

**METHODOLOGY FOR
COOPERATIVE MEMBER
PARTICIPATION**



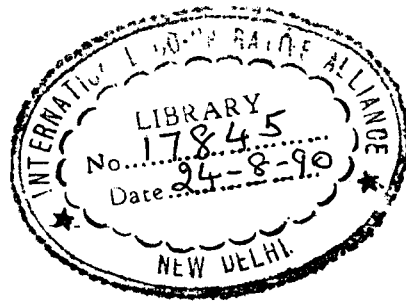
**REGIONAL SEMINAR
REPORT**

**International Co-operative Alliance
Regional Office for Asia and the Pacific
New Delhi, India**

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**METHODOLOGY FOR
COOPERATIVE MEMBER
PARTICIPATION**



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**Report of
the ICA Regional Seminar
23-29 May, 1989
Dhaka-Bangladesh**

Compiled by
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FOREWORD

ICA Policy on Cooperative Development has recognised the need and importance of member participation in cooperatives. Many cooperative movements in the Region have faced the problem of activation of their members in achieving democratic working of their cooperative societies. Empowering the members to become more active in decision making rather than to become passive partners has always been an important issue. In some of the countries, forces other than members have gained control over the cooperatives, which has resulted in either oligarchy or politicalisation of cooperatives. In the process, some of the cooperative movements are losing the values and ethics of cooperation which are vital for the growth of genuine cooperatives.

In the past, the ICA Regional Office introduced some concepts of member participation. One of the experiments undertaken in this manner in Indore project in India has already been integrated into the Indian cooperative system. FED approach member education and also the study circle method are some of the other methods introduced. However, it appears that the situations in some countries do not permit the adaptation of these methods. Therefore, alternatives would have to be found, tested and introduced. The introduction of Cooperative Member Participation Methodology which is being practised in some other parts of the world, has been a timely attempt to achieve this end. CMPP methodology has been introduced to a group of policy makers from several countries in the region at a seminar held in Dhaka in May, 1989.

Mr. Terry Bergdall, working with a similar project in Africa, was good enough to help the regional office as a resource to Mr. W.U. Herath, who is in charge of Human Resources Development project in the regional office.

Since the orientation seminar, there have been some developments achieved. A manual on CMPP methodology for Facilitators has been prepared, tested and validated. A few national level training programmes have already been held. A few self-help projects have been identified and undertaken by the participants. In this manner, I hope that the methodology introduced at the Dhaka seminar would help in bringing in a visible change in the working of cooperatives in the region.

I would like to appreciate the efforts made by Messrs. Terry Bergdall and W.U. Herath to compile the report on the seminar, which I have no doubt, will serve as a very useful document for the policy makers and the facilitators who are interested in the field.

New Delhi,
July 31, 1990

G.K. Sharma
Regional Director

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PART I

01 BACKGROUND

1.1 Many developing countries in the Region have experienced gradual decline of member participation in the activities of their cooperatives. Their participation has been limited to the attendance at the annual general meetings. They normally have become passive partners in their cooperative business instead of becoming active owners. Taking major decisions has been transferred to either professional managers or elected committee members. The election is normally controlled by power groups in the society or external political parties.

1.2 This situation has resulted in two developments:

- i. Increasing role of governments in cooperative supervision and incorporation of more stringent laws,
- ii. Losing cooperative character in cooperatives.

1.3 The ILO/NORAD Regional symposium on Cooperative Training policy and standards held in 1986 emphasized that "It is necessary to stress that management and member education should lead to an economically viable cooperative movement better services to the members and greater participation by the members in the affairs of their cooperatives"

1.4 Enhancing member participation has been a priority in ICA Cooperative Development policy since 1987. Many attempts have been made to identify appropriate strategies. Field Education Programme (FED) was a special project carried out for the purpose. In addition many regional seminars and consultations have been held during late seventies and eighties. ICA Regional office itself carried out Indore Project in the seventies, which was integrated into the Indian cooperative system. There were also attempts to introduce study circle system from Swedish experience to Asian Cooperatives.

1.5 Japan has developed certain systems to ensure member participation in agricultural and consumer cooperatives.

1.6 However, the problem of inactivity on the parts of individual remain a major problem still due to historical and current socio-political environmental reasons. Therefore, introduction of alternative strategies are necessary.

1.7 Cooperative Member Participation approach is a model developed in community development programmes in Kenya which had been later introduced to other countries. The uniqueness of this model is its dependence on self-reliance, the total involvement of members in deciding the future directions of their society and their involvement in implementing their development projects. External educators' role is marginal. These features fulfil many deficiencies in the existing members education programmes in Asia.

1.8 In the circumstances, the Advisor of the Human Resources Development Project visited Kenya-Zambia and Tanzania and studied the CMPP methodology and its application in the field. The Swedish Cooperative Centre and the ICA Head Office in Geneva provided facilities. Later it was decided to adopt the approach to Asian conditions. The orientation seminar is the first step of introducing the concept and methodology and testing its validity.

02. SEMINAR OBJECTIVES

The seminar had the following objectives:

- 2.1 To assess the situation of participating countries in regard to member involvement in the activities and management of their cooperatives,
- 2.2 To identify problems of member participation,
- 2.3 To develop skills in adopting member participation in the cooperatives in their respective countries,
- 2.4 To prepare action programmes on the basis of the experience gained during the seminar to be implemented in their respective countries.

02. METHODOLOGY AND PROGRAMME

3.1 The CMPP approach is new to the Asian region. Therefore, it would become necessary to assess the validity and appropriateness of the approach to the conditions of the Region. In order to do this, policy making officials or leaders may have to be exposed to the methodology. Accordingly, leaders/executives from selected countries were invited to participate in an orientation seminar.

3.2 The seminar was located in Bangladesh, where member participation in cooperative activities on self-reliant basis is essential for development and also certain experiments such as integrated rural development and Deedar Cooperative are being carried out. The environment itself is a motivation to create such an awareness.

3.3 The participants were exposed to the CMPP process by experiencing the process themselves. Their country situations were simulated for the environment in which the CMPP process was applied. Accordingly, they discussed about the vision in their countries in member participation activities and identified the obstacles. They, thereafter, came out with proposals to solve these problems and discussed the strategies and approaches for their implementation. They prepared individual implementation plans on the basis of the country specific recommendations.

3.4 Finally, they reflected on the methodology and discussed the possibility of adoption of the CMPP concept. Later they were briefed on the introduction to the CMPP experiences in Africa.

3.5 The seminar ended up with a study tour to BARD Institute, Comilla and Deedar Cooperative Society in the same locality. These visits were enlightening experiences on the positive impact of self-reliant member participation activities in cooperatives.

04. PARTICIPANTS

4.1 Twenty one (21) participants from 9 countries participated in the Seminar. Out of the group, there were 7 women participants. The group consisted of 7 voluntary cooperative leaders, 2 heads of business institutions and 12 cooperative training managers at various levels from village level to national level. Some of the trainers were field workers and others were either institutional trainers or heads of training institutions or business institutions.

05. SEMINAR ORGANISATION

5.1 The Bangladesh Jatiya Samabaya Union (Bangladesh National Cooperative Union-BJSU) kindly agreed to host the seminar and make all the arrangements.

5.2 Mr.Mohd.Shahidullah, the General Secretary and Mr.Zahirul Haque functioned as the coordinators from the host organisations. Alhaj Liaquat Ali, Chairman of BJSU functioned as the chairman of the Seminar.

5.3 Mr.Terry Bergdall, CMPP Coordinator from the Project for Members Active Participation of Zambia attended the seminar, as facilitator at the invitation of ICA ROAP, while Mr.W.U.Herath, Advisor, HRD, ICA ROAP functioned as a facilitator of the Seminar.

5.4 Study tours were arranged with active collaboration with Bangladesh Academy of Rural Development, Comilla and Deedar Cooperative Society Ltd., Comilla. Hon.Minister of Co-operatives, Local Government and Rural Development and many other national level cooperative organisations showed hospitality by organising receptions,etc.

PART II
SEMINAR REPORT

06. INAUGURAL SESSION

6.1 The seminar inauguration took place at the Banquet Hall of Hotel Purbani International on 23 May, 1989.

6.2 Mr. Liaquat Ali, Chairman, BJSU welcomed the Hon. Minister, Janab Naziur Rahman, while Mr. W. U. Herath, Advisor, Human Resources Development, welcomed him on behalf of the ICA ROAP.

6.3 The Hon'ble minister's speech is extracted below:

"Mr. Chairman, Distinguished participants, Representatives of ICA, Co-operators, Ladies and Gentlemen, Assalamu Alaikum.

I am indeed very happy to be here in this inaugural session of ICA Regional Seminar on "Member Participation in Cooperative Societies" being held in Dhaka.

It also gives me pleasure to meet the veteran cooperative leaders from various countries of Asia in this august forum. Let me congratulate the ICA and the BJSU for organising this Regional seminar in Bangladesh.

Bangladesh is an over-populated country where the majority of the people are poor. Government of Bangladesh is committed to assist and support these less advantageous people to raise their standard of living and economic condition through the vehicle of co-operatives. In this context, I may mention here that the constitution of Bangladesh with this aim in view has recognised co-operatives as the second economic sector along with public and private sector. You may agree with me that the co-operative movement stems from the concept of mass participation, organised efforts, sharing collective responsibility and equitable distribution of wealth. It is no denying fact that mass participation is the most important pre-requisite for making the co-operative movement a success. Unfortunately, in most of the developing countries like Bangladesh, member participation in the real sense of the term (specially in the decision making process) is lacking. In many cases, it is observed that some vested interest groups dominate the affairs of the societies by exploiting the general members. Therefore, I find that the topic of this seminar is very timely and very important in the present-day cooperative movement.

In order to make the co-operative movement "member oriented" and really moving, the Government of Bangladesh is presently involved in the restructuring, reorganising and developing co-operatives. With this aim in view, the Government has constituted a National Co-operative Council with representatives from different Government and non-government agencies and veteran co-operative leaders of the country to frame a national policy on co-operatives. It gives me pleasure to inform you that the draft policy has already been prepared and is now under the active consideration of the Government.

Besides, the present government under the dynamic leadership of the Honorable President, Hassan Mohammad Ershad, have scrapped the age-old Cooperative Societies Act of 1940 and Co-operative Societies Rules of 1942 and replaced them by Co-operative Societies Ordinance 1984 and Cooperative Rules 1987 respectively as per needs of time.

I may also mention here that the Government is now considering further amendments to facilitate a healthy co-operative movement in Bangladesh. I may also add here that with a view to democratise the cooperative movement, the present government has also managed to hold elections in most of the co-operative societies in the country. You will be glad to know that by now, more than 85% of our one lac, forty thousand primary societies are run by democratically elected managing committees.

The UN recognised ICA is engaged in promotion and development of cooperatives all over the world. The ICA Regional Office for Asia is also playing an effective role for development of cooperative movement in Bangladesh since 1961. I have firm conviction that with ICA support and co-operation, cooperatives in Bangladesh will grow further in the days to come. It is heartening to note that representatives from 14 Asian countries are participating in this seminar. I am confident that the participants in this seminar will have ample opportunity to discuss the situation of the co-operative movement in this region, giving special attention to the issue of "member participation", enrich their knowledge and experience and formulate practical action plans, easily applicable in development countries like Bangladesh.

With this hope and expectation, I declare the ICA Regional Seminar on member participation in cooperatives open. Let me wish all our dignitaries from abroad a very happy stay in Bangladesh.

I express my gratitude and sincere thanks to the participants and delegates attending this seminar in Bangladesh from different Asian countries and I do hope that your stay in Dhaka will be comfortable.

Cooperative movement in Bangladesh is an old economic movement but unfortunately it has not yet got the desired momentum primarily because of lack of leadership here. Here the cooperative movement leadership generally comes from the upper middle class or middle class families and therefore, they are some what self-centered and self-seeking leaders. On the other hand, members of the different cooperative societies are largely illiterate, and it is very easy to cheat them.

Therefore, the whole system is now under thorough examination. We have already asked the concerned authorities not to give registration to any new cooperative societies except cooperative societies under BRDB.

We believe in quality not in quantity. We believe in selfless, dynamic leadership but not rootless mushroom leadership. We believe in healthy economic development, not in eyewash in the name of development.

We are working for this. We need your expertise, your experience, your suggestions and I believe, this seminar will provide some concrete proposals to break the vicious circle in our cooperative movement. Let us put all of our efforts for greater benefits of the rural people in this region, specially in Bangladesh".

07. COUNTRY PRESENTATIONS

7.1 Participants presented their prepared country papers on Tuesday. Most of these papers described the general situation of cooperative structure and institutional relationships; only a few directly addressed concerns about members participation. Discussions after each paper usually focused on this interest in structure almost to the exclusion of anything specifically related to the subject of participation. This was a valuable exercise, however, because it rehearsed the given realities within which any promotional activities for participation must take place.

7.2 Country presentations revealed following common factors in relation to members participation in cooperatives:

- i. Business planning in cooperatives is normally undertaken by the staff of the cooperative society,
- ii. The concept of member participation has been confined to the passive involvement in cooperative activities. The members normally sanction policies and plans of the society but

not participate in the planning process. In some countries, the business targets are given by the governments.

- i. In certain situations, member participation has been confused to social activities only.
- iv. Generally member education is defined in relation to traditional lectures on cooperative principles, etc.
- v. In certain countries, the member participation is confined to undertaking business with the cooperative society by the member and derive economic benefits such as dividends.

7.3 The country presentation identified the constraints for proper member participation such as government intervention in society activities, illiteracy of members and lack of knowledge of rights and responsibilities of the members.

08. INTRODUCTION TO THE CMPP APPROACH

8.1 This brief introduction to the CMPP methodology was intended to merely set the stage for the following sessions. Some of the participants perceived this introduction as a continuation of the previous presentations and proceeded to ask numerous detailed questions about the structure of CMPP and how it operated in Africa. It was explained that these questions would be dealt with later after everyone had experienced the CMPP process for themselves in the next four sessions. The intent was to demonstrate the method rather than to describe it abstractly. Somewhat reluctantly, those asking the questions agreed to continue with the established agenda.

09. VISION WORKSHOP

9.1 This workshop was seeking to clarify the meaning the seminar participants gave to "members participation". Privately, each person answered the question "what do we hope to see when encountering genuine members participation in a cooperative society" and created their own individual brainstorm list. They then met in small teams to discuss these ideas. The teams agreed upon key ideas, which were written on cards and returned to the whole group where their ideas were shared.

9.2 All of the ideas were related to one another by the group to form seven major categories for describing members participation.

9.3 According to the participants, members participation means "an informed membership" that is "involved in the planning process" of cooperative affairs and is actively "engaged in decision making". Participation means that "members control management" through their awareness, vigilance, and willingness to be involved. Participation means "shared economic benefits and risks" which are manifest, amid other practical actions, in the "patronage of cooperative services". These aspects of participation are absolutely crucial if members are to maintain a true sense of ownership for their cooperatives and if "commitment and confidence in cooperative values" are to be nurtured and reinforced (see the Vision chart in the appendix).

9.4 Many of them had a very difficult time stating simply and concretely what they meant by the concept. The vision workshop was important for establishing a common starting point for the rest of the seminar. It also firmly set the style of a participatory process which built on the insights of all of the participants instead of listening to a few experts.

10. CONTRADICTIONS WORKSHOP

10.1 The contradictions workshop followed the same basic procedures as those used in the vision workshop but focused on a different question, "what are the obstacles that often prevent authentic member participation from occurring?". The seminar participants named eight major contradictions.

10.2 "Top down approach": this obstacle pointed to the results of strong government intervention with its tight control, heavy regulation, and differing interests which undermine the democratic nature of cooperatives and the sense of genuine ownership by the members.

10.3 "Economic and marketing inefficiencies": participants found limited marketing and management skills of cooperative personnel combined with a general lack of marketing facilities as exacerbating factors in a situation that already suffers from far too few economic incentives and perceived benefits.

10.4 "Inadequate cooperative education": members are unaware of the potential of the cooperative movement as can be observed when members seek the temporary benefits of services outside of their cooperative structures.

10.5 "No objective guidelines and directions": cooperative leaders and management often do not want general members to be informed about cooperative affairs because of vested interests they are protecting; many members lack a clear understanding of their rights and how to secure them.

10.6 "Environmental pressures": cooperatives function within a bigger context of society where poverty is pervasive, due process for justice is costly if not unobtainable, and a fatalistic attitude renders inaction and passivity.

10.7 "Poor perception of cooperatives": is closely associated with the following contradiction of "corruption and dishonesty": bad past experiences with fraud and minuscule benefits have given cooperatives a poor public image.

10.8 "Unavailable information": for a number of reasons, general members lack the necessary information which is a requirement for significant involvement in cooperative affairs.

10.9 After these contradictions had been identified in the workshop, participants were asked to consider them in the light of their national situations. Which ones were the biggest blocks to participation in their own country? Which one was most nearly at the heart of the matter, the one that if they solved all others would begin to be addressed? The workshop ended in a sober climate that acknowledged the hard realities which obstruct genuine participation. (See the obstacles chart in the appendix).

11. PROPOSALS WORKSHOP

11.3 The proposals workshop again followed the same basic procedures but with a different question: "What can national cooperative organisations do to resolve the contradictions that are blocking members participation?". The group determined that cooperatives need to be moving in strategic directions which address issues of discipline and public image, structural changes in cooperative institutions and members awareness (see the Proposals chart in the appendix).

11.4 First, cooperatives need to move toward achieving a new standard of excellence. The seminar participants saw a relationship between "instilling internal discipline", i.e. establishment of effective internal monitoring through possible actions like members selecting the auditors, and "improving the cooperative image".

11.5 Second, cooperative organisation need to move toward improving cooperative viability. This entails "re-orienting the role of government." That, of course, is no small task and is probably not the first course of action. Participants saw that "establishing linkages" within a sound co-operative network is essential for empowering the movement both politically and economically. Such organisational empowerment is as important in "attaining economic efficiency" within cooperatives as it is in effectively negotiating with government structures.

11.6 Third, cooperatives need to move toward empowering local members. This involves "establishing cooperative information systems" and "providing members education". The role of education was obviously very important in the minds of the seminar participants because they underscored their concern by emphasising the need for "conscientizing cooperative members" and "encouraging cooperative democratization".

12. NATIONAL ACTION PLANS

12.1 In this session, participants met in national delegations to create ten step action plans for enhancing members participation through the institutions they represented. Each action plan was drawn into a chart that presents the higher priorities toward the right hand side of the page. As one might expect, these action plans are of varying degrees of quality, but they do reflect the participant's perspectives on practical action which might be taken (see Action plans in the appendix)

13. PRACTICAL CMPP EXPERIENCES FROM AFRICA

13.1 This session was loosely structured discussion about CMPP in Africa. An initial presentation was made about the programme's design, institutional settings, staffing, facilitator training programmes, monitoring and evaluation procedures, etc. The "MUWA Facilitators Manual" from Tanzania (MUWA is the acronym for CMPP in kiswahili) was given to the participants. This proved to be a valuable resource for illustrating operational aspects of the programme in response to the numerous questions that arose in the discussion. At the beginning of the seminar, Facilitators felt, many of the participants were thinking "can Asia really learn anything from African experience?". It seems that this issue had completely disappeared by the time this session was completed.

14. THEORETICAL FOUNDATIONS OF CMPP

14.1 This session consisted of a presentation and discussion about the theoretical foundation of CMPP. In brief synopsis, all people live out of "images" or self-understandings of themselves. Images are directly related to the attitudes that people develop. These images are created by messages received through the totality of an individual's life experience. Images control behaviour but can be changed through the reception of different messages.

14.2 CMPP aims to create new images to replace these debilitating ones by communicating alternative messages. CMPP can be a powerful tool in occasioning these "image-shifts" because people EXPERIENCE a new reality rather than merely being TOLD that they ought to think and act differently. This happens when people have their thoughts honoured as genuine insights in seminars and see them actually included in the formulation of project plans; when projects are successfully completed through the utilization of local resources, instead of waiting for them to arrive from outside donors; when small farmers begin to actually reap some concrete benefit from cooperative membership.

14.3 CMPP facilitators have to be on guard to avoid sending contradictory messages. Many women come to CMPP seminars with self-deprecating images of themselves, convinced that they have nothing worth while to contribute to the discussions. Every facilitator would intend to encourage the participation of these women, but in the intensity of leading a discussion, many facilitators inadvertently ignore comments from shy women as they accept responses from more articulate men. This results in a powerful message that undermines the intention of the facilitator.

14.4 The session proved to be a lively one. Many people compared the CMPP approach to the methods they associate with Paulo Freire and "conscientization." Because many of the participants were trainers within their respective cooperative organisations, this session seemed to strike a particularly receptive cord with them. The discussion allowed them to share their own illustrations of successes and failures in occasioning "image-shifts". A greater appreciation of the depth of the CMPP methodology seemed to result from the discussions.

15. WOMEN'S PARTICIPATION

15.1 Participants were divided into three teams where they conducted a "mini-CMPP" among themselves. The focus of this work was the particular problems related to women's participation in cooperatives. After an hour and a half of team work, the group was reconvened and results shared. Representative of those discussions, the proposals from one team are reviewed here. (See Women's participation in the appendix for all of the reports).

15.2 "Policies and regulations to ensure equal participation of women." Often cooperative laws in principle maintain these rights, therefore the major problems of women's participation lie elsewhere. However, where laws do not guarantee equal involvement, the team proposed action for change.

15.3 "Create nurseries and afford domestic services on cooperative lines." Women are often too busy with household chores to take an active role in cooperative affairs (or other activities). Services to lighten this load could be created through cooperative approaches.

15.4 "Women's leagues within cooperative organisations to promote nutrition, child care, family health, and self employment projects." There is often an absence of activities to attract women to cooperative membership. Activities like these could provide services within the cooperative context to meet women's needs.

15.5 "Create public awareness to clear misconceptions on ladies participation". Women in general, but especially single women, are often subjected to prejudicial rumours questioning their moral purity when they attend functions outside of the home as individuals in their own right.

15.6 "Afford equal educational opportunities to women; promote co-operative education at grass-roots level". Because of the historical roles given to women, there is not a strong tradition of women's leadership. This needs to be addressed through educational efforts.

15.7 The particular problem of women's participation was not an easy subject in this seminar. The male participants, as might be expected, far out numbered those of women. Through out the group discussions, there was a lot of self-conscious joking, revealing a subtle embarrassment to the whole topic; in spite of this, the participants created creditable work as the above proposals illustrate.

16. STUDY VISIT TO COMILLA

16.1 The story of the Comilla Cooperative Society is a very powerful one of grass-roots initiative by poor members of a cooperative. Combining the privilege of visiting such an exemplary cooperative with the chance to see some of the Bangladesh countryside outside of Dhaka was an excellent way of ending the seminar.

17. REFLECTIONS AND RECOMMENDATIONS

17.1 Many participants of the seminar felt that the CMPP approach is a very effective method for enhancement of member participation. They appreciated the participatory process of the seminar.

17.2 Mr.Bhattacharjya from India indicated that it would be possible to adapt the CMPP approach to primary consumer cooperative societies. Consultancy and Research Cell of the National Cooperative Consumers Federation could launch a programme on this. Mr.Iyer proposed to implement the programme through cooperative training centres in the states.

17.3 Ms.Malai from Thailand emphasised the suitability of the method used to enhance women's participation in cooperatives. Ms.Nam-oy felt that the methodology can equally be used in her college training activities for agricultural sector. The country interactions were very useful for her.

17.4 Ms.Zakaria suggested to integrate the methodology in her college activities. Mr.Razak wanted to use the method in his own society as a pilot project and expand it in the future.

17.5 South Korean delegates expressed the difficulty of using the CMPP method in their cooperatives since a similar approach is being practiced at present. They also appreciated the participatory process emphasised in the approach.

17.6 Mr.Alvarez from the Philippines said that the approach is participatory and of consultative nature. He proposes to undertake a pilot project on the CMPP approach.

18. CONCLUSION

18.1 The Seminar in Dhaka was only an introduction to the CMPP method. A proper training programme needs more time and serious practice in the field. The event was an attempt to see the appropriateness of the methodology in the context of the conditions in the Region, which was well justified. Collaboration between Africa and Asia on the methodology will be useful for future adaptation and development of the methodology. The methodology need to be adopted to the local conditions of a given country.

ICA - ROA SEMINAR		THE VISION OF MEMBERS PARTICIPATION IN CO-OPS					DHAKA 23 - 30 MAY 1989		
PATRONAGE OF CO-OP SERVICES	AN INFORMED MEMBERSHIP	SHARED ECONOMIC BENEFITS AND RISKS	COMMITMENT & CONFIDENCE IN CO-OPERATIVE VALUES	ENGAGED IN DECISION MAKING	MEMBERS CONTROL OF MANAGEMENT	INVOLVEMENT IN PLANNING PROCESS			
Usage of all Society Business	Awareness of local problems	Stake in performance	Confidence in the Society	Election of President, Directors & Auditors	Inspection on Management	Internalising Problem Solving			
	Perform Rights & Obligations	Share in Benefits	Promoters Cooperative Principles	Attend all Meetings	Exercise Vigilance				
Loyalty to the Society	Right to know	Contribution through Shares	Feeling of Ownership & Belonging	Vote and be elected	Rotation of Functions	Share, Plan & Contribute			
	Informed members	Contribution Via Deposits	Practical Group Activities	Demands to be heard	Involvement in Management				
	Right to Education	Share in Mutual Liabilities	Observe Regulations & Directors Decisions	Dialogical Processes	Participation in Leadership		Member is Subject		
		Enjoy all Rights & Benefits	Sincere Devotion	Regular Reports of Meetings					

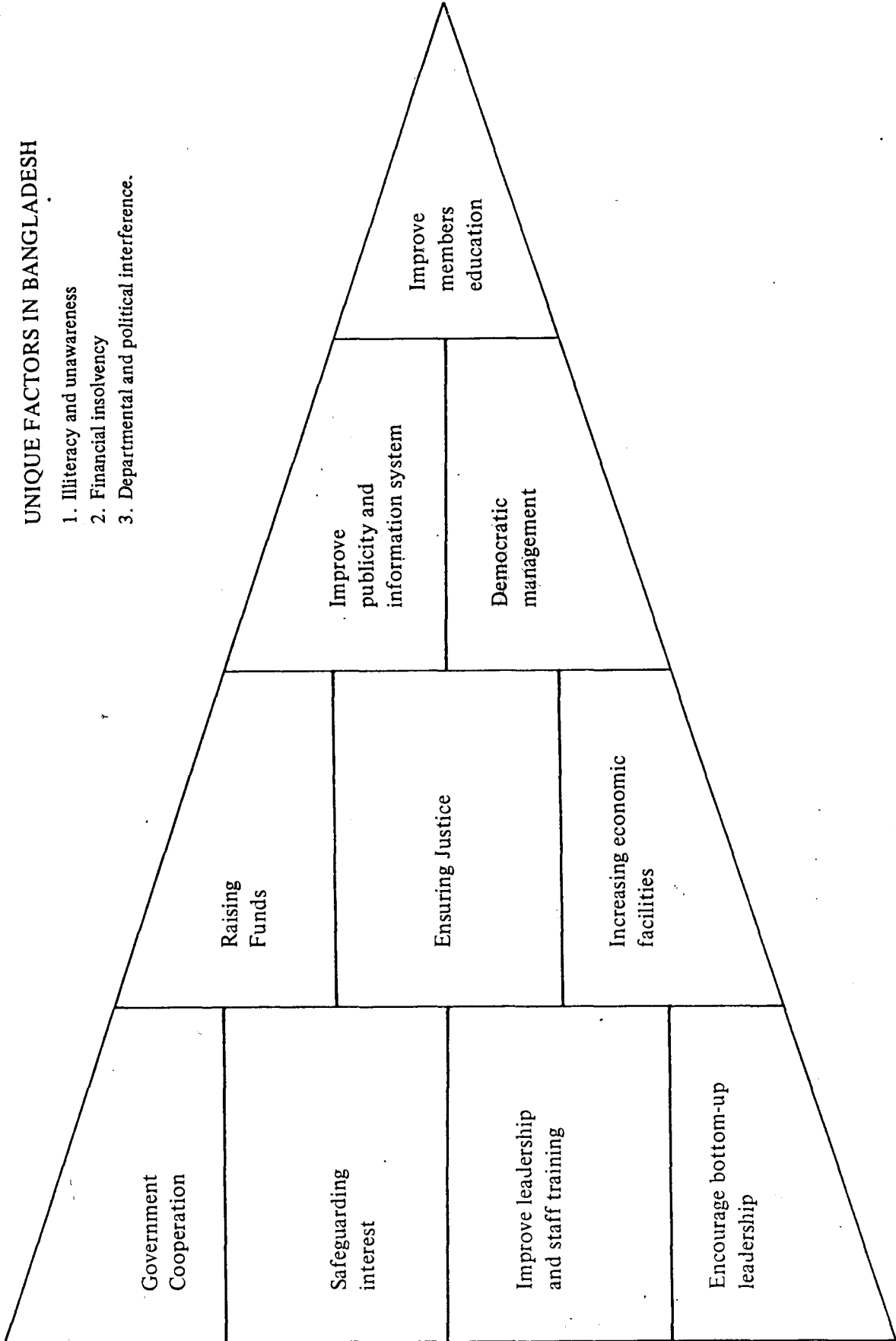
ICA - ROA SEMINAR		OBSTACLES TO CO - OP. MEMBER PARTICIPATION						DHAKA 23 - 30 MAY 1989	
TOP DOWN APPROACH	ECONOMIC AND MARKETING INEFFICIENCIES	INADEQUATE COOPERATIVE EDUCATION	NO OBJECTIVE GUIDE LINES AND DIRECTIONS	ENVIRON- MENTAL PRESSURES	POOR PERCEPTION OF CO - OPS.	CORRUPTION AND DISHONESTY	UNAVAILABLE INFORMATION		
Top down approach	few economic incentives	lack of unity among members	leadership with vested interests	alienation and fatalism	bad past experience	leakage	lack of data		
too much govt. interference	poor marketing techniques	knowledge & initiative lacking	management does not like members to know	hostility of the non-co-op	co - ops have poor image	crooked management	inadequate interaction facilities		
superiority complex	lack of professional training	lack of leadership training	lack of guide-lines	poverty	lack of member interest	lack of values			
heavy regulation	inefficient management	lack of understanding Co-op principles	no objective policies	justice is costly					
no democratic control	lack of facilities	ignorance of members	unclear mission						
unsuited services	market inefficiencies	temporary benefits of private sector							
complex red tape	few economic benefits	lack of Co - op education							
tight government control									

ICA - ROA SEMINAR		STRATEGIC PROPOSALS FOR ENCOURAGING PARTICIPATION		DHAKA 23 - 30 MAY 1989	
TOWARDS ACHIEVING COOPERATIVE EXCELLENCE	Improving the Cooperative Image		Instilling Interval Discipline		
	<ul style="list-style-type: none"> - Conduct massive Co-op information and promotion drive - Publicity to improve perfection of Co-operative - Encourage societal confidence - Prepare ideas of benefits for weaker sections - Grassroots campaign for co-operative movement. 	<ul style="list-style-type: none"> - Establish effective internal control - Regular audits (internal-monthly; external annually) - Auditor to be elected by membership - Involve members in business planning - Conduct regular financial and management audit - Reward honest and discourage corrupt primaries. 			
TOWARDS IMPROVING COOPERATIVE VIABILITY	Attaining Economic Efficiency		Establishing Linkages		Reorienting the Role of Government
	<ul style="list-style-type: none"> - Provide effective marketing support. - Enhancing suitable economic benefits. - Co-operative management training for management staff at all levels - Support resource building in primaries. 	<ul style="list-style-type: none"> - Buildup sound co-op network - Establish co-op linkages/consortium for procurement of merchandise & services - Coordinate activities with economic and community bodies/agencies. - Encourage co-ops among primaries - Assist in setting objective guidelines for management primaries. 	<ul style="list-style-type: none"> - Counter excess govt./outside interference - Avoidance of government interference - Release co-op educational fund from government control - Liberalization of co-op laws that impedes growth of co-ops - Government should come out with co-op incentives. 		
TOWARDS EMPOWERING THE ROLE OF MEMBERS	Providing Members Education		Establishing cooperative Information system	Conscientizing Cooperative Members	
	<ul style="list-style-type: none"> - Innovative Co-op education programme to grassroots. - Facilitate co-op education - Establish co-op consultancy group to advice coop. - Campaign on member participation - 5 years members development training programme 	<ul style="list-style-type: none"> - Apex organisation facilitate co-op date bank & make accessible to primaries - Collect real information channel to government - Identify & train potential grass-roots leaders - Disseminate information/data 	<ul style="list-style-type: none"> - Awakening of member's felt needs - Counter hostile pressure groups - Training of valves - Formation and bottom up personhood. 	<ul style="list-style-type: none"> - Rotational representation from primaries higher levels - Encourage bottom-up leadership 	

ICA - ROA SEMINAR	WOMEN'S PARTICIPATION	DHAKA 23 - 30 MAY 1989
<p>MAJOR DIFFICULTIES THAT ARE OBSTRUCTING WOMEN'S EDUCATION</p>		<p>PRACTICAL WAYS THAT NATIONAL COOPERATIVE ORGANISATIONS CAN IMPROVE WOMEN'S PARTICIPATION IN LOCAL CO-OPS.</p>
<ol style="list-style-type: none"> 1. Male dominant society 2. Low Levels of education compared to men 3. Housewife syndrome (feudalism) 4. Preoccupation with other work 5. Discriminatory laws. 		<ol style="list-style-type: none"> 1. Women as full fledged person. 2. Special education programme for women emancipation in co-op society. 3. Reorganising leadership role of women in Co-op societies. 4. Enhancing just sharing of job in the family. 5. Identifying and removing discriminatory laws, regulations and practices.
<ol style="list-style-type: none"> 1. Minority members. 2. High degree of illiteracy. 3. Family obligations. 4. Traditional values. 5. Lack of interest. 		<ol style="list-style-type: none"> 1. Through innovative method e.g. CMPP 2. Introduce literacy programme. 3. Motivation of male members. 4. Formation of task groups. 5. Publicity through mass media.
<ol style="list-style-type: none"> 1. Male chauvinism. 2. Too busy with household chores. 3. Absence of activities to attract women. 4. Misconception of active participation of single ladies. 5. Lack of women's leadership at grass-roots level. 		<ol style="list-style-type: none"> 1. Policies and regulations to ensure equal participation. 2. Create nurseries and afford domestic services on Co-op lines 3. Women's Leagues to promote nutrition, child care, family health and self, employment project. 4. Create public awareness to clear misconceptions on ladies participation. 5. Afford equal educational opportunities to women, promote co-op education at grass-roots level.

