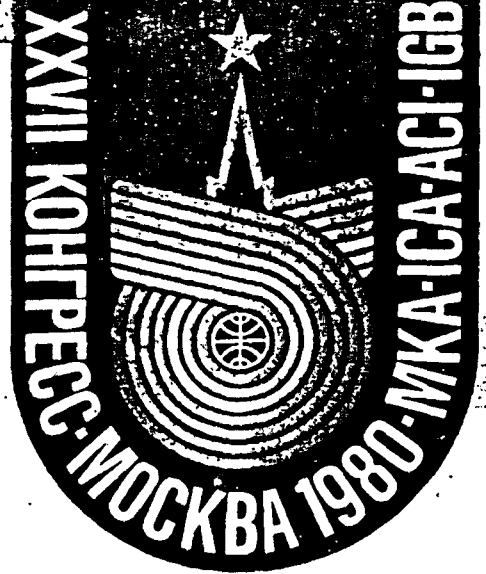


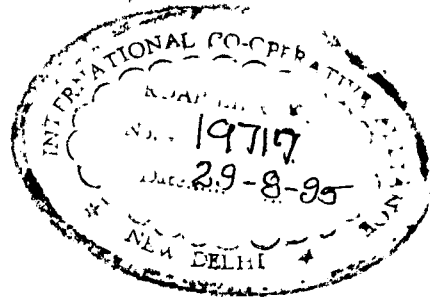
S. M. DUCPUZ (ICA)

ICA

International Co-operative Alliance
XXVII Congress Moscow
13-16 October 1980



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INTERNATIONAL CO-OPERATIVE ALLIANCE • AGENDA AND REPORTS • XXVII CONGRESS • MOSCOW, 13-16 OCTOBER 1980

Agenda and Reports



International Co-operative Alliance

11 Upper Grosvenor Street, London W1X 9PA, U.K.



Twenty-Seventh Congress

Moscow (USSR)

13th October — 16 October 1980

Agenda and Reports

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*(A co-operative co-partnership organisation
in membership of the ICA)*

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Acronyms used in the Papers

ACOSCA	African Co-operative Savings and Credit Association
ADC	Agricultural Development Council (USA)
AECI	Association of European Co-operative Insurers
AGITCOOP	Advisory Group for International Training of Co-operators (ICA)
AID	Agency for International Development (USA)
ALCECOOP	Latin American Association of Co-operative Education Centres
AMSAC	Appropriate Management Systems for Agricultural Co-operatives
ASEAN	Association of South-East Asian Nations

BICS	International Bureau for School Co-operation
BITS	International Bureau for Social Tourism
CARE	Co-operative for American Relief Everywhere (USA)
CDD	Co-operative Development Decade (ICA)
CEMAS	Co-operative Education Materials Advisory Service (ICA)
CEPO	Co-operative Education and Publicity Officer (E. Africa)
CET	Co-operative Education Techniques (forerunner of CEMAS)
CETCO	Co-operative Education and Training Consultancy Organisation (ICA RO for E. & C. Africa)
CIDA	Canadian International Development Agency
CIFT	UN Committee on Invisibles and Financing related to Trade
CIRIEC	International Centre for Research and Information on Public and Co-operative Economy
COLAC	Confederation of Credit Unions of Latin America and the Caribbean
COMECON	Council for Mutual Economic Assistance (USSR and other socialist countries)
COPAC	Committee for the Promotion of Aid to Co-operatives
EAN	European Article Numbering Code
ECA	UN Economic Commission for Africa
ECAFE	UN Economic Commission for Asia and the Far East (became ESCAP)
ECE	UN Economic Commission for Europe
EEC	European Economic Community
ESC	Economic Sub-Committee (of the ICA Agricultural Committee)
FSCAP	UN Economic and Social Commission for Asia and the Pacific
FABUSCOM	Finance and Budgets Sub-Committee (ICA)
FAO	UN Food and Agriculture Organisation
GATT	UN General Agreement on Tariffs and Trade
GNP	Gross national product
ICFTU	International Confederation of Free Trade Unions
ICHDA	International Co-operative Housing Development Association
ICIF	International Co-operative Insurance Federation
ICPA	International Co-operative Petroleum Association
ICRB	International Co-operative Reinsurance Bureau
ICTC	International co-operative training centre
ICTO	International Co-operative Trading Organisation
IDB	Insurance Development Bureau (of the ICIF)
IFAP	International Federation of Agricultural Producers
IFPAAW	International Federation of Plantation, Agricultural and Allied Workers
IFPTO	International Federation of Popular Travel Organisations
ILC	International Liaison Committee for Co-operative Thrift and Credit
ILO	UN International Labour Office
INGO	International non-governmental organisation
INTERCOOP	International Organisation for Co-operative Consumer Distributive Trades

IPPF	International Planned Parenthood Federation
ISO	International Organisation for Standardisation
LATICI	Latin American Technical Institute for Co-operative Integration
MATCOM	Material and Techniques for Co-operative Management Training (ILO)
NEO	New Economic Order
NGO	Non-governmental organisation
NORAD	Norwegian Agency for Development
NRECA	National Rural Electrification Co-operative Association (USA)
OCA	Organisation of the Co-operatives of America (Latin America)
ODA	Overseas Development Administration (UK)
OECD	Organisation for Economic Co-operation and Development (EEC)
OPEC	Organisation of Petroleum Exporting Countries
OXFAM	Oxford Committee for Famine Relief (UK)
RTI	Royal Tropical Institute (Netherlands)
SCC	Swedish Co-operative Centre
SEASPECT	South-East Asian Specialist Group on Co-operative Training
SIDA	Swedish International Development Authority
UNCDF	UN Capital Development Fund
UNCHBP	UN Centre for Housing, Building and Planning
UNCTAD	UN Conference for Trade and Development
UNDP	UN Development Programme
UNEP	UN Environment Programme
UNESCO	UN Educational, Scientific and Cultural Organisation
UNHHSF	UN Habitat and Human Settlement Foundation
UNIDO	UN Industrial Development Organisation
USDA	United States Department of Agriculture (USA)
WOCCU	World Council of Credit Unions

Committees of the ICA

President: R. Kerinec

Director: S. K. Saxena

Vice-Presidents: P. Søliland, A. P. Klimov (deceased 1979), A. A. Smirnov (from Sept. 1979)

Members of the Executive:

G. M. Anderson (USA), Y. Daneau (Canada), S. Fujita (Japan), N. Hämäläinen (Finland), J. Kaminski (Poland), R. Kerinec (France), R. Kohler (Switzerland), V. Magnani (Italy), J. J. Musundi (Kenya), O. Paulig (Federal Republic of Germany), A. E. Rauter (Austria), A. A. Smirnov (USSR) (from September 1979), P. Søliland (Norway), N. Thedin (Sweden), H. W. Whitehead (UK)

Members of the Central Committee:

Argentina	E. F. Camuna, L. A. Carello, D. Cracogna, A. Monin, L. Schujman, A. Vainstok
Australia	I. H. Hunter
Austria	F. Haberl, H. Kleiss, A. E. Rauter, H. Zeithofer
Bangladesh	Ali Hossain
Belgium	M. Barchy, M. Becquevoort, A. Devogel, J. Forest, K. Janssen, H. Lemaire, R. Ramaekers
Botswana	No representative
Bulgaria	Mrs V. Gueorguieva, I. Pramov, S. Sulemesov
Canada	W. G. Barker, Y. Daneau, L.-G. Gervais, K. F. Harding, M. J. Legère, D. Lockwood, J.-M. Ouellet, R. Pigeon, Mrs P. Prowse, B. Thordarson
Chile	M. L. Amunategui
Colombia	F. L. Jimenez
Cyprus	R. Clerides, M. Eshref
Czechoslovakia	B. Biroš, P. Kalis, R. Leska, M. Marik, R. Novak, P. Tonhauzer, F. Vychodil
Denmark	G. S. Andersen, P. N. Andersen, G. Christensen, E. Hansen, G.-B. Hansen, P. E. Jakobsen, H. H. Nielsen, J. M. Thygesen
Egypt	K. H. A. Kheir
Fiji	L. Qarase
Finland	N. Hämäläinen, P. V. Heinrichs, L. Kivi, V. Luukka, E. Pesonen, E. Ranne, E. Salovaara, E. Särkkä, K. Sauvala, J. Syrjänen
France	A. Antoni, Th. Braun, R. Bricout, R. Darnault, R. Deroubaix, R. Kerinec, J. Lacroix, J. Leclercq, J. Moreau, R. Raimbault, J. Regimbeau
The Gambia	A. M. K. Bojang
German Democratic Republic	G. Beyer, H. Fahrenkrog, M. Fruhner, J. Künzel, H. Putzier, R. Rath, H. Schmidt, W. Seibt, G. Thiele, W. Wolf
Federal Republic of Germany	W. Ambrosius, E. Betzler, A. Bussmann, W. Croll, D. Hoffman, R. Hollmann, B. Otto, O. Paulig, W. Schulz, H.-J. Wick
Ghana	O. B. Amponsem III, J. M. Appiah
Greece	E. Chronopoulos, N. Kolymvas
Haiti	F. Denis
Hungary	B. Czibalmos, Mrs J. Nagy, J. Pal, L. Rev, I. Rosta, I. Szabo, I. Szlamenicky, A. Varadi

Iceland.....	E. Einarsson
India.....	B. K. Bhatt, E. C. Nair, T. Singh, R. G. Tiwari, B. S. Vishwanathan
Indonesia.....	No representative
Iran.....	G. Arami, H. Motameni
Iraq.....	A. Al-Rahmani, K. Abed-Aljabar Shredia
Irish Republic.....	B. O'Cearbhaill
Israel.....	M. Bancover, J. Kaspi, A. Kritschmann, I. Landesman, B. Weissman
Italy.....	R. Ascari-Raccagni, E. Badioli, W. Briganti, R. Costanzo, U. Dragone, V. Magnani, L. Malfettani, O. Prandini, I. Santoro, L. Visani
Ivory Coast.....	N. Oka
Jamaica.....	J. Kirlew
Japan.....	S. Eto, S. Fujita, S. Ishikawa, M. Kita, M. Kunii, O. Morimoto, S. Nakabayashi, J. Nasu, Y. Ogushi, K. Oikawa
Jordan.....	H. S. Nabulsi
Kenya.....	J. J. Musundi
Korea.....	B. C. Choi, J. M. Hong, D. H. Joh, D. Y. Rhee
Malaysia.....	A. S. Ananthan, U. A. Aziz, A. R. Haran, N. A. Kularajah, R. Mathimugan, K. R. Somasundram
Mauritius.....	P. Mauremootoo
Morocco.....	M. Nouri
The Netherlands.....	No representative
Nigeria.....	Chief J. E. Babatola, H. N. Osakwe
Norway.....	J. Benum, E. Gjeldokk, R. Løcken, K. Moe, Miss L. Ovesen, O. R. Sandberg, P. Sjøiland, J. M. Sørgaard
Pakistan.....	I. U. H. Piracua
Peru.....	A. G. Lopez, J. N. Vento
The Philippines.....	B. P. Faustino, A. Kilayko, E. T. Malinis
Poland.....	K. Boczar, T. Janczyk, T. Kalinski, J. Kanonski, S. Kociolek, S. Kukuryka, Mrs J. Lokkaj, A. Pasko, J. Sobieszczanski, G. Sztwiertnia
Portugal.....	F. Ferreira da Costa
Puerto Rico.....	A. L. Reyes
Romania.....	G. Cazan, I. Chirilescu, I. Cotot, B. Cseresnyes, C. Dascalescu, G. Rosu, I. Smedescu
Singapore.....	No representative
Somalia.....	W. A. Ali
Sri Lanka.....	No representative
Sweden.....	H. Alsen, O. Andersson, K. Back, H. Dahlberg, R. Hultberg, G. Kuylenstjerna, S. Kypengren, L. Marcus, K. E. Persson, N. Thedin
Switzerland.....	W. Bleile, E. Haari, W. Kellerhals, R. Kohler, R. Leuenberger, H. R. Müller, H. Thuli
Tanzania.....	D. M. Macheмба
Thailand.....	S. Cholpraserd
Turkey.....	A. Altun, M. H. Ilbaş, S. Kärä
Uganda.....	No representative
United Kingdom.....	Mrs G. Bunn, C. McKone, G. B. Miller, J. Peck, J. H. Perrow, Sir A. Sugden, T. E. Turvey, H. W. Whitehead, D. L. Wilkinson
Uruguay.....	S. Irureta

USA.....	G. M. Anderson, R. Beasley, Mrs B. Deverick, R. Eller, D. Jeffers, G. Lachapelle, F. L. Lair, R. Morrow, S. Sampson, H. Sigelbaum
USSR.....	M. M. Denisov, M. D. Hasanov, A. Jankauskas, F. D. Kolesnik, A. I. Krasheninnikov, Mrs S. Petruschchenkova, A. A. Smirnov, H. Supotnitski, K. Terech
Yugoslavia.....	S. Milenkovic
Zambia.....	No representative

International:

A. A. Issa, International Cooperative Petroleum Association
W. McCann, International Cooperative Petroleum Association
R. Volkers, Nordisk Andelsförbund
M. R. Domper, Organisation of the Cooperatives of America
D. Grethe, International Cooperative Bank
K. E. Vogelsang, International Cooperative Bank
W. J. Campbell, International Cooperative Housing Development Association
J. C. Basanes, SIDEFCOOP
A. A. Bailey, World Council of Credit Unions
I. D. Alphonse, World Council of Credit Unions
Mrs U. Jonsdotter, ICA Women's Auxiliary Committee

Past Congresses

1. London	1895	14. London	1934
2. Paris.....	1896	15. Paris.....	1937
3. Delft.....	1897	16. Zurich	1946
4. Paris.....	1900	17. Prague.....	1948
5. Manchester	1902	18. Copenhagen	1951
6. Budapest	1904	19. Paris.....	1954
7. Cremona	1907	20. Stockholm.....	1957
8. Hamburg.....	1910	21. Lausanne.....	1960
9. Glasgow.....	1913	22. Bournemouth	1963
10. Basle.....	1921	23. Vienna	1966
11. Ghent.....	1924	24. Hamburg.....	1969
12. Stockholm.....	1927	25. Warsaw	1972
13. Vienna	1930	26. Paris	1976

The 27th Congress in Moscow

takes place under the auspices of

Centrosoyus

the Central organisation of the Co-operative movement in the USSR

which the Alliance and its members wish to thank

for the arrangements made

for their reception and entertainment.

The Congress Office

HOTEL COSMOS

Prospect Mira 150, Moscow

The Congress Office will be open in the Hotel Cosmos for the presentation of Delegates' Credentials, the issue of visitors' cards and general information to delegates as follows:

Monday, 6th October	09.00–18.00
Tuesday, 7th October	09.00–18.00
Wednesday, 8th October	09.00–18.00
Thursday, 9th October	09.00–18.00
Friday, 10th October	09.00–18.00
Saturday, 11th October	09.00–18.00
Sunday, 12th October	09.00–18.00
Monday, 13th October	09.00–18.00
Tuesday, 14th October	09.00–18.00
Wednesday, 15th October	09.00–18.00

Delegates should present their credentials personally at the Registration Office as soon as possible after arrival in Moscow, and well before the opening day of Congress.

Address of Centrosoyus: B. Cherkassky pereulok 15, 103626 Moscow, USSR.
tel 295-79-80, telex 411127.

Order of Proceedings

CONGRESS SESSIONS

Monday 13th October	10.30 – 13.30
	15.30 – 18.00
Tuesday 14th October	} 09.00 – 12.00
Wednesday 15th October	
Thursday 16th October		14.00 – 17.30

MONDAY 13th OCTOBER 1980

10.30 OPENING OF CONGRESS

Welcome on behalf of the Government of the USSR
Welcome on behalf of the Cooperative Movement of the USSR
Reply and Inaugural Address by the President
Introduction of Fraternal Observers
International Greetings
Appointment of Congress Committee
Appointment of Congress Tellers
Paper 1: Report of the Central Committee on the work of the ICA 1976-1980
Central Committee Motion on "Collaboration between Co-operatives"

TUESDAY 14th OCTOBER 1980

Paper 2: Report on the Co-operative Development Decade 1971-1980
Central Committee Motion on Technical Assistance to the Third World
Motions from Member Organisations Relating to Technical Assistance
Confirmation of the List of Central Committee Members for the Period 1980-1984.

WEDNESDAY 15th OCTOBER 1980

Paper 3: "Co-operatives in the Year 2000" – a special report prepared by A. F. Laidlaw
Central Committee Motion on "Co-operatives in the Year 2000"

THURSDAY 16th OCTOBER 1980

Central Committee Motions
Amendments to the Rules of the ICA
Motions from Member Organisations
Report of the Congress Committee
Votes of Thanks
Date and Place of 28th Congress

NOTE: The above Agenda is subject to modifications that may become necessary with regard to timetable, and also the addition of motions or amendments which may be received in accordance with the Rules of the ICA and Standing Orders of the Congress.

Standing Orders

Governing the Procedure of Congress

The Congress Sessions

1. Provision shall be made for the proceedings of the Congress to extend over four full days of two Sessions each.
2. No Auxiliary Conference shall take place during the sittings of the Congress, and all social functions, excursions, or visits during the periods allocated for the Sessions of the Congress, or which would in any way hinder the work of the Congress, shall be strictly eliminated.
3. The President of the ICA is responsible for conducting the business of the Congress, assisted by the members of the Congress Committee, in so far as they are called upon by the President to do so.
4. A time-table shall be prepared for the discussion of each subject which shall be strictly adhered to, subject only to such modifications as the Congress Committee may find necessary for the admission of emergency resolutions under Article 24 b.

Official Languages

5. The business of the Congress shall be carried on in such of the Official languages—English, French, German, Russian and Spanish—as the Central Committee shall decide. Any delegate who is unable to express himself in one of the official languages of the ICA may be accompanied by an interpreter approved by the ICA, who shall interpret from the native language of the delegate into one of the official languages; interpretation into the other languages in use at the Congress shall be made by the official interpreters.

The names of personal interpreters must be forwarded to the Director of the ICA at least two weeks before the date of the Congress. Whenever possible the personal interpreter shall be included in the number of the official representatives of the Organisation concerned.

6. No delegate, except the President in the chair, shall be permitted to deliver his speech in more than one language.
7. All printed matter relating to the Congress shall be issued in the official languages in use at the Congress. Each delegate shall be entitled to one set of documents in the official language of his or her choice.

Order of Debate

8. Delegates desiring to speak on any subject must hand in their names in writing. As a rule they will be called upon in the order in which their names are received, but in the discussion of definite motions the President may call upon supporters or opponents of the motion to speak alternately.
9. Each delegate who rises to speak must address the President and direct his speech to the motion or question under discussion or to a question of order.
10. Each speaker shall be allowed five minutes, except the mover of a motion or amendment or the mover of a paper, and no delegate shall be allowed to speak more than once on any one subject except the mover of a motion or amendment or of a paper.
11. The mover of a motion shall be allowed ten minutes for his speech and five minutes in which to reply to the discussion before the motion or amendment is put to the vote. Such reply must be strictly limited to points raised in the discussion. The mover of an amendment shall be allowed ten minutes for his speech, but has no right of reply unless the amendment is carried and becomes the substantive motion.
12. Any speaker may be accorded an additional five minutes by the decision of the Congress, the question being put without discussion.

13. The mover of a paper shall not be subject to a fixed time limit in presenting his paper but, if the time-table demands, a time may be fixed by the President. The mover shall have fifteen minutes in which to reply to the discussion on his paper.

14. When more than one motion or amendment is submitted for discussion on any item of the Agenda (except motions of procedure and formal matters) they shall be referred to the Congress Committee, which shall endeavour to prepare an agreed text. Exceptionally, an amendment proposed in the course of the discussion may, at the discretion of the President and with the approval of Congress, be considered by Congress. If an amendment is so accepted by Congress for consideration the President has discretion to deal with it immediately or to refer it to the Congress Committee.

15. In the preparation of any agreed text under Standing Order 14 above, the mover of any motion or amendment shall have the right to attend the meeting of the Congress Committee to support his motion or amendment.

16. The discussion on any question may be closed by a motion "that the question be now put". Such motion must be moved formally and may only be moved by a delegate who has not spoken on the question under discussion. If the motion for the closure is seconded, the President shall put it to the vote. If the motion is accepted the mover of the original motion or amendment shall have the right to reply before the vote is taken. If the motion for the closure is rejected the mover of the closure motion shall have no further right to speak on the question under discussion.

17. Fraternal Delegates and Guests may, with the consent of the Congress Committee, address the Congress on any subject under discussion but may not vote.

Voting

18. All motions and amendments shall be decided by a show of delegates' attendance cards, unless a card vote is required to be taken by the Congress Committee, or on the written request of five member Organisations or on the demand of 50 delegates.

19. Organisations which are entitled to more than one vote may entrust their votes to a single delegate, provided, however, that no one delegate shall use more than ten votes.

20. The President shall have only one vote. In the case of an equality of votes being cast on any question the President shall declare the proposition "Not carried".

21. Cards shall be provided for use in all cases in which a demand for a card vote is made under Standing Order Number 18.

22. The voting shall be certified by the Director under the supervision of the Congress Committee.

23. Such number of tellers as may be required shall be appointed by the Congress at its first sitting.

24. Personal explanations are only admissible at the end of a debate and after the voting has taken place.

Emergency Appointments

25. Any delegate whose appointment has not been previously notified shall only be admitted by handing in to the Congress Committee satisfactory evidence of his or her appointment.

Suspension of Standing Orders

26. No motion to suspend a Standing Order shall be accepted unless notice in writing has been given to the Director by not less than 20 delegates stating the reason for the motion. The motion to suspend Standing Orders shall be put to the vote after it has been moved and formally seconded, and not more than one speech made in opposition. A card vote must be taken on the motion to suspend Standing Orders and approved by a three-fourths majority. If defeated, no second motion can be permitted for the same purpose.

Paper No. 1

**Report of the Central Committee
on the Work of the
International Co-operative Alliance
1976-1980**

Introduced by:
Dr. S. K. Saxena
Director ICA

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Paper No. 1

Report of The Central Committee on the Work of the International Co-operative Alliance 1976-1980

1. Introduction

1.1 General

This Report of the ICA's work summarises the major activities of the Alliance since the 26th Congress in 1976 in Paris. It deals with work directed from the Secretariat in line with policies approved by the Authorities of the Alliance, including work carried out through the Regional Offices. It does not deal with the work of our member organisations, except in so far as such work is carried out in conjunction with the ICA in particular projects or where funding has been provided from member organisations. It is acknowledged that an immense amount of work is carried out by the members of the Alliance, which impinges on ICA work both in developed and developing countries. Members are of course more intimately concerned with the running of their own organisations, particularly those organisations concerned with trading activities, where they have to ensure that they provide an efficient, economic service to their members whilst at the same time maintaining the Co-operative Principles which inspire all our work. At a time when economic trends throughout the world are having an effect on co-operative economic activities, the emphasis on economic efficiency must be paramount. Appreciation is therefore expressed to the many member organisations who contribute generously both in terms of the provision of finance and of resource persons for the ICA's activities.

1.2 ICA Finances

One of the main concerns in the Alliance since the last Congress has been the provision of adequate financial resources for the ICA. This concern stemmed from the discussion on the Programme of Work which was adopted at the Paris Congress, when it became clear that if this Programme was to be carried out, additional funds must be provided. An Ad Hoc Committee on Finance was set up to examine all aspects of the ICA's resources and its expenditure. The final report of this Committee was discussed at the Central Committee Meeting in September 1978 in Copenhagen (Denmark), resulting in the application of a new formula from 1st January 1979. This matter is dealt with further under Paragraph 7.

1.3 Work Programme

The Work Programme has not been fully implemented because of the lack of resources, but as far as possible, suggestions in the Work Programme have been carried forward within the normal activities of the Alliance. Due to the need for stringent economies, it is unavoidable that there will be some lack of momentum in the ICA's activities for the next two or three years. Cutbacks have become necessary, both at the Headquarters and at the Regional Offices.

1.4 ICA and the United Nations

Since the Paris Congress, a number of major events can be highlighted, and it can be stated that the ICA's reputation in United Nations circles stands extremely high. Notable mention should be made of the fact that the ICA was one of the few International Non-Governmental Organisations to be given the floor at the UN

Special Session on Disarmament, and the President addressed the Session on the work and contribution of the Alliance in this important field. Relations with UNIDO have become closer, and the pattern has been set for a working relationship with this organisation. On more than one occasion, the Director has been able to have discussions with leading officials of the UN and its Agencies, including the Secretary General, which have all helped to emphasise the role of the ICA as an International Non-Governmental Organisation capable of helping to implement UN policies and especially the recommendations passed by the Economic and Social Council concerning co-operatives. The adoption by the UN General Assembly at its Session in November 1976 of a unanimous resolution calling for the further expansion of the Co-operative Movement in the less developed countries was a major step forward in ensuring inter-governmental and governmental support for co-operatives. The details given in Paragraph 12 reflect the common interests of many aspects of the work of the UN and its Agencies and the ICA.

1.5 Major Conferences

Two major Conferences of note have been, firstly, the First Open World Conference on Industrial Co-operatives held in October 1978 in Rome. A leading role in the Conference was taken by the Auxiliary Committee for Workers Productive and Artisanal Co-operatives, and with strong support from UNIDO. Secondly, the 4th International Conference on Co-operative Thrift and Credit was organised by the International Liaison Committee on Co-operative Thrift and Credit held in April 1977 in Rio de Janeiro. The main theme was "The Efficiency of Thrift and Credit Co-operatives", and it examined ways in which this sector could help to meet the needs of the poorer sections of the community.

1.6 Award to the ICA

At the Central Committee in 1977 in Hamburg, the Alliance was honoured by receiving the Trophée Internationale de la Coopération from the Institut International de Promotion et de Prestige. In awarding this distinction, the Institut paid tribute to:

- the Alliance's contribution to the maintenance and renewal of the co-operative spirit throughout the world;
- educational and promotional activities to help developing countries;
- the Alliance's constant efforts to improve the economic and social conditions of all workers;
- the spirit which inspires the Alliance to establish new economic organisations founded on co-operation and mutual aid.

At the ceremony, Mr Leo Hamon, former Cabinet Minister of the Government of France, spoke of the work of the ICA and stressed the fundamental role it played in combining solidarity and liberty.

1.7 Award to ICA Director

At the Central Committee Meeting in 1978 in Copenhagen, the Director was presented with the Sverin Jørgensen Prize from the Board of Trustees of the FDB Sverin Jørgensen Foundation. Mr Clemens Pedersen, in awarding the Prize, said it was in appreciation of the Director's great personal involvement in the cause of co-operative development in the Third World.

1.8 Mauritz Bonow Fund

Tribute was paid by the President at the 26th Congress to the work of Dr Mauritz Bonow, President of the Alliance from 1960 to 1975. To commemorate his work for the Alliance, the ICA launched an appeal for a fund to be called the

Mauritz Bonow Fund. The purpose of the Fund is to make it possible for co-operators to undertake study visits from developing countries to other developing countries to study co-operative problems and to further understanding between co-operative movements. Contributions amount to over £30,000, and in addition, a sum of 5,000 Marks and 100,000 Zlotys are held in the German Democratic Republic and Poland respectively for use within those countries. The Kenya National Federation of Co-operatives presented a ceremonial drum which was auctioned at the Central Committee in Copenhagen for £1,000. The Fund will be closed in 1980. Awards totalling £4,000 were made in 1979.

2. Action on Resolutions Adopted by the 26th Congress of the ICA in Paris 1976

Apart from Amendments to Rules, nine Resolutions were adopted at the 26th Congress. These Resolutions dealt with Peace; ICA's Programme of Work; Collaboration between Co-operatives; the Tasks of the Co-operative Press; Standards for non-food Products; Technical Assistance and Co-operative Housing; Tourism and the Co-operative Movement; Conference on European Security and Co-operation held in Helsinki in 1975; Women and the Co-operative Movement. The texts of all Resolutions were sent to member organisations as well as to Auxiliary Committees and Working Parties with a request that they be studied with a view to appropriate action being taken. The Resolution on Peace was sent to the United Nations and the Resolution on Technical Assistance and Co-operative Housing was sent both to the United Nations and to the UN Centre for Housing, Building and Planning.

The Resolution on Tourism and the Co-operative Movement resulted in discussions with the International Bureau of Social Tourism (BITS) and the International Federation of Popular Travel Organisations (IFPTO), and a Working Party on Co-operative Tourism was set up in 1977 at a constituent conference held in Brussels. The constitution of this additional Working Party of the ICA was approved by the Central Committee at its Meeting in Copenhagen in 1978 (see Paragraph 11.5). The Amendments to Rules were incorporated into a new printing of the ICA Rules and Standing Orders.

A few examples of action taken on the Resolutions are given below:

2.1 Peace

The Resolution was published in co-operative journals widely throughout the membership of the Alliance, and in many cases, the Resolution was sent to national governments. Reference to the Resolution was made at several national congresses and several movements used the Resolution to support the work of their own national peace councils. The President referred to the Resolution as well as previous resolutions on Peace, in his address to the UN General Assembly's Special Session on Disarmament.

2.2 Collaboration between Co-operatives

At the 26th Congress of the ICA in Paris in 1976, following the adoption of the Report and Resolution on "Collaboration between Co-operatives", the Central Committee was asked to report to the next Congress on further progress made on collaboration between co-operatives.

2.2.1 The Report to the 1976 Congress interpreted the word "collaboration" in a broad sense; it distinguished between collaboration at the national and international levels; between collaboration between co-operatives of the same kind and collaboration between co-operatives of different kinds; and between economic collaboration as in trade and joint ventures and other forms of collaboration. It also discussed briefly

collaboration between co-operatives and other organisations such as governments, United Nations agencies, companies and trade unions. It is natural for co-operatives to associate with each other in federations for marketing or supply or other purposes and collaborate with each other in countless other ways. Participation in congresses, conferences, seminars and educational activities is a form of collaboration; so is any kind of trade between co-operatives. Co-operation between co-operative movements and governments and United Nations agencies in promoting co-operative development during the Co-operative Development Decade was a vast exercise in collaboration. In discussing progress in collaboration since the Paris Congress, it will not be possible to give more than a few examples of a process which is going on all the time. Economic collaboration is, however, becoming increasingly important to co-operatives because trading conditions have been difficult and it has been increasingly necessary for co-operatives to work closely together in order to improve their trading performance and the quality of their service to their members.

