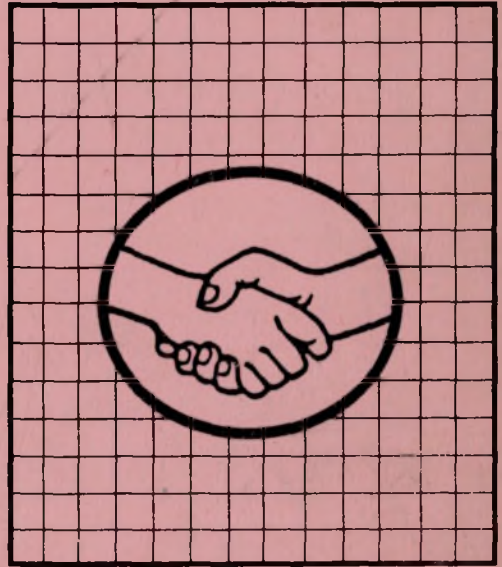
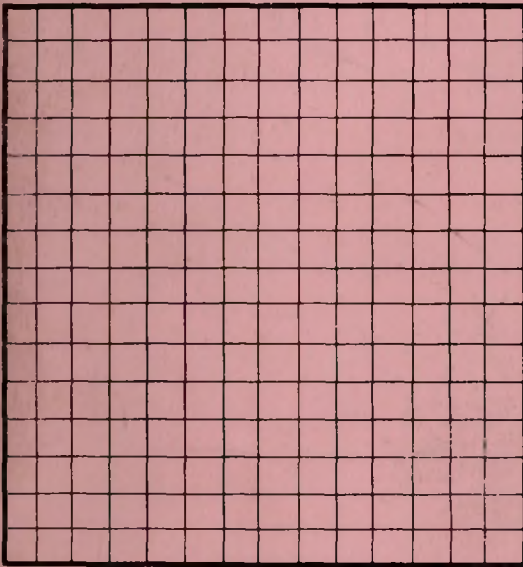


Report of the National Consultation-cum-
National Follow-up Workshop, Suva, Fiji
July 17 - 19, 1991

Cooperative-Government Collaborative Strategies for the Development of Cooperatives

REPUBLIC OF FIJI



in association with :

- Fiji Cooperative Union Limited
- Department of Cooperatives of Government of Fiji

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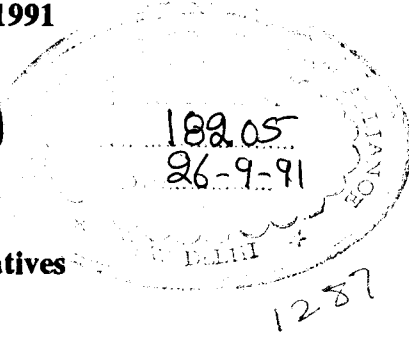
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organised jointly by :

Department of Cooperatives
Government of Fiji

Fiji Cooperative Union Limited (FCUL)

International Cooperative Alliance
Regional Office for Asia and the Pacific



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**Cooperative-Government Collaborative
Strategies for the Development of
Cooperatives - Fiji
(Report of the FCUL/Department of Cooperatives/ICA
National Consultation-cum-Follow-up Workshop. Suva. 17-19 July 1991)**

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FOREWORD

The Regional Conference of Cooperative Ministers held in Australia in February 1990 had issued a Declaration and comprehensive recommendations with the objective to accelerate and develop a genuine cooperative movement in the region. The recommendations were sent by the ICA ROAP to all national cooperative organisations and governments in the region for follow-up and implementation. The Conference had also advised the ICA to provide the needed motivation and encouragement to cooperatives and governments in the process of implementation and follow-up. In the Action Plan for the '90s, the Conference had made the following recommendation:

"The ICA should organise workshops and other relevant activities to take up follow-up actions on the above declaration and recommendations in collaboration with the national cooperative organisations and national governments".

The ICA in collaboration with the movements and governments, in the light of the above recommendations, planned a number of national level follow-up workshops. The Philippines, Indonesia, Fiji, India, Thailand and Bangladesh responded favourably to organise these follow-up workshops. The Canadian Cooperative Association (CCA) agreed to provide the needed financial support to carry out the follow-up work.

The present document contains the report of the national follow-up workshop that was held in Fiji. The national workshop which reviewed the Sydney Conference recommendations and developed a follow-up action plan was organised by the Department of Cooperatives of the Republic of Fiji and the Fiji Cooperative Union Limited in collaboration with the International Cooperative Alliance Regional Office for Asia and the Pacific. The workshop was held at Suva, Fiji, 17-19 July 1991. The report of the national workshop will provide important input to the Regional Consultation to be held in Manila in November 1991 and Cooperative Ministers' Conference in February 1992 in Indonesia.

It is of special mention that the two senior level ministers of the Government of Fiji, Hon'ble C.S.J. Gonelevu and Hon'ble Ratu William Tonganivalu had addressed the National Consultation. The former Minister of Cooperatives Lt. Col. Livai Nasilivata OBE MC had attended the National Consultation for its full duration. Former Registrars of Cooperatives had also attended the opening session of the workshop.

In the organisation of this national workshop valuable support was extended by cooperative organisations at various levels and the primary level cooperative institutions in Fiji. Technical support was provided by my colleague, Mr. Daman Prakash, Regional Advisor (Development Planning and Coordination Project) to the organising committee in the conduct of this national workshop. I am grateful to the Australian Association of Cooperatives (AAC) for deputing Mr. Drek Heelan, Manager (Cooptrade) to support the conduct of the workshop. His participation is hereby acknowledged with appreciation.

G.K. Sharma
Regional Director

Bonow House
New Delhi
20th August 1991

Cooperative-Government Collaborative Strategies for the Development of Cooperatives-Fiji

**Fiji Cooperative Union Ltd.(FCUL/Department of Coops/ICA
National Consultation-cum-Follow-up Workshop
Suva, Fiji : 17-19 July 1991**

Report

Introduction

A national follow-up workshop called a National Consultation on the recommendation of the Asian Regional Cooperation Ministers' Conference held by the ICA in Sydney (Australia) in February 1990, was held in Suva, Fiji, July 17-19, 1991. The three day National Consultation-cum-Follow-up Workshop was organized jointly by the Fiji Cooperative Union Ltd., a member-organisation of the ICA in Fiji, and the Department of Cooperatives of Fiji, in close collaboration with the International Cooperative Alliance, Regional Office for Asia and the Pacific (ICAROAP), New Delhi. This was the third of the five national level Consultation Workshops to be organized by the ICAROAP in the Asia-Pacific Region to review the national follow-up of the Sydney Conference Declaration and the Recommendations.

The National Consultation was also the follow-up of a one-day Consultation earlier held by the Department of Cooperatives and the Fiji Cooperative Union Ltd., on the subject on 24th April, 1991 in Suva. The one-day Consultation had taken note of the Sydney Conference recommendations and discussed issues in the context of Fiji Cooperative Movement. The Consultation had discussed a proposal on National Cooperative Development Policy and Strategies, and issued a communique containing the summary of conclusions arrived at the one-day Consultation. Both the Consultations were of great significance for the national cooperative movement, and in accordance with the Action Plan set by the Cooperative Ministers' Conference, 1990.

The Cooperative Ministers' Conference held in February, 1990 in Sydney, was attended by top-level leaders of Government and Movement of Fiji. The Minister of Primary Industries and Cooperatives Hon'ble V.S.J. Gonelevu had represented the Government and presented a Country Paper. The Director and Registrar of Cooperatives of Fiji, Mr. A.P. Sharma and the Chairman of the Fiji

Cooperative Union Limited, Mr. K.B. Matalau, had also attended the Sydney Conference.

Objectives

The National Consultation was organized with the following objectives :

- a) To review the action taken by the Cooperative Movement and the Department of Cooperatives in Fiji in the context of the Sydney Declaration, Recommendations and Action Plan for the '90s set out by the Cooperative Ministers' Conference, 1990;
- b) To identify the problem areas facing the Fiji Cooperative Movement and propose action to be taken by various concerned parties to overcome those problems; and
- c) To discuss and recommend a national policy on cooperative development and suggest appropriate strategies to be adopted.

Participants

The National Consultation was attended by 54 high-level participants representing the cooperative movement and the government. A list of participants is attached.

Resource persons from various agencies were also invited to support the National Consultation. The opening session of the National Consultation was inaugurated by Minister for Lands and Mineral Resources, Hon'ble Ratu William Tonganivalu, who delivered the key-note address to the Consultation.