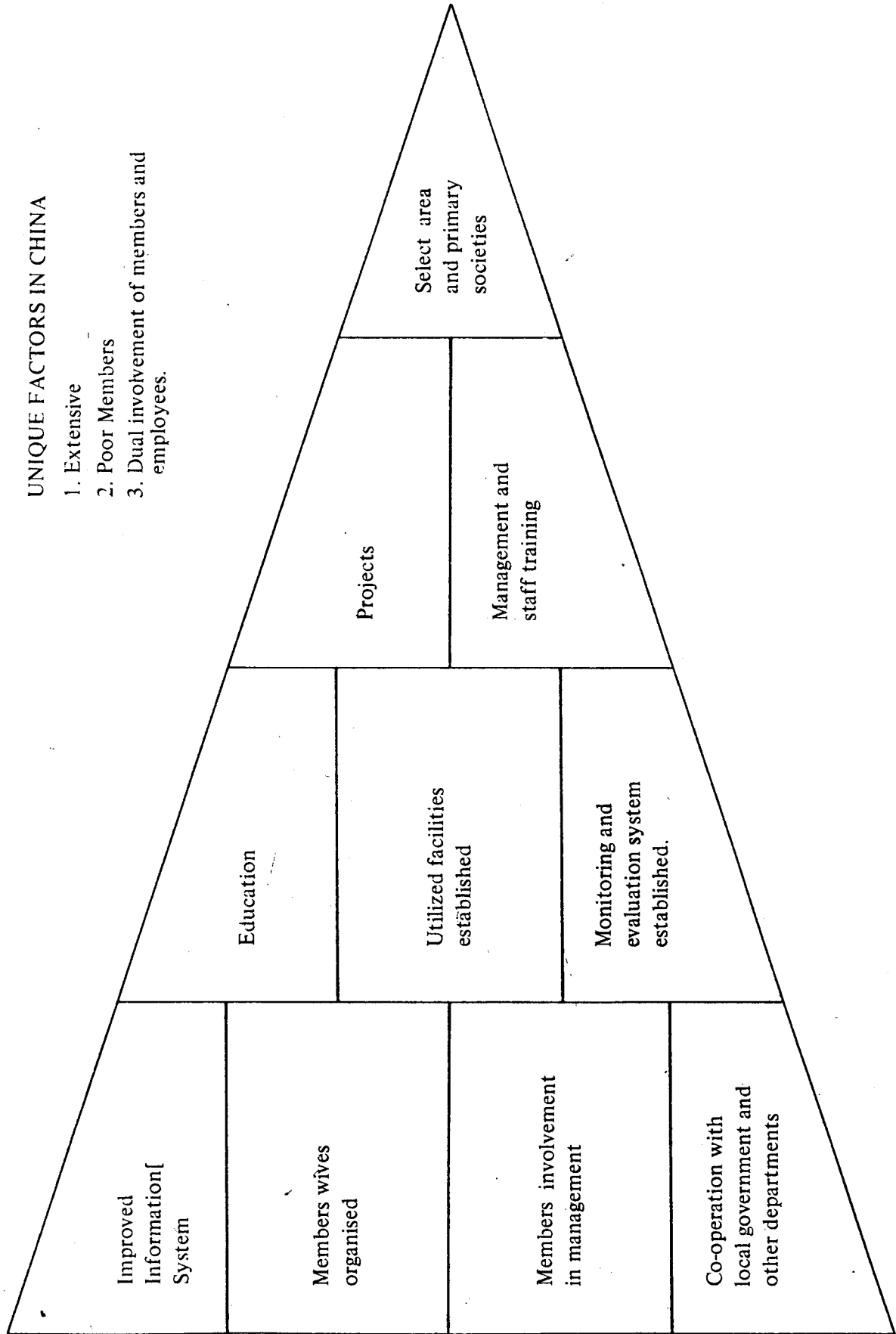
UNIQUE FACTORS IN BANGLADESH

1. Illiteracy and unawareness
2. Financial insolvency
3. Departmental and political interference.



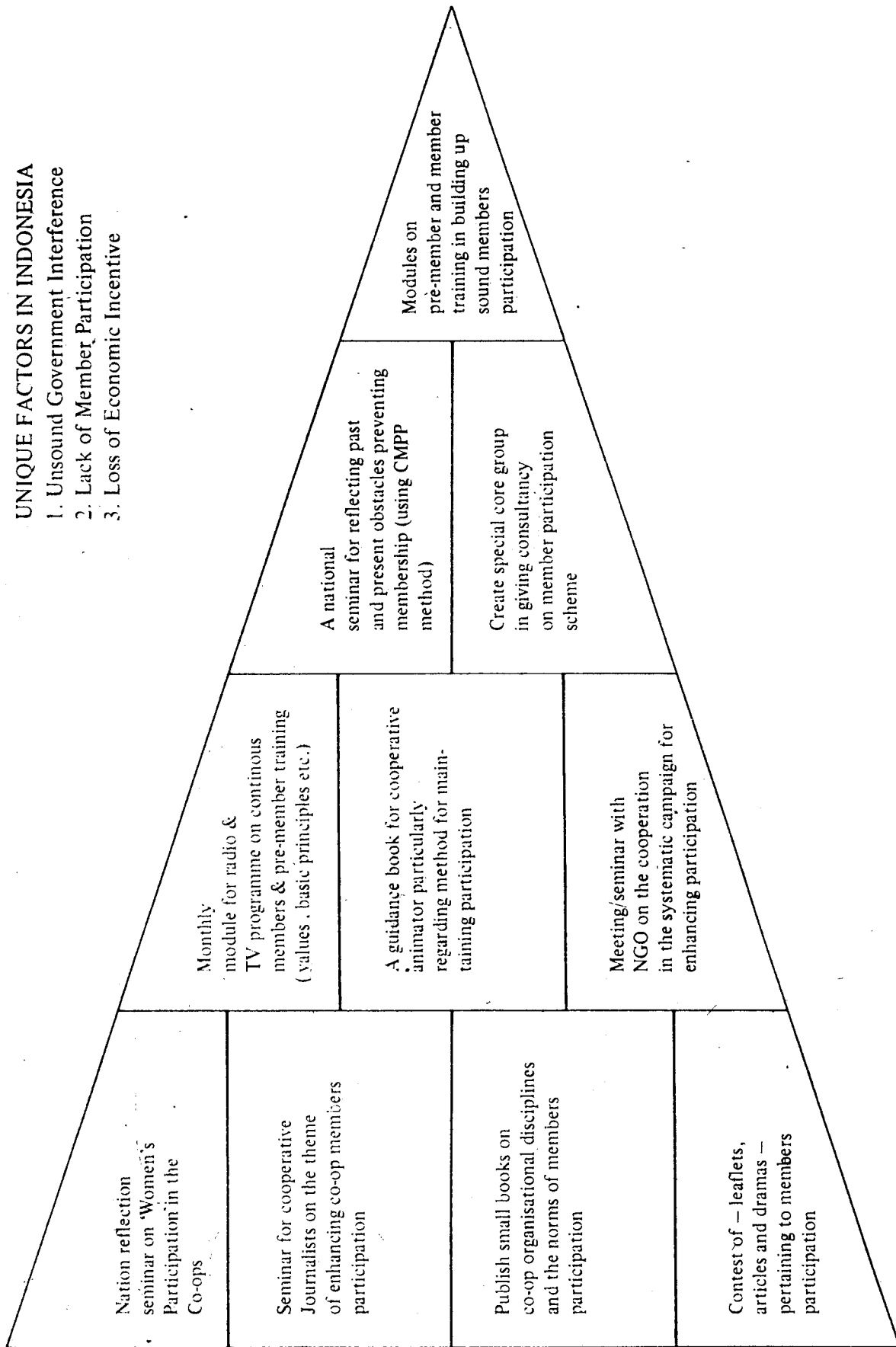
UNIQUE FACTORS IN CHINA

1. Extensive
2. Poor Members
3. Dual involvement of members and employees.



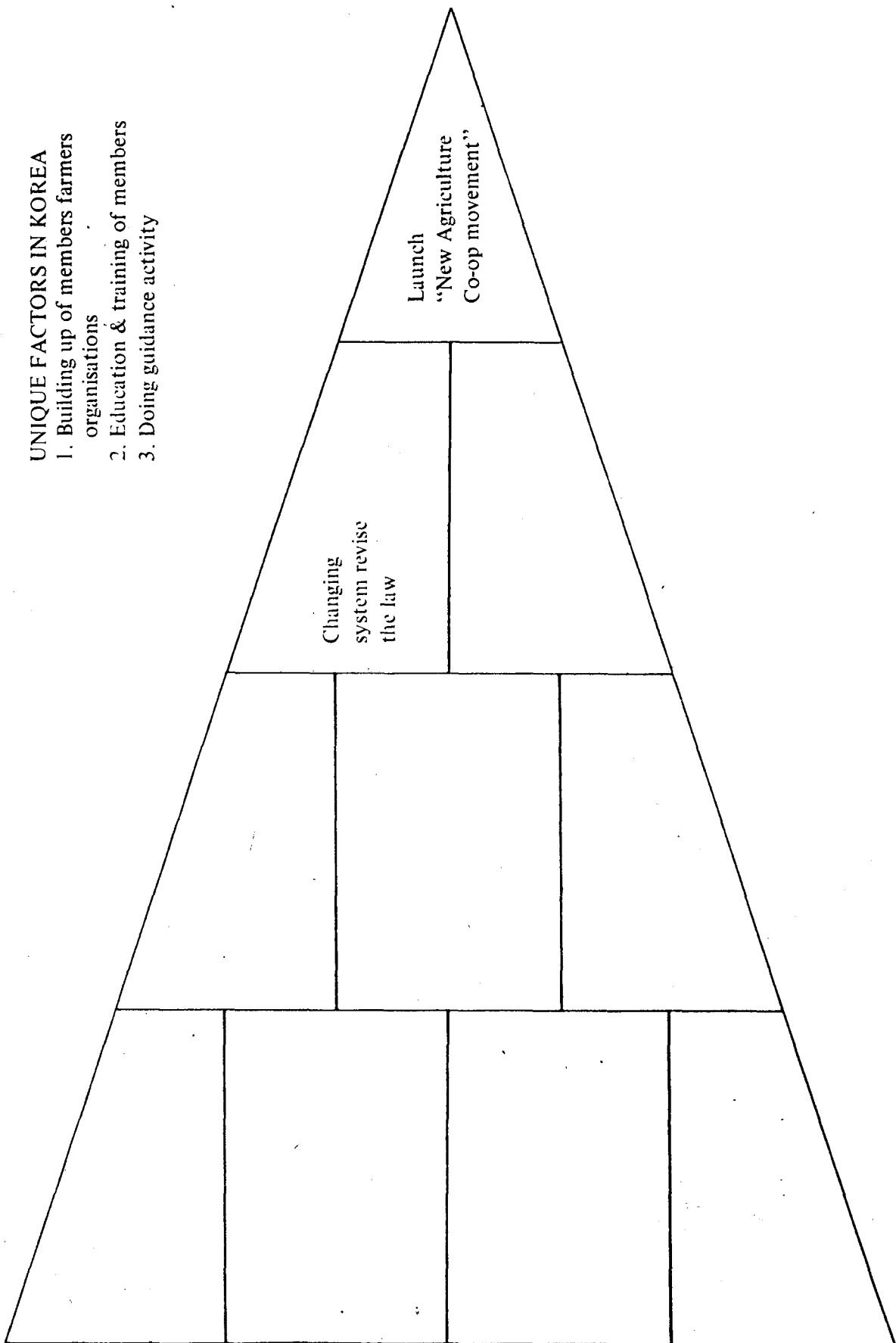
UNIQUE FACTORS IN INDONESIA

1. Unsound Government Interference
2. Lack of Member Participation
3. Loss of Economic Incentive



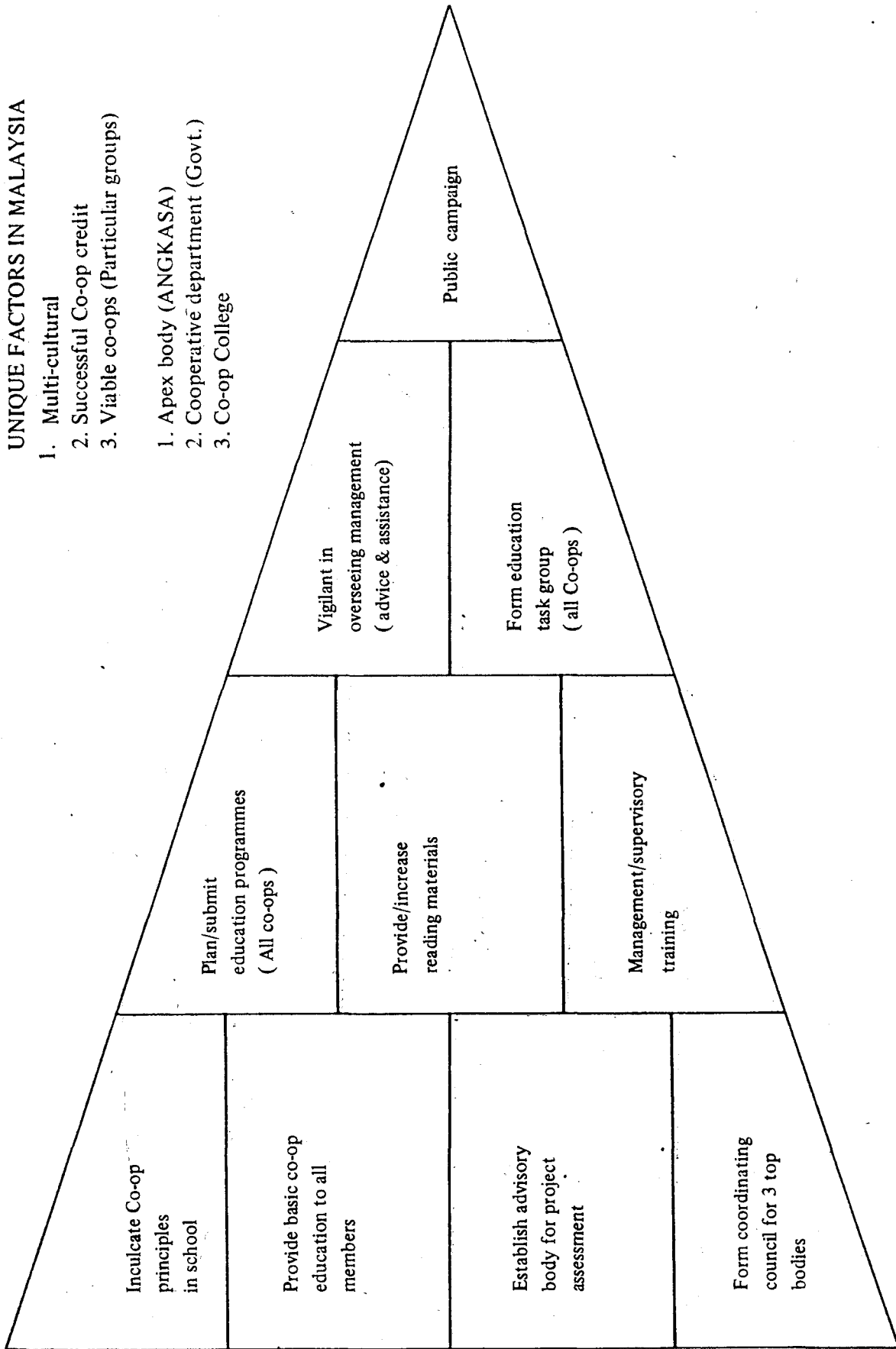
UNIQUE FACTORS IN KOREA

1. Building up of members farmers organisations
2. Education & training of members
3. Doing guidance activity



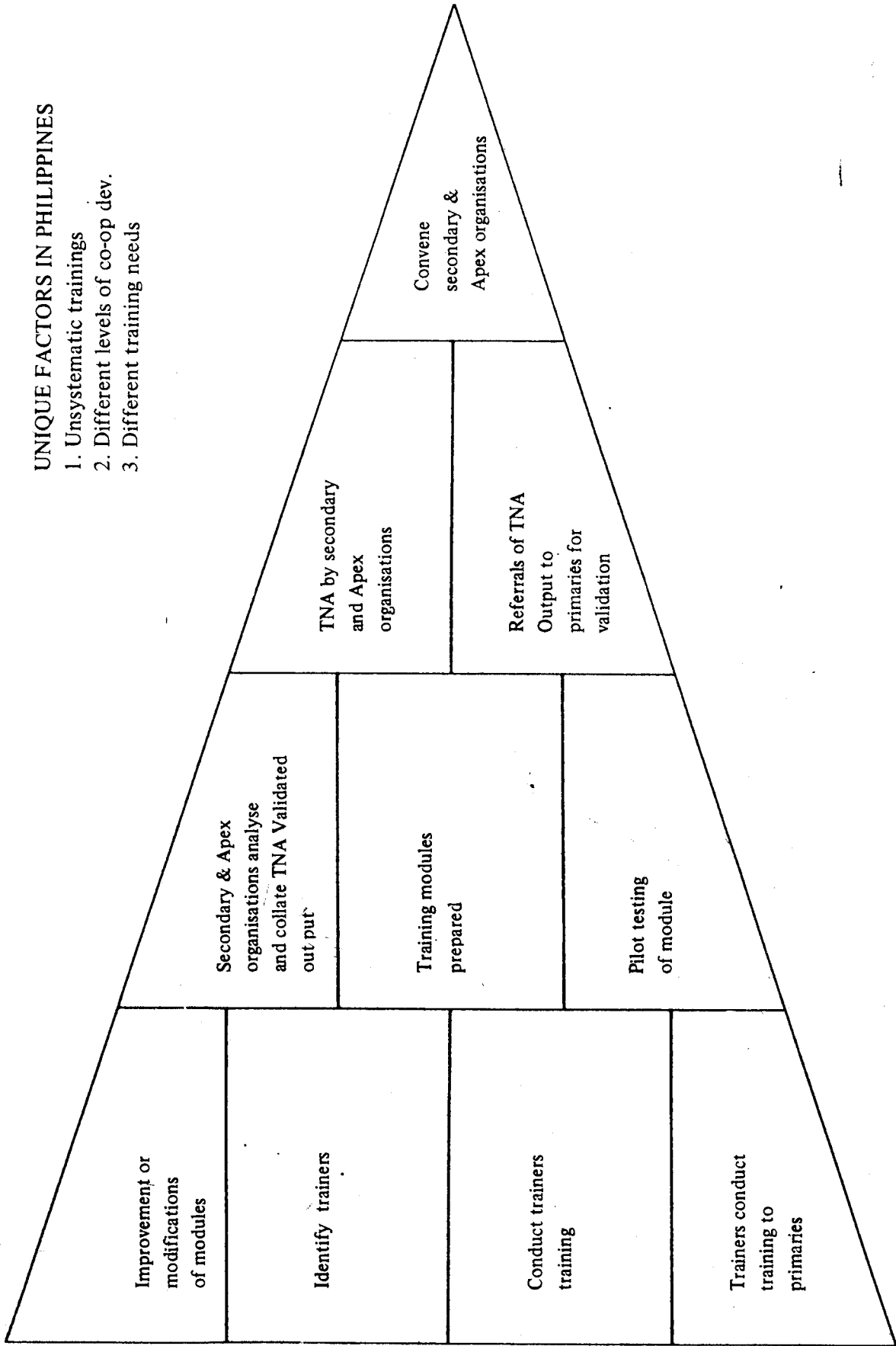
UNIQUE FACTORS IN MALAYSIA

1. Multi-cultural
 2. Successful Co-op credit
 3. Viable co-ops (Particular groups)
-
1. Apex body (ANGKASA)
 2. Cooperative department (Govt.)
 3. Co-op College



UNIQUE FACTORS IN PHILIPPINES

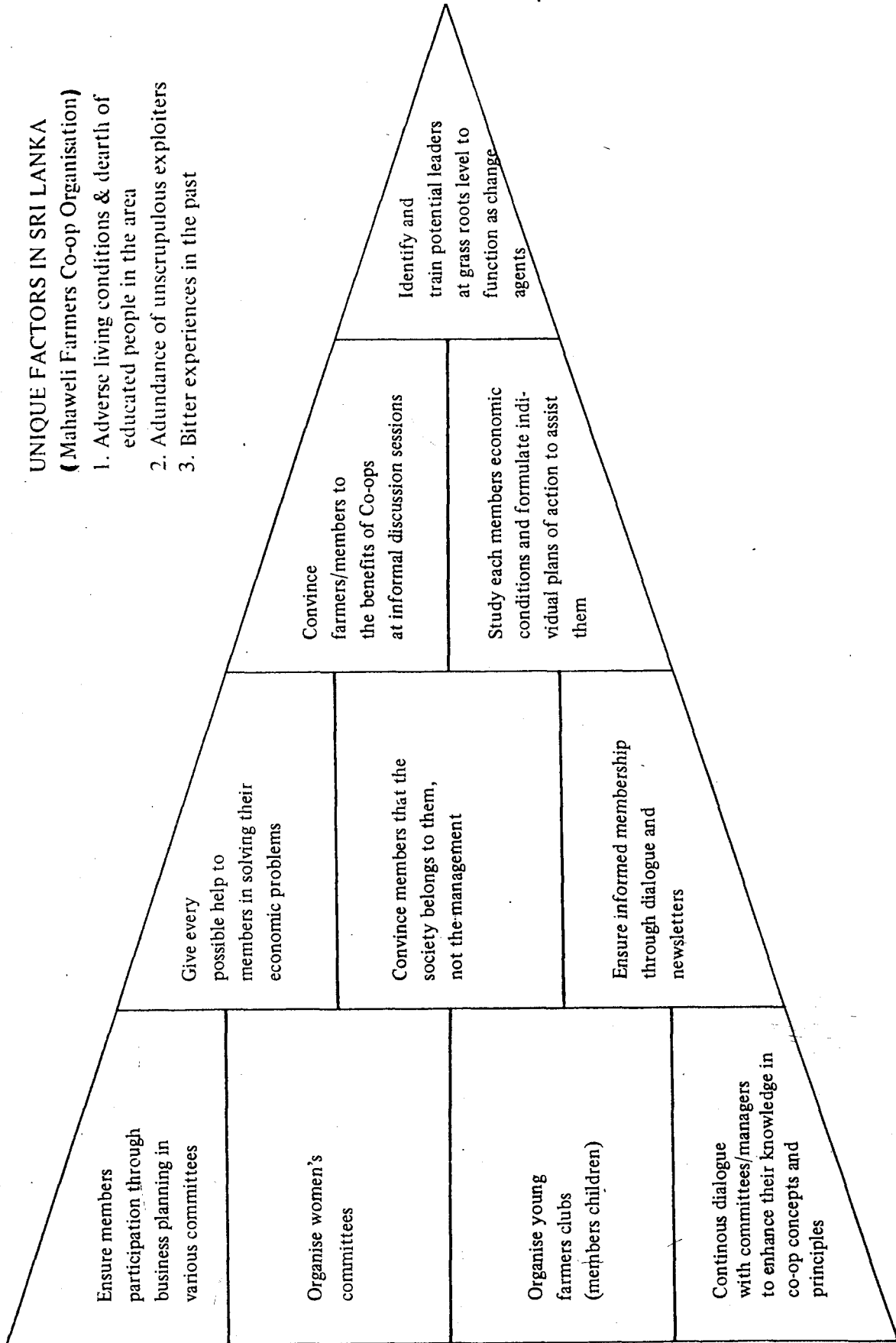
1. Unsystematic trainings
2. Different levels of co-op dev.
3. Different training needs



UNIQUE FACTORS IN SRI LANKA

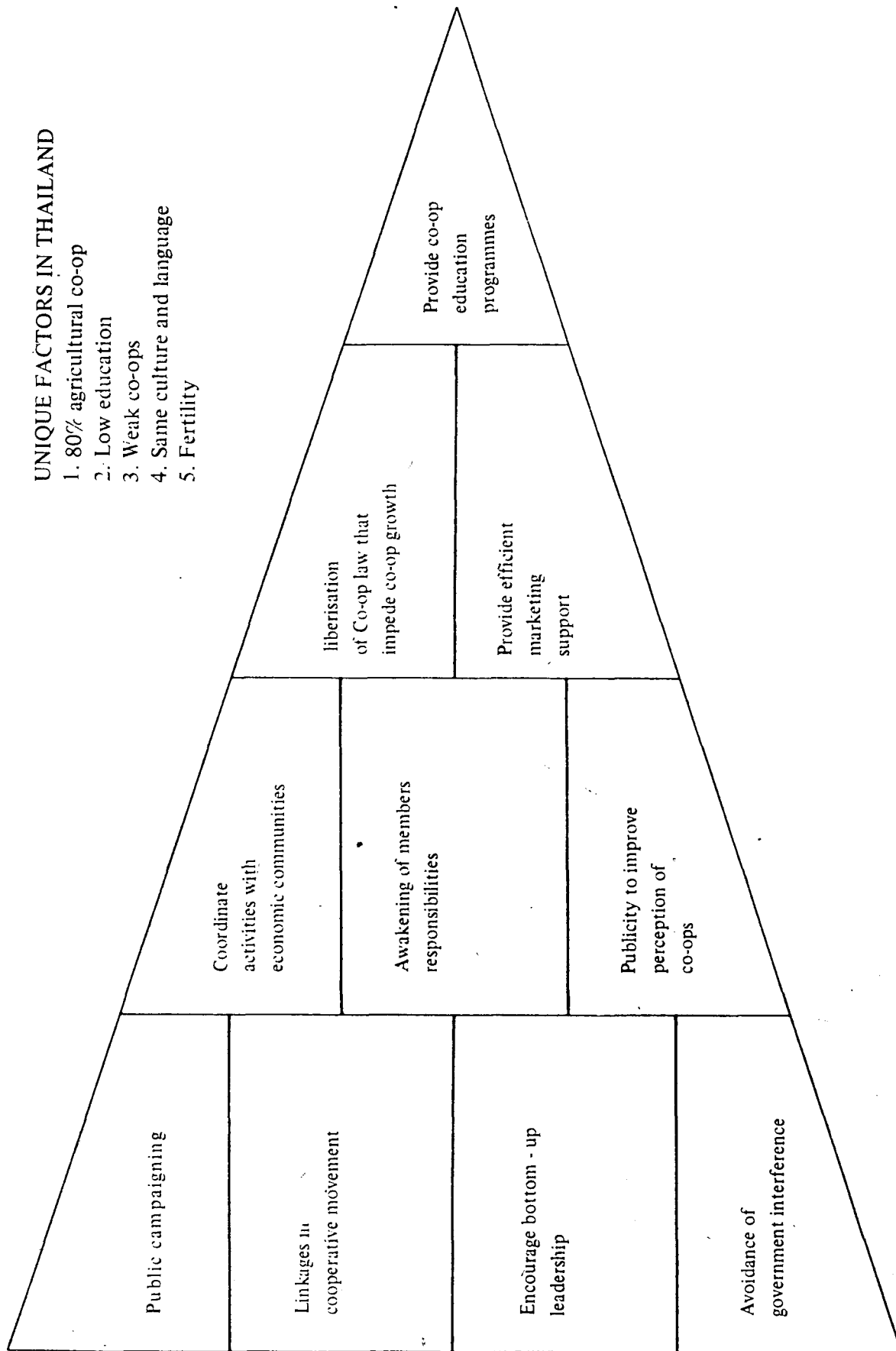
(Mahaweli Farmers Co-op Organisation)

1. Adverse living conditions & dearth of educated people in the area
2. Adundance of unscrupulous exploiters
3. Bitter experiences in the past



UNIQUE FACTORS IN THAILAND

1. 80% agricultural co-op
2. Low education
3. Weak co-ops
4. Same culture and language
5. Fertility



ANNEXURES

- 1. Country situations**
- 2. Seminar Programme & Study Visits**
- 3. List of Participants**

Country Situations

1. Bangladesh (By Mrs.Ferdousi Ali, Chairman, Samabaya Bank Ltd, Khulna and Distt.Cooperative Union, Khulna)

Introduction

The co-operatives in Bangladesh, as in other parts of this sub-continent, came into being in 1904 as an Agricultural Credit Movement. Subsequently, Co-operatives for other professional groups of people, like fishermen, weavers, artisans, women and destitute were ofcourse organised and these are still functioning, but the agricultural co-operatives have always been playing the most significant role in the movement. About 87% of the population, who live in villages are dependent, directly or indirectly, on agriculture, which employs 80% of the labour force and contributes 54% of the Gross Domestic Product (GDP). This is why, out of over 120,000 co-operatives in Bangladesh, about 100,000, that is 83 percent, are agricultural based.