2.2.2 Primary co-operatives nearly always form national federations to represent their interests; and many such federations undertake production or processing or supply or marketing or financing. There have been many amalgamations between primary co-operatives and structural changes have been taking place involving greater centralisation to enable national movements to take advantage of economies of scale and become more effective in difficult trading conditions. In the Austrian Consumers' Co-operative Movement, for example, the process of integration has continued towards making Zentralkonsum a single national society, trading as a single national organisation but with effective member democracy and local democratic control. The process of integration in consumer co-operatives in Denmark continues, and collaboration between FDB and its member organisations remains very close. In the UK, the Chairman of the Co-operative Union proposed at its 1979 Congress that the Co-operative Wholesale Society, the national retailing organisation Co-operative Retail Services and the retail societies should be merged to form a single organisation—Co-op Great Britain Limited. The proposal is under consideration.

2.2.3 Collaboration between co-operatives of the same kind and between co-operatives of different kinds has increased in many countries during the last four years. In Canada, the Co-operative Insurance Society and the Co-operative Insurance Association (C.I.A.) have come together as The Co-operators Group Ltd., the second largest general insurance organisation in Canada, owned by 30 provincial and regional co-operatives, the Wheat Pools, Credit Union Centrals, wholesales, fisheries co-operatives, etc.

There has also been a merger of the Canadian Co-operative Credit Society and the National Association of Canadian Credit Unions in a restructured Canadian Co-operative Credit Society, whose membership now includes not only the credit union centrals but also the Wheat Pools, agricultural marketing and supply co-operatives, fisheries co-operatives, etc. so that the capital of the central organisation has now been increased by \$100 million, enabling it to play a much more important role in providing financial services to the Canadian Co-operative Movement. In 1979 the Canadian Government indicated its unwillingness to continue to provide direct mortgage financing for co-operative housing, but its willingness to insure mortgages financed from co-operative sources. It is expected that a more fully integrated Co-operative Movement will be able to find more than \$100 million a year for co-operative housing.

There has been in recent years a much fuller exchange of financial information between Canadian co-operative organisations. The Northland Bank has made progress as a Chartered Bank with co-operative and credit union capital. A govern-

mental agency providing a computer based statistical and accounting service to farmers was transformed into a co-operative organisation with finance from the Co-operative Movement. A West Coast fishery co-operative was able to build a trawler costing several million dollars with the help of finance from the rest of the Co-operative Movement. Close collaboration exists between the various kinds of co-operatives in French-speaking Canada. The Desjardins Movement collaborates with agricultural, fisheries and consumers' co-operatives. The Government of Quebec has taken an active interest in co-operatives and there is an agency to promote co-operative development.

2.2.4 In France, national movements of different kinds of co-operatives have been collaborating increasingly closely through the Groupement Nationale de la Coopération. An inter-co-operative working group has been studying the problems of co-operative financing. There has also been increased regional collaboration; collaboration in research through the Scientific Council of the French Co-operative Institute and collaboration with other mutual and non-profit-making organisations. There has been increasingly close collaboration between French co-operative organisations in helping co-operatives in developing countries.

2.2.5 Close collaboration exists between different kinds of co-operatives in Norway. An agreement for closer collaboration was made between the Consumers' and Agricultural Co-operative Movements in 1978, e.g., meat from the Norwegian Agricultural Co-operatives is being marketed by the Consumers' Co-operatives under the brand name "Goman"; and there is also increased collaboration between the horticultural producers' co-operatives and the consumers' co-operatives; between the consumers' co-operatives and the agricultural and fisheries co-operatives in the distribution of butter, cheese, milk, eggs, and frozen food, including fish. There has been close collaboration between consumer, agricultural, fisheries and housing co-operatives through the Co-operative Committee since 1910; and in 1979, a small office was established by this Committee to promote collaboration between different kinds of Norwegian co-operatives to help co-operatives in developing countries. This Committee has agreed to support the education programmes of ICA's newly established Regional Office for West Africa in Abidjan (Ivory Coast) for a period of three years.

2.2.6 In some countries, collaboration between agricultural and consumers co-operatives takes the form of joint ventures. For example in Denmark, agricultural and consumers' co-operatives collaborate in the preparation of milk products. In Argentina there is close collaboration between the Association of Argentine Co-operatives and El Hogar Obrero in a joint venture in the canning of tomatoes, and between the Federation of Pharmaceutical Co-operatives and the cotton co-operatives of Chaco Province.

2.2.7 Within countries there is always close collaboration between co-operatives of the same kind associated in their federations; but in Finland, there is increasingly close collaboration between the SOK Consumers' Co-operatives and the E-Movement as in education and in trading. For example, the E-Movements' biscuits are sold in SOK shops while SOK chocolates are sold in the shops of the E-Movement.

2.2.8 Collaboration between co-operatives and governments is very close in many developing countries—indeed in some it is so close as to occasion some concern for the independence and democratic control of the Co-operative Movement. But this collaboration can also help governments in their efforts to bring about a fairer distribution of wealth and income. Early in 1979, for example, the Government of

India decided to develop a Public Distribution Scheme involving close collaboration with the Co-operative Movement in the distribution of certain specific commodities, such as feed grains, edible oils, kerosene, certain clothes, etc. The National Federation of Consumers' Co-operatives had a key role in this scheme. The Federation has increased its turnover a hundred-fold in the last 10 years and in May 1979, an All India Convention of Consumers' Co-operatives discussed ways and means of implementing the Public Distribution Scheme.

There are many financial, transport and other problems in implementing the Public Distribution Scheme, but it will be a major example of collaboration between co-operatives and government in bringing about a fairer distribution of real incomes.

2.2.9 In the field of international collaboration between co-operatives first mention should, perhaps, be made of the increasingly close collaboration between INTERCOOP, Nordisk Andelsforbund and EUROCOOP in buying overseas on behalf of European Consumers' Co-operative Movements. Mention also needs to be made of the ICA/CLUSA Trade Conference of Agricultural Co-operatives held in November 1978 in New York and of the work of the Economic Sub-Committee of the ICA Agricultural Committee. There is the continued success of the IFFCO Fertiliser Project in India, initially brought into existence through collaboration between Indian & US Coop Movements and the Japan/Thai Agreement on the supply of feed grains even though these projects were launched before the Paris Congress.

The work of the ICA and its Regional Offices is basically itself an example of collaboration between co-operatives.

2.2.10 International economic collaboration has been close between the Co-operative Movements of the socialist countries of Eastern Europe; and between them and co-operatives in other countries. The Hungarian co-operative organisations, for example, collaborate regularly with some 134 co-operative organisations in 39 other countries. This collaboration is closest with the co-operatives of other socialist countries and is particularly close between the Hungarian Consumers' Co-operatives and Centrosoyus (USSR). There is an exchange of skilled workers and reciprocal "department store weeks" are arranged. There is close collaboration between Hungarian industrial co-operatives and co-operatives in Austria and Switzerland; and the Hungarian industrial co-operatives are active in helping industrial co-operatives in developing countries, e.g. complete factories have been delivered to co-operatives in developing countries. The Hungarian agricultural co-operatives collaborate with those of other COMECON countries through a Consultative Council, but there is also close collaboration with agricultural co-operatives in other countries.

The Polish Union of Work Co-operatives has worked closely with UNIDO in collaboration with industrial co-operatives in developing countries. The Union of Work Co-operatives collaborated at ministerial level in December 1978 to discuss projects of assistance to developing countries, and a similar exercise was undertaken by the Central Co-operative Union (Bulgaria) and UNIDO in Sofia in 1979.

The Open World Conference on Industrial Co-operatives held in Rome in October 1978 was an excellent example of close collaboration between co-operatives in some 37 countries. There is also close and regular collaboration between industrial co-operatives in France and Italy, particularly in the building industry; and these building co-operatives collaborate closely with housing co-operatives, particularly in connection with the development of co-operative housing in Latin America.

2.2.11 There has been in the last four years close economic and other international collaboration between the Co-operative Movements of the Nordic countries as in productive enterprises, but also in helping co-operatives in developing countries

through the Joint Nordic Co-operative Advisory Committee. Scandinavian agricultural co-operatives have been collaborating through a Working Party called Nord-samk p in joint purchases of equipment. In Belgium, FNCC collaborates internationally through INTERCOOP and in tourism and with co-operatives in Sweden, Canada, Latin America, etc., and nationally has collaborated increasingly closely with FEBECOOP in retailing and also with the Belgian Inter-Co-operative Planning Committee. In the Federal Republic of Germany and in Italy, co-operatives have been active in collaborating with co-operatives in other countries. Increased collaboration between co-operatives in the Caribbean has led to hopes that a Caribbean Co-operative Confederation will soon be formed.

The newly created Working Party on Co-operative Tourism aims to develop inter-co-operative activities, and is pursuing the possibility of Banking, Insurance and Construction Co-operatives taking an active part in aspects of tourism.

International Co-operative trade has not increased as significantly as had been hoped following the establishment of the International Co-operative Trade Organisation (ICTO) in Singapore. Neither have there been as many joint ventures between co-operatives in industrialised and developing countries as had been hoped at the time of the Paris Congress. Nor have there been significant developments to help the export of the products of industrial co-operatives in developing countries to markets in industrialised countries such as had been hoped for at the time of the Open World Conference on Industrial Co-operatives in Rome in October 1978. There are genuine and complex problems in bringing this about.

2.2 12 This brief report can only touch on a few examples given by member organisations. Although there has been progress in collaboration at all levels, there needs to be greater momentum in the task of achieving closer working relations between different co-operative sectors and in the development of joint ventures, both nationally and internationally. The latent power of the Co-operative Movement worldwide could, through close collaboration, become a major economic force in the world, rivalling and even surpassing the power of multinational corporations.

The ICA Authorities and its member organisations should give further thought to action towards that aim.

2.3 Tasks of the Co-operative Press

This Resolution has been followed up by the ICA Working Party on the Co-operative Press, and one of the results has been the setting up of a Code of Advertising for co-operative journals. Many members state that they are using their co-operative press much more for publishing ICA initiatives and major events. In some cases, ICA booklets and news of ICA generally are translated into national languages, and notable among such examples are Norway and Poland.

2.4 Standards for Non-Food Products

This Resolution has been followed up by the Consumer Committee, particularly through its active participation in the work of international standardisation bodies such as the ISO—International Standardisation Organisation. The Committee has supported draft standards which are in preparation for non-food products. These have covered household goods including electrical equipment, and the labelling of textile cleaning.

2.5 Technical Assistance and Co-operative Housing

This Resolution was specifically directed to the United Nations and to the UN Centre for Housing, Building and Planning. The Housing Committee has taken

every opportunity on the occasions when it has represented the ICA at UN Meetings, to urge a higher priority within the UN for co-operative housing, in an attempt to solve the housing problem throughout the world. The work of the International Co-operative Housing Development Association (ICHDA) is also in line with this Resolution. (See also Paragraph 10.5.)

2.6 Conference on European Security and Co-operation, Helsinki

Very many member organisations stressed the importance of the Helsinki Agreements, and many details were given of the way these Agreements had been publicised in co-operative journals and at conferences of women, youth, trade unions, etc., as well as co-operative congresses.

2.7 Women and the Co-operative Movement

Although most member organisations who gave details of action on this Resolution stressed the fact that women had equality in their movements, and that there was no discrimination against them, it was only a few movements which gave details of the number of women in high executive positions within their movements. It seems clear, as was seen in an enquiry by the E-Movement in Finland, that the higher the authority or council, the fewer the women in membership of that body. Several movements have stressed the fact that in setting up advisory councils, attention was given to ensuring that women were appointed to these councils. Although legal conditions may give equality to women, positive action needs to be taken by national organisations to encourage women to participate actively at senior levels.

3. International Co-operative Day

The first Saturday in July continues to be celebrated in most parts of the world as International Co-operative Day, although there are traditional and seasonal variations in some countries. The shorter version of the International Co-operative Day message in pamphlet form has proved successful and internationally acceptable; it is now published in Spanish in addition to English, French and German.

The 55th International Co-operative Day Declaration in 1977 focused on the ICA's Programme of Work 1977—1980, stressing the need for continuing concern over those parts of the world where the seeds of tension existed, and the continued existence of great inequalities of wealth, all areas where a wider application of Co-operative Principles has a vital role to play in the development of a more equitable social and economic order, the prerequisite for enduring peace.

The 56th International Co-operative Day Declaration in 1978 stressed the need for collaboration with the United Nations and its Specialised Agencies, and the importance of promoting friendly and economic relations between co-operative organisations of all kinds, nationally and internationally, as a contribution to lasting peace and security.

The 57th International Co-operative Day Declaration made known to all co-operators the great encouragement received from the United Nations General Assembly's review of the Report by its Secretary General on "National Experience in Promoting the Co-operative Movement", and asked all co-operative movements to provide full support for ICA's "Buy-a-Bucket-of-Water" Campaign as a contribution to the UN International Year of the Child. It also urged all members to request their governments to support and collaborate fully with the United Nations.

The 58th International Co-operative Day Declaration in 1980 concentrated principally on the importance of the 27th Congress in Moscow to all co-operators throughout the world, and stressed the relevance of the Congress theme, "Co-operatives in the Year 2000", to co-operative development in planned, market and developing economies.

Reports of International Co-operative Day celebrations all over the world are regularly received at ICA Headquarters, and could be summarised in a statement by the President of the Alliance.

"I believe that our Alliance owes its stability . . . to the efforts we have always made to understand each other; by accepting the right of each one of us to be different; by taking pride in the fact that people of different countries, traditions, standards of living and ways of life have been able to build together . . ."

4. Membership

4.1 Since the Paris Congress, 19 new members have been admitted to membership of the Alliance. Admittance is by decision of the Executive Committee which satisfies itself that the organisation applying for membership adheres to the Co-operative Principles as laid down by the Rochdale Pioneers and reformulated by the 23rd Congress of the ICA. These new organisations are:

- | | |
|-----------------|--|
| Africa | Botswana Co-operative Union (Botswana)
Chambre d'Agriculture (Ivory Coast)
Organisation of the Somali Co-operative Movement (Somalia)
Union of Co-operative Societies (Tanzania) (replaced the former Co-operative Union of Tanganyika) |
| Americas | National Union of Co-operative Societies (Jamaica)
UNICOOP (Puerto Rico) |
| Asia | Indian Farmers' Fertilizer Co-operative (India)
Hokkaido Federation of Fisheries Co-operative Associations (Japan)
National Federation of Fisheries Co-operatives (Korea)
National Land Finance Co-operative Society (Malaysia)
Mercantile Co-operative Finance Corporation Ltd (Pakistan)
Punjab Co-operative Union (Pakistan) (replaced former West Pakistan Co-operative Union)
Co-operative Insurance System of the Philippines (The Philippines)
National Association of Training Centres for Co-operatives (NATCCO) (The Philippines)
Sugar Co-operatives Development Institute of The Philippines (The Philippines) |
| Europe | Confédération Nationale de Crédit Mutuel (France)
Union du Crédit Coopératif (France) (replaced the Banque Française de Crédit Coopératif)
Bank für Gemeinwirtschaft (Federal Republic of Germany)
Landbrukets Sentralforbund (Norway)
Instituto "Antonio Sergio" do Sector Cooperativo (Portugal)
Central Organisation of Villag Development and Other Agricultural Co-operative Unions (Köy-Koop) (Turkey) |
| | International World Council of Credit Unions (WOCCU) |

- 4.2 **Organisations which have Ceased to be Members of the ICA in Accordance with Article 11(b)—Non-Payment of Subscription**
September 1976–May 1980
West Cameroon Co-operative Association Ltd., Cameroon

Co-operativa de Empleados Particulares Ltda (COOPEMPART), Chile
 Union de Co-operativas de Consumo y Servicios de Chile, U-COOP, Chile
 Financiacoop, Colombia
 Guyana Co-operative Union Ltd., Guyana
 Credit and Housing Co-operative Society of Iran, Iran
 Haikar—Audit Union of Agricultural Societies of Farmers' Federations in Israel, Israel
 Farmers' Central Co-operative Society Ltd., Malta
 Co-operative Union of Western Nigeria, Nigeria
 Lagos Co-operative Union Ltd., Nigeria
 Mid-Western Nigeria Co-operative Federation Ltd., Nigeria
 Fishermen's Co-operative Society Ltd., Pakistan
 Karachi Central Co-operative Bank Ltd., Pakistan
 Karachi Co-operative Housing Societies' Union, Pakistan
 Karachi Co-operative Union Ltd., Pakistan
 Sind Baluchistan Provincial Co-operative Bank Ltd., Pakistan
 Filipino Co-operative Wholesale Society Inc., The Philippines
 UNICOOPE, Portugal
 Central Générale des Coopératives Angolaises, Zaire

} Membership retained indirectly through the Co-operative Federation of Nigeria

4.3 Organisations Withdrawing from Membership of the ICA between September 1976 – May 1980

Cooperativa Sodimac, Chile
 Union Cooperativa de Seguros (UCOSEG), Chile
 Banque Francaise de Crédit Coopératif, France (replaced by Union du Crédit Coopératif)
 Sepah Consumers' Co-operative Society, Iran
 Hokkaido Federation of Fisheries Co-operative Associations, Japan
 West Pakistan Co-operative Union, Pakistan (replaced by Punjab Co-operative Union)
 Co-operative Union of Tanganyika, Tanzania (replaced by Union of Co-operative Societies (Tanzania))
 Grains Marketing Co-operative of the Philippines, The Philippines

4.4 Statistics

The breakdown of types of membership according to the 1977 statistics is as follows:

	<i>Countries</i>		<i>Societies (000)</i>		<i>Members (000)</i>			
	1974	1977	1974	1977	1974	%	1977	%
Consumer	52	54	65.25	63.10	125,922	37.5	133,744	37.7
Credit	42	42	243.11	244.82	112,751	33.9	119,743	33.7
Agricultural	49	49	212.73	269.61	62,415	18.7	65,428	18.4
Miscellaneous	22	23	27.60	32.80	12,169	3.8	15,414	4.3
Housing	34	32	59.91	67.57	11,625	3.8	12,583	3.5
Workers' Productive	29	32	42.01	45.86	5,510	1.7	5,929	1.7
Fishery	28	29	12.89	18.00	1,963	0.6	2,416	0.7
TOTAL			663.50	741.76	332,355	100.0	355,257	100.0

5. Committees of the ICA

5.1 Central Committee

The Central Committee consists of representatives nominated by affiliated organisations and formally approved by the Congress. The basis of representation is one member for each complete £500 of subscription, with a maximum representation for any one country of 10 members. As at May 1980, the Central Committee comprises 264 members from 163 organisations in 67 countries. As a fully representative body of the ICA meeting between Congresses, the Central Committee has received full reports of the ICA's work and has debated particular themes at its Meetings.

The Committee met in October 1977 in Hamburg, when the main theme was "Communication between Co-operatives and Employees", which was introduced by Mr Lloyd Wilkinson, General Secretary of the Co-operative Union (UK) and Mr Stoyan Sulmesov, President of the Central Co-operative Union (Bulgaria). The Committee met in September 1978 in Copenhagen and the main theme was "Co-operatives and the State". Papers were presented by Mr Jan Kaminski, of the Supreme Co-operative Council (Poland) and Mr Jean Lacroix of the Fédération Nationale des Coopératives de Consommateurs (France), and by the ICA Regional Directors for South East Asia and East and Central Africa—Messrs R. B. Rajaguru and D. J. Nyanjom. The papers and a summary of the debate have been published in the ICA "Studies and Reports" Series, and this is available from the Secretariat priced £2.50. In addition to debating the special theme, the Committee also debated the final Report of the Ad Hoc Committee on Finance. At the Meeting in Manchester (UK) in October 1979, the main theme was "Co-operatives and Leisure". Introductions to the debate were made by Mr P-G d'Ayala of UNESCO, L. Marcus of KF (Sweden), M. Marik of Central Co-operative Council (Czechoslovakia), H. Idei of Co-op Travel (Japan) and R. Ramaekers (Belgium)—Chairman of the Working Party on Co-operative Tourism.

From time to time, criticism has been made of the organisation of the Central Committee Meetings and suggestions such as organising the Committee into commissions and the avoidance of long prepared statements have been made. Cost precludes the provision of interpretation for commissions, and the organisation of the Committee into language groups means that in general, members are in groupings where they already know the problems involved in the subject matter. Consideration has been given to ways in which handling of business can be improved, but it is very difficult in an international gathering to develop a dialogue on a particular subject. It is mainly the members themselves who can remedy this by avoiding long, prepared statements and rather commenting on statements made in the debate.

5.2 Executive Committee

The Executive Committee consists of the President, two Vice-Presidents and 13 members, and was elected by the Central Committee at the 26th Congress. The Committee met immediately after its election and nominated two sub-committees: the Co-operative Development Committee dealing with technical assistance to developing countries; and the Executive Sub-Committee dealing mainly with financial and Secretariat matters. The Executive Committee met in 1977 in Reykjavik (Iceland) to mark the 75th anniversary of Samband Islenzkra Samvinnufelaga (SIS), and Hamburg (FRG); in 1978 in Nairobi (Kenya) and Copenhagen (Denmark); in 1979 in London and Manchester (both UK); and in 1980 in Montreal (Canada) and Moscow (USSR).

During this period, elections to fill vacancies arising through resignation, retirement and death were held as follows:

—At the Central Committee Meeting in Copenhagen in September 1978,

Messrs Anderson (USA), Fujita (Japan) and Kaminski (Poland) were elected to replace Messrs Dreyer (who had resigned from CLUSA), Miyawaki (who had died) and Janczyk (who had retired from the Supreme Co-operative Council).

—At the Central Committee Meeting in Manchester in October 1979, Mr Smirnov (USSR) was elected as Vice-President in place of Mr Klimov who had died, and Mr Magnani (Italy) was elected to replace Mr Galetti who had resigned from the *Legã Nazionale della Co-operative e Mutue*.

Meetings of the Executive Committee are normally preceded by meetings of its Sub-Committees.

Executive Resolution on Vietnam

At its Meeting in London in February 1979, the Executive Committee passed the following Resolution addressed to the Secretary General of the United Nations:

The Executive Committee of the International Co-operative Alliance meeting in London

NOTES	with deep and increasing concern the current armed conflict between China and Vietnam;
RECALLS	that a fundamental objective of the ICA is to maintain lasting peace and security as laid down in its Constitution;
RECALLS	furthermore the constant concern that the ICA has shown in expressing its support for peace and in condemning acts of aggression and the violation of international borders from whatever source;
REITERATES	its firm belief in respecting the independence, integrity and self-determination of the peoples concerned;
RECOGNISES	with great anxiety that the present war in Vietnam could lead to consequences which may engulf the world with devastating results for humanity and civilisation flowing from present-day weapons of mass destruction;
URGENTLY ASKS	your Excellency to take all measures within your power to put an immediate stop to the present war and to bring to justice the party/parties responsible for aggression;
ASSURES	your Excellency of our fullest support in your efforts.

5.3 Auxiliary Committees

The Auxiliary Committees of the ICA bring together co-operatives from particular economic sectors, although one Committee, the Women's Auxiliary Committee, is outside this particular framework. The Committees have their own constitutions and terms of reference which are agreed by the ICA Authorities under Article 4 of the ICA Rules. The Auxiliary Committees are as follows:

Agricultural Committee (with a Sub-Committee for S.E. Asia)	formed in 1951
Banking Committee	formed in 1922
Organisation for Co-operative Consumer Policy	formed in 1973
Fisheries Committee	formed in 1977
Housing Committee	formed in 1952
International Co-operative Insurance Federation	formed in 1922
INTERCOOP (International Organisation for Co-operative Consumer Distributive Trades)	formed in 1971
Women's Committee	formed in 1974
Workers' Productive and Artisanal Societies Committee	formed in 1947

The work of these Committees is dealt with in detail under Paragraph 10.

5.4 Finance and Budgets Sub-Committee

As a result of discussions on the financial situation of the ICA, the Finance and Budgets Sub-Committee (FABUSCOM) was set up by authority of the Central Committee with the task of monitoring the ICA's subscription income and its financial resources. This Sub-Committee has met in November 1978 in London; February 1979 in London; September 1979 in Manchester; November 1979 in London and March 1980 in London (See Paragraph 7.)

6. Organisation of the Secretariat

Consultants provided by the Co-operative Wholesale Society (UK) undertook a study of the Headquarters Secretariat salaries and organisation. A new salary structure was recommended which was implemented from 1st January 1978, and the reorganised structure was implemented from January 1979. This structure consists of a Director, Deputy Director and four Chiefs of Departments for Agriculture and Fisheries; Education and Development; Information, Research and Public Relations; and Finance and Administration. This structure will be examined in 1981, with a view to making it more responsive to the needs of members and priorities, with a view to further changes if required.

The Secretariat suffered a sad loss in the death of Mrs G. E. Stanford, after a long and painful illness. She had been a co-operator all her life and brought to her work as Finance Officer an efficiency and a dedication to the Co-operative Movement in its widest aspects.

6.1 Head Office

Director	S. K. Saxena	
Deputy Director	R. P. B. Davies	The post of General Secretary was abolished in 1978 and Mr Davies was appointed to the newly created post of Deputy Director
Chief—Agriculture and Fisheries	B. Zlatic	Succeeded Z. Juchniewicz in 1977 on the latter's return to Poland
Chief—Education and Development	T. N. Bottomley	Succeeded W. M. Craw who took up the post in 1978, and resigned in February 1980
Project Officer (CEMAS)	R. Forsberg	Succeeded J. Bjärsdal on his return to Sweden in 1977
Assistant Project Officer (CEMAS)	Ms L. Kent	Succeeded Ms M. Clarke in 1977
Co-operative Development Officer and UN/ICHDA Secretary to Women's Committee	G. J. Alder	Resigned April 1980
	Ms I. Romp	Succeeded Mrs M. J. Russell on the latter's retirement in 1978
Chief—Finance and Administration	E. D. Ryan	Succeeded A. E. Licudi who left in 1979, who succeeded Mrs G. E. Stanford following her death in 1978.
Joint Chief—Press and Public Relations	J. H. Ollman	
Librarian	Ms A. Lamming	

Joint Chief—Research	S. Dandapani	Succeeded F. Nehwati in 1976; following the latter's resignation in 1975
Research Officers	P. Derrick K. Themistocli	Succeeded Ms J. Walker on her resignation in 1977
Senior French Translator Agricultural Credit and Finance	Ms H. Garnier T. Usui	Seconded from the Norin Chukin Bank of Japan
6.2 ICA Regional Office and Education Centre for South East Asia, "Bonow House", New Delhi, India		
Regional Director	R. B. Rajaguru	Succeeded P. E. Weeraman in 1977 on the latter's retirement
Director (Education)	J. M. Rana	
Joint Director (Education & CEMAS)	D. Vir	
Education Officer (Women & Youth)	Ms M. D'Cruz	
Education Officer (Audio-Visual Aids)—on delegation to National Co-operative Council of Sri Lanka	D. Prakash	
Joint Director (Publications & Public Relations)	L. Gunawardana	
Agricultural Co-operative Marketing Officer	P. E. Lannhagen	
Joint Director & Specialist in Consumer Co-operation	M. K. Puri	
Librarian and Documentation Officer	B. D. Pandey	
6.3 ICA Office for East and Central Africa, Moshi, Tanzania		
Regional Director	E. M. Anangisye	Succeeded D. J. Nyanjom on the latter's resignation in 1978
Assistant to the Regional Director	S. Olsson	
Research Officer	O. Odede	Succeeded K. C. W. Verhagen on his return to the Netherlands in 1977
Research Officers (Training)	P. Chirilomo C. Gashumba C. Kwayu	Reverted to his own organisation in Tanzania as planned
	T. Oyieke	Reverted to his own organisation in Kenya as planned
Insurance Specialist Information, Education Officer (CEMAS)	E. Rugira S. Mshiu	
Education and Training Consultant (CETCOS)	C. Kabuga	
Training Officer	A. M. Kimario	
Training Officer (Women)	Ms Z. M. Meghji	Succeeded Ms D. Opondo on the latter's resignation in 1978

6.4 ICA Regional Office for West Africa, Abidjan, Ivory Coast
Regional Director Designate · B. D. Ndiaye

6.5 United Nations Officers

United Nations, New York W. J. Campbell
FAO, Rome U. Canullo

Appointed 1979 and supported
by three Italian member organ-
isations

UNESCO, Paris Mlle F. Baulier Supported by FNCC (France)

The number of ex-patriate staff working in the ICA at the Headquarters and
Regional Offices is 23 compared with 21 in 1976, 13 (1970-72) and 9 (1966-69).

7. Finance

7.1 The Ad Hoc Committee on finance, set up after the Paris Congress to examine aspects of ICA's income and expenditure, met in 1976, 1977 and 1978, making its final Report to the Central Committee in September 1978 in Copenhagen. Its members were P. Søliland (Chairman and ICA Vice-President, from Norges Kooperativ Landsforening, Norway), K. Back (Folksam Insurance Group, Sweden), H. Fahrenkrog (Verband der Konsumgenossenschaften, German Democratic Republic), L. Kovalcik (Central Co-operative Council, Czechoslovakia), J. J. Musundi (Kenya National Federation of Co-operatives, Kenya), and Ch Veverka (Societe Generale des Co-operatives de Consommation, France). All are members of the Central Committee. Folksam Insurance Group of Sweden made available the services of E. A. Wohlner (Actuary) as Consultant to the Group.

7.2 The Committee felt that a new formula should be devised for ICA subscription income, and recommended that this formula should:

- be fairer in that every member of a co-operative sector would pay the same rate;
- be easy to apply;
- achieve the same result whether or not members paid directly or aggregated through a national organisation;
- be calculated in the national currency;
- make it easier to forecast subscription income;
- automatically adjust for the effect of inflation;
- be independent of currency fluctuations;
- give less frequent need for revising the subscription rates;
- provide the ICA with a growth in resources that corresponds to the strength of its members.

