except in a very limited way and that only perhaps for co-operative teachers and to even much lesser extent for Co-operative Executives, especially considering the fact that we have recommended that these seminars should be of eight to ten week's duration. We do not think that

cooperative leaders can be given "on the job training:" during their seminars say in executive positions in KF or SL.

8.3 Location (for 8/10 week seminars)

We have already recommended in our answers to questions 7 and 5 (vide paragraphs 7.6 and 5.4) that

- a) Study sessions in groups should be held at residential cooperative colleges (e.g. Var Gard and Sanga Saby) to facilitate concentration);
- b) plenary sessions both for introduction to topics and discussions of reports should be held in big towns so that the trainees can find some relaxation outside session hours:, (vide para 7.6) ; and
- c) that the concluding part of the seminar after presentation of reports should be held in a country of the region with cooperative experiences in the field of study (vide paragraph 5.4)

8.4 Period of Year

Summer

8.5 Educational methods

i) Seminar Proper

- lectures by specialists,
- demonstrations of methods, e.g. stock control equipment (e.g. cash registers, calculating machines, ware house equipment, etc.) and management aids.

- plenary session preliminary discussions,
- group discussions,
- group reporting,
- plenary session discussions of group reports,
- individual presentation of reports by participants themselves after separate study visits or case studies (in selected cases),
- ii) Study visits to Co-operative institutions,
- iii) Panel discussions on related topics,
- iv) Debates (**three** speakers, each to present conflicting points of view on controversial co-operative subjects),
- v) Provision of library facilities and reading time for participants.

Question No.9

9.1 "Follow-up" would be more effective if it is part of a programme of training planned by the awarding agency and the deputing organisations in consultation with each other. Such an understanding would help the awarding agency to have follow-up activities adequately to evaluate the results of such training.

9.2 With these preliminary observations we would suggest the following methods of "follow-up":-

- a) reporting by the participants and/or the deputing organisations to the awarding agency (We have our reservations as to whether deputing organisations and, in particular, governments would agree to this procedure);
- b) reporting by the participants themselves at a follow-up seminar of a short duration to be held at least an year preferably two years, after the original seminar;

c) submission of reports by participants to their organisations and, wherever possible, publications of articles by them in journals and newspapers on the topics of study;

d) Short-term (4-6 weeks) study programmes for selected participants in their respective fields; when they would avail themselves of library facilities and guidance of cooperative advisers at the venue of such study. (e.g. SCC/ICA (R.O. & E.C.)/ and other training countries).

e) making available to participants subsequent publications of the awarding agency and I.C.A. (e.g. books and periodicals).

f) keeping track of the development of the Co-operative Movement in the respective countries with special reference to those spheres in which participants have been specially trained; and

g) keeping track of the careers of the individual participants and, wherever possible, arranging for their posting on a temporary footing for a few years on a cooperative assignments in other countries which require the skills and training acquired by the participants so that on the one hand other co-operative organisations would benefit thereby and on the other, the participants themselves would acquire knowledge at first hand of the workings of cooperative undertakings outside their own country and get better acquainted with cooperators abroad resulting in greater understanding between, and better appreciation of conditions in, the respective countries.

Question No.10

10.1 Selection of participants

Participants should be by and large of the same level both in educational background, and position in the co-operative movement (whether on the government side or the non-official side) and they should

be either directly engaged in, or likely to be assigned to, the field of at least one of the topics of study. We have suggested in our answer to question No. 2 (c) that special training should not be given below the level of senior executive officers (Heads/Deputies/Senior Assistants/Specialist Assistants of Cooperative Departments) and cooperative leaders (non-official).

10.2 We have now after further consideration arrived at the conclusion in respect of the two countries (Ceylon and Pakistan) that the seminars proper for Cooperative Leaders (policy makers) should be confined to governmental officers at this juncture in the development of the cooperative movement in our countries. at the

We would here recommend that non-official cooperative leaders should be given an opportunity of making study tours of about two weeks to one month in the same fields in which the governmental leaders are being trained at the seminars. eks

The reasons for this recommendation are: that at present

- a) the highest ranking cooperative leaders (some M.P.P. and others with extensive professional or business interests) have neither the time nor the inclination to participate in 8 - 10 week's intensive seminars; and
- b) governments have perforce to decide the policy of future development of the movement in our countries.

10.3 Nature of the Seminars

Some of the seminars held witherto have been of too general a nature.

We recommend that future seminars should be of a specialised nature and of an intensive character, as already outlined in our Answers to Questions 6 and 7.

Question No.11

Apart from the 8-10 week seminars, and the study tours recommended by us we suggest that opportunities should be afforded to Cooperative Executives of the highest level and staff grade (Gazetted) governmental officers (i.e. those entrusted the responsibility of implementing policy) to be given an intensive training in their own fields for considerably longer period as (six months/an year or more). Such trainees should be given as much "on the job" training as possible, although there may be certain difficulties of communication (language).

SCC-ICA FOLLOW-UP SEMINAR (SOUTH-EAST ASIA)
 International Cooperative Alliance
 Regional Office & Education Centre for S.E. Asia
 43, Friends Colony, New Delhi-14 INDIA

S/February 6, 1969

GROUP III

- | | | |
|-------------------------------------|---|-----------|
| 1. Mr B.P. Faustino, Philippines | - | Chairman |
| 2. Mr N. Joganathan, Malaysia | - | Secretary |
| 3. Mr Kwanthai Thaiyadham, Thailand | | |
| 4. Mr Tetsuo Toyofuku, Japan | | |
| 5. Mr Suleman bin Daud, Malaysia | | |

GROUP REPORT ON SESSION NO 11

Question No. ° : VARIOUS EDUCATION METHODS FOR THE USE IN SCC SEMINAR PROGRAMMES!

1. Lecture : Discussion Method :

In this respect the Group feels that there should be just a minimum of statistical data and information which can be gathered in a way from existing pamphlets and brochures and that more of lectures should be devoted to thought-provoking methods which will urge the participants to take part and more interest in the succeeding discussions which will follow lectures. Within the previously set time limitations, it may also be very fruitful to suggest some forms of debates with the seminar sponsorers framing questions of substance which can be debated upon by the entire Group. This is of course just an extension of the discussion which normally follows every lecture.

2. Audio-visual Aids :

This can either be part of a lecture or a separate device to amplify or better illustrate the points taken up during the earlier lecture. From the Group's experience, slides, illustrating charts, graphs are very very useful. Documentary films wherever available are very helpful devices to drive home faster and will have longer lasting impressions. Facts, events and circumstances surrounding the development and growth of the Movement

being studied. In instances where extra copies of these documentaries are available, it may also be a good idea for the Swedish Centre to give away copies of such documentaries to the participants in order that when they return to their respective countries, the other members of their societies, their officials can view first-hand through these documentaries. the phases of study undertaken by the participants.

3. Group discussions :

The first point which the Group would like to make here is that the groupings should, as much as possible, take into consideration the individual choices of the participants. It has happened before that the participants with neither any background, knowledge or interest in a particular phase of the movement are assigned to that phase resulting in the participants not benefitting at all from the results of the Group discussions.

4. Case Studies :

Case studies must be numerous enough within the time limitations and fairly representative of the aspect of the study being undertaken to maximise results.

5. On-the-Job Training :

The Group suggests this method with reservations, inasmuch as it is aware that in many instances, it may not be practical to really assign a participant for on-the-job training because of language bias. Where possible however, this can be a very effective method of driving home vital points of interest.

6. Study Visits and Field Trips :

These are useful methods although they should not follow one another so closely that it causes inconvenience to the participants who have to pack

and unpack their belongings day after day while they are on these field trips.

7. Report Writing and Evaluation :

In addition to the summerization of what has taken place during the duration of a Course, the participants are required to state in such reports their own ideas as to how they intend to make use of or implement the ideas they have obtained upon their return to their respective countries.

As to the proper balance between the theoretical and practical training, the Group feels that that there should be more of practical aspects of training than the theoretical aspect for the reason that the learning process goes on faster on the practical side.

As to locations of Seminars in Sweden, the Group can at best suggest places in Sweden within their own experience. For example, for Consumers Courses, Var Gard, Stockholm, Uppsala or Orebro and Borlange, Norkoping and Kristianstad would be good places. For Agricultural Courses, Sanga Saby, SL, Malmo, for Shipping Falkoping, Visby, Halmstad would likewise be ideal places. For Insurance and Housing Courses, Stockholm would be the best. As stated above, these are merely random choices of places and the Group would certainly not like to super-impose its own choices over those places which the SCC may feel better situated to suit their own purposes.

As to accommodation, the Group feels where possible, and at the same time without intending to impose too much on its Swedish hosts, the participants should be housed in single rooms and preferably in hotels. The Group also feels that the practice of the SCC in asking the participants to stay with Swedish families for sometime is a very desirable arrangement and is very useful in giving the participants an opportunity of knowing more of the domestic and social life of the Swedes which is really essential part of the

training and education in Sweden.

There are some other practical aspects of these Seminars which the Group would like to call attention of the SCC, ~~see~~. They are :

(i) In connection with grouping, about which the Group has mentioned earlier that the participants should have the choice as to which Group they should be assigned to, the matter of the choice of the Group leader also plays a vital role. Definitely, the Group with a Group Leader who is familiar with Asian conditions gets faster adjusted and would be in a better position to learn more than the group led by one who is not at all familiar with Asian conditions..

(ii) In plenary sessions as well as in more important discussions on subjects which are of interest to Asians, it may be a good idea for SCC to invite Asian graduate students in Sweden and/or guest-experts who may be available nearby, say from UN offices or Agencies, as these people may be able to contribute very much in the discussions, during these sessions especially as they relate to the applicability of Swedish practices to Asian conditions.

(iii) Also, with regard to lecturers, where possible, ^{results} ~~research~~ may be much better and faster if the foreign lecturers are those who have had experience in the Asian Region. This experience would immediately enable the lecturer to relate to Asian conditions the subject-matter of his lecture. This is of course only where such lecturers are available.

(iv) In reporting session, it has been the experience of some participants that their Group reports are subjected to analysis and criticism by other groups within the Seminar body who have not really made any study on the subject. This practice, it is felt, is not good and it is suggested that if there should be any criticism or analysis of the contents of this report, it should be made by the sponsors of the seminar or the lecturers involved in

the subject-matter under discussion.

Question No.9 : FOLLOW-UP ACTIVITIES

(1) Appreciation Courses :

The Group refers in this heading to a practice which was done during one of the SCC Seminars where directly coming from Sweden, the Group was required to pass by New Delhi. Views of the Group are divided with respect to this. Some of the Group feel that this may be rather too soon for the purpose of follow-up. Nonetheless, as the Group has earlier suggested that in the reports of the participants they should include their own ideas on how to implement what they have learnt when they return to their countries. This appreciation of course may have some value since the ICA staff would be able to take a look at their own ideas on how to implement their learning and comment on this. The Group therefore feels that this is of limited value.

(2) Follow-up Seminars as the one which is now going on :

A period of one or two years after the Swedish Seminar may be a good period during which to conduct such follow-ups as within that period it can reasonably be expected to find out if the participant is at all in a position to apply some of these ideas he has learnt to conditions in his own country, then by that time a start must at least have been made already along these lines.

(3) The SCC could furnish copies of the minutes of the proceedings both to the sponsoring organisations and/or countries. This would acquaint the sending organisation or country with the details of what their trainee has just undergone.