It is worthwhile to mention that Bangladesh comprises of four divisions, 64 districts, 460 rural upazilas (sub-districts), 4472 Unions and about 85,650 villages. The districts and upazillas are the most important development units under the existing set up of the country.

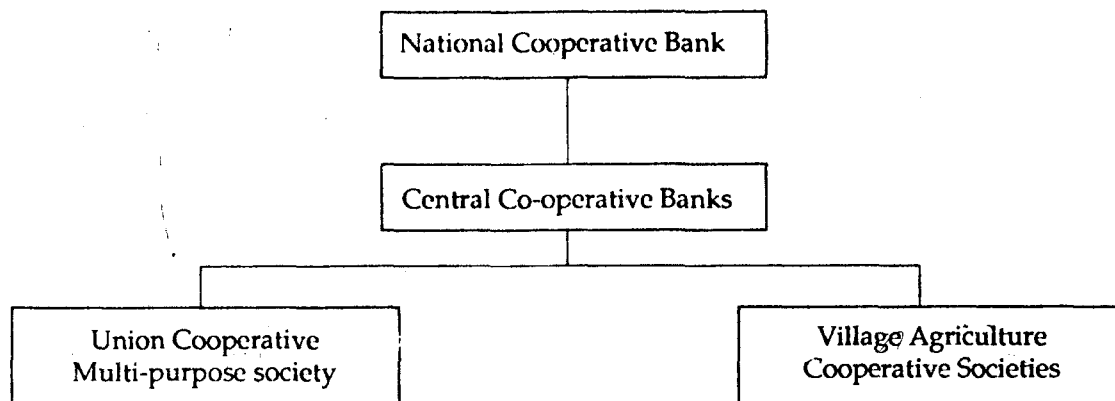
Objectives

The Khulna Central Cooperative Bank Ltd., in which I am Chairman of the Board of directors, was established on 18th March,1917 with a view to achieve mainly the following objectives:

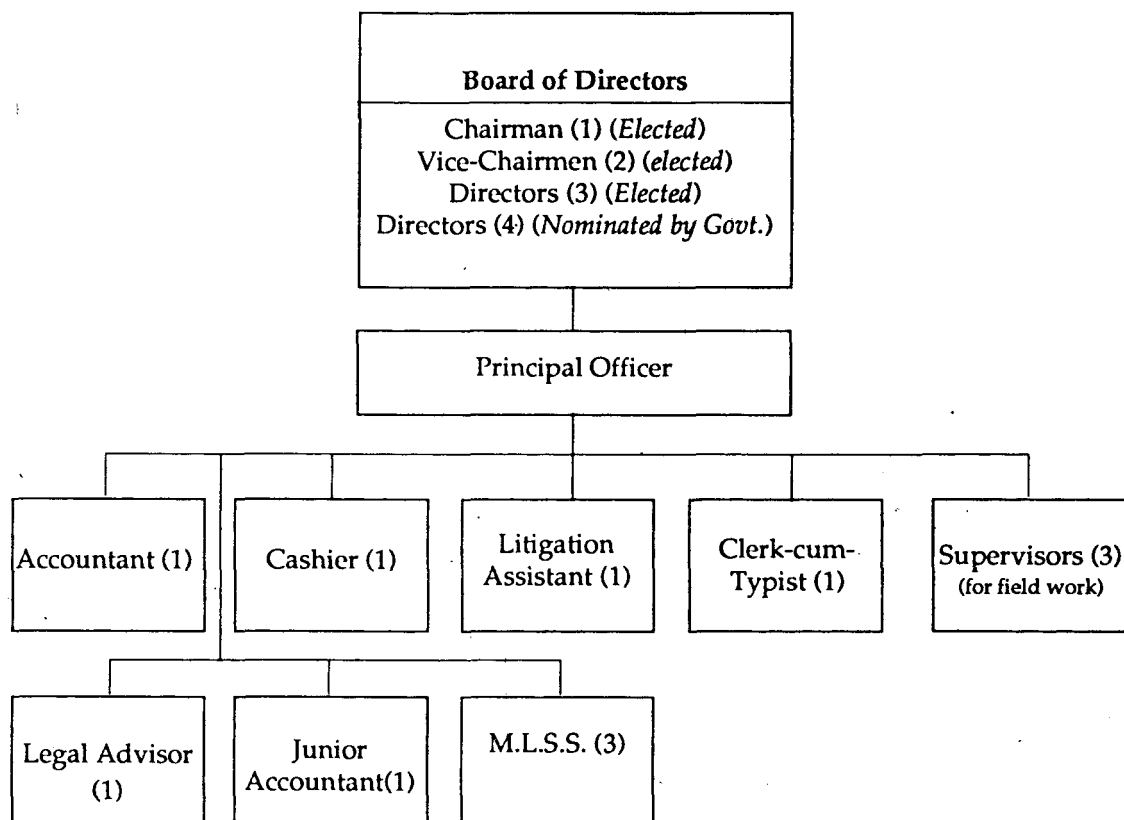
- i. To create funds to the farmers members through primary agricultural credit co-operative societies; for increasing production by adapting improved method of cultivation,
- ii. To promote the working of or to organise cooperative societies;
- iii. To inspect and supervise the work of the affiliated societies;
- iv. To assist and advise affiliated societies and their members in increasing production and to further their interest in every way.

Structure

Like all other traditional cooperative sectors, the Agricultural Credit and Banking Sector is also of 3-tier structure, which can be seen from the following chart:



The Khulna Central Co-operative Bank Ltd. is the central organisation of the primary cooperative societies and affiliated to the National Cooperative Bank. It is managed by 6 (six) membered Board of Directors elected directly by representatives of member-societies at the Annual General Meeting. The organisational chart of the bank is given below for better reference and understanding:



Operation

The Khulna Central Cooperative Bank Ltd. covers 8(eight) upazillas of Khulna District with 365 Primary cooperative societies as item members of which 58 are Union Co-operative Multi-purpose societies and the rest of 290 are Village Agricultural Credit Cooperative Societies.

Creation of fund, credit channelization and providing technical assistance (advisory) to the member cooperative societies are the main functions of the Central Co-operative Banks.

For successful operation of the Bank, shares are sold to members and thrift deposits are collected from the member societies and also loans are received from the Apex bank .

The Bank issues credit for production of different crops in different seasons and also for purchase of cattle and agro-machinery.

In respect of credit channelization, the Bank invests credit requirements from the member societies duly authenticated by the local supervising officers and on the basis of requirement of members, it submits application to the Apex Bank for sanctioning the loan.

As and when funds are available, the Managing Committee (Board of Directors) allots loans to the member societies considering their requirements and according to availability of funds. Then after necessary approval from the local cooperative authority, the disbursement is made. The credit to provide both in cash for land preparation, labour cost, cattle purchase and kind of seed, fertilizer, insecticide, agro-machinery, etc. for better production.

Bank also provides technical assistance (advisory) as far as possible for proper utilization of loans and better productivity, through its supervisory staff.

Achievements

Achievements so far made by the Central Co-operative Bank can be ascertained from the following comparative schedule:

	<i>As at 30th June, 1986</i>	<i>As at 30 June, 1987</i>	<i>As at 30th June, 1988</i>
a) No. of members	384	372	384
b) Paid-up share capital	Tk.786,944	Tk.808,059	Tk.818,359
c) Amount of member's Thrift Deposits	Tk.330,302	Tk.360,940	Tk.365,070
d) Working capital	13,611,736	11,787,892	11,605,747
e) Loan received from Apex bank	6,425,000	2,180,000	675,000
f) Loan investment	5,833,000	2,027,200	660,000
g) Value of immoveable properties	303,568	344,254	344,254
h) Loan recovery	4,023,634	2,870,840	821,252

Considering the above schedule, it may be claimed that despite various adversities and problems, the Khulna Central Cooperative Bank Ltd. gradually succeeded in achieving its objectives reasonably well.

During my service as Chairman of the Bank, the problems, as I felt, are as follows:

1. The members of the affiliated societies are mostly illiterate and are not acquainted with modern techniques of mechanized cultivation,
2. Institutional Co-operative training and education facilities are not adequate due to which the members in most cases are devoid of knowledge in cooperative principles, management, joint farming and at the same time, they are being harassed by the middleman and the vested interest group of people in the society,
3. Timely and adequate quantum of loans are not available to finance the members of the societies as and when required which creates hindrance in increasing production.
4. Adequate marketing facilities are not available for which the members are not getting a fair price of their products and as such they could not repay their loan in time.
5. Complexity in credit channelization system is also a problem for proper and timely distribution of loans to the farmer cooperators,
6. Due to paucity of funds, the Bank cannot maintain adequate number of trained supervisory and technical staff to assist the primary societies and their members for proper utilisation of credit and mechanized cultivation,
7. Frequent national calamities like flood, cyclone, tidal bore, draught and heavy rainfall also cause irreparable damage to standing crops which badly affects timely realisation of loans from the debtors.

It should be mentioned here that one fourth of the total individual members of the primary cooperative societies affiliated with the Khulna Central Cooperative Bank are women. So to say, Khulna Central Cooperative Bank is also helping women-folk engaged in agriculture, to improve their economic and social conditions.

It is a privilege for me to apprise my fellow friends here, that I am the first woman in the 85 years' history of our cooperative movement to become chairman of a Central Cooperative Bank in our country. My victory in the election for the chairmanship of a cooperative bank stands as an evidence of greater participation of womenfolk in our cooperative movement.

Presently, I am working on a scheme to provide financial support for women cooperative societies to gear up their income generating activities.

Before I conclude, I do not hesitate to invite help and support from ICA and any other organisation to set up a training centre in Khulna, exclusively to train the rural women-folk in income generating activities.

Thank you all.

2. China (By Mr.Zhang Mingming & Guan Aiguo)

Basic Data

As voluntary organization of farmers, the supply and marketing cooperatives were established with the spirit of mutual help. The objectives of the supply and marketing cooperatives are focussed on supporting the farmers develop commodity production and enhancement of the social as well as economic status of member farmers, the ultimate aim being to contribute to the balanced development of the national economy.

In general, SMC is the multi-purpose cooperative which conducts diverse business activities needed by member farmers such as supply, marketing, processing, guidance, storage, transportation and the others.

SMC in China are now organised into a four-tier system. The primary society comprised individual farmers at grass-roots level with 33,000 in the whole country. There are about 2100 unions at county level and 28 provincial, municipal and autonomous regional federations spread all over China. The national organisation is the All China Federation of Supply and Marketing Cooperatives. Over the past three decades or so, SMCs have been growing rapidly; thanks to the overall national economic expansion. At present, 70 per cent of the Chinese farmers are SMC shareholders who have a total capital of 3.8 billion Yuan, and SMC processes the fund of 40 billion Yuan.

Management System of SMC

SMC have more than 700,000 business units and 35,000 processing enterprises employing 4.3 million workers and staff.

Government Role

Chinese government is assisting the SMC in several ways to accelerate the process of the SMC growth:

- policies on promoting the SMC movement issued,
- support by distributing the goods and materials,
- some projects on developing agriculture implemented by the SMC on behalf of government, such as cotton purchasing, supply of inputs, construction of some key commodity bases of agricultural products,etc.

Originally, the fertilizers, farm chemicals and plastic sheets needed by farmers had been handled by the SMC and by other channels until 1988. However, the dual system of fertilizer, farm chemicals and plastic sheets supply brought about a lot of problems such as a fluctuation of prices of fertilizers, farm chemicals and plastic sheets and regional imbalance in distribution of these commodities. In order to solve these problems, the government had changed its policy to get these supplied under government control. Thereby the SMC was entrusted by the government as an exclusive fertilizers, farm chemicals and plastic sheets distribution agency from 1989.

Members, Leadership, Boards and Manager

SMC were established throughout China as a voluntary joint organisation of farmers. Ofcourse, members are free to join or leave the SMC. However, based on the principal of limited responsibility (liability) members must take full responsibility for management with the limit of

amount of share capital they contributed. In other words, the members voluntarily organise, voluntarily put in capital, voluntarily participate in management and voluntarily utilize the businesses.

SMC congress is the highest power organ in China. Leadership at all levels is nominated and elected by the congress at the same levels.

The board of directors of the SMC at all levels were the executive bodies and elected by the cooperatives at the same levels, the supervisory council at all levels were the supervisory organs of the SMC and also elected by the SMC congress at their same levels before 1987. Without doubt, this management system played an important role in the process of SMC development, but they were not harmonious in practice. So the board of directors and supervisory council are replaced by the affair committees which take charge of the daily routine of the SMC. The affair committees is a body of collective leadership elected by the congress.

The affair committees are in charge of advertising for the positions of manager and the manager will be held responsible to the committee. At least three-fourths of the boards of the affair committees must be members. Manager is under an entrusted relationship with the cooperatives and based on the mandate contract.

Business Planning

There are many business plans in the SMC, e.g. marketing plan, plan for purchase of production materials, fund procurement plan, plan of supporting member farmers' management, etc. Process of formulation of the cooperative business plan is as follows; firstly analysis of situation of the business plans implemented last year, secondly analysis of condition and situation and forecasting of change in conditions such as socio-economic condition, agricultural policy, trends in markets and production, thirdly survey of member farmers household and understanding of their actual conditions, intentions and desires through holding various meetings, lastly formulating project to be implemented.

Mechanism for implementing, monitoring and evaluation

Various kinds of business departments take care of different business plans. In China, the following 3 types of monitoring and evaluation system exists:

- a. **The Cooperative Affairs Committees:** It has the duty to prove to the members whether the cooperative's assets are being safely protected or not, whether the cooperative's business plans are being implemented or not;
- b. **Employee internal auditor of the cooperatives:** It is a monitoring and evaluation conducted by the orders given by the cooperative affairs committees to its employees.
- c. **Government agency:** Based on the rights of relevant government agency, the government agency can monitor the cooperatives whenever it wants, without notice.

Arrangement for Development of Members

In order to encourage the member's participation, following activities have been developed by the SMC:

Specialised Cooperatives developed: According to different regions and different conditions of the commodity production, a lot of different kinds of specialised cooperatives have been developed in China. The specialised cooperatives guide directly their members for developing commodity production by information, technique, supply and marketing. The members arrange production by themselves. So it attracts the members participation favourably and the members also like to show their opinions of cooperative management. On the one hand, the

specialized cooperatives is independent and it has the regulations of its own. On the other hand, it and SMC are mutually dependent and complement each other.

Enterprises set up jointly by SMC and Members: It is one of the Chinese features that there is a big population and a little land. The member farmers expect the SMC not only to serve but also to solve the problems of surplus labour. For this reason, the SMC organize the member farmers to set up many kinds of enterprises by way of raising funds, which manage production, processing, transport, storage, trade and so on. In this enterprise, the member farmers are both shareholders and employees so that they have a strong sense of responsibility and belonging. While they take part in the activities of the enterprises direct, they can often suggest a lot of good ideas.

Facilities of Improvement of Life Set up: In order to attract more farmers participation, a number of facilities of improvement of life such as hospital, nursery school, cultural centres and places of entertainment has been set up by the SMC.

China is too big and farmers' skill in production, ways of growing crops, view points of commodity economy and attitude towards new-born things are also very different; moreover most farmers are poor, so it is hard to find a way of member farmers' participation that adapt to the conditions of each member. For this reason, methods used in the members' participation are to launch a pilot project and training programme.

Problems of Member Participation

The Impact of present arrangement:

- member farmers are given opportunity to activate themselves and to develop their own planning procedures to set priorities,
- relationship between the cooperatives and members are improved,
- more income can be got by member farmers from the production themselves and cooperative business.
- living conditions of members are improved.

Problems:

- an important limitation of the programme is lack of consistent evaluation and monitoring procedures,
- lack of coherent collection of comparative materials on popular participation in other aspects and programmes has delayed a methodological development of the members' participation,
- the influence of other local members in their respective primary societies has been paid scant attention by the cooperatives' educational institutions, consequently many of the cooperative members have become passive,
- lack of functioning channels for dialogue between members and the cooperative management that has helped to aggravate the passivity in some members and contribute towards alienation between some members and their cooperative society.

Achievements:

The programmes have demonstrated that more programmes developed and the members participation has been paid great attention, more attraction for members and better benefits can be got. For example Ji County SMC in Hebei Province has developed more than ten specialized

cooperatives and set up more than twenty enterprises jointly with members from 1986, which increased directly the income of 11 million Yuan for member farmers and provided work for 1000 members in the enterprises. Xiwang village fruits cooperative composed of 13 farmer households who got income of 10,000 Yuan on average in 1988, that is twelve-fold of what they got in 1985. Profit of the Ji county SMC in 1988 is also three-fold of 1985 figures.

Future Prospects:

- to develop a series of service for commodity production in rural area and bear the tasks to open up new areas in production, deliver technical guidance and process and market the products for farmers.
- to establish the economic operation with economic entities at any levels among regions and sectors so as to achieve constant extension of business scope and service areas.
- to develop agriculture and sideline production and make full use of updated technology to increase the variety and quality of products and improve the efficiency of management.
- to introduce various methods of business management and extend all kinds of coalition with other entities in purchasing, marketing storage and transportation business.
- to open up the purchase and distribution centres with the guidance of plan, and establish department and agricultural wholesale markets in cities and township to expand business scale.
- to develop education and training on the SMC employees and member farmers.

3. India (By Mr. Arunoday Bhattacharjya, Managing Director, NCCF)

Introduction

Even though we are reaching the centennial year of the International Cooperative Alliance, in less than a decade from now, most cooperative societies in the developing world are increasingly facing the paradox of conflict in cooperation. Why is this so? What do we do about it?

The Resolution on three decades of cooperative development adopted by the twenty ninth Congress of the ICA, in its meeting in Stockholm in July, 1988 "believes that the essence of successful cooperative development is a determination by individuals to solve their problems through collective action in a spirit of self-help and mutual aid." The phenomenon of conflict in the paradox manifests itself in different forms and levels of centralization, concentration, supersession and confrontation of objectives, responsibilities and authorities in problem solving by cooperative management. This has been so essential because of a lack of member participation in the required direction and of adequate degree in promoting and managing the affairs of cooperative societies at different levels or tiers of the systems as they obtain, particularly in the countries of the South. The said Resolution, therefore, rightly "requests governmental authorities to support the creation of a true partnership with cooperative movements and to establish programmes which will lead to the progressive independence and self-reliance of cooperative movements." This request would, however, be meaningful if cooperators succeed in upholding the values of member participation both in principle and practice.

At the international level, it is heartening to note that Mr. Bruce Thordarson, Director, ICA in his report for 1987-88, has indicated that the member-responsiveness is one theme which is guiding the work of the ICA. In its future priorities, 'it is, and must be, first and foremost responsive to the needs and wishes of its members' spreading over the countries both in the North and South. The task is neither easy nor likely to be attained ever in full. Yet, with a healthy input of member participation, facilitating trust and good-will of the constituent members, the concomitant contradictory pressures of a membership organisation which any cooperative is, both at the international and national level, can be successfully overcome.

In developing countries, like in India, governments and governmental agencies at various levels are fostering the growth of cooperatives on the avowed policy of economic justice. The underlying belief behind this policy is that a cooperative, being a participative form of ownership and management, would not only lead to a harmonious and equitable distribution of the output of the enterprise among the participants but would also enable the weaker sections of the citizens to participate in economic activities with greater and greater degree of strength and equality facilitating their movement above the poverty-line. The concern for equity, democratic values and avoidance of needless opposition impeding implementation of programmes for harnessing the wealth of the nation for ensuring justice-social, political and economic for all citizens thus calls for more and more popular participation in the processes of production, distribution and consumption. Cooperative societies with active and enlarged member participation provide us a time-tested system of organisation to help achieve the objective of a just economic order. This has been the experience of a vast and populous developing country like India as cooperative societies in their modern form came into being in the country in the beginning of the present century.

The cooperative canvas of India

The cooperative movement in India had a formal beginning at the beginning of this century when the Cooperative Credit Societies Act, 1904; the first cooperative legislation in India, was

enacted. Now the cooperatives cover both the urban and rural sectors of the economy and spread over the entire length and breadth of the country, embrace almost all sectors of economic and social life of the people. The cooperative societies are operating in the fields of agricultural credit, marketing, processing, supply of inputs, distribution of consumer goods, animal husbandry and fisheries, small industries, rural electrification, thrift and credit, housing, dairy, transport, construction labour, etc. The latest development in cooperation is the emergence of large cooperative manufacturing and processing organisations.

The cooperative sector in India has also emerged as the largest one in the world in terms of its operative units and membership. It has 342,000 cooperatives with a total membership of 146 million and working capital of nearly Rs.475 billion (Rupees 47,500 crores). The movement, of course, is mainly rural based and is characterised by progressive expansion and diversification. The total amount of agricultural credit disbursed by cooperatives increased from 214 crores in 1960-61 to nearly Rs.3800 crores in 1985-86. During the same period, the value of agricultural produce marketed by cooperatives increased from Rs.169 crores to nearly Rs.4200 crores.

A cooperative movement of such massive dimensions in a country having a population of over 800 million and operating on a country-wide scale and embracing diverse aspects of the economic and social life of the people is the outcome of the close collaboration and understanding between the people and the Government of the country in the post-independence era. The government support is important for a cooperative movement that relies for its membership on, and caters to satisfying common needs of the vast masses of people of limited means, a large number of whom are yet to come up above the poverty-line.

Most of the developing countries of today being under colonial rule for long periods, had to negotiate in the post-independence era a legacy of poverty, ignorance and illiteracy of the people. A yawning gulf was created between the rich and the poor and the former were exploiting the latter in the colonial regions. Even the colonial government felt concerned about such a state of affairs and encouraged cooperative movement, as one of the limited welfare measures, to relieve the poor from the exploitation. After the attainment of independence, the importance of cooperatives as an instrument of economic and social development was recognised and acted upon.

An example of this new dimension of cooperation in India over the past few decades is the consumer cooperative movement, which has at the apex national level, the National Cooperative Consumers Federation of India Ltd (NCCF) represented by the present author. It is now recognised that the consumer cooperatives have emerged as an important institutional framework in the distributive trade. The wide network of consumer cooperatives continues to endeavour in making available supply of essential and other consumer goods to the common man at reasonable prices by adopting fair trade practices and, thus, acting as an auxiliary to consumer protection. They tend to restrain unjustified increase in prices and help in creating a sobering effect on market prices. The role of distribution of essential consumer goods to the rural population has been assigned to the primary agricultural credit societies. These cooperatives render significant support to the Public Distribution System (PDS). In urban areas, 20% of the retail outlets under the PDS are run by the consumer cooperatives. In rural areas, more than 32% of the retail outlets under the PDS are in the cooperative sector. The 20-point programme stresses the need to bring the essential consumer goods within the easy reach of the poor. Recognising the important role of cooperatives in bringing the essential consumer goods, particularly to the poor sections of the community, the strategy adopted is to accelerate the development of cooperatives both in the urban and rural areas, with increasing member participation, covering in particular the poorer segments of the population. A brief note on India's consumer cooperative movement is at appendix 'A'.

Member Participation: The Framework

A cooperative society is an organisation of users themselves; distinct from any other type of economic organisation. They need it and make use of it. Essentially, in a credit cooperative,

borrowers are their own bankers; consumers are their own shopkeepers in a consumer cooperative; workers are their own employers in a producers cooperative and likewise producers of raw materials are the owners of the industry for processing of the raw material as in a cooperative sugar factory, oil mill, etc.

Democracy is the essence of cooperatives. The Cooperative Societies Acts in India vest the ultimate authority in a cooperative with the general body of members. The provisions in the Acts like "one man, one vote" and rejection of voting by proxy are specifically designed to promote democracy in cooperatives. Voluntary cooperation is by its very nature, democratic. Therefore, the need is not of democratization, but of promoting, protecting and strengthening the democratic character of cooperative organisations. The Cooperative Societies Acts in India have taken care of member participation as mentioned above, by providing final authority with the general body of members. The principles of one man, one vote irrespective of shareholdings; selection of managing committee by members themselves again based on one man, one vote, payment of patronage dividend to members on the basis of volume of business done by them with the society, approval of annual budgets and work programme by general body of members, amendment of by-laws by members only in their general body, etc. do promote and sustain the democratic values of cooperatives through member participation in the activities.

The cooperatives should be spontaneous organisations set up by homogeneous groups of people for satisfying their common economic needs. Although other allied organisations including the government may help in promoting cooperatives, the job of organising a cooperative and thereafter managing it, however, lies with the people who want to make use of the activities of the cooperatives in order to promote their well being. Since members are the owners, their participation in the management and in other activities is vital for meaningful functioning of the cooperatives. Awareness of the aims and objectives and a sense of belonging to the cooperative help the members to act and react and ultimately formulate future aims for their benefit.

Member Participation: Indian Scenario

During the recent past, the majority of the cooperatives in most of the states in India have experienced a steady decline of active member participation in their activities and management. In the first half of this century, the participation of members was not dormant. The number of cooperatives during that period was not that large, yet the cooperatives at that time were having a good number of active, dedicated and informed members. Because of this, some of these cooperatives, though operating on small scale, were upto the expectations of members. In a large number of the cooperatives, now-a-days, lamentably, there are only a few members who are active but majority of the members are rather oblivious of the functioning or activities of the cooperatives. Further, this small band of members are divided in small groups only for contesting election against each other. Most of the members attend annual general meeting of the cooperatives, only at the instance of these small active groups and exercise their voting right without being fully aware of the activities of the cooperative in the past as also its future programme.

It has been found that members participation in certain categories of cooperatives in India is poor since the benefits to the members are remote. In case of consumer cooperatives, members get dividend only when adequate surplus is generated. Members are to wait for declaration of such dividend for a long time. Further more, many cooperatives fail to retain distributable surplus at the end of the year, because of tough competition with private trade, price fluctuation, lack of management skills and high overheads. The members have no patience to bear with such uncertainties and they become indifferent to the activities of their cooperatives which gradually lose its real democratic character. They are, however, not appreciative often of the instant benefit they get in the share of right quality, right price and right weightment when they buy and thereby participate in the business of the cooperatives. In some cooperatives like housing, the enthusiasm of the members or their promotional interest ceases on getting a house.

They feel no more interest in further growth and development of the cooperative. They are found to be complacent with the immediate benefit of having a house made for them and do not think ahead and cooperate to enable their respective cooperative to perpetuate its flow of benefits to the members in an over-increasing or at least self-sustaining measure.

In India, cooperatives in many cases over the last few decades, are either state-sponsored, state-nurtured, state-financed, state-managed or supervised to the extent of most of the members considering them as institutions of the government. Such an approach virtually makes the members stay away from the activities of the cooperatives for smooth and effective functioning. It seems, due to long foreign 'subjugation' the common people have lost some of their initiative and drive to do anything else except engaging themselves in authority-directed enterprises or pursuits for personal gains. Socialistic ideas and the planned development process in the post-independence era have been twisted by some groups to create a psyche that it is only the duty of the leaders or the government to do anything and everything. This has to be countered through an active and determined member participation.

Member's education, which is one of the basic features enshrined in the principles of cooperation, is not a one-time exercise, but a continuing process. The new entrants in the field of cooperative must learn the tenets of cooperation. Sometimes, government Cooperation Department officials form cooperatives in pursuance of government-launched schemes. The process of implementation of a scheme is often time-bound, and, as such, in many cases, cooperatives are organised in a little haste without paying due attention towards educating the members. Excepting a few, a majority of small groups of people joining the cooperatives, hardly find time to get themselves conversant with the cooperative ideas and philosophy. This has its effect on their involvement in the cooperative functioning. Thus, some cooperatives, though started with all hopes and enthusiasm, suffer a serious setback within a few years. The growth of membership also remains almost stagnant with hardly any infusion of fresh blood. The majority of the existing members gradually become indifferent of the activities of the cooperatives. The situation is thus not congenial for the growth of new leadership and even for viability. Member participation in cooperatives need, therefore, be not only a current-activity-oriented one but also forward-looking.

Because of the passive attitude of majority of existing members on roll and rather negligible fresh membership at the grass-roots level, the same group of people are found re-elected to their position of authority in the committees of management, making these cooperatives de-factor closed door institutions. This is also creating a generation gap in the cooperatives. Managing the affairs of the cooperatives involves, as in any enterprise, a certain amount of risk. It is a common human nature, especially among the vast rural folk in our developing societies, to avoid any risk in their routine way of life. Since benefits are restricted and limited in the cooperatives and the persons who are involved in the management or who directly participate in the functioning of the cooperative do not get any extra benefit or remuneration from the cooperatives, they are generally reluctant to get themselves involved in a big-way in the activities of cooperatives. This is a reality to be reckoned with for member participation in any cooperative unit.

Cooperatives in a number of developing countries like India are not able to achieve yet the required momentum to grow due to the lack of members' active participation. However, in some pockets of India, fortunately, member participation in cooperatives is found in ample measures. The states of Maharashtra and Gujarat have done extremely well in the matter of member participation. These are the most cooperatively developed states in the country now with an appreciable degree of member participation. In Maharashtra, even small primaries of all kinds can afford to print their annual reports and send them to all their members. The Managing Committee meetings and General Body meetings are also well attended. Meetings continue for hours together and members not only ask very relevant questions but also provide valuable feed-back. Common members of some of these societies, who are mostly factory workers, ask sophisticated questions on sales-mix, profit-mix, in-firm ratios and intra-firm

ratios, though in a very simple and functional language, which may be an object lesson for many academicians and management students. There are numerous examples of ordinary members giving new ideas which help the cooperatives in their growth and development. The cooperatives of Maharashtra have also made substantial contribution for the economic development of the State. It is estimated that every eight salaried man of Maharashtra is employed in one cooperative or the other. Maharashtra which has less than 10% of the population of the entire country, has more than 25% share in cooperative activities of the country. This has been possible because of an active participation of members and the hard work of a band of cooperative leaders.