The Committee accepted that not all types of co-operative could be treated in the same way in arriving at their subscription, and the following four types were recommended:

- Consumer, agricultural and all other organisations not specified below
- Housing
- Insurance
- Banking, including credit and financial institutions.

International organisations would be included in the type of co-operative with which they dealt.

The Committee went on to recommend the following bases for calculation:

- The measurement of the members' development and economic importance would be in terms of turnover, premium income, share capital and proprietors' reserves, etc., and would include the economic activity of all member societies and subsidiaries that do not otherwise pay subscriptions to the ICA.

- All subscriptions to be calculated in the national currency, and the sum used to purchase sterling (or other currencies specified from time to time by the Executive Committee).
- The rates of subscription to be in proportion to the measure of economic activity as mentioned above.
- Minimum subscription to be £100.
- Rules should be adopted to provide for a reasonable transition to the new subscriptions system.

7.3: These points were dealt with at the Central Committee Meeting in Hamburg in 1977, and full explanations were given, showing the reasoning behind the adoption of these principles. The Central Committee adopted these principles, and as an interim measure, in view of the need to increase the ICA's income, agreed on an increase of 20% on what the calculated subscription should be according to the then existing formula for 1978.

7.4 At the Central Committee Meeting in September 1978 in Copenhagen, the Final Report of the Ad Hoc Committee was accepted which included the adoption of a new formula with provision for a minimum and maximum subscription, and in view of the difficulty of arriving at a subscription for the housing co-operative sector, there was a provision for further discussion on this matter. Discussions with the Auxiliary Committee on Housing and within the Committee resulted in the adoption of the suggested formula of the Ad Hoc Committee for 1979/1980, and the Housing Committee is to attempt to devise what is considered to be a fairer formula to come into effect in 1981, based on area rather than number of units constructed or managed.

It had been clear in examining the ICA's subscription income that many organisations had not been paying correctly, and it was emphasised that under the new formula, there would be a much stricter control of subscription income, and that the provisions in the Rules should be fully applied whereby organisations which had not fulfilled their financial obligations would not be allowed to take their seats in the Central Committee or the Congress. A list of subscriptions showing those organisations in arrears, or where their calculations are in doubt, will be circulated at all Meetings of the Central Committee.

7.5 The Audited Accounts for 1976, 1977, 1978 and 1979 are given as an Appendix. The following table shows the subscription income and expenditure on the central budget for the four years 1976-79.

Subscription Income	1976	1977	1978	1979
	£	£	£	£
Subscription Income	225,849	286,316	334,326	383,413
Arrears	2,041	9,648	4,548	7,902
Total	227,890	295,964	338,874	391,315
Additional Interest on Investments	23,482	23,715	16,250	21,932
Total	251,372	319,679	355,124	413,247
Expenditure	1976	1977	1978	1979
	£	£	£	£
Central Budget Expenditure	263,305	318,337	398,547	426,538
Deficit	11,933	1,342	43,423	13,291
		(surplus)		
Programme expenditure provided by Sponsors additional to the central budget	242,861	412,184	516,087	418,038

7.6 The Central Committee approved the setting up of a Finance and Budgets Sub-Committee (FABUSCOM) with the main task of monitoring the ICA's income and expenditure. The members are P. Sjøiland (Chairman, Norges Kooperative Landsforening, Norway), H. Fahrenkrog (Verband der Konsumgenossenschaften, German Democratic Republic), L. Marcus (Kooperativa Förbundet, Sweden), B. S. Vishwanathan (National Co-operative Union of India, India), H. W. Whitehead (Co-operative Insurance Society, UK), and E. A. Wohlner (Folksam Insurance Group, Sweden) who acts as Consultant to the Sub-Committee.

7.7 Since the Copenhagen Meeting, the Committee has met several times, and has examined in detail projections for future income and expenditure. These originally showed that unless drastic steps were taken, either to increase income or to curb expenditure, the ICA's reserves would have disappeared by 1984. As it was unlikely that ICA's income could be increased to any great extent in the near future, emphasis was directed towards curbing expenditure. Steps have been taken to place limits on the expenditure incurred by the Regional Offices, met out of the central budget, and to make cuts in the services provided from the Headquarters Office. Some of these cuts were effected towards the end of 1979, and further cuts will become effective in 1980 and 1981. The recommendation from FABUSCOM, whereby there should be a balanced budget in 1981, was accepted by the Central Committee at its Meeting in Manchester in 1979. By dint of economies and other measures, this aim will be achieved. However, it must mean a lessening in the services which can be provided to member organisations. In obtaining funds for specific projects, i.e., the Programme of Work budget, strong efforts will be made to ensure that all such funds include an administrative charge towards the support work of the Secretariat.

7.8 It should be emphasised that in addition to expenditure met directly by the ICA, additional expenditure is incurred by many member organisations involved in the hosting of ICA events. These expenses, being met locally, are not reflected in the ICA's accounts. Appreciation is expressed to those organisations for the often considerable expenditure thus incurred which covers items such as the provision of interpretation and resource persons, the cost of Secretariat personnel attending events, local hospitality, meeting rooms, etc.

8. Work of the Secretariat

The work of the Secretariat, including the Regional Offices, accounts for a great deal of the work detailed in this report. This paragraph deals with work carried out from the Secretariat which is not reported under other headings, e.g., Working Parties, ICA and the United Nations, etc.

8.1 Agriculture and Fisheries Department

Agriculture and Fisheries is a Department within the London Secretariat and the Chief of the Department carries forward the work mainly through the Auxiliary Committees for Agriculture and Fisheries. This is fully reported under Paragraph 10.1.

8.2 Education and Development Department

8.2.1 Annual International Seminars

The ICA has organised three annual international seminars during the period. The essential aim has been, as before, to bring together representatives of co-operative organisations from countries with different socio-economic backgrounds, and in different stages of development, to exchange experiences and to discuss prepared specialist papers. The thanks of the ICA are expressed to the host organisations for the arrangements and hospitality involved in holding these seminars.

(i) **The 44th Seminar, September 1977, Budapest (Hungary)**

The 44th Seminar of the ICA was held in September 1977 in Budapest (Hungary) at the kind invitation of the National Co-operative Council, on the theme "Co-operative Progress in a Changing World". Topics discussed included Collaboration between Co-operatives; Basic Needs and Social Change—The Role of Co-operatives; and Co-operatives in a New Economic World Order. 58 participants from 19 countries and a representative from the ILO attended.

(ii) **45th Seminar, November 1978, Vienna (Austria)**

The 45th ICA Seminar was held in Vienna (Austria) in November 1978. The Seminar, hosted jointly by Konsum Österreich and Österreichischer Raiffeisenverband, was on the theme "Management Development in the Co-operative Enterprise". Topics discussed included "Management Efficiency in Agricultural Co-operatives", "Manpower Development for Large Enterprise Management" and "Management of Integrated Agri-business". 42 participants from 18 countries attended.

(iii) **The 46th Seminar, December 1979, Paris (France)**

The 46th Seminar took the form of a Conference, and was held in Paris (France) in December 1979. The event was sponsored jointly by the ICA, the Office Central de la Coopération à l'Ecole and the Bureau International de la Coopération Scolaire. The meeting was the first ever international symposium on the theme "School Co-operatives as an Instrument of Development and International Understanding". Topics discussed included "An Analysis of School Co-operatives and of Relations between Schools and Co-operatives in the World", "The Role of School Co-operatives in Promoting International Understanding and a New International Order", and "School Co-operatives in Development: an Action Programme". 85 participants from 22 countries and representatives from UNESCO, ILO and UNICEF attended.

The Symposium made several recommendations to the Authorities of the Alliance, and these will be studied by the Executive and Central Committees with a view to further action. The main recommendations are:

—School co-operatives require a benign environment in which they can flourish.

The United Nations organisation is urged to prevail upon those of its member governments, which have not already done so, to introduce legislative measures which are conducive to the establishment of school co-operatives. In this particular respect, the ICA is requested to use its special category consultative status with the UN to press for early action on this proposal.

—To facilitate the dissemination of information and education/training materials relating to school co-operatives, those countries which already have an established structure and network of school co-operatives should transmit such information and materials at regular intervals to the ICA, Bureau International de la Coopération Scolaire (BICS) and ILO so that they can establish for the benefit of others information/clearing house centres on school co-operatives.

—Since ICA and BICS offer a valuable international channel of communication between the adult co-operative movement and school co-operatives, the two organisations should create a regular working group, co-opting additional members from other international and national organisations as necessary to sustain the momentum of interest in school co-operatives and to strengthen ties between them and the adult co-operative movement.

—In order to develop further links across national borders and so contribute to international understanding, an international congress of young school co-operators should be organised in the near future.

—For the particular benefit of countries in which school co-operatives do not presently exist, the ICA through its CEMAS service, and with the collabor-

ation of BICS, is invited to prepare a prototype guide to the constitution, organisation and functioning of school co-operatives.

- In 1982 the ICA and BICS should decide on the merit of organising another international school co-operatives meeting.
- Organisations represented at the Symposium are called upon to act bilaterally and vigorously to encourage exchange visits between school co-operative groups and the children's organisations attached to adult movements where school co-operatives do not exist and to exchange information materials such as school magazines. Specifically, but without prejudice to exchanges which may occur in the meantime, information exchanges and progress reports should take place in December 1980, and on each subsequent anniversary of the Symposium.
- Acknowledgement of the fact that school co-operators and schools are a future and vital source of members, leaders and employees of the adult co-operative movement, calls for a more intensive effort by adult co-operative movements everywhere to strengthen their links with school co-operatives, schools and existing government agencies in this field. The adult Co-operative movement should give special attention to devising personnel recruitment policies to reach out to school co-operators who already have a commitment to a co-operative ideology.

8.2.2 Women's Section

The ICA Secretary for Women and Youth Activities, Mrs M. J. Russell, retired from the ICA in July 1978. She had joined the ICA Secretariat in January 1965 with a background of strong involvement in the British Co-operative Movement, both at local society level, where she was a member of the Board of Directors of Enfield Highway Co-operative Society, and at the national level as a member of several committees. On the formation of the Women Co-operators' Advisory Council after the disbandment of the former International Women's Guild in 1960, Mrs Russell became its Secretary. When the Council became a full Auxiliary Committee, a change she had urged with the ICA Authorities, she became the Secretary, and in that capacity, undertook many missions on behalf of the Committee, and acted as resource person at several ICA seminars and projects, all of which had the aim of furthering the cause of women co-operators.

Due to the retirement of the Secretary for Women and Youth activities in mid 1978 and the restructuring of all departments at the ICA, there is now only one person responsible for the Women's Section and as her designation "Secretary to the Women's Committee" indicates, she is mainly responsible for servicing that particular Committee. (For fuller details, see Paragraph 10.8.)

On behalf of the Women's Committee, the Secretary has been responsible for organising the Women's Conference taking place in connection with the ICA Congress. She has also assisted the Project Organiser for the "Buy-a-Bucket-of-Water" scheme throughout this campaign, which the ICA adopted as its main contribution to the International Year of the Child in 1979. The Secretary continues to provide a link between the Education Officers for Women in the two Regional Offices and the Women's Committee.

8.2.3 Co-operative Educational Materials Advisory Service (CEMAS)

The CEMAS service has continued as a unit within the Education and Development Department, with special funds made available for the purpose by the Swedish Co-operative Centre and the Swedish International Development Authority. The CEMAS unit has been engaged in:

- building up a clearing house and information service with regard to materials for co-operative education and training;

- the publication of a series of manuals; and
- the initial stages of a project aimed at the development of a special methodology for co-operative field education at the grass roots level.

The clearing house service aims at providing co-operative training institutions and departments, as well as field projects and individual educators in developing countries with relevant information through regular bulletins and bibliographical lists. Advice is also given in response to individual requests.

Nine manuals on methods and techniques of co-operative education and training have been published since the establishment of the CEMAS unit in 1975, as well as eight other manuals, making a total of 17 titles. The first mentioned category includes manuals on book-keeping and other management aspects, directories, etc. The future publications programme will concentrate on methods and techniques.

The methodology development project is experimental in character with the aim of adapting modern theories and practices of performance management, developed and widely applied in training in the industrialised countries, to problem-solving needs in primary co-operatives in developing countries. The focus is on the co-operative field workers who are normally concerned with member education and training activities at the local level. A comprehensive training package to enable field workers to learn and implement a new approach to identification of needs and solutions has been developed. Field testing will take place in East Africa. Universal prototype versions of the package will be ready in 1981, subject to the successful outcome of the field validation.

CEMAS units have also been operating as integral parts of the education sections at the Regional Offices in New Delhi and Moshi. Grants for their activities were made by the Swedish International Development Authority.

8.2.4 Relations with UNESCO

Close collaboration between the ICA and UNESCO has been maintained throughout the period. ICA representation at a number of major meetings has been possible with the generous assistance of the Federation Nationale des Cooperatives de Consommateurs (France), who have assigned an officer, Mlle F. Baulier, for this purpose. (Fuller information is given under paragraph 12.13.)

8.2.5 Directory of Co-operative Education and Calendar of Technical Assistance

An updated version of the Directory of Co-operative Education was produced in English and French, and distributed in 1979. The Calendar of Technical Assistance has appeared regularly each year.

8.2.6 Development of Co-operatives in the Third World

The work of the ICA in the field of development of co-operatives in the Third World, together with the whole of the Co-operative Development Decade report is in Paper II. This section of the report only highlights some of the more significant activities during the past four years. These include the ICA Consultation on Co-operatives and the Poor, which will significantly affect future ICA policy; the provision of an Education Adviser in Latin America; and the launching of two important research projects on Industrial Co-operatives and the role of government supervision in assisting the small farmer. In developed countries, there has been an increase in assistance provided by co-operative movements, often in collaboration with their respective governmental aid agencies, and their sources of expertise and funds will be important to ICA programmes in the coming years.

8.2.7 ICA Education Adviser in Latin America

Mr Peter Pyne (Irish national) has been appointed to the post of ICA Education Adviser, working with the Organisation of the Co-operatives of America. The appointment is financed by the Co-operative Union (UK) with funds from the

UK Overseas Development Administration. For a variety of reasons, consideration is now being given to Mr Pyne working with ALCECOOP, an educational body of OCA.

8.2.8 Co-operatives and the Poor

In 1977, the ICA organised a Consultation on "Co-operatives and the Poor". Meetings on similar subjects were held by COPAC and the Agricultural Development Council (ADC) of the USA. The ICA invited the Chairman of its own Consultation, Dr R. L. Marshall, to prepare a Summary Report on the conclusions of these Meetings, with particular emphasis on recommendations for practical action, which could be incorporated into ICA policy.

8.2.9 "Buy-a-Bucket-of-Water" Campaign

The "Buy-a-Bucket-of-Water" scheme, recommended originally by the ICA Women's Committee, was adopted as the ICA's main contribution to the International Year of the Child. It was welcomed not only by member organisations, but by UNICEF which was the lead organisation for this Year. Mrs M. J. Russell, formerly ICA Secretary for Women Co-operators, was appointed Project Organiser for one year.

The scheme was designed to enable millions of co-operators to take part in their individual capacity, the aim being to raise money to finance co-operative projects in selected villages and semi-urban areas of developing countries where there is no supply of clean water for domestic use. A direct benefit would be to the children, not only in improved health and in the avoidance of diseases, but to their parents, especially mothers, whose lives are burdened by the constant need to obtain water, often carrying it very long distances. It is estimated that 500 million children are endangered by the lack of clean water.

Member organisations began their campaigns at various times during 1979, according to the conditions in their countries. Some used the whole of the year, and others confined their campaign to a shorter but concentrated period. This meant that collections were received by the ICA intermittently and that made it somewhat difficult for the Alliance to commit itself to specific projects. However, some of the projects were begun in 1979, particularly a scheme in North Afghanistan, where FAO had already launched a co-operative programme. 30 wells were sunk by December 1979. Further projects are being concluded in India, Kenya, Sri Lanka and certain francophone countries in West Africa. In Peru 10 water systems will be installed with support from CARE, and the Ministry of Health in Peru will maintain the programme and provide educational programmes on the correct use and protection of the water supply. "The aim is for the community to organise its own collection of fees for the water usage and use them for maintenance. As at March 1980, the Fund amounted to £204,923, of which over half, i.e., £145,386 came from the Japanese Co-operative Movement. Some movements gave directly to their own governmental aid funds for water projects. A full account of the scheme and the funds raised will be issued separately in due course.

8.2.10 Functional Literacy Projects—The Gambia and Sierra Leone

Two Functional Literacy and Numeracy Projects in The Gambia and Sierra Leone are being implemented from mid 1979 onwards. In The Gambia, the ICA is working with the National Co-operative Union and funding is being provided by the Gambian Rural Development Project. The Co-operative Department is providing the Project Co-ordinator.

In Sierra Leone, the main responsibility for implementation falls upon the Co-operative Department. Funding is provided partly by the ICA Development Fund, using donations from the Norwegian Solidaritetsfond, and by the Commission of the European Communities (EEC).

The Solidaritetsfond contribution enabled the project preparation plans to be drawn up for both The Gambia and Sierra Leone, and the EEC funds were provided on the understanding that they matched the ICA contribution. The objective of both projects is to make poor farmers and their families literate in their own languages, to enable them to understand the operation of their co-operative societies, including business transactions and improved agricultural techniques.

8.2.11 South Pacific

The Co-operative Federation of Australia, with financial assistance from the ICA, has contributed to the development of co-operatives in the South Pacific by providing the services of Mr W. Kidson who made a tour of the region in August 1979 during which he was able to provide specialised advice in a number of countries.

8.2.12 Research Study on "The Economic and Social Potential of Industrial Co-operatives in Developing Countries"

The final report of this Study funded by the ODA (UK), involving in-depth case studies in India, Peru, Indonesia and Senegal was completed in early 1980. Considerable attention will be paid to disseminating the results as widely as possible, and in applying the findings to practical projects. In the conclusions, reference is made to key managerial problems which crucially affect the performance of co-operatives. There are also recommendations on substantial changes in accounting procedures and improvements in promotional policies.

8.2.13 Study on Co-operatives and the Economic Development of Small Farms—Implications for Government Supervision and Guidance

The funding for this Research Study is provided by the Government of the Netherlands, and the substantive aspects of the research will be carried out by the Royal Tropical Institute (RTI) in Amsterdam in collaboration with the ICA Regional Office and Education Centre for South East Asia. Local research staff have been employed at the Regional Office and in each of the two countries (Sri Lanka and Thailand) in which the research is being undertaken. The main purpose of the project is to assist local co-operatives and governments to develop policies and strategies which would make co-operatives more effective in satisfying small farmer needs and aspirations.

8.2.14 Work of the ICA in Latin America

(i) Organisation of the Co-operatives of America (OCA)

The OCA decided to move its Headquarters from Peru, and after a temporary period when the Head Office was located in Buenos Aires (Argentina), the Office is now in Bogota (Colombia).

The OCA has collaborated with the Secretariat in the Research Study on The Economic and Social Potential of Industrial Co-operatives in Developing Countries and the Research Fellow, Dr Nicholas Mahoney, received co-operation in his practical work in the Region.

The OCA was represented at the Meeting of UNCTAD in Buenos Aires in September 1978 by the President, Dr Manuel Domper. Relations were maintained with the Asociación Latinoamericana de Centros de Educación Cooperativa (ALCECOOP). This co-ordinates the activities of a number of Spanish-speaking education centres in South America and Europe. The Chief—Education and Development attended a Meeting of ALCECOOP held in Tenerife in February 1979.

(ii) Latin American Technical Institute for Co-operative Integration (LATICI)

(a) The Regions

The organisation of the LATICI regions in El Salvador, Aruba (Dutch

Antilles) and Venezuela is proceeding according to plan with a series of working conferences on staff training and member education. In Brazil the completion of the building which is to house the Regional Office and Training Centre for this Region has been delayed, but should be ready in the near future. A major event for the regions has been the upgrading of three of LATICI's projects from the primary to the secondary stage, in Aruba, Brazil and El Salvador. This development required for the first time within LATICI considerable capital investment of approximately US \$100,000, US \$150,000 and US \$250,000 respectively. It had been hoped that finance for at least part of this investment could have been made available from external sources, but this did not materialise.

(b) **Legislation**

Difficulties with legislation in the various countries continue, and registration under an alternative law seems to be the only way at the moment to circumvent restrictions placed on LATICI projects by existing co-operative law.

(c) **LATICI's Registration**

LATICI is now registered as an organisation in its own right in El Salvador. At the moment the form used has been that of a foundation. In Brazil and Venezuela (in the latter, the LATICI project has already been re-registered as a civil organisation), the first steps to register LATICI as a foundation have now been taken.

(d) **Training and Members' Education**

The three training centres, which it is hoped will shortly be joined by one in Brazil, provide an invaluable service to the LATICI projects. During six months in 1978 2,137 persons were trained in 88 different training activities.

(e) **Council of LATICI**

During 1978/1979, the Council of LATICI met on a number of occasions in order to plan the organisation, administration, and a work programme for the next five years. It has also considered operations to implement this programme and the way in which the technical council of LATICI can operate in the region. The Council accepts that outside economic assistance would be temporary and that the limited resources of LATICI should be used to raise some of LATICI's projects from the preliminary to the secondary stage. The assistance to other projects would necessarily have to be limited.

(f) A new building was opened in April 1979 in Porto Alegre (Brazil). This is an experiment in developing domestic retail stores in a marginal area. In the past, LATICI has opened several stores in poor areas, but this is the first time that a large supermarket has been put up in such an area.

(g) An evaluation of LATICI projects will be organised by SCC in 1980.

8.3 Information, Research and Public Relations Department

8.3.1 General

Since the 26th ICA Congress in Paris, there has been an increase in the information, press and public relations activities of the ICA, particularly in the number of visitors, both singly and in groups, and in postal enquiries. These activities provide the Secretariat with many important personal contacts and sources of information throughout the world, and opportunity is taken to thank those ICA affiliates who have co-operated by giving advance warning of visitors from their organisations, thus allowing the Secretariat to arrange meaningful programmes for them. There has been an estimated increase of 40% in the number of visitors and enquiries.

8.3.2 Publications

(i) Review of International Co-operation

The channel of communication between ICA and the outside world, the Review of International Co-operation, is now in its 73rd year, and the change from bi-monthly to quarterly publication at the end of 1976 seems to have been appreciated by an expanding readership; it is being ever more widely quoted in co-operative and other journals around the world, spreading knowledge of the work of the International Co-operative Movement. Thanks are due to CENTROCOOP (Romania) for its contribution to international co-operation in printing the Review in French, and since the beginning of 1980, also carrying out the translation in that language, thereby helping to speed production time. Thanks are also due to INTERCOOP (Argentina) for carrying the burden of the Spanish edition of the Review, which in 1979 celebrated its 10th Anniversary by appearing at the International Book Fair in Buenos Aires, through the good offices of our Argentine affiliates; the Spanish edition of the Review now carries a very useful section on Latin American co-operative activities.

(ii) Co-operative News Service

For reasons of economy, the Co-operative News Service ceased publication at the end of 1979, and ICA events, previously featured in the CNS, are being incorporated in the Review.

(iii) Agricultural Co-operative Bulletin

It is expected that the Agricultural Committee of the ICA will take over the financing of this vehicle of communication between the ICA Chief—Agriculture and Fisheries Department, its International Committee on Agricultural Co-operation, and its agricultural affiliates.

(iv) Co-operative Fishermen's Bulletin

This is expected to start publication in 1980, mainly with the support of Zengyoren (Japan). It will appear quarterly.

(v) Consumer Affairs Bulletin

As from January 1980, the Consumer Affairs Bulletin was replaced by a new consumer quarterly, *Co-op Consumers*, published in English, French, German, Spanish and Danish on behalf of the Organisation for Co-operative Consumer Policy by FDB (Denmark).

(vi) Regional Office Bulletins

The Regional Offices in South East Asia and East and Central Africa continue to publish their Regional Bulletins.

(vii) Other Publications

The following have been published by ICA Headquarters since the last Congress:

- 26th Congress Report, Paris 1976 (English).
- Report of the First Open World Conference on Co-operative Fisheries, Tokyo 1975 (English and Japanese).
- Report of the 4th International Conference on Co-operative Thrift and Credit, April 1977, Rio de Janeiro, Brazil (English and French).
- Technical Assistance for Co-operatives in Developing Countries—Need and Response: Report of the 43rd International Co-operative Seminar (1975) Dresden, German Democratic Republic (now out of print).
- Co-operative Progress in a Changing World: Report of the 44th International Co-operative Seminar (1977) Budapest, Hungary.
- Capital: Source and Use (in a few selected co-operatives and private retail enterprises).

- Co-operative Legislation in Eight Countries—a Comparative Study.
- Productivity in Retailing (a report of the Research Officers' Group).
- Directory of Addresses of Government Ministries/Departments.
- Research Register of Studies on Co-operatives in Developing Countries with support from the Hungarian and Polish Co-operative Movements, and Selected Bibliographies (Bulletins Nos. 4, 5, 6, 7, 8 and 9 (now printing)).
- Co-operation as an Instrument for Rural Development: Papers from an International Conference organised at Ghent University, September 1976, edited by M Konopnicki and G Vandewalle. Published for the University of Ghent (Belgium). This could be considered one of the ICA's most successful publications in terms of demand over the past four years, although Mr Watkin's "The International Co-operative Alliance 1895-1970" runs a close second.

There have been two additions to the Studies and Reports Series:

- No. 13 Co-operatives and the Poor: Report of the Experts' Consultation, Loughborough, UK, July 1977.
- No. 14 Co-operatives and the State: Report of the Discussions held at the Meeting of the ICA Central Committee, September 1978, Copenhagen (Denmark).

The following continue to be published annually:

- Calendar of Technical Assistance for Co-operatives.
- Statistics of ICA Affiliated Organisations (English and French).

A new publication on ICA's aims and activities will appear in 1980, replacing the former annual "Report on Activities"; it will be up-dated approximately every three or four years.

The Vocabulary of Co-operatives Terms, first published in 1974, is now out of print, selling exceptionally well in its five languages of co-operative terms and definitions. A new revised edition in 1980 is contemplated.

The annual "Year Book of Agricultural Co-operation" published by the Plunkett Foundation for Co-operative Studies (Oxford, UK) has since the 1976 issue appeared as a joint venture with the ICA.

Press Releases continue to be issued regularly and arouse great interest, being appreciated both by the Co-operative Press and by ICA affiliates.

8.3.3 Library

There are three main functions carried out by the Library; as a library of records it obtains catalogues and preserves books, pamphlets, annual reports and periodicals from co-operatives all over the world, as well as ICA publications; it is the only library in existence which is solely devoted to maintaining an international coverage of the Movement as a whole; as a reference centre, it serves the ICA staff, as well as researchers, students and academics from a wide range of countries and organisations. As an information service, the Library provides staff, visitors and enquirers with facts, figures and other material in response to queries on the Movement.

The Library collection consists of over 20,000 items (books, pamphlets and annual reports) in 20 languages, with information and analyses of the Co-operative Movement over the past 100 years. 600 periodicals are received on a regular basis in 20 languages. Until the cuts in library staff, summary translations of articles were available from some ten languages into English. Articles cut from periodicals form an important element in the provision of current information; the collection now contains over 1,200 items.

The principal users of the Library are the ICA staff, particularly the Information, Research and Public Relations Department. There has been an increase in the number of outside users of the Library—researchers from academic, educational and governmental institutions, both in the UK and from other countries. This reflects the increased public awareness of the Co-operative Movement, and of the services available from the ICA Library. In 1979, there were about 60 such long term users of the Library.

A monthly accessions bulletin is issued to ICA staff and co-operative libraries, and an annotated guide to new books on co-operation is included in the Review of International Co-operation.

Liaison is maintained between the Library and (a) the libraries, information and research services of the ICA Regional Offices, for which the Library provides book-buying and information services; (b) the CEMAS Project in order to exchange material and information on publications; (c) the International Working Party of Co-operative Librarians and Documentation Officers for which the Librarian provides Secretariat services; and (d) member organisations and other co-operatives with regard to advising them on how to build up their library services.

8.3.4 Research

The Research Department collects information on a regular basis on items in which the ICA has a continuing interest. It has provided the background information for several themes such as "Communication between Co-operatives and Employees"; "Co-operatives and the State"; and "Co-operatives and Leisure". There has been a continuous monitoring of "Collaboration between Co-operatives" by the Secretariat. It also monitors the Research Unit of the Regional Office for East and Central Africa where there is a four-year research project for the countries in the Region.

The Research Department has compiled special reports to the United Nations on the following subjects:

- (a) National Experience in Promoting the Co-operative Movement;
- (b) Consumer Protection and Co-operatives;
- (c) International Development Strategy;
- (d) Promotion of Industrial Co-operatives (UNIDO III).

The Department deals with a large number of enquiries from member organisations, research institutes, academic bodies, etc. For example, information has been requested and supplied on workers' co-operatives; details of national legislation affecting co-operatives—taxation of co-operatives; relations between co-operatives and public enterprises; the co-operative contribution to consumer protection; monopolies; structural changes in co-operatives. Some enquiries may be straightforward with simple answers, whilst others entail considerable research for a considered reply.

The Research Department provides the Secretariat for the Research Officers' Group (see Paragraph 11.4).

8.4 Youth

When the Secretary for Women and Youth Activities retired in 1978, no responsibility for Youth Activities was assigned to her successor, whose main work is servicing the Women's Committee. Youth was a special subject for debate at the Central Committee in 1975 and the view was strongly expressed then that this was an area best suited for action by national organisations. Consideration will be given to convening a Youth Conference before the 1984 Congress. Note should be taken of the Seminar on School Co-operatives held in December 1979 in Paris. Most of the participants were young people, and certain recommendations made at the Seminar will be followed up. These have a bearing on co-operative youth activities. (See Paragraph 8.2.1 (iii)).

9. ICA and the Developing Countries

9.1 General

The main work of the ICA in the developing countries is carried out by the Regional Offices. These have provided a variety of services for members from the Office in New Delhi (India), established in 1960 for South East Asia, and from the Office in Moshi (Tanzania) established in 1968 for East and Central Africa. The work of these Offices has been largely funded by financial sources other than the central budget, notably the Swedish Co-operative Centre and certain national governmental technical assistance agencies in Canada, Finland, The Netherlands and United Kingdom. Other technical assistance has been organised by the Headquarters in areas not covered by the Regional Offices, especially West Africa and Latin America.