(4) The participants on the other hand who is normally required to

submit his report to his organisation or government should also furnish a copy of such report to SCC.

(5) Some arrangements should be made whereby guarantees are provided for the participants to continue in the Cooperative line for which he underwent training for a reasonable time upon his return to his own country. The Group at best be vague with regard to the possible arrangements in this respect since conditions may vary from country to country. Perhaps in the nominee's forms which the SCC sends out to prospective candidates it could include their statement that in the choice of the nominee this should be one of the controlling considerations.

Question No.10 : WEAKNESSES

The few brief points raised under this question are not very really major weaknesses. However, in point of grouping, for example, the Group has already expressed its feeling that the participants should have the choice as to which Group they should belong to as well as their feeling that a Group leader should preferably be one who has had experience in Asian conditions. The Group also feels that a more systematised organisation of subjects to be taken up could be made in order to prevent overlapping. With respect to allowances (financial) especially with reference to the last Group which was trained in Sweden, it would help very much if this allowance could be increased considering the cost of living in Sweden.

COOPERATIVE DEVELOPMENT AND ITS PROBLEMS IN INDIA

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SCC-ICA FOLLOW-UP SEMINAR (SOUTH-EAST ASIA)
NEW DELHI (INDIA) - FEBRUARY 2-12, 1969

Jointly organised by

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International Cooperative Alliance
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for South-East Asia
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CO-OPERATIVE DEVELOPMENT AND ITS PROBLEMS IN INDIA

by

B. K. Sinha

Introductory

Co-operation, in India, is viewed as a method of organising the people for tiding over their common difficulties, for improving their economic and social conditions leading to a raised standard of living, for enabling them to work in an organisation called the school of democracy and for instilling in them a sense of collective discipline, human values and qualities of a responsible citizen. Voluntary character of co-operatives coupled with persuasion and initiation by the State to accelerate the pace of progress of economic development is a special feature of the movement in this country. The rapid expansion of the movement is also the result of the popular demand for cooperatives and the partnership of the government in them. India is conscious of the consequences of State interference in the movement and hence differentiates between State interference and State assistance in its policies of co-operative development. With emphasis on the observance of democratic procedures in day-to-day working of co-operatives, on the moral values of Co-operation, on the autonomous character of the movement, and on education and training as a deliberate attempt to make the membership and leadership more enlightened, the Indian Co-operative Movement can reasonably claim to be a people's democratic movement and not merely an instrument of state policy.

2. The experience of the co-operative movement in India is a study of the introduction and growth of co-operation in a colony, endeavours of the co-operators to lead co-operatives as an agency of socio-economic development under a foreign rule inspite of their being called pro-rulers when the nationalists were fighting for freedom, and planned efforts of a Republic towards making Co-operative Commonwealth a living reality. It is also an interesting example of the achievements of co-operation in a developing country with 500 million of people and rich in natural resources, yet to be fully exploited.

3. Co-operation, not in its conventional form but, as a form of business organisation with social content made its contribution in the field of agriculture during the pre-independence days and has been playing its role since independence in the national reconstruction programmes. Sixty five years of its working has shown that Co-operation, as a philosophy and way of life can be a gainfully applied in divergent political and administrative set ups. Although an evolutionary concept, Co-operation can revolutionise the economic life of a nation ensuring justice and equality to overwhelming section of its population.

4. Its achievements have enthused the movement to face the problems of promotion and growth in competition with other forms of economic organisations with determination and success. At the same time, expansion of the movement in manifold directions and the desire to convulse the country with co-operation, have presented enormous problems. These include the legacy of the past, regional and sectoral imbalances within the Movement, finding resources in terms of men and material to meet the demands, inadequacy of management skill and leadership and above all, the size of the country and growing co-operative development as a nationwide movement.

Quantitative Expansion

5. As in 1965-66, the total number of all types of co-operative societies in India was 346,000. They included 214,000 primary agricultural credit societies and banks and 132,000 other co-operative namely, industrial societies (48,000), consumers societies (13,300), housing societies (11,700), milk supply societies (8,000), sugarcane supply societies (8,000), farming societies (7,300), marketing societies (3,300), and co-operative fisheries (3,300). The membership of primary agricultural and non-agricultural credit societies stood at 35.6 million and that of other societies at 16.3 million bringing the total to 51.9 million. The owned funds and working capital of all primary credit societies were Rs. 8455 million and Rs.9650 millions respectively. The working capital of all other co-operatives stood at Rs.6480 million raising the total of all co-operative societies to Rs.16,130 millions.

6. Agricultural Credit Societies or service co-operatives account for nearly 62 per cent of the total societies in the country. These societies covered 89% of the 5,50,000 villages. The coverage of the villages in the states like Assam (55%), Orissa (78%) and West Bengal (80%) was, however, rather low. With 26.1 million membership the service societies covered 42 per cent of agricultural population. The percentage is expected to go upto 60 by the end of 1973-74 raising the membership to 40 millions. Nearly 40 per cent of the agricultural families even then would be left out of the co-operative fold.

Agricultural Credit

7. The short and medium term loans expected to be disbursed by co-operatives is likely to be of the order of Rs. 4,500 millions by 1968-69 as against the requirements of Rs.13,000 millions or so.

The co-operative structure would thus be able to provide only 35% of the requirements. The long term loans advanced during 1967-68 were Rs.780 millions and the loans outstanding at the end of the year stood at Rs. 2,578 millions.

8. The slow rate of growth could be attributed mainly to the structural, financial and organisational inadequacies at the primary, central and apex levels of credit co-operatives. For instance, the average membership per society in 1965-66 was 137, share capital Rs. 5,996, deposits Rs.1,822, working capital Rs.28,393 and loans advanced Rs. 17,770. The position at the top and middle tiers was equally unsatisfactory in many states. The average working capital for Central Cooperative Bank was less than Rs.10 millions in the Eastern States, Rajasthan and Jammu and Kashmir. The average deposit per bank was less than Rs.1.2 millions in Assam and Jammu & Kashmir and less than Rs.2 millions in Rajasthan and Bihar. Even the average share capital per bank was less than Rs.1 million in Assam, Bihar, Jammu and Kashmir and West Bengal. In many cases, the resources were inadequate to cover the estimated bad debts.

9. The operational efficiency of the primary societies left much to be desired. While the proportion of societies advancing loans during 1965-66, for the whole country was 78%, it was only 22% in Assam, 43% in Rajasthan and 48% in West Bengal. The quantum of lending was also very low, the loan advanced per borrowing member being only Rs. 109 in Assam, Rs.228 in Bihar and Rs. 234 in West Bengal and Rs.208 in Rajasthan, as against the all-India average of Rs.311. Of the members, those who borrowed formed only a small proportion i.e. 11% in Assam, 28% in Bihar, 38% in Orissa, and 37% in Rajasthan in comparison with 42% for the country as a whole. The problem is further aggravated by the small margin of 2% or even less retained by the primaries.

10. The overdues position both at the central bank level and the primary society level is a matter of concern. As against the all India average of 24% of outstanding loans at the level of Central Co-operative Banks, the overdues percentage was as high as 50 in Assam, above 30 in case of five states and above the all-India average in ten states. Even in the relatively developed states of Andhra Pradesh, Madras, Maharashtra and Mysore, the percentage was 33, 24, 27 and 26 respectively. It was the lowest in Punjab (12%) - At the primary level, the position was more distressing. In as many as ten states, the percentage was higher than the all-India average of 33% and only in Punjab it was below 20. The problem of overdues is thus really serious calling for strict enforcement of repayment discipline.

11. The loaning procedures followed at the credit co-operatives are often cumbersome and result in irritating delays. Loans advanced are sometimes too late and too little. The loaning policies and procedures require to be liberalised and streamlined to facilitate smooth and timely flow of adequate credit specially to small farmers. The flow of medium term loans continues to be restricted and the limits allotted by the Reserve Bank are not fully utilised. Lack of advance planning, delay in submission of loan applications, absence of timely action to provide necessary government guarantees are some of the inhibiting factors. Although it has been accepted in principle that all short term loans without any limit and medium term loans upto Rs.1000 should be given on personal surety, this is not being followed in practice except in a few States. The operation of the crop loan system has revealed that there are variations in cash and kind components fixed for different crops in different States

and such variations are sometimes found even within different districts in the same State. Kind is not always ensured. There is also the discrimination between owners of land and cultivating tenants in disbursement of credit even though in principle the system is meant to shift the emphasis of the loaning programme from the asset-nexus to production potential.

12. In the long term loaning programme, there is lack of effective co-ordination with taccavi loan programme and technical departments of the government and want of proper planning and technical guidance in the adoption of projects and preparation of project reports, their phasing and follow up of their execution.

13. Lack of qualified and trained staff was another common handicap. Even though supervision has been accepted as the responsibility of the banks in most states, the staff for supervision is inadequate and the efficiency of supervision left much to be desired. Instances have come to notice that defaulting societies deliberately avoid taking action against members having overdue. The village societies are yet to be developed from more loan disbursing centres to banking institutions and from more credit societies to service and extension agencies.

14. Reference may also be made to some of the other major developments in the field of agricultural credit. The Agricultural Refinance Corporation set up in 1963 for financing agricultural extension scheme drawn up for compact areas has in the recent past afforded increasing facilities to the Co-operatives. Significantly, the commercial banks have also agreed to provide substantial support to the debenture programme of co-operative land development banks. They provided Rs. 180 millions for the purpose in 1967-68. They have recently set up the

Agricultural Finance Corporation to finance agricultural development programmes. With the introduction of social control on commercial banks, the co-operative leaders are also associated with their working and it is expected that in course of time, some effective working relationship between the commercial banks and the co-operatives would develop. It may, however, be added that the policy of the Government of India continues to help the co-operatives to develop as the principal institutional agency for provision of agricultural credit to farmers. The Agricultural Credit Corporations proposed to be set up in areas, where the co-operative structure is very weak, are to act as a supplementary agency for provision of agricultural credit.

Marketing of Agricultural Produce

15. Unlike some other developing countries, the development of co-operative marketing has followed co-operative credit in India. It is also of recent origin. Over the last 12 years, since the commencement of the second plan (1956-61), considerable stress has been placed on building up co-operative marketing as an essential adjunct to co-operative credit in order to achieve an integrated development in the agricultural sector. There are nearly 3,200 primary marketing societies, of which 500 are special commodity marketing societies. The higher level of co-operative marketing structure consists of 20 apex marketing societies and 3 commodity marketing federations at the state level and one national Agricultural Marketing federation at the all-India level. There are also about 173 central marketing societies including 15 special commodity societies at the district level in some of the States.

16. The marketing co-operatives are expected to market the produce, supply production inputs, e.g. seeds, fertilizers, pesticides and consumer goods, recover the amounts advanced by credit societies and set up processing industry. The total value of agricultural produce handled by co-operatives rose to Rs.3600 millions in 1965-66. They handled inter-State trade of the value of Rs.109 millions and exported agricultural commodities worth Rs.19.4 millions during 1966-67. Significantly, the value of foodgrains marketed by them increased from Rs.410 millions in 1963-64 to Rs.1,480 millions in 1966-67. The above performance underlines the vast scope for development of co-operative marketing.