An Action programme for Member Participation

Cooperation is a peoples' movement, hence it needs participation of the people. It is an axiomatic truth that no cooperative can survive without members participation in its activities. The government can grant fixed capital, advance necessary working capital and provide for expert advice on complicated matters. But, the most important of all the inputs need, namely, the human interest, can be provided only by peoples' participation. The success of the cooperative movement lies in peoples' participation supplemented by state patronage, but not state-intervention and control. These feelings need be radiated at all levels including the members of cooperatives. The message of member participation needs to be repeated periodically to all levels to motivate the members to have effective participation in the activities of the cooperatives. Following measures may be considered for projecting a need-based programme for member participation in cooperatives:

- i .There should be a regular, systematic and adequate infrastructure for imparting cooperative education to the existing as well as potential members to involve them more and more in cooperatives. Such education programmes should project a clear picture to the members as to how their participation could help in safeguarding their interests and also on how reluctance could damage the cooperative and in turn their own interests.
- ii. A system of inviting ordinary members, by rotation, to the management committee meetings be evolved so that they are also involved in decision making, thereby creating a better sense of belonging to the cooperative, getting them educated about the business and also building up leadership.
- iii. More and more ordinary members be encouraged to attend the management committee meetings, as observers, in order to cultivate their interest in the activities of the cooperatives and help in communicating the proceedings and decision to other members more effectively, simultaneously making the decision fair and sound because of openness.
- iv. There may be a system of special invitees to the management committee meetings of cooperatives, at all levels. Such special invitees may be teachers of schools and colleges, senior students, social workers and the like with greater emphasis on participation of women and other categories of members requiring special attention.
- v. There should be a regular system of communication and feed-back between the members and management committees. Productive feed-back should be recognised in one form or the other.
- vi. Study circles may be organised and the members should be encouraged to participate in the decision-making process. Non-members should also be encouraged to participate in the study circles. It would help future development of cooperatives if students are also motivated to participate in the study circles.
- vii. Members are the integral and most valuable part of any cooperative. the well-educated and enlightened members are an asset for the growth and development of cooperative movement. All the apex and central cooperatives should make arrangements for member education by building up the desired infrastructure.

- viii. General body meetings other than the Annual General meeting, should be held more than once a year. Such meetings should be made more educative, informative and interesting. Non-members should also be invited as observers to watch the proceedings. Guidelines for holding such general meetings should be developed bearing in mind the education of members and non-members.
- ix. In the event of supersession of Managing Committee, it would keep the interest of members alive and also help the exercise of putting the institutions back on rails if a consultative committee of cooperators from cooperatives is formed to assist the administrators appointed to run the cooperative for the period of supersession.
- x. Success stories of member participation in cooperatives be brought out and circulated amongst other cooperatives.
- xi. Only those who use the services of a cooperative should be the members. By-laws could provide cessation of membership if a member fails to use its services over a given period. This may help member participation in cooperatives.
- xii. In order to maintain regular contacts with the cooperative and also to increase their financial stake, there may be a compulsory recurring deposit scheme for the members, entailing even a small amount.
- xiii. By-laws, Acts and Rules should be strictly adhered to in the matter of holding timely elections of the committee of management.
- xiv. The President of a cooperative may be elected directly by the members instead of by the management committee members, thereby helping to improve member participation.
- xv. Membership should be open to husband and wife team having one vote as a measure to facilitate involvement of entire family in the operations of the cooperative. This would imply introduction of a system of joint membership. This would help better member participation.
- xvi. Non-members dealing with the cooperatives should also be paid patronage rebate and this can be used later as their share contribution for enrolling them as members.

Conclusion

We all know, cooperation never fails, only members fail. For all the maladies of cooperatives, wherever they are, the members are to be blamed. Ofcourse, they do deserve credit for the success wherever cooperatives achieve. The major reasons of instability of cooperatives lie in the areas of member education and involvement of members in the affairs of cooperatives. With active participation of the members in the activities of cooperatives, able leadership is developed within the institutions and with the cross-effect of the twin functions, the cooperatives can achieve success and reach the goal.

Active member participation always leads to collective decisions and such collective decisions are always beneficial for the cooperatives. Democratic nature of the cooperatives can be sustained only by the effective participation of members. So long as the members act and react, the cooperatives can hardly deviate from their objectives and norms of functioning.

We look forward to march into the 21st Century, hoping for a new economic order facilitating more equal distribution of the wealth of the nation. Equity in distribution demands that the process of re-distribution of the natural resources would have to be on cooperative basis. The importance of effective participation of the members shall have to be viewed from this standpoint of economic justice. The measures for promoting members participation in the cooperative endeavour need be taken up at local, national and international levels on consideration of growth with equity.

ANNEXURE 'A'

1. India's consumer cooperatives have a 4-tier structure consisting of :
 - i. Stores at the grass root level, normally a village or a cluster of it in rural areas and municipal wards in urban areas;
 - ii. Wholesale/Central stores at the district level;
 - iii. State cooperative consumers federations and State cooperative marketing-cum-consumer cooperative federations at state level; and
 - iv. The National Cooperative Consumers' Federation of India (NCCF) at the apex national level with their strength given below:

	No.	Membership
a. National Federation	1	108
b. State Cons.Coop Federation including State Marketing & Consumer federations	25	16,312
c. Wholesale/Central stores	650	2.37 mil.
	(6442 branches)	
d. Primary stores	18770	6.2 mil
	(6575 branches)	
e. Village societies (dealing in consumer goods)	55000	N.A.

Exact number of employees engaged by the consumer cooperatives is not readily available. However, it is roughly estimated at 225,00 persons.

2. Functions

While the National and State federations are almost handling wholesale distribution of consumer goods, including essential commodities, the wholesale/central stores at the district level and the primary stores at the grass root level and the village societies carry out retailing. There are about 346 large sized department stores set up by the wholesale and primary stores, engaged in large scale retailing of consumer goods. Consumer cooperatives roughly handle about 4% of the of country's total retail trade in essential consumer goods.

3. NCCF Supply Support

The NCCF is the national level apex body of the consumer cooperatives in the country. Its principal object is to help in developing the consumer cooperative movement by providing supply support and extending promotional and technical guidance to overcome managerial deficiencies. It has 4 regional offices, 23 branches and 5 processing units at Bhiwani and Nagpur. Zeera-processing unit at Unjha and unit for manufacturing exercise note-books at Hingna and Guwahati. The Federation arranges central procurement and supplies in bulk several consumer goods like textiles, pulses, spices, cereals, salt, tea, washing soap, exercise note books, match boxes, etc. to consumer cooperatives. It has been assigned the distribution of controlled cloth as the nodal agency at the national level. The distribution of controlled cloth is arranged through various state agencies nominated by the respective state governments/union territory administrations. It has also established contacts with textiles and other manufacturers for

production of 'COOP' brand merchandise for distribution through the consumer cooperative network. The annual sales turnover of the NCCF has been around Rs.1500 millions during the past years.

4. NCCF Consultancy Support

The Consultancy & Promotional Cell of the NCCF was set up in February, 1972 in pursuance of the recommendations made by sub-committee of the Central Advisory Committee for consumer cooperatives, set up by the Government of India. The sub-committee had undertaken study of the country's wholesale and department stores and came to the conclusion that lack of adoption of modern business techniques, operational plans and administrative and accounting procedures were the main causes for ailment of the cooperative wholesale and department stores. In order to develop scientific management systems, suitable for the consumer cooperatives and to provide them consultancy services, the Government of India advised the NCCF to set up Consultancy & Promotional Cell, for which it agreed to provide financial assistance. The Cell was charged with the following main tasks:

- i. to draw up operational and business procedures for country wide adoption,
- ii. to undertake study of individual institutions and prepare blue prints for streamlining their operations,
- iii. to conduct diagnostic analysis of the working of weak and sick cooperatives for their rehabilitation,
- iv. to assist the stores in adopting the management accounting system, and
- v. to assist consumer cooperatives in formulation of projects under centrally sponsored scheme.

Originally, 5 teams of consultants with specialisation were developed in the following main fields:

- a. Planning, organisation and research,
- b. Inventory & sales management including assortment, layout and display,
- c. Wholesaling and purchase procedures,
- d. Management accounting system,
- e. Education and training.

In an agreement executive between the Government of India and the ILO, foreign expertise was made available for development of management consultancy services. Government of India, which has been providing financial assistance during the successive 5 years felt that financing a loan was not enough for the consumer cooperative movement and realised that technical know-how was yet another important input in the modern age of economic development. With the assistance of the ILO experts, a set of manuals was developed to define the systems required in cooperative retailing. They are on:

- i. Economic Purchase, Supply and Inventory Management,
- ii. Management Accounting, Budgeting and Management Information,
- iii. Retail Operations Systems,
- iv. Salesmanship - Self study course
- v. Staff Development & Training.

After the draft manual for field was tested, these were published followed by a series of exposure seminars in different states of the country. Now the C & P Cell is engaged in implementation of these systems all over the country.

5. Government Support

Under the centrally sponsored scheme of the Government of India for development of consumer cooperatives, assistance is provided to consumer cooperatives which work well, for expanding their network by opening retail outlets and department stores, wherever considered feasible. The consumer cooperative stores in big cities are encouraged to set up mobile van shops to cater to the needs of the people living in the outskirts in such cities and towns. The sick and weak consumer cooperatives which have otherwise potential for growth are considered for rehabilitation assistance. The state consumer cooperative federations are providing assistance for expansion and diversification of business to provide adequate supply support to the consumer cooperatives. The consumer cooperatives are also encouraged to set up consumer industries, like dal mills, hosiery units, spices units, manufacture of stationery, note books, etc. The student stores and canteens in colleges and universities are also assisted financially to improve their services.

The quantum of financial assistance provided by the Government to the consumer cooperatives during the last 2 decades is indicated below:

1971-81	Rs. 224 millions
1981-85	Rs. 46 millions
1985-88	Rs. 53 millions

Total	Rs. 313 millions

4 India : Note on the Working of the Land Development Banks in Madhya Pradesh (by Mr.B.K.Iyer, Deputy Manager)

State Land Development Bank (SLDB) was independently organised in March,1961 to meet the investment credit needs of the cultivators for agricultural development in the state. The structure of Land Development Banks in the state is of a federal type. SLDB is functioning with 45 affiliated District Land Development Banks (DLDBs) having 409 branches spread all over the State. Branches of DLDBs are mostly situated at Tehsil/Block level. SLDB has also established 9 divisional branches at the Revenue Divisional headquarters, keeping in view the decentralisation of lending operations and to ensure proper supervision over the DLDBs.

Management

Under the democratic pattern of cooperatives, the SLDB and DLDBs are being managed by the elected representative. They are generally non-professionals, besides some of the members are nominated by State Government. The Board of Management of SLDB consists of 51 directors. 45 are elected from DLDBs. The Managing Committee consists of 25 directors. There are various sub-committees to manage and execute the different types of affairs of SLDB. Loan sub-committee has been constituted at each divisional branch level, to sanction loan cases and manage other operational matters.

Purpose of Loans

As defined in the M.P.Land Development Banks Act,1966, the Cooperative Land Development Banks are making investment finance for productive purposes such as construction and repair of wells, including tube-wells, water lifting devices, land shaping, building farm mechanization, horticulture, dairy and poultry farming, fisheries and bullock carts,etc.

Financing

Since the inception upto 30th June,1988, DLDBs have disbursed loans worth Rs.360.01 crores for different purposes, during the last three years. DLDBs have disbursed loans to the beneficiaries for various purposes as shown below:

<i>(Rupees in lacs)</i>	
<i>Coop Year</i>	<i>Amount</i>
1984-85	2,907.35
1985-86	3,009.16
1986-87	3,161.03
1987-88	4,249.98

SLDB provides reimbursement of the loans to the DLDBs against the financing made by them to the ultimate borrowers. Purpose-wise disbursement at the SLDB level for the last 4 cooperative years is as shown below:

S.No.	Purpose	1984-85	1985-86	1986-87	1987-88
1.	Minor irrigation	1645.34	1551.39	1650.65	1996.88
2.	Farm mechanization	975.01	1224.51	1044.51	1473.57
3.	Diversified-				
	a) Dairy	58.41	89.74	206.39	356.57
	b) Horticulture	8.43	15.25	44.64	82.71
	c) Bullock cart	39.09	53.05	47.86	61.68
	d) Sprinkler	12.79	42.91	66.94	78.62
	e) Bio-gobar gas	0.99	3.97	3.59	1.46
	f) MPEB	55.45	68.55	65.25	52.70
	g) MPLOC	49.54	104.99	144.46	65.96
4.	Others	38.02	1.06	6.56	18.44
Total		2883.07	3,156.94	3280.55	4188.32

In the above figures under item No. 3 (f) & (g), direct financing has been to the MP Electricity Board and MP Land Development Corporation by SLDB.

The analysis of financing figures shown in above table indicated substantial increase in lending year after year.

Flotation of Debentures

Position of allocation of targets for flotation of debentures and refinance availed from NABARD during the last few years is as shown below:

(Rs. in lacs)

Coop Year	Debenture flotation programme			Debenture floated		
	Normal	Special scheme	Total	Normal	Special scheme	Total
1984-85	500.00	2700.00	3200.00	500.00	2411.72	2911.72
1985-86	600.00	2800.00	3400.00	600.00	2472.10	3072.10
1986-87	575.00	3000.00	3575.00	575.00	2891.56	3466.56
1987-88	800.00	3500.00	4300.00	735.00	2798.24	3533.24
1988-89	700.00	4500.00	5200.00	220.00	1586.12	1806.12
						(12.2.89)

NABARD Schemes

NABARD is providing refinance facility to the SLDB for providing loans under various types of schemes. A supervised credit is being provided under schematic lending. At present all 45 districts of the state have minor irrigation schemes. There is also schematic financing for farm mechanization in all 45 districts under the Banking Plan approved by NABARD. On farm development, dairy and horticulture schemes are also being implemented in various districts of the state. The details are given below:

i. Minor Irrigation Schemes

Minor irrigation scheme envisages financing for construction of new wells, and installation of water lifting devices on them. The subsidy is being given at specified rates for these purposes by the State government. Physical target under minor irrigation programme and performance made by the DLDBs under the scheme during the last few years is as below:

Year	New Well		ROW		EP		DP		PW	
	T	A	T	A	T	A	T	A	T	A
1984-85	20100	15092	5000	3345	1000	6493	4500	3401	500	328
1985-86	23932	7916	-	-	17585	6772	14587	3263	144	87
1986-87	18834	10416	-	-	14624	6319	11332	4107	262	119
1987-88	16700	11802	-	-	11079	5861	6132	3618	343	17
1988-89	12060	10382	-	-	8844	3652	3050	2416	166	71

(March '89)

State subsidy scheme for dug-well programme is in operation from 26 January, 1979. Till March, 1989, DLDBs have adjusted an amount of Rs.5770.37 lacs in the borrowers accounts.

ii. Horticulture Schemes

At present 35 horticulture schemes are being implemented in 23 districts. Since commencement of schematic lending for horticulture, total lending amounts to Rs.176.79 lacs till June, 1988. During the current year i.e. 1988-89 (till March, 1988), an amount of Rs.61.95 lacs has been disbursed. Apart from these schemes, two more schemes under Waste Land Development Programme have been sanctioned to the Bank.

iii. Social Forestry

In 13 districts, Bank has provided loans from farm forestry projects approved by the NABARD.

iv. Dairy Schemes

Dairy schemes are in operation in all the 45 districts and one sheep rearing scheme in Mandasaur district is under implementation.

An amount of Rs.356.57 has been disbursed during the current year under these ongoing schemes.

v. Tractor schemes

Under farm mechanization (tractors), targets amounting to Rs.902.23 lacs were allotted by NABARD for the year 1987-88. SLDB has utilised this whole amount in tractor financing. To meet the demand of cultivators, Bank has approached the NABARD for additional allotment.

vi. Thresher scheme

22 schemes are under implementation for providing loans for threshers to the farmers.

vii. Sprinkler scheme

In 11 districts of the state, the sprinkler schemes are being implemented.

viii. Bullock cart scheme

There are 26 bullock cart schemes under operation.

ix. Energisation scheme

State LDB has been recently sanctioned energisation scheme by NABARD for 12 districts to provide loans to MPEB.

x. Financing under IRDP

Under IRD, DLDBs are mostly financing for limited purposes like minor irrigation, bullock cart, dairy and gobar gas. DRDAs send the list of identified borrowers to the DLDBs and performance is only based on sponsoring of identified cases by the agency. Because of land based financing, it has not been possible to participate in a big way under IRD programme. Following figures reflect the position:

Year	(Rs. in lacs) Disbursement under IRDP
1983-84	483.18
1984-85	261.28
1985-86	253.79
1986-87	111.00
1987-88	118.75

Under IRDP, selection of identified beneficiaries is done keeping in view, their annual income and mostly landless labourers and other poorest among the poor are selected under the programme. LDBs are financing on the basis of mortgage of land as security and thus, most of the identified beneficiaries are not eligible for getting LDBs finance.

With a view to have a larger participation of LDBs in IRD financing, Bank has proposed certain amendments in LDB Act. These proposed amendments cover various agricultural purposes and other allied activities and also non-agricultural activities which have been listed out for IRD finance. By these amendments, coverage of the identified beneficiaries under IRD will increase.

Schemes under implementation are being monitored by Head Office as well as by DLDBs. Monthly returns have been prescribed to monitor the progress of the on-going schemes. Technical officers/credit experts posted at branch level and also at Head Office are undertaking monitoring studies of various schemes.

We have further written to NCLDBs Federation to organise a short term course on preparation of schemes and its evaluation for our technical officers/credit experts at our staff training centre.

xi. Amendment in LDB Act/By-laws

In recent past, the operations of DLDBs have considerably widened and they are expected to further diversify their activities to meet the credit needs of farmers and other rural artisans more effectively. MP SLDB has also diversified its loans for various development purposes. Further diversification of loans which are subsidiary to agriculture, requires giving up the security oriented approach so that all eligible borrowers could avail of the credit facilities.

However, the existing Act and the Bye-laws do not permit this change and requires mortgage of land as security of loans for the flotation of debentures.

Besides this, Bank has also sent a proposal vide its endorsement No.Scheme/7903 dated 24.3.19886 to Commissioner of Cooperation and RCs for declaring all those purposes as productive purposes under section 10 of the LDB Act for which NABARD refinance is available. This proposal is also under consideration. After these amendments are made, Bank will be able to provide credit support to the poverty alleviation programmes under IRDP in a big way.

The SLDB has taken certain measures to boost up its lending operations. Drive for effective recovery has also been launched for getting higher lending eligibility which has been discussed in succeeding pages. Loaning procedure and application form have been simplified which has been appreciated at national level. There are certain impediments, which obstruct in the smooth credit flow to the cultivators.

Interest rate and margin money available (w.e.f. 1.4.87) to Bank under both types of financing, viz. schematic and normal is as follows:

<i>(Rate of interest in %)</i>				
<i>S.No.Type of investment</i>	<i>Category</i>	<i>NABARD to SLDB</i>	<i>SLDB to DLDBs</i>	<i>DLDB to ultimate borrower</i>
1. Minor irrigation & land development	Scheme	6.50	7.25	10.00
	Normal (15 yrs)	11.00	11.00	
2. Diversified purposes:				
a) IRDP	Scheme	6.50	7.25	10.00
	Normal (15 yrs)	11.00	11.00	
b) Small Farmers	Scheme	6.50	7.25	10.00
	Normal 15 years	11.00	11.00	
c) Others	Scheme	8.00	9.00	12.50
	Normal	11.00	11.00	12.50

Recovery

Recovery in long term structure received a severe set-back after 1975-76 continuously thereby affecting the loaning programme. In the year 1979-80, the recoveries reached its lowest ebb when the average recovery at the district level was only to the extent of 33%.

In subsequent years, vigorous drive for recovery was launched which yielded good results. The year-wise demand and recovery since 1078-79 to 198-88 is as listed below:

(Rs. in lacs)

<i>Year</i>	<i>Demand DLDB)</i>	<i>Recovery</i>	<i>Percentage of recovery</i>
1979-80	2,991.22	975.15	33
1980-81	4,141.31	2,084.54	50
1981-82	4,110.29	2,286.06	56
1982-83	4,269.23	2,498.03	59
1983-84	4,195.78	2,488.40	59
1984-95	4,086.17	2,666.62	65
1985-86	4,335.92	2,861.24	66
1986-87	4,527.79	2,716.60	60
1987-88	5,642.47	3,669.72	65

Factors which are affecting the recovery adversely enumerated are as under:

Natural calamities such as drought, hailstorm and excessive rains, etc. In such cases, although postponement facilities are being provided based on NABARD guidelines. As per the NABARD instructions such postponement is restricted to 3 times in the entire loan period, this appears to be non-realistic. Drought or other natural calamities are entirely on nature's attitude and behaviour over which none have any control. Therefore, these restrictions need revision.

The other factors are non-generation of assumed repaying capacity; delay in energisation of constructed wells; non-availability of bidders in cases of auction of lands of defaulters; lands of adivasi defaulters cannot be sold to non-adivasis.

In spite of above listed impediments, all out efforts are being made to improve recovery performance, separate recovery problems and suggest remedial measures.

The SLDB is regularly monitoring the recovery performance of DLDBs. At the end of every year, defaulters are being classified in different groups such as purpose-wise, year-wise, holding-wise etc. This exercise is being done to develop data to be used more purposefully in various spheres of the Bank's working.

5 Indonesia (By Dr.Thoby Mutis, Director of Education, DEKOPIN)

Member participation is a cardinal element for cooperative work and for maintaining the common bond in the cooperative societies. A cooperative as a business and social entity is formed by the members, and geared by the members for the members' benefit. Therefore, a cooperative society must possess a certain mutual action for mutual benefit in which the benefits accruing from the mutual efforts of members should be distributed with equal and just sharing in accordance with their contribution to the common business and other aspects of cooperative activities.

A cooperative society is expected to inculcate the basis of sharing which is equal to maintain the cohesive spirit of members and their loyalty to the cooperative spirit.

The Basis of Sharing

The basis of sharing can also be seen as a vehicle in inculcating the sound member participation in their respective cooperative. Due to the understanding that "a cooperative is participatory organisation in which the highest authority is in the hands of members.... and its open management scheme based on the felt needs of the members." (Dr.Sri-Edi Swasono, 1988).

Taking the view of a cooperative society as a living system, it is necessary to understand the concept of member participation as a cardinal element. In view of the fact that survival, development and growth of a cooperative society depend on the quality of its members. Therefore, members must have clear understanding of its organisation, vision, mission, goals, objectives, targets, capacity to test reality in coping with the problem-solving and environmental changes. Aside from these the members should have opportunity to exercise their authority in getting true information for participating in decision making processes, executing and social control mechanism in their respective cooperative. It is in line with the principles stated above that cooperative is poised, operated, geared and controlled by the members.

The Positive and Negative Factors

Based on my experiences in Indonesia, I would say that several credit cooperatives which are successful in maintaining member participation affected by factors contributing to success:

- Strong community feeling,
- Continuous training for pre-members and members,
- Continuous field visits, informal dialogue by local animators,
- Members and committees successfully conduct meetings, keeps book of account correctly, publish monthly financial reports,
- Inculcating and internalizing new mental attitudes or habits having to do with saving, loans and other aspects of cooperation in the cooperatives,
- Members making cooperative plan,
- Regular publication disseminated to cooperative members,
- Training to members for financing their cooperative, chapter, league right at the very beginning,
- Mutual financial assistance programme within the movement (stabilization fund, inter-lending, mutual insurance, reserves),etc.
- Maintaining regular patronage refund scheme,
- Malpractice of cooperative in the past and present challenged by cooperative members and committees,
- Members are induced to know about the cooperative problems, circumstances, financial constraints, needs, progress.

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The lack of member participation in the several cooperatives affected by some negative factors such as:

- The lack of pre-members and members training programmes which are suitable to the local context and local needs,
- Feudalism and paternalism of cooperative leaders in dealing with members,
- Lack of consistent follow-up and monitoring of organisational training programmes,
- Manipulations by various individuals causing the erosion of sense of belonging of members to their respective cooperative,
- Lack of proper management and managerial skills of cooperative leaders,
- Lack of professional development programmes to cope with the growth of needs of members,
- Lack of dissemination of information on cooperative performance such as balance sheet, income and expenses statement, and other statistical performance reports,
- Bad past cooperative practices and experiences,
- Incompetence of the cooperative leaders keeping the books of account.

Member Education

In maintaining the above mentioned positive factors, while avoiding the negative factors, we would say that pre-membership education and member education are basic requirements. If members have gone through these types of educating cooperators, they will be able to participate appropriately in their cooperative affairs or events and exercise their accountability, obligation, sense of brotherhood properly.

In dealing with the pre-membership and member training, some animators always stressed the following premises:

- that the credit cooperative facilitates an easy and convenient system of accumulating savings, a source of credit at proper (interest) rate, and a life long school where the members are educated in the management of cohesive social and economically sound resources.
- that the cooperative facilitates the distribution of resources and income among its members and units, while fostering the bottom-up approach in maintaining necessary resources for full-scale cooperative endeavors which are economically sound and socially relevant.
- that cooperative development must be systematic and system-oriented where all units, chapters and the national body are united properly. There should be mutual interaction with mutual benefits and proper management as business units that are consolidated into a potent of social and economic self-reliance.

I would say that cooperative education calls for group consciousness and group cooperation, group planning, group action. In other words, cooperative education is induced by the principle of cooperation rather than competition. Cooperative education is shared activity in promoting member participation.

The cooperative participation is aimed to induce members to become the subject of their cooperative development. Being subject of cooperative development, member must be involved in every step of the cooperative development process, from the stage of goal, objective formulation strategy and access to know the proceeding of cooperative development efforts.

Participation, it was considered, would instill a sense of belonging and sense of responsibility with the certain emphasis on the importance of collective opinion generated by the group formation process following participatory action in developing cooperative.

Training in the Local Context

In our efforts to introduce the credit cooperative, animators constantly point out the importance of pre-membership education. In pursuing the meaning of the motto, "no education, no cooperative", animators arrange both formal and non-formal courses. For example, the basic training course is undertaken to inculcate social motivations, the habit of thrift and trust among group members.

In every type of training, animators always emphasize the vision of the cooperative as a social system that can diminish or eradicate oppressive conditions and capitalistic structures which are oriented towards individual profit. Cooperative animators thus begin through a structural analysis, categorizing the elements of society into the powerful and the powerless, the oppressors and the oppressed, the center and the periphery, the local business tycoons, the local elite and the masses. This is a part of the process of evoking dreams and inner needs, their strengths and weaknesses, their handicaps and opportunities to develop,

In rendering training services, animators stay among the pre-members. Living with the people is absolutely important. Through this approach, the common perception of pre-members and animators can be enhanced and room is opened for more informal sharing of experiences and ideas. This type of approach has been found to be fruitful, particularly in the rural countryside where villages are isolated. This strategy of living among the people is very useful in maintaining solidarity and the true sense of brotherhood.

With the maximum participation by the people in the training, inculcation occurs through continuous interactions. The person facilitating the training becomes a catalyst rather than a teacher. In like manner, the Credit Union Coordination (CUCO) of Indonesia and its regional chapters conduct other types of training: Trainer's training, Leadership training, Entrepreneurial cooperative training, Financial and Auditing training (see: *The Role of Credit Union in Rural Indonesia, 1985*).

Based on our experience in working with rural credit union units, the animating process can be launched through the following communication channels:

- i. the local language,
- ii. formal and non-formal contacts and discussions,
- iii. audio-visual techniques and other mass media instruments,
- iv. inter-group and inter-personal exchange,
- v. positive image building and its inculcation, and
- vi. continuous field visits while maintaining face-to-face communication with cooperative leaders and informal leaders of the local society.

6 DEKOPIN General programme in Repelita V (5th five-year development plan) (by Dr. Thoby Mutis)

The strategy of cooperation development (the essence of the work programmes) in facing the 5th five-year development plan are as follows:

- i. To increase cooperation with non-government institutions, especially those active in the field of cooperatives,
- ii. To increase cooperative awareness in connection with the state ideology and the ideals of the Constitution as well as in connection with cooperatives as a business enterprise, effective and credible within the framework of development for the people and by the

people. In the coming 5th five-year development plan, cooperatives are to be developed as the pillar of the economy of Indonesia through KUDs (The Village Unit Cooperatives), non-KUD cooperatives and functional cooperatives at the primary level, the secondary level and the tertiary level as well as systematically through a national movement of aligning non-cooperative enterprises, which were set up along the lines of the colonial laws, to Article 33 of the 1945 Constitution, leading to company share ownership by workers cooperatives and the realisation of the principle of brotherhood.

- iii. To build up a cooperative network vertically as well as horizontally. With this cooperative network, unity and uniformity of endeavour and institutional cooperation and inter-cooperative business can easily be formed into a power of solidarity. The transfer of knowledge and the transfer of experience within the climate of coordinated mutual help can be easily realised. This also means more attention should be given not only to primary cooperatives but also to secondary and tertiary cooperatives.

Successful cooperatives must become the guiding force for the new cooperatives and for the cooperatives that are not yet developed, among others by means of an apprenticeship system or by providing concrete technical assistance.

The capabilities of successful cooperatives must become a motivating power for the process of making the Indonesia cooperatives self-reliant.

- iv. To strengthen cooperative infrastructure such as BUKOPIN (the Cooperative Bank), KAI (Insurance Coop), KJA (Audit Coop) Perum PKK Cooperative (Credit Guarantee State Enterprise), Farmers groups, KUD system (village unit coop), Nucleus estate system and the Coop legal system.
- v. To increase cooperation with other economic sectors (state enterprises and private enterprises). The three economic sectors in Indonesia are all bound by the economic democracy.

From the state enterprise is expected that an interdependent business relation would emerge. This is also expected from the private enterprises, with a special attention put on the realisation of share ownership by the members of worker cooperatives in the process of democratization of the economy.

- vi. To improve cooperation with foreign cooperatives at the international as well as regional levels, be it multi-lateral relations or bi-lateral relations.
- vii. Along with the government and the people's representative council to fight at the macro level, against the liberalistic and capitalistic system that is still in operation (macro reform). AT the micro level, cooperatives are to be protected and developed through healthy and rational business enterprise (micro-reform)
- viii. To set up stages of guidance, counselling and development towards self-reliance, including endeavors to achieve institutional stability, enhancing business activities and establishing a far reaching business network in a modern way.
- ix. To strengthen the DEKOPIN institution in accordance with its functions and the demands of an advanced community, cooperative training must be increased and handled through a national curriculum in an integrative manner. To re-establish the cooperative education assembly.

7 Republic of Korea (By Mr. Jin-Hwan Song)

Agricultural Cooperatives

Objectives and Roles

On August 15, 1961, the agricultural cooperatives were established as voluntary organization of farmers with the spirit of mutual help. The agricultural cooperatives aim to increase agricultural productivity, to enhance the social and economic status of member farmers, and to contribute to the balanced development of the national economy.

The National Agricultural Cooperative Federation (NACF) and its member primary cooperatives, as the exclusive agricultural banking institution, have performed diversified business activities related to all aspects of rural life, including agricultural production. The business activities of the agricultural cooperatives are credit supply, distribution of farm inputs and consumer goods, agricultural marketing, handling of cooperative insurance, warehousing, transportation, processing, farm guidance and supporting activities such as public relation and research.