The work done in the Regional Offices is covered in Paper II on the Co-operative Development Decade, and the following paragraphs give details not dealt with in that Paper, as well as an account of events leading to the opening of a Regional Office for West Africa.

9.2 Co-operative Development Decade

The Co-operative Development Decade was initiated by the Central Committee in 1970 as a contribution of the International Co-operative Movement to the UN International Development Strategy, and was seen as a support to the UN Second Development Decade. The Co-operative Development Decade ends in 1980, and an account of the major achievements in the Decade together with an assessment is reported separately as Paper No. 2.

9.3 Regional Office for East and Central Africa

Following the audit of the Accounts for 1977 which includes the Regional Office Accounts, it became clear in 1978 that firmer control had to be established over the accounts and administration of the Office. A special mission was sent to Moshi to examine all aspects of the Regional Office's finances, and later on, a new Regional Director, Mr E. M. Anangisye (Tanzanian national) was appointed, and he took up his duties on 1st January 1980.

9.4 Regional Office for West Africa

For many years both in the Central Committee and in Congress, there have been requests from West Africa for the ICA to set up an Office for the Region. Following discussions in the Co-operative Development Committee, a mission was sent in February 1978 to West Africa in order to assess the needs of Co-operative Movements in the Region and the possibility of providing a Regional Programme. The mission was financed by funds allocated from the Development Fund, Swedish Co-operative Centre; Swedish International Development Authority, Fédération Nationale des Coopératives de Consommateurs (France), Co-operative Union of Canada, Conseil Canadien de la Coopération, Canadian International Development Agency and De Samvirkende Danske Andelsselskaber (Denmark). The multinational mission, under the leadership of Mr A. Carlsson (Sweden) consisted of members from Canada, Denmark, France, Senegal, Sierra Leone and Switzerland, and it visited eight countries in West Africa, both Anglophone and Francophone. The mission concluded with a Conference in Abidjan (Ivory Coast) in which two participants from each country in the Region were invited to discuss the preliminary recommendations of the mission. This Conference supported the recommendations, the main ones being:

- (i) An ICA Regional Programme should be established in the Region;
- (ii) Such a programme should provide for exchanges of experience, training and education assistance with projects and help to create the conditions for

developing trade. The ICA should have as its basic role the task of representing and promoting co-operatives and should play an important role in co-ordinating programmes concerning co-operatives;

- (iii) The following means should be used to carry out such a programme:
- exchanges of experience
 - exchanges of information
 - consultancy services
 - research
 - channelling of Technical and Financial assistance.
- (iv) The administrative structure to support such a programme should be light. Priority should be given in staffing to the human resources available in West Africa. Senior staff should be verbally fluent in English and French and if necessary, special training for this purpose should be given.
- (v) Democratic machinery should be established which would allow co-operatives and promotional agencies to advise on the programme. Governments should be involved in this process.
- (vi) There should be an administrative budget financed mainly from contributions of the beneficiary organisations in the Region, and a programme budget to be financed mainly from external sources—regional and national.

After discussions with a number of organisations in West Africa, a decision was taken to set up the Office in Bingerville near Abidjan (Ivory Coast). The Office is expected to become operational in 1980, and Mr B. D. Ndiaye (Senegal national) has been appointed as Regional Director Designate. A Provisional Regional Council has been set up, consisting of one member from the Government Department dealing with co-operatives and one member of the Co-operative Movement, from each country in the Region. The Council met in March 1980, following a seminar in the Region on "The Development of Co-operative Leadership".

Members of the Co-operative Development Committee have pledged sums for the administrative budget, and a programme budget will be provided by external agencies, thus leaving the least of administrative costs as a charge on the central budget of the ICA.

9.5 Cyclone in Andhra Pradesh (India)

Following the cyclone in Andhra Pradesh, which caused widespread loss of life and damage to property, the Director wrote to the President of the National Co-operative Union of India on behalf of the Alliance, expressing sympathy, and asking for details of damage to the Co-operative Movement, and whether it was possible to give any specific help. Many countries organised national funds to channel money and supplies to the Government of India, and several co-operative movements responded to national appeals. On behalf of the Alliance, £1,000 has been donated from the Development Fund to the NCUI for general use in co-operative reconstruction, and in addition, five sets of co-operative documentation have been sent to co-operative colleges in the area.

10. Work of the Auxiliary Committees

10.1 International Committee on Agricultural Co-operation

The following officers were elected at the Meeting of the Agricultural Committee in Paris in 1976:

Honorary Chairman	L. Malfettani (Italy)
Chairman	G. Kuylenstjerna (Sweden)

Vice-Chairmen	S. Sulemesov (Bulgaria) J-B Doumeng (France) K. Kheir (Egypt)
Executive	J. M. Appiah (Ghana) M. Lehoczki (Hungary) replaced Mrs E. Feher A. Kritschmann (Israel) F. Owen (USA) A. Pedersen (Denmark) replaced C. Pedersen T. Szelazek (Poland) S. Ochiai (Japan) replaced K. Yoshida B. Dwivedi (India) replaced G. Sharma

The Committee has 49 members from 38 countries. At the Meeting in Paris in 1976, Dr Malfettani retired from the Chairmanship of the Committee which he had held since 1963. The Committee elected him as Honorary Chairman as a mark of appreciation for his work and tributes were paid to him at the Meeting.

Since the Paris Congress, the work of the Agricultural Committee has been mainly directed towards implementing the Resolution on Collaboration between Co-operatives to enable the co-operatives both to compete with the multinational corporations and to contribute to the establishment of a New Economic Order. One of the Committee's aims is to promote agricultural co-operation by strengthening collaboration among agricultural co-operatives, and its programme has covered the following:

- (i) Interchange of co-operative experience through frequent conferences, seminars, study tours, publications, etc.;
- (ii) Promotion of trading relations by holding commodity conferences, development of contacts with INTERCOOP, ICTO, and other similar bodies;
- (iii) Collaboration with other interested organisations on the basis, where possible, of a rational division of tasks;
- (iv) Provision of support to agricultural co-operatives in developing countries.

10.1.1 Economic Collaboration of Co-operatives through an Economic Sub-Committee

An important initiative aimed at further economic collaboration between co-operatives was the setting up of the Economic Sub-Committee (ESC) of the Agricultural Committee with the approval of the ICA Central Committee, first in 1977 as an ad hoc body, and then in 1978 as a standing Sub-Committee. The programme of the Economic Sub-Committee has represented the most important part of the work of the Agricultural Committee since the Paris Congress.

The ESC has been concerned with the following activities;

- examining the potential of and initiating inter-co-operative trade;
- exploring ways and means of improving the economic potential of co-operatives, especially in developing countries;
- trying to obtain funds to meet the objectives defined above.

To plan its work, the Sub-Committee has set up an Economic Bureau in Paris, supported temporarily by the French Co-operative Movement.

Under the initiative of this Bureau, and following requests from co-operatives in many countries, agreements and commercial transactions amounting to US \$250 million have been made between various co-operative movements. This was done as a result of visits to over 24 African and Asian countries where arrangements were made on a great variety of goods from foodstuffs to industrial plant. Business transactions have been made and more are planned with several co-operatives in the socialist countries of Eastern Europe. This Bureau is working for the creation of an information centre on inter-co-operative trade.

The composition of the Economic Sub-Committee is as follows:

Chairman	J-B Doumeng	France
Executive	G. Sharma	India
	M. Lehoczki	Hungary
	R. Beasley	USA
	S. Ochiai	Japan

10.1.2 International Co-operative Trade Conference

In November 1978, an International Co-operative Trade Conference was organised jointly by the Co-operative League of the USA (CLUSA) and the International Co-operative Alliance through its Agricultural Economic Sub-Committee at the World Trade Centre in New York.

The purpose of the Conference was to promote direct trade agreements between co-operatives and to initiate action which would increase the share of goods handled by co-operatives from all over the world. In addition to the 42 delegates from 23 USA organisations, the Conference was attended by 73 participants from 21 countries: Argentina, Canada, Cyprus, Denmark, Egypt, Federal Republic of Germany, Finland, France, Iceland, India, Israel, Italy, Japan, Nigeria, Norway, Philippines, Poland, Singapore, Spain, Sweden and Yugoslavia. The delegates expressed their satisfaction with the co-operative trade contacts made, and useful business contracts were exchanged, especially in grains and oilseeds.

The main recommendations of the Conference were:

- (i) The ICA Economic Sub-Committee should consider setting up branches of its Paris Economic Bureau in other parts of the world;
- (ii) Efforts should be made to increase the co-operative share of world trade in the main agricultural products to 25% within the next 2 years;
- (iii) The Economic Sub-Committee should explore ways and means of co-ordinating various supplies and inputs for the benefit of co-operatives, bearing in mind the interests of developing countries;
- (iv) The next general conference should be held in Moscow, October 1980, on the occasion of the ICA 27th Congress.

The Moscow Trade Conference has been organised to deepen and broaden the inter-co-operative contacts established at the New York Conference. It is organised by *Centrosoyus* of the USSR as host with the ESC. The main work of the Conference will concentrate on:

- (i) Follow-up of the New York Trade Conference especially co-operative trade in commodities;
- (ii) Trade in capital goods, machinery and production material for the needs of co-operatives;
- (iii) Recommendation for future development and the possibility of holding the next Co-operative Trade Conference in a less developed country.

10.1.3. Other Activities

A joint ICA/IFAP Conference was held in Paris in 1976 on "Agricultural Co-operative Strategy towards Multinational Corporations".

A seminar on "The Role of Agricultural Co-operatives in the Production, Processing and Selling of Agricultural Products, in the Development of Agriculture and in the solution of rural problems" took place in Plovdiv, Bulgaria, in May/June 1977 within the framework of the Committee's educational programme. Thirty-three participants mainly from 12 developing countries attended. The programme was combined with visits to agricultural co-operatives and agricombinats.

The Chairman of the Agricultural Committee participated in a consultation on rural development organised by FAO in Godolo, Hungary, in 1977.

The Chairman of the Economic Sub-Committee attended the ILO/SIDA Project on Trade Promotion in South East Asia held in Singapore in January 1979. It was decided to hold a seminar on critical agricultural commodities in co-operative trade in India in the spring of 1980. He also made contacts with the International Co-operative Trading Organisation (ICTO). In order to strengthen the basis for inter-co-operative transactions, a model contract has been worked out with co-operative insurance societies and negotiations are in progress for securing co-operative bank guarantees for certain international business operations.

The Secretary of the Committee co-operates with the Plunkett Foundation for Co-operative Studies, Oxford, UK, in the editing of the Joint Year Book of Agricultural Co-operation.

The Secretary is also the editor of the Agricultural Co-operative Bulletin, published monthly in London.

10.1.4 Relations with International Organisations

The Committee has co-operated closely with FAO at meetings, seminars and in joint projects. A study was carried out on behalf of the FAO and in collaboration with the ICA Regional Office for South East Asia on the Role of Co-operatives in Increasing Agricultural Production in 6 Countries of South East Asia in collaboration with the ICA Regional Office in 1978. A draft manual has been prepared for the FAO on post-harvest losses in grain and rice. This was tested in an experts' consultation in Benin, in association with FAO. The final text is being prepared in the light of this consultation.

The ICA delegation at the World Conference on Agrarian Reform and Rural Development, FAO, Rome, July 1979, co-operated with many government delegations, in which co-operative representatives were members. The result was an improvement in the attitude of this Conference in favour of co-operatives.

The Agricultural Secretary went as an expert to the FAO expert consultation on Improving Management Systems of Co-operatives with Special Reference to Small Farmers, Indian Institute of Management, Ahmedabad, October 1979.

The Economic Sub-Committee and the Secretary co-operated with the ILO/SIDA Project on Promotion of Co-operative Trade in South East Asia, in which the International Trade Centre UNCTAD/GATT was involved.

At a joint meeting in Copenhagen 1978 of the ICA Agricultural Committee and the IFAP Standing Committee on Agricultural Co-operation, broad guidelines for the areas of responsibility and definition of the areas for collaboration were defined.

10.1.5 Meetings of the Committees

The Agricultural Committee met in 1976 in Paris, in 1977 in Hamburg, in 1978 in Copenhagen and in 1979 in Manchester.

The Executive Committee met in London and Hamburg (1977); in Dubrovnik and Copenhagen (1978); in Bonn and Manchester (1979); and in Paris in 1980.

The Economic Sub-Committee met in Budapest and London (1977); in Dubrovnik and New York (1978); in Bonn and Manchester (1979); and in Paris (1980).

10.2 Banking Committee

10.2.1 The following officers were elected at the Meeting of the Banking Committee held in Paris in 1976:



Chairman	W. Hesselbach	Federal Republic of Germany
Vice-Chairman	L. Lee	UK
Executive	K. Akompong	Ghana
	N. Anderson	Denmark
	W. Bleile	Switzerland
	R. Etienne	France
	W. Flötti	Austria
	A. Lewinsky	Israel
	M. Sidambaram	Mauritius
	S. Lundahl (till 1979)	Sweden
	D. Grethe	Switzerland
	K-E Vogelsang	Switzerland
	T. Braun	France
Secretary	M. G. Hess	Federal Republic of Germany

10.2.2 It has always been an important task of the ICA Banking Committee to contribute to strengthening the co-operation between co-operative and commonweal banks in all fields of banking business. Thus the ICA Banking Committee brings together representatives of the affiliated institutions once or twice a year at the Plenary and Executive Meetings. In addition, the following measures contribute to achieving this goal:

- (i) an intensive exchange of ideas about problems of common interest to the international banking community;
- (ii) an intensification of the contacts maintained in the fields of money market operations, exchange dealing and syndicated loans;
- (iii) organisation of the annual meetings of the heads of the foreign departments and chief foreign exchange dealers of the shareholders of the International Co-operative Bank (INGEBA);
- (iv) continuation and extension of the exchange programme which started in 1975 for young staff members of the affiliated institutions.

10.2.3 The following additional subjects have been discussed:

- (i) At the Plenary Meeting held on 27th September 1976 in Paris, a detailed report was given by Mr Lewinsky on the development of workers' banks in Latin America and their special tasks within the banking world of these countries. Members concluded that the workers' banks, especially regarding their specific tasks, fit very well into the ICA Banking Committee.
- (ii) At the Plenary Meeting of the ICA Banking Committee held in Copenhagen on 8th September 1978, the COPAC Report on "Proposals for an Inter-lending Programme" was discussed and as a result, it was decided to hold an additional meeting with representatives of COPAC in order to achieve a more intensive discussion of the paper. Further meetings were held and the result of the discussion was approved by the Executive Committee. At the Plenary Meeting held in 1979 in Manchester, the result was discussed in detail.

—The borrowers of a possible interlending programme will be mainly agricultural co-operatives. Since the organisations in developing countries tend to be very small, it means that the amount of the credits to be granted will not be very high. The borrowing institutions will hardly be in a position to commit themselves in foreign currency. Neither will the co-operatives be able to accept an interest rate in keeping with the levels prevailing on the international financial markets. It was absolutely clear, that the credits

involved imply an above-average risk. Such risks were attributable both to the economic risk of the borrower, and also to the respective country. In some cases, the co-operatives, through the granting of a loan, will be enabled to see the value of working through a co-operative banking institution.

- The participants shared the opinion that the crucial issue pertains to project identification and implementation. If projects which are ready for financing are presented in an appropriate form, it will be possible to obtain funds available from international finance organisations, e.g., the International Bank for Reconstruction and Development and its affiliated institutions or through national development organisations. In addition, Bank für Gemeinwirtschaft and INGEBA expressed their willingness to grant loans aggregating to a fair amount for projects with a higher, but still assessable risk at an interest rate, which would be as low as possible. Preference should be given to financing investments, which themselves generate the necessary income to cover interest and repayment of the loan.
- It was stated by COPAC that it would be in a position to submit projects suitable for financing by the member banks of the ICA Banking Committee.
- Under certain circumstances advice may be provided by the member institutions of the ICA Banking Committee or affiliated institutions for more detailed preparation of projects. The cost of advice must be in reasonable proportion to the volume of the project.
- The point was stressed that steps could be taken in a pragmatic way by just financing concrete projects.

10.2.4 Co-operation with the International Liaison Committee on Co-operative Thrift and Credit

In this period good co-operation with the International Liaison Committee has continued. The preparation and evaluation of the 4th International Conference on Co-operative Thrift and Credit held in 1977 in Rio de Janeiro and the preparation of the 5th International Conference on Co-operative Thrift and Credit envisaged for February 1981 in New Delhi (India) were the main tasks in this field. The 5th Conference will be organised jointly by the International Liaison Committee and the ICA Banking Committee.

10.2.5 Formation of a Committee on Questions of the European Economic Community

It had been suggested by the Chairman of the ICA Banking Committee, Dr Hesselbach, to set up a liaison office of the ICA Banking Committee to the EEC in Brussels. This will enable the co-operative and commonweal banks to engage more in discussions at the European level than has hitherto been the case. In later discussions between the Secretary and representatives of the EEC in Brussels, it became apparent that the idea was favourably received there. At the Meeting of the Executive held in May 1979 in Lucerne, it was decided to form a Committee of the ICA Banking Committee on questions of the EEC. All member organisations in EEC countries may serve on this Committee. In addition, several members of the Executive and other banks in European countries will be invited as guests to attend the Committee's Meetings. On 10th September 1979, the constituent meeting of the Committee was held in Frankfurt. Mr Manfred Maier, Department for Finance Institutions of the EEC Commission gave a lecture on the problems of bank law and bank policy within the EEC. Dr Hesselbach was appointed as President and Mr L. Lee (UK) as Vice-President of the Committee. The Secretariat of the ICA Banking Committee also assumed this function for the Committee. First steps are being taken to accredit the Committee to the EEC Commission.

10.3 Organisation for Co-operative Consumer Policy (Consumer Committee)

10.3.1 The following officers were elected at the Meeting of the Consumer Committee held in Paris in 1976:

Chairman	E. Hansen (succeeded N. Thedin in 1977)	Denmark
Executive	Ms E. Rüefli	Switzerland
	K. Aaltonen	Finland
	K. Boczar	Poland
	M. Dabrunz	Federal Republic of Germany
	J. Gallacher	UK
	K. Janssen	Belgium
	J. Semler-Collery	France
	G. Fornari	Italy
	L. Marcus	Sweden
Secretary	P. Dines (succeeded J. Semler-Collery in 1977)	Denmark

Mr N. Thedin (Sweden) was elected Chairman of the Committee at its constituent Meeting in 1973. He retired from the Chairmanship in 1977 and was succeeded by Mr E. Hansen (Denmark). Appreciation was expressed at the Meeting in Hamburg for the work done by Mr Thedin.

10.3.2 Since 1976, the Consumer Committee has strengthened its relations with other international consumer organisations, for instance, the International Standardisation Commission (ISO) and the consumer organs attached to this Commission, INTERCOOP Laboratory Group, and has maintained contact with the consumer initiatives of the United Nations. On Resolutions of the ICA Congress in 1976, the Consumer Committee has taken initiatives regarding general standards for non-food goods, for instance through representation in the ISO. It has also increasingly dealt with the question of providing the best possible information to the consumers. This has been done through exchanges of experiences between the members of the Committee and through the preparation of a new working programme for the Committee.

10.3.3 At its annual Meeting in 1977, the Committee dealt with consumer information, especially the connection between nutrition and health. The so-called food pyramid was presented. This pyramid gives priority to food of high nutritive value. A sub-committee was established for South East Asia, which will report to the Consumer Committee on new initiatives among co-operatives in that Region.

10.3.4 The Meeting of the Consumer Committee in September 1978 in Copenhagen dealt with the International Year of the Child, and this subject was treated with a special theme: The International Year of the Child and Consumer Co-operatives. A Working Group was established to find new ways to improve the work of the Consumer Committee, i.e., a clarification of relations with other ICA Auxiliary Committees, Sub-Committees, and to publishing the consumer magazine Consumer Affairs Bulletin.

10.3.5 At the Meeting in 1979 in Manchester, the Committee adopted a new working programme. The new objectives for the Consumer Committee are:

- (i) to initiate discussion on the crucial problems of co-operative consumer policy;
- (ii) to communicate information to both ICA members and to organisations outside the co-operative movement;

- (iii) to collaborate with other appropriate ICA committees;
- (iv) to represent ICA co-operative consumer interests to other international co-operative or non-co-operative organisations;
- (v) to collect information about consumer policy initiatives in the ICA Member organisations;
- (vi) to publicise information and the results of work of the Committee through the magazine *Co-op Consumers* or through other efficient means.

10.3.6 The main priority in the short run is to improve communications between member organisations by issuing a consumers' bulletin called *Co-op Consumers*. In the long run the Consumer Committee will probably find itself dealing with a different set of problems from those experienced today. They will be more in the nature of product tests, surveys, information, and education, greater consumer protection and increased consumer influence.

10.4 Fisheries Committee

The following officers were elected at the Meeting of the Fisheries Committee held in Paris in 1976:

Honorary Chairman	P. Lacour	France
Chairman	J. Saito	Japan
Vice-Chairmen	I. Aziz	Malaysia
	F. Bencze	Hungary
	E. Einarsson	Iceland
	K. Harding	Canada
Executive	W. Buckman	Ghana
	J. Kanehira	Japan

At the Meeting in Paris 1976, Mr Lacour retired from the Chairmanship of the Committee, and tributes were paid to his work over many years. As a mark of esteem, he was elected Honorary Chairman.

10.4.1 Structure and Organisation of the Fisheries Committee

In 1977, the Status of the Committee, hitherto a Sub-Committee of the Agricultural Committee, was raised to that of Auxiliary Committee by the ICA Executive Committee, following discussion in the Fisheries Sub-Committee and the Agricultural Committee. Its new constitution was approved by the Central Committee in 1977 in Hamburg.

After the Paris Congress, a joint Fisheries Secretariat was established in Tokyo with the National Federation of Fisheries Co-operative Associations (*Zengyoren*—Japan). However, it was subsequently decided in 1979 that it would serve a more useful purpose if a Joint Secretary for Fisheries were seconded by *Zengyoren* to the ICA Secretariat in London. Plans for this secondment are now being worked out.

Dr Z. Juchniewicz served as the Secretary for the Fisheries Committee until December 1977; on his return to his own organisation in Poland, he was replaced by Mr B. Zlataric.

The Fisheries Committee has now 16 members from 14 countries. It met in September 1976 in Paris, October 1977 in Hamburg, September 1978 in Copenhagen, and in September 1979 in Manchester. The Executive of the Fisheries Committee met in October 1977 in Hamburg, September 1978 in Copenhagen and in September 1979 in Manchester.

10.4.2 Work Programme

The basis for the programme of work of the Fisheries Committee was the deliberations of the First Open World Conference on Co-operative Fisheries, Tokyo 1975, and the long-term programme outlined by the Chairman at the Meeting of the Committee in Paris in 1976, as adapted in the light of discussions during the visit of the Chairman to five Asian countries.

The main emphasis will be as follows:

- fishermen's co-operatives are to be encouraged to join the Committee;
- education and training will be strengthened based on self-help in regions, supplemented by international assistance;
- technical assistance should be increased, particularly as fishermen's co-operatives have been one of the least developed branches of the co-operative movement;
- exchange of information for the promotion of co-operative fisheries through the establishment of a centre for the promotion of fishermen's co-operatives;
- promotion of collaboration between fishermen's co-operatives and between the latter and other co-operatives;
- closer co-operation with international organisations and with FAO.

In order to expand the activities of the Committee and work out adequate strategies for development, the Joint Secretary of the Committee in Tokyo collected information regarding the present state of fisheries and the trends of work of fishermen's co-operatives from 24 countries in co-operation with and assistance from the FAO Fisheries Department and embassies of relevant countries in Tokyo.

A Feasibility Study on Fisheries, "Fish Production and Marketing Co-operative Projects in the Khartoum, White Nile, Blue Nile and Wadi Haifa Regions", was carried out by Mr E. B. Hamley (UK) with the approval of the Fisheries Committee and supported by the ICA Co-operative Development Fund. The general arrangements for this Study were made by the London Secretariat. The Ministry of Co-operation in the Sudan stated that, "The Study has been one of the most intensive of its kind ever undertaken here by a visiting expert." The Secretariat also arranged for studies on the Fisheries Project in Ghana and a project for a fishing net factory in Turkey.

In 1978 the Chairman visited three countries in Latin America, and India, Sri Lanka and Bangladesh in 1979. As a result of these visits, the Chairman was able to propose to the Committee the extension of its activities in the field of setting up marketing and processing facilities, and arrange for supplies for fishermen's co-operatives in less developed countries. The modernisation of fisheries should be encouraged by joint ventures with other co-operative movements and increased assistance in business management of fishermen's co-operatives should be given in order to improve the effectiveness of their work.

The Committee arranged an international study group on Co-operative Fresh-water Fisheries for participants from developing countries, in Hungary in June 1977. The Group studied the biological problems of fish propagation; the breeding of fish for food; fertilisation; yield estimation, and practical laboratory demonstrations accompanied the discussions. Visits were paid to co-operative fish farms, processing plant and research institutes. In view of the success of this Seminar, a similar Seminar will be held in June 1980.

Under the umbrella of the Committee, the National Federation of Fisheries Co-operative Associations (Zengyoren—Japan) held two seminars for fishermen's co-operatives from South East Asian countries, in Tokyo in September 1978 and 1979, covering all the expenses for the participants. The Seminars were divided into three parts:

- (i) Activities and organisation of Japanese Fishermen's Co-operatives;

- (ii) Position of Fisheries in South East Asia;
- (iii) Conclusions and Recommendations.

Participants were senior members of co-operatives.

The Chairman visited the FAO Fisheries Department several times and was instrumental in arranging for FAO to conduct a mission in West Africa with the purpose of exploring the usefulness of setting up a development centre for fisheries and co-operative promotion. The Mission, financed by NORAD, received good support from the countries visited—Senegal, Gambia, Sierra Leone, Ivory Coast, Ghana and Nigeria. A project proposal was prepared for the organisation of a centre in order to:

- (i) Assist in national development programmes, identification of pilot projects, consultancy activities in administration, business, etc., and methods of injecting the co-operative component into small-scale fisheries projects;
- (ii) Formulate and implement training programmes, and collect and disseminate information on co-operative fisheries.

10.4.3 Fisheries Bulletin

This is planned to start publication in 1980 mainly with the support of Zengyoren (Japan).

10.5 International Co-operative Housing Committee

Chairman	W. Ambrosius (succeeded S. Kypengren 1976)	Federal Republic of Germany
Vice-Chairmen	A. Johnsson S. Kukuryka	Sweden Poland
Executive	W. J. Campbell V. Jorgensen P. Kalis R. Lahitte E. Lucchi H. Tepper H. Zeithofer	USA Denmark Czechoslovakia France Italy Federal Republic of Germany Austria
Joint Secretaries	M. Bislich R. P. B. Davies	Federal Republic of Germany ICA

At the Meeting in Paris in 1976, W. Ambrosius of Verband Berliner Wohnungsbaugenossenschaften und -gesellschaften eV succeeded S. Kypengren of HSB:s (Sweden), who had been Chairman of the Committee for 15 years. Tributes were paid to Mr Kypengren's work for the Committee, and for the support his organisation had given in the provision of the Special Secretariat of the Committee.

With the change in the Chairman, the Secretariat is now located in the new Chairman's organisation, Verband Berliner Wohnungsbaugenossenschaften und -gesellschaften (Berlin), and Mr M. Bislich was appointed Joint Secretary to succeed Mr A. Johnsson of HSB. Following the change in the Rules of the Committee, adopted in Hamburg in 1977, whereby the number of Vice-Chairmen was increased to two, Mr Johnsson was elected Vice-Chairman, as was K. Kukuryka of Poland. At the Meeting in Hamburg, special papers were presented on:

- The rationalisation in the construction of single-family houses;
- The Technical Problems of Conservation, Repair and Modernisation of Co-operative Housing Stock in Poland;

—**Central Emergency Services—A Co-operative Model.**

In 1978, the Committee met in Copenhagen and discussed specialist papers as follows:

- Survey by Finnish Housing Co-operative Organisation on the Builder-Owner System of Non-Profit and Co-operative Housing Organisations in Scandinavia and certain other European Countries;
- Training Centres for Executives of Housing and Building Co-operatives;
- Recreation and Leisure Activities;
- Emergency/Solidarity Fund for Housing Co-operatives in the Federal Republic of Germany.

In 1979 in Manchester, the Committee received reports on the present situation of housing co-operatives with future projections. Those covered the housing sectors in Austria, Czechoslovakia, Denmark, Finland, France, Federal Republic of Germany, Hungary, Israel, Italy, Poland, Sweden, UK and USA.

During this period the Committee has given considerable thought to its publication the Housing Bulletin. The Bulletin is edited by Mr B. Heinen of Gesamtverband gemeinnütziger Wohnungsunternehmen (Federal Republic of Germany) and an enquiry about its content, periodicity, etc. is being carried out with a view to making it responsive to the needs and interests of member organisations. Consideration would be given to devoting issues to particular topics, e.g., Energy and Housing Co-operatives.

The Committee collaborated with the Women's Auxiliary Committee in a Joint Seminar on The Family and Housing Co-operatives. (See Paragraph 10.8.3 for further details).

The Committee has represented the ICA at Meetings of the UN Economic Commission for Europe's (ECE) Committee on Housing, Building and Planning, and the UN Commission for Human Settlements. Details of these Meetings are given in the Chapter on The ICA and the United Nations (Paragraph 12.4).

The Committee's own finances have been reviewed and the subscriptions will need to be increased if the Committee's commitments are to be met. The new ICA formula on subscriptions, which treated the Housing co-operatives as one of the types of activities for which special consideration was needed, was discussed at several meetings. The formula suggested by the ICA's Ad Hoc Committee on Finance was felt to be unfair, being based on the number of units built and managed regardless of their area. However, the Committee agreed to accept the formula for 1979 and 1980 and to try to devise a more equitable formula which could produce a similar sum for the ICA, but be based on area of units.