In his key-note address, the Minister of Lands and Mineral Resources said:

“The idea of this Workshop/Consultation emanated from the Cooperative Ministers' Conference held in Sydney, Australia, in February, 1990. This forum, among other things, recommended a positive development of cooperative relationship between the Cooperative Movements and the Governments.

"I am hoping that such a consultation will help us mould our future policy for the next decade, that will be both meaningful and effective to the future direction and development of the Cooperative Movement. This forum will also be expected to arrive at a National Report on the final day of the workshop. The opportunity to hold discussion at an international level does not often arise and therefore, it is incumbent on the delegates that they participate fully in discussing relevant issues which will assist facilitate the environment for the healthy conduct of Cooperative Movement in Fiji.

"Some of the participants present here this morning are from societies in the rural areas. Their presence and indeed all of yours at this workshop/consultation convey the clear message to me that the Cooperative Movement is alive and thriving in Fiji despite the many difficulties which are very often associated with the Cooperative Movement.

"Despite the many upheavals that beset the Cooperative Movement since its inception in 1947, there are valid reasons to believe that the Movement is now at the crossroads of its development and there is every indication from this point forward of its continued growth and sustained well-being.

"Many of you represent those successful cooperative societies that are already serving their members well. In the more remote areas, village cooperatives shops may provide the only source of essential goods and services and also act as focal point for social and economic activities to the community in that area.

"An important but often forgotten feature of the cooperative society is its self-help character and the role it plays to strengthen group leadership and cohesion in a community. This feature is especially associated with successful cooperative societies.

"Successful societies need more than just lessons in business; the Cooperative Movement needs participation, loyalty, commitment and above all honesty to the cause; your presence here is a display of these virtues to the Movement. I am confident that with such support, the Movement can look forward to a much stronger and promising future for our people.

"I am aware that the 1988 ICA Congress adopted a resolution proposing the proclamation by the United Nations of an International Year of Cooperatives in 1995 to commemorate ICA's centenary. The Government of the Republic of Fiji fully endorses this declaration since this will, among other things, provide the needed contribution from cooperatives as instruments of economic and social development strategies in improving the living standards of many around the globe especially those in the developing countries".

The Minister for Primary Industries and Cooperatives, Hon'ble Ratu V.S.J. Gonelevu, came specially to meet the resource persons and the participants. In his message to the Consultation the Minister said:

"It is the first-ever cooperative consultation to be organized in Fiji with international support. The Government of Fiji is grateful to the International Cooperative Alliance for co-sponsoring this Workshop/Consultation.

"In Fiji, as in most developing countries, Government has taken an active role in the encouragement and promotion of cooperative development. The word "cooperation" implies a two-way communication process. This forum provides a unique opportunity at international level for this process to develop, and for cooperators throughout the world to respond to and influence the shaping of Government policies on cooperative development. It is my sincere wish that you will take full advantage of this opportunity for the benefit of the Cooperative Movement in Fiji".

The presence of two Senior Level Ministers of the Government of Fiji added to the credibility, significance and meaning of the National Consultation.

The ICA Regional Office for Asia and the Pacific (ICA/ROAP), New Delhi, supported the National Follow-up Consultation by way of providing the needed documentation, a background paper, technical expertise and some financial back-up support. Mr. Daman Prakash, ICA Regional Advisor on Development Planning and Coordination extended the greetings of the ICA to the organizers and participants and assisted the National Consultation in its technical matters by being present throughout in Fiji.

The Australian Association of Cooperatives (AAC), Sydney, a member-organisation of the ICA, promptly responded to the follow-up Consultation in Fiji and made the services available of Mr. Derek Heelen, Manager, Cooptrade and International Affairs, to support the work of the National Consultation.

The technical and logistic support extended by Mr. Ambika P. Sharma, Director/Registrar of Cooperatives, Fiji, to the National Consultation was of great value and significance and also an indication of Government's positive attitude towards the development of a self-supporting and strong cooperative movement. He and Mr. K.B. Matalau, President of the Fiji Cooperative Union Limited, teamed together to achieve the objectives set for the National Consultation.

Also were present the former Registrars of Cooperatives who were specially invited for the occasion. They were M/s Shardha Nand, R.H. Philips, L. Qarase, J. Nacoke and Mr. T. Moceyawa. Senior ranking officials from the Ministry were also present.

The former Minister for Cooperatives, Lt. Col. Livai Nasilivata OBE, MC (now Chairman of Naitasiri Province Investment Cooperative Association Ltd.,) attended the Consultation for its entire duration.

Mr. Jeef Bech Hansen, ILO/MATCOM Liaison Officer based in Fiji attended the National Consultation for its full duration.

Programming and Working Methods

The Consultation was in session for three full working days July 17-19, 1991 in Suva. A brief introduction was made by Mr. Daman Prakash on the steps taken by the ICA Regional Office and its member-organisations and governments in the Region on the follow-up of the Sydney Conference recommendations. He emphasised that the Fiji Cooperative Movement also takes note of the development trends elsewhere in the Asia-Pacific Region and conforms to the objectives set by the Cooperative Ministers' Conference, 1990, to make the Movement a genuine and self-sustaining Movement. The Consultation first reviewed the current status of the Movement and the Department and considered the follow-up work done by each sector on the Sydney Conference recommendations. It was then divided into four working groups which considered the four relevant subject-areas of the Movement. The reports produced by the Working Groups were presented to the Plenary Session, which commented upon them and made additional points for inclusion in the reports. An Editorial Committee then combined all the reports and after editing the material produced a draft report of the Consultation which was unanimously adopted by the National Consultation.

The Consultation decided to discuss the Fiji Cooperative Scenario under four subjects : i) Cooperative Legislation; ii) Cooperative Management; iii) Cooperative Education, Training and Extension; and iv) Cooperative Trade. The Working groups decided to discuss the subject areas in the following order:

- Discuss present status;
- Identify problem areas (Priority Needs)
- Identify possible solutions;
- Suggest action by whom (Strategy & Plan); and
- Indicate time frame.

Given below are the names of participants who served on Working Groups :

Group I : Cooperative Legislation

1. Alena Vunakece
2. Waisiki Matavesi
3. Tevita Uluilakeba
4. Ratu Josefa Iloilo
5. Ram Deo
6. Maikali Rabaro
7. George T. Bukarau
8. Waisea S. Luveniyali
9. S.V. Tovata

Group II : Cooperative Management

1. Adi Merewalesi Tavaiqia
2. Apakuki Tuitavua
3. Aminiasi Neiti
4. Mikaele Tuitoga
5. Sainimili Cabe
6. Jogina Naivalurua
7. Mangru
8. W.N. Sovosi

Group III : Cooperative Education, Training and Extension

1. Mrs. P. Blakelock
2. Esala Cagi
3. Ulaiasi Naqaravatu
4. Eparama Druguta
5. Kitione Kulavere
6. Neumi Raibosa

Group IV : Cooperative Trade

1. Jagdishwar Lal
2. A. Laqeretabua
3. S. Waituruturu
4. K. Petero
5. W.N. Mucunabitu
6. Lt. Col. L. Nasilivata
7. Ilaitia Drevuata
8. N.K. Draunidalo

The Programme followed by the National Consultation is attached.

At the concluding session of the Consultation the participants were awarded with a Certificate of Participation "with appreciation" to recognize the contribution they had made to the deliberations of the National Consultation.

The recommendations made by the National Consultation-cum-National Follow-up Workshop (July 1991) are given below under chapters: I-Cooperative Legislation, II-Cooperative Management, III-Cooperative Education, Training and Extension, and IV-Cooperative Trade. Some recommendations of general nature were also made by the National Consultation.

Consultation Recommendations

I. Cooperative Legislation

Present Status

The Cooperative Societies' Act (Chapter 250), Fiji, was enacted in 1947. It was amended until 1977. The Cooperative Regulations have also been amended as and when a need was felt. It was felt at various fora and also demanded by cooperative organisations that the Act needed urgent improvement, revision and amendment in the context of growing present-day needs of the Cooperative Movement of Fiji and its diversified activities.

The one-day Consultation held on April 24, 1991 as a follow-up of ICA Ministerial Conference (Sydney 1990) had also recommended a revision of the Act. The Consultation had also adopted a "National Cooperative Development Policy and Strategy for 1991-2000 AD".