Recently, agricultural cooperatives have played an important role as an interest group speaking for and protecting the interests and rights of farmers.

Organizational Structure

Our agricultural cooperatives are now organized into a two-tier system; the primary cooperatives at the township level of Up or Myon and their federation (NACF) at the national level. They are horizontally classified into two categories; multi-purpose primary cooperatives and specialized cooperatives. The multipurpose primary cooperatives are organized by the participation of the farmers who are mainly engaged in grain farming such as rice and barley, while specialized cooperatives are established by the farmers who are largely engaged in fruit and vegetable farming.

The primary agricultural cooperatives numbered 21,500 at the initial stage of foundation being organized at the village level of Ri or Dong. Through an amalgamation between 1969-1974, in order to enjoy the economies of scale, the number of the primary cooperatives now stand at 1,463, and the number of special cooperatives, at 42. More than 90% of all farmers (about 2 million) are affiliated with the agricultural cooperatives.

The NACF has 14 provincial level branch offices including 5 city branch offices, 142 country branch offices and 296 banking branches throughout the country. It also operates 8 training institutes including 2 agricultural cooperative leaders training institutes, 20 marketing centers, 9 supermarkets and farmers handicraft sales center.

Business Achievement

The primary cooperatives have recorded a steady growth, bolstering their ability to extend a variety of services to their members. As indicated in table 1 below, the growth of business turnovers of primary cooperatives is particularly remarkable along with continuously trying to eliminate gap between cooperatives and their member farmers.

Table 1. Business Growth of Primary Cooperatives

Item	National Total (in billion won)			Average Per Coop. (in million won)			Ratio	
	1980	1985	1987	1980	1985	1987	1987	1980
Mutural Deposits	824	2,628	5,107	555	1,795	3,491	6.2	
Loans	1,078	3,687	5,603	726	2,519	3,829	5.2	
Coop. Insurance	556	989	2,523	374	675	1,725	4.5	
Purchasing	250	259	356	169	177	244	1.4	
Fertilizer	217	353	345	146	241	236	1.6	
Consumer Goods.	95	391	593	64	267	405	6.2	
Marketing	426	910	1,585	287	621	1,084	3.7	
Util. & Processing	31	50	53	21	35	36	1.7	
Total	3,477	9,267	16,165	2,342	6,330	11,050	4.6	
Total Assets	2,130	5,500	9,631	1,434	3,751	6,583	4.6	
Capital Investment	126	182	493	85	125	337	3.9	
Dividend	8	13	18	6	9	13	2.2	

Compared with the volume of business in 1980, a 5-fold increase as a whole, a 6-fold increase for mutual credit deposits, a 5-fold increase for loans, a 6-fold increase for supply of consumer goods, a 4-fold increase for marketing was registered in 1987. Total assets also rose 5 times to 9.6 trillion won and the capital contributions by member farmers reached 493 billion won.

In terms of average business, turnover per primary cooperative, the mutual credit deposits amount to 3.4 billion won and total loans stand at 3.8 billion won. The total business turnover is worth 11 billion won, while the total assets come to 6.5 billion won, capital investment to 337 million won and the dividend ratio comes to 13 percent.

Fostering Member Farmers Organization

The merger of village cooperatives into a large scale of township level cooperatives entailed inconveniences to member farmers because of the extended distance between cooperative and its members. The primary cooperatives as human-oriented organizations, have been weakened in view of human relationship among member farmers. And frequencies of contacts between cooperative and its members have been reduced.

In this respect, the primary cooperative needed the role of member farmers organizations at the village level requesting to do the role of village cooperative as bridge between township level coopers and the member farmers.

Structure

There had been various kinds of self-sprouted farmers' groups in the village for purpose of saving joint working or social activities. As the primary cooperatives merged into township level, the cooperatives strengthened supporting the grass-root organizations at village level in order to make members understand the role of cooperatives and thus to induce active participation in the cooperative business.

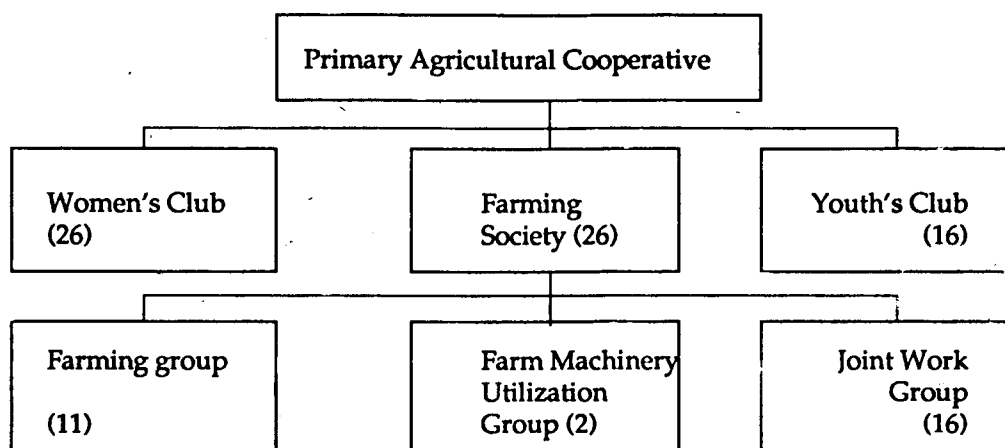
The member farmers organization is a good example for training of cooperation among farmers and training of democracy in the rural village. As bridge between the cooperative and member farmers, the organization can deliver its opinions and needs to the cooperatives.

The farming Group, Joint work group and Farming machinery joint utilization group, etc. have been established as sub-organizations of Farming Society on the voluntary basis. The Women's Club and Youth's Club have been organised separately at almost all villages (Figure 1). As at the end of 1988, there were 39,080 farming societies, 17,256 farming groups, 24,632 joint work groups and 3,169 farm machinery joint utilization groups.

On the other hand, 38,904 women's clubs and 23,883 youth's clubs which had horizontal cooperative relationship with farming societies were in operation as at the end of 1988.

Even though these grass-root organizations are closely related with cooperatives and receive various guidance and support from cooperatives, their management decisions are made according to the autonomous opinions of members and management staff members are selected among members in a democratic way.

Figure 1 : Average Member Farmers' Organizations per Primary Agricultural Cooperative



Principle

Promotion of self-reliance and spontaneity: Although the agricultural cooperatives direct the promotion of organization and extend support for business, the organizations of members retain independence and self-governing rights as an independent organization among member farmers of agricultural cooperatives. This principle serving as a driving force for individual organizational movement, acts as a force to keep the organization moving and developing steadily. As with the guidance for farmers in general, any guidance intended for members organization must not be coercive and the right to choose and freedom to determine action must be given to each organization. Organizations should be promoted strictly through the assistance of resources, advice, counselling and education.

- ii. **Optimum Scale:** The bigger any organization becomes, the weaker the unity gets while the intrinsic nature becomes more vulnerable to ignorance. The reason is that when an organization outgrows its optimum scope, it becomes difficult to maintain a sense of oneness among individual members.

The organizations of members of the same type may differ in size according to the conditions of location of the villages or business function of the organizations concerned. Therefore, it is impossible to limit the size of the organization to the predetermined level. Presently, the size of the organizations of members is approximately 20-50 members per organization.

- iii. **Regulation of Organization:** To some extent, it is necessary to provide for the regulation of operation in order to maintain order in the organization and to increase operational efficiency. The contents of the regulations must be concise and easy for members to understand.
- iv. **Restraint on Excessive Pursuit of Rationalisation and Efficiency:** Excessive rationalism or efficiency must not be forced on the members' organization. Since the members' organization is a cell of the cooperative movement, an effort should be made to help all members substantially participate in the organization while the opportunity to participate in the operation of the cooperative must be expanded.
- v. **Setting of a Common Goal for Members:** An organisation can be expected to enjoy active participation and vitality of its operation only when the clear goal of giving benefit to the

members is set up. Since the organization of farmers is not a social movement, it can develop into a lasting organization only when it has convincing goals and operational guidelines.

- vi. **Cultivation of Leaders of Organizations:** Where members organization is vitalized by dint of well-selected leadership, the leader of the organization invariably performs an excellent role. It is, therefore, necessary to provide steady guidance and education and foster conditions for activities in order to cultivate the ability of the leader who is central to the organization.

Function

a) *Farming Society:*

The farming society plays the role of an implementing and executing agency of a primary cooperative on the overall cooperative business. Its functions are (1) assisting in overall farming activities (2) collaborating in production and joint use of production facilities, (3) implementing rural development (4) assisting agricultural marketing (5) promoting sideline business for farm household, (6) upbringing prospective young farmers, and (7) training and education of to farmers.

One of its major roles is to promote member's participation in the cooperative businesses on the basis of voluntariness, and establish cooperative spirit among members. To play the role, the society collects various opinions of members and reflects them to the cooperative business activities and it also transmits information on the farming guidance and the cooperative business to its members. A considerable part of its functions is usually carried out by its subordinate organizations such as farming group, joint working group and farm machinery joint utilization group.

- i. **Farming group:** The farming group is an organization for agricultural production intended to increase the income of farm households through joint production and marketing among farmers producing the same type of farm products. Since 1970s, the farming group has been promoted as an organisation of members. The group is a very important basic unit of a producers cooperative, as well as a cooperative training entity with a strong mission to realize basic ideology of the agricultural cooperatives. The three major functions of the farming group are scientific farming, reduction of management cost and improvement of agricultural marketing. Guidance is extended to carry out these functions based on cooperation.
- ii. **Farm machinery joint utilization group:** As a measure to cope with the qualitative decline of the agricultural labour force and increased inflow of elderly persons and women into the labour force, the group, together with the joint work group, have been promoted as a cooperative members' organization since 1981. The organisation aims to reduce cost and manpower by jointly procuring large-sized farming machines which individual farmers can hardly afford to buy.
- iii. **Joint work group:** The joint work group is a joint work cooperative body organized in the village mainly for rice farming with a view to enhancing the consciousness of cooperation among the members, to efficiently utilize rural labour force and to boost efficiency of work by way of joint work. In the future, the joint work group is expected to even take charge of such jobs as improvement of rural environment and farm roads.

b. *Women's Club*

The women's club has been organized for the welfare of rural housewives and for sound management of family life and the club devotes to the development of rural society as well.

The women aged from 20 to 60 can be members of the club on voluntary basis and the major functions of the club are (i) family planning and children's education, (ii) living guidance and cultural and welfare projects, (iii) saving mobilization campaigns, (iv) farming guidance and training on farm machineries for housewives and (v) promotion of off-farm income boosting projects of rural households.

During the recent year, rapid growth of industrial sector pulled rural population into the urban areas and eventually left a good part of farming works to the rural housewives. The role of women in rural society has been apparently extended and the Women's Club is expected to play an important role in the cooperative movement.

c. *Youth's Club*

The youth's club has been organized to make younger generation play a leading role in the rural development in the future. The Club provides opportunities of learning new farming technologies and training cooperative spirit in order to bring up rural young generation as successor farmers.

Each member of the Club, aged from 13 to 29 years, chooses a subject according to his own interest, studies and practices.

Education and Training of Member Farmers

In order to animate member farmers organizations and to help the business activities of primary cooperatives take root, the NACF has made diverse contacts and persuasions towards members. We can view such contacts and persuasion as a type of education for cooperative members.

Education for members, responsible for inter-cooperative organizations of primary cooperatives, who can be elite farmers, has been conducted across the country since the start of the 1970s.

In order to meet the needs of the farmers to acquire farming techniques in line with the propagation of commercial farming, the Agricultural Cooperative Junior College, established the New Farmers Technical College in January, 1984

Since the start of the 1980s too, education for cooperative members has been emphasized in the business plan of the National Agricultural Cooperative Federation, but in actuality, it has remained nominal.

Therefore, farmers' dissatisfaction and negative image of agricultural cooperatives has not completely disappeared. In the case of agricultural cooperatives, organizations came first and promotional activities came second. In view of such organizational characteristics, it is becoming an important task for the sake of the steady development of agricultural cooperatives to infuse a strong sense of ownership into the minds of members and boost the general trust among members.

In order to strengthen ideological education for the member, an Agricultural Cooperative Leaders Training Institute was established at Anseong in October, 1983 to exclusively take charge of education for farmers. Similar training institute was also established at Chonju in March, 1984 to provide education for 500 farmers at one time, featuring specialized sessions and ideological courses for the purpose of developing the agricultural cooperatives.

In order to meet the needs of the farmers to acquire farming technique in line with the propagation of commercial farming, the Agricultural Cooperative Junior College established the New Farmers Technical College in July 1984 to provide specialised education for advanced farming techniques covering livestock, horticulture, fruit growing, cash crops and floriculture.

a. Ideological Education

The ideological education of agricultural cooperatives for their members is basically purported (i) to make farmers recognize the agricultural cooperative is their own self-help organization so as to strengthen their sense of ownership of and their sense of responsibility toward the cooperative, (ii) to make member farmers become aware as to why they should positively take part in the activities of the agricultural cooperatives and how they should develop the agricultural cooperatives into an organization truly representing them, and (iii) to make them firmly determined to seek lives worthy of human beings through their cooperatives by improving their economic and social status.

Also, the ideological education features the following things:

- i. Considering the limited educational facilities and the spill-over effects of the education, the education is primarily directed toward farmers with the power to influence others,
- ii. The education is provided in collective form for ten-thirty per cooperative, usually two-eight leaders of farming societies, two-eight leaders of women's clubs, two-four chiefs of farming groups, one director, one-six leader of the youth's club, president of the cooperative involved, the chief of the guidance department or the chief of the women's department responsible for guidance on farming and living. The underlying objective is to nurture the cooperation and fraternity and to help enhance the potential of participants to work for the cooperative activities at the local level,
- iii. The cooperatives participating in the education are grouped according to the region or the level of development so as to increase the effect of mutual education based on the comparison of the given condition and special characteristics,
- iv. Farmers involved in the education are teamed in small groups in such a way as to increase the effect of solving problems relating to matters of common interest,
- v. The education is highlighted by such visible features as the joint billeting of trainees and teachers for 5 days and 4 nights, an articulate educational process, presentation of cases and panel discussions.

The qualitative characteristics of the ideological education can be summed up : (i) practical education, (ii) autonomous education, and (iii) human education. Going beyond the realm of one-sided education designed to attain short-term goals, the practical education means administering the education in such a way as to give substantial benefits to the participants who have invested time by taking part in the education.

Autonomous education is emphasized for the following reasons:

- i. a life of collective billeting is apt to become a control-centered education to maintain discipline or order,
- ii. many of the trainees are adult farmers who are older than the teachers,
- iii. ideological education for farmers is a spiritual education designed to induce a change in the consciousness, attitude and views of value of farmers.

Because attitude is formed with cognitive, emotional and behavioral factors, unless the spontaneity of the participants is first provided, it is hard to expect them to show the desirable change in their attitude. The motivation to change the attitude should be induced by educational stimulus capable of effecting a change in the desirable direction. Such a change is determined in most cases not by coercion but by autonomous self-awareness and judgement. The autonomous education is also especially emphasized in the sense that one of the ultimate objectives of the education of farmers is to nurture the self-governing ability of farmers as prime movers of farming and actual living.

Human education may be somewhat related to autonomous education. Human education means that the education is not proceeded in a mechanical manner centered on rules and directives but is based on close human contacts and sincerity.

Based on the 1988 figures, the per capital educational cost was about 243,000 won, which was needed for travel expenses, cost of meals and honorarium for lectures. 86,000 won of this cost was borne by the participating primary cooperative, while the indirect expense of about 157,000 won was borne by the National Agricultural Cooperative Federation, in the final analysis, therefore, the fact that farmers themselves bear the cost of education is an important feature of the education.

From October 1983 to the end of 1988, a total of 53,278 farmer leaders from 4,677 primary cooperatives had received education from the two training institutes. This means that until the end of 1988, educational opportunity was provided three times for every primary cooperative.

During the early period of education at the Agricultural Cooperative Leaders Training Institutes, priority was given to influential farmers. Due to the expansion of educational opportunity, the participation of ordinary farmers has been gradually increased.

Table 2 - Curriculum of Ideology Education to the Farmers

	<i>Hours</i>	<i>%</i>	<i>Contents</i>
Human Education	10	23	Lectures on spiritual development, economic education.
Development of leadership & Business ability	19	43	Ideology of business pursuit Case study Leadership of organization
Cooperative activities	8	18	Business information, cooperative game.
Ceremonies & others	6	16	Farming technology
Total	43	100	

b. Farm Technique Education

The New Farmers Technical College, a specialized technical education course provided by the Agricultural Cooperative Junior college for member farmers is primarily designed to (i) to increase the income of farmers by boosting agricultural productivity through the propagation of farming techniques and information on management, and (ii) to enhance the consciousness of participation and a sense of ownership as members of the cooperatives.

In order to attain an educational goal, (i) curricula are provided for each product, (ii) trainees are teamed into groups according to the level of techniques, (iii) on-the-field education such as visits to advanced farm households, ranches and experimental stations is emphasized, (iv) mutual education by way of presentation of cases and panel discussion is emphasized, and (5) trainees are required to undergo joint billeting during the period of education.

Those who are eligible for the education are member farmers, their family members and prospective young farmers. When a public notice recruiting the trainees appear in the Farmers Newspaper, aspirants are required to file their application with the primary cooperatives. If the prospective trainees are selected, each of them is required to bear the cost of 30,000 won, while

the primary cooperatives provide 20,000 won in scholarship and the remaining cost is borne by the NACF. As with the ideological education, the technical education for farmers is characterized by the fact that the expense for the programme designed for the participants is borne by the persons involved.

Table 3 - Standard curriculum of Technical Education to the Farmers

<i>Category of curriculum</i>	<i>Hours</i>	<i>%</i>
Farming technology	34	60
Study visit	12	21
Mutual discussion	3	5
Case study	3	5
Special lectures	6	9
Total	58	100

Guidance Activities

a. Farming guidance

The agricultural cooperative is a self-help and self-sustaining organization of farmers of farmers aimed at increasing agricultural productivity and enhancing the economic and social status of farmers. Accordingly, all the businesses, implemented by agricultural cooperatives should be based on farming activities of its member farmers. Also the farming activities of the members must become the mainstay of the cooperative functions. In this light, guidance for farming improvement should be understood in relation to the overall functions of the agricultural cooperatives.

Farming guidance can be seen from two aspects: production guidance and marketing guidance. Production guidance involves production techniques centering on the propagation of knowledge and information on cultivations or cattle raising, and farming management guidance on the efficient method of utilizing land, labour, capital and other factors of production which member farmers currently possess or will additionally purchase. In general, the farming guidance of agricultural cooperatives refers to production technique guidance, farm management guidance and marketing guidance.

i. Production technique Guidance

Today's agriculture, needless to say, is greatly influenced by management and technique. The production technique can be regarded as an essential factor of increasing the yield per acre and of producing quality farm products as well as of saving labour required for farming.

Improved farming techniques have so far been introduced to farmers in order to increase agricultural productivity, however there is still much lacking. A large amount of capital, time and energy are required to introduce new farming techniques, so it is almost impossible for individual farmers to work without support. Accordingly, the government is supposed to take charge of developing and propagating new farming techniques in the first place but the agricultural cooperatives are supposed to assume such secondary functions as expediting the

rational and efficient adoption to the farming technique and laying grounds to accommodate the new technique.

The production technique guidance of the agricultural cooperatives is a technical guidance on the types of products which are related to the agricultural cooperative business,. Unlike the guidance extended by the official guidance agency which adopts a guidance method using specialized guidance workers, the technical guidance of agricultural cooperatives revolves around the arrangement of conditions to accommodate the new technique as well as around the introduction of the technique through specialized guidance workers.

ii. Farm Management Guidance

Farm management refers to the systematic activities of producing and selling farm products by combining and using land, labour and capital (farm implements, fertilizer and animal feeds) to attain predetermined goals of management.

What counts most in farm managements is setting clear goal and establishing an organization. The organization led by predetermined goals, determines (i) what to do (selection of crop), (ii) what method should be employed to produce (production technique), and (3) how the products should be treated (processing, storage, transportation, marketing and consumption). The organization also supplies the means of production and secures funds, and keeps the activities of production rolling on.

All organizations are supposed to be concerned with such farm management but the agricultural cooperatives must especially make concerted efforts in their guidance for farm management. The reason is that the agricultural cooperatives' primary aim is to increase agricultural production and boost the income of farm households through its various supporting activities (e.g. the supply of farm inputs, the sales of farm products and supply of agricultural funds) which directly influence the farm management of member farmers.

The farm management guidance of agricultural cooperatives has been limited to partial guidance made available in the process of individual business such as the purchase of farm inputs and the marketing of farm products. The guidance lacked such comprehensive management guidance as establishing and implementing farming plans by taking account of farm households as a full entity of management and then trying to improve the farming by analyzing the results.

iii. Agricultural Marketing Guidance

In general, the marketing of farm products refers to the performance of all business activities involved in the various services and flow goods from the point of view of agricultural production until they are in the hands of the ultimate consumer. The progress of economic development has touched off a substantial change, both qualitative and quantitative, in the production as well as consumption of farm products. Accordingly, steady guidance to improve agricultural marketing is required to efficiently handle the increased quantity of farm products and to meet the demand which is becoming increasingly sophisticated. As far as the change continues in respect to the supply and demand for farm products, it becomes an important task to connect and coordinate them. In the case of farm products, individual efforts of member farmers to cope with such a situation can hardly be expected to generate the desired effects in view of the characteristics of the suppliers as against consumers. It becomes necessary, therefore, to take systematic measures chiefly by the agricultural cooperatives.

We are dealing here with some important aspects of the guidance for the improved marketing of farm products:

- a. **Guidance on Joint Marketing:** With individual sales activities of producers who are member farmers, it is difficult to ensure optimum selling prices because of disadvantages involved in bargaining and the cost of transportation and shipment. The joint marketing by agricultural cooperatives is designed to realize economies of scale by overcoming such restrictions bring about greater economic efficiency. In extending their guidance concern-

ing agricultural marketing, the agricultural cooperatives abide by three principles, unconditional commissioning, average selling and pooling.

As part of their plan for cooperative marketing, the agricultural cooperatives have been promoting joint activities of member farmers by organising cooperative shipping groups (farming groups). The guidance on joint marketing is done through education and publicity on the circuit collection of farm products, the provision of joint transportation facilities, the operation of marketing counselling centres and the function of agricultural cooperative marketing.

b. Guidance on Improvement of Marketability: The consumption pattern of farm products has been diversified and improved in line with the formation of consumption markets in cities and the increase in the national income. Accordingly, quality is important and products should be made to look attractive to the eyes of the consumers. Considering the traditional customs of marketing transactions, the credibility of goods should also maintained at a high level.

Major points of guidance on the improvement of marketability are grading based on quality and grade, improvement of packaging, and guidance on putting trademarks on farm products. These activities require, first of all, the formation of unified opinions of member farmers.

Therefore, the agricultural cooperatives conduct education for leaders of cooperative organizations, education for those in charge of marketing and publicity activities vis-a-vis members at the level of farming groups and primary cooperatives. The means of guidance come in the form of the distribution of pamphlets listing success cases, the production of slides, study tours of wholesale markets and advanced places, exhibition of packaging materials and their supply, joint manufacture of trademarks, consigned inspection of farm products, guidance on the use of standard transaction units and guidance on the improvement of packaging.

c. Market Information: Farmers secure market information as a guide to judge what products should be produced and how, how much, and when the products should be marketed.

Through the Marketing Information Center, the agricultural cooperatives collect and disseminate agricultural market information in production sites and consumer markets. Primary cooperatives provide member farmers with nationwide market information so that they can prepare for the fluctuation of market conditions. Such market information is provided through the teletype system and on-line network of cooperative organizations as well as through Farmers Newspaper and Farmers Magazine while required information is transmitted daily to farming societies or farming groups.

The marketing information provided by the agricultural cooperatives also covers outlook information on various items relating to the determination of prices in the future such as estimated planting areas, direction of agricultural policy and prospects for consumption.

iv. Guidance on Living Improvement

The life of member farmers of agricultural cooperatives can be largely classified into a "positive economic function", this is labour activities to generate income and a "passive economic function". This is the consumption side of efficiently utilizing the earned income. In order to ensure a rational consumption pattern among their members, the agricultural cooperatives extend guidance on savings, cooperative insurance to prepare for accidents, calamities and old age; purpose savings for weddings of their children and admission to higher school for the children; efficient buying of consumer goods, keeping books of household accounts, long-term life plans, and efficient management of member farmers' assets.

The main objective of guidance by agricultural cooperatives concerning rational consumption patterns is to help member farmers lead their household economy without leaving the basis of their lives unstable even if certain dangers or calamities affect them. It is also necessary to help enhance the standard of living of farm households by efficiently utilizing the limited resources.

6 Malaysia (By Mr.Mohd.Ali Abdul Razak and Hallijah Bt.Hj.Zakaria)

Introduction

Cooperative Movement in Malaysia

The cooperative movement was introduced in Malaysia in 1922 by the British as a response towards meeting the growing financial needs of the rural farmers and government servants, who were heavily indebted to land owners and money lenders. Since then, the movement has been regarded as a benevolent institution to alleviate the social and economic status of the less privileged sections of the Malaysian society.

The government's interest in boosting cooperative activities in Malaysia seems obvious when it passed the Cooperative Law in 1948, in order to bring about a more systematic development of the movement. Initially, cooperative societies in Malaysia were mainly involved in uni-functional activities, especially that of thrift and loan. However in 1986, existing and new cooperatives were encouraged to venture into multi-purpose functions (i.e. undertaking more than one activity) in order to diversify their activities and satisfy the varied basic needs of members.

In the early seventies, the rapid growth in size and complexities of the cooperative movement in the country had made it necessary for the government to set up a Farmers Organisation Authority (LAP) in 1973, to supervise all the agro-based societies. Later in 1975, the Fisheries Development Authority (LKIM) was established to assist the development of fishermen's cooperatives.

In the 1980s, a new dimension in the cooperative movement was initiated with the declaration of the 'New Cooperative Era' (1982). This was a timely measure by the Ministry of national and Rural Development (the Ministry in charge of cooperatives) to overcome irregularities in the management of certain cooperatives. It was felt that such cooperatives, if left unchecked could paralyse the Malaysian Cooperative movement. The new era also led to the establishment of new cooperatives initiated by the government such as the district development and cottage industry cooperatives.

The district development cooperatives or commonly known as Koperasi Pembangunan Daerah (KPD) have been set up to encourage villagers from the rural areas to undertake development projects on a mutual self-help basis. At the end of 1987, 76 district Development cooperatives were registered out of the 79 administrative districts in Peninsular Malaysia.

To intensify efforts in promoting cottage industries with a view of uplifting the rural economy, the Cottage Industry Cooperatives or Koperasi Industri Kampung (KIK) were set up. By the end of 1987, 27 of such cooperatives were formed.

As a result of the above efforts by the government, within four years of the New Cooperative Era, total assets of cooperatives had increased from \$3,986,307,990 (in 1983) to \$ 7,977,223,000 (in 1987). Total membership in cooperatives too had increased from 2,293 million (1983) to 2,825 million persons in 1987, while the contribution of share capital increased from \$933,344,000 Ringgit (1983) to \$1,482,657,000 Ringgit (1987). These figures describe the general statistics of the cooperative societies under the Cooperative Development Department (CDD) throughout Malaysia. Peninsular Malaysia alone has more than 79% of the total number of cooperatives in the country. Table, A, B and C in the Appendices show the distribution of cooperative societies throughout the states in Malaysia and under the supervision of the respective government agencies.

Table D shows an overall statistical position of the cooperative movement in the country, i.e. those under the CDD, LAP and LKIM.

Role of Members

As cooperatives are institutions of people, therefore, it is imperative that members play a dominant role in the development of their respective societies. In Malaysia, there are over 3000 cooperative societies with a total membership of over 3 million people.

They have become members of cooperatives for various reasons such as they were driven by a need to use the services offered by the cooperatives; an opportunity to mix with a large group of people thus fulfilling some basic needs and due to the encouragement and motivation of friends and relatives. Therefore, being a member of a cooperative society, each individual member have a personal and financial obligation to the society.

Examples of member involvement are:

- to participate actively in the life of the society, e.g. to be elected to positions of responsibility,
- to abide by decisions taken by the majority of the members,
- to contribute in whatever form including financially for the well running of the society,
- to participate in administration,
- to give suggestions and ideas as to how their cooperatives can further benefit them, including expansion of activities, new projects, etc.,
- to give suggestions on type of projects to be undertaken,
- to be vigilant on negative and detrimental tendencies within the society.

Non-participation of members

There are various reasons why members do not participate. Listed below are few examples:

- i. **Lack of cooperative education :** The objective here is to encourage members to obtain cooperative education and training in order to improve their knowledge and motivate them to be more committed and thus contribute more actively to their respective cooperatives. The percentage of members that have attended cooperative education is not satisfactory.

Some of the reasons which may have hindered cooperators from receiving cooperative education and training are:

- a. a general lack of interest among members to take their membership in cooperative seriously. Therefore, they do not appreciate the important of training,
 - b. members do not have the time to leave their work to attend courses,
 - c. ignorance of the availability of courses offered by organisations such as the Cooperative College, ANGKASA (National Cooperative Organisation of Malaysia) and the Cooperative Development Department.
 - d. Board members may have not been sufficiently encouraged especially by the cooperative leadership to attend cooperative courses.
- ii. **Lack of Contribution of ideas:** Contribution of ideas and participation at sub-committee levels go a long way in enabling cooperatives to be more dynamic and progressive. Apart from these contributions, members may also participate and contribute to the development of their cooperatives by being involved actively in projects organised by their cooperatives. This refers to patronizing their consumer shops, using the travel and tour agencies, insurance agencies, canteens, laundry, facilities, services of their petrol stations, purchasing of houses from their society projects, etc.

- iii. **Consumer Services:** Quite a number of cooperatives provide consumer services such as mini-markets, etc. Unfortunately though, the majority of the members do not seem to be supportive. This is a common feature of the Malaysian Cooperative Consumer movement. Failure to purchase from their cooperative stores may be due to the lack of education, which have caused members to be ignorant of their obligations. Many members, basically through ignorance of marketing problems, complain of relatively higher pricing of some goods, rather than improve sales to bring costs down. Some members may not realise the fact that the survival and progress of their cooperative stores depend on their conviction and loyalty.
- iv. **Cooperative projects:** Member participation in cooperative projects such as housing have not been satisfactory. Reasons could be that projects adopted may not have matched the requirements of members as well as the existence of stiff competition posed by other sectors in terms of prices and services offered.
- v. **Annual General Meeting:** The lack of support or involvement of members at AGMs, and other meetings have contributed to the slow development of many cooperatives. These meetings provide forums for members to air grievances, present suggestions for improvement and if need be, elect new leaders to run the society if the old seems stagnant with stale ideas. Poor attendances indicate that there is also a general lack of cooperation and confidence by the members in their cooperatives. There were others too who were just indifferent towards the activities of their cooperatives, being content with receiving their dividends every year.
- vi. **Operational problems:** A major operational problem faced by cooperatives is the lack of skilled personnel. It cannot be denied that in order to succeed in any organisation, experienced management staff is necessary. Unfortunately, as most of the Malaysian cooperatives operate only small and medium-sized business activities (perhaps due to limited financial resources), they have a tendency to settle for lesser paying personnel. With the low morale, it would therefore be impossible for the staff to be motivated to over perform effectively.