17. A large number of marketing co-operatives are not located at the market centres. Average individual farmer members of primary society in 1965-66 stood at 667 only. The affiliation of primary credit societies is not yet complete and business relationship between them is far from effective. In this background, the management of the primary marketing societies is not always the representative of the interests of the producer members and infiltration of traders in their management is a common feature.

18. The share capital of primary marketing societies stood at Rs.187 million in 1965-66, per cent of this amount being contributed by the Government. In the absence of increased contribution by the members other than the Government, the urge and initiative to take vigorous efforts to develop these societies is wanting on the part of the members. The average share capital per society works out to Rs.58,656 and working capital to Rs.1,96,000 which are inadequate to run the society effectively. The problem of augmenting resources is aggravated by the rules regarding retirement of government share capital.

The retirement schedule commences even before the society gets over the teething trouble.

19. The operation of marketing societies is handicapped by their insistence on handling of produce on commission basis and dealings in controlled commodities. Many of these have not yet undertaken distribution of agricultural requisites and consumer articles. Very little work is being done to encourage the small producer to sell his produce through the co-operative marketing structure. Even the regional and apex societies are not adequately equipped to support the primaries in providing working capital and technical guidance for diversifying the marketing techniques. The decision making process is handicapped and risk bearing capacity reduced in a marketing society in the absence of technically qualified and experienced managerial staff. A cadre of such workers is almost non-existent except in a few States.

Agricultural Processing Co-operatives

20. Starting with cotton ginning and pressing in the 20s and 30s, co-operative agricultural processing have developed in many directions. From the primary processing, the co-operatives have recently entered the field of secondary/tertiary stages of processing. The units have been organised either as adjuncts of marketing societies or established independently by the co-operatives.

21. In the field of co-operative agricultural processing, there were 1,607 processing units of various types. These included 77 co-operative sugar factories, 28 open pan crystal sugar units, 807 rice mills, 4 rice bran oil units, 33 Dal Mills, 237 ginneries, 26 cotton growers' spinning mills, 54 groundnut decorticator units, 187 oil mills, 5 solvent extraction plants, 1 vanaspati factory,

37 fruit and vegetable processing units, 49 jute baling plants, 1 jute mill and 58 units for processing plantation crops. Rapid development has taken place in the field of processing of sugar cane and cotton in particular.

22. As in 1968, there were 76 co-operative sugar factories licensed/registered accounting for 1.14 million metric tonnes of annual sugar production capacity. 3,20,000 grower members of these factories constituted 91% of the total. During 1967-68, 57 Co-operative Sugar Mills were in operation. They produced 6.83 metric tonnes of sugar, bringing their contribution in national sugar production to 31 per cent. Highest sugar recovery continued to be recorded in the co-operative sector, the percentage being 12.93 in 1967-68. The progress in this field could have been faster but for the slowing down the process of granting further licences in the sugar industry, non-availability of block capital loan from Industrial Finance Corporation to the desired extent, effectively dealing and serving thousands of grower members by the factories for improving the yield and quality of sugar cane, non-profitable outlets of by-products and slow growth of industry. Plant maintenance facilities and incentives to workers also need to be provided in increasing manner. A few sugar factories in the co-operative sector have come to a grief due to their improper locations. The Co-operative Sugar Factories are federated into State and national Federations.

23. Significantly, 12.6% cotton baled, 16% of cotton pressed and 3% of fruits and vegetables processed in the country during 1966-67 were accounted for by co-operatives. Apart from the problem of

price fluctuation, the ginning and pressing co-operatives were not able to raise adequate working capital. Some of these units are still operating uneconomically in areas where cotton has ceased to be a major crop owing to changes in the cropping pattern. A number of them are working in un-healthy competition with each other and have not been able to develop close contacts with other co-operatives in the neighbourhood. They also face stiff opposition from the allied industry in the private sector.

Supplied and Storage

24. The co-operative societies have recorded considerable progress in the recent years in the field of supplies of agricultural inputs, distribution of consumer articles and storage. The value of inputs distributed increased to Rs.1,592 millions in 1966-67. Of the total intake of fertilizers in the year, Co-operatives were estimated to have accounted for about 55%. The value of seeds distributed by them increased to Rs.230 millions. Co-operatives have also made a beginning in the production of agricultural inputs. A fertilizer factory is being established with a capital cost of over Rs.990 millions. The co-operatives have also shown interest in organising granular fertilizer mixing units, production and processing of improved seeds, formulation of pesticides and manufacture of small agricultural implements. The Co-operatives being new to this field of activity, do not have the requisite experience and expertise at their command. Lack of sufficient financial accommodation for organising and working the units and organised support for popularising their product in competition with private industry are another set of problems.

24. A net work of godowns to facilitate marketing, processing and distribution activities of co-operatives have also been set up. Their total capacity is estimated at nearly 2.6 million tonnes with about 15,000 rural godowns and 4,000 market level/rail head godowns. Besides, 93 cold storage units have been organised in the co-operative sector. Their proper and full utilisation is, however, a common problem.

Consumer Co-operatives

25. The programme of consumer co-operation received added impetus in 1962 in the wake of the national emergency and the consequent trends in the retail trade. Consumer articles tended to disappear from the market and the prices soared high unreasonably causing numerous hardships to the people at large. There was a feeling that the established trade was holding the community to ransom and that remedy could be provided by organising stores to be managed by the people themselves for arranging equitable distribution of consumer articles at fair prices. A centrally sponsored scheme for consumer co-operatives was, therefore, launched with the objective of building up a net work of consumer co-operatives in towns and cities. The scheme completed over five years of working by the end of 1967-68.

26. During the year, the stores achieved some qualified progress in some aspects while in some other aspects they underwent slight recessing. The total number of wholesale stores organised was 351. Only in seven states, all the district were having at least one store. Out of these stores, 341 were in operation. Their total

individual membership increased to 316,000 showing a substantial progress in enlisting fresh individual membership. The number of primary stores affiliated to the wholesale stores increased to 8,014. The wholesale stores had 2,603 branches. Thus the total number of retail units was 10,617.

27. The share capital of all the wholesale stores was Rs. 91 millions, Out of which the Government contribution was of the order of Rs. 57 millions. The proportion of members contribution to share capital was 38 per cent only. In some states, it was even less than 25 per cent. The average share capital per store was Rs.268,000. The share capital exceeded Rs.2,00,000 in 117 stores only. Although the share capital position of the stores improved during the year, yet the overall position remained much to be desired.

28. The working capital of these stores amounted to Rs.272 millions 41 per cent of which was accounted for by own funds. Their total sales were Rs.1710 millions during 1967-68 which showed a declining trend. The overall decline in the sales was, however, not uniformly reflected in all the Stores. 66 per cent of the total sales were accounted for by controlled commodities as against 73 per cent during the previous year. This is a healthy trend.

29. 78 stores had incurred losses in 1966-67. Out of them, 31 stores effected increased sales during 1967-68 and the remaining 47 stores had declined sales which might further lead to larger losses.

30. It is, however, recognised that consumer co-opertives have contributed significantly to supplying essential consumer goods at reasonable prices. Their problems relate to the vast expansion of the programme without ensuring adequate preparatory measures,

lack of suitable staff to manage and run these stores efficiently, unhelpful attitude of the manufacturers and suppliers towards co-operatives, disproportionate over-head costs and weakness of the organisation arising out of the absence of strong base and sponsored leadership.

The lessons

31. A critical study of Co-operation in India at the policy making and the grass root levels evokes a mixed feeling of hopes and fears on the future of the movement in this country. Co-operation is no longer recognised as merely an organisation of the poor and an agency to help the people in distress e.g. females. Its success in prosperous areas of Punjab, Maharashtra, and Madras has demonstrated that both the rich and the poor can jointly work through co-operation to bring about common prosperity. At the same time, built-in safeguards and regulations are necessary to curb excessive influences of the pressure group or vested interests in a co-operative society.
32. Co-operation, as an ideology alone, no longer appeal the masses. Its economic superiority is to be established and demonstrated in practice before others take to co-operation. Improving the technical competency of the societies has become extremely important. Schemes of re-organisation and revitalisation of co-operative institutions at various levels is a step in that direction. To facilitate planned growth of each and every co-operative institution, term of office of office-bearers may have to be extended to more than one year and greater initiative and responsibility in planning and managing

the affairs of the co-operatives taken by their employees and leaders at all level.

33. Co-operatives do not enjoy monopoly in any sector of their activity. It has to work in competition with private sector, public sector and corporate sector undertakings. Being new to many an economic activity, it lacks, sufficient competitive ability and suitable personnel. At the same time, the management of co-operatives as other business houses, is becoming increasingly complicated.

There is greater awareness of the importance of training programme for various categories of personnel and making it not only job - oriented but also management oriented. In this context, creation of cadres of co-operative employees and sharing of powers between them and the elected office -bearers have acquired special importance.

34. Co-operative opinion is in favour of self-regulation of the movement and elimination of government control. Simultaneously, it is claimed that a welfare state wedded to socialism and democracy, is a partner in co-operative development. The State has a definite role in its promotion and an obligation to guide and assist the movement to its logical conclusion. "De-politicalisation" instead of de-officialisation of the movement is, therefore, the need of the hour.

35. Voluntary character of the movement continued to be emphasised. At the same time, sporadic growth of co-operatives, indiscriminate application of co-operation in various walks of life, spread of anarchy in a society and co-operative society becoming a State within a state, is considered contrary to the healthy

development of a co-operative order of society. Co-operative cannot abdicate its responsibility in strengthening the roots of democracy.

36. Membership and leadership of the movement is fast gaining maturity. A new approach to their education and orientation seems overdue. Any delay in devising right type of education for them would be at the peril of the movement. In principle, essentiality of education is realised. Education cess for the purpose is provided under the cooperative societies Acts. The movement is gradually taking over the responsibility of planning and implementing the programmes of co-operative education and training. The image of the leadership is, however, not uniformly inspiring at all levels. There is a tendency to avoid devoted and continued service to the institution and to win cheap popularity for immediate personal gains. Power politics is pushing aside co-operative leadership making the concept of decentralised economic democracy in co-operation, a myth. Crisis of confidence is the greatest danger to the movement. Even without giving a fair trial and providing the required financial and technical support, programmes like co-operative farming, have been declared disreputed by the co-operators as well.

37. Structure of the movement and demarcation of functions between the various types of co-operative societies need to be re-aligned. For instance, doubts are raised about the efficiency of the three or four tier structure in credit and marketing sectors. Similarly, in agriculturally and co-operatively developed areas, it is suggested that marketing and processing societies should take over the functions of providing credit and supplies from the primary agricultural credit societies. Relationship between the State and national federations and

their areas of activities in the changing Centre- State relationship within the federal constitution need to be studied.

38. The success of co-operative dairy in Gujarat and co-operative sugar industry in Maharashtra have led to the adoption of a deliberate policy of preferential treatment and positive state assistance for the development of these industries in the co-operative sector. They have also created a class of rural entrepreneurs in the country-side and acted as "mother institutions" for the growth of allied activities. Side by side the weakness of the co-operative credit structure in the Eastern States and Rajasthan has shaken in the confidence of administration in the ability of co-operatives to meet with challenges of the new agricultural development programmes. Alternative agencies like the agricultural credit corporations are proposed to be set up in these areas also as a measure to rehabilitate the co-operative movement there. Even otherwise, establishment of the corporation for promotion of co-operation is not an unfamiliar approach in India. The fear that if the trend continues, corporation as a dearer child of statism and bureaucracy, might easily replace Co-operation in course of time, may not be altogether unfounded.