During the period, the Committee admitted to full membership the following organisations:

- Ghana Co-operative Housing and Builders Association (Ghana)
- Nationwide Development Company (USA)

and as supporting organisations:

- R & V Allgemeine Versicherung AG im Raiffeisen-Volksbankenverbund (Federal Republic of Germany)
- Union Co-operative (Spain)

There are now 25 full member organisations, and nine supporting organisations, from 21 countries.

10.5.1 International Co-operative Housing Development Association (ICHDA)

Although ICHDA is not an Auxiliary Committee, it has been customary to include a report on its activities with those of the Housing Committee.

ICHDA was formed in 1966 by six member organisations of the ICA Housing Committee which was concerned to assist with the creation of housing

co-operatives in developing countries. It now has 18 member organisations. One organisation has joined since 1976—the Co-operative Housing Foundation of Canada.

ICHDA's Officers are as follows:

President	W. J. Campbell	USA
Vice-Presidents	B. Heinen	Federal Republic of Germany
	O. Lindström	Sweden
Secretary/Treasurer	P. Elderfield	UK
Executive Secretary	G. Alder	ICA
	(until May 1980)	

In accordance with the decision of the ICHDA Board at its Annual Meeting in Paris 1976, the Executive Office of ICHDA was moved from Washington DC to London in 1976, and its secretariat services are now performed by the ICA Secretariat, with the costs being met by ICHDA. Below are some examples of ICHDA's work:

(i) A successful Workshop on Co-operative and Self-Help Housing was organised in conjunction with the Economic Commission for Africa (ECA) and the Government of Lesotho from 30th May–4th June 1977. The participants from eight eastern and southern African countries were able to use the pilot co-operative housing scheme in Maseru as a point of departure for their discussions. The main purpose of the Workshop was to explore the possibilities of establishing co-operative housing schemes in other parts of Africa with particular emphasis on low-income groups. Participants spoke frankly about both the achievements and problems of their own countries with regard to housing and the interplay between housing policy and co-operative experience was one of the most interesting aspects of the discussions. Specific areas discussed were: the creation of "technical service organisations" which provide skills and expertise for the promotion of co-operative housing; the organisation of housing co-operatives and the need to involve low-income groups; income producing activities for housing co-operatives.

(ii) ICHDA has played a major role in developing co-operative housing in Maseru, the capital of Lesotho. Many low-income families live in one-room houses without basic facilities. ICHDA has been working with the UN Capital Development Fund (UNCDF), UNDP, the Government of Lesotho and the Basotho people in improving conditions by promoting housing co-operatives. UNCDF is providing \$845,000 for mortgages and infra-structure and UN Development Programme has contacted ICHDA to provide some technical assistance by organising LEHCOOP, the technical service organisation. The first co-operative, Mohalalitoe, is now well established and has been built with a minimum of 20 hours a week self-help building by each family. One of the most interesting aspects of the project is that the LEHCOOP Production Systems, which is making building materials, provides work for 45 people and has reduced Lesotho's dependence on imports from South Africa. This highly successful project ended in December 1978 with 198 homes completed and occupied in the first co-operative and with LEHCOOP set up and staffed by Lesothans.

The ICHDA Co-operative Housing Adviser to the ECA (Economic Commission for Africa) Mr S. Nironen, completed his assignment in June 1977. During his tour of duty, he had prepared a "Short Guide to the Co-operative Housing Organisation" and reports on many African countries. Mr. Nironen played a principal role in organising the Workshop held in Lesotho.

(iii) The UK Overseas Development Administration (ODA, formerly ODM), has provided funding to ICHDA to enable a co-operative housing adviser to be placed in East Africa. This is being done in association with the Building and Social Housing Foundation of Coalville (UK) and the adviser will take up his post in 1980.

(iv) ICHDA provided the Canadian Government with an expert in housing for native people—Mr E. Bueneman, who completed his assignment in 1978.

(v) A Housing Sector Survey was carried out in The Gambia and this was followed by a Workshop on Low-Income Housing held in February 1979. The Workshop outlined proposed Government strategy and ICHDA prepared a follow-up project at the request of UNDP.

(vi) From January to March 1980 ICHDA provided expertise to the Ministry of Capital Development in Tanzania to enable a housing policy and an education housing strategy to be established for Dodoma, the new capital of Tanzania. The ICHDA team worked in four main areas; finance, architecture, physical planning and engineering and policy matters. The work was funded by the UN Centre for Human Settlements.

10.6 International Organisation for Consumer Co-operative Distributive Trades (INTERCOOP)

The following officers were elected at the Meeting of INTERCOOP held in Paris in 1976:

Chairman	Sir Arthur Sugden (succeeded Ch. Veverka (France) in 1978)	UK
Vice-Chairman	K. E. Persson	Sweden
Executive	S. Ferretti	Italy
	H. Thuli	Switzerland
	G. Lange	Federal Republic of Germany
	G. Christensen	Denmark
	W. Wippermann	Federal Republic of Germany
	A. Rauter	Austria
	K. Moe	Norway
	J. R�gimbeau	France
	J. Mankki	Finland
	Mrs J. Lokkaj	Poland
	I. Szlamenicky	Hungary

At the Meeting in September 1978 in Copenhagen, Mr Veverka (France) retired as Chairman and was succeeded by Sir Arthur Sugden (UK). Tributes were paid at the Meeting to the work of Mr Veverka. The Chief and Deputy Executive Officers of the Head Office in Copenhagen are R. Volkers and L. Blomquist respectively. General Manager of INTERCOOP Far East Ltd. is P. Budden.

INTERCOOP was established in London in 1970 and started its work from the Head Office in Hamburg in January 1971. At the end of 1975 the Head Office was moved from Hamburg to Copenhagen. INTERCOOP is a joint foundation of 27 consumer co-operative central organisations from 19 West and East European countries as well as Israel and Japan, and acts as an Auxiliary Committee of the ICA.

Together with affiliated consumer co-operative societies, these 27 INTERCOOP member organisations represent as a trade group and consumer movement an economic force which exerts a great influence on the national and international markets. In Western Europe alone they achieve a turnover of 34 billion US dollars within 38,500 stores (1978 figures) and are therefore by far the leading trade group.

The object of INTERCOOP is to promote economic collaboration between the members and thus to strengthen the competitive power of the consumer co-operative movement. The working programme decided upon by the INTERCOOP members comprises the following main spheres:

- promotion of joint purchases on the world market (food and non-food);
- promotion of trade between the members concerning products produced in their own factories;
- exchange of experiences in retail trade and distribution matters.

The joint purchases on the world market of food and non-food are carried out within the scope of special expert groups for various product lines. Within the food as well as the non-food sector an increased number of various national and international regulations have a negative influence on collaboration, but in spite of this, considerable progress in joint purchases has been made within both sectors.

For the food sector, the possibility for all INTERCOOP members to make use of the foreign buying offices of other members (CWS and NAF) has been shown to be of great advantage. Between 1975 and 1978, the purchases made through the mentioned offices (excluding the owner organisations) increased from US \$5 million to approximately US \$38 million. The purchases include mainly canned and dried fruit, nuts, cocoa and coffee. At present, there exist eight different buying groups for food within INTERCOOP—fresh fruit and vegetables, cheese, biscuits, chocolate, flowers, etc.

In the non-food sector there are at present 11 international and 10 regional buying groups. Most of the regional groups are Scandinavian ones and they were incorporated into INTERCOOP in 1976 when the Nordiska Kansliet (Nordic Office for the Promotion of Joint Trade) merged with INTERCOOP. The total joint purchases made within the international non-food groups increased from US \$80 million in 1975 to approximately 120 million in 1978. Including the regional buying groups, the total purchases made in 1978 exceeded US \$165 million. The increasing importance of INTERCOOP as a joint buying group has made it possible to sign certain bonus agreements with some important international food and non-food suppliers. The turnover with these suppliers amounted to US \$60 million in 1978.

The trade between the INTERCOOP members in products produced in their own factories has developed positively during the past years. In food the turnover has increased from US \$13 million to US \$33 million between 1975 and 1978. The main articles were canned fruit and vegetables, chocolate, confectionery, biscuits, wine, tea and cheese. The non-food turnover, which during the same period rose from approximately US \$40 million to US \$65 million mainly consisted of textiles, vacuum cleaners, paper articles, car tyres, cash registers and warehouse equipment.

The exchange of experiences in retail trade and distribution matters has mainly been carried out through three special working groups for "Food Stores", "Department Stores and Shopping Centres" and "Warehousing and Distribution". In addition, special conferences have been held on matters of topical interest. Since 1976 the annual meetings of the group for "Food Stores" included for example, the following topics: Fresh Food in Supermarkets; Flowers in Supermarkets; Stock Control Systems; The European Article Numbering Code (EAN); Staff Motivation; Organisation, Operation, Marketing and Counter Service versus self-service in Supermarkets.

The group for "Department Stores and Shopping Centres" dealt with the following subjects: Personnel Costs; Leakage; Restaurants and Cafeterias in Department Stores and Hypermarkets; the Future of Various Types of Retail Outlets; and Shops in the Shop—Specialised Stores.

The "Warehousing and Distribution Group" at its meetings discussed inter alia: The Storage of Fresh Food; Distribution Systems for Seasonal Goods and Fashionable Non-Food Products; Transport-Planning by EDP; Joint Purchases of Transportation Equipment; Assortment Control in Regional Warehouses and the Influence of the EAN Code System.

During 1979 two decisions were made which will be of great importance for future development:

- (i) Based on the large quantities of food as well as non-food which are bought from the Far East by the members, the INTERCOOP Board decided to open a joint buying office in Hong Kong together with NAF. The office

which was formally opened on 1st October 1979 is organised as a separate legal company. In the beginning it will concentrate its activities on special non-food lines from Hong Kong/Macao and China.

- (ii) In January 1979, INTERCOOP signed long-term trade agreements with five different Chinese import-export corporations for non-food products. Similar agreements were signed between NAF and the most important food corporations. The agreements signed will make it possible for INTERCOOP to act as an agent for the European consumer co-operatives and thus give direct access to a buying market of increasing importance. Already during 1979 non-food orders at a value of approximately US \$5 million were placed within the framework of the agreements.

10.7 International Co-operative Insurance Federation (ICIF)

10.7.1 General

The following officers were elected at the Meeting of ICIF at its Meeting in Paris 1976:

Chairman	R. Lemaire	Belgium
Vice-Chairman	N. A. Kularajah	Malaysia
Secretary/Treasurer	A. Duval (succeeded H. Seeley, UK in October 1978)	UK
Assistant Secretary/ Assistant Treasurer	F. H. Edwards	UK
Executive	K. Back	Sweden
	J. E. Fisher (succeeded D. E. Johnson, USA in October 1978).	USA
	O. Mercure	Canada
	S. Nakazawa	Japan
	W. Rittner	Federal Republic of Germany

In 1977 the Executive Committee appointed a small research committee to investigate the future activities of the ICIF and the report of that committee will be discussed at the 1980 Insurance Conference.

Investigations were initiated by the Executive Committee into the following subjects, the results of which have been communicated to Member Societies—Mass Marketing; Inflation; Employee Representation; New Developments by Member Societies. A copy of a paper on Co-operatives and the State, prepared by Mr K. Back (Sweden) for the Meeting of the ICA Central Committee in Copenhagen 1978, was distributed to Member Societies. The Chairman presented a paper on Co-operative Forms of Insurance to the First Third World Insurance Conference held in Manila in 1977, which was attended by over 800 delegates, representing 57 countries.

The Executive Committee has met on eight occasions since the 1976 Conference. During the Meeting in 1978 in Madrid, the Executive Committee held useful and informative discussions with the leaders of the Spanish Co-operative Movement on the current developments affecting the Co-operative Movement in Spain. It is intended to maintain contact with the Spanish co-operators and the future position will be monitored by the Insurance Development Bureau.

10.7.2 Membership and Premium Income

Membership of the ICIF has continued to increase and at the end of 1978 there were 81 member societies representing 31 different countries. The total premium income of all member societies at the end of 1977 was over £4,100 million, representing an increase of 105% since December 1975.

10.7.3 Conferences

In 1978, an International Conference of Co-operative Insurers was held in Columbus, Ohio (USA), and was attended by 114 delegates representing 27 countries. The following subjects were discussed:

- Inflation and Insurance;
- Social and Welfare Activities of Insurance Co-operatives;
- Improving Efficiency: Control of Costs;
- Improving Efficiency: Data Processing in Insurance;
- Insurance Marketing Techniques;
- Communication and Policyholder Participation;
- Co-operation between ICIF members;
- Co-operation with other Co-operatives and Reconciliations of Conflicts of Interest.

The 1980 Conference will be held in Vienna immediately preceding the 27th ICA Congress and the following subjects will be discussed:

- The Future Activities of the ICIF
- Reinsurance—Styles and Methods
- Sales Organisations, Marketing and New Product Developments
- Consumerism and Co-operative Insurance
- Planning for Economic and Efficient Organisation of a Co-operative Insurance Society for the future.

10.7.4 Regional Associations

An important development in the affairs of the Federation has been the formation of two regional associations of ICIF Member Societies in order to promote closer collaboration between the member societies in those regions. The 1976 Conference approved the formation of the Association of European Co-operative Insurers (AECI) and more recently in 1979, member societies in North America formed the North American Members Association.

The Association of European Co-operative Insurers is administered by a small committee, the European Members Bureau (EMB). The ICIF Executive Committee elected the following persons to the Bureau:

Chairman	R. Lemaire	Belgium
Executive	K. Holler	Norway
	W. Rittner	Federal Republic of Germany
	P. D. Johnson (succeeded Mr Seeley in October 1978)	UK

In 1978 Mr Seeley retired and was replaced by Mr P. D. Johnson (UK). The Bureau has appointed a small study group in order to examine the effects of proposed EEC legislation on European co-operative insurers. At present there are 14 member societies of the AECI and the first full conference was held in Columbus, Ohio (USA) in October 1978. The Secretariat of the AECI and the EMB is based in Brussels.

The North American Members Association (NAMA) held its founding meeting in Guelph, Ontario in June 1979, and the following persons were elected to the NAMA Executive Committee:

R. Curry	USA
W. Fitzpatrick	USA
C. Gauthier	Canada

T. Haalboom	Canada
G. Lindquist	USA
E. Torres	Puerto Rico
R. Vanderbeek	USA

The Secretariat of the NAMA is based in Detroit, Michigan (USA).

10.7.5 International Agencies

The ICIF has continued to develop working relationships with international agencies. At the request of UNCTAD the Insurance Development Bureau prepared a report on the benefits of co-operative insurance to the developing countries, and as a result of that report and intensive lobbying by representatives of ICIF member societies, in 1977 UNCTAD passed a Resolution recommending co-operative insurance as a suitable form of insurance for developing countries. It is hoped that this Resolution will add further stimulus to the interest shown by the developing countries in establishing co-operative insurance societies, and will assist the ICIF to obtain technical and financial aid to assist development work.

The United Nations has extended an invitation to the ICIF through the Insurance Development Bureau to participate in studies which it is sponsoring on agricultural insurance for small farmers in developing countries, and on the mobilisation of savings to aid national development. The Insurance Development Bureau will also represent the ICIF in a study sponsored by USAID on crop insurance for the developing countries.

10.7.6 International Co-operative Re-insurance Bureau

Following the 1976 Conference the members of the ICRB were as follows:

R. Lemaire	Chairman	Belgium
P. D. Johnson	Secretary	UK
E. A. Burigana	Executive	USA
K. Lindberg		Sweden

In 1979, after 30 years of service to the Bureau, Mr Lemaire resigned from his positions as Chairman and member of the ICRB because of increasing commitments from his other offices in the Federation. He was succeeded as Chairman by Mr Lindberg; Mr Burigana was appointed Vice-Chairman and Mr H. Rijkers (Belgium) was elected to the Bureau and appointed as Treasurer. Following the untimely death of Mr Lindberg in October 1979, Mr Burigana assumed the position of acting Chairman.

The work of the Bureau has expanded satisfactorily during the last four years and in 1979 the premium income exceeded £18 million. 39 member societies participate in the Bureau's activities and over 600 contracts are in force. The Facultative Facility which was started in 1972 is also developing satisfactorily, having a capacity at present of over £1 million, and the volume of premiums ceded in 1978 exceeded £300,000.

In 1976 the Bureau set up a Co-insurance Study Group to investigate the possibility of collaboration among co-operative insurance societies in Europe and, as a result of those investigations, the Co-operative EEC Cover re-insurance arrangement was introduced involving eight societies in the EEC countries.

One of the functions of the Bureau is to provide re-insurance advice to newly formed co-operative insurance societies and recently the Bureau has worked closely with two new societies: the Guyana CIS and the Synteristiki (Greece), and has helped to provide satisfactory re-insurance facilities. The Bureau has continued the programme of holding meetings at three-yearly intervals for the re-insurance officials of member societies, and in 1977 a meeting was held in Wiesbaden (Federal Republic of Germany), which was attended by 27 officials representing 20 Bureau Offices. The next Meeting will be held in July 1980 in Toronto (Canada).

10.7.7 Insurance Development Bureau

At the Meeting of the Executive Committee immediately following the 1976 Conference, the following appointments were made to the IDB:

Chairman/Secretary	K. Back	Sweden
	E. Avneyon	Israel
	O. Binder	Austria
	G. B. Carli	Italy
	W. E. Fitzpatrick	USA
	T. Haalboom	Canada
	K. Holler	Norway
	G. Schubert	Federal Republic of Germany
	H. Seeley	UK
	T. Takemoto	Japan
	R. E. Vanderbeek	USA
Assistant Secretary	Mrs B. Lindström	Sweden

In 1978, two appointments were made to the Bureau: Mr Seeley retired and was replaced by Mr P. D. Johnson (UK), and Mr R. L. Curry (USA) was appointed as a new member. In 1979, Mr A. A. Gonzales Moledo (Argentina) was appointed as representative for Latin America.

The IDB has continued to increase its activities, and apart from important contributions made in connection with the UNCTAD Resolution and liaison with international agencies, it has been active in many developing countries. Since 1976 new co-operative insurance societies have started transacting business in Bolivia, Ghana, Greece and Kenya. A new society has been registered in Nigeria and should start operations in the near future. It is established ICIF policy that newly formed co-operative insurance societies should receive advice and assistance from the Federation during the first few critical years of operation and this work is co-ordinated by the IDB in association with member societies who agree to provide technical support and act as host advisers.

Arrangements are being made to appoint a Regional Insurance Adviser for West Africa, who will be based eventually at the new ICA Regional Office in Abidjan, to supplement the work already being carried out by the Regional Insurance advisers based in East and Central Africa and in Latin America. The Regional Insurance Advisers, in association with the IDB Secretariat, assist with the formation of new co-operative insurance societies and promote the development of co-operative insurance in their respective regions. In May 1979, a workshop was held at the IDB Secretariat in Sweden attended by the Regional Insurance Advisers and by representatives from those member societies providing direct technical assistance to newly formed societies, in order to examine results of work carried out to date and to establish guidelines for the future.

In the education field the IDB has:

- held, under the umbrella of ICA's Regional Office for East and Central Africa, a number of seminars in East and Central Africa on co-operative insurance for the benefit of staff employed by the Co-operative Movement in those regions;
- assisted with the organisation of a seminar for co-operative insurance societies in South America;
- organised an industrial insurance conference for member societies which was held in Vienna 1979;
- Addressed delegates to the General Arabic Insurance Federation conference in Cairo in 1979 on the benefits of co-operative insurance.

10.8 Women's Committee

10.8.1 The following officers were elected at the Meeting of the Women's Auxiliary Committee following the ICA Congress in Paris 1976.

Chairman	Mrs U. Jonsdotter (replaced Mrs S. Räikkönen (Finland) in 1979)	Sweden
Vice-Chairmen	Mrs L. Crisanti Mrs Z. Petrushchenkova	Italy USSR
Executive Committee	Mrs M. Knotek Mrs H. Mathieu Mrs V. Gueorguieva Mrs U. Konieczna-Kleer	Austria Belgium Bulgaria Poland
Secretary	Mrs I. Romp (replaced Mrs M. J. Russell in 1978)	ICA Secretariat

Mrs Räikkönen retired as Chairman of the Committee in 1979. Following the dissolution of the International Co-operative Women's Guild in 1964, she was appointed to the Women Co-operators' Advisory Council, later to become the ICA Women's Committee. After one year, she was elected Chairman and held that office for 12 years until her retirement at the Central Committee in Copenhagen in 1978.

Mrs Räikkönen was recognised for her calm and friendly approach to her duties, always willing to see others' points of view, but ready with a clear lead when the time came to summarise and make decisions. She believed very sincerely in the need to ensure that the Women's Committee was successfully established as an equal partner in the affairs of the ICA.

Since the 1976 Congress, the ICA Women's Committee has doubled in membership; it now counts 70 representatives from 47 organisations in 36 countries, including 10 developing countries, covering consumers', agricultural, industrial producers' and insurance co-operatives. The following countries were accepted into membership in this period—Australia, Bangladesh, Iceland, Japan, Kenya, Nigeria, Sri Lanka, Tanzania, Uganda and Zambia.

Since the last Congress, the ICA Women's Committee has met annually, three times in the UK and once in the German Democratic Republic. Thanks are due to the Co-operative Movements in those countries for their hospitality.

10.8.2 Women's Agricultural Working Party

There are a number of members on the Committee who either represent or are interested in agriculture. The Women's Agricultural Working Party has continued to meet annually under the Chairmanship of Mrs M. Rupena (Yugoslavia). This group brings together several members of the Committee who have strong interests in agricultural co-operatives and is concerned with agricultural issues as they affect women, especially the rural poor. It keeps in close touch with FAO, IFAP and COPAC through a group consisting of representatives of those organisations and ICA. Through this group a consultant was engaged to write a paper on "Women's Co-operative Participation and Fight Against Rural Poverty" for the 1978 COPAC Symposium held in Stockholm on "Co-operatives against Rural Poverty". At the request of the Working Party, a series of articles on "Women in the Agricultural Co-operative Movement" was published in Issue No. 1 of 1978 of the ICA Review of International Co-operation. The Chairman of the Working Party has a standing invitation to the Meetings of the ICA Agricultural Committee.

10.8.3 Visits of the Secretary

In June 1977, the Secretary for Women's Activities acted as consultant to the ICA/ECA Regional Seminar on "The Promotion of Handicrafts and Small-Scale Industries through Co-operatives" in Mombasa (Kenya). Financial assistance for this project was provided by the Carnegie Corporation and ECA.

In January 1978, the Secretary for Women's Activities acted as joint director of the Seminar on "The Role of Women in Co-operative Movements in South America", held in Lima (Peru). This was the first ICA event of its kind in that part of the world. Financial support for this Seminar came from UNESCO and CIDA. It was agreed that the recommendations of the Seminar should form the basis for future work in the area. Subsequently, the Secretary embarked upon a one week's co-operative goodwill tour in Argentina.

In May 1979 the Secretary represented the Women's Committee and its Agricultural Working Party at the COPAC Meeting in London.

As a guest of the Austrian Co-operative Movement, the Secretary to the Women's Committee travelled to Vienna in September 1979 and addressed the Women Co-operators' Conference on behalf of the ICA and its Women's Committee. She also attended the Annual General Meeting of Konsum Osterreich.

10.8.4 Relations with other Committees

As women co-operators are interested in all aspects of co-operative activity, the Women's Committee has always endeavoured to establish close working relations with other auxiliaries and working parties. This is in keeping with the Resolution passed at the Paris Congress on "Collaboration between Co-operatives". In 1979 in Stockholm, the Women's Committee successfully arranged a joint seminar with the ICA Housing Committee on "The Role of the Family in Housing Co-operatives", attended by 38 participants from 8 countries. This event showed how men, women and children could be involved in self-help and administration, thus fulfilling social and economic needs in a vital part of everyday life. The Secretary to the Committee acted as administrator for the Seminar.

In another area, the Committee has sought the help of and collaborated with the Working Party for Co-operative Librarians and Documentation Officers to compile a bibliography on "Women and the Co-operative Movement". It is hoped to up-date this publication every few years so as to provide a ready reference list of publications on the subject.

Through the help of Euro-coop the European Members of the Committee were in 1978 invited to an information session at EEC level in Brussels, where many topics important to women and co-operators in general were discussed. Financial assistance for the members' expenses was secured from the EEC through the Secretary of Euro-Coop.

The Women's Committee has continued to keep in close touch with the Consumers' Committee, both Secretariats keeping each other informed by an exchange of minutes. It is hoped that a joint event, such as a seminar, will at some time be possible.

Collaboration with other ICA Committees is being explored.

10.8.5 Peace

An appeal to all women co-operators to combine their efforts throughout the world to end the arms race, particularly in view of the expenditure on the development, testing and stocking of new sophisticated weapons of destruction was adopted by the Women's Committee in 1978. The members of the ICA Central Committee at its Meeting in Copenhagen in 1978 were asked to assist in bringing this appeal to the notice of all their movements and to ensure its distribution to their members.

10.8.6 Developing Countries

Education Officers for Women Co-operators have been functioning in the ICA Regional Offices in Moshi and New Delhi for some years, and women's programmes are well established. The Committee itself continues to pay special attention to the situation of women in developing countries. Unfortunately the Committee has no funds of its own to arrange events for women co-operators in the Third World, but ways of financing women co-operators to visit advanced countries are continuously being explored; e.g., two group travel grants were secured from UNESCO, thus enabling 12 women co-operators from South East Asia, East and West Africa and Latin America, to undertake co-operative study tours and to attend the Meetings of the Women's Committee. On one of these occasions, the Committee organised a consultation on "The Educational Needs of Women in Developing Countries", which provided an opportunity for a first-hand exchange of experience and information between members from developing and industrialised countries. The Committee's appreciation is recorded to ICA member organisations in Denmark, Hungary, Poland, Sweden and the UK, without whose help these study tours could not have been organised.

10.8.7 UN Year of the Child

It was natural that the Women's Committee should have wished the ICA to be actively involved in the UN Year of the Child, and rather than hold special conferences, it recommended that the ICA undertake some practical help which would directly benefit children. The idea for the "Buy a Bucket of Water" campaign was born in the Committee and adopted by the ICA as its contribution to the International Year of the Child. Many member organisations have collected funds for the sinking of water wells in rural areas of developing countries all over the world. (See also Paragraph 8.2.9.)

10.8.8 Relations with the United Nations and other International Non-Governmental Organisations

The Committee recognises the importance of relations with the UN and its Agencies as well as with other INGOs, and this is a standing item on the Agenda of the full Committee Meetings.

The ICA, through its Women's Committee, was represented at the UN World Conference for Women, in July 1980 in Copenhagen. There is also a regular exchange of information and fraternal delegates between the Women's Committee and certain of the UN Agencies and other INGOs.

10.8.9 Long-Term Prospects and Programme

At its annual Meeting in 1979, the members decided to have one day's discussion on specific themes relevant to women at future Committee Meetings, starting in 1980 with "Equality for Women in Co-operatives—Legislation and Reality", a complicated but stimulating issue.

In 1981 the Committee will have an opportunity for close collaboration with the Co-operative Press Working Party, as the theme chosen for discussion will be "Women and the Co-operative Press".

Another important task in the Committee's long-term programme is the up-dating of the Report on "The Role and Situation of Women in the Co-operative Movement", which was adopted by the Central Committee in 1971 and was largely instrumental in changing the status of the Women's Committee from an Advisory Council to an Auxiliary Committee. This study aims to ascertain how much women's participation in co-operatives, especially on the higher and management levels, has changed for the better, not only in the ICA's member organisations, but in the organs of the ICA itself.

Although a very small improvement can be noticed in the number of women in the Central Committee, the figures show that out of approximately 300 Central Committee members, only 9 women have been nominated by member organisations. Women are still sadly lacking in the ICA Executive Committee and on most of the Auxiliary Committees, despite the many resolutions passed at past Congresses and other Meetings. This general picture is unsatisfactory and probably reflects the situation in many ICA member organisations.

It is hoped that the doubling in the number of representatives on the ICA Women's Committee does not mean that organisations have chosen to nominate women to this Committee rather than include them among the male representatives in other ICA bodies. It must not be forgotten that the ICA Women's Committee was set up mainly to promote the participation of women in all co-operative spheres and on all levels, rather than to create a separate niche for women.

10.9 International Committee of Workers' Productive and Artisanal Societies

The following officers were elected at the Meeting of the Workers' Productive Committee in Paris in 1976:

Chairman	A. Antoni	France
Vice-Chairman	L. Rev (replaced B. Trampczynski (Poland) October 1978)	Hungary
Secretary	B. Catalano	Italy

The Activities of the Committee have been based on the report submitted to the Meeting of the Committee at the time of the 26th Congress in Paris. Two achievements arising from this work programme have been the publication in English and French of the International Bulletin of Workers' Co-operation and the holding in Rome in October 1977 of the First Open World Conference on Industrial Co-operation (this is referred to below).

One of the main characteristics of this period has been the revival of the working reports between the Committee and the different agencies of the United Nations, notably UNIDO and the ILO. This collaboration with international agencies has benefited from the advice and wholehearted support of the ICA. For its part, the Committee has done its best to contribute to the work of the Alliance—the Chairman of the Committee participated in the Reference Group for the preparation of the Report on "Co-operation in the Year 2000" and the Secretary of the Committee planned to attend the World Conference of UNIDO in January 1980 for which a report had been prepared in close collaboration with the Director of the ICA. As early as January 1977, the Secretary of the Committee had presented a report in the name of the ICA to the 9th Session of the Commission for Building and Public Works of the ILO.

Both the Chairman and Secretary represented the ICA at the 2nd International Conference on Participation, Self-management and Workers' Control which attracted the attention of many people in the academic world, who up to then had been ill-informed of the contribution the Co-operative Movement could make to much of their research on these subjects. The Conference, held in September 1977 in Paris, was attended by more than 300 participants.

The Executive of the Committee met in 1977 in Vienna at the Headquarters of UNIDO and the Meeting, attended by the Director of the Alliance, did much for the development of contacts. Specialist papers have been submitted to the Committee regularly through the good offices of the Polish Workers' Productive organisations.

On the initiative of UNIDO, the Centre for the Promotion of Industrial Co-operation in Warsaw and the Central Union of Work Co-operatives (Poland), an international conference was held in November 1977 in Warsaw which brought together the representatives of 14 governments of developing countries. The Committee was represented at this Conference and through the reports submitted by the Chairman, Mr Antoni, and Vice-Chairman, Mr Trampczynski, did much to contribute in providing valuable information and suggestions for future action. Many requests for assistance and promotion of industrial co-operatives followed the holding of this conference and were received by UNIDO from developing countries.