Board members, being voluntary, spend insufficient time with the cooperatives. Besides this, there is also a shortage of manpower to cope with the increasing work load in some of the cooperatives. The hiring of inexperienced managers had caused cooperatives to be improperly run and in a few cases led to disastrous consequences.

Part of the operational problems of their cooperatives stem from the lack of efficient and sincere board members. As board members formulate policies for the cooperatives, it is therefore pertinent that they be chosen from people who are sincere and dedicated to the cause.

Besides, the problem that have been mentioned earlier, other operational problems that are faced by some cooperatives are:

- a. the existence of red tape in getting approvals for projects,
- b. Lack of support from other government agencies.

Recommendations

Listed below are some of the suggestions as to how cooperatives can achieve the desired objectives. A possible solution to the operational problems faced by the cooperatives lies in the contribution of constructive ideas by the members.

This is necessary, so that not only with their needs be made known but that their cooperatives will be effectively managed.

- i. **Member's Contribution:** The more members contribute, the better it will be for the Board members because they can obtain fresh ideas in improving their cooperative activities. By contributing ideas, members will have a better sense of belonging and pride too. These can then act as stimulants for greater loyalty and support.

By attending the AGM and other meetings, those who are present at the meetings may be able to elect only responsible people to the board, who are able to put their cooperatives' interest above their personal desires. The cooperative management must seek to do their best for members so that as much benefit as possible can be enjoyed. Members must hence use their voting rights wisely by electing only sincere, dedicated and committed individuals to lead their cooperatives.

At the AGM members must be able to interpret the accounts which are tabled. These can act as check and balance tools for their cooperatives. It is at the AGM that questions may be asked and answers received to remove any form of doubt. Abuse of power by any individual can be identified and rectified at such meetings. It is there too, that suggestions can be given on appropriate projects to be undertaken in order that members can reap the benefits.

- ii. **Members' participation:** Members should support or participate in the cooperative projects. If members do not support, then the projects would fail and bring heavy losses to the societies. To ensure success, only viable and practical projects should be undertaken. Those identified and implemented must genuinely aim at serving the needs of members.

Sufficient publicity must be undertaken by cooperatives to create an awareness amongst members on the type of projects that they can participate in. Further more, funds or credit facilities should be made easily available for those who cannot afford but are willing to participate in the projects.

- iii. **Financial:** One of the problems faced by cooperatives is the lack of sufficient funds. To overcome financial problems, members must increase the amount of individual subscription fees and share capital.

With more capital, cooperatives will then be able to undertake larger and more diversified projects in order to satisfy their members' needs. Cooperatives must not only be people-based but capital-based so as to be able to provide the right kind of services efficiently and effectively.

- iv. **The Role of Government:** The government through the Cooperative Development Department can play a more significant role in enhancing the development of the cooperative movement in Malaysia. There is a need for a tighter/closer supervision of all cooperatives by the government.

It is also found that the provision of management expertise to cooperatives (in the form of skilled and experienced government officials seconded to cooperatives) is vital to ensure the smooth running of the cooperatives. This may be due to the existence of limited financial resources of most cooperatives in the country. They cannot afford to hire calibrated managerial personnel and thus pay them accordingly.

The government should only provide financial assistance to cooperatives in real need. This would indicate to the members that cooperatives should not be solely dependent on the government for financial support. Instead, financial support should come mainly from members through increasing their share capital and subscription contributions.

The government should widely publicize/highlight the important role played by cooperatives in the society. This is to give the cooperative movement a favourable image so that more people would be aware of its objectives and benefits. This will not only attract more individuals in becoming members but it can also bring about deeper commitment and sense of responsibility by the existing cooperative members.

- v. **Education:** Periodical education for the members and systematic training for the employees of cooperatives are necessary for efficient performance of cooperatives. Ideally the co-

operatives' by-laws should include a supportive clause on education. It must be made mandatory for the board and ordinary members to undergo membership education programmes. This will ensure that each member knows what is a cooperative, why he/she joins cooperatives, what are his/her rights and responsibilities.

Each society must form an Education Sub-Committee and its task should be to liaise with the Cooperative Development department, ANGKASA and the Cooperative College of Malaysia, by identifying the right target group and the relevant courses for members and staff of their respective cooperatives. Since it is important to instil the 'sense of belonging' and 'commitment' for all members, every member should be given equal opportunity for cooperative education and training. Where possible, it should be made compulsory.

Training programmes aimed at providing an understanding of financial statements should also be given to members. This is to enable them to understand the working of their cooperatives. The Education Sub-Committee can arrange for such courses to be conducted at their society by inviting lecturers from the Cooperative College or officers from the Cooperative Department and ANGKASA.

In order for this sub-committee to function effectively, planning and short-term education and training programmes for members and staff will be necessary. For example, it should aim at educating at least 100 members and staff of the cooperative society per year. Having that in mind, they can then make the necessary arrangements to use the services provided by the Cooperative College, the Cooperative Development Department and ANGKASA.

In addition, a member of the sub-committee must be made responsible for disseminating information and carrying out publicity campaigns. He/she should identify the training needs of the society and coordinate them with the respective training organisations.

Cooperatives should also impart consumer education to members. It should be their responsibility in educating members on consumer rights and protection. Members as consumers must be protected against malpractices, exploitation and the consumption of adulterated foodstuffs.

- vi. **Communication:** The lack of communication in cooperatives has caused misunderstanding amongst the members, board and staff of cooperatives. Thus, a well-defined public relations policy and programme can provide up-to-date information to the cooperative.

It is therefore recommended that every cooperative should produce/issue its own bulletin to members. In order to save cost, a small cooperative requires just a reasonable duplicating machine to produce a simple and economical bulletin. It is not the high quality of the paper or the stylist format that is important, but the purpose and message that needs to be conveyed to the members that matters. Such bulletins can serve to inform the members of the various items that are sold at the cooperative's store, special offers given as well as other activities undertaken. The general performance of the cooperative and other important aspects that a member should know can also be included.

In addition, cooperatives must make every possible effort to publicize their activities and projects via the mass media. They may do so through the BERITA MKM (Cooperative College's Magazine), PELANCAR (ANGKASA's bulletin) and other cooperative publications.

Presently, most cooperatives have not made the satisfaction of members' needs as their top priority. No proper channels of communication have been provided for these members to voice their dissatisfaction, problems, views or complaints. Cooperatives seem merely concerned with providing services but not in getting feedback as to the quality of services provided. Rightly, both are just as important.

Thus, the idea of using "suggestion boxes" could be implemented. These boxes can be placed at the cooperative offices and members be informed of their purpose. It is important that

the suggestions from the boxes be reviewed by the board members periodically for prompt actions to be taken

To promote and stimulate group action and in establishing the spirit of "togetherness", cooperatives should organise some sports activities, community projects, sewing classes, cooking demonstrations, art competitions for children, etc. Goodwill and understanding can be fostered and strengthened through such activities. Furthermore, during such social gatherings, cooperatives can take the opportunity to brief members on the cooperatives' latest developments.

The cooperatives should give members the minutes and reports of their AGM prior to holding the meeting. As stated in the law, atleast two weeks must be given for them to look through and understand the contents of the reports. In this way, members will thus be able to understand better the situation in their cooperatives and be motivated to contribute constructively at the AGM. Furthermore, any case of mismanagement can be promptly detected and corrective measures taken.

Apart from that, in order to encourage members to take special interest in their societies, cooperatives should set up their own libraries or reading rooms/corners. Relevant reading materials on the cooperative movement and general publications may be collected and kept for members' reference.

Although the Malaysian Cooperative movement has yet to be as impressive as those in the industrialised and socialist countries, considering her age and limited population's participation, must has been achieved qualitatively rather than quantitatively in order to wrestle with the difficulties of life through mutual self-help ways, i.e. through cooperation. Given more time, coupled with the lesson learnt from past experiences, the Malaysian cooperative movement has a vast potential to perform better and bring more fruitful benefits to existing and potential members and the nation as a whole.

APPENDICES

TABLE A

STATISTICS ON THE MALAYSIAN
COOPERATIVE MOVEMENT FOR THE YEAR 1987

Cooperative Societies under the Cooperative Development Department

	State	Number of Societies	Number of Members	Total Share Capital (\$)	Total Assets (\$)
1.	Johor	270	190,300	71,687,000	230,490,000
2.	Kedah	192	126,200	57,057,000	92,660,000
3.	Kelantan	158	113,800	33,417,000	73,190,000
4.	Malaka	88	47,400	14,045,000	24,920,000
5.	Negeri Sembilan	150	87,200	49,561,000	61,320,000
6.	Pahang	209	112,100	43,512,000	161,970,000
7.	Perak	259	154,800	117,479,000	196,240,000
8.	Perlis	44	22,500	12,874,000	20,250,000
9.	Pulau Pinang	125	81,900	74,466,000	153,400,000
10.	Selangor	232	213,600	150,981,000	260,080,000
11.	Terengganu	115	73,400	32,186,000	52,630,000
12.	W. Persekutuan	86	48,300	15,946,000	33,490,000
13.	Nasional	160	1,655,500	790,789,000	6,406,360,000
14.	Sabah*	317	60,700	9,433,000	106,832,000
15.	Saravak*	420	101,900	9,224,000	83,391,000
	Total	2,825	3,089,600	1,482,657,000	7,977,223,000

(* Statistics for Sabah and Saravak was based on figures collected on 31/12/86)

TABLE 8

Agro-based societies under the Farmers' Organisation Authority (LPP) 1987

	State	Number of Societies	Number of Members	Total Share Capital (\$)	Total Assets (\$)
1.	Ferlis	18	2,041	276,254	1,357,350
2.	Kedah	75	8,832	1,095,062	4,811,740
3.	Pulau Pinang	102	10,183	1,265,454	5,867,398
4.	Perak	80	14,136	1,407,135	11,440,749
5.	Selangor	61	10,987	1,521,650	13,259,852
6.	Negeri Sembilan	56	10,794	1,038,589	2,413,672
7.	Malaka	36	12,454	2,604,067	7,608,684
8.	Johor	72	15,240	3,215,191	5,293,892
9.	Pahang	29	4,729	293,102	882,227
10.	Terengganu	28	3,351	101,158	580,895
11.	Kelantan	18	2,524	263,677	855,999
12.	MADA	163	9,423	1,752,245	4,280,465
13.	KAJA	50	5,121	311,487	1,641,347
	Total	788	109,815	15,145,071	60,294,270

TABLE C

Fishery-based societies under the Fisheries 1987
Development Authority (LKIM)

	State	Number of Societies	Number of Members	Total Share Capital
1.	Kedah	8	1,758	131,387.62
2.	Puleu Pinang	9	1,484	99,773.00
3.	Perak	7	4,170	240,904.00
4.	Sejengor	1	1,444	98,415.00
5.	Moleka	1	225	55,760.00
6.	Johor	7	4,476	330,768.22
7.	Pahang	1	54	1,846.22
8.	Terengganu	5	717	69,441.88
	Total	39	14,308	1,028,295.94

TABLE D

The Overall Position 1987:

Grand Total	Number of Cooperatives	Number of Members	Total Share Capital	Total Assets
	3,652	3,213,723	\$1,498,830,367	\$8,040,101,461

Sources for Tables A, B, C, D are from CDO, LRP and LKIM (1987)

TABLE E

Classification of the Cooperative Activities
in Peninsular Malaysia at 1987

Functional Group	Number	Membership	Share Capital (\$)	Assets (\$)
1. Credit/ Banking	399	907,370	681,190,000	4,477,520,000
2. Housing	50	27,560	15,100,000	189,000,000
3. Consumer	227	90,730	26,790,000	96,550,000
4. Transport	376	69,360	16,680,000	62,290,000
5. Insurance	1	139,320	1,500,000	372,990,000
6. Land Development	47	16,390	5,120,000	39,710,000
7. Industrial	37	14,630	4,090,000	6,220,000
8. School	620	433,190	2,190,000	11,680,000
9. General Welfare	32	19,610	100,000	950,000
10. Unions*	7	(1,120)*	190,000	19,450,000
11. Investments	15	47,900	31,750,000	45,160,000
12. Multipurpose	537	1,164,940	679,290,000	2,464,580,000
Total	2,088	2,927,000	1,464,000,000	7,787,000,000

* Refers to No. of Cooperatives which are members of Unions

Source: Cooperative Development Department

7. Philippines

Management System of Cooperatives

The role of the government in cooperatives are specifically defined under PD 175 and LOI 23, together with PD 2008, while the sugar and electric cooperatives are governed by other laws. Hence this does not form part of the report. Under the decrees mentioned, the major role of the government are as follows:

1. Organizing
2. Registration
3. Training
4. Auditing
5. Funding of seminars.

Incidentally, the government provides legal assistance to the primaries and acts as arbitrator in the event of conflicts.

Leadership in the Cooperatives

Leadership in the cooperatives emanates from among the members in good standing through nominations and election.

Membership

The final authority in the management and administration of the affairs of the cooperative is vested in the general assembly in good standing. The general assembly has the powers to:

- a. To select and remove directors, officers and members for cause,
- b. To hear and pass upon the reports of the Board of Directors, Officers and Committees.
- c. To take final decisions regarding any drastic change in the financial policies, subject to legal restrictions,
- d. To act as a final arbitrator in any dispute or disagreement which may arise between or among the members of the Board of Directors and Committees, officers and individual members.
- e. To determine the amendment/s in the articles of incorporation and by-laws.
- f. To exercise final authority on all matters vitally affecting the cooperative, and
- g. To exercise all the rights and privileges appurtenant to membership.

The general assembly meets annually and a special assembly may be called any time as the need arises.

Board of Directors and Committees

The members of the Board of Directors and Committees are elected through secret balloting by the members of the general assembly. Afterwards, the Board of Directors shall elect from among themselves a chairman, a vice chairman, treasurer and a secretary. They hold office for a term of two years. The committees likewise, shall do the same. The positions in the committee

shall be that of chairman and a secretary. The members of the committees shall hold office for a term of one year. The Board of Directors as a body have general supervision and control of the affairs of the cooperative. It shall prescribe policies and guidelines consistent with law and by-laws, the resolution of the general assembly for the management of the cooperative and guidance of its membership, officers and employees.

The Board of Directors appoints a manager to manage the day-to-day operations of the cooperative while the manager shall hire all employees under him.

Planning

In the Philippines, planning is done usually by the Board of Directors. At times, the plans, policies and guidelines create an atmosphere of issues during the general assemblies. Hence the board is pushed to an arbitrary position or reverses. As a result, however, of a growing spirit of the movement, there are now cooperatives who are advanced in their level of development, where plans and policies and other matters affecting the cooperatives are with the active consultation and participation of the members, officers and staff.

There are several instances too where the board and the manager and the rest of the staff do not see eye to eye in the course of operations. Many directors are acting in their individual capacities, and at times paternalistic due to a prolonged stay.

Monitoring Mechanisms

At the moment, the monitoring mechanisms are mostly financial and management analysis through audit reports of the internal and external audits, the report of the board of directors, together with that of the committees during regular assemblies, or during the monthly meetings of the board of directors. The very informal monitoring is through individual feed back of members which are either written or oral reports.

Future Need

1. *Social audit*

Reasons: At the moment, evaluation of cooperatives are basically centered on economic activities such as growth of assets, equity, surplus, delinquency and other related variables basically connected with and has bearing to the economic assessment of the cooperatives. At present, there are some cooperatives whose concentration of activities are for the service of members (health care, clinic, youth groups, etc.) as a result their economic growth and financial ratios are much lower than those whose concentration is on its economic activities. It is our hope that such activities will also be reflected to form part of a cooperative evaluation and monitoring which makes it distinct from other types of business.

Cooperative Education

Normally cooperative education are done through the initiatives of the board of directors, staff and the education committee, where resource speakers available in the locality are invited. When the cooperative becomes more or less viable, the officers attend regional or national training conducted by the centres. The overall highlights of the training are:

1. Pre-membership
2. Ownership
3. Management in general
4. Technical, like bookkeeping, accounting and auditing
5. Financial

6. Delinquency Control
7. Leadership
8. Trainer's Training
9. Livelihood programmes
10. Marketing

Although there were several training conducted in the primaries, there appears a lack of systematic and continuing education due to difficulties of the leaders in identifying needed training. Thus, the education conducted were sometimes ineffective in contents and methodology, and including the education committee themselves. The primary cooperative leaders seldom have an indepth feeling on the philosophy, vision and mission of the movement. The tendency of the cooperative principles, while in practice are confusing to the members. As the cooperatives become bigger, membership becomes more utilitarian. These are reflective during general assemblies where the members focus their discussions on what they received personally in the form of dividends and patronage refunds.

In most instances, cooperatives are hampered with the lack of training fund or venues and time for the members for attending the training.

Future prospects of Cooperative Development in the Country

Although there appears a lot of problems in the growth and development of cooperatives in the Philippines, the movement is now being felt, and more people are joining or organizing cooperatives. It is now emerging with a discipline and the identity is separate and distinct from other institutions.

8. Sri Lanka (By Mr.N.P.Karunadasa)

The Country

The Republic of Sri Lanka, earlier known as Ceylon and also called the Pearl of the East, is an Island situated in this Indian Ocean in very close proximity to India. It has a land area of approximately 65,608 sq.kms. and a population of 16 million people. The population is made up of majority Sinhalese, Tamils, Moors, Burghers and Malays, etc. The country is governed by a democratically elected Executive President and a Parliament of People's Representatives.

Co-operative Movement in Sri Lanka

Cooperative movement took root in Sri Lanka way back in 1906, with the establishment of Credit Co-operative Society in a village called Menikhinna in a District of Kandy. Legislation to regularise cooperation in the country was introduced with the passing of the first co-operative ordinance in 1911. That was the start of the Credit Societies Phase.

With the coming of the second World War, the powers that be were faced with a lot of problems with regard to the fair distribution of essential commodities such as rice, flour and sugar which were in short supply and they realized the need for an efficient organisation to handle this work and they found that a consumer cooperative organization was just the ideal thing for it. Thus the consumer cooperative movement came into being in Sri Lanka.

Gradually the Cooperative movement blossomed in Sri Lanka and today it has a good number of economic activities in its fold.

The following primary cooperative societies are found in Sri Lanka today:

	<i>Type of Society</i>	<i>No. of Societies</i>	<i>Membership</i>
1.	Multi-purpose Cooperatives	285	2,168,124
2.	Thrift & Credit Cooperatives	5608	546,993
3.	Tea, Rubber, Coconut Cooperatives	69	10,856
4.	Dairy Cooperatives	172	37,136
5.	Young Farmers Cooperatives	21	5,529
6.	Animal Husbandary Cooperatives	25	4,817
7.	Other Agricultural Cooperatives	47	4,270
8.	Textile Weavers Cooperatives	29	54,930
9.	Fisheries Cooperatives	64	20,429
10.	Small Industries Cooperatives	173	25,987
11.	School Cooperatives	777	270,700
12.	Electoral Distt. Cooperatives	38	6,374
13.	Labour Cooperatives	59	3,049
14.	National Youth Services Council Cooperatives	21	154,111
15.	Mahaweli Farmers Cooperatives	13	1,100
16.	Hospital Cooperatives	8	11,486
17.	Other Cooperatives	143	62,372
	Total	7,552	3,388,263

Structure of the Cooperative Movement in Sri Lanka

The structure of the cooperative movement in Sri Lanka is mainly of a two-tier structure, where the primary level societies are directly affiliated to their respective national level unions. The Thrift and Credit Cooperative Societies have a three-tier structure, namely, primary level societies, district level unions and the national level union. The National Cooperative Council (the ideological Apex) embraces all types of primary societies and unions.

The structure could be broken into the following types:

a. ***Primary level***

- Consumer Cooperatives
- Agricultural Cooperatives
- Thrift & Credit Cooperatives
- Industrial Cooperatives
- School cooperatives.

b. ***District level***

- District Council of NCC
- District Unions of Thrift & Credit Coops

c. ***National level***

- National Cooperative Council (ideological apex)
- Cooperative Marketing Federation
- Textile Societies Union
- Rubber Societies Union
- Coconut Societies Union
- Fisheries Societies Union
- Industries Union
- Thrift & Credit Coop. Societies Union
- National Youth Services Council Societies Union.

- d. The government, through the Ministry of cooperatives and 3 agencies under it, namely the Department of Cooperative Development; the Cooperative Employees Commission and the Sri Lanka Institute of Cooperative Management plays a significant role in moulding the cooperative movement.

The Department helps in various ways in the organization of societies and registers them under the act. The annual audits and investigations are done by the Department free of charge. The multi-purpose cooperative societies were faced with problems with the introduction of the open economy policy and the Department with huge financial backing of the government, undertook a rehabilitation programme with the assistance of the Sri Lanka Institute of Cooperative Management, which is paying good dividends.

In addition, the department undertakes training programmes for officers and committees of societies with a view to improve their managerial skills and to enhance their knowledge in cooperative concepts.

Administration of societies

The administration is done by boards selected by the members at the general meeting. In a few cases, the department has temporarily nominated boards of control to look after the

societies which need special attention. The position is regularly reviewed and the administration is handed back to the membership no sooner they show that they can handle the affairs of their own society.

Relationships

a. Boards and Members

Boards are normally elected by members at the general meeting. In smaller cooperatives, there is a close relationship between the members and the boards as the General body consists of the entire membership, but in larger societies (eg. multi-purpose cooperatives), this is not so, as only a handful of members are present at the general meeting, due to the fact that it is a 'Representative General Body'. The representative general meeting has thus caused an erosion in the relationship between the boards and members and this has helped to minimise member participation in societies too.

b. Boards and Managers

There is a satisfactory relationship between these two categories. Normally, in large societies the manager submits his proposals by way of a board paper for discussion at the board meeting. Thus, the manager's ideas too are considered in taking decisions. Further, there are sub-committees, consisting of managers at various levels to help the board to take decisions.

Business Planning

In large cooperatives, the business planning is done mainly by the general managers with the assistance of the other officers such as accountants and commercial managers. The general body and the board of directors lay broad outline for such activities. The involvement of members is confined to the decision making process at general body level. Only a very few members have the opportunity to take part in this process under the 'Representative General Body' system which is found in large societies.

However, the involvement of members in smaller societies is greater as the entire membership is contained in the general body.

Business planning in Mahaweli Farmer's Cooperative Societies

The actual planning in respect of these societies used to be done by the Mahaweli Cooperative Pilot Project, with the assistance of the managers and committees of the societies. The society officials consulted the membership at general meetings and obtained their views prior to the process of business planning commenced.

A secondary organisation embracing all the 13 Mahaweli Farmers' Cooperative Societies is planned to be organised by the end of this year, and once it is done, the proposed secondary society would take over the planning function from the project. As a first step towards realising this, the project has organised an Advisory Committee represented by all societies. This Advisory Committee is now engaged in the planning, implementing, monitoring and evaluating functions with regard to the business activities of the societies. The project is giving all the assistance and guidance to the committee in carrying out these functions. One important aim of this exercise is to create the ability in the members themselves to carry out the functions of the primary societies as well as the proposed secondary level society.

Implementation, Monitoring and Evaluation

In larger societies, plans are implemented by the general managers with the assistance of his staff. The general membership has no voice in these matters.

Monitoring and evaluation is also being done by the general manager. He gets feed back information through various forms from the field. The information thus received is sifted and scrutinized at head office level. Here again the members have no involvement.

Arrangements for Developing Members

Various programmes in the field of member education are being organized and conducted by the Education Officers attached to the societies with the assistance of the Extension Officer (Dept. of Cooperative Development) and the District Secretary (National Cooperative Council).

There are programmes involving the general membership and the Women's committees.

In the Mahaweli Farmers' cooperative Societies, a programme of holding informal study circles for the members is already under way. At these study circles, the members are encouraged to express their problems and their views on solving them through cooperative means. These are conducted on the lines of "Quality Control Circle" and every participant is encouraged to come out with his or her ideas.

This programme is paying very good dividends and once the change agents from the societies are trained by the end of June, 1989, it is envisaged to hold study circles for potential members as well.

Problems of Member Participation

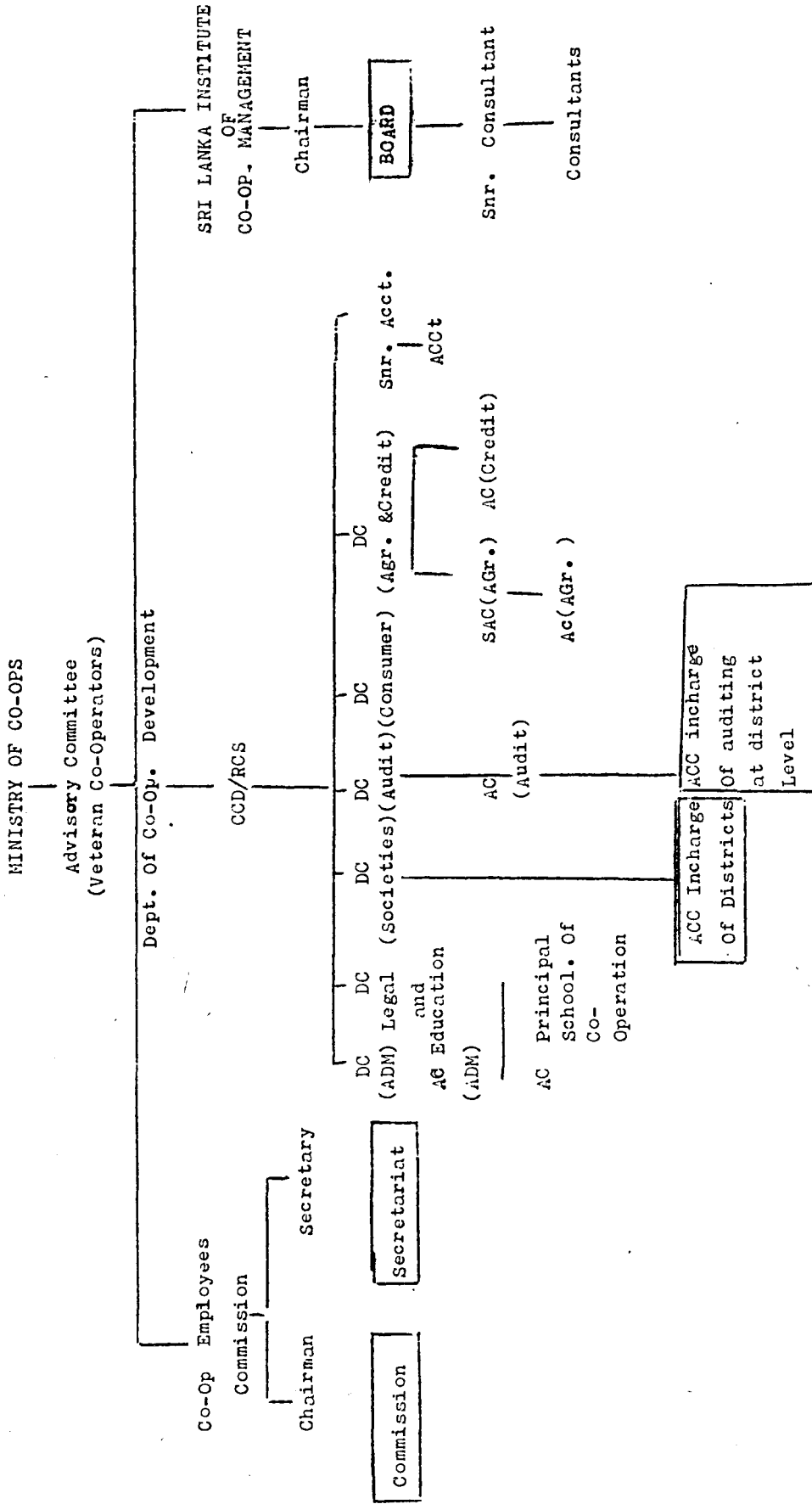
In the larger cooperative societies, there should definitely be a change of attitude in the officers and committees with regard to members. At present they pay more attention to earn a profit rather than to serve the membership. This is the main reason which has contributed to alienate the member from the society. The society should take adequate measures to make the members feel that it is their society. This could be achieved by paying a little more attention to the membership. For example, the societies could create welfare facilities to the members in various ways by:

- i. giving special discounts to members,
- ii. creating means of assisting members to tide over their personal difficulties,
- iii. creating opportunities for members' children to find self-employment.

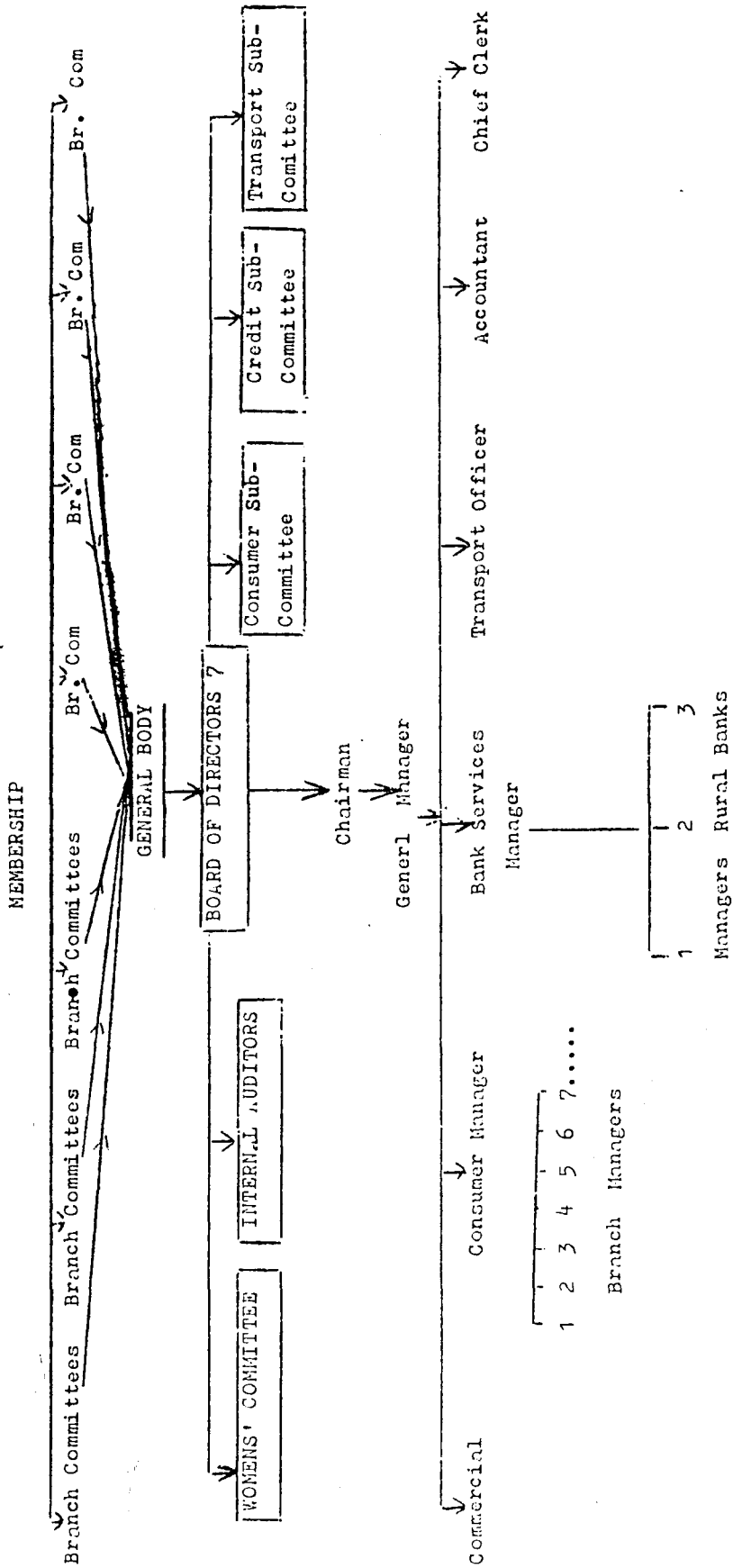
The present arrangements for member education cannot be called adequate. For example, there should be programmes to encourage youth to take a more active role in cooperatives. There is a lot more things to be done in the field of educating women also. A more practical approach should be adopted in doing this.