1969- A Reminder

39. From April 1969, India's Fourth Five Year Plan is proposed to be introduced. The plan would provide foundations and guidelines for development in the years ahead. Growth with stability is the main aim of the Fourth Plan. Schemes of co-operative development are, therefore, being directed towards strengthening the existing co-operatives and allowing them to do the maximum possible in the field of production and distribution activities for the rural economy.

It is laid down that if the co-operative institutions find themselves unequal to the task or show no promise of being adequate, it will be necessary to utilise other institutions like the commercial banks or set up new institutions to fill up the gap. In other words, promotion of co-operation in competition with other agencies is the central aim of the fourth plan. It will necessitate maximum initiative, intensive planning and sophisticated management skill at the co-operative society level. The year 1969 is, therefore, a reminder to the gigantic task ahead.

40. 1969 is being celebrated as the Gandhi Centenary Year throughout the World. Hence, it is a year of great significance also to co-operators everywhere. Mahatma Gandhi, father of the Indian Nation, told his countrymen, "if need be the whole country may die, so that the human race may live". Gandhi ji would have been of 100 years on October 2, 1969, if he was not assassinated on January 30, 1948. Gandhi ji was a great believer in the moral values of co-operation and was convinced of its economics. According to him, "Co-operation which is rooted in the soil, always works". About co-operation in India, Gandhiji observed in 1942, "Co-operation has come into our country also, but in such distorted form that poor have not been able to reap its benefits". To a considerable extent, this holds good even today. To Mahadev Desai, who later became his private Secretary, Gandhiji had said in 1917, "I would need your knowledge of the co-operative movement also. We have to free that department from its defects." Apparently, he would have guided the country in its endeavours for co-operative development after independence, if he had lived longer. The Movement would do well to remember the message Gandhiji gave on September 29, 1946. "The secret of successful co-operative effort is that the members must be honest and know the great merit of co-operation and it must have a definite progressive goal."

BCC/ICA FOLLOW-UP SEMINAR (SOUTH-EAST ASIA)
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A/7th February, 1969

RECENT COOPERATIVE DEVELOPMENT IN CEYLON

by

W.B.C. Senerat-Nandadeva

(a) Developments since July, 1968

The only significant development is the appointment of a Royal Commission on the Cooperative Movement in Ceylon composed of:

Dr A.F. Laidlaw, Chairman

Mr S.S. Puri

Mr K.A. Wapillai

Mr R.H. de Mel and

Mr T.B. Panabokke

Dr Laidlaw and Mr S.S. Puri are well known co-operative leaders from Canada and India respectively while the three Ceylonese members are well known public figures with considerable experience of the workings of the movement in Ceylon.

The terms of reference of the Commission are:

1. The present state of the Cooperative Movement in Ceylon with special reference to:

- i) its role in the development of the national economy particularly in the agricultural and industrial sectors;
- ii) its role in the import and distribution (both wholesale and retail) of consumer commodities;

iii) the role of the government in the development of the Cooperative Movement;

iv) any defects or shortcomings in the working of cooperative societies and the measures that should be adopted to secure maximum efficiency in their working, and any other factors that tend to impede the progress of the Cooperative Movements.

2. The changes or reforms that are desirable or necessary in respect of the appointment terms and conditions of service, disciplinary control, and training of employees of Cooperative Societies having due regard to the distinctive character of their service as employees of Cooperative Societies.

3. Whether any changes or reforms are desirable or necessary in respect of the following matters and, if so, the nature and extent of the changes or reforms necessary:

- i) the existing structure and management of consumer cooperative societies, so as to effectively safeguard the interests of consumers;
- ii) the existing arrangements and procedure for financing the Cooperative Movement;
- iii) methods and procedure adopted at present for the organisation and registration of Cooperative Societies;
- iv) the existing system of audit, supervisory control and educational and advisory services for Cooperative Societies;
- v) the existing functions, organisation and structure of the Department of Cooperative Development;
- vi) the legal framework, including the rules, regulations and by-laws under which Cooperative Societies operate.

4. The measures that should be taken for the purpose of strengthening and fostering the Cooperative Movement so as to make it an effective instrument of national development.

5. Any other matter connected with or incidental to the matters specified above in respect of which the Commissioners may receive representations.

The Commission held its first meeting on the 1st of November, 1968 in Colombo.

(b) Development 1966-67 by Mr Rohita Tillekeratne (March-June 1966)

At the request of my colleague, Mr Rohita Tillekeratne, I am submitting this further note on significant developments in the movement since 1966 when he participated in the Fourth International Seminar.

The most significant developments during this period have been in order of importance:

- a) The New Agricultural Credit Scheme - September, 1967.
- and b) The extension of the all island rationing scheme for foodstuffs (hitherto confined to rice) to certain scarce subsidiary foodstuffs in extensive use.

Regarding the new Agricultural Credit I can do no better than quote from the comprehensive note included in the Administration Report of the Commissioner for Cooperative Development for 1966-67 (written by Mr P.E. Weeraman, Regional Officer, I.C.A. who was then C.C.D & R.C.S.)

The New Agricultural Credit Scheme

The Government began to assist the peasant farmers way back in 1912. The credit required by them for agricultural purposes was provided

by the Co-operative Credit Societies which in turn borrowed this money from the Local Loans and Development Fund of the Government. Gradually, these Societies formed their own Co-operative Banks at secondary and tertiary levels. With the formation of the tertiary level organisation, the Co-operative Federal Bank of Ceylon, in 1947, the Local Loans and Development Fund ceased to lend to Co-operative Societies, after 35 years of transactions with them. Incidentally, they had to write-off only a very negligible amount of the total lent which fact proved the credit-worthiness of the Credit Societies and their membership. Although credit for agriculture was available from 1912 to the agricultural sector through these Credit Societies Co-operative credit did not have an appreciable impact on the people for the reason that these Societies being of unlimited liability membership was highly selective, and thus only a small percentage of the farmers benefited from these Societies.

An Agricultural Credit Scheme was offered by the Government in the year 1947, to free peasant farmers from the clutches of the money-lenders, on a much wider scale than had obtained hitherto. The Government sponsored the formation of Co-operative Agricultural Production and Sales Societies of limited liability. Almost everybody was thereby enabled to obtain membership in the new Societies. These Societies would make the credit required for cultivation operations available to the farmers at low rates of interest and thereby release his produce to fetch the best possible price in the open market. Agricultural credit was supplied by these new Societies from 1947 to 1957 and thereafter by Multi-Purpose Co-operative Societies which more or less replaced the C.A.P.S. as well as the Co-operative Stores Societies. The system so adopted was effective. In a country with a multitude of small farmers there was no alternative for establishing the

necessary intimate relationship between the lender and the borrower. These funds for agricultural development were channelled through the Director of Food Production later styled the Commissioner of Agrarian Services.

The interest charged by the Government from the Societies was 2% and the Societies were directed to lend to their members at 4 per cent. and 5 per cent., in cash or kind or both, as circumstances demanded.

The farmer was obliged to become a member of a Cooperative Society by buying at least 1 share, generally of the value of Rs.50, to qualify for this loan. The member became entitled to a loan on payment of the first quarterly share instalment. Thereafter, the regular payment of share capital instalments was essential to continue the member's eligibility for further loans. Failure to repay the loan on the due date rendered a member disqualified from receiving further credit until the position was rectified. The maximum credit limit of a member was fixed at five times the par value of his share-holdings. As most members had only one share, the maximum credit limit of an individual farmer was generally Rs.250. Government made agricultural credit available for only production and allied purposes.

From 1947 up to 30th September, 1967, the total value of loans granted amounted to Rs. 314,783,000. The total recoveries up to that date was Rs.236,207,000. The balance outstanding was Rs. 78,576,000 or 25.0 per cent. of all loans granted since 1947. Of the latter, the amount overdue was Rs.56.5 million or approximately 18.0 per cent.

A sample survey conducted in 1962 revealed that:

- (a) Only about 65 per cent, of paddy cultivators in Ceylon were members of Co-operative Societies.

- (b) About $\frac{1}{2}$ the cultivators who were members of Co-operative Societies were share-capital defaulters and were, therefore, ineligible for the receipt of loans.
- (c) About $\frac{1}{3}$ the number of Cooperative Societies was considered un-credit-worthy due to heavy default in the repayment of old loans; and
- (d) As most members purchased only 1 share in their Society, the maximum credit limit of Rs.250 per member was insufficient for an extent in excess of about $1\frac{1}{2}$ acres.

From the commencement of the 1963-64 Maha Season, certain amendments were made to the Credit Scheme, viz:

1. The loan granted to a member was fixed at Rs.175 per acre cultivated.
2. The maximum credit limit of a member who held one share in the Society was raised to Rs.500 (subject to Rs.175 per acre cultivated). A member who needed production capital in excess of Rs.500 was required to purchase an additional share in which case his maximum credit limit was fixed at Rs.1,000. Where the same land was cultivated twice a year, the maximum credit limit was fixed at $1\frac{1}{2}$ times the above limit, subject to the condition that a loan did not exceed Rs.175 per acre cultivated in a season.
3. The value of a share was retained, but recoveries were to be made in 10 instalments of Rs.5 per harvest.

The liberalization of the Credit Scheme in 1963 without provision being made for surer methods of recovery led to heavy default. The basic mistake was that when Government lent money under this scheme, the Society was regarded only as a channel of credit to the farmers and not the borrower itself. The Co-operative Societies ceased to purvey Co-operative

credit. They were regarded as mere agents of the Government. Targets were fixed for lending. The pursuit of the borrower by the lender to persuade the former to borrow led to a serious weakening of the credit system.

The principal unsatisfactory results of this Credit Scheme were:-

- (a) The rising trend in the incidence of loan defaults.
- (b) The use of loans for purposes other than those for which they were intended.
- (c) The misuse of monies repaid by members to their Co-operative Societies, i.e. their diversion by the latter for consumer activities or construction works.

The rate of default was high due to the following facts:-

- (1) While loan procedure had been simplified from time to time, procedures and powers of recovery had not been adequate to cope with the increasing supervision and servicing of loans required.
- (2) Since this Scheme was operated by a Government Department there was a tendency on the part of beneficiaries to treat the grant of credit more as welfare measure than as a commercial proposition.

A Committee, headed by the Permanent Secretary, Ministry of Agriculture and Food, and inclusive of the Deputy Secretary to the Treasury, Commissioner of Agrarian Services, representative of the Central Bank, the Department of National Planning, two senior Government Agents and myself was appointed early in 1966 "to examine the role of the Cooperative Movement with special reference to the problem of Rural Credit."

The Government decided that, with effect from 1.9.67, the credit hitherto channelled directly by the Government should be granted through the People's Bank and the Bank of Ceylon. Simultaneously, the lending rate was increased to more realistic rates in order to make the borrower take

his loan seriously. It was realised that cheap and easy credit was not likely to result in good borrowing for there is the natural tendency of a borrower in repaying his debts to give priority to loans carrying higher rates of interest. Therefore, unless the loans given by the Cooperative Societies carry the prevailing rates of interest, the borrower is not likely to pay his cooperative debts first. There is even the danger of persons borrowing at low rates of interest from the cooperatives to re-lend at higher rates.