The Consultation had also summarized its decisions and recommendations in the form of a *communiqué*, which is reproduced below :

The Communiqué issued by the One-day Consultation (April 24, 1991) Cooperative Movement/Coop Department Consultation Declaration

1. *We, the delegates to this Consultation, representing the Cooperative Movement in Fiji, met in Suva on 24 April, 1991 at the first-ever consultation between the Cooperative Movement and the Department of Cooperatives;*
2. *We have noted the resolution of the Cooperative Ministers' Conference held in Sydney, Australia, in February 1990 which recommended a positive development of cooperative relationship between the Cooperative Movement and the Government and welcome this timely consultation;*
3. *Appreciate and thank the Minister for Primary Industries and Cooperatives for his message in his key-note address;*
4. *Note the current status of the Cooperative Movement in Fiji, particularly, the weaknesses and strengths of the Movement; and urge appropriate measures to be taken to address the weaknesses and capitalise on the strengths;*
5. *Recognize the various recommendations of the Sydney Ministerial Declaration of February 1990 and have deliberated on the areas that need our attention with a view to consolidating and improving the performance*

and effectiveness of the Cooperative Movement in Fiji, particularly in the role of Government, role of Fiji Cooperative Union Limited, role of international organisations and formulate actions for 1990s;

6. *Appreciate the initiative taken by the Government (Department of Cooperatives) in producing the draft policy paper for discussion by this Consultation on Policy Objectives and Strategies for the period 1991 to 2000 and its subsequent submission to the Minister for Cooperatives after the July 1991 Consultation for final approval;*
7. *Support the identification of the target groups i.e., small farmers, artisans, workers, women and unemployed youth who should be given special attention;*
8. *Recognize the strengthening of the cooperative values by building up self-reliant Cooperative Movement which should be given priority during the 1990s;*
9. *Deeply concerned that the Cooperative Legislation of Fiji has not been reviewed since its inception in 1947 and urges urgent action for its review in line with the new policy strategies;*
10. *Urges that in an effort to promote positive image of the Cooperative Movement in Fiji, success stories should be publicized in the local news media to encourage the general public to be more aware of the successes and to see things in their perspective;*
11. *Note that appropriate training and education programme are being planned for the 1990s to train personnel and members from the Cooperative Movement, thus encouraging development of dedicated cooperative leadership and enable members to understand and appreciate the value of money;*
12. *Request the Government to formulate an organisation that would be able to cater for the needs of cooperatives in the outer-island, particularly that of transportation and inter-island shipping of goods and produce;*
13. *Note that input of government resources, both financial and manpower, in the administration of Cooperative Department, and urges greater contribution in future so that cooperative societies are visited more frequently and regularly for audits and consultations;*
14. *Recognize that the Fiji Cooperative Union Limited has financed this Consultation from its own resources; and*
15. *Appreciate that the International Cooperative Alliance has agreed to supplement funds for the next International Workshop in Fiji in July, in collaboration with the Fiji Cooperative Union Limited and the Department of Cooperatives.*

Confirmation of Communique was unanimous, and the members of the consultative forum were then informed that the July Consultation would be held on Wednesday 17th, Thursday 18th and Friday 19th in Suva.

In order to enable the Department of Cooperatives and other government and cooperative agencies to expedite the process of implementation of the recommendations contained in the Communique and to facilitate review or revision of the Cooperative Law, the Consultation (July 1991) fully *endorsed* the “Communique” and made the following recommendations:

1. Recommended unanimously the draft of the “National Cooperative Development Policy and Strategies” (reproduced herein below) to the concerned authorities in the Government and other agencies/organisations for approval, adoption and quick implementation in the interest of development of cooperatives in Fiji.

Draft of a National Cooperative Development Policy and Strategies (As Endorsed and Recommended by the National Consultation, July 1991)

Introduction

This policy incorporates a ten-year National Cooperative Development Policy and Strategies for the Cooperative Department and the Cooperative Movement in Fiji. Apart from what has been stated for the cooperative sector in previous National Development Plans, including DP9, there had been on-set comprehensive long-term development objectives for the cooperative sector. Hence, the emergence of the National Cooperative Development Policy and Strategies for the period 1991-2000.

Preamble

Government is committed to sponsoring the development of self-reliant Cooperative Movement for the promotion of the economic interests and welfare of its members, through their efforts and in accordance with internationally accepted Cooperative Principles, within the overall framework of government national development policy. In its support, government is also committed to creating an environment for cooperatives to play their full role.

Objectives

The main objectives of the Cooperative Movement in the current decade are to:

- (a) promote multi-purpose rural agro-based production, marketing and processing cooperatives;
- (b) encourage and promote urban-based small-scale industries for skilled artisans;

- (c) promote and strengthen the activities of the cooperative rural credit sector;
- (d) actively pursue the improvement of the quality of leadership and management in cooperative societies;
- (e) establish an effective commercial apex organisation of the cooperative consumer/marketing sector;
- (f) promote closer technical collaborations with international cooperative agencies;
- (g) encourage mobilization of the savings of members, as source of internal capital to their cooperative societies;
- (h) ensure the formation of genuine cooperatives to meet, primarily, the needs and aspirations of the rural and urban people as they themselves determined;
- (i) encourage and promote the participation of women in cooperative activities;
- (j) provide regular supervision and effective advisory and consultancy services to cooperative societies; and
- (k) periodically review the role and operations of the Department of Cooperatives so as to rationalize the use of public resources in the sector.

Strategies

- i. The Department of Cooperatives shall actively promote the establishment and development of multi-purpose cooperatives. Existing cooperatives will, therefore, be encouraged to diversify their activities to incorporate those that complement their current activities.
- ii. Government is to facilitate the provision of suitable land necessary to establish cooperative small-scale industries for urban-based skilled artisans.
- iii. The financial basis of the Cane Farmers' Cooperative Savings and Loans Association Limited shall be strengthened through increased members' equity and external funding resources.
- iv. Government is to provide the relevant education and training programmes for managers and officials of cooperative societies, through residential and rural training courses, in order to improve the quality of leadership and management in cooperative societies. Membership Education shall also be conducted in villages by the Department's Mobile Education Unit, to promote awareness of the role of cooperative members in the affairs of their cooperatives.
- v. Government is to assist in identifying a suitable commercial apex

organisation of the cooperative consumer/marketing sector. Simultaneously, government is to encourage and facilitate the development of a suitable national cooperative apex organisation that will eventually take-over the present role of government in terms of promotion, establishment and development cooperatives throughout the nation.

- vi. The Department of Cooperatives shall actively assist in identifying international cooperative agencies, and introducing the national cooperative apex organisation to such agencies, in order to promote and facilitate effective international cooperative technical collaboration to build-up a strong and self-reliant Cooperative Movement in Fiji.
 - vii. Primary Cooperatives shall be encouraged to accept voluntary savings from members as deposits. Similarly, excess funds of cooperative societies shall be pooled for re-investment, and to assist the financially weak member-cooperatives of the pool scheme.
 - viii. Stringent vetting procedures and registration requirements shall be set by the Registrar of Cooperative Societies, and stated clearly in the Cooperative Societies' Act, to ensure that only genuine and economically-viable cooperative societies are registered.
 - ix. Emphasis shall be placed on encouraging women's participation in cooperative activities. To effectively realize this, a study shall be conducted to identify the types of cooperatives in which women can be involved. Existing cooperatives managed by women in the urban and rural areas shall be strengthened and encouraged to diversify their activities. In addition, the Department of Cooperatives shall recruit women cooperative extension officers to assist in the development of women cooperatives.
 - x. Government is to provide the means to improve the effectiveness of its cooperative extension staff in terms of mobility and the frequency of supervisory visits to cooperative societies. On the other hand, the Department of Cooperatives shall deploy its extension officers where and when the need arises, to facilitate more regular supervision and closer on-the-spot advisory and consultancy services to cooperatives in their respective assigned areas.
 - xi. A comprehensive review of the Cooperative Societies' Act is to be undertaken to take account of new policies and directions, as well as the discipline required to support and promote the activities of the Cooperative Movement in Fiji.
2. The National Consultation unanimously recommends to the concerned authorities in the Government and other agencies/organisations that Cooperative Societies Act, 1947 (Chapter 250) be urgently reviewed and