In my opinion, one of the best approaches is the study circles system. By this system, a positive attitude towards cooperation could be created in the minds of members, which in turn, would encourage them to take a more active role in the affairs of their society.

ORGANISATIONAL STRUCTURE OF CO-OP AGENCIES IN SRI LANKA

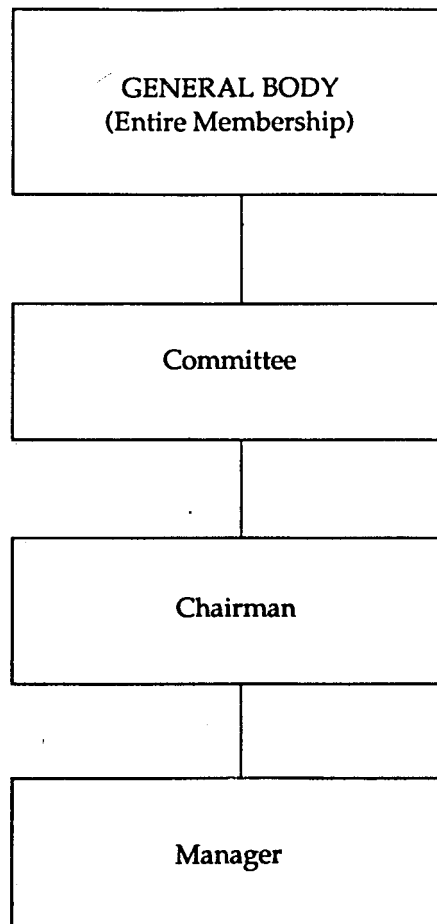


ORGANISATIONAL CHART OF A CONSUMER MULTI-PURPOSE CO-OP SOCIETY



Appendix 3

ORGANISATIONAL STRUCTURE OF MAHAWELI FARMERS COOPERATIVE SOCIETY



9. Thailand (By Ms.Malai Chokiartsiri and Mrs.Nam-oy Phussaramali)

Historical background

The history of the Thai cooperatives can be traced back to the year 1916 when the first village cooperative, the Wat Chan Cooperative Unlimited Liability of the Raiffeisen model, was initiated by the government among the poor farmers in Tambon Wat Chan, Amphoe Muang, Phitsanulok. This first cooperative was registered under the Civil Association Act (Amendment) of 1916 because there was no cooperative act in Thailand at that time. Success in operation of this cooperative in clearing old debts of members had brought about registration of many new cooperatives of this type in other areas within a few years.

Because of widespread and rapid increase in the number of new cooperatives registered in 1928, the Cooperative Societies Act of 1928 was enacted to pave the way for the registration of other types of cooperatives. In 1937, the first consumer cooperative was organised in Amphoe Sena, Ayutthaya, to help the rural people in their daily purchase of consumer goods. This cooperative was the origin of other consumer cooperatives organised to solve the problem of consumer goods shortage both in rural and urban areas after the World War II.

In 1938, Land Settlement Cooperatives were initiated in the Central plan to help landless and tenant farmers to become landowners. This type of cooperatives was later developed into three models: Agricultural and Settlement Cooperatives; Land Hire-purchase Cooperative and Land Tenant Cooperative.

The first thrift and credit cooperative was set up among the government officials within the Ministry of Cooperatives in 1949 with the main objective to promote saving and to provide loans to members for clearing their old debts as well as meeting necessary expenses in daily life.

In 1954, the first Fishery Cooperative was established among the fishermen with the objective of improving productivity and marketing of products. This type of cooperative was later accepted by small fishermen who do inland fishing as well as those who deal with marine fishing.

Cooperative method has been widely known and accepted by general public after the Cooperative Societies Act of 1928 was enacted. Many cooperatives of various types were organised among various groups of people since they realised benefits gained through self-help and mutual-help methods along with the cooperative principle. To support the cooperative activities, in 1968 the new Cooperative Societies Act of 1968 was enacted. This Act not only allows people to organise themselves into the type of cooperative according to their needs, but also provides the means for small cooperatives to amalgamate into a bigger society to increase its efficiency in operation. Since 1977, many new cooperatives were established among people who engaged in handicraft business such as umbrella making and cutlery as well as users of water supply, taxi drivers and those who were in need of housing. These cooperatives were later classified as service cooperatives.

Seventy three years have elapsed since the beginning of the first small cooperative village at Amphoe Wat Chan, Phitsanulok with only 16 members. At present, there are more than 2,800 cooperatives organised through out the country, with a total membership of 2,880,883 families. Statistics of the Thai Cooperatives as of January 1, 1989 can be summarised as follows:

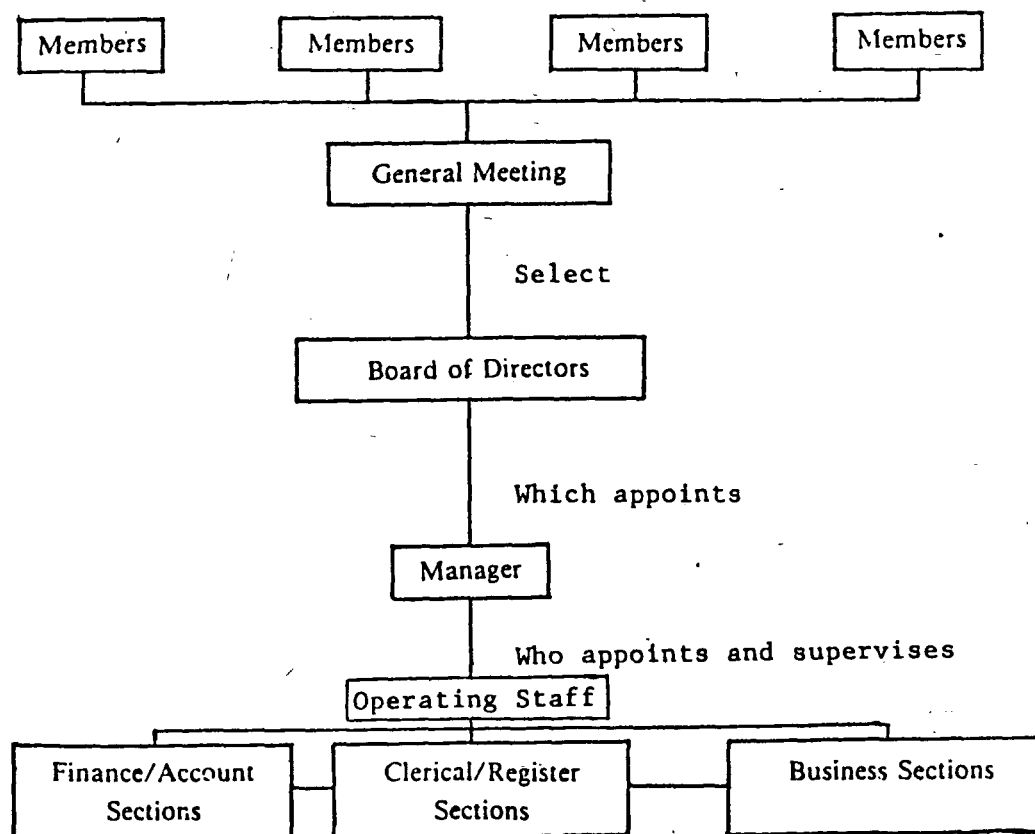
<i>Type of Cooperatives</i>	<i>No. of Societies</i>	<i>Membership</i>
Agricultural	1252	895,385
Land settlement	95	87,494
Fishery	22	4,322
Thrift and Credit	784	1,114,074
Consumers	389	688,932
Services	275	90,676
Total	2817	2,880,883

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

Structure of Cooperatives

The cooperatives in Thailand are vertically organized in a three-tier system: primary cooperatives, provincial federations and national federations:

Structure of Primary Cooperative



General Meeting

Generally, the general meeting is composed of all members. In case of larger-sized cooperatives or cooperative federations, it will choose to have a general meeting by the representatives of members. The members shall be called by the general meeting at least once a year. It has the supreme power in decision making for policy formulation, planning, controlling and decision making for every problem that occurs within the cooperative.

Board of Directors

The board shall be elected yearly from the members by the general meeting. The board consists at least seven but not more than fifteen persons. The powers and duties of the Board are to manage all affairs of cooperative in appropriate ways according to the laws, by-laws, regulations, policies and resolutions of the general meeting.

Administration and Management

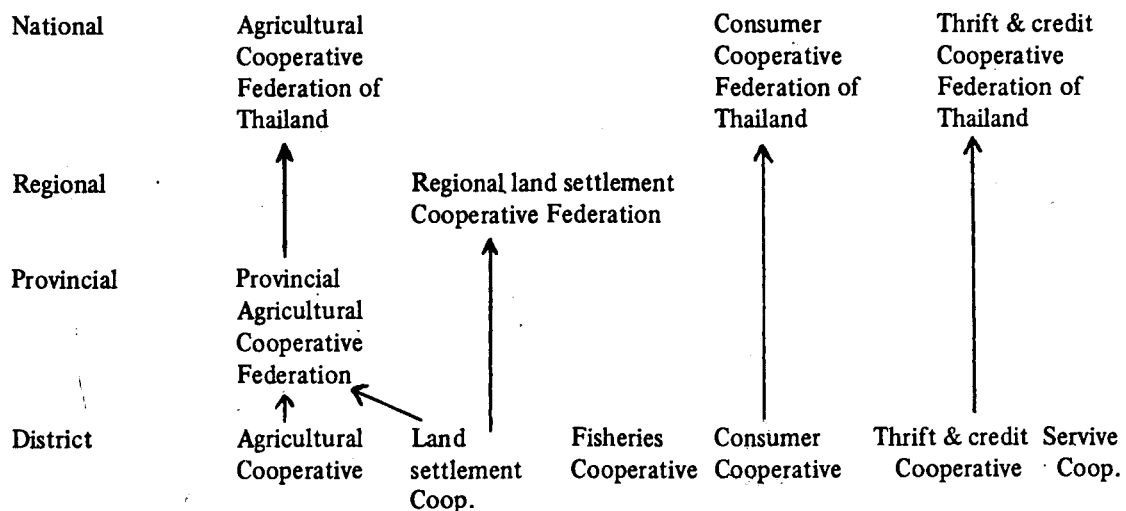
This part consists of the manager and the operating staff. The manager is elected and appointed by the board of directors. In turn, the manager will elect and appoint the staff. The manager has, as his duty, the managing of all day-to-day activities of cooperative according to the policies under the advice and supervision of the board.

The primary cooperative consists of individual members and divided into groups at village level.

Three or more primary cooperative can together form a provincial federation which undertake joint activities on behalf of their primary affiliated such as processing of agricultural produce.

At the national level, there is the Agricultural Cooperative Federation of Thailand (ACFT) which is the apex organization for agricultural produces and the import of farm supplies. At this level, there are also Sugarcane Growers Cooperative Federation of Thailand, Consumer Cooperative Federation of Thailand, and the Thrift and Credit Cooperative Federation of Thailand.

STRUCTURE OF COOPERATIVES VERTICALLY FEDERATED



Another apex organization of the cooperative movement is the Cooperative League of Thailand, which functions as a promotional and educational cooperative body as well as representative of the cooperative movement in Thailand

Cooperative Activities

The cooperatives in Thailand are vertically organized at three levels, i.e. primary societies at the local level, secondary societies or federation at the provincial level and the apex societies or national federation at the national level.

As at the end of fiscal year 1978, the business activities of cooperatives in Thailand can be summarized as follows:

Agricultural Cooperatives had carried out the following business activities:

- i. Received deposits from the members amounting to Rs.1,0546.29 million baht out of which 693.43 million was saving deposits and 352.86 million was fixed deposit.
- ii. Extended credit to the members amounting to 3,956.58 million baht, out of which 2,628.37 million was short-term loan, 1,326.61 million was medium-term loan and 1.60 million was long-term loan.
- iii. Supplied agricultural inputs to the members such as fertilizer, insecticides, seeds, rice and feed stuff amounting to 793.32 million bahts.
- iv. Collected the members produces for marketing such as paddy, maize, beans, sugar cane, coffee, cotton, asparagus, tobacco, etc. amounting to 1,874.12 million baht,
- v. Provided other services such as printing press and storage amounting to 30.76 million baht.

Land Settlement cooperatives had carried out the following business:

- i. Received deposits from the members amounting to 52.37 million bahts, out of which 43.27 million was saving deposit and 9.10 million was fixed deposit.
- ii. Extended credit to the members amounting to 141.48 million baht out of which 107.84 million was short-term loan, 20.34 million was medium-term and 13.20 million was long-term loan.
- iii. Supplied agricultural inputs to the members such as fertilizer, insecticides, seeds, rice and others amounting 68.04 million baht.
- iv. Collected members' produces for marketing, such as paddy, maize, beans, sugarcane, oil palm and others amounted to 133.97 million.
- v. Provided agricultural extension services to the members such as land preparation, water pumping, demonstration field and others amounted to 11.52 million.

Fishery Cooperatives had carried out the following business activities:

- i. Received deposit from the members amounting to 0.004 million, out of which 0.001 million was saving deposits and 0.003 million was fixed deposit.
- ii. Extended credit to the members amounting to 3.02 million baht, out of which 2.24 million was short-term loan and 0.78 million was medium-term loan.
- iii. Supplied necessary commodities to the members such as petrol, feed stuff, rice and other equipment, amounting to 211.09 million baht.
- iv. Collected members' produces for marketing amounting to 0.94 million baht.

Thrift and Credit Cooperatives had carried out the following business activities:

- i. Received deposit from the members amounting to 4,091.03 million baht, out of which 2,240.90 million was saving deposits and 1,842.13 million was fixed deposit.
- ii. Extended loan to the members amounting to 20,446.41 million baht out of which 4,198.63

million was emergency loan, 15,179.31 million was ordinary loan, 1,068.47 million was special loan,

iii. Extended loan to other cooperatives amounting to 171.42 million bahts.

Consumer Cooperatives had provided consumer goods for sale to the members and general public such as cigarettes, rice, petrol, general merchandises and others. The total sales was 2,356.33 million baht. The total expenditure was 2,285.34 million. The total net profit was 70.99 million baht.

Services cooperatives had carried out the following business activities to the members:

- i. Extended credit to the members amounted to 9.79 million baht.
- ii. Supplied necessary commodities to the members amounting to 8.60 million baht.
- iii. Collected the members' produces such as knives and other products amounting 2.90 million baht.
- iv. Provided services to the members amounting to 97.61 million baht.

Government Policies in the Development of Cooperatives

Since agriculture is the mainstay of the economy of Thailand of which the population is farming accounts for 75% of the population, emphasis has been put on strengthening agricultural cooperatives as a means to increase income and improve the standard of living of their farmer members, which will really result in the improvement of socio-economic conditions in the rural areas.

The Sixth National Plan (1987-1991) has set out the policies and plan for cooperative development as follows:

To support the cooperatives in the improvement of operating efficiencies so that they could be able to function as the real integral system of economic and social units by the following ways:

- i. Government agencies in central administration responsible for cooperatives must help increase efficiency of the cooperatives in business activities.
- ii. Government agencies in provinces responsible for cooperatives must joint in supporting the business activities of cooperatives, coordinating in the promotion of systematic linkages of production and marketing as well as coordinating in improving their working efficiencies in strengthening the cooperatives.
- iii. Financial institutions must support cooperatives in providing credits for production and marketing at the reasonable rate of interest.
- iv. The information system on trade, marketing and prices should be encouraged to reach all cooperatives.
- v. There must be "Master Plan" for training courses for farmers and cooperative employees in order to better the coordination among training institutions and increase efficiency in training.
- vi. To increase the role of cooperatives in controlling the production to be conformed with the demand and improving the quality and standard of produces in order to stabilize and efficiency of their performance.
- vii. The cooperatives must have their own development plans to improve the quality and efficiency of their performance.

Relationship between Government Agencies and Cooperatives

Ministry of agriculture and cooperatives (MOAC) by the committee on Policy and Planning for Agriculture and Cooperatives is responsible directly for policy and planning on cooperative development in accordance with the national development objectives. Three government agencies within MOAC perform a dominant role in the cooperative development as follows:

The office of the Registrar of Cooperatives

According to the Cooperative Societies Act, B.E. 2511, the Registrar of Cooperative is responsible for registration and controlling of cooperatives, appointing of cooperative auditors and other works authorised by the Act. At present, the Permanent Secretary to the Ministry of Agriculture and Cooperatives is acting as the Cooperative Registrar.

Cooperatives Promotion Department (CPD)

CPD is in charge of supervising, regulating and promoting cooperatives including technical assistance, provision of loans to cooperatives and the works performed on behalf of the Registrar. The Department is headed by a Director General and three Deputy Director Generals. There are 10 divisions with 53 sub-divisions and sections at head office which includes also the office of the Cooperative Inspectors of 9 regions and Internal checking office and project management office. Locally, there are 61 land settlement cooperative offices, 73 provincial cooperative offices, 695 district cooperative offices, 12 agricultural cooperative demonstration centres, 10 regional engineering centres and 10 regional cooperative training centres. A staff of 7,366 persons are assigned to CPD for carrying these activities. About 52.67% of the staff are in provincial and district offices. Organisational structure of CPD is shown in the chart on the next page.

Cooperative Audit Department (CAD)

CAD is in charge of auditing of both cooperatives and farmer associations as well as providing advice and consultation in book-keeping and accounting in collaboration with CPD to cooperative employees. CAD is responsible also for submitting its reports and audits to the Registrar and the copies to CPD.

Moreover, the other related agencies within MOAC, namely Department of Fisheries, Department of Livestock Promotion, Department of Agriculture and Department of Agricultural Extension, etc. are providing technical assistance related to their fields to agricultural cooperatives and their members.

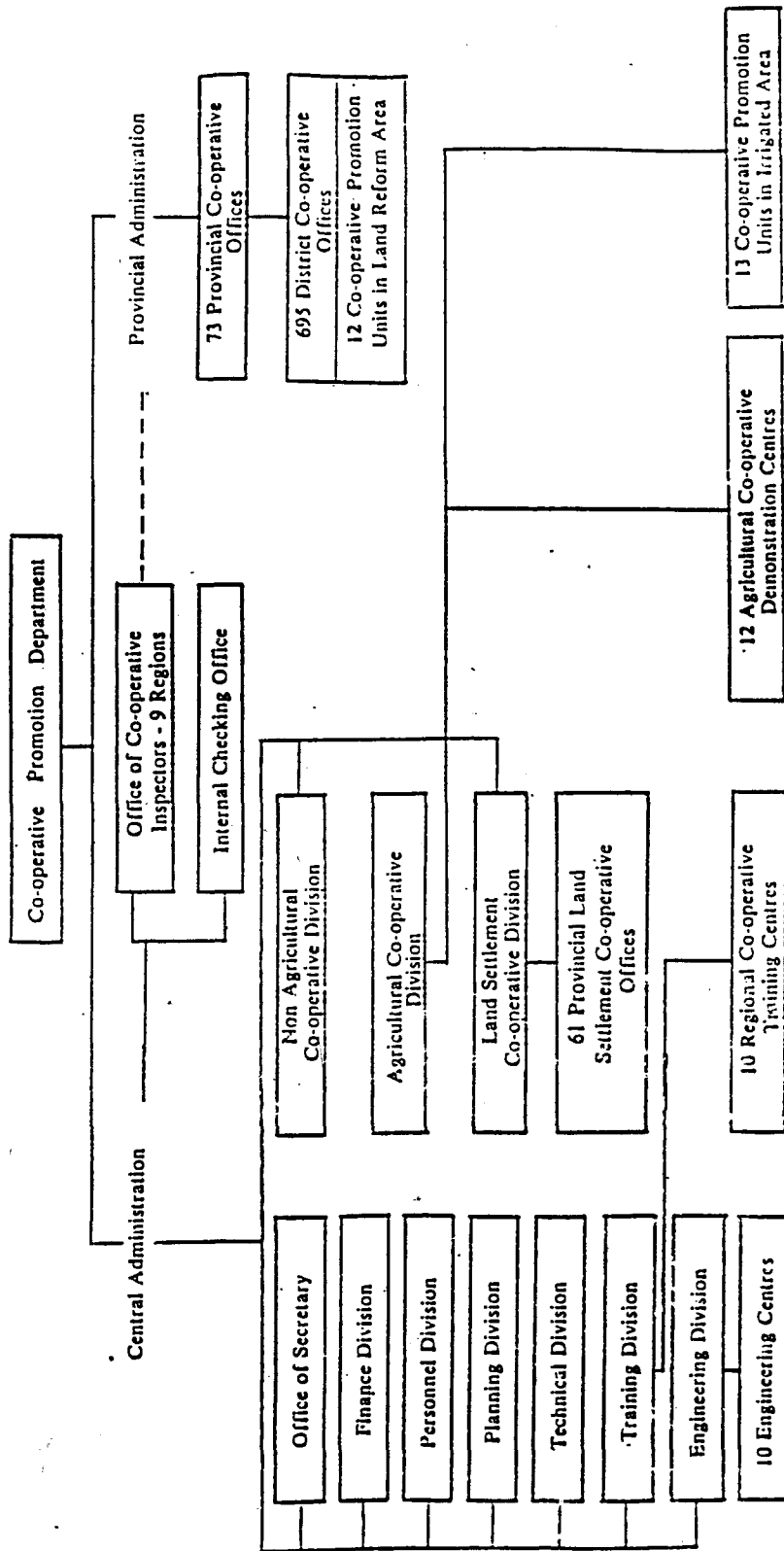
National Cooperative Organizations

One of the National Cooperative Organisations is the Cooperative League of Thailand (CLT) which is a non-governmental organization. It is a nation-wide confederation of cooperative organizations of all types. Founded under the Cooperative Societies Act, B.E. 2511 (1968), it now has affiliates of 2,817 cooperative societies, at all levels, serving over 2.8 million members at the primary level. It is the only national cooperative organization dedicated entirely and exclusively to the promotion of cooperative throughout the country.

The main tasks of the CLT are as follows:

- i. To enhance the progress and stability of its member societies through training programmes and educational activities.
- ii. To act as the representative of the cooperative movement and as a link between the movement and the government as well as national international organizations with similar objectives and activities.

Organizational Structure of CPD



- iii. To organize and conduct courses, seminars, conferences, surveys and research for purposes of cooperative education and dissemination.
- iv. To bring out publications on cooperative and allied subjects.

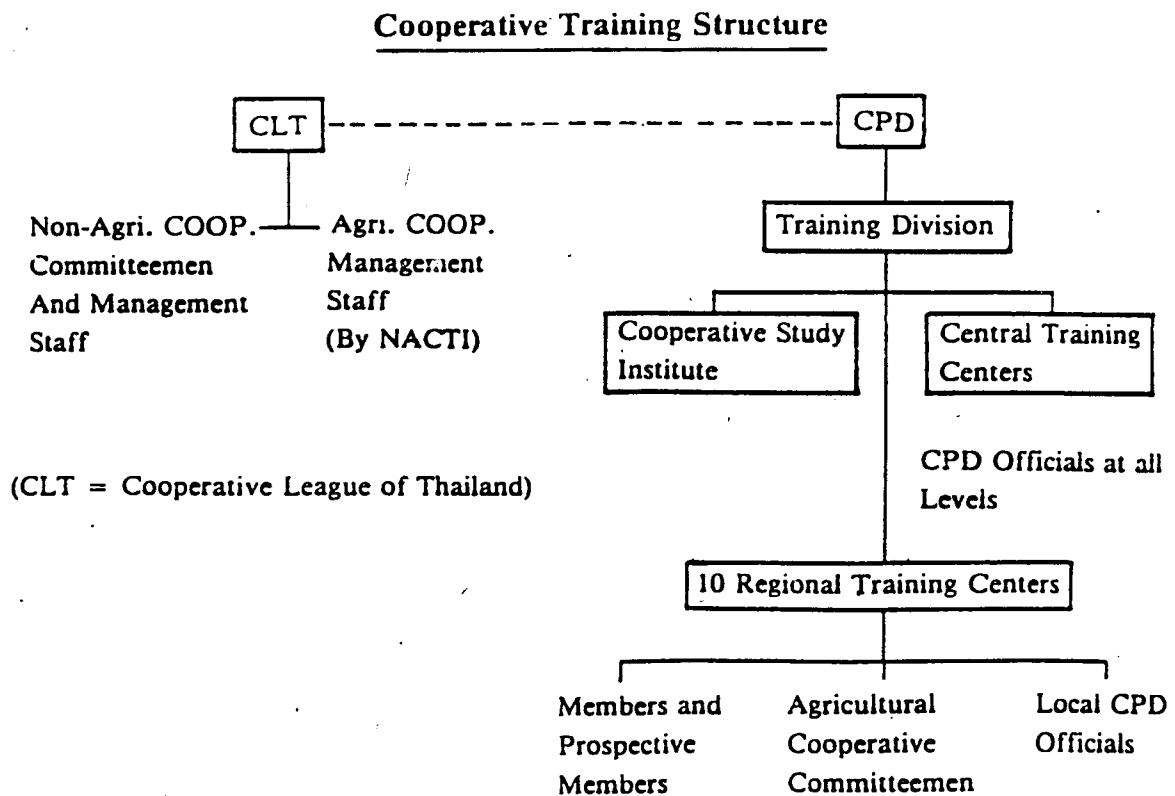
CLT has achieved certain amount of its objectives for instance in the field of coordinating activities and cooperation among its member cooperatives, CLT annual programme of education and training for members of the board of directors, managers and staff of cooperatives have brought about more understanding appreciation and efficiency on the part of those persons concerned. However, CLT still has many shortcomings, especially financial weakness due to small annual subscription fee from member cooperatives as prescribed by the Thai Cooperative Act 1968 that 5% but not exceeding ten thousand baht of the societies' net profit to be subscribed to the CLT activities.

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

Cooperative Education and Training in Thailand

Since the past decade, it has been recognized that low level of education of cooperative members and inadequate training of cooperative officers were the factors contributing to slow progress of cooperative movement in Thailand. Therefore, the cooperative Promotion Department (CPD) and the Cooperative League of Thailand (CLT), which is the apex body of the movement, closely coordinate and collaborate in conducting several cooperative education and training programmes.

At present, the structure of cooperative education and training can be illustrated by the following chart:



The function of cooperative education and training in Thailand is undertaken by 3 organisations namely:

- i. The Cooperative League of Thailand (CLT) which is mainly responsible for training of committee members of Agricultural cooperatives and also the committee members and management staff of non-agricultural cooperatives;
- ii. The National Agricultural Cooperative Training Institute (NACTI) which is responsible for training of management staff of agricultural cooperatives,
- iii. The Cooperative Promotion Department (CPD), Ministry of Agriculture and Cooperatives which is responsible for training of government officials, members, committee members and prospective members of agricultural cooperatives.

These 3 organizations coordinate and collaborate in the training activities.

Organisation and number of trainers

- i. **Cooperative League of Thailand (CLT):** The CLT was established in 1968. It is an apex organisation representing the cooperative movement in Thailand. The main task of the CLT is to provide cooperative education and training for committee members, management staff of all type of cooperatives, as well as general public. The function of the training of CLT is undertaken by the Training Division which has 28 full-time staff. Only 3 of them are instructors, the rest are supporting staff. The training staff of CLT function as coordinators and facilitators. Most of the instructors are invited from outside.
- ii. **The National Agricultural Cooperative Training Institute (NACTI):** The NACTI was established on 1st April, 1981 in accordance with the order of the National Cooperative Development Committee, in conformity with the Prime Minister's Office policy on National Cooperative Development. The EEC (European Economic Community) gives financial support to NACTI in two phases: Phase I from 1981-1983 and Phase II from 1984-1987. The function of NACTI is to conduct the training of managers and staff of agricultural cooperative as part of the restructuring programme of Cooperative Promotion Department. NACTI has 20 instructors and trainers.
- iii. **The Cooperative Promotion Department (CPD):** The Cooperative Promotion Department was established in 1972 by merging the government organization of cooperative work together into a unified Department under the Ministry of Agriculture and Cooperatives. The CPD is responsible for publicizing and disseminating the principles and methods of cooperatives among the people by encouraging the establishment of cooperatives of all types with the objective to increase income and improve the standard of living of their members. The training function of CPD is undertaken by the Training Division which has under it:
 - a. The Institute for Cooperative Studies with 6 full time staff and 5 administrative and supporting staff,
 - b. Central Training Centre with 7 full time teaching staff and 17 administrative and supporting staff,
 - c. Regional Training Centre-CPD has 10 regional training centres in Chiangmai, Pitsanulok, Khonkaen, Nakorn Ratchsima, Lopburi, Chōlbuluri, Chinat, Petchburi, Suratthani and Songkhla. Each centre has 4 staff members:

Table I

<i>Organization</i>	<i>Facilities</i>			
	<i>No. of Trainers</i>	<i>Meeting & Class Rooms</i>	<i>Total Seating</i>	<i>Hostel Capacity Beds</i>
1. CLT	3	5	270	180
2. NACTI	20	-	-	-
3. CPD				
a. Institute for Coop Studies	6	2	80	-
b. Central Training Centre	7	2	150	-
c. Regional Training Centres:				
- 1st RTC	4	1	100	60
- 2nd RTC	4	-	-	-
- 3rd RTC	4	4	320	144
- 4th RTC	4	-	-	-
- 5th RTC	4	1	200	68
- 6th RTC	4	1	200	60
- 7th RTC	4	-	-	-
- 8th RTC	4	1	200	60
- 9th RTC	4	-	-	-
- 10th RTC	4	1	200	60

Physical Training Facilities

- i. The CLT has 3 class rooms and 2 meetings rooms, with a total seating capacity of 270. There are 2 hostel buildings with a total capacity of 180 beds. There is a library with 4,500 volumes and 105 journals.
- ii. The NACTI does not have its own training complex. For class room activities, it hires classrooms as needed in different parts of the country. Hostel and dormitory is also hired as required. There is a small library which has a collection of technical books, magazines and journals mainly for the use of their staff to upgrade their working potential.
- iii. The CPD: The Central Training Centre has 2 class rooms with a total seating capacity of 150. There is no hostel facilities. There is a library of about 4,000 books.