The lending rates under the earlier scheme carried with it a large element of subsidy by the Government. The misuse of funds is partly due to the interest charged being low. As the Government operates a wide range of subsidies, a further subsidy is not required in the rate of interest. What is more important is that the rate of interest should be such that the lending institution will have an adequate margin to cover the additional administrative expenditure involved in operating this scheme as well as the high risk in lending to the rural sector. It was, therefore, decided that the Banks will lend to the Societies at 8 per cent. interest per annum while Societies in their turn are required to lend to the members at not more than 12 per cent. interest per annum. Societies will, therefore, be entitled to a maximum margin of 4 per cent. interest per annum. Where the Societies repay the Bank loan in full or in part before the due date, (i.e. 270 days from the date of borrowing) the Bank will give the Societies a rebate of 3 per cent. on the interest recoverable in respect of the amount so paid. Where the Society receives such a rebate in respect of money that had been re-lent to its members, it will pass on this rebate to the members who have repaid their loans before the due date. In this connection, it might be relevant to add that the lending rates by Government to Cooperatives and by Cooperatives to the farmers in other South-East Asian countries are

as follows:-

Country	Government	Coop and other Institutions
Burma	3%	12%
Taiwan	14.4%	13.3% - 16.6%
India	4.25% - 7.8%	6.8% - 9.4%
Japan	3.65% - 5.5%	10.95%
Thailand	0% - 8%	10% - 12%

All credit given by the People's Bank or any other Bank under this Scheme will be guaranteed by the Central Bank of Ceylon, the latter charging $\frac{1}{2}$ percent of the total loans as premium and undertaking to make good up to 75% of the amount in default.

The basic changes affecting both Societies and their members under the new Credit Scheme are:-

- (a) The waiver of all loans granted before 1.10.58 and outstanding from Societies as at 31.10.66 and the waiver of corresponding loans outstanding from members to Societies.
- (b) The waiver of all loans granted to Societies between 1.10.58 and 31.10.66 where default in repayment has been due to total or partial crop failure and the corresponding waiver of loans outstanding from members to Societies.
- (c) Default in the repayment of loans granted by the Department of Agrarian Services will be no impediment to the Banks lending to Societies after the switch over on 1.9.67. Correspondingly, members' default to their Societies in respect of loans given prior to 1.9.67 will be no barrier to Societies lending to these members.

- (d) The quantum of credit given for paddy cultivation has been increased with immediate effect from a maximum of Rs.175 per acre up to 6 acres, to a maximum of Rs.220 per acre up to 10 acres, per cultivator.
- (e) Where a Society's loan repayment during the first three years of the operation of the new scheme are satisfactory, the waiver of its remaining debts to the Department of Agrarian Services will be considered, and where such waiver is effected, there will be a corresponding waiver of related loans outstanding from members.
- (f) Under the new scheme, it is intended that timely and sufficient credit will be given for cultivation by the Banks, as they are local institutions more alive to the needs and problems of Societies than a Government Department and so these needs will be better assessed and the problems more readily solved.

The loans written-off amounted to Rs.6.7 million.

The Central Bank, People's Bank and the Bank of Ceylon will inspect the Co-operative Societies regularly to keep a close watch on the activities of the Societies.

Under the earlier system, farmers who are members of a Co-operative intimated to their Society their requirements of credit at the commencement of each cultivation season, and the Society in turn applied to the Commissioner of Agrarian Services. This system resulted in considerable delay and the cultivator sometimes received his money long after the actual cultivation had begun. The existing system of processing his loan application through the Co-operative Society, the Co-operative Inspector the Assistant Commissioner of Co-operative Development and the Commissioner of Agrarian Services took more than two months resulting in the cultivator

being compelled to seek credit from the local middlemen in order to commence his cultivation work. Consequently, when the Government credit was finally made available it was too late to save the cultivator from the clutches of the trader.

According to the new scheme, the Food Production Overseer will get each farmer within his area to apply on a specific application form for the credit he requires to the Co-operative Society to which he belongs three months before the beginning of each session. The Food Production Overseer will report on these forms whether the credit required by the cultivator is in conformity with the production programme drawn up by the Extension Officers and the Cultivation Committee on that area. Thereafter, the Committee of the Co-operative Society will process the application for credit according to prescribed procedure and will apply to the Bank for the necessary credit at least $1\frac{1}{2}$ months prior to the commencement of the cultivation season.

This procedure will enable the Bank to grant the loan prior to the commencement of the cultivation season and will obviate the need for the farmer to obtain credit from outside sources.

In order to secure the loan it was decided that the member should be required by the Society to surrender the rice ration books of himself and his family, if he did not repay the loan on the due date. This decision of the Government to make the rice ration books the security for the repayment of the loan under this new credit scheme, will not work any hardship as the loans become due for repayment only after the harvest has been gathered and at this time the cultivator will have his own paddy for his consumption and would not, therefore, be in need of free rations of rice. In the event of crop failure in any particular area, it is not proposed to enforce the agreement for the surrender of rice ration books in that area.

The statistics for:-

The Maha Season 1967-68 are total lent Rs.61,400,000

Total recovered Rs.45,100,000

Percentage recovered - 73.5%

The Yala Season 1968

Total lent Rs.11,100,000

Total recovered 6,300,000

Percentage recovered - 56.8%

Recoveries continue to be effected in respect of the loans given during these two changes.

Subsequent modifications

NEW LOAN LIMITS FOR CULTIVATORS

(i) The maximum credit limit for paddy cultivation has been revised as a consequence of the increase in the prices of fertilizer, agro-chemicals and tractor charges and certain changes made by the department of Agriculture with regard to its recommendations in respect of the maximum dosage of fertilizer. The Government has decided with effect from the Maha 1968-69 season to raise the loan from Rs.220 per acre to an individual cultivator to Rs.262 up to a maximum of 10 acres, made up as follows:

1.	Seed Paddy	Rs.32.0
2.	Ploughing	Rs.60.0
3.	Fertilizer	Rs.95.0
4.	Transplanting or feeding	Rs.25.0
5.	Hand-weeding	Rs.25.0
6.	Pesticides	Rs.25.0
Total		Rs.262.00

- (ii) Instead of items 4 and 5 the cultivators could take a loan for chemical weedicides up to a maximum of Rs.50.
- (iii) Loans granted for ploughing has been increased from Rs.55 to Rs.60 per acre, for fertilizer from Rs.58 to Rs.95 per acre. No loan will be given for harvesting but instead there will be a loan of Rs.25 per acre for purchase of pesticides.
- (iv) The maximum credit limits of societies and individual credit limits of members have to be revised immediately in terms of this decision.
- (v) If the by-laws are amended as explained above in para 4 a member is permitted to borrow up to Rs.1,000 on a Rs.50 share.
- (vi) The schedule given below shows the maximum borrowing under the new agricultural credit scheme permitted to a cultivator up to 10 acres, as restricted by the number of Rs.50 shares he holds and depending on whether he cultivates for a single season or two seasons in the year.

No. of shares held	Acreage to be cultivated	Maximum entitlement to first season.	Total of I.M.C.L. for the year.
One	One	262(1½x262)	393
One	Two	524	786
One	Three	786	1000
One	Five	1000	1000
Two	Four	1048	1572
Two	Five	1310	1965
Two	Six	1572	2000
Two	Seven	1834	2000
Two	Ten	2000	2000
Three	Seven	1834	2751
Three	Eight	2096	3000
Three	Nine	2358	3000
Three	Ten	2620	3000
Four	Ten	2620	3930

(Maximum entitlement for the 2nd season - Difference between the I.M.C.L.L. and the cultivation loans outstanding under the new credit scheme at the time of lending).

(vii) The loan will be released in the following manner: 1st stage - Nos. 1, 2, 3 and 6 totalling to Rs.212. No. 3 will be issued in kind by the Bank issuing a letter to the A.C.A.S. In the case of No.6 wherever possible this too will be issued in kind, otherwise cash will be given. Two weeks after the release of the first loan in cash the society will be entitled to the balance loan Nos.4 and 5 totalling Rs.50. The A.C.C.D. could arrange for the release of this loan subject to an inspection by an officer. These details should be worked in consultation with the G.A. and the Bank should be informed ahead of the manner under which the restriction is to be placed regarding the release of these two items.

(b) Period and Terms

The Banks will lend to societies at 8% interest for a period of 240 days and societies will lend to members at 12% interest for a period of 212 days subject to a rebate of 3% interest if the member repays within the stipulated period of 210 days. If the society repays its loan to the Bank within 240 days it too will be entitled to a rebate of 3% interest. Thus if the societies default, the Banks will charge 8% interest from societies and if members default in repayment, societies will charge 12 per cent in turn from such members. In effect the societies will be charged interest at 5% and the member at 9% for part or full payment within the stipulated period mentioned above.

The total amount given under this Scheme for Maha 1968-69 up to date has only Rs.35,400,000. The Department of Cooperative Development is analysing the reasons for this somewhat drastic reduction in the quantum of loans.

This rather exhaustive account is being submitted for your information as it would be of more than a little relevance to countries in this sub-region at least.

RATIONING SCHEME OF SUBSIDIARY FOODSTUFFS

The Government decided on 27.1.67 to introduce a monthly rationing scheme of the following commodities, viz:

Chillies, Masoor Dhal, Coriander, Cummin Seed &
Maldiva Fish

through the network of Co-operative Unions, Retail Co-operatives and Private Authorized Distributors. The scheme commenced operation from February this year.

RATION CARDS

2,002,954 Ration Cards on the basis of one Ration Card per household in the island were issued to householders for their use from March 1967 onwards, the Rice Ration Books being used for February, 1967.

SUB-COMMITTEES

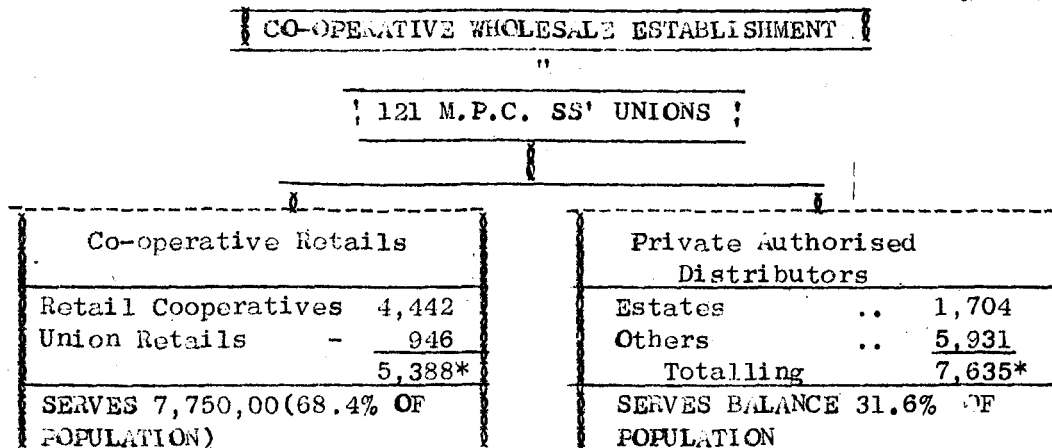
A Sub-committee consisting of the Food Commissioner, General Manager, C.W.E. and C.C.D. & R.C.S. was appointed by the Hon'ble the Minister of Agriculture & Food to review the operation of this scheme and also to recommend the ration for each month.