The main event in the programme of activity of the Committee during this period was the World Conference on Industrial Co-operation held in Rome in October 1978. This occasion, without precedent in the history of industrial co-operatives, brought together nearly 400 participants from 37 countries. There were two main contributions from economists: J. Bray (UK) and R. Prodi (Italy); two studies from UN Officials—C. Moore (ILO) and M. Hamdy (UNIDO); and two examples from the Co-operative Movement—R. Bierzanek (Poland) and S. Dandapani (ICA). There were more than 57 interventions in the debate. Both the President and Director of the ICA attended the Conference, and this helped to underline that the work carried out was under the auspices of the International Co-operative Movement. The support of the Italian authorities and the generous response by the Italian co-operative organisations helped to ensure that the Conference was an outstanding success. The final document and report of the Conference with its recommendations has been distributed widely and will remain for a long time the starting point for the international work of workers' productive co-operatives.

Since the Rome conference, the Chairman and Secretary of the Committee have received far more requests for help and for information on the subject of industrial co-operatives, and it is notable that these requests have not only come from developing countries or from countries where workers' productive co-operatives have been traditionally more active, but also from countries such as Australia, Sweden and USA where before 1975, industrial co-operatives had hardly awakened any real interest.

Consultations with UNIDO have been close, necessitating several meetings, some of which have been attended by the Director of the ICA, in connection with the preparation of the ICA's contribution to the UNIDO Conference in New Delhi in 1980. Mr Stefaniak (Poland) took part in the 3rd Session of the Council for Industrial Development of UNIDO in May 1979 in Vienna, and the Chairman and Secretary participated in a colloquium held in Brussels in October 1978 on the Place of Non-Profit Organisations in Europe in 1980.

During this period, numerous bi-lateral agreements, technical, commercial and cultural, have been developed between member organisations and the Committee, and the Chairman and Secretary have played a direct part in developing such agreements. The member organisations of the Committee of the Countries in the European Economic Community (EEC) have set up a European Committee for Workers' Productive Co-operatives which will work alongside the authorities in Brussels.

The Chairman and Secretary have taken every opportunity to participate in formal sessions of the meetings at the international level which could help in the development of industrial co-operatives, e.g., the Chairman took part in February 1979 at a Meeting in Portugal where he spoke on industrial co-operatives; and the Secretary along with ICA's Director took part in November 1979 in Bulgaria at a Meeting organised by UNIDO and the Bulgarian Co-operative Movement with the object of working out the needs and problems of developing countries in this field as preparatory work for the UNIDO Conference. In agreement with the ICA and the Committee, the Centre for the Promotion of Industrial Co-operatives in Poland has

followed its activities within the overall programme established between UNIDO and the Central Union of Work Co-operatives in Poland. This has included:

- a training course for Polish Co-operative Experts taking part in seminars in developing countries and dealing specifically with industrial co-operatives;
- the establishment of a Polish/Swedish training programme for leaders from workers' productive co-operatives in developing countries;
- the working out of a programme with Senegal and Mali for a Polish experts' commission;
- a Franco-Polish mission for housing construction in Algeria.

Projects are in the planning stage in Argentina, Ethiopia and Portugal.

In France the Co-operative College, in collaboration with the Groupement Nationale de la Coopération, each year trains officials and students from co-operative movements in a number of developing countries and has again stressed in its programmes the part which can be played in their countries by workers' industrial co-operatives.

It could be said that through its own actions, as well as those of its member organisations, the Committee has implemented its work programme adopted in 1976 and given attention to the relevant resolutions adopted by the ICA Congress in 1976 in Paris. Because of the urgency and the extent of the needs in the developing countries, priority has been given to action which could be followed in collaboration with the Regional Offices of the ICA. The attendance of the ICA's Director at the UNIDO Conference in New Delhi and the report prepared for the Conference are very significant from this point of view.

To aid the Co-operative Movement is to serve those who in all countries see it as a means towards a better life or even of survival, and this remains the aim of the Committee, which it will pursue within the overall policy and decisions of the International Co-operative Alliance.

10.10 International Co-operative Petroleum Association

Although the International Co-operative Petroleum Association is not an Auxiliary Committee, it has been customary to include a report on its activities with those of Auxiliary Committees.

The Board of Directors is as follows:

President	A. A. Issa (replaced A. R. Carlsson (Sweden) January 1979)	Egypt
Vice-President	H. B. Van den Burg	The Netherlands
Secretary/Treasurer	W. M. McCann	USA
Members	L. Andersson	Sweden
	J. W. Bruhn	Denmark
	S. Ketharaman	India
	J. Regimbeau	France
	J. R. Thrasher	USA
	D. Wimalasena	Sri Lanka
	H. J. Wuest	Switzerland

At the annual Meeting in January 1978, when Mr Issa succeeded Mr Carlsson, tributes were paid to Mr Carlsson's work as President of ICPA. He had been the longest serving President, having held the Presidency from 1966-78, and having joined the Board in 1959. Even before becoming a member of the Board, he had worked for the development of ICPA when serving in executive posts with the

Oil Co-operative, OK, in Sweden. Mr Issa who succeeded Mr Carlsson is President of the Societe Cooperative des Petroles in Egypt and joined the Board of ICPA in 1971.

Because of the oil crisis and the drastic changes in the oil pricing situation, net savings decreased, although these are still considered to be at a satisfactory level. The bye-laws of ICPA have been changed, providing that from 1980 onwards patronage refund payments will be made 50% in cash and 50% in common stock of the association. This changes the percentage from 60% and 40% respectively.

Reorganisation and expansion of the ICPA plant at Dordrecht in The Netherlands has been approved. A Committee has been formed consisting of representatives of the member users of the Dordrecht plant to assist management in carrying out this expansion. The Board is discussing the possibility of the ICPA itself becoming more active in crude and fuel oil supplies. Several of the ICPA's member organisations are themselves actively engaged in crude oil as well as production and exploration.

During the session under review a seminar was held in Rotterdam on "New Developments in Petroleum" concentrating on co-operatives and the energy situation with regard to new developments and new trends in lubricants. Arising from the seminar a Committee was formed to study the lubricant packaging needs of ICPA members in order to form a new lubricant packaging system to aid ICPA and its members. As a consequence, ICPA has introduced a new line of plastic containers for motor oils which are unique in design and will be used only by co-operatives, mainly in Europe, but also in other parts of the world.

The total purchases from ICPA in 1978 amounted to almost 15½ million US Dollars. The share capital amounted to US \$2,458,000.

11. Working Parties and Other Groups

The ICA has five Working Parties which bring together technical officers to discuss particular problems. They are all serviced by the appropriate technical officers from the Secretariat, with the exception of the recently formed Working Party on Co-operative Tourism, where there is a Joint Secretariat, with the Joint Secretary in Belgium.

11.1 Advisory Group for International Training of Co-operators (AGITCOOP)

The Officers of the Advisory Group for International Training of Co-operators (AGITCOOP) are as follows:

Chairman	A. Carlsson	Sweden
Vice-Chairmen	R. C. Dwivedi	India
	E. H. Thomas	France
	V. P. Maslennikov	USSR
Executive	R. Houlton	UK
	F. Jaramillo	OCA
	Z. Kossut	Poland
	J. M. Nzioka	Kenya
	T. K. Ojuolape	Nigeria
	R. Otto	German Democratic Republic
	S. Zsarnoczai	Hungary
Secretary	ICA Chief—Education and Development	

AGITCOOP was established in 1973 as a Working Group to advise the ICA Authorities on matters concerning international education and training for co-operators from developing countries. Since its inception, AGITCOOP has sought to discharge

its function in a pragmatic way, having due regard to available resources and actions of relevance to the needs of developing countries. The following matters reflect the nature and range of AGITCOOP's engagement since the 1976 Congress:

(i) An examination was taken up by the Executive's March 1977 Meeting of the proposal to establish an International Co-operative Studies and Research Institute (ICSRI). The need for a detailed study of all the implications rapidly emerged, and a sub-committee was appointed to undertake this task. The sub-committee reported back in 1978.

The Report favoured the establishment of an international institute, accommodating co-operative studies and research of relevance and validity for different countries and different movements. The creation of a capability, both intellectual and management, was envisaged within the ICA to carry out the planning and co-ordination of activities to be implemented by existing co-operative and other interested institutions. The sub-committee recommended the appointment of someone with the necessary professional competence, on a part-time basis if resources imposed that limit, to direct activity during a period of positive but modest experiment between 1978 and 1980. A steering committee, drawing representation from both co-operative and academic circles was also suggested. The sub-committee intended that the initial phase in establishing an institute should be completed with a full report and recommendations to the ICA in 1980. The report elicited support, but also powerfully argued criticism. There was a fear that attention and resources might be diverted from existing organs of the ICA, e.g. the Regional Offices; in the view of some there were still too many open questions and speculations for a commitment to be made at this time to any particular form of institute; the financial implications would also require a much fuller consideration since inadequate financial support could lead to frustration and failure.

The ICSRI also featured on the Agenda of Executive Committee Meetings in March and October 1979. The consensus finally reached was that there is no convincing case at this time for the ICA to attempt to manage and co-ordinate research which is probably better done on a bilateral basis. Perhaps the most appropriate role for the ICA therefore is to encourage and endorse research activity undertaken by other parties and help to disseminate information about it.

(ii) The work of the Co-operative Education Materials Advisory Service (CEMAS) has been monitored and periodic guidance offered to the Project Officer. To minimise the risk of duplication of the work of CEMAS and MATCOM (Materials and Techniques for Co-operative Management Training), a memorandum of understanding was negotiated between the ICA and the ILO.

(iii) Recognition of the need for adequate teacher training provisions yielded an AGITCOOP initiative which stimulated teacher exchange programmes between developing countries and between ICTCs (International Co-operative Training Centres) and developing countries. An active interest has also been maintained in the Co-operative Education and Training Consultancy Service (CETCOS) of the Moshi Office and the Sri Lanka Teachers' Training Project.

(iv) A careful study is being made of a proposal that the ICA Authorities consider the establishment of an Education Committee as a permanent auxiliary. Tentative thinking envisages a committee of education specialists, divided functionally into two sub-groups, to permit AGITCOOP on the one hand to pursue its primary objectives and a second sub-group to concern itself with more intensified collaboration among ICA members in the developed world.

(v) As elements in its long-term programme, AGITCOOP agreed plans for an International Co-operative Education Conference to take place at the time of the Moscow Congress, and a seminar on the financing of co-operative education to be

held in 1982. The theme for the Education Conference is "Co-operative Education as an Instrument of Economic Growth and Social Change—Review and Prospects".

(vi) The Education and Training activities of the ICA's Regional Offices have been regularly monitored.

(vii) The UNESCO travel grants scheme for co-operative and trade union educators has benefited from the support and suggestions of the AGITCOOP Group.

11.2 International Working Party of Co-operative Librarians and Documentation Officers

Chairman	B. Howcroft	UK
Secretary	ICA Librarian	

The International Working Party of Co-operative Librarians and Documentation Officers, which marked its 25th Anniversary in 1979, has a membership of 90 from 28 countries, including three international organisations. It has grown rapidly in the period under review, reflecting the growth in the co-operative library, documentation and information sector. In many organisations, libraries are regarded as an essential management tool, as well as a necessary institution in member education and staff training.

The full Working Party met on the occasion of the ICA Congress in Paris in 1976, when the main theme for discussion was "Public Relations in Information Services"; in Stockholm in 1978 when the main theme was "Sources of Co-operative Information"; and will meet in Moscow in 1980 where the main theme is "Automation in Libraries". The Committee met in London in 1977, and in Manchester in 1979. The activities of the Working Party and its Committee are fully co-ordinated within the framework of the Working Party's own long-term plan of action and that of the ICA.

The quarterly journal of the Working Party, *Libradoc*, provides members and other interested parties with a permanent link, making it possible for all members to take an active part in Working Party activities, even if all are not able to attend meetings. *Libradoc* is edited, printed and distributed by Kooperativa Förbundet (Sweden). Bibliographies on specific subjects are compiled with contributions from members, and issued with *Libradoc* as supplements. Since 1976, four such bibliographies have been issued on the following topics:

- Fisheries Co-operatives
- Co-operative Movement and the State
- Women in the Co-operative Movement
- Co-operative Housing in the World.

Through the offices of the Working Party an inventory of national co-operative archives has been completed for more than a dozen countries; the results have been published in *Libradoc*. The scope of the Working Party's activities has been enlarged to include as members those responsible for co-operative museums. Often co-operative archival and historical documentation is kept with the museums of the movement. Articles on museums also appear in *Libradoc*.

A recent trend, following on the growth in number of co-operative libraries, coupled with the awareness of those responsible for them, of the value of working together, has brought about special groupings in India and the UK. The Indian Group of Co-operative Librarians has been active since 1977, and the UK Group was started in 1979. The latter group is in the process of publishing a union catalogue of English language co-operative literature for 1979. The librarians of ICA New Delhi and London have been attending meetings of their respective national groups as observers.

A new edition of the *Directory of Co-operative Libraries and Documentation Services* is under preparation. Nearly twice as many libraries will be listed and described as in the 1974 edition. The publication listing *Basic Books on Co-operatives* has sold out; there is clearly a great demand for this type of publication. Three handbooks on various aspects of co-operative librarianship are in preparation. They are aimed primarily at untrained persons who have to manage library and information services.

11.3 Working Party on Co-operative Press

The Officers of the Working Party on Co-operative Press elected in 1977 are as follows:

Chairman	R. Torkildsen (succeeded J. Boniface (France) in 1979)	Norway
Vice-Chairman	A. Fomin	USSR
Committee	A. Büchert	Denmark
	U. Frey	Switzerland
	Y. Takahashi (retired 1979)	Japan
Secretary	ICA Joint Chief—Press and Public Relations	

The constructive work of the Working Party on Co-operative Press was recognised in the Resolution of the 26th Congress of the ICA in Paris on the Tasks of the Co-operative Press. The Working Party does not have a fixed membership as it is open to all co-operative journalists everywhere, but its average attendance is 30–35 participants from some 20 countries, international organisations and UN Agencies, frequently including Africa, Asia and Latin America. The Executive Committee consists of the Chairman, Secretary and four other members who take it in turn to act as Vice-Chairman.

The Press Working Party was formed in 1970 and its work has been found of great value in facilitating exchange of material between different national movements, as well as the exchange of ideas, all of which contribute to maintaining the standards of the co-operative press. Since 1976, the Working Party has met as follows:

- 1977 in Hamburg (Federal Republic of Germany) where 30 members from 15 countries discussed “Advertising in the Co-operative Press: International Collaboration—Ethical and Financial Implications”; “Tasks of the Co-operative Press—Using the Co-operative Press to attract new members”; “The Co-operative Press and the 26th Congress Resolutions”.
- 1978 in Copenhagen (Denmark) where 37 members from 19 countries discussed “International Collaboration in Advertising” resulting in the production of an International Code of Co-operative Advertising Practice which was approved by the Central Committee; and “How can our Press help the Co-operative Movement to respond to the Needs of Youth”.
- 1979 in Manchester (UK) where 37 members from 20 countries discussed “Experiments in Co-operatively Structured Mass Media” with a guest speaker from a Danish paper run on those lines; “The Co-operative Approach to the New Information Order” with guest speakers from UNESCO and the International Federation of Journalists, and “Relations with the Mass Media”.

The Working Party will meet in Moscow (USSR) as the International Co-operative Press Conference, and the main themes of the Meeting will be “Contacts with the Mass Media”, “Future Tasks of the Co-operative Press” and “The Co-operative Press in the Socialist Countries”.

The Working Party has also contributed to the formation of a similar Working Party for South East Asia, whose first meeting (attended by the Secretary and the Danish member) was held in Malaysia in May 1980. The formation of press working parties is also under consideration in the East and Central African Region and in Latin America.

11.4 Research Officers' Group

The Officers of the Research Officers' Group are as follows:

Chairman	K. P. Kornholz (succeeded Mr Heikkila (Finland) in 1976)	Austria
Secretary	ICA Joint Chief—Research	

The Research Officers' Group consists mostly of officers from research and planning departments of consumer co-operative movements in Europe and Japan, although sometimes participants from other countries have attended.

The 18th Meeting of the Research Officers' Group took place in Warsaw (Poland) in September 1976, and 23 participants from eight countries attended. The main theme was "The Response of the Co-operative Movement to Social and Economic Change". Papers were presented by Poland, Belgium, Austria, Hungary and Sweden, and with contributions from other participants there was a lively discussion on the role of co-operatives in planned and market economies.

The 19th Meeting of the Research Officers' Group was held in Stockholm (Sweden) in September 1977. 29 delegates representing 11 countries participated in the Meeting. The main theme was "Market Research—Co-operative Strategic Planning—Techniques and Organisation". The sub-themes were "An Integrated Development of Research on Co-operatives" and "Changing Demands and Assortment Policy of Consumer Co-operative Societies". Documentation for the Meeting included "Statistics of a few selected consumer co-operative movements", "Research carried out during the previous year", and a pamphlet giving the gist of the previous 18 Meetings, together with a study report entitled "Capital: Source and Use in a few selected co-operative and private retail enterprises".

The 20th Meeting of the Research Officers' Group was held in Vienna (Austria) in September 1978. 22 participants from 10 countries attended the Meeting. The main theme was "Productivity in Retailing". Papers were submitted by Austria, Denmark, Finland, German Democratic Republic, and Switzerland, and the subjects covered were "Productivity in Co-operative Retail Trade"; "Productivity and Retail Information Systems"; "Productivity and Investment Decisions"; "The Problem of Productivity in Co-operatives, especially in the Co-operative Retail Trade"; "The Development of Labour Productivity in Finnish Retail Trade"; "Effectiveness in Co-operative Retail Trade in the GDR"; "Strategic Planning and the Objectives of the Co-op Schweiz Group". In addition to the papers, a number of special reports were distributed to participants on aspects of the 6th World Conference of Retailers held in London in April 1978. The papers and discussions were issued as a publication, "Productivity in Retailing", financially supported by Konsum Österreich. Some national organisations including Centrosoyus (USSR), Japanese Consumers' Co-operative Union, El Hogar Obrero (Argentina), etc. have decided to publish the report in their national languages.

The 21st Meeting of the Research Officers' Group was held in Dresden (German Democratic Republic) in October 1979. 26 delegates from 14 countries participated in the Meeting. The main theme was "Membership and Co-operative Effectiveness" and papers were presented by the UK, France, German Democratic Republic and the ICA Secretariat. Attention was also given to recent researches undertaken by different consumer co-operative movements with regard to membership

structure, member involvement, democratic control, payment of dividends, purchase rebate, etc. The documentation included background information pertaining to membership, structure, etc. from member organisations to facilitate meaningful discussion. The Group visited a department store in Leipzig and had a free and frank discussion with the Board of Management on the problems relevant to retailing in the GDR. The Group spent considerable time discussing the future of the Research Officers' Group with special reference to its function and role in the promotion and development of consumer co-operatives, collaboration with different committees such as INTERCOOP, Consumer Committee, etc.

Verband der Konsumgenossenschaften of the German Democratic Republic has decided to bring out a summary of the conference papers and the discussions in pamphlet form in English and German for a wider circulation.

The 22nd Meeting of the Research Officers' Group was held in Oslo from 16th-18th September 1980. The main subject was "Corporate Planning in Consumer Co-operatives".

11.5 Working Party on Co-operative Tourism

The Officers of the Working Party on Co-operative Tourism are as follows:

Chairman	R. Ramaekers	Belgium
Joint Secretaries	ICA Joint Chief—Research	
	P. Marion	Belgium

The 26th Congress took note of the fact that co-operative movements in several countries have engaged themselves in tourism activities, and recommended that:

"all the movements at present active in tourism better co-ordinate their activities within the ICA by setting up as a first stage, a working party, which could study methods of collaboration, first inter-co-operative and then with the International Bureau of Social Tourism (BITS) and the International Federation of Popular Travel Organisations (IFPTO)."

In pursuance of this recommendation, a conference was held in Copenhagen (Denmark) in September 1978 which was attended by 45 delegates representing 31 organisations and 18 countries. The conference unanimously agreed to promote a Working Party on Co-operative Tourism, and approved a constitution. The conference elected an Executive Committee and entrusted it with the task of working out details to implement the Congress Resolution. The Constitution was agreed by the Central Committee at its Meeting in September 1978 in Copenhagen.

The Working Party organised an International Conference on "Tourism and the Co-operative Movement" in Brussels in April 1979. It was attended by 32 delegates representing 15 countries. The ICA was represented by its Director and the Joint Chief (Research) and Secretary of the Working Party.

Discussion centred on the following subjects relevant to the promotion of co-operative tourism:

- Financial aspects of tourism in a free market economy and a planned economy
- Co-operative Savings and Tourism
- Consumer Co-operatives and Social Tourism
- Co-operation and the Economies of Tourism
- Tourism and Insurance
- Tourism and Advertising
- The Agricultural Co-operative Movement and Tourism
- Tourism and the Third World.

The Conference provided an opportunity to take stock of the progress made so far in the field of tourism and to assess the problems and difficulties in a realistic manner, so enabling the Working Party to plan a practical work programme. The Conference appointed three sub-committees to deal with the following subjects: Finance and Investment, Travel Exchange, and Travel—Consumer Rights.

(a) **Financing and Investment Aspects of Tourism**

Holiday centres on a multinational basis should be set up at different places after studying the location from the tourism angle. Southern France and Greece were cited as distinct possibilities. With financial collaboration with members of the Banking and Insurance Committees, the sub-committee suggested that an international co-operative tourist company should be promoted and should function as a commercial concern under the general supervision of the Working Party or through IFPTO. The sub-committee is examining these matters and will submit a detailed report to the Group in due course.

(b) **International Co-operative Tourism Workshop**

A Co-operative Tourism Fair in collaboration with the State and other agencies involved in tourism was held in Naples in January 1980. There were approximately 60 stalls and members of the Working Party were represented at the Fair, which functioned as a market place for the sale and purchase of tourism as a product for the years 1980 and 1981.

(c) **A Charter of Co-operative Tourism**

The Charter of Co-operative Tourism will contain the basic principles and provide for consumer defence/consumer protection, co-operative relationships in national and international tourism and investment possibilities for travel. The Charter will also include preferential treatment for tourists when they are handled by co-operatives at both ends. The sub-committee will prepare the text of a Charter for submission to the Working Party.

In its Plenary Meeting in Manchester in October 1979, attended by 20 delegates from 12 countries, the sub-committees reported the progress of their work.

12. ICA and the United Nations

12.1 General

The following paragraphs deal with relations with the UN and include an illustrative list of meetings which have been attended. Several ICA member organisations have been helpful in representing the ICA at various meetings, and by ensuring that their government delegates have been properly briefed on matters touching upon co-operatives.

In the past four years there have been a number of significant initiatives taken at various levels within the UN which have directly concerned co-operatives. The ICA and many of its members provided information to the Secretary-General for his report on "National Experience in Promoting the Co-operative Movement" and the debate on that subject will continue in 1980. The President made an important speech on disarmament to the General Assembly's Special Session on Disarmament—the first occasion on which International Non-Governmental Organisations were able to speak directly to the General Assembly (see below).

The ICA is developing closer relations with the specialised agencies.

Looking to the future, ICA is already involved in the formulation of the new International Development Strategy and in following up recommendations of the UN Conference on Technical Co-operation between Developing countries and the World Conference on Agrarian Reform and Rural Development.

Mr W. J. Campbell remains as ICA Representative at the UN in New York, but a replacement is still under consideration for Dr M. Boson, ICA's Representative in Geneva until late 1976. Dr U. Canullo now represents ICA with FAO in Rome.

The Director of the ICA met the President of the General Assembly at a luncheon held in New York in March 1977. In his speech, The Director said that a "New International Economic Order" was not a new concept to the Alliance which had always adapted to new international circumstances. As well as many high-level UN officials, several ambassadors to the UN were also present. The Director also had meetings with the Deputy Administrator of the United Nations Development Programme (UNDP), the Head of the Social Development Division, Mrs Helvi Sipilä, and addressed a number of UNDP officials on ICA plans and programmes.

In February 1979, the Director visited the United Nations in New York and met the US Ambassador to the UN, the Secretary General and other senior UN Officials, including M. Ripert, Under Secretary General for Social and Economic Affairs, Mr Bradford Morse, UNDP Administrator, Dr Klaus Sahlgren, Chief of the Unit of Trans-National Corporations, and Mr Lev Obolensky of the UN Capital Development Fund (UNCDF). He was able to explain the work of the ICA and outline special areas of interest, including consumer protection for example. He also spoke to a group of 30 UNDP staff and met a group of Ambassadors to the UN who have contributed positively to debates concerning co-operatives. The visit was seen largely as an ICA image-building exercise *vis-à-vis* the senior leadership of the UN. The Director was accompanied by CLUSA President, Mr Glenn Anderson, and Mr Wally Campbell, ICA Permanent Representative to the UN.

12.2 UN Special Session on Disarmament—June 1978, New York

The ICA President, Mr R. Kerinec, spoke to the General Assembly on 12th June 1978 on this important issue. For the first time, 25 Non-Governmental Organisations were able to speak directly to the General Assembly in this way. The President drew the attention of the Assembly to the numerous instances of co-operators striving to achieve disarmament and peace, and the strong support of the ICA for the NGO community in this respect.

12.3 Economic and Social Council (ECOSOC)

12.3.1 ECOSOC Resolution on Co-operatives

In December 1976, the Economic and Social Council adopted Resolution No. A/RES/22/37, entitled "National Experience in Promoting the Co-operative Movement". A questionnaire was sent to all governments and many other organisations, including the ICA, seeking their views on their experience in the promotion of the Co-operative Movement. The Secretariat sent its own reply, but circulated members requesting them to ensure that their own national governments replied. A draft report was prepared by the UN Secretariat on the basis of the replies, and the ICA commented on this draft. A final report was circulated to members of ECOSOC and to the UN General Assembly, and to the 1978 session of ECOSOC. Information based on the questionnaire is still required by the Social Development Division of the UN, and the ICA has written to member organisations whose governments have not as yet replied, asking them to use their good offices to elicit a response. A draft resolution on the subject was placed before the General Assembly and before the 1978 session of ECOSOC. The draft resolution was as follows:

NATIONAL EXPERIENCE IN PROMOTING THE CO-OPERATIVE MOVEMENT

Austria, Finland, Federal Republic of Germany, India, Iran, Jamaica, The Philippines, Poland, United Republic of Tanzania, Yugoslavia

Draft Resolution

The Economic and Social Council

Recommends that the General Assembly adopt the following draft resolution:

“the General Assembly,

Recalling General Assembly resolutions 2459 (XXIII) of 20th December 1968, 3273 (XXIX) of 10th December 1974 and 31/37 of 30th November 1976 and Economic and Social Council resolution 1668 (LII) of 1st June 1972,

Bearing in mind that the establishment and growth of co-operatives is one of the important instruments for the full economic, social and cultural development of all members of the society,

Recognising the necessity of training and educational programmes at various levels for the growth, diversification and professionalisation of management of co-operatives,

1. **Takes note** of the report of the Secretary General on national experience in promoting the Co-operative Movement;
2. **Reiterates** the necessary contribution of an international exchange of experience to the growth and diversification of the Co-operative Movement;
3. **Stresses** the role of co-operatives in the development of weaker sections of the community and in over-all social and economic advancement, particularly in developing countries;
4. **Recognises** that co-operatives are an important means of increasing employment opportunities for women and integrating them as active members of society into the development process;
5. **Stresses** also the important social role of co-operatives in involving people at the grass roots level in planning and decision-making which affects their daily lives;
6. **Invites** member states, relevant specialised agencies and other United Nations organs to pay special attention to the training and education aspects of the Co-operative Movement at the local, national and international levels;
7. **Further invites** them to submit follow-up reports on their experience in promoting the Co-operative Movement, referring, especially, to the participation of women in the Co-operative Movement, and to the role of co-operatives in achieving over-all social and economic development;
8. **Invites** those member states who have not already done so to submit reports on national experience in the Co-operative Movement;
9. **Requests** the Secretary General to submit to the General Assembly at its thirty-fifth session, through the Economic and Social Council, a follow-up report on national experience in promoting the Co-operative Movement, referring especially to the participation of women in the Co-operative Movement and to the role of co-operatives in achieving over-all social and economic development, based on data already available and on additional contributions from member states and relevant specialised agencies;
10. **Decides** to consider under a relevant item of the thirty-fifth session the follow-up report of the Secretary General on national experience in promoting the Co-operative Movement.”

The UN General Assembly (Committee No. III) debated the Secretary General's report on "National Experience in the Promotion of the Co-operative Movement" in its 1978 Session. The Assistant Secretary General, Ms Helvi Sipilä, pointed out that, "The main interest of the Centre for Social Development and Humanitarian Affairs is in the role of co-operatives as an instrument for social change and development . . . the co-operative form of self-help is a well tried and successful method of organisation . . . (and) . . . the social and educational activities are as important as the economic activities".

The ICA in its report to the Secretary General pointed out that more than 326 million members of co-operatives in 64 countries are already providing various types of services including agriculture, housing, food and other consumer goods, insurance and banking.

Speakers in the debate came from about 30 countries. In its present form the report of the Secretary General considers the relationship of co-operatives to structural and institutional reform, their role in land and agrarian reform, in the integration of women in development and the contribution made by co-operatives to development. It also examines the role of international agencies in promoting co-operatives. The recommendations of Committee III were approved without further debate. The subject will be discussed further by ECOSOC in spring 1980 following a revision of the Secretary General's report in the light of comments made during the General Assembly session.

12.3.2 ECOSOC Committee on Non-Governmental Organisations

In 1978 the ICA prepared a report on its activities as required on a quadrennial basis by the Committee on Non-Governmental Organisations. This was circulated by the Committee as document E/C.2/R.40/Add 28. It details the ICA's relations with the UN over four years, and is available in English, French and Russian.