In the Regional Training Centres in Lopburi, Nakorn Ratchsima, Chiangmai, Pitsanulok, Petchburi and Suratthani, there is an auditorium in each centre with a total seating capacity of 1,220. Each centre has a hostel, with the total capacity of 452 beds. The training centres in Choburi, Khonkaen, Chainat and Songkhla have no facilities. The training programmes are conducted by mobile training units.

Current Educational and Training Programmes

Though, there are 3 organisations concerned with cooperative education and training in Thailand, the education and training programmes conducted by each organization is aiming at

different target group in order to avoid duplication in education:

- i. **CLT:** In 1987, the CLT had conducted 13 training programmes for committee members of agricultural cooperatives. The education and training programmes conducted by the CLT are mainly for committee members and staff of all types of cooperatives according to the need of each type of cooperative and within its limited resources. At least 1 training programme for each type of cooperative will be conducted annually in order to provide a forum of exchange view and experience among the committee members. Besides, a number of training courses on specific subject will be conducted for staff of all types of cooperatives in order to increase their knowledge and skill. The training programmes conducted by CLT in 1987, is given in Annex.I.
- ii. **NACTI:** In 1987, NACTI conducted the following two forms of training:
 - a. **Bloc Training :** NACTI has run this type of training since the fiscal year 1984, that is to conduct several training courses in the same place and at the same time for managers and staff of agricultural cooperatives. This type of training creates an opportunity for trainees to meet and exchange knowledge understanding, ideas and cooperative activity experiences. This approach encourages mutual understanding and cooperation upon the problem solving matter. In addition, NACTI finds that this kind of training saves both time and running costs. In 1987, 5 bloc training programmes had been conducted for 1,105 managers and staff of agricultural cooperatives.
 - b. **Individual course training:** This form of training is to conduct a training course at a time. In 1987, 4 training programmes had been conducted for 112 managers and staff of agricultural cooperatives.

Summary of Training Activities

In the fiscal year 1988, NACTI conducted several different training courses for 478 trainees, including managers, accounting officers, credit officers and marketing officers of agricultural cooperatives under the 1981-1988, restructuring programme. The details of training activities are as follows:

1. *Block Training*

	<i>No. of trainees</i>	<i>Dates</i>	<i>Place</i>
i. <i>Block Training (No.19)</i>	152	Nov.22-Dec.19,'87	Y.M.C.A., Muang District, Chiangmai
- Basic management	16		
- Basic accounts	16		
- Basic credit	26		
- Basic marketing	19		
- Advanced management	20		
- Advanced credit	20		
- Advanced marketing	15		
ii. <i>Block Training (No.20)</i>	130	May1-28,'88	Kaen Inn Hotel, Muang District, Khon Kaen
- Basic management	12		
- Basic accounts	14		
- Basic credit	31		
- Basic marketing	13		
- Advanced management	17		
- Advanced accounts	13		
- Advanced credit	19		
- Advanced marketing	11		

iii. <i>Block Training (No.21)</i>	75	Sept.4-10,'88	Y.M.C.A., Muang District, Chiangmai
- <i>Agricultural Cooperatives' legal problems (No.9)</i>	19		
- <i>Account for managers (No.6)</i>	17		
- <i>Overdue debts (No.11)</i>	20		
- <i>Purchasing business operations (No.3)</i>	17		
2. <i>Provincial Workshops</i>			
- <i>Sukhothai (No.5)</i>	26	April 21-24,'88	Sukhothai Cultural Centre, Muang Distt. Sukhothai
- <i>Nakhon Phanom (No.6)</i>	23	Aug.4-7,'88	Windsor Hotel, Muang Distt., Nakhon Phanom
- <i>Chiang Mai (No.7)</i>	31	Aug.4-7,'88	Y.M.C.A., Muang Distt., Chiang Mai
- <i>Saraburi (No.8)</i>	25	Aug 18-21,'88	Kyo-an Hotel, Muang Dist.,Saraburi
- <i>Lamphun</i>	16	Sept.1-4,'88	Y.M.C.A., Muang Dist.,Chiang Mai

Trainees classified by type of courses in 1988

<i>Courses</i>	<i>Basic course trainees</i>	<i>Advanced course trainees</i>	<i>Specialist course trainees</i>	<i>Provincial workshop trainees</i>	<i>Total No. of trainees</i>
<u>Positions</u>					
Managers	28	37	75	38	178
Accounting Officers	30	33	-	-	63
Credit Officers	57	39	-	47	143
Marketing Officers	32	26	-	36	94
	147	135	75	121	478

NACTI also renders training services to other organizations not only to extend its academic service but also to give its resource persons and staff an opportunity to gain more experience. In the fiscal year 1988, NACTI conducted a seminar for the staff of RX Co.Ltd. It was attended by 35 detailers of the company. The seminar aimed at improving their attitudes and motives as well as developing their relationship with customers and colleagues. This seminar of NACTI last 2 days.

iii. CPD: The Cooperative Promotion Department has carried out education and training activities through the Training Division under which there are 3 training functionaries:

- a. *Central Training Centre Section* - responsible for training CPD officials at all levels.
- b. *Regional Training Centre Section* - There exists 10 regional training centers throughout the country with the purpose of decentralizing the training activities and to give training at the

right time. The centres take responsibilities in training members and member leaders in order to make them understand their rights and duties. The board of directors of agricultural cooperatives are trained to be able to set the policy and supervise the cooperatives effectively. The Centres are also responsible for promoting and disseminating the cooperative work to general public, including youth, to understand cooperative ideology, principles and practices, aiming at inspiring them to group themselves following the cooperative way.

- c. *Institute for Cooperative studies* - responsible for conducting one year course for students who completed the secondary school and aim at working as CPD officials or cooperative employees. The institute also cooperate with CLT by providing resource persons for training management staff of agricultural cooperatives to be more efficient in cooperative management practices.

The Cooperative Promotion Department has set the cooperative training policy aiming at improving the effectiveness of training as an instrument for removing the deficiencies and bottleneck facing the cooperative movement today. the main objective is to educate cooperative members and potential members to understand what is necessary for a successful cooperative. The cooperative member education, therefore, put emphasis on the importance of member participation in the business operations of cooperatives as well as the qualification of elected board of directors.

Training Performance in 1988

In 1988, Training Division through its Regional training centres conducted the following training courses:

- i. 7 courses for committee members of agricultural cooperatives, 131 groups of 4570 persons,
- ii. 2 courses for group leaders and secretaries of agricultural cooperatives, 251 groups of 11,398 persons.
- iii. 2 courses for members of agricultural cooperatives and fisheries cooperatives, 1,158 groups of 60,628 persons.
- iv. 7 courses for committee members and management staff of non-agriculture cooperatives, 10 groups of 928 persons (in collaboration with CLT)

Action Plan in 1989

The Cooperative Promotion Department has been allocated the budget for carrying out the training activities for government officials, board of directors, group leaders, secretaries, members, woman and youth as well as management staff of cooperatives ideology, principles, practices, administration and management.

In 1989, it is planned to organize training courses as follows:

- i. 3 courses for committee members, 115 groups of 4,600 persons:

Course 1, covering basic knowledge for all committee members to develop their abilities in speaking, expressing ideas and decision making which are the required characteristics of cooperative committee members.

Course 2, covering the role and responsibilities of committee members to enable them to control and follow-up the performance of management staff.

Course 3, (for those who have already attended courses 1 and 2). After being trained the committee members must be able to understand, make decisions and control the cooperative business effectively.

- ii. Course for member leaders of agricultural cooperatives, 10 groups of 400 persons.
- iii. Course for group leaders and secretaries, 180 groups of 9,000 persons.
- iv. Course for group leaders and secretaries (the Green Esarn programme), 40 groups of 2,000 persons.
- v. Course for members, 500 groups of 25,000 persons.
- vi. Course for members (the Green Esarn Programme) 600 groups of 30,000 persons.
- vii. Course for new members, 400 groups of 20,000 persons.
- viii. 3 courses for 515 committee members (in collaboration with CLT).

Action Plan in 1990

- i. 2 courses for committee members of agricultural cooperatives and land settlement cooperatives, 100 groups of 4,000 persons.
- ii. 2 courses for group leaders and secretaries, 160 groups of 8,000 persons.
- iii. 3 courses for cooperative members, 2,000 groups of 100,000 persons.
- iv. 10 courses for committee members, 10 groups of 1,079 persons (in collaboration with CLT).
- v. 1 course for 50 member leaders.

Target groups

- i. **Members** - The emphasis is on members of agricultural cooperatives. Training for members are conducted in 2 manners:
 - a. To disseminate cooperative knowledge to members to make them understand the importance of group efforts,
 - b. To provide action-oriented over-all development approach. There must be study of the cooperative situation to identify training needs. Then, members are encouraged to take part in problem solving. These recommendations will be submitted for action taking. Such a training can motivate members for greater participation in their own cooperatives.
- ii. **Member Leaders at Village Level** - Group leaders and secretaries are considered as local leaders linking between cooperative and members. Since they are key persons for cooperative development, therefore, the training courses for them are designed for developing them to be virtuous leaders as good examples for members.
- iii. **Member Leaders at District Level** - They are committee members of the cooperatives. Two basic intensive courses will be organized to develop their leadership ability. Every committee member should be able to effectively work in place of other members in the board of directors. Such a training is to build up leaders for the future in order to avoid dictatorship in the democratic control of cooperatives.

Training Methodologies Used

- i. **Residential Training**: Trainees' learning is such a complicated process that no one can really claim to know how it occurs. We do know that learning takes place more rapidly in some circumstances than in others and that it can, to a great extent, be influenced. The various factors which bear upon the learning process are such as motivation, stimuli, response and reinforcement. The more a trainer can arrange the learning situation, the more likely the trainee learns. Residential training can help on this arrangement. Trainers have more opportunity to motivate, stimulate response and reinforce trainees. Thus, most of the training programmes are residential training.
- ii. **Use of Participative Training Techniques**: Effective training of adults normally would include the active participation of trainees in learning experience. Experiments prove that the more

a trainee participate in the learning situation, the more effective will be the learning, particularly where he is learning a skill.

iii. *Use of Behavioral science techniques and games:* Training is a process which results in changes of knowledge, skill and attitudes in accordance with specified objectives relating to desired patterns of behaviour. For those kinds of objectives-attitudinal, behavioral, value-oriented orthodox methods are less helpful. Behavioral science techniques and games can be especially useful for these purposes. Such a technique and game used in training can be summarized into 4 types as follows:

- techniques and games for specific subject content,
- techniques and games for management,
- techniques and games for intimate acquaintance,
- techniques and games for recreation.

iv. *Use of a wide range of instructional media:* Training aims to change the behavior of trainees. Such change results from learning. Therefore, every subject studied aims to maximize learning. Instructional media's role is as a 'tool' or 'stimulator' used to make learning easier. The main uses of media re summarized as follows:

- To help place abstract ideas in the learners' minds,
- To help create permanent recall,
- To help stimulate learner interest by appealing to their senses,
- To help recall real experience which motivates learners to take action themselves,
- To help create an experience which other forms of instruction cannot create.

Types of instructional media are as follows:

- Audio-visual aids: video, slides on sound,
- Graphics : transparencies, charts,
- Materials for games.

Planned Future Programme

The training activities of CLT, NACTI and CPD will be reviewed to meet the varying needs of cooperatives. Meanwhile a steering committee will be set up to consider the merging of NACTI to an integral part of CLT so that training activities for committee members and staff of all types of cooperatives can be carried out under CLT in the near future.

Problems of Cooperative Education and Training

- i. *Insufficient resources:* Due to the increased need in the cooperative education and training activities for all types of cooperatives in the country, resources available, i.e. skilled trainers, budget and facilities such as hostel, classroom and audio-visual aids are not sufficient to cope with the need. Thus, the training programmes conducted are limited within the resources available.
- ii. *Inadequate trainers:* Training for staff of cooperatives need more special attention in order to train them to be more efficient in their duties and to run cooperative business successfully. The trainers must develop themselves to be well oriented on the subject and must be well oriented with new training techniques and methodologies.

Needs

- i. Cooperative education and training in Thailand needs more support and assistance in class room and dormitory facilities, training equipment and more trainers as well as sufficient funds to finance the training activities.

- ii. There is an urgent need for cooperative education and training organisations in Thailand to train their own staff to be well experienced on the specific subjects for each type of cooperative.

The nature of assistance expected from the International Organisations, such as the ICA, are as follows:

- i. Technical assistance to training programmes for cooperative trainers,
- ii. Technical assistance and financial assistance to cooperative education programmes in Thailand,
- iii. Financial support for overseas training for group of cooperative trainers from Thailand.

Training Programmes of CLT for 1988

Programme Title	No. of Participant	Period	Budget (B)
<u>Programmes Financed from</u>			
<u>The Government Budget</u>			
<u>Seminar</u> : The Board Member of Agricultural Cooperatives, Land Settlement Cooperatives and Fishery Cooperatives	215	5 days	288,100
<u>Seminar</u> : The Board - Members of Hog Raising Cooperatives	70	4 days	83,800
<u>Seminar</u> : The Board - Members of Sugar Cane Growers' Cooperatives	40	4 days	48,600
<u>Training</u> : the Board - Members of Land Settlement Cooperatives	45	6 days	62,000
<u>Seminar</u> : The Board - Members of Fishery Cooperatives	40	5 days	55,300
<u>Seminar</u> : The Board - Members of Thrift and Credit Cooperatives	500	4 days	588,700
<u>Seminar</u> : The Board - Members of Consumers Cooperatives	210	4 days	248,200
<u>Seminar</u> : The Board - Members of Credit Union Cooperatives	150	4 days	205,000
<u>Training</u> : Accountants of Fishery Cooperatives	23	4 days	28,700
<u>Seminar</u> : Managers of Thrift and Credit Cooperatives : 4 sessions @ 5 days	490	20 days	613,600
<u>Seminar</u> : Managers of Consumer Cooperatives	85	5 days	125,000
Total	1,375	85 days	2,347,000

Programmes Title	No. of Participant	Period	Budget (E)
Programmes financed from the Interest of Cooperative Central Fund			
<u>Training</u> : Board - Members of Agricultural Cooperative and Land Settlement Cooperatives 4 sessions @ 3 days	400	12 days	273,600
<u>Seminar</u> : Board - Members and Managers of Housing Cooperatives	22	2 days	15,000
<u>Training</u> : Youthes in Agricultural Cooperatives : 4 sessions @ 2 days	300	8 days	157,800
<u>Training</u> : Board - Members of Agricultural Cooperatives under the Supervision of The National Security Command	60	3 days	43,650
<u>Seminar</u> : Board - Members of Provincial Agricultural Cooperatives Federation	70	3 days	49,650
<u>Training</u> : Resource Persons of the Primary Cooperatives	100	2 days	50,900
<u>Seminar</u> : Internal Inspectors of Thrift and Credit Cooperatives	100	3 days	68,250
<u>Seminar</u> : Representatives of CLT at Provincial Level	325	2 days	153,750
<u>Training</u> : Internal Inspectors of Agricultural Cooperatives	100	3 days	86,250
<u>Training</u> : Internal Inspectors of Cooperatives in Educational Institutes	100	3 days	68,250

1988

Programme Title	No. of Participant	Period	Budget (P)
<u>Training</u> : Members of Cooperatives : 4 sessions @ 2 days	400	8 days	209,000
<u>Training</u> : Staff of Cooperatives on "Production of Media for Cooperative News"	100	3 days	68,250
<u>Seminar</u> : Board - Members of Mini Bus Service Cooperatives (Provincial Level)	100	3 days	68,250
<u>Seminar</u> : Staff of Consumer Cooperatives on "Sale Promotion Techniques" 2 sessions @ 3 days	100	9 days	68,250
<u>Seminar</u> : Staff of Consumer Cooperative on "Salesmanship" 2 sessions @ 3 days	100	6 days	75,300
<u>Training</u> : Staff of Land Settlement Cooperatives on "Construction of Bio - Gas"	100	3 days	68,400
<u>Training</u> : Staff of all type of Cooperatives on "Human Relation in Cooperatives"	80	2 days	41,300
<u>Training</u> : Managers of Consumer Cooperatives on "Modern Management Techniques for Consumer Cooperatives"	80	3 days	55,650
<u>Training</u> : Managers of Land Settlement Cooperatives on "Farm Management"	80	3 days	55,650
<u>Seminar</u> : Board - Members of Taxi/Tricycle and Mini-Bus Cooperatives	100	2 days	50,900
<u>Training</u> : Accountants of Thrift and Credit Cooperatives : 2 sessions @ 5 days	100	10 days	114,700

1988

No.	Programme Title	No. of Participants	Period	Budget (I)
22.	<u>Training</u> : Accountants of Agricultural Cooperatives : 2 sessions @ 5 days	100	10 days	114,700.
23.	<u>Training</u> : Board - Members of Wood Craving Cooperatives	40	3 days	32,650
24.	<u>Training</u> : Managers/Assistant Managers of Agricultural Cooperatives on "Export Business"	100	3 days	68,250
25.	<u>Training</u> : Staff of Agricultural Cooperatives on "Packaging of Agricultural Products"	100	3 days	68,250
25.	<u>Training</u> : Members of Fishery Cooperatives/Land Settlement Cooperatives and Agricultural Cooperatives on "Processing of Marine Products"	40	3 days	31,800
		40	3 days	31,800
27.	<u>Training</u> : Members of Fishery Cooperatives, Land Settlement Cooperatives and Agricultural Cooperatives on "Shrimp Farming"	40	3 days	31,800
28.	<u>Training</u> : Members of Fishery Cooperatives, Land Settlement Cooperatives and Agricultural Cooperatives on "Fish and Prawn Culture"	40	3 days	31,800
	Total			2,204,000

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Programmes Financed from CLT Budget

No.	Programme Title	No. of Participants	Period	Budget (₦)
1.	Seminar: Board-Members and Advisors of CLT	60	4 days	164.500
2.	Training: CLT Staff	70	3 days	39.550
3.	Training: CLT Staff Responsible for Organizing Training Programmes	20	3 days	19.450
4.	Training: CLT Resources Persons	11	3 days	14.350
4.	Training: Teachers Teaching Cooperative Subjects in Schools	100	4 days	85.600
5.	Training: Teachers Responsible for Organizing Cooperative Activities in Schools and Colleges	100	4 days	85.600

Cooperative School

1988

Course Title	Target Group	No. of Student	period
Accounting for Thrift and Credit Cooperatives	Accountant of Thrift and Credit Cooperatives	40	3 weeks
Cooperative Management	Managers all type of Cooperatives	40	2 weeks
Cooperation	Staff of Cooperatives	40	6 weeks
Seminar : Teachers responsible for Organizing Cooperative Activities in Educational Institutes	Teachers in Educational Institutes	100	3 days

Training Programme of CLT for 1989

Programme Title	No. of Participant	Period	Budget (₪)
<u>Programmes Financed from</u>			
<u>The Government Budget</u>			
<u>Meeting</u> : The Board Members of Agricultural Cooperatives, Land Settlement Cooperatives and Fishery Cooperatives	215	7 days	360,550.-
<u>Seminar</u> : The Board-Members of Thrift and Credit Cooperatives	550	5 days	686,510.-
<u>Seminar</u> : The Board-Members of Credit Union Cooperatives	200	5 days	251,110.-
<u>Seminar</u> : The Board-Members of Consumers Cooperatives	300	5 days	375,510.-
<u>Seminar</u> : The Board-Members of Mini-Bus Service Cooperatives (Provincial Level)	100	5 days	126,710.-
<u>Seminar</u> : Accountants of Thrift and Credit Cooperatives : 3 sessions @ 5 days	300	15 days	380,130.-
<u>Seminar</u> : Chief of the Unit of Teachers Thrift and Credit Cooperatives 4 regions @ 5 days	400	20 days	506,840.-
<u>Seminar</u> : Managers of Credit Union Cooperatives	100	5 days	127,550.-
Total	2,165	67 days	2,814,910.-

1989

Programme Title	No. of Participant	Period	Budget (B)
<u>Programme Financed from the Interest of Cooperative Central Fund</u>			
<u>Seminar</u> : Representatives of CLT at Provincial Level	350	2 days	166,200.-
<u>Seminar</u> : The Board-Members of Sugar Cane Growers' Cooperatives	70	3 days	49,650.-
<u>Seminar</u> : The Board-Members or Managers of Provincial Agricultural Cooperatives Federation	73	3 days	51,450.-
<u>Seminar</u> : The Board-Members of Land Settlement Cooperatives	80	4 days	70,000.-
<u>Seminar</u> : The Board-Members of Hog Raising Cooperatives	150	4 days	123,500.-
<u>Seminar</u> : The Board-Members of Agricultural Cooperatives under the Supervision of The National Security Command	87	4 days	75,250.-
<u>Seminar</u> : The Board-Members of Fishery Cooperatives	46	3 days	35,250.-
<u>Seminar</u> : The Board-Member of Agricultural Cooperatives (Dairy and Cattle Raisers)	40	4 days	43,600.-
<u>Seminar</u> : The Board-Members of Taxi and Tricycle Cooperatives	50	3 days	37,650.-
<u>Seminar</u> : Managers of Consumer Cooperatives	50	5 days	57,350.-
<u>Training</u> : Staff of Consumer Cooperatives	50	5 days	57,350.-
<u>Seminar</u> : Teachers Responsible for Organizing Cooperative Activities in Educational Institutes	100	5 days	102,950.-

(3)

Programme Title	No. of Participant	Period	Budget (B)
<u>Seminar</u> : Teachers Teaching Cooperative Subjects in Educational Institutes	72	5 days	77,150.-
<u>Seminar</u> : Accountants of Services Cooperatives	73	5 days	78,050.-
<u>Training</u> : The Board-Members of Onion Growers' Cooperatives	45	5 days	54,350.-
<u>Training</u> : The Board-Members and Managers of Asparagus Growers' Cooperatives	120	5 days	130,850.-
<u>Seminar</u> : Managers of Agricultural Cooperatives	150	3 days	98,650.-
Total	1,606	68 days	1,309,250.-

Cooperative School

1989

No.	Course Title	No. of Student	Period	Budget (₪)
1.	Cooperative Management	50	19 days	127,100.-
1.	Business Planning & Research in Cooperative	50	30 days	175,100.-
1.	Cooperation	50	19 days	127,100.-
1.	Basic Accounting for Thrift and Credit Cooperatives	50	30 days	175,100.-
1.	Intermediate Accounting for Thrift and Credit Cooperatives	50	30 days	175,100.-
1.	Advanced Accounting for Thrift and Credit Cooperatives	50	30 days	175,100.-
	Total	300	158 days	954,600.-

(5)

1989

Programme Title	No. of Participant	Period	Budget (₪)
<u>Programme Financed From CLT Budget</u>			
<u>Seminar</u> : The Board-Members and Advisers of CLT	60	4 days	152,200.-
<u>Seminar</u> : CLT Staff	70	3 days	47,150.-
Total	130	7 days	199,350.-

PROGRAMME OF SEMINAR AND STUDY VISITS

ICA Regional Seminar on Member Participation in Cooperative Societies, Dhaka : 23-29 May,1989.

SEMINAR PROGRAMME

- | | | |
|--------------------|---|---------------------------------------|
| 22 May (Monday) | - | Arrival of participants |
| 23 May (Tuesday) | - | Opening |
| | - | Country presentation |
| | - | Introduction to CMPP approach |
| 24 May (Wednesday) | - | Vision worksho |
| | - | Contradictions workshop |
| 25 May (Thursday) | - | Proposals workshop |
| | - | National action plans |
| 26 May (Friday) | - | Theoretical foundation for CMPP |
| | - | Practical CMPP experience from Africa |
| 27 May (Saturday) | - | Women's participation |
| | - | Reflections on the seminar |
| 28 May (Sunday) | - | Study visits to Comilla |
| 29 May (Monday) | - | Study visits |
| | - | Return to Dhaka |
| 30 May (Tuesday) | - | Departure of participants. |

Notes

The seminar commenced at 09.30 hrs on 23 May and 09.00 hours on rest of the period upto 27 May. The seminar closed at 17.00 hours daily.

- | | | |
|-------------|---|--------------------|
| Tea Break | - | 10.15 - 10.30 hrs |
| Lunch Break | - | 12.30 - 14.00 hrs |
| Tea Break | - | 15.15 - 15.30 hrs. |

Seminar was held at the MEHFIL room located at the first floor of Hotel Purbani International.

PROGRAMME OF STUDY VISITS

May 28 (Sunday)

Leave hotel
Arrive BARD Campus
Meet officials followed by briefing
Meet principal of cooperative college
Visit Mainamati museum
Lunch at BARD VIP Cafeteria
Visit Didar Cooperative Society
Leave Comilla for Dhaka

May 29 (Monday)

Leave hotel for National Monument
Visit National monument followed by offering floral wreath in honour of martyrs of liberation war of Bangladesh
Leave national monument for visiting Bangladesh Milk Producers Cooperative Union
Arrival at BMPC Union
Orientation and visit
Leave for hotel
Leave hotel for National museum
Leave for Lalbagh (Kella)Fort
Leave Kelle (fort) for handicrafts and other stores.

LIST OF PARTICIPANTS

ICA Regional Seminar on Member Participation in Cooperative Societies, Dhaka : 23-29 May,1989

<i>No</i>	<i>Name</i>	<i>Position</i>	<i>Office address</i>	<i>Residential address</i>
1.	Mr.Hassan Ali Sarder	Vice Chairman	Bangladesh Jatiya Samajpaya Union 9/D Motijheel Commercial Area, Dhaka 1000	Housing Estate Sopura Sector-2, House 11, P.O.Rajshahi Cantt. Phone No.3318
2.	Mr.Mokhlesur Rahman Chowdhury	Joint Secretary,	BJSU	Village & Post Modhai Distt.Naogaon, Bangladesh
3.	Mr.Zulfiquar Azad	Deputy Executive	BJSU	1/2, West Rajarbag, P.O.Bashabo Dhaka-1214, Bangladesh
4.	Mr.Liaquat Ali	Chairman	BJSU	The Daily Tribune, Khulna Bangladesh.
5.	Mrs.Feroza Zaman	Director	National Women Coop. 27, B.B.Avenue, Dhaka	66, B.Sir Abdus Rahim Road, Laxmipur Rajshahi, Bangladesh. Tel.3261
6.	Mrs.Seheli Haque	Gen.Secretary	Bangladesh National Women Coop Society	Dhaka, Bangladesh
7.	Mr.Feroza Mohshin	Director	BJSU	House No.7, Road No.20 Gulshan,Dhaka Tel.607190
8.	Mrs.Ferdousi Ali	Chairman	Khulna Distt.Coop Union Khulna	The Daily Tribune, Khulna Bangladesh
9.	Mr.Ai-Guo Guan	Economist	All China Federation of Supply & Marketing Fed.	45, Fuxin Men Nei Street Beijing, China Tel.668581 -2501
10.	Mr.Zhang Mingming	Lecturer	China National Fruit and Vegetable Mktg Training & Development Centre.	11, Fucheng Lu, Beijing Peoples Republic of China
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13. Dr.Thoby Mutis	Director of Edu. Research & Development	Dekopin Jakarta, Wisma 71, S.Parman Kav.80,Jakarta Jakarta, Timur Indonesia	7L, Kocubung V/10, Durren Sawit, Tel.8601687
14. Mr.Song Jin Hwan	Professor	Agricultural Coop Leaders Institute (Ansoong) Tel.03313-53-2531	C/o.NACF, National Agricultural .Coop Fed., Chungjeong-ro,Chungku, Seoul
15. Mr.Mohd.Ali Abdul Razak	Secretary/Treasurer	Faculty of Engineering Industrial Coop Functional Group Tel,7563200	ANGKASA, Jalan 222 46740, Petaling Jaya Kuala Lumpur Malaya, 59100 Tel.7553466
16. Mrs.Hallijah Bt. Haj.Zakaria	Lecturer	Cooperative College of Malaysia	103, Jalan Templer P O Box 60 Malaysia Tel.7574911
17. Mr.Juan V.Ruiz	Head, Personnel	Fist Farmers Milling & Marketing Coop. Assn. Inc. Mandalagan Negros Occidental Bacolod City, Tel.26193 Philippines (Tel.25475)	Peso St., Taculing Sub-Division, Phase 11 Bacolod City,
18. Mr.Severo H. Alvarez Jr.	Coop.Field Officer	National Confederation of Cooperatives (NATCCO)	# 303, Dona Matilde Bldg 876-G, Apacible Street Ermita 1000, Manila
19. Mr.N.P.Karunadasa	Asstt.Commissioner of Coop Dev.	Mahaweli Coop Pilot Proj. Kalankuttiya, Sri Lanka	"Dhammika", Kiribathkumbura Sri Lanka Tel.025/2065
20. Ms.MalaiChooki-artsiri	Chief of Training Section	The Cooperative Leage of Thailand	4, Pichai Road, Dusit Bangkok 10300, Thailand Tel.2799833-6
21. Ms.Nam-oy Phussaramalai	Head,Management Training Division	Cooperative League of Thailand	3rd fl, BAAC Branch Bldg 109, Poholyothin Road Bangkok 10300 Tel.2799833

OBSERVERS

1. Mr.Mohd.Shahidullah	Gen.Secretary	Bangladesh Jatiya Samabaya Union	9/D Motijheel Commercial Area, Dhaka 1000
2. Mrs.Kazi Salima Begum	Vice Chairman	Bangladesh National Women Coop Society Dhaka.	49, Narinda, Wari, Dhaka Tel.256983
3. Mr.Enazur Rahman Chowdhuri	Secretary	Sonar Bangla Samabaya Cotton Mills	75, Satis Sarical Road Madhabdi, Narsingdi Gandaria, Dhaka.Tel.240332
4. Mr.Mohd.Mominuddin	Director	Distt.Coop Union,Dinajpur	P O Box 9, Dinajpur,B.desh

FACILITATORS

- | | | | |
|----------------------|-------------------------------|--|---|
| 1. Mr.W.U.Herath | Advisor, Human Resources Dev. | International Coop.Alliance Regional Office for Asia | 43 Friends Colony (East) New Delhi 110065, India. |
| 2. Mr.Terry Bergdall | Project Specialist CMPP | P O Box 30163 Lusaka, Zambia | 10, Rectory Court, Suez Road, Lusaka |

LOCAL COORDINATOR

- | | | | |
|---------------------|-------------------|----------------------------------|---|
| 1. Mr.A.K.M.Zahirul | ChiefExec.Officer | Bangladesh Jatiya Samabaya Union | 508, Nayatola, Magbazor Dhaka, Bangladesh |
|---------------------|-------------------|----------------------------------|---|

SPECIAL INVITEE

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| 1. Mr.G.K.Sharma | Regional Director | International Coop.Alliance Regional Office for Asia | 43 Friends Colony (East) New Delhi, India. |
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