METHOD OF DISTRIBUTION

The C.W.E. is the sole primary wholesale distributor under this scheme and the 121 M.P.C. SS. Unions in the island and the independent Co-operatives in Colombo obtain their entitlements for the succeeding month on a time scheme (generally covering period of 10 days) so as to enable the Unions to complete their issues to Co-op. Societies and Authorized Distributors before the end of each month.

The Consumer Branch of the Co-operative Department maintains overall control and supervision over the entire scheme through the departmental Liaison Officers attached to each M.P.C.SS. Union. Regular monthly reports are obtained from these Officers on the operation of each stage of the scheme.

The organizational structure of this Distribution Scheme is as follows:



* Figures at 1.11.1967

The scheme of rationing described in the preceding section proved a complete success as evidenced by both newspaper surveys and the lack of more than a handful of complaints and demonstrated once more that the co-operative sector at present serving 75% of the total population under the rationing scheme could be relied upon to discharge any responsibilities entrusted to it in the matter of the equitable distribution of foodstuffs in the interest of community as a whole.

In recognition of this fact, government decided to give the monopoly of both wholesale and the retail, distribution of full cream milk powder to the co-operative network (i.e. including private ADD survey : 25% of the population) and this scheme resulted in a situation of scarcity been converted to one of glut; (in fact it has since been liberalized to the extent that private retailers too can now obtain full cream milk powder from co-operative Unions on a wholesale basis).

Greater proportions of other non-rationed foodstuffs and essential household and agricultural requirements are being channelled through co-operatives.

(c) Other significant features 1966-68.

1. Apart from the two major schemes described in part (B), there have been certain other developments relating to the cooperative movement that would prove of considerable significance in the future.

2. Complete Separation of Audit and Supervision (Pilot Project).

Under the Co-operative Societies Ordinance the Commissioner (Registrar) is required to audit or cause to be audited by a person authorised by him the accounts of every registered society.

It was the experience of the department that the percentage of overdue audit was on the increase mainly because the audit staff (inspectors) were being diverted to development work (according to the higher governmental priority) by the Assistant Commissioner in-charge of both development and audit in each of the 28 cooperative districts. Consequently it was decided that a separate departmental audit Unit should be set up for the administrative area of two Districts (Anuradhapura and Pohnnavawa) under a separate Assistant Commissioner (Audit) who was solely entrusted the function of audit in both districts, the area selected being one where the overdue position was unsatisfactory. This pilot project begun in 1968 has proved successful and all overdues have been cleared. The Public Accounts Capital of Parliament has recommended that "pending the findings of the (Co-operative) Commission the audit scheme now in operation in a limited and experimental scale be extended to operate on a national scale". At present the staff requirements are being assessed with a view to so extend the scheme to the rest of the island

3. Uniform Accountancy Systems for M.P.C.SS Unions (District Wholesale)

For the purpose of enabling a comprehensive accounting system to be adopted in keeping with the large increase in the activities and business turnover of co-operative unions a firm of chartered Accountants and Consultants was employed to prepare in consultation with departmental officers a suitable system of accounts embodying the necessary financial controls to meet these requirements. The system and the necessary proformas have been finalised, copies made available to the Unions, and departmental officers specially trained to help the Unions to introduce the new system.

It has not as yet been fully implemented in all the Unions but every effort is being made by the department to ensure that this is done as quickly as possible.

4. Transfer of Powers.

The powers hitherto vested in the Commissioner (Registrar) to (i) dissolve managing committees for mismanagement, fraud etc. and appoint Boards of Management to replace them and (ii) remove co-operative officers or employees, for similar reasons as above, have been transferred by legal provision to the Minister in-charge and the Permanent Secretary of the Ministry, respectively.

5. Transfer of the function of Co-operative Education to the Co-operative Federation.

Steps are being taken towards this end and the Federation is recruiting its own staff to replace the departmental personnel teaching at the district training centres.

/February 7, 1969

RECENT COOPERATIVE DEVELOPMENT IN JAPAN

by

Tetsuo Toyofuku

1. Recent outlines of agricultural cooperatives :

There are two types of agricultural cooperatives in Japan. One is a Multipurpose cooperative in which all needed functions are conducted in a unified form. Another is a single purpose cooperative operating in one specialised business such as horticulture, livestock production and sericulture. But the majority of the cooperatives in Japan are multipurpose embracing nearly 96 per cent of the entire farm families as their constituent members.

The first step of the structure is the so-called Unit Cooperatives which are organized voluntarily by local farmers in almost every village and town throughout the country. The total number of such Unit Cooperatives is approximately 7,200 societies but this number is decreasing nowadays because of consolidation of small cooperatives into less number of societies of large size. At this level, one single unit cooperative engages in multipurpose business including purchasing, marketing, credit, insurance, guidance and other related businesses. These unit cooperatives are combined at a prefectural level into Prefectural Federations of various functions. The Prefectural Federations of agricultural cooperatives, again, are organised into National Federations in respective lines of cooperative business.

ZENKOREN (National Purchasing Federation of Agricultural Cooperatives) is thus organized as the national federation in a special line of supply

business for agricultural cooperatives.

ZENKOREN (National Marketing Federation of Agricultural Cooperatives) operates business on an extensive scale covering almost all farm produce from rice, wheat, vegetables and further to livestock products. ZENKYOREN (National Mutual Insurance Federation of Agricultural Cooperatives) operates mutual insurance business. Central Cooperative Bank is now expanding its business.

I would like to explain the recent development in purchasing and marketing fields of agricultural cooperative federations at the national level. Their fields are mainly economic activities of agricultural cooperatives in Japan.

2. Recent development of ZENKOREN's activities :

ZENKOREN is concerned with functions in cooperative distribution of agricultural outputs, farm machineries and equipment and home necessities which are essential for farm management. Related technical guidance and extension work is also carried out in accordance with the needs of Japanese farmers. In the domestic markets of these related commodities, ZENKOREN maintains a remarkably big voice and controls business in the following commodities :

- (i) Fertilizers : Chemical fertilizers which are distributed by Zenkoren amount to almost 70 per cent of the total domestic consumption of fertilizers. ZENKOREN also plays an important role in importing fertilizers minerals. Namely, about 60 per cent of the total imported Potash and 40 per cent of the Phosphates rocks are handled by ZENKOREN.
- (ii) Feedstuff : (Compound feed for poultry, hog cow and cattle raising, and single-element feedstuff). Along with the development of livestock industry in Japan, greater sales are recorded in feedstuff supply business of agricultural cooperatives. The annual turnover of

compound feedstuff of ZENKOREN reaches about 4000 M/T constituting about 25 per cent of the total market. ZENKOREN purchases all of the raw material for feed and consigns it to 50 feed manufacturers which are specially in collaboration and distributes the finished feed products to farmers. Since about 80 per cent of the raw material is imported from foreign countries, ZENKOREN maintains multilateral policy of purchasing from the U.S.A., Thailand South Africa and other material producing countries. ZENKOREN commissions special ships for feed material transportation in service, and is now improving Ports and Harbours facilities to receive these ships. ZENKOREN has a yearly contract of direct purchasing with the agricultural cooperatives in the U.S.A.

- (iii) Farm Machineries : ZENKOREN installs its Service Stations at prefectural federations as well as at local unit cooperatives and recommends farmers to use larger size machineries. Agricultural Technical Centres are contributing to training of technical experts of prefectural federations as well as of local Unit Cooperatives.
- (iv) Automobiles and Fuels : Popularization of automobiles in recent years has been remarkable not only in urban areas but also in rural areas. ZENKOREN has been responsible in increasing the demand of automobiles of farmers and is trying hard to meet the increase in demand and is also preparing for improvements and enlargement of service stations for automobiles. ZENKOREN is facing sharp increase in the consumption of gasoline, oil and L.P. gas, and is also increasing and expanding supply tank and center on the purpose of supply better gasoline oil and L.P. gas more rationally at better prices.
- (v) Farm Chemicals : ZENKOREN handles almost 60 per cent of the farm chemicals currently traded and used in Japan. Farm chemicals of ZENKOREN are produced by the cooperative manufacturers, under its

careful supervision.

- (vi) Home necessities : The home life pattern in rural areas of Japan has been modernized in the last decade. Accordingly agricultural cooperatives get into the supply business of home necessities in combination with home life improvement movement whereby cooperative supply takes the measures of advance contracts, home delivery cooperatives, stores and stores on wheels.

But, this field is very weak. ZENKOREN is now promoting standardization, systematization and rationalization of the Stores in multipurpose societies.

3. Recent development of ZENHANREN's activities :

Production of rice, the staple food of the people, is levelling off at 13 million tons or thereabouts, while that of wheat and potatoes is on the decrease because of poor profitability and labour shortage. Thus, their respective composition ratio show a downward trend. By contrast, fruits, vegetables and livestock products have been registering a marked expansion year after year, reflecting increasing consumption of high caloric protein and rich vitamins, resulting in improved standard of living of the people. The sales of ZENKOREN have been expanding year by year and amounted to 1,250 billion yen in 1968, 260 per cent more than that in 1961. Above all, the sales of fruits and vegetables, meat, eggs and dairy foods have been remarkably increasing. This is the result of our continuous efforts and initiative in the field of production and marketing, to cope with the vigorous increase of consumption by the nation.

- (i) Fruits and Vegetables : Fruits and vegetables are distributed through wholesale markets which count over 1,500 in the country. In many cases, however, transactions are entered into on the basis of prices tendered by bidding with

the result that the intentions of producers are well reflected in the process of price formation, giving rise to sharp price fluctuations. Accordingly, ZENHANREN is trying to adjust shipments from various quarters, thereby to meet the demand properly and to sell profitably, by operating a fruit and vegetable market in Tokyo. In order to meet with trends in recent years toward a distribution revolution whereby to streamline and cut short distribution channels, ZENHANREN has installed distribution centre in Tokyo for regular quantities of fresh and raw foodstuffs direct to Super Markets and livelihood cooperatives without going through markets. These centres make available prepacked vegetables, fruits, meat, eggs, etc.

(ii) Livestock product : ZENHANREN has established a breeder hoggery, one of the largest of its kind in the Orient for the improvement of breeder pigs and for the smooth supply of piglets.

ZENHANREN has installed a modern poultry meat processing facilities, where broilers shipped from raisers are slaughtered and sold as partially agricultural cooperatives handle 24 per cent of the processed poultry meat.

RECENT DEVELOPMENTS IN THE COOPERATIVE MOVEMENT
IN MALAYSIA

by

N. Jeganathan, Malaysia

The Co-operative Movement in general in Malaysia is making steady progress, but this cannot be said of the consumer sector of the Movement which is the weakest link in the set-up. Several factors are responsible for this state of affairs. They are :-

- (a) The competition is keen in the retail business in the country.
- (b) The people are brand-conscious, so much so, they are unwilling to accept any other brands even though they may be comparable to the type of goods they are used to.
- (c) The retail business are generally operated by families and such business undertakings are conducted in an economical manner.
- (d) Supply of retail commodities is firmly in the hands of large importing houses who are unwilling to break their own connections with retailers.
- (e) Consumer Co-operative Wholesale organisation is unable to import directly from abroad so as to enable the Consumer Co-operative retail shops to get goods at competitive prices.

The reasons stated above tend to limit the scope and activities of the Consumer Co-operative in the country. There are about 200 consumer cooperatives spread throughout the country. The urban co-operative shops

in most cases, are unable to successfully withstand the competition posed by private enterprises. The consumer societies in the **rural** areas have small turnovers, hence do not play an important role in the supply of consumer goods to their members. Of the consumer societies as a whole the societies in places of employment, i.e. on mines and plantations, continue to make steady progress and in some cases are flourishing concerns, playing a significant role in the economic and social affairs of their members.