amended in the light of the following recommendations and suggestions:-

- 2.1 *Cooperative Societies Act to be made easily understandable* : The Act should be in simple language at least for educational purposes. It should also be translated together with the Regulations and By-laws, and other relevant documents into local languages for the benefit of the members. Such documents should be made available together with comments and explanations e.g., Cooperators' Dictionary. They should be part of educational programmes so as to create awareness among the members of their legal rights and responsibilities.
- 2.2 *Registration (Conditions of Registration)* : Feasibility study conducive to a viable operation is to be written into the law as part of the Act.
- 2.3 *Powers & Duties of the Registrar*
 - 2.31 *Power to give directions in certain matters to registered cooperative societies* : It is practically impossible for the Director and Registrar of Cooperative Societies to direct the committees of all societies in such matters as opening and operating bank accounts, writing off of bad debts, appointment of officers and employees, granting loans to members etc. These matters should be handled by the committee in their own responsibility. However, the power to sanction the utilization or application of the reserve fund should remain vested in the Director and Registrar of Cooperative Societies, provided that the terms and conditions for application of the reserve are not unduly restrictive.
 - 2.32 The Consultation members were unanimous in their views and accordingly recommend to delete the following powers vested in the Registrar as it belittles his post.
 - 2.33 Regulation 17 (1) : delete the clause "provided that the Registrar may preside at any meetings convened by himself".
 - 2.34 Regulation 21 (3): be amended to lengthen their period of from one to three (3) years, also recommended by the round-table conference of 1982 (Section 3.7.3)
 - 2.35 Regulation 21 (9) : delete and be suitably amended.
 - 2.36 Regulation 23: recommended to delete "As the Registrar may approve".
 - 2.37 Regulation 25 (g): delete the portion after the word 'Bank'.
 - 2.38 Regulation 25 (2): recommended that it be deleted.
 - 2.39 Regulation 26 (a-c): obsolete, recommended that the words "subject to the direction of the Registrar" be deleted.

- 2.40 Regulation 28 (2) : recommended to read “In such form as the *committee* may prescribe”.
- 2.41 Regulation 28(8) : recommend that it be deleted.
- 2.42 Section 33(1) of the Cooperative Societies Act : recommended that “*Provided that with the consent of the Registrar*” be deleted.
- 2.43 Section 36 (a) : delete “Approved for this purpose by the Registrar”. Section 36 (b) be also deleted as obsolete.
- 2.44 *Audit* : Functions of auditing is currently being carried out by the Department of Cooperatives. However, the Consultation feels that the functions be taken over by the National Apex FCUL and approved by a suitable provision in the Legislation (Gradual Hand-over).
- 2.45 *Corrective Measures* : The Consultation strongly supports the corrective measures recommended by the R.T.C. document, Page 20 (3.3.4). (*A Round-Table Conference on Cooperative Legislation was held in Suva, Fiji, 22-25 February 1982, which was organised by the Ministry of Cooperatives and the Cooperative Union of Fiji with the assistance of the ILO and UN-ESCAP/UNDAP. The Round Table Conference was organised as a follow-up of the Pacific Regional Meeting on Cooperatives and Community Development held in Fiji in 1981. The RTC was attended by representatives from Vanuatu, Solomon Islands, Kingdom of Tonga, Fiji, Kiribati and Western Samoa*).
- 2.46 *Probationary Period* : Section 7(6) of the Act be amended to delete the word 2 & replacing it by the word 3 before the word years.
- 2.47 *Approval of the Accounts* of primary societies be delegated to Senior Cooperative Officers at Divisional Level. Bearing in mind distribution of profits as follows:-
- | | | |
|-------------------|---|---|
| Statutory Reserve | : | 30% |
| Special Reserve | : | 10% |
| Education Fund | : | 20% |
| Dividends | : | Subject to legal limitations |
| Bonus | : | As decided by the members in a general meeting, the Consultation recommends that dividend on paid-up share capital should be paid at the prevailing interest rates paid by banks for long-term savings deposit. Regulation 31 (1) is to be amended accordingly. |

- 2.48 *Proxy voting* be done in writing at secondary societies level (section 28 of the Act). We appreciate the basis of the recommendations (page 26 para 3.6.2 of the RTC) but we propose that further studies be carried out on voting powers in secondary societies.
- 2.49 *Quorum* : The present legislation on quorums spelt out in Regulation 16 (1) is considered to be adequate for the Movement's needs in regard to general meeting.
- 2.50 The Consultation recommends that societies should be encouraged to make By-laws which provide that only trained persons are eligible to serve as *Committee Members*.
- 2.51 *Cooperative Principles* : The Consultation recommends that the current ICA Cooperative Principles be written into the law.
- 2.52 The Consultation felt that the performance of field staff and office-bearers of cooperatives would be enhanced by a *Cooperative field workers' Manual*.
- 2.53 Where a cooperative society is failing to function efficiently and effectively due to the mismanagement of paid officials and/or elected office-bearer, the operation of that society should be entrusted to the secondary society concerned.
- 2.54 *Consent to raise funds (Regulation 43)* : The Consultation feels that the Registrar of Cooperative Societies should sanction the issues of shares and debentures as in the case of the Registrar of Companies, e.g., joint-stock companies.
- 2.55 Creation of charges in favour of registered societies (Section 15c): The Consultation recommends that Section 15c should be amended by the deletion of the word Forty (40) and be replaced by the words two hundred (200) to appear immediately before the word dollars.
3. The National Consultation unanimously recommends that necessary changes be made in the current cooperative regulations and other legislation concerning cooperatives or affecting cooperatives to reflect the above mentioned policies and objectives as soon as possible.
4. The National Consultation suggested to make use of the expertise of the ICA ROAP in the review or revision of the Cooperative Societies Act, if needed.

II. Cooperative Management

Present Status

The management of cooperatives is done through democratic process by electing Committees and Boards. The managers, of cooperatives are appointed from among the members on payment basis as well as on voluntary basis. There are 1014 Cooperative institutions in the country, out of which about 350 cooperatives have full time paid managers (mostly consumer/marketing cooperatives). The other have the secretaries who manage the cooperatives and they are mostly the voluntary workers. The Department does not second or depute its officers to manage the Cooperative institutions in the country nor are elected positions of Cooperatives held by government officials.

The Department of Cooperatives undertakes training and education functions for the movement. This is done through its Education and Training Division. The Department operates a Cooperative Education Centre which offers residential training courses (3-5 weeks) for various categories i.e., managers, secretaries and officials of cooperative societies. The Education Centre also provides in-service training to the employees of the Cooperative Department. The Department often deposes its officers for professional training in cooperative training institutes abroad.

The Department also provides education and training to participants sponsored by Cooperative Departments and Movements in the South-Pacific countries.

The Department also provides members' education through its Mobile Training Units. It also conducts extension services, publicity, propaganda and general awareness programmes.

In order to further improve the management capabilities of cooperatives, the Consultation (July 1991) found that the following reasons hinder the management development of cooperatives in Fiji.

Problem Areas

1. The lack of management personal to be able to shoulder the responsibilities of a Manager or an Accountant of the society.
2. Inadequate management consultancy support/training for Department and Cooperative Officials.

3. Education and Training is not compatible to the needs of a Regional Association for the management to be able: (a) to prepare a marketing strategy; and (b) the formulating a Production Plan on Marine Resources and Agricultural products of the Association.
4. The lack of infrastructural development that makes transportation most difficult in the rural area of Vitilevu, Vanualevu, and the outlying islands.
5. Insufficient capital to buy marketable produce from the members.
6. The lack of banking facilities in rural areas.
7. The lack of understanding by the members of the basic roles as management and members of an Association.

Solutions

1. The government should be encouraged to provide subsidies to meet the costs of management on the last leg towards the total independence of the Cooperative Movement.
2. On a temporary basis and until trained and suitable cadres are developed within the Movement, the Department may, in consultation with the respective cooperatives, deploy some of its staff to work as accountants and cashiers.
3. The Regional Association should be able to provide education and training for the management and members of the primary societies in conjunction with FCUL and government.
4. The government should immediately encourage the National Bank of Fiji to set up branches in the rural areas and major outlying islands.
5. The Department and the Union should approach the Government to make available training grants to cooperative employees for professional studies abroad and also make suitable contacts with international organisations like the ICA, ILO/MATCOM, FAO for identifying suitable training programmes and facilities abroad.

III. Cooperative Education, Training & Education

Present Status

The training, education and extension is done at present by the Department of Cooperatives in collaboration with the Fiji Cooperative Union. The Cooperative Education Centre (of the Department) located at Draunibota (near Lami, Suva), and established in 1964, is managed, operated and financed wholly by the Department. It offers courses (3-5 weeks) for Cooperative Leaders, Board Members and employees of the Department and Movement. The participating cooperatives pay a token contribution towards tuition fee and the rest of the expenses are covered by the Department. The Centre can accommodate 30 persons. It has 2 teaching rooms and some audio-visual aids. Limited training material and library facilities are also available. ILO/MATCOM and ICA/CEMAS materials have been used by the Centre to conduct training and education programmes. The Cooperative Education Centre also undertakes extension activities through its field mobile teams and radio programmes. The Centre has a small radio programmes production facility. The programmes produced are given to Fiji Radio Network for broadcasting. It also publishes a limited amount of publicity material in the form of charts and posters.