12.4 Economic Commission for Europe (ECE)

The ICA, through its Housing Committee, has maintained contacts with the ECE Committee on Housing, Building and Planning. The Housing Committee was represented by Messrs Kypengren (Sweden), Nussbaum and Zeitlhofer (Austria) at the ECE Seminar on Housing Policy held in Türkü (Finland) in July 1977.

12.5 Economic and Social Commission for Asia and the Pacific (ESCAP)

The 33rd Session of ESCAP was held in April 1977, and the Regional Director for South East Asia attended as an observer. The Regional Specialist in Co-operative Housing represented the ICA at the UN/ESCAP Regional Conference on Human Settlement held in May 1977 in Bangkok.

12.6 Economic Commission for Africa (ECA)

The ECA provided partial funding for the ICA Regional Seminar on the Promotion of Handicrafts and Other Small-Scale Industries through Co-operatives, held in Mombasa (Kenya) in July 1977.

12.7 UN Environment Programme (UNEP)

12.7.1 UN Habitat and Human Settlement Foundation (UNHHSF)

The Alliance has been particularly interested in the follow-up to the HABITAT Conference held in Vancouver (Canada) in 1976, and the Housing Committee and ICHDA are concerned to develop a working relationship with the UN in promoting co-operative housing.

12.7.2 UNHHSF Workshop on Housing Finance

The UNHHSF Workshop on Housing Finance was held in London from 14th–18th March 1977. The Deputy Director represented the ICA, and Mr J. Bentley represented ICHDA. The Workshop was concerned with developing strategies to finance housing in both urban and rural settlements.

12.7.3 UN Commission on Human Settlements

The Commission held its first meeting from 3rd–7th April 1978 in New York and Mr W. J. Campbell represented the ICA. The ICA made a statement to the Commission in which it welcomed the creation of the new Commission, and supported the proposal that there be an advisory committee of NGOs.

The Second Session of the Commission was held in Nairobi from 26th March–6th April 1979 and the ICA Representative was Mr B. Heinen.

The work of the Commission will be carried forward by the Habitat and Human Settlements Foundation which has been located in Nairobi. The proposed Work Programme for the new Centre contained several references to the promotion of co-operative housing.

12.8 UNIDO

12.8.1 A high-level meeting was held in March 1977 between the Executive of the Workers' Productive Committee, the Director of the ICA and representatives of UNIDO, including the Executive Director of UNIDO, Dr A. Khane. It was agreed that close collaboration is essential and UNIDO should participate in the planning of the Open World Conference on Industrial Co-operatives which was held in Rome in 1978.

12.8.2 The 11th Session of the Industrial Development Board was held from 23rd May–6th June 1977 in Vienna. Dr B. Trampczynski and Mr S. Koziembroski represented the ICA.

12.8.3 A Meeting of Non-Governmental Organisations having Consultative Status with UNIDO on Co-operation between these Organisations and UNIDO was held in Vienna on 24th/25th May 1977. The ICA Representative was Mr B. Sakowicz. In a statement, Mr Sakowicz outlined the role of industrial co-operatives in the development process and proposed a close working relationship between the ICA and UNIDO.

12.8.4 Following further discussions between the ICA Director and the Executive Director of UNIDO, it was agreed that an ICA paper on industrial co-operatives be submitted to the UNIDO III Conference in New Delhi in January/February 1980.

12.9 Technical Co-operation Between Developing Countries

The UN Conference on Technical Co-operation between Developing Countries was held in Buenos Aires (Argentina) from 30th August–12th September 1979. The ICA Representative was Dr M. R. Domper.

12.10 Committee on Invisibles and Financing Related to Trade (CIFT)

The Committee on Invisibles and Financing related to Trade (CIFT) held its 8th Session from 5th–9th December 1977 in Geneva (Switzerland). The ICA Representatives were Messrs H. Dahlberg and Choo-tae Han.

The Insurance Development Bureau of the ICIF had prepared a paper for this meeting entitled "Co-operative Insurance—A Suitable Form of Insurance for Developing Countries". In addition to ICA observers, there were five co-operators in government delegations and many other government delegations had been fully briefed by ICA and ICIF members, both of which had been sent copies of the study well in advance.

A resolution on Co-operative Insurance was adopted which, *inter alia*, "recommends that the attention of multi-lateral and other aid institutions providing technical assistance be drawn to the contribution of co-operative insurance in national economic development . . . and that technical expertise drawn from various sources such as the International Co-operative Insurance Movement be drawn upon in this respect". The Director has informed all members of this resolution.

The full text of the resolution is as follows:

Recalling resolution 42 (III) on Insurance and Re-insurance adopted by the United Nations Conference on Trade and Development on 17th May 1972, in which the Conference, *inter alia*, affirmed that developing countries should take steps to enable their domestic insurance markets to cover in these markets—taking into account their national interests as well as the insurance interests—the insurance operations generated by their economic activities including their foreign trade, as far as is technically feasible;

Recalling resolution 38 (III), which recognised the role of co-operatives in trade and development and in developing savings through insurance, and which further recognised, *inter alia*, the role of co-operatives as efficient democratic organisations in the economic and social development of developing countries;

Also Recalling resolution 31/37, adopted by the General Assembly of the United Nations on 30th November 1976, calling for the further expansion of the Co-operative Movement in less developed countries;

Bearing in mind the need in many developing countries to promote further the extension of adequate insurance cover to a wider public, particularly in the rural areas, thereby increasing economic and social security in those areas;

Referring to the report on Co-operative Insurance—a suitable form of insurance for the developing countries;

Noting the various viewpoints expressed during the discussions on the subject in the Committee:

1. **Endorses** the conclusion of the study that co-operative insurance, complementing other forms of insurance, has a special role to play in the overall development process;
2. **Recommends** that, consistent with the objective of developing domestic insurance markets and having regard to the need to organise and operate insurance co-operatives on sound insurance principles, developing countries initiate such measures as may be considered appropriate for their establishment;
3. **Further recommends** that insurance co-operatives be subjected to governmental supervision as other insurance institutions;
4. **Further recommends** that the attention of multi-lateral and other aid institutions providing technical assistance be drawn to the contribution of co-operative insurance in national economic development and that they respond to requests of developing countries for technical assistance in the promotion of co-operative insurance, and that the technical expertise available from various sources such as the International Co-operative Insurance Movement be drawn upon in this respect."

An Expert Group on Agricultural Insurance met in Geneva from 9th–13th January 1978 at which the ICA Representative was Mr E. A. Wohlner.

The Insurance Development Bureau represented the ICA as the group discussed, *inter alia*, the role co-operatives could play in extending agricultural insurance to small farmers.

12.11 International Labour Organisation (ILO)

12.11.1 World Employment Conference

The World Employment Conference was held in Geneva from 4th–17th June 1976, and the ICA was represented by Mr B. Catalano, Dr M. Boson and the ICA Development Officer. There was broad consensus at the Conference that national and international efforts should be directed to the satisfaction of “basic needs”. The Committee of the Conference, in its final report, adopted the following paragraph:

“Co-operatives should be promoted in accordance with ILO Recommendation 127 and extend not only to the use of land, equipment and credit, but also the fields of transportation, storage, marketing and the distribution network, processing and services generally. More emphasis should be placed on the development of co-operatives in national policies, especially when they can be implemented so as to involve the lowest income groups, through their own organisation.”

12.12 Food and Agriculture Organisation (FAO)

12.12.1 A Preparatory Meeting of the Third World Session of the World Food Council was held in Rome from 9th–13th May 1977. The ICA was represented by Dr L. Malfettani, Honorary Chairman of the ICA Agricultural Committee.

12.12.2 The Third Session of the World Food Council was held in Manila (The Philippines) from 20th–24th June 1977. The ICA Representative was Mr B. P. Faustino, Chairman of the ICA Sub-Committee for Agriculture and Trade for South East Asia.

12.12.3 The 71st Session of the FAO Council was held from 6th–17th June 1977 in Rome. Dr L. Malfettani represented the ICA.

12.12.4 The World Conference on Agrarian Reform and Rural Development was held on 13th–18th July 1979 in Rome. The ICA Representatives were the Director, Chief—Agriculture and Fisheries, Mr J-B. Doumeng (Chairman of the Agricultural Committee’s Economic Sub-Committee), Mrs L. Crisanti (Vice-Chairman of the Women’s Committee) and Dr U. Canullo (ICA’s Permanent Representative to the FAO). The ICA Director was elected Chairman of the NGOs Group.

In his statement to the Conference, the Director stressed the need for the involvement and participation of rural people which was absolutely critical to rural development. On monitoring the follow up of the recommendations of the Conference, he put forward two suggestions:

- (a) The effectiveness of the mechanism and even the credibility would increase if peoples’ organisations, both at the national and international levels, were to be closely involved in the monitoring exercise. Second, a basic indicator in the evaluation process must be the growth of people’s participation in such process. The Alliance sincerely hopes that these two recommendations will be included in the final document.
- (b) Food production and consumption patterns in developing countries must be encouraged to evolve, keeping in mind the cultural, economic and ecological

needs of the developing countries, without artificial distortions being created through the unrestrained play of mass media, otherwise this led to very serious consequences for the health of the rural masses. More research is needed in this area.

He emphasised three broad inter-relationships:

- (i) Rural development, especially in developing countries, is co-extensive with development per se; thus the responsibility for this complicated and costly exercise should be seen as resting not only with the rural people and their institutions, but with the entire society; this fact should be adequately reflected in Government policies;
- (ii) Secondly, the position of women is so unacceptable and requires such urgent improvement, that it should again be the responsibility of the entire society, not of women alone; generally speaking, activities for women alone, without involving men as well, are only likely to be hived off to the margin, given the cultural ethos of contemporary society;
- (iii) Thirdly, the development of the Third World must remain a concern of the international community as a whole although local efforts must of course remain crucially important.

12.13 UNESCO

12.13.1 The ICA enjoys the highest consultative status with UNESCO, which allows it to influence, if only to a modest extent, the work programme of that organisation. The ICA is invited to present its point of view on UNESCO's draft programme and budget before these are submitted to the General Conference held every two years.

12.13.2 The ICA is also invited to send observers to various committees of experts and specialist meetings, and to take part in sectoral consultations which allow it to express the co-operative point of view on questions within its competence—contribution to peace, adult education, the New International Economic Order, youth, women's activities, etc.

12.13.3 UNESCO itself has shown its interest in the work of the Alliance in various ways: the Director of the Department of Adult Education, Mr P. Bertelsen, took part in two meetings prior to the opening of the ICA's Regional Office in West Africa, in Paris and Abidjan respectively; the Youth Department appointed Mr Kuzmin to assist with the preparatory work for the International Symposium on Schools and Co-operatives, which was attended by Mr Kabachenko; Mrs M. Bereita of the Adult Education Department attended one of the annual meetings of the ICA Women's Committee; the Department of Social Sciences participated in the discussions on Co-operative Tourism at the meeting of Central Committee in Manchester, at which a Report was presented on behalf of UNESCO; and the Department of Information and Communication also sent a representative to Manchester, Mr Hifzi Topuz, to attend the Meeting of the Working Party on Co-operative Press.

12.13.4 UNESCO made a financial contribution to the ICA Functional Literacy Projects in West Africa, to a women's seminar in Latin America and to the 1979 Symposium on Schools and Co-operatives.

12.13.5 Under the UNESCO Travel Grants Scheme for trade union and co-operative education leaders, the ICA was awarded thirty-one grants for the 1977-78 biennium and 25 grants for the 1979-80 biennium. These grants had a value of approximately US \$75,000.

12.13.6 UNESCO/ICA/International Trade Unions Consultation was held in Paris in December 1977. The ICA Representatives were Mlle F. Baulier (France) and Professor Z. Kossut (Poland). There was a further UNESCO/ICA/International Trade Unions Consultation in Paris held in February 1979, and the ICA Representatives were the Director and Mlle F. Baulier (France).

12.13.7 The UNESCO General Conference—20th Session, was held in Paris in November 1978. The ICA was represented by the Chief—Education and Development.

13. ICA and International Non-Governmental Organisations

13.1 General

The ICA maintains relations with several International Non-Governmental Organisations where there is a common interest in co-operatives, in order to try to ensure that where interests coincide, the overlap is eliminated and the possibilities for joint action explored. This co-ordination is particularly noticeable in the ICA's membership of COPAC and of the International Liaison Committee on Co-operative Thrift and Credit where, in both bodies, a number of international and national non-governmental organisations meet to discuss co-operative problems and programmes.

13.2 International Liaison Committee on Co-operative Thrift and Credit (ILC)

The International Liaison Committee on Co-operative Thrift and Credit brings together national and international organisations whose main concern is the thrift and credit and mutual co-operative movements. The Chairman is Mr Theo Braun of Confédération Nationale du Crédit Mutuel (France) and the Secretary is Mme A-M. Robert, whose services are made available by CNCM. The Committee sponsored the 4th International Conference on Co-operative Thrift and Credit held in April 1977 in Rio de Janeiro. The main theme of the Conference was "The Thrift and Credit Movement in its Economic and Social Environment". This was attended by 450 delegates from 30 countries and the ICA was represented by the President and Director. The Committee has supported the study of the International Interlending Programme supported by COPAC, and will be holding a 5th International Conference on Co-operative Thrift and Credit in early 1981 in New Delhi (India). The ICA is represented on the Committee through its Banking Committee.

13.3 Committee for the Promotion of Aid to Co-operatives (COPAC)

The Committee for the Promotion of Aid to Co-operatives (COPAC) was established in 1971 as a liaison and co-ordinating committee of international organisations engaged in the promotion of co-operatives in developing countries. Its membership during the period under review has consisted of the following:

- Food and Agriculture Organisation of the United Nations (FAO)
- International Co-operative Alliance (ICA)
- International Federation of Agricultural producers (IFAP)
- International Federation of Plantation, Agricultural and Allied Workers (IFPAAW)
- International Labour Office (ILO)
- United Nations Secretariat (UN)
- World Council of Credit Unions (WOCCU)

The Director of the ICA represents the Alliance at COPAC Meetings.

The COPAC Secretariat, based in Rome, also maintains close and frequent contacts with a wide range of agencies—national and international, governmental and voluntary—having similar interests. Several of these finance specific activities carried out by COPAC.

The following are among the main COPAC activities in the period:

(i) **Symposia**

Two symposia have been organised on: "Changing Patterns of Co-operative Development" (Wageningen, The Netherlands, March 1977) at which the President of the Alliance gave the keynote address and "Co-operatives against Rural Poverty" (Saltsjöbaden, Sweden, July–August 1978). Both events were attended by about 70 participants from developed and developing countries, and resulted in publication of statements and conclusions agreed by the participants.

(ii) **Sudan Consultation on Co-operative Development**

At the request of the Government, COPAC organised an exploratory mission and later (in 1979) a consultation at which representatives of development agencies were informed of Sudanese plans and priorities for co-operative development, and given the opportunity to study a number of specific co-operative projects. The consultation was intended to facilitate co-ordination of the various external contributions to the growth of co-operatives in the Sudan.

(iii) **Co-operative Interlending Programme**

A study of the possibilities for setting up a programme of loans from co-operative banks and credit unions in developed countries to agricultural co-operatives in developing countries, with the primary aim of enabling small farmers to increase their food production, was published in October 1979. It was commissioned by COPAC and prepared by two internationally known specialists in Co-operatives and Banking—Dr St Siegents of Honduras and Mr Per Steinan of Norway. In 1980 COPAC and its members will be seeking suitable pilot projects for financing under this scheme, and this will also be a subject for discussion at the ILC New Delhi Conference mentioned earlier.

(iv) **Collaboration with UNDP**

At UNDP's request, COPAC drafted a paper on "Co-operatives and Similar Institutions" which, after editing, was published by UNDP in 1978 as one in a series of Technical Advisory Notes intended mainly for the guidance of UNDP field staff.

COPAC is currently engaged in an evaluation of UNDP-financed projects with a major co-operative component. The evaluation includes both desk reviews and field missions and is being carried out in close consultation with COPAC members, particularly FAO and ILO, as the major executing agencies for UNDP projects in this field. The study is financed by UNDP and is to be completed by mid-1980. It will be given wide circulation both inside and outside the UN system.

(v) **Collaboration with the UN**

The Secretary General has continued to request COPAC's assistance in drafting certain sections of his reports to ECOSOC and the General Assembly on co-operative matters.

The regular six-monthly meetings of the Committee provide the opportunity for informal discussion of emerging policy issues. COPAC is particularly valuable as the only forum in which several international governmental and voluntary organisations meet regularly to examine policies, programmes and problems of co-operative development.

13.4 Other Meetings

The following list of meetings gives examples of the spread of representation of the ICA:

- NGO Working Group on Human Settlements, 31st March, 3rd–6th April 1978, New York. ICA Representative: W. J. Campbell. At this Meeting, it was decided to create an NGO Committee on Human Settlements.
- NGO Committee on Human Settlements, Nairobi, 26th March–6th April 1979; ICA Representative: B. Heinen.
- World Federation of Trades Unions World Conference, 16th–23rd April 1978, Prague. ICA Representative: ICA Director.
- International Confederation of Free Trades Unions (ICFTU) Asian Labour Summit, Singapore, May 1977. ICA Representative—Regional Director for South East Asia.
- International Federation of Agricultural Producers 22nd General Conference, Helsinki, 14th–23rd June 1977. ICA Representatives: G. Kuylentjerna and J-B. Doumeng, Chairman and Vice-Chairman respectively of ICA Agricultural Committee.
- Associazione Nazionale Cooperative Agricole (ANCA) Congress, Rome, February 1979. ICA Representative: Chief—Agriculture and Fisheries.
- National Co-operative Union of India Congress, March 1979. ICA Representatives—Director, Chief—Education and Development.
- Deutsche Stiftung für Internationale Entwicklung—Conference for INGOS, Berlin, March 1979. ICA Representative: Deputy Director.
- International Co-operative Bank General Assembly, May 1979, Switzerland. ICA Representative: P. Søliland (Vice-President).
- Confederazione Cooperative Italiane (Italy), May 1979. ICA Representative—President.
- Lega Nazionale delle Cooperative e Mutue (Italy), May 1979. ICA Representative: President.
- Kulutusuuskuntien Keskusliitto (Finland), May 1979. ICA Representative: President.
- UK Co-operative Congress, Eastbourne, May 1979. ICA Representative: Director.
- Suomen Osuuskappojen Keskuskunta (Finland), June 1979. ICA Representative: Director.
- Fédération Nationale des Coopératives de Consommateurs (France), June 1979. ICA Representative: Deputy Director.

14. Conclusion

Although the lack of resources has prevented the full implementation of the Long-Term Work Programme as outlined by the Paris Congress in 1976, nevertheless, the record of work in the preceding pages lists many positive achievements in line with the ICA Objectives as laid down in the Rules.

It is hoped that the Report demonstrates the vitality of the Alliance and its future potential, which could be realised when increased resources become available.

15. Obituaries

Ernest Clarke (UK) was a member of the Central Committee and a member of the central Executive of the British Co-operative Union, who played a leading part in co-operative affairs in Scotland. He died in September 1977.

Maurits Doms (Belgium), a member of the Central Committee from 1969–78, died in January 1978. He was Vice-President of FEBECOOP; former Director General of Koöperatief Verbond, Antwerp; Director of Coop-Belgique, COPED and P.S. Co-operative Societies.

Harald Håkansson (Sweden) was a member of the ICA Central Committee from 1968–77, and of the Agricultural Committee; Managing Director of Lantbrukarnas Riksförbund, Sweden; Managing Director of SL (Swedish Farmers' Co-operative Association) in 1966, and from 1970, when SL merged with the Farmers' Union, Managing Director of LRF.

Reidar Haugen (Norway): born 1911, was a leading co-operator for many years and one of the longest-serving Central Committee members ever, as he first took his seat in 1948. He started his career in the Norwegian Co-operative Movement in 1937, and joined Norges Kooperative Landsforening in 1938 as Secretary to the President. From this time until his death, he held various positions in NKL and the Norwegian Co-operative Movement.

Anton Kimml (Austria), President of the Österreichischer Verband gemeinnütziger Wohnungsunternehmen, passed away suddenly on 31st August 1977 aged 76 years. He was active in several international organisations interested in housing, where he represented co-operative housing very successfully. He was a member of the Executive Committee of the ICA Housing Committee for many years, up to the ICA Congress in Paris, and a member of the Central Committee from 1969.

Alexander Petrovic Klimov (USSR) was President of Centrosoyus (USSR), member of the Central Committee from 1954, and of the Executive from 1957, and Vice-President of the Alliance from 1957. He died on 7th September 1979. In 1955 at the Central Committee in Basle, he had drawn attention to the significance of co-existence to the World Co-operative Movement, and was responsible for a report on the development and expansion of international co-operative activities to cement the unity of the International Co-operative Movement. At the ICA Congress in Bournemouth in 1963, he had urged the need to set up a Commission to study the Rochdale Principles of Co-operation, which led to a special report to the Congress in Vienna in 1966. With the President (Mr Kerinec) and Mr Thedin (Sweden), he was an author of a report for the Congress in Hamburg in 1969 on "Contemporary Democracy". At the Congress in Paris in 1976, he stressed the need for collaboration between co-operatives. He extended the invitation for the ICA to hold its Congress in Moscow in 1980.

Leopold Kovalcik (Czechoslovakia) who died in 1980 was a member of the ICA Executive Committee from 1976 and of the Central Committee from 1973. He was President of the Central Co-operative Council of Czechoslovakia from 1973 and a leading member of the Parliament of his country.

Professor Paul Lambert (Belgium), economic scientist and lecturer on co-operation at the Institut des Hautes Etudes de Belgique in Brussels and the Liege Law Faculty died on 17th September 1977. Paul Lambert was President and Director of the International Centre of Research and Information on Collective Economy (CIRIEC) and Editor of the world-famous Annals of Collective Economy. He took an active interest throughout his life in his country's Co-operative Movement, was a member of the

Board and Vice-President of the largest Belgian consumer co-operative society, the Liege Co-operative Union, and was President of FEBECOOP. Internationally and in the councils of the ICA, Paul Lambert was greatly respected, and his advice valued. His work on the relations of affiliated unions with the wholesale ones, his contributions to the discussions on the Report of the ICA Commission on Co-operative Principles, were of great depth and usefulness to the international co-operative community. He was a member of the ICA Executive and Central Committees between 1966 and 1976.

B. D. Mishra (India) was President of the National Co-operative Consumers' Federation (India). He became a member of the Central Committee in 1978. He died in 1979.

Asao Miyawaki (Japan), a member of the ICA Central Committee from 1967 and a member of the Executive Committee from 1971, died in May 1978. He was born in 1912, and actively participated in the Agricultural Movement from before the Second World War. He joined the Agricultural Co-operative Movement at the end of the Second World War and became President of his primary agricultural co-operative society, serving it until his death. In May 1964, he was elected President of the Kagawa Prefectural Union of Agricultural Co-operatives, the same year that he was elected President of the Credit Federation, the Economic Federation and the Mutual Insurance Federation. In 1967 he was elected Vice-President of the Central Union of Agricultural Co-operatives and became President in December of that year. In May 1975, he retired because of illness, and was nominated Counsellor to the Central Union.

Robert Alexander Palmer (Lord Rusholme) (UK) died on 18th August 1977 aged 86. He had served the International Co-operative Movement at a most critical time in its history, carrying the burden of the ICA Presidency when communications between the then President, Mr Tanner of Finland, and the ICA membership were cut during the war. Lord Rusholme, as Vice-President, was elected Acting President during the dark years of World War II. At the ICA Congress in Zurich in 1946, Lord Rusholme was elected ICA President, but in consequence of his appointment to the British Transport Commission, he was not available for re-election after the ICA Prague Congress in 1948. From 1930-48, he was a member of the ICA Central and Executive Committees. A life-long co-operator, a General Secretary of the British Co-operative Union, he served his country and his country's Co-operative Movement with distinction.

Mrs G. E. Stanford (ICA Secretariat) died in December 1978 after a severe illness which started in January 1978. Mrs Stanford came to the ICA Secretariat in 1966, was initially responsible for the Statistics of the ICA, and later became Finance Officer. She was a member of the Management Committee of Enfield Highway Co-operative Society (UK) for 22 years.

S. Sultanov (USSR) was President of the Azerbaijan Republic Co-operative Union and a member of the ICA Central Committee from 1976. He worked for a long time in the USSR Co-operative Movement and was a member of the Azerbaijan Parliament.

Tom Weir (UK) was a member of the ICA Central Committee from 1957-69, and Vice-Chairman of the Co-operative Union, UK.

**A Report on the
Co-operative Development Decade
1971-1980**

Introduced by:

P. Soiland (Norway)

Vice-President ICA and
Member of the Co-operative Development Committee

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Paper No. 2

A Report on The Co-operative Development Decade 1971-1980

PART I: INTRODUCTION

I.1 Limitations of the Study

The object of this study has been to record and evaluate the activities of the International Co-operative Alliance in promoting co-operative development in developing countries during the 1970s. It has not been possible, however, to follow up all the activities of the ICA in this field during the decade because of lack of information and the limited time available. Moreover it is difficult for anyone who has not personally participated in the vast majority of events to comment on their true impact. The intention has not been to attempt to measure the extent of co-operative development that has taken place during the decade in developing countries—a major study would clearly be required for this kind of analysis. The purpose has been rather to examine the potential impact of ICA activity on co-operative development by observing the conclusions reached and recommendations made.

A distinct change in development theory and practice seems to have taken place during the sixties. Much more emphasis began to be placed on the significance of the rural sector in development strategies than was evident in earlier years. Emphasis was also placed on the utilisation of local materials, on decentralised industry, on appropriate technology, on providing employment in rural communities and reversing the flow of population to the cities and on developing human resources.

I.2 Background: Motivation and Objectives

The International Co-operative Alliance recognised the need for co-operative development in developing countries before the UN launched its first development decade in 1960. It was at its 19th Congress in Paris in 1954 that the ICA Development Fund was set up and a formal programme initiated. This was followed by the "World without Boundaries" Exhibition at the 20th Congress in Stockholm in 1957 and by the setting up of the Swedish development fund of the same name in 1958. In the same year a conference was held in Kuala Lumpur which led in 1960 to the establishment of the ICA Regional Office and Education Centre for South-East Asia in New Delhi. This office was set up with Swedish support and is responsible for promoting co-operative development in fourteen countries.

During the 1950s the problem was seen as one of transplanting a co-operative system that had developed in Europe into the rather different environment of the countries of Asia, Africa and Latin America. After the 21st Congress of the ICA in Lausanne in 1960 it came to be recognised that some modification of the traditional European model might be needed. The Lausanne Congress approved a long term programme of technical assistance for co-operatives in developing countries. At the 22nd Congress in Bournemouth in 1963 there were two papers on co-operative development; that by Mr. W. P. Watkins was on long term programmes and the conditions for realising them and that by Mr. Thorsten Odhe was on economic integration and co-operative development. At both this Congress and the 23rd Congress in Vienna in 1966 resolutions calling for technical assistance for co-operatives in developing countries were approved.

It was also in 1966 that the ILO made an important recommendation⁽¹⁾ which declared that co-operatives were important instruments of economic, social and cultural development as well as of human advancement in developing countries. It argued that governments should help co-operative development through legislative, financial, technical and other measures, that co-operative development should be integrated in national development plans, but that it was at the same time important that co-operatives should maintain their independence.

In the latter part of the sixties there was substantial technical assistance from the Nordic co-operative movements for co-operative development in East Africa. In October 1968 the ICA Regional Office for East and Central Africa was set up at Moshi in Tanzania to foster and promote co-operative development in Kenya, Tanzania, Uganda, Zambia and other countries of East and Central Africa. Later in the same year the United Nations General Assembly approved a resolution, sponsored by the Polish and American Governments, which asked the UN Economic and Social Council to consider the role of co-operatives in the United Nations Second Development Decade, stressed their importance for economic and social development and asked governments and UN agencies and the ICA to help co-operative development in developing countries.

The following June the UN Economic and Social Council approved a resolution calling for an assessment of the contribution of co-operative development to the second UN Development Decade by the ICA, the ILO, the FAO and UNESCO and this formed the basis of a report from the UN Secretary General in March 1970. Meanwhile in May 1969 UNIDO had called for more technical assistance for industrial co-operatives in developing countries.

At the 24th Congress of the International Co-operative Alliance in Hamburg in September 1969 the resolutions of the UN General Assembly and its Economic and Social Council on the relevance of co-operative development to the problems of developing countries were warmly acclaimed. The Congress approved unanimously a resolution from the ICA Central Committee calling for increased technical assistance for co-operatives in developing countries, and also one from Poland and the USA calling for action on the 1969 Economic and Social Council resolution. The Congress noted the increased interest shown by co-operators in the problems of development, the increased willingness of co-operatives to mobilise their own resources and also the growing need for the co-ordination of programmes for co-operative development. It was proposed that an Action Programme should be prepared in the first two years of the new decade and implemented in the remaining years.

In March 1970 the UN Secretary General's report on "The Role of the Co-operative Movement in the achievement of the Goals and Objectives of the UN Second Development Decade" was published; and the following June it was approved by the UN Economic and Social Council in a new resolution⁽²⁾ declaring that co-operatives were an important element in the strategy of the UN Second Development Decade and calling for close collaboration between the UN and its agencies, the governments of both industrialised and developing countries and the ICA and other Non-Governmental Organisations in promoting co-operative development during the seventies.

As a consequence of the UN resolutions of December 1978, June 1969 and June 1970 the Central Committee of the International Co-operative Alliance decided at the meeting of the Central Committee in London in October 1970, that the nineteen seventies should be proclaimed a Co-operative Development Decade in support of the United Nations Second Development Decade. This was just seventy-five years after the foundation of the ICA in London in 1895.

⁽¹⁾ILO Recommendation No.127.

⁽²⁾"Co-operatives and Industrialisation in Developing Countries" ILO 1970.

The Alliance then embarked upon a ten year programme of more intensive activity for the promotion of co-operative development in developing countries. During the sixties a better understanding of the real needs of the peoples of developing countries seemed to emerge. At the beginning of the sixties many had believed that rapid and massive industrialisation was what the developing countries most needed, but in the new international development strategy⁽³⁾ it was recognised that more attention ought to be paid to agricultural and rural development, to the mobilisation of human resources and to technologies appropriate to developing countries. During the 1970s it became evident that western-style industrialisation resulted in unbalanced development, rapidly growing towns and rapidly growing urban unemployment. The role of co-operatives is fundamental in the development context.