After participation in the S.C.C. Seminar in Sweden and with the knowledge and experience gained, I have been endeavouring to re-organise and re-vitalise the consumer co-operative shop in the capital city of Kuala Lumpur. It is my belief that if this particular society succeeds, then it would serve as a model for other consumer co-operative shops to follow. As indicated earlier by me in this paper, the co-operative shops should be so organised and efficiently managed to meet effectively the competition posed by retail shops run on family basis. This has made it necessary for the overheads to be as low as possible and the margin of profits to be low and, at the same time to offer some other forms of benefits to the consumers; in other words, to provide an incentive for the members to remain loyal to their own shops immediately, rather than expect to get rebates at the end of the **financial** year. With this in view, and basing on the experience gained in the above Seminar I have recently made certain suggestions for the re-organisation of this consumer store in Kuala Lumpur. A programme is envisaged to link up the activities of this consumer shop with another co-operative organisation and also to provide benefits to members by creating different sections in the organisation so that

a co-operator could do most of his shopping in one place without having to move around to several areas to get all his requirements. In the existing co-operative shop, limited type of consumer goods are sold and adjoining to it is a petrol pump to provide petrol to its members. It is contemplated to replace the existing shop building with a modern multi-storey premises to enable the shop to sell all types of consumer goods that are normally required by the members. The Ground Floor of the shop is to be used as a repair and servicing station for vehicles and also to stock spare parts, tyres, batteries and all other accessories. The portions of the second floor of the building is to be used for the establishment of a tailoring, laundry service and barber saloon. A member purchasing for cash up to a certain amount each month would be issued with a coupon valued at a fixed amount to be used by him in one of the establishments mentioned above. Further, if a member spends up to a specified amount each year for cash then the member would be entitled to get an insurance coverage for personal accident up to an amount to be determined later. The cost of premium for such a policy would be paid for by the Society. It is also being considered that a Group Insurance Policy be taken out in respect of all the members below the age of 60, under which the next of kin of a deceased member would recover a sum equal to the amount of his share in the Society. The petrol pump will operate as usual in the adjoining building, but as an incentive, some kind of gifts will be given to the member provided the monthly purchase comes to an amount to be determined later. In this way, it is hoped to re-organise the society and to retain the loyalty of the members. If this particular scheme succeeds, I am confident that several such shops will spring up in various parts of the country.

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SOME RECENT DEVELOPMENTS IN THE CO-OPERATIVE MOVEMENT IN
MALAYSIA WITH PARTICULAR REFERENCE TO MUDA IRRIGATION
PROJECT, KEDAH AND SETAR, KEDAH.

by

Suleman Bin Daud, Malaysia.

The Muda Irrigation Project is an attempt by the Malaysian Government to put 261,500 acres of padi land into double-cropping by 1973 with self sufficiency in rice as a national target. There are an estimated 5,000 farm families in the project area which are spread into 4 administrative districts or 65 mukims. Agriculturally, the area is divided into 28 farm localities.

2. In 1966, there were in the project area 344 rural cooperative credit societies (with the unlimited liability) and 60 co-operative rice-milling societies with 11,500 members and subscribed capital of M \$ 2.0 millions. The R.C.S. provide credit-consumption and production loans of a sizeable amount for the members. The C.R.M.S. provide milling facilities for the members' own consumption with very little commercial milling.

3. With the Government providing the facilities or infrastructure for the economic development of the country, the co-operatives as the farmers' own organisation have been planned to play a more significant role so that the farmer-members do in fact benefit from the economic development. The Department of Co-operative Development has provided much of the vital planning for the co-operatives in the area with close collaboration of the bank Kerjasama Malaysia Berhad (Co-operative Bank of Malaysia Limited).

As a necessary measure and a natural course to make the co-operatives more viable competitive and in themselves efficient, the following have been planned and their implementation intensified :-

(a) The co-operative societies amalgamate and integrate their activities and services into bigger units along the lines of multi-purpose cooperatives with limited liability. The best of the societies to be amalgamated forms the base of nucleus for the multipurpose societies. - more often they are the rice-milling societies. The multi-purpose co-operatives will provide for the members with their necessary credit and inputs along the lines of a proposed credit system for the Muda Project, secondly with padi marketing or/and milling both commercially and home consumption, thirdly consumption goods and services and of course those activities connected with co-operative education and information. Generally **these** have been accepted rather fast by the farmers, thus helping the implementation programme.

(b) It is envisaged that the project area be served by 100 such multipurpose co-operatives, each catering for all the needs of at least 100 farmers which is now the declared Government policy. 25 of those multipurpose co-operatives have been registered with more pending. The liquidation of the societies affected by the amalgamation process are progressing. It is hoped that the greater majority of the 50,000 farmers will have joined the multipurpose co-operatives by 1973 or even later. The business opportunities for the co-operatives are tremendous; the total production credit needs for a single crop alone has been estimated at M\$ 45.0 millions or MS 90 millions for the two crops.

The value of padi production from the two crops has been put at MS 168 millions. Economic viability of the multipurpose co-operatives will have been enhanced by undertaking bigger volumes of business and rationalisation.

(c) The three-tier structure which has prevailed since 1954 has now been replaced by a two-tier structure with the Bank Kerjasama Malaysia Berhad taking over the regional banking unions and operating them as branches. There is excellent control and coordination from the Headquarters of the Bank and a more speedy and efficient service has been implemented. The Bank Kerjasama Malaysia Berhad has gone a step further in that it will continuously maintain close co-ordination with the activities of the multipurpose co-operatives. The activities would be so integrated between the Bank and each local multi-purpose cooperative. A National Co-operative Union for Malaysia is in the implementation stage to enhance further co-operative solidarity.

(d) Greater efforts are now being made by all concerned to co-ordinate the activities of the multipurpose co-operatives with the functions and activities of the Federal Agricultural Marketing Authority (FAMA), State Governments, Ministries and other Quasi-government bodies so that the Co-operatives can proceed towards their goals smoothly.

(e) Management personnel are lacking. Greater efforts are being made to employ full-time paid Managers and able Assistants to run the business of the Co-operatives efficiently. Bank Kerjasama Malaysia will soon use its pool of Managers or Accounts Supervisors to help fulfill this great need. The systems, methods records etc are being rationalised so that time and effort could be geared more for economic efficiency.

(f) As outlined above, the multipurpose co-operatives are presently investing either by their own funds or borrowed from the Bank Kerjasama in suitable sites which are to be used for their milling plants, storage and dryers etc, their shops and administrative centres which will be the focal point for the farmers. As a matter of implementation policy, the co-operatives will firstly concentrate on credit and production inputs, marketing and milling activities. The provision of consumption goods will have to be postponed until an effective wholesale co-operative could function and when the activities mentioned earlier have been implemented successfully.

(g) Other developments include increase in the popularity or acceptance of the co-operatives as a system for economic upliftment both by the leaders and the would-be co-operators. The co-operatives are becoming increasingly popular with the women folk. There is greater awareness of the value of co-operative education and information and the training of management personnel at all levels and efforts along these lines are being intensified. It is hoped that the multi-purpose co-operatives in the Muda Project area together with some specialised societies will launch themselves in the economic and social fields so as to form a formidable front in the national economy.

Alor Setar
Kedah.

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A/10th February, 1969

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RECENT COOPERATIVE DEVELOPMENT IN WEST PAKISTAN

By

Hamid Ahmad

In a developing economy of Pakistan, Cooperation presents great potentialities and at present offers as many as 65 forms of Cooperatives in West Pakistan. The number of all kinds of societies has touched the figure 29,129 with a total membership exceeding 1.8 millions by the close of the year 1968 and thereby, covering 21% of the population in cooperative fold.

The owned funds of the movement have been doubled and stood at Rs.352.8 million during the last 5 years and out of which an amount of Rs.72.5 million invested in Government Securities. A provision of Rs.25 million made in the form of bad and doubtful debts Fund.

The Cooperative Credit structure is three tiered. Societies which are associations of individuals are primary societies. These are affiliated to institutions above which become secondary and are known as Central Banks, Banking Unions, Industrial Banks and Marketing Federations, etc. These provide a structural link as well as financial support to the societies so affiliated. Such financial assistance is of fairly high percentage and may even be 70 to 80% of the funds. To further strengthen the financial set-up, apex financial institutions as Provisional Cooperative Banks had been established.

The two apex Banks with 11 branches made advances worth Rs.354.9 million and recovered Rs.339.2 million and the outstandings were Rs.155.2 million in December, 1968. Such figures in case of Central Banks were Rs.426.8m, Rs.427.1 and Rs.228.3 million respectively. In case of primary societies Rs.464 m, Rs.459 m and Rs. 102 million were the advances, recovery and outstanding balances. This seems to have met 18 to 20% of the total credit requirements in agricultural industry.

Quite recently about 30 Schemes have been sponsored in various cooperative sectors and for which grants-in-aid were secured from the government to the tune of Rs.27.69 millions. The development in other kinds of cooperatives may be observed from the fact that 7 Farm Service Centres, 150 Farm Sub-Centres, mechanization over cooperative farms measuring 1.5 million acres, marketing of agricultural produce to the value of Rs.56.2 million construction of cooperative housing worth Rs.490.0 million, setting up of 8 agricultural cooperative workshops, training of 1631 Secretaries of primary cooperative societies, besides expanding activities of Apex training college, and the like which have achieved a fair degree of headway since the last 5 years ending December, 1968.

With this bright account of progress made in cooperative field it may merit mention to lay down below the new developments in cooperative field in recent years.

1. The W.Pakistan Consumers' Coop.Society (Wholesale & Retail) Ltd,Lahore.

The existing Consumers Cooperative Societies could be classified into Institutional Societies and Open Societies (Smallscale). Institutional Societies are established for the benefit of employees of public institutions

or workers of private industrial undertakings. Their scope of work is restricted to the welfare of the employees or workers. The other type are the one, which have their shops in the open market and which try to attract membership and patronage from the general public.

The Institutional Societies are found viable because they are subsidised from the parent institution and thus are able to work on a cost pattern which is far below the one existing in the open market. The open societies on the other have faced occasional failures. This is because they have to face unethical vagaries of free competitive market. They labour under the dead-weight of their own organisational ills which have become peculiar and identical to the cooperative sector in general. They are incompetence, nepotism, selfishness rampant in the rank of their management which render the society unfit to face the challenge from their experienced and organised skilled rivals in the field. But then we see so many malpractices like adulteration, short measuring, under weight, palming spurious merchandises for genuine goods and disregard for controlled prices.

To ward off all such dangers, some time back it was proposed to constitute a society on the basis of one-unit organisation concept. It was felt that cooperative movement of consumers can not be built up in the way it has been done in Western countries where small groups of people have formed their own retail societies, have developed them into a sound local business and service units have combined with other similar societies in their area into district federations which have again been linked together in a national central organisation undertaking wholesale trade and industrial production. This type of development is very slow process and in a fast developing economy,

this process may not come up to rising aspirations.