Problem Areas

The Consultation identified the following problem areas in this sector:-

- Inadequacy of training, education and extension facilities.
- Inadequacy of funds/resources.
- Inadequacy of relevant material for education and training in Fiji.
- Absence of society-based educational activity.
- Inadequate inter-action with other development programmes e.g., health, agricultural extension, adult education.
- Inadequate arrangements for training of trainers/extension workers.
- Inadequate understanding of the Constitution and Bylaws of Cooperative institutions (particularly at the primary level).
- Less cooperation among the members.
- Taking goods on credit and not paying for them in time.
- Members buying from other shops rather than from their own.

- Lack of facilities to help promote own production.
- Do not attend the meeting when called to.
- Inadequate knowledge of running a meeting.
- Lack of knowledge of the objectives and functions of their own cooperatives.
- Lack of knowledge of how to manage the books of the Society.
- Irregularity of attendance to work.
- Misusing and under-utilization of time.

Recommendations

The Consultation made the following recommendations unanimously to overcome the problem areas:-

1. The Consultation suggested that cooperative education training and extension programmes be developed, reviewed and revised for the following categories in a systematic manner:
 - a) Cooperative leaders (Committee/Board Members)
 - b) Members of Cooperatives
 - c) Employees of Cooperatives, and
 - d) Government Officials.
2. The Consultation agreed with the recommendation of the Sydney Conference requesting the government to extend full support to a massive cooperative member education and training programme and suggested that the Government of Fiji extends all possible support and funding to carry out human resource development programmes of the Movement.
3. Designing, production and distribution of training, education and extension materials.
4. Enlisting of support from government, collaborative organisations and cooperatives.
5. Introduction of societies-based education programme.
6. Intensified interaction with other Departments extension agencies and other field organisations.
7. Generation of funds for the Union to carry out education, extension and training programme.
8. Revise or improve legislation, if needed,
9. Prepare suggestion for Education Ministry to include Cooperation in school syllabus.

10. Develop school/college/university cooperatives..
11. Training of education trainers, extension workers, secretaries of cooperatives and if possible, management consultants.
12. Installation of Education Budget in cooperatives.
13. Enhancing member participation in organisation and business operations.
14. Avoid taking goods on credits.
15. Educate and train Committee Members and Secretaries on how to keep the ledger, invoice, order book, receipt book etc.
16. Punctuality at all times is very important.
17. The society should have the following reference always in stock:
 - a. Calendar of meetings.
 - b. Calendar of training.
 - c. Names of members.
 - d. Names of Board of Directors.
 - e. Names of local and overseas markets.
 - f. Line of main production.
 - g. Names of contact for marketing etc.

Time Frame

18. The Consultation suggested the following time-frame to realize the above-mentioned recommendations:

a) Review the entire education, training and extension programme of the Department.	During 1992
b) Revision of current syllabus and its realignment.	-Do-
c) Planning and Implementation of revised programme and strategies.	During 1993
d) Designing, testing and implementation of society-based member education programmes.	During 1992-93
e) Designing, testing and evaluation of education and training materials and adoption of suitable testing/examination methods.	During 1992-93
f) Training of trainers and educators	During 1993
g) Extension programmes for special groups e.g., women & youth (including training and extension materials).	During 1992-93

19. It was suggested that the Cooperative Union gradually takes over the member education activities and the Department continues to support such efforts/programmes in accordance with the declared intentions of the Government.
20. In carrying out the plans suggested for member education and employees' training the Consultation strongly recommended to the Department and the Union to make use of the expertise and facilities available within the ICA ROAP, Australian Cooperative Movement, ILO, FAO, and the National Government of Fiji.

IV. Cooperative Trade

Present Status

The cooperative institutions in Fiji supply raw materials, mainly agricultural produce, to the National Marketing Authority (NMA) and other manufacturers. Not much of international trade is carried out except by a Women Cooperative Society (Marama Coop) which exports manufactured garments to Australia and the Pacific Islands. The trade volume is still negligible.

The Fiji Cooperative Union is affiliated to the ICA/FAO NEDAC and is currently negotiating to enter into a Cooptrade Pact with the Australian Cooperative Movement. The Movement, with the support of the Department, is also seeking to develop a system of market information and publicity to Fijian products.

The Consultation looked in depth at the following sectors:

- Agriculture Sector
- Consumer Sector
- Finance Sector

Agricultural Sector

Cooperative system is not yet well-organized as cooperatives are only involved at primary level.

Due to the distances from market and non-involvement in manufacturing sector etc., there is no incentive to improve production and efficiency e.g., Copra Sector. Cooperatives are involved only in the supply of dried copra. Not many cooperatives are doing processing of Copra. Cooperatives must also be partners in processing i.e., a copra mill in Suva jointly-owned by government and Copra marketing cooperative may be a suitable venture. Similarly cooperatives are not involved in the processing of other agricultural produce e.g., ginger, oranges and other fruits.

The National Marketing Authority (NMA) handles other commodities produced by cooperatives for processing and marketing. Cooperatives are not the share-holders in the NMA. Since the bulk of raw material is supplied by cooperatives it is *recommended* by the Consultation that this be made a cooperative joint venture between the government and producers. The Consultation further recommends that by the year 1995 the cooperative institutions should become

share-holders of the NMA. Same thing is also to be done with Rewa Rice, and Rewa Dairy Ltd., and may be FSC.

The Consultation *recommends* that the cooperatives are encouraged to undertake processing activities in some major sectors e.g., Copra, fruits, vegetables, dairy etc. Appropriate incentives should be provided to the Cooperatives for this purpose.

Consumer Sector

1. The consumer activity within the Cooperative Sector is still in its initial stages. There are no national level or secondary level consumer cooperatives exclusively retailing consumer goods or doing wholesale work. The entire activity is primary society based. There is need to organize procurement methods and undertaking bulk-buying. Cooperatives are not strong enough to deal with producers or wholesalers due to inadequate funds, guarantees and experienced managers. Also information on sources of bulk buying and market information is not yet available to the Consumer Cooperative Sector.

2. There is a need to organize Consumer sector to form an Apex Body. This body is to initiate discussion with Government as to how this sector can be serviced and to look at ways of possible joint venture with Government as importer/wholesale supplier. The same is to be exporter of local products overseas. This can be the National Marketing Authority.

3. The Consultation *recommends* that efforts be made to organize secondary level and apex level consumer cooperatives, and where existing, be strengthened.

4. It was *recommended* that an in-depth study be made of the Cooperative Sector of Fiji with a special reference to its functions and potentials with the assistance of the ICA ROAP Consumers' Cooperative Project, the Japanese Consumer Cooperative Movement and the Australian Association of Cooperatives.

5. The Consultation strongly *recommended* that urgent steps be taken for the training of managers of Consumer Cooperatives in management skills.

Financial Sector

The Consultation noted that quite a lot of surplus funds of cooperatives are lying idle in various banks on the accounts of cooperatives. This could be utilized in a more useful way for improving the financial base of cooperatives or employed in the business cooperatives. Some of the money could be invested in savings schemes of the government or of some financing institutions with some security.

The Consultation made the following recommendations in the financial sector for the benefit of the Movement:

1. A combined Trust Fund be created and operated to pool the surplus funds of cooperatives. It would help to mobilise all surplus funds into the Reserve Fund so that it can be re-invested in commercial ventures and in other securities of the government.
2. The Department and the Union design and launch a saving fund scheme for the members of cooperatives and cooperative institutions and a suitable relationship be developed with similar schemes as those of the Credit Unions.
3. Participate in Real Estate and purchase of company stocks and further wholesaling it to other cooperative societies at a no-profit basis (benefiting only from interests). It would greatly benefit Cooperative Movement in terms of raising the financial stability and liquidity position of investing cooperatives. This would also boost the confidence of banks and other financial-drawing sectors in the Cooperative Movement. The annual interest gained is to be distributed proportionately among the investing cooperatives.
4. Instituting and operating suitable insurance schemes for members and the assets of cooperatives. The cooperatives can also sell insurance policies, life or general, on a commission basis.
5. That a directory of agricultural and industrial products be produced indicating the quality and quantity of products available for marketing and be distributed widely in Australia and other neighbouring governments and cooperatives to promote international and national trade.
6. The Cooperative Union and the Department help the cooperative institutions to develop trading contacts with the Japanese Consumers' Cooperative Union and with other Western Movements (including Singapore) through the ICA Cooptrade Project/Network or directly to enhance coo-prade activities in Fiji.
7. The Department and the Cooperative Union identify Government export restrictions, if any, and overcome them to facilitate the international trade.
8. The Consultation recognized the full potential of the support and collaboration of the Australian Cooperative Movement in enhancing the financial base of the Fiji Cooperative Movement in various ways e.g., trade development.