I.3 Problems in Developing Countries and the Economic and Social Functions of Co-operatives

One of the most stubborn obstacles to economic progress in the developing countries has been systems of landholding. Demands for land reform stem from the recognition that peasants can be motivated and equipped for development only if they can be given access to land on terms which make possible its economic exploitation. Holdings must be large enough to provide an economic return and tenure must be secure enough to justify the investment of capital and labour in long-term improvements. Co-operative farming can make farming profitable by consolidating fragmented holdings for joint cultivation. Moreover co-operative societies of tenants can act as land-leasing bodies which negotiate with landowners on conditions of tenure and rent for large holdings; and then assign smaller holdings to individual members.

The most pressing problem facing the peasant living at subsistence level is the extreme difficulty of saving for the future. However if peasants join with their neighbours in co-operatives, significant saving for investment becomes easier. Co-operatives are a means through which individual savings can become meaningful through aggregation.

Most of the richer industrialised countries grew wealthy largely through international trade; but the same kind of opportunities are not available today for developing countries. They need to be self-reliant to generate their own markets. As self-help organisations, co-operatives help to meet the fundamental needs of developing countries.

Most developing countries are basically dependent upon agriculture and cannot afford to allow industry to forge too far ahead of its agricultural base. Each step in the growth of industry needs to be supported by a parallel growth in agriculture and the whole rural sector. A primary need for economic development in many developing countries is the decentralisation of industry and the development of rural industries allied to and dependent upon agriculture. Co-operatives can facilitate the process of decentralisation. Agricultural supply, marketing and processing co-operatives, handicraft and industrial co-operatives and labour-contracting co-operatives all have a part to play in retaining in rural areas trading and manufacturing based on local raw materials, local skills and local markets. They can supply household requirements and productive equipment for the local community, increase the value of agricultural output, provide employment for part-time farmers, landless labourers and rural artisans, check the rural exodus to the cities, increase local incomes and standards of living and train workers for future industrialisation on a larger scale.

Development requires change and innovation which traditional societies may be slow to accept. The major resource upon which the process of development

⁽³⁾"The Role of Co-operatives in Economic and Social Development in Developing Countries" ILO 1964.

must build is manpower—the skills and energies and willpower of the workers. The workers must be motivated and one great merit of co-operatives in relation to development is their motivational impact.

The concept of functional literacy is now widely accepted but the role of co-operatives in promoting it is less widely recognised. Co-operatives enable literacy programmes to be related to work processes, and their democratic methods involving participation in Committee and other meetings provide a strong incentive to acquire and improve literacy. Co-operatives also provide training in democratic methods as in the choice of leaders, particularly valuable at local level in newly independent countries. They also help to meet basic needs such as low-cost housing.

It is governments rather than co-operatives, however, which have the main responsibility for development in developing countries. They face many structural problems such as social and economic inequalities, oppressive land ownership systems, population growth, inadequate infrastructures, deficient educational systems, adverse marketing conditions and political instability. Co-operatives can help governments tackle such problems but they cannot be expected to thrive in a hostile environment if governments do not face up to the basic problems.⁽⁴⁾ If wealth is largely in the hands of absentee landlords and private merchants, landless peasants cannot easily achieve the savings needed to build their own co-operatives. Governments need to reduce undue inequalities, both to provide conditions for co-operative development and to help to raise the living standards of their peoples.

Peasants with tiny fragmented holdings cannot easily form co-operatives and agrarian reform needs to be given by many governments the high priority that it is given by the FAO. Co-operatives also need public services of various kinds, social institutions, roads, transport services, electric power, and marketing, educational and health services. Sometimes external marketing of agricultural or other products is in the hands of government; but prices and exchange rates may be highly unstable and there may also be tariff and quota barriers.

Conditions in many developing countries are such that successful co-operative development requires support from governments in creating conditions in which co-operatives can grow and flourish. As this requires legislative and administrative reforms, political instability can be a serious barrier to co-operative development.⁽⁵⁾

PART II: ICA ACTIVITIES AND THE CO-OPERATIVE DEVELOPMENT DECADE

The International Co-operative Alliance described the Co-operative Development Decade in an article in its *Review*⁽⁶⁾ immediately after the Central Committee meeting of October 1970 when the seventies were so designated. It declared that "The Co-operative Development Decade is a means of. . . marshalling, co-ordinating and channelling resources to co-operative development in the less advanced countries:" the resources being "tangible help essential for bringing strength to the young co-operative movements". This kind of help, it was expected, would be received from "co-operators in developed countries, from. . . trade unions, from churches, from farmers' associations and from the UN and other international agencies". It was the intention of the ICA "to act as a nerve centre for this Decade operation. . .to provide leadership. . .disseminate publicity and information, . . .to help identify needs and the kind of help required to meet those needs and the potential source of such support. . . advise on the designing of appropriate administrative machinery for matching needs with resources and. . .collaborate with all other agents of co-operative development."

⁽⁴⁾"The Co-operative Development Decade: The First Steps" B. Oram. ICA 1971.

⁽⁵⁾National Co-operative Policy Resolution and Action Programme, India, Nov. 1978.

⁽⁶⁾Review of International Co-operation No. 6 1970.

The Decade was viewed not as "purely the ICA's decade but rather as a period of intensive campaigning for the promotion of co-operatives in developing countries by all organisations interested in furthering the co-operative movement". It had also been agreed that "the work pattern of the ICA during the decade would be seen as an extension as well as an intensification of its usual functions."

A great deal of activity has taken place during the decade and the limitations of time and space and those of this study make it impossible to record them all in this paper. Moreover a number of these activities are not a result of ICA initiatives and would probably have occurred without the stimulus of the seventies being designated a Co-operative Development Decade. This makes it difficult to separate cause from effect and measure or even identify the impact of the ICA campaign. However the pace of co-operative development in developing countries has accelerated during the decade and it can be argued that the ICA initiative has made a significant impact.

Assistance made available to co-operatives in developing countries can be classified under six categories: the exchange of information, the provision of expertise, the promotion of education and training, the co-ordination of development activities, research into ways and means of development, and finance.

II.1 Exchange of Information

One of the most effective ways of helping co-operatives in developing countries is by enabling them to draw lessons from the experience of other co-operatives, particularly those in other developing countries that have dealt with similar problems. Personal contacts between co-operators have been made possible by a vast range of conferences and seminars. Many of these have been organised by the ICA or its regional offices with national organisations or jointly with UN agencies, while others have been organised independently of the ICA. Discussions on development issues have also taken place at ICA Congresses and at meetings of the ICA Central Committee. The International Seminars of the ICA are held annually except in Congress years but not all Seminars and conferences have been primarily concerned with the problems of co-operatives in developing countries.

(a) Seminars and Conferences

Management

The 39th ICA International Seminar was held in Madison, Wisconsin, USA in 1970 and was on "Co-operative Management for the 1970s".⁽⁷⁾ It was a more specialised and technical theme than those of previous International Seminars and included some participants from developing countries where co-operative management is a major problem. The ICA Regional Office and Education Centre in New Delhi started to hold annual Open Asian Conferences on Co-operative Management in 1974. These conferences have been held in different countries and with themes relevant to the needs of local national movements, and are well attended by senior management people from movements in the region. A regional seminar on "The Management of Agricultural Co-operatives with special reference to Multipurpose Co-operatives" was organised by the ICA New Delhi office and held in Tokyo in 1977. The ICA Regional Office in Moshi has also organised a number of seminars on co-operative management and has emphasised the importance of management training.

The development of co-operative management was the focus of discussion at the 45th ICA International Seminar in Vienna in 1978 where Professor Craig from Canada presented a paper on management development; there were also papers on "Manpower Training in Large Co-operatives" and on "Consumer Protection and Management in Consumers Co-operatives". Co-operators from Malaysia participated in the seminar.

⁽⁷⁾Co-operative Management for the 1970s ICA, London 1972.

Co-operative Education and Training

The ICA Regional Office and Education Centre in New Delhi has organised a number of seminars dealing specifically with educational methods, including one on "Member Education and Member Communication", Japan, 1974; a training course on "Training Methodology and Techniques", India, 1977; and a Programme for Co-operative Teachers in the Philippines in 1979. It assisted the National Centre for Co-operative Education of the National Co-operative Union of India in a Workshop on Audio-Visual Aids for Co-operative Instructors in December 1976.

The ICA Regional Office for East and Central Africa has conducted major seminars on subjects such as "Production and the Utilisation of Educational Aids" and "Efficiency in the Performance of Co-operatives"⁽⁸⁾ with support from SIDA and the Swedish Co-operative Centre. In Kenya it has assisted in a large educational programme for women co-operators. Seminars on the role of women in co-operatives have been held in Kenya, Tanzania, Uganda, Zambia and Mauritius; and a conference for women, supported by SIDA and the Swedish Co-operative Centre, was held in 1979. Seminars on teaching co-operative teachers were held in order to select participants for the ninth International Seminar of the Swedish Co-operative Centre.

The theme of the 40th ICA Seminar held in Moscow in 1971 was "Co-operative Education as a factor increasing the importance of the Role played by Co-operatives in the Economy and Public Life".⁽⁹⁾ A participant from Tanzania spoke of the need to relate education to the experience of developing countries.

The ICA collaborates with UNESCO in the fields of adult education and functional literacy. A seminar on "Functional Literacy and co-operatives"⁽¹⁰⁾ was held at the Co-operative College, Ibadan, Nigeria, in February 1975, with support from UNESCO and other organisations. Matters discussed were: "Methods, Techniques and Materials in Functional Literacy", "Functional Literacy in West Africa", "National Planning of Functional Literacy Programmes" and "Planning and Implementation of Functional Literacy Projects". The seminar was a preparation for field projects in West Africa.

The 46th ICA Seminar held in Paris in December 1979 was a symposium on "Schools and Co-operatives" with reports on school co-operatives from Argentina, the Ivory Coast and Malaysia. There were also reports from France and Poland where school co-operatives are well developed as a means of giving pupils experience of responsibility. Sometimes schools themselves are organised on a co-operative basis.

The ICA Agricultural Committee and the International Federation of Agricultural Producers' Standing Committee on Agricultural Co-operation held a joint study session in Sweden in 1970 to discuss "Agricultural Co-operative Education".

Research and Planning

The 43rd ICA International Seminar was held in Dresden in 1975 on the theme of "Technical Assistance for Co-operatives in Developing Countries: Need and Response". Papers included a report on the progress of the Co-operative Development Decade and reports from the ICA regional offices and the proposal to open a regional office in West Africa. A Conference on Research and Planning took place in Arusha (Tanzania) in 1974 and another in Lusaka (Zambia) in 1977.

The co-ordination of research efforts was discussed in Nairobi by co-operative officials and academics; and later in Warsaw.

A conference on research methodology was held in Swaziland in July 1979.

⁽⁸⁾S.I.A.S. Nairobi 1971.

⁽⁹⁾40th International Seminar, ICA 1971.

⁽¹⁰⁾Functional Literacy and Co-operatives (Studies & Reports No. 12). ICA 1975.

Agricultural Co-operatives

During the 1970s the ICA Regional Office and Education Centre for South East Asia organised a large number of seminars on agricultural co-operatives. One on agricultural co-operative marketing in Japan in 1975 discussed methods of distribution and the development of dairy co-operatives in South-East Asia and was followed by one in India on similar themes. There was a national seminar in Nepal on "An Integral Approach to Agricultural Co-operative Development" in 1976; and one in Sri Lanka in 1977 discussed the management of agricultural co-operatives. There were participants from developing countries at a seminar in Bulgaria in 1977 on "The Role of Agricultural Co-operatives in the Production, Processing and Selling of Agricultural Products in the Development of Agriculture and the solution of Rural Problems."

Agricultural co-operatives have frequently been discussed at ICA Central Committee meetings in the context of agriculture and the consumer, the world food problem, the financing of agricultural co-operatives in time of inflation, co-operatives and the state, and co-operatives and the poor.

Fisheries Co-operatives

The Fisheries sub-committee of the Agricultural Committee, later the Fisheries Committee, enquired into the lack of development in fishery co-operatives. As a result a "Manual for Fishermen's Co-operatives" was published jointly with the FAO incorporating case studies; and a course for the managers of fishermen's co-operatives, eventually sponsored by SIDA and the FAO, was organised at the Fisheries Institute at Versova near Bombay.

A seminar on freshwater fish was held for co-operators from developing countries in Hungary in September 1977 to discuss fish propagation, with visits to fish farms and processing plants. Two successful fishery seminars were held in Tokyo in September 1978 and September 1979, which discussed the experience of Japanese fishery co-operatives and the situation of fishery co-operatives in South East Asia.

Industrial Co-operatives

The United Nations Industrial Development Organisation published a report on "The Nature and Role of Industrial Co-operatives in the Industrialisation of Developing Countries" in 1969 which led to close collaboration between UNIDO and the ICA Workers' Productive Committee. An experts' meeting was held in 1971 at which technical assistance for industrial co-operatives was discussed. A seminar on industrial co-operatives in Latin America was held in 1974 and another seminar on training for industrial co-operatives was held in 1975, for co-operators from developing countries. These were made possible by close collaboration between UNIDO and the International Centre for the Promotion of Industrial Co-operatives in Poland.

A regional seminar on "The Promotion of Handicrafts and other small-scale industries through co-operatives" was held in Mombasa (Kenya) in 1977,⁽¹¹⁾ with support from the UN Economic Commission for Africa.

Consumers' Co-operatives

An ICA Committee for Consumers' Co-operatives in South-East Asia was established in New Delhi in 1977 to promote collaboration between consumers' co-operatives in the region and develop policies for the promotion of consumers' co-operatives and consumer protection. A national seminar for managers of consumers' co-operatives was held in Thailand in 1977 and pre-seminars on the same subject were held in 1979 in the Philippines, Thailand, Malaysia and Indonesia, with support from the Swedish Co-operative Centre.

⁽¹¹⁾Report from the ICA Regional Office for East and Central Africa, 1977.

A pre-seminar on consumers' co-operatives was organised by the ICA office in Moshi and held in Ibadan (Nigeria) in October 1978. Some of the participants attended the Swedish Co-operative Centre's twentieth Seminar in Sweden in February 1979 including participants from Nigeria, Liberia, the Gambia, Sierra Leone and Ghana.

It is now widely recognised that the development of consumers' co-operatives in rural areas in developing countries is of major importance. In South-East Asia consumers' co-operatives have been developed as part of multipurpose co-operatives and one significant development has been "the conversion of rural credit co-operatives into multipurpose co-operatives . . . to provide a wide range of services to their members such as the provision of credit, inputs, supplies, farm guidance . . . and consumer articles."⁽¹²⁾

Housing Co-operatives

It was recognised at the 24th ICA Congress in Hamburg that the development of housing co-operatives requires the mobilisation of resources from outside the co-operative movement. A seminar on Non-Profit Housing was held in 1971 and emphasised the need for governments to provide the conditions necessary for the development of co-operative housing. It was followed by a comprehensive report based on replies to questionnaires sent to members of the ICA Housing Committee.

A regional seminar on co-operative housing was held in Kuala Lumpur and Penang⁽¹³⁾ in November 1970 with 35 participants from countries in South East Asia. Serious housing shortages in rural and urban areas, severe urban overcrowding, and the growth of slums and squatter settlements were reported. The contribution of co-operative housing to this deteriorating situation was discussed. Another seminar on the development of co-operative housing was held in the Philippines in 1977 with participants from co-operative housing management and government, from Bangladesh, India, Malaysia, Singapore, Sri Lanka and Thailand.

A successful workshop on co-operative and self-help housing was organised in collaboration with the Government of Lesotho and the UN Economic Commission for Africa in June 1977. It explored the possibility of establishing housing co-operatives for low income families in other parts of Africa by methods similar to those used in Lesotho.⁽¹⁴⁾ The provision of needed skills and expertise through technical services was also discussed. The role of the family in housing co-operatives was also discussed in two further housing seminars in 1979, in Sweden and Lesotho respectively. A survey on Housing Finance in Gambia was held in 1979.

Women and Youth in Co-operatives

The ICA Regional Office and Education Centre in New Delhi organised a conference⁽¹⁵⁾ on the Role of Women in Co-operative Development in Kuala Lumpur in 1975, and on its recommendation intensified its work in the field; committees of women co-operators were set up in Bangladesh, India, Indonesia, Malaysia, the Philippines and Sri Lanka. Studies on the role of women were carried out in Sri Lanka in 1976 and in the Philippines in 1979. National seminars and courses for women co-operators were organised in Sri Lanka, Malaysia and Bangladesh in 1977 and in the Philippines in 1979.

⁽¹²⁾Memorandum from ICA Regional Office and Education Centre, New Delhi.

⁽¹³⁾Readings in Co-operative Housing ICA New Delhi 1973.

⁽¹⁴⁾Report on the Seminar for the Southern and Eastern African countries on Co-operative and Self Help Housing for the Low Income Sectors, Maseru, Lesotho, June 1977. UN October 1977.

⁽¹⁵⁾The Role of Women in Co-operative Development No. 2 1975. ICA New Delhi.

The ICA Women's Committee organised an Experts' Consultation in 1975 on "The Trends, Problems and Changing Needs of the Co-operative Movement and the Role of the ICA" with a study tour for women co-operators from Bangladesh, the Gambia, Kenya, Peru, Sri Lanka and Argentina.

Another Experts' Consultation on "The Educational Needs of Women in Developing Countries"⁽¹⁶⁾ was held in London in 1978 to help women in industrialised countries to learn more about the educational aspects of the needs of women in developing countries through direct contact with them. New approaches to the problems of education in developing countries were discussed and the travelling expenses of participants from developing countries were met by UNESCO.

An ICA Conference on youth was held in Romania in 1973 and another in the USSR in 1976.

A number of seminars have also been organised by the ICA Regional Office for E & C Africa.

Co-operatives and the Poor

In the early seventies the United Nations Research Institute on Social Development published a series of eight studies on agricultural and other co-operatives in developing countries. These argued that in certain developing countries co-operatives tend to be of benefit mainly to the larger and more successful farmers without reaching the poorest sections of the rural community. The studies were not, however, very specific about possible alternatives to co-operatives and did not demonstrate that private or state organisations would be any more successful in reaching the poor against any particular legislative background.

In July 1977 the ICA organised an Experts' Consultation at the UK Co-operative College at which the two main papers were by Dr. Uma Lele of the World Bank and Dr. Alex Laidlaw of the Canadian co-operative movement. These two main papers and the discussions at the consultation were published by the ICA in 1978 in a report called *Co-operatives and the Poor*. It may be that the failure of agricultural co-operatives in some developing countries to reach the poorest sections of the community is due not so much to any weakness in the co-operative method as to governmental policies allowing gross inequalities of wealth. If these were reduced by tax changes, agrarian reform, welfare and other measures it is reasonable to suppose that co-operatives would reach a higher proportion of the population. Agricultural co-operatives have developed historically as a way of improving the bargaining position of small farmers and if governments are active in helping the poorest sections of the community they should find co-operative development a useful way of helping them to help themselves.

It was agreed at the consultation that governments should create favourable conditions for co-operative development without intervening unduly with the functioning of co-operatives. It was agreed that the quality of management was crucial: but that what was needed was training for management rather than external intervention in management. As one participant put it "what the poor often need most of all is someone to have confidence in their being able to do things for themselves". It was argued that it was necessary to be selective about which types of co-operative should be supported, that local and labour intensive projects were needed with single purpose co-operatives which would increase the bargaining power of the poor and that multi-purpose co-operatives could follow later. One of the more effective ways by which industrialised countries could help the poor in developing countries was by mounting bilateral and multilateral co-operative development programmes in collaboration with non-governmental organisations and in special projects.

(16) "The Educational Needs of Women in Developing Countries: report of a one day's consultation, London 5 May 1978", ICA.

Sudan

A major consultation on co-operative development was held in the Sudan in March 1979 to discuss certain specific projects and sources of funds for these, the status of co-operatives in the Sudan and general co-operative development. Agricultural marketing and supply, farming and irrigation co-operatives are active in the Sudan as are consumers' co-operatives. Small industrial co-operatives are increasing in number and there are some housing co-operatives. More help is, however, needed and it was hoped at the consultation that COPAC would be able to co-ordinate the contribution of participating organisations.

(b) International Conferences

Education

Two conferences on aid to co-operatives in developing countries were sponsored by the Danish Government. A third conference on this subject was held in Loughborough, UK, in April 1971 with support from the UK Overseas Development Administration. Emphasis was placed on the value of education and training with co-operative movements providing advice and personnel in collaboration with governments.

International Conferences of Co-operative Education Leaders were held at Jongny sur Vevey (Switzerland), and in Austria in 1970, within the framework of the United Nations International Education Year and in collaboration with UNESCO and the consumers' co-operative movements of Switzerland and Austria. Leading co-operative educationists from many countries in four continents participated, discussing co-operative education in the seventies, functional education, co-operative educational facilities and training centres.

Agricultural Co-operatives

The first Open World Conference, on the "Role of Agricultural Co-operatives in Economic and Social Development" was held in Rome in May 1972 in association with the FAO, the ILO, the IFAP and COPAC. It discussed agricultural co-operation in relation to world wide problems of economic and social development, the efficiency of agricultural co-operatives, the mobilisation of human resources, and co-operatives and the environment.⁽¹⁷⁾

Thrift and Credit Co-operatives

A number of international conferences have been organised by the International Liaison Committee on Co-operative Thrift and Credit on which the ICA is represented through its Banking Committee. The second of these conferences was held in Paris in September 1970 with the theme of "Thrift and Credit Co-operatives as a basis for development". It covered matters such as the evolution of credit co-operatives, their social context, their problems in developing countries, the international help that they can give to developing countries and their relationship with governments, with banks and with co-operative education. A third international conference was held in London in 1974 on the theme of "Democracy and Efficiency in Thrift and Credit Co-operatives". There were reports from the ICA regional offices and from developing countries such as India, Indonesia, Malaysia and Sierra Leone and discussions of proposals for an interlending programme and other matters. A fourth conference held in Rio in April 1977, was largely concerned with the efficiency of credit co-operatives, with competition for savings and with ways of reaching the poorest sections of the community.

⁽¹⁷⁾The Role of Agricultural Co-operatives in Economic and Social Development. ICA 1973.

Fisheries Co-operatives

The first Open World Conference on Co-operative Fisheries was held in Tokyo in October 1975 and was concerned with the conservation of fish resources, with fish farming and with production; secondly with marketing and processing and thirdly with modernisation and investment. It was particularly concerned with the problems of fisheries co-operatives in developing countries, with reports from Bangladesh, India and Indonesia and with papers on help for fishery co-operatives in developing countries from Italian fishery co-operatives and from the FAO.⁽¹⁸⁾

Industrial Co-operatives

The first Open World Conference on Industrial Co-operatives was organised by the ICA Workers' Productive Committee and held in Rome in October 1978. While it covered industrial co-operatives in all countries it was particularly concerned with industrial co-operatives in developing countries—three of the six main papers were about these problems. Those from the ILO and UNIDO reported on their work and those from Poland and Italy reported on the experience of those countries. The conclusive document from the conference called for research, for a documentation centre, for various new initiatives and for close collaboration between the ICA, its Workers Productive Committee, UNIDO, the ILO, governments, national co-operative movements and other organisations in promoting industrial co-operatives.

Co-operative Trade

In November 1978 the ICA and the Co-operative League of the USA organised a world conference on international trade by agricultural co-operatives at the World Trade Institute in New York. Arrangements were made by the Economic Sub-Committee of the ICA Agricultural Committee and the participants came from 21 countries. The purpose of the conference was to promote international trade by agricultural co-operatives and important trade deals were negotiated at the conference, especially in grain and oil seed.

Agrarian Reform

ICA participated in the FAO World Conference on Agrarian Reform and Rural Development held in Rome in July 1979 and the Director of the ICA presided at a meeting of the representatives of a variety of Non-Governmental Organisations participating in the conference. The ICA worked closely with the IFAP and other Non-Governmental Organisations represented at the conference and succeeded in getting a number of points about co-operative development incorporated in resolutions.

(c) Publications

Learning from the experience of others is largely accomplished through the written word, and the exchange of information through the co-operative press and co-operative libraries is very important for co-operative development. The ICA published well over 100 Syndicated Articles in connection with the Co-operative Development Decade. It also has a number of publications such as the *Review of International Co-operation* now published four times a year and the *Bulletins* of its Regional Offices. The ICA publishes longer documents in its "Studies and Reports" series and its Regional Office and Education Centre in New Delhi has published more than 70 titles during the Co-operative Development Decade. The ICA produces statistics of affiliated co-operative organisations annually and publishes a Calendar of Technical Assistance and a number of directories and bibliographies.

⁽¹⁸⁾ Report of the First Open World Conference on Co-operative Fisheries, Tokyo. ICA 1976.

During the Co-operative Development Decade the ICA has produced a Research Register of books, reports, studies and articles about co-operatives in developing countries, in collaboration with the Polish and Hungarian Co-operative Research Institutes. This Research Register has made a major contribution to the dissemination of information about research on co-operative development. The information is collected in Warsaw and then indexed and printed in Budapest as a contribution to the Co-operative Development Decade. A "Directory of Organisations engaged in Co-operative Research" was first produced and this was followed by *Bulletins* every six months.

II.2 Education

The promotion of education is a co-operative principle and also basic to the promotion of co-operative development in developing countries. At the beginning of the Co-operative Development Decade priority was given first to the general promotion of co-operative education and secondly to the provision of permanent training facilities at various levels. The resources of the ICA were, however, limited and only modest progress was made with the training facilities. The ICA with its wide international contacts was, however, well placed to organise educational activities to supplement those of national movements, through courses and seminars and study tours ranging from a few days to several months.

Sometimes co-operators from developing countries attend training institutions in industrialised countries where they can combine instruction with observation of established co-operatives in action. These international co-operative training centres include those at the Co-operative College, Loughborough, (UK) the University of Wisconsin, Madison, Wis. USA, the Coady Institute and the Sir George Williams and Sherbrooke Universities in Canada, the Institut Français de la Coopération in Paris, IDACA in Tokyo, the Co-operative Training and Research Institutes in Moscow, Warsaw, Budapest and Prague, the Swedish Co-operative Centre, the Friedrich-Ebert, Konrad Adenauer and Naumann Foundations and University Co-operative Institutes in the Federal Republic of Germany, the Afro-Asian Institute in Israel and similar organisations in India and the Philippines, not to mention Co-operative Colleges in various European and other countries. Some finance for these co-operative educational institutions has been made available from governments, from universities, foundations, United Nations agencies and other sources. The FAO, the ILO and the IFAP offer short term training seminars and fellowships. Funds have also been forthcoming from such sources for co-operative training facilities in the developing countries themselves.

Resource persons for developing countries have been provided by international training centres such as those mentioned above and from, for example, the Plunkett Foundation, Agricultural Co-operative Development International, the International Co-operative Housing Development Association, the Foundation for Co-operative Housing, the Afro-American Labour Centre, World Education, COLAC, the African Co-operative Savings and Credit Association (ACOSCA) and the National Rurification Electrical Co-operative Association (NRECA). At the same time the ICA and its regional offices have been increasingly involved in the preparation of co-operative educational materials, manuals, course curricula, audio-visual aids etc., through CEMAS, CETCOS etc. Some co-operative colleges in developing countries have received international help: for example that of Uganda from the British Overseas Development Administration, that of Kenya from the Nordic Project in East Africa, that of the West Cameroons from the United Nations Development Programme, and that in Tanzania from the Swedish Co-operative Centre.

II.3 Expertise

One method of channelling aid to co-operatives in developing countries during the Co-operative Development Decade has been that of sending technical experts as consultants—either as individuals or in teams—to advise on specific aspects of co-operative development. The ICA has received requests for such help direct from developing countries and through UN agencies. In such operations the first task has been to locate the needed expert—usually from a co-operative movement—and the second to raise needed finance—usually from the government of the country concerned.

Bangladesh

In July 1972 the ICA Regional Office and Education Centre for South-East Asia organised a seminar to discuss the problems of the co-operative movement in newly independent Bangladesh. It recommended that an expert be appointed to advise the Bangladesh Jatiya Sambhaya Union—the Co-operative Union of Bangladesh. An appointment was made after the 1972 ICA Congress, with support from OXFAM.

One purpose of the appointment was to advise on co-ordinating international assistance to co-operatives and another was for the expert to advise the Union in planning its priorities. In addition to the union and its affiliates there were at the time new co-operatives promoted by the government with external support under its Integrated Rural Development Programme. This semi-autonomous body sought to change the structure of agricultural co-operatives to the Comilla pattern with village primary societies and federal societies providing educational and other services.

Certain tensions developed between the new co-operatives and the old co-operatives associated in sectoral organisations in the Union. The new co-operatives tended to be more efficient than the old and the adviser recognised that changes were needed in the old co-operatives and the Union if it was to become the vehicle for aid. New bye-laws were proposed to streamline membership, reduce duplication and persuade the co-operatives to affiliate to the union, as well as a subscription scheme to provide funds for education and administrative reforms. Projects were found to enable parts of the original programme of the adviser to be carried out and the adviser was active in identifying and implementing them.

Mauritius

In November 1975 a small international team of consultants went to Mauritius to study the problems of the Mauritius Co-operative Union and help it to formulate a work programme and improve its efficiency. The mission was authorised by the ICA Co-operative Development Committee in February 1975 and included co-operative experts in agricultural credit, production and marketing, in consumers' co-operatives and in co-operative education, member education and planning. Its recommendations included the amalgamation of small primary agricultural co-operatives, with the creation of larger multipurpose societies covering credit, supply and marketing and the organisation of national federations of agricultural co-operatives and consumers' co-operatives, also the creation of a co-operative bank. It was recommended that the functions of the Mauritius Co-operative Union should include representation, co-ordination and research, the supply of books and educational material, publicity and information; also that the Union should develop national programmes for member education and staff training. It also made recommendations about improving relations between the Union and the government.

Thailand

In 1978 the Prime Minister of Thailand invited the Co-operative League of the USA, an ICA affiliate, to send experts to Thailand to help the National Economic

and Social Development Board to develop a unified and comprehensive agricultural co-operative