After thorough analysis of the proposition, the Project was finally sanctioned by the Government wherein the funds were to be provided by Government through loan financing instead of raising of Equity Share Capital. This is primarily a Wholesale-cum-Retail Society aided with processing units and manufacturing units to ensure control on the sources of supply to the maximum extent and thus eliminate the middleman margins for the safe viability of the project. A warehouse which is under construction at a cost of Rs.14 lacs shall house cleaning, grinding and processing plants for various operations. Retail stores throughout the township of Lahore are being established at various selling areas which have been selected after effective surveys. Some of the existing units of sugar, rice husking and cloth manufacturing shall be ultimately affiliated. Also other societies within a radius of 100 miles shall also be affiliated to further expand the scope of market-share.

It has also been decided to keep this project affiliated by some parallel foreign organisation so that the business approach remains dynamic always receptive to useful and effective changes as far as the local conditions justify and also to ward off the dangers of sordid and selfish influences.

The purposes and scope of this Society is as detailed below:-

- i. Establishment of a combined Co-operative Wholesale-cum-Retail Society with affiliated processing, manufacturing and packing units mostly in the grocery line like wheat and wheat products, Rice, Sugar, Pulses, Spices, Soaps and detergents, Oilman-stores, Preserved foods, Pickles and Salads, Vegetable ghee and for that matter every item of household consumer goods in demand by a normal middle, lower middle and even poor class family.

- ii. Assist Co-operative Consumer Societies to undertake purchases on wholesale basis and wherever necessary to go into processing, preserving packing of food articles on a scientific and hygenic basis.
- iii. Selling these processed and standardised articles to Consumer Public through an entirely new system of salesmanship, merchandising and display including many a retail outlet streamlined by a totally modern method of self-service which leaves nothing to be desired.
- iv. Ensuring unrestricted supply of quality goods only with regularity of abundance and stable pricing.
- v. Annihilate black-market, combat hoarding, overcome profiteering and build up healthy price structure effective and acceptable to one and all and thereby to be able to influence price trends in the open market - and thus maintain the cost of living at a reasonable level.
- vi. Promote schemes for Cooperative Consumer Education and create sound basis for the ultimate infusion of the Movement throughout the Province.

The cost of Project at the starting point was estimated at Rs.34 lakhs which is besides the one which have to be incurred for prospective self-sufficient manufacturing units which would be finally affiliated with the Society and for which project details are separately being worked out in collaboration with Secretariat of Technical Cooperation with Developing Countries, Copenhagen, Royal Government of Denmark.

The sources of finances are the Government of Pakistan which is making a contribution of Rs.15 lakhs refundable to a special fund which shall be used only for further expansion of the scheme Rs.4,65,500 is being invested by the

dissolved Co-operative Board to be returned to the Board when the re-organisation - plan has been envisaged and implemented.

Besides the Royal Danish Government has contributed Rs.7,50,000 in terms of technical aid and equipment aid. This aid is going to be treated as gift and has an implied future commitment for additional assistance in case the reciprocity to their present gesture is satisfactory and their investment producers results.

The working capital requirements are to be met from the cash credit limit to be allowed by the Provincial Co-operative Bank which shall initially advance funds to the extent of Rs.7,50,000. Afterwards, however, the funds would be acquired to the extent justified by the Business economics.

The sales turnover in the first year of operation is estimated at Rs.78 lakhs. The break-even point is to be reached after 14 months. The generation of profits is expected to be sufficient to repatriate long-term liabilities and create sufficient capital formation for future expansion.

The one-unit organisation set-up is to be extended to create a distribution system covering the entire Province of West Pakistan with 6-8 warehouses with chain-stores for their respective areas. The completion of this project is scheduled to be final by July 1969 when the actual operations will commence.

Three Danish Advisers with the top team of the Society are making a positive contribution to the planning and execution of the project and are determined to produce results for the welfare of the community in general. They are expected to stay here for a sufficient period to closely observe the progress and help in removing certain functional difficulties if they ever arise. However, it is felt that Government could influence considerably more on the price formation by supporting the Coop. set up in entering into the wholesale and manufacturing field.

ACTION PLAN

The actual time table is not to be given in this paper but the order of procedures should be the following:

1. Approval of plan.
(Allocation of funds, licences, building materials from Government)
2. Negotiation through Government with co-operative wholesale society abroad as regard:
 - a) training of the three managers.
 - b) association of three experts to the Society for a number of years.
 - c) donation of different equipment and machinery.
3. Detail research of conditions within the wholesale trade and the selected areas for initial operations.

Parallel with this a short introduction course will be held for the managers before being sent on training abroad.
4. Arrival of foreign experts for preparation of the detail planning.
5. Arrival of Pakistani Managers.
Selection of building sites and buildings on rent.
Erection of warehouse unit and shops.
Establishing of warehouse/processing equipment.
6. Ordering of goods.
Employment of branch managers, senior sales-staff, office-staff.
Establishment of branches.
(Alongside with training of staff)

Negotiation with existing societies.
Implementation of public relation scheme.
7. Receiving of goods.
Processing and pre-packing of goods.
Public relation scheme continued.
8. Employment of junior sales staff.
Delivery of goods to branches and independent societies.
Public relation scheme continued.
9. Opening of branches.
Public relation scheme continued.

The first six phases are over and it is intended that before the winter sets in, the project gets in the market.

II. SERVICE COOPERATIVES

In line with the "Grow-more-Food Campaign" the necessity of fertilizers, seeds, farm inputs, new cultural techniques has been duly weighed and the service cooperatives (numbering 2,500) have been organised in the Province. These are parallel to and co-extensive with the union councils which form an electoral college in general polls of election for the members in Legislative Assembly and President of Pakistan. The venue of such cooperatives is the same as in Union Councils and housed in the office building of the latter. These Councils have offices at a convenient centre in respective areas. In elections held, the Chairman of Union Council being the same in Service Cooperative has been more a case of advantage and strength to the cooperatives since the such members have been mostly local elders of the area and enjoyed the confidence of the public. However, complete possibility of their being independent from politics in such cooperatives cannot be ruled out. Such societies seem to cover in population ranging between 10,000 to 20,000 population and an acreage area about 6000. These societies have been federated at the Provincial level into an organisation known in Rural Supply Cooperative Corporation for a Province-wide distribution. This apex institution opened sale depots in 22 districts to facilitate and route through service cooperatives agricultural requisites and in fertilizers alone worth of Rs.233.9 million supplied to the farmers. Three hundred godowns for storage at the cost of Rs.3 million have been built up but processing is still a far cry.

III. CHANGE IN LAW

The old law of 1912 has been replaced by a one and uniform Law for the whole of West Pakistan Cooperative Societies Act 1966 and the Ordinance 1966.

The new law has ensured discipline in repayment of loans and more particularly the old dues. The laws for the chronic cases have been stiff even to the extent attaching and auctioning the properties of the defaulter, etc. and the fear such a action worked well in quick repayment. Consequently, the speedy recovery was affected with fair degree of success and satisfaction. Moreover, the law also laid down that over and above loan of Rs.1,000/- they have to be fully secured against tangible property and valuables only.

IV. TREND TOWARDS AMALGAMATION

The general consensus of opinion in amalgamating societies and enlarging their area of operation is meriting the requisite importance and it is strongly felt to follow this policy.

Though plan to reduce the number is still in the making, further registration of societies is discouraged and amalgamation of societies is appreciated. It is considered that in the ensuing years this idea is likely to catch the imagination of the concerned with greater intensity.

V. COOPERATIVE INVESTMENT AND MANAGEMENT AGENCY (CIMA)

It was considered that the Government or the Semi-autonomous bodies had certain limitations like preoccupation with routine jobs and certain legal issues involved. Therefore, the necessity to set-up a society with adequate resources and freedom of action for developing cooperatives on an ambitious

scale. The objectives are:-

- i. To establish and manage industrial agricultural and commercial undertakings with a view to transferring them as running concerns to the appropriate cooperative societies.
- ii. To take over the management of cooperative society on the request of its Managing Committee or of the Registrar.
- iii. To assist in the management of cooperative enterprises by making the services of technical, managerial services available to such enterprises on payment or otherwise.

In pursuance of the above objectives, the projects handled by CIMA are as under:-

- a) Karkharia Alat-e-Zari Bahawalpur.
- b) Super market Karachi.
- c) Cheriah Woollen Textile Mills.
- d) West Pakistan Education Trust.
- e) Cotton and Ginning Factory, Hasilpur
- f) Heald Factory Gujranwala, etc.

This institution is typical and may play a significant role in rehabilitation and promotion of cooperatives.

Thanks to S.C.C./I.C.A.

S/February 7, 1969

RECENT COOPERATIVE DEVELOPMENT IN THAILAND

by

Kwanthai Thaiyadham

The Cooperative development in Thailand has been projecting toward the strengthening of the Movement both by the cooperatives themselves and by the government at the local and national levels. With the new intelligent active and dedicated top executives of the responsible authorities as well as the Registrar, the progress has been visualized as follows :

National Organization

Two national level cooperative organizations have been set up.

1. The Cooperative League of Thailand, being a semi-government body consisting of twenty elected members from the cooperatives and five nominated members from the Cooperative Department on the Board of Directors, is wholly financed by the Cooperatives. At the initial stage, the League will undertake the task of member education and training, leaving the task of training government officials to the Training Centre. In this context, the method of spot group discussions among leader directors, study circle among leader-members, and mobile training units are employed as techniques of training.
2. Cooperative Marketing and Supplies Federation of Thailand was established by consolidating the former Cooperative Wholesale Society and the co-product which was dealing in export of agricultural produce. The new Federation will function as the central supplier for all primary cooperative stores and cooperative suppliers as well as marketing and exporting of agricultural

produce.

Credit and Financial Source

Two major factors may be comprehended as the major causes of moderation in the credit movement. First, the former Bank for Cooperatives, which had been the only major source of financing small credit cooperatives in rural areas, was transformed into the Bank for Agriculture and Agricultural Cooperatives. The new form of Bank has extended its activities to finance individual farmers, and at the same time finance only agricultural cooperatives. The service of the Bank to individual farmers instead of being a supplementary source of finance to non-members farmers, but really syphon out the money from the cooperative field to a certain degree. The Bank has opened many branches and has increased advances to individual farmers, while the amount of loans to members through their cooperatives increase disproportionately to that of the individual farmers. Another factor is the emergence of of the report on the Evaluation of Socio-Economic Study of Thai Cooperatives undertaken by the International Cooperative Training Centre, Wisconsin.

These two factors have brought about amalgamation of small credit societies in order to rationalize efficiency and economic and structural viability as cooperative is a business unit. At the end of this year, about 50 large sized cooperatives will be set up as a result of amalgamation of various small credit societies averaging a membership of twenty. The new enlarged cooperative credits will have a membership around 200-500 each.

Multi purpose Cooperatives

The idea of organising large-scale cooperatives which will render all necessary services to farmer members has at last materialised. Two

societies were organised on a pilot project by the consolidation of land cooperatives which already had experience of these **functions**. Unfortunately, due to lack of operating funds for large-scale operations, the two multi-purpose cooperatives were forced to revert to their old line.

Cooperative Act

The new Cooperative Act was promulgated with many **modification** of the old Act **affecting** the Movement both favourably and unfavourably.

Service Cooperatives

The recent and more active Taxi Cooperative was organised among the taxi drivers in Bangkok. This Cooperative helps the members to buy gas on discount price, obtain short-term and intermediate-term credit and provide supplies to members. Even though it has made a small beginning both in membership and service, it hopes to increase its area of operation in future.