V. General Recommendations

1. The Consultation recommends strongly that the Cooperative Union and the Department review closely funding situation of the Union. Revision and rationalizing of affiliation fee from affiliating societies to the Union was also mentioned as the most suitable method. Another possible source was the institution of Cooperative Education Fund from the Societies. The Government may also make some special Grants-in-Aid to the Union for specific projects, e.g., member education, women and youth programmes, Cooptrade contacts programmes etc.
2. The Consultation was of the view that all registered cooperatives should become members of the Fiji Cooperative Union as soon as possible.
3. The Consultation expressed its satisfaction over the purchase of a real estate by the Fiji Cooperative Union and hoped that this step would provide some security and continuity to the activities of the Union in the service of the Movement. The Consultation appreciated the positive role played by the Cooperative Minister and Mr. A.P. Sharma, Director/Registrar of Cooperatives, in this regard.
4. The Consultation strongly recommended that action on various recommendations of the Consultation should be initiated as soon as possible and efforts should be made to realize the time frame established by the Ministers' Conference in its Action Plan for the '90s. The Consultation noted that the next Regional Consultation will take place in Manila in November 1991; the next Cooperative Ministers' Conference in Indonesia in February 1992; and the ICA Congress in Japan in October 1992.
5. The National Consultation recommends to the Department of Cooperatives and the Fiji Cooperative Union Limited to constitute a small Monitoring Group to oversee and review the progress of implementation of the recommendations from time to time.
6. The Consultation placed on record the highest appreciation of the Government and the Cooperative Movement of Fiji of the positive support extended by the ICA ROAP and its Regional Adviser, Mr. Daman Prakash.
7. The Consultation was of the view that the ICA ROAP and the Australian Cooperative Movement help to organize a forum for the South-Pacific Cooperative Movements so that they participate in cooperative development process and take advantage of experience of each other.

8. The Consultation expressed its appreciation of and placed on record the positive collaboration and rapport that exists between the Department Director, Mr. A.P. Sharma, and Chairman of the Cooperative Union, Mr. K.B. Matalau, and hoped that the positive relationship continues to enable Cooperative Movement of Fiji to grow as a strong and self-reliant movement.

COUNTRY PAPER

Current Status of Movement and Government Cooperative Department-Fiji*

THE FIJI COOPERATIVE UNION

Introduction

The Fiji Cooperative Union Limited (FCUL) Fund was created under Regulation 33 of the Cooperative Societies Act (Chapter 250) in April 1973 when the Fund to the credit of the then Audit and Supervision Fund was transferred to the FCUL. The Fund is being held by the Registrar and is solely administered and used by him towards the purposes of the Fiji Cooperative Union Limited (FCUL). The FCUL is a non-trading apex of the Cooperative Movement in Fiji. Six hundred and Eighty Eight (688) out of a total of 1014 cooperative societies are affiliated to this apex body. The governing body of the FCUL, the Cooperative Union Council, consists of ten (10) members who are elected annually at the Annual General Meeting. The Chairman of the Fiji Cooperative Union Ltd., Mr. Kolinio B. Matalau had participated in the Cooperative Ministers' Conference held by the ICA in Sydney, February 1990.

The Fund's income is derived mainly from the Union Fees (Audit and Supervision Fees) levied annually on all cooperatives by the Registrar of Cooperatives. The Registrar fixes the amount of annual contribution to the Fund by every registered cooperative society which are called upon to contribute to the Fund. The law provides that the amount of every such annual levy be subject to a maximum of either ten (10) per cent on the annual profits of a registered societies or one (1) per cent of the working capital, but shall not, in any case, be less than F\$20.

The statement of accounts of FCUL Fund is subject to yearly audit by the Auditor-General.

Given below is the summary of audit fees and charges levied on cooperatives by the department and the collections realized as in June, 1990. The collected levies go to the Cooperative Union Fund.

* *Country Paper produced jointly by the Fiji Cooperative Union Limited and the Department of Cooperatives-Fiji.*

Summary of Union Fees 1990

Division	Levied Fees 90	Collected Fees 90
1. Central	F\$4745.00	F\$1595.00
2. Eastern	F\$5740.00	F\$4403.00
3. Northern	F\$4591.00	F\$3583.00
4. Western	F\$7533.00	F\$6765.00
Total (National)	F\$ 22,609.00	F\$ 16,346.00

Objectives of the Fiji Cooperative Union Ltd.

The primary objective of the FCUL is to utilize its funds, to render services to its affiliated member-cooperatives, particularly in the production of educational material on the philosophy and practice of cooperative activities, the supply of appropriate stationery to facilitate accounting records, as well as supplementing the cost of training courses conducted by the Cooperative Education and Training Division of the Department.

The Department of Cooperatives has a clearly stated policy of establishing an independent and self-reliant Cooperative Apex Organisation to eventually takeover the present role of government in terms of the promotion, establishment and development of cooperatives throughout the nation. The FCUL, as the Apex, is a vital component of the Cooperative Movement structure and needs to widen its scope and activities in the services of the Movement.

The FCUL is the official voice of the Cooperative Movement in Fiji and affiliated, in its own right to the International Cooperative Alliance (ICA), the ICA/FAO Regional Network for the development of Agricultural Cooperatives for Asia and the Pacific (NEDAC) and the ICA Consumer Committee for Asia and the Pacific.

Activities of the FCUL

1. The FCUL has been supporting the educational and training programmes for the Cooperative Movement officials and general membership by supplementing the cost of training courses held at the Cooperative Training Centre in Lami. It has also been the main source of supply for stationery used for cooperative accounting by various types of cooperatives throughout the country.
2. On March 15, 1991 the FCUL Council purchased a property in Suva for

F\$45,800 to set up its secretariat. Funds for the purchase have been provided by the affiliated cooperative societies. The setting up of the secretariat is considered to be a major step taken by FCUL towards self-reliance and independence in the Cooperative Movement in Fiji. In recognition of this initiative, the Government of Fiji has waived stamp duties of F\$916 on the transfer of the property from the vendor to the FCUL. This step is also aimed at providing strength and financial base to the Cooperative Union.

3. The FCUL, in collaboration with the Department of Cooperatives, organized and funded a one-day Consultation on April 24, 1991 of 31 cooperative leaders and government officials. The Consultation discussed a draft policy for the Cooperative Movement for the next 10 years and the recommendations of the Sydney Ministerial Conference held in 1990. The present status of the Cooperative Movement was also thoroughly reviewed with a view also to prepare for the July 1991 Follow-up Workshop.

Applicability of Sydney Conference Recommendations (Movement)

In regard to the role of Cooperative organisations at the national level as per the recommendations of the Sydney Conference (1990) the status is as follows:

Issue (8.1) : To evolve continuing dialogue between cooperatives and the government. **Status :** Such forum is in place, and the first round of Consultation was held on 24th April 1991.

Issue (8.2) : To Strengthen training and education of employees, members and leaders of primaries. **Status :** This is being addressed through education and training programmes by mobile units in the field as well as residential courses at the Cooperative Training Centre, Lami, Fiji.

Issue (8.3) : To represent problems of primaries to the government. **Status :** This is being done through a series of information papers to the government on different sectors of the Cooperative Movement in Fiji.

Issue (8.4) : To involve intelligentsia in the process of cooperative development. **Status :** This Issue will be seriously pursued with pioneers in the Cooperative Movement and former staff of the Department of Cooperatives as resource persons.

Issue (8.5) : To undertake supervision and auditing and provide guidance to the members. **Status :** These functions are currently undertaken by the Department of Cooperatives. However, the Department's Policy paper incorporates the transfer of these functions to the national apex organisation. This issue will also need legal support.

Issue (8.6) : To build accountability of elected management and office-bearers. **Status :** The Cooperative Societies Act (Cap. 250) is inadequate in this regard. This issue will need to be addressed during the review of the Act.

Issue (8.7) : To develop innovative approaches to face new socio-economic challenges. **Status :** This issue is being currently addressed.

Issue (8.8) : To organize orientation programmes for policy makers and senior government officers. **Status :** This is being done through consultations between the Cooperative Movement leaders and government officers as well as Seminars of senior officers of the Department of Cooperatives.

Issue (8.9) : To promote inter-cooperative trade within the country and at international level. **Status :** The primary cooperatives are already trading in agricultural produce with regional cooperative organisations which, in turn, provides consumer goods and services. The National Marketing Authority (NMA) a State-run organisation is also the major urban market for rural cooperatives. The garment and producer cooperatives are already trading in the international market. The recent affiliation of FCUL with Bangkok-based ICA/FAO regional Network for the Development of Agricultural Cooperatives for Asia and the Pacific (NEDAC) will greatly enhance this role in future.

Issue (8.10) : To project the achievements of cooperatives. **Status :** This is being done through the mass media and Cooperative Radio Programmes in Fijian and Hindustani Languages. Radio programmes are produced by the Cooperative Education centre of the Department. The Union also issues press releases, cooperative new features and articles to the print media.

Issue (8.11) : To develop strong links, unity and integration among the cooperatives both vertically and horizontally for building an effective performance-oriented cooperative system. **Status :** This is addressed in the proposed policy paper for the Cooperative Movement whereby existing and new cooperatives shall be encouraged to perform multipurpose role.

Issue (8.12) : To formulate and adopt a code of conduct for the office bearers/ board of directors to prevent the misuse of cooperatives. **Status :** The Cooperative Societies Act (Cap.250) is inadequate in this regard. This issue will need to be addressed during the review of the Act.

Issue (8.13) : To enhance and monitor, from time to time, the share of cooperatives in various sectors of the national economy. **Status :** The government is being sensitized, by information papers on various cooperative sectors, for the need to recognize potential of cooperatives' role in various sectors.

Issue (8.14) : To develop effective and adequate arrangements for conducting

on-going research in various aspects of cooperatives including government/cooperative relationship. **Status** : This is being carried out in a limited manner by the Consultancy and Development Unit of the Department of Cooperatives. As a long-term measure this function will be transferred to the Fiji Cooperative Union Limited.

DEPARTMENT OF COOPERATIVES-FIJI

Introduction

Cooperative development in Fiji began in 1947 when the Cooperative Act (Chapter 250) was passed in the then Legislative Council. A section was established with the Department of Agriculture and charged with the responsibility of promoting, establishing and supervising copra marketing cooperatives. As a result the marketing cooperatives evolved into dual functional units that concentrated on marketing as well as supplying consumer goods to the rural population. In 1955, the administration section of the Department of Agriculture was hived-off and set-up as the Department of Cooperatives. Over the years, the Department steadily grew in size and functions. From a total of 15 officers in 1958, it rose to a total of 110 officers and finally to 117 officers in 1991.

The Department of Cooperatives is currently placed under the Ministry of Primary Industries and Cooperatives. The Department is headed by a Director-cum-Registrar of Cooperatives.

Mr. A.P. Sharma, Director/Registrar of Cooperatives, Fiji had attended the Cooperative Ministers' Conference held by the ICA in Sydney in February 1990. The Minister of Primary Industries and Cooperatives of Fiji, Hon'ble V.S.J. Gonelevu had represented the Government and presented a country paper at the Conference.

During the '60s, with the localization of the more senior posts in the Department, the general concept regarding the purpose behind the establishment and growth of a Cooperative Movement underwent a gradual but inevitable change. The Cooperative system and its potential underwent an analysis in terms of development objectives functions and the result was that the strategy of diversifying the Movement to meet other rural needs and to provide other services was adopted. It was during this period that new types of cooperatives, such as savings and loans (thrift and credit cooperatives), were promoted and began to be established. In addition, there were some other types such as land settlement cooperatives and grazing and marketing cooperatives which were established to meet the needs of the rural people in different areas. The number and types of Cooperatives in Fiji as in June 1990 is shown in the table below:-

**Table showing number of Cooperative Societies
by Type and By Division, Fiji as in June 1990**

Type	Central	Eastern	Northern	Western	Total
Consumer	150	36	16	82	284
Producer/ Marketing	53	-	15	14	82
Consumer/ Marketing	24	170	122	18	334
Dairy	9	-	-	-	9
Fishing	6	1	-	1	8
Grazing	1	-	5	10	16
Land Purchase & Housing	17	2	7	44	70
Thrift & Credit	6	-	22	133	161
Miscellaneous Goods	3	-	-	3	6
Miscellaneous Services	30	9	-	5	44
Total	299	218	187	310	1,044

Policies and Objectives

The Department of Cooperatives is responsible for the formulation of policies pertaining to cooperative development, laying down of strategies for the promotion and establishment of cooperatives and the monitoring of their implementation. Cooperatives are a deliberate plan of the government to foster social and economic development of the people, especially for those who have limited resources and opportunities.

The Government of Fiji recognizes cooperatives as important instrument to encourage initiative, self-help and mutual assistance, of social cohesion and harmony, and to allow self-interest to be met by group action. It is also seen as an important channel for use in implementing the country's rural development programmes, thereby playing potential role in improving the lot of the rural people.

While the Cooperative Movement in Fiji is actively supported by the Government. The day-to-day operations of the Movement are in the hands of the cooperative societies. The Department of Cooperatives carries out its statutory functions relating to registration of societies, inspections of books of accounts, audit of accounts, settlement of disputes etc. The non-statutory functions include advisory services, research and education and training and, in particular, the planning of the growth of the Movement to meet national objectives.

The broad objectives of the Government for the Cooperative Sector are as follows:

- i) To diversify the activities of the Cooperative Movement into income-generating ones;
- ii) To provide marketing assistance to the unorganized sectors regarding primary produce and basic consumer goods;
- iii) To encourage the mobilization of the savings of the members of cooperative societies as a source of internal capital;
- iv) To train members in cooperative management, their obligations and rights, and business and commerce principles; and
- v) To strengthen and unify the cooperative system towards self-sufficiency.

Benefits derived by the Cooperative Movement from Government Assistance

Some of the Government assistance given to the Cooperative Movement is enumerated below:

- i) Audit and Supervision, and advisory consultancy services provided to all registered societies by Department Extension Officers for a small fee payable to FCUL Fund;
- ii) Income Tax exemption to all cooperatives for eight years from the date of registration;
- iii) Stamp duty exemptions by the Minister for Cooperative on transfer of properties acquired in the name of Cooperatives;
- iv) Annual Budgetary allocations by the Government to the Department of Cooperatives for fostering the Cooperative Movement; and
- v) Soft loans to Consumer and Marketing Cooperatives at 1% interest rate per annum to supplement their working capital.

Applicability of Sydney Conference Recommendations (Government)

In regard to the Government's Support to the Cooperative Movement, the status is as follows:

Issue (3.1) : Incorporation of the role and importance of cooperatives in the Constitution of the respective countries. **Status :** The Government of Fiji recognizes the importance of Cooperatives. In cognizance of this the Government has the Ministry of Primary Industries and Cooperatives to oversee the cooperative development in Fiji.

Issue (3.2) : Formulation of a national policy in consultation with cooperative. **Status :** This exercise is being carried out and a new national policy will be announced soon.

Issue (3.3) : Creation/building of environment for cooperatives to play their full role. **Status :** This is being addressed in collaboration with FCUL and Cooperative Movement leaders.

Issue (3.4) : Extending support in building a self-reliant and strong cooperatives sector to supplement the public and private sectors. **Status :** This issue is incorporated in the draft national policy paper of the Department of Cooperatives.

Issue (3.5) : Enactment of progressive cooperative law in conformity with Cooperative Principles. **Status :** This issue has been recognized by all concerned and will be vigorously pursued by appropriate means.

Issue (3.6) : Taking steps for de-officialisation and de-politicisation of Cooperatives. **Status :** This issue is currently being recognized by the Cooperative Movement as it forms part of a Cooperative Principle whereby political neutrality in cooperatives is enhanced.

Issue (3.7) : Assisting cooperatives to generate and build their resources. **Status :** This is the current policy and is also incorporated in the proposed Cooperative Development Policy Paper.

Issue (3.8) : Assisting cooperatives to build their professional management personnel. **Status :** This approach is already in place and is constantly carried out via the education & training programmes of the Department of Cooperatives.

Issue (3.9) : Transfer of functions of audit, inspection, supervision and responsibility for elections etc. to cooperatives. **Status :** This is incorporated in the National Cooperative Development Policy of the Cooperative Movement. However, the issue of elections of cooperative society officials is entirely in the hands of the cooperatives.

Issue (3.10) : Promotion of cooperative values/spirit. **Status :** This is currently being undertaken.

Issue (3.11) : Encouraging development of dedicated cooperative leadership from within the movement and giving public recognition to distinguished/dedicated cooperators by conferring appropriate national distinctions and awards for their contributions towards cooperative development. **Status :** This has been done in the recent past and shall be recommenced during the next national Cooperative Movement Congress planned for 1992.

Issue (3.12) : Strengthening of cooperatives as a system by establishing integrated inter-cooperative linkages. **Status :** The strategies for this have been incorporated in the proposed National Cooperative Development Plan. However, the Thrift and Credit Sector has already adopted this structure.

Issue (3.13) : Promotion of democratic participation of members in decision-making. **Status :** This is being done in all the Cooperatives.

Issue (3.14) : Supporting cooperative education and training. **Status :** Cooperative education and training is recognized by Government as a vital component of cooperative development in Fiji. The Government allocates sufficient funds through the department to carry out education and training activities.

Issue (3.15) : Supporting the involvement of cooperatives in community development. **Status :** This is being recognized and carried out in all the cooperatives.

Issue (3.16) : Providing or arranging financial assistance to cooperatives in the form of soft loans/guarantees, grants and subsidies, tax exemptions etc. in a manner as would not infringe upon the autonomy of Cooperatives. Financial aid to cooperatives should be given to the maximum possible extent indirectly and through their federal institutions so as to prevent formation of pseudo cooperatives and abuses. **Status :** Some of the financial arrangements already available for cooperatives are mentioned as follows:

- i) Soft loans at 1% interest p.a. to consumer/marketing cooperatives.
- ii) Eight year tax exemption to all cooperatives from date of registration;
- iii) The Extension Division of the Department facilitates borrowing for cooperatives from lending institutions which is subject to Ministerial consent.
- iv) The Minister for Cooperatives also considers stamp duty exemptions for cooperatives on transfer of acquired assets. These exemptions have been readily granted.

Issue (3.17) : Regarding cooperatives as community institutions and consulting them on matters involving them e.g., fixing the prices of agricultural commodi-

ties, manufacture of consumer goods and measures for consumer protection as well as giving due weightage to their views. **Status** : This issue is very much under consideration. However, this matter will need legal support and will be addressed in the review of the Cooperative Societies Act.

Issue (3.18) : Involving cooperatives in planning from village upwards for achieving a more realistic and committed planning. **Status** : This issue is being currently addressed.

Issue (3.19) : Discontinuation of the practice of ex-officio holding of elective offices by government officers. **Status** : This practice has been discontinued so as to give greater autonomy to the cooperatives. At present no government officials hold any elective positions within the Movement. Such a situation is no longer encouraged by the Government.

Issue (3.20) : Instead of dissolving the entire board for any irregularities, erring individual members of the board of directors/office-bearers should be brought to book. In the event of inevitability of removal of board, the management should be entrusted to the concerned federal organisation. **Status** : This issue is under consideration and will need legal support which will be addressed during the review of the Cooperative Societies Act.

Issue (3.21) : Encouraging and assisting cooperatives to develop their own key/top management personnel instead of seconding government officers. **Status** : This practice is currently being followed .

Issue (3.22) : Introducing curricula on Cooperation in general education courses in schools, colleges and universities. **Status** : This issue is fully supported and will be pursued with the Ministry of Education.

Issue (3.23) : Ensuring that competition between the public sector and cooperative enterprises is avoided. The working of public sector enterprises should be as such as would strengthen the cooperatives. **Status** : This issue entails major policy decision and will be looked at with all concerned.

Action Taken on Various Recommendations

The following actions have been taken on various recommendations of the Sydney Conference :

1. Recommendations have been discussed jointly by the representatives of the cooperative organisations, the national apex (FCUL) and the Department of Cooperatives at a one-day Consultation on April 24, 1991. The Consultation culminated into the preparation of a draft National Policy Paper and a communique. These papers will again be discussed and finalised at the forthcoming national Workshop/Consultation to be held

by the Department and the Union from 17-19 July, 1991 in Suva, in collaboration with the ICA ROAP.

2. The Recommendations have been translated in Fijian and Hindi and circulated among cooperative representatives and also given wide publicity in the news-media. These Recommendations and the current status of each will be discussed at the forthcoming national Workshop/Consultation in July, 1991.

International Support Required

International support on the following issues will be required :

1. Technical experts for the review of country's Cooperative Societies Act. The Legislation has not been reviewed since its inception in 1947.
2. International study visits for Cooperative Movement Leaders to observe some successful cooperatives in the consumer/marketing sector, agro-processing and cooperative banking.
3. Support for the strengthening of the apex body (FCUL) in terms of equipping the new secretariat acquired recently.
4. There is a great need for enhancing a closer interaction and collaboration on cooperative matters within the South Pacific Region.
5. The Cooperative Movement of Fiji would be willing to participate in the technical assistance projects of the ICA ROAP and those of Australian Association of Cooperatives as and when feasible and possible.

Programme

Wednesday, 17th July

- 0800-0900 Registration
- 0900 Fijian ceremonies of welcome
- 0930 Keynote address by Minister for Lands and Mineral Resources, Hon. Ratu William Tonganivelu.
- 1000 Refreshments
- 1030 Working Methods and Procedures of National Consultation.
- Mr. Kolinio B. Matalau/Mr. A.P. Sharma/Mr. Daman Prakash.
- 1130 Review of Singapore Consultation & Sydney Ministerial Conference Recommendations.
- Mr. Daman Prakash
- 1300 Lunch Break
- 1400 Presentation of International Cooperative Alliance (ICA) Background Paper on Sydney Conference Follow-up Activities.
- Mr. Daman Prakash
- 1530 Refreshments
- 1600 Review of Cooperative Activities in Fiji up to 1990
- Mr. A.P. Sharma/ Mr. Simione Naiduki
- 1700 Open Discussion
- 1730-1930 Fellowship

Thursday, 18th July

- 0800 Presentation of Joint National Situation Paper of the Cooperative Movement and of the Government.
- Mr. A.P. Sharma/Mr. Kolinio B. Matalau

- 1000 Refreshments
- 1030 Composition of working groups and briefing on working methods to be adopted.
- Mr. A.P. Sharma
 - Mr. K.B. Matalau
 - Mr. Daman Prakash
 - Mr. Derek Heelan
- Working Groups**
1. Cooperative Legislation
 2. Cooperative Management
 3. Cooperative Education, Training & Extension
 4. Cooperative Trade
- 1300 Lunch Break
- 1400 Working Groups in session
- 1600 Meeting of the Minister for Primary Industries and Cooperatives, Hon. V.S.J.Gonelevu with Resource Persons and Participants.
- 1630 End of day's activities

Friday, 19th July

- 0800 Plenary session to receive Group Reports.
- 1000 Refreshments
- 1030 Group Reports presentation (contd.)
- 1300 Lunch Break
- 1400 Adoption of the National Report and Recommendations of the National Consultation.
- 1600 Refreshments
- 1630 Closing Session
- 1800-2000 Fellowship

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7. **Aminiasi Neiti**
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The International Cooperative Alliance is one of the oldest non-governmental international organisations. It is a worldwide confederation of cooperative organisations of all types. Founded in London on 18th August 1895, the ICA has affiliates in 77 countries with 195 national and ten international level cooperative organisations as members serving over 648 million individual members at the primary level. The ICA is the only international organisation entirely and exclusively dedicated to the promotion of Cooperation in all parts of the world. The ICA holds Consultative Status of Category-I in the United Nations Economic and Social Council (UN/ECOSOC).

Besides the head office in Geneva, Switzerland, there are four regional offices viz. the Regional Office for Asia and the Pacific in New Delhi, India (established in 1960); the Regional Office for East, Central and Southern Africa at Moshi, Tanzania (established in 1968); the Regional Office for West Africa at Abidjan, Ivory Coast (established in 1979) and the Regional Office for Central America and the Caribbeans at San Jose, Costa Rica (established in 1989).

The ICA Regional Office for Asia and the Pacific (ICA ROAP) serves 54 national level organisations from 19 countries, representing nearly 440 million individual cooperators. These countries are : Afghanistan, Australia, Bangladesh, China, Fiji, India, Indonesia, Iran, Japan, Democratic Republic of Korea, Republic of Korea, Malaysia, Pakistan, Philippines, Singapore, Sri Lanka, Thailand, USSR and Vietnam.

Main activities of the ROAP include coordination of cooperative development efforts within the region and promotion of exchanges and experiences; project identification, formulation and evaluation; promotion of establishment and development of national cooperative apex organisations; and organisation of seminars and conferences on specific subjects including support for programmes aiming at the involvement of women and youth in cooperative activities.

Finances are derived from member subscriptions, own funds and assistance from donors for various activities carried out by the ICA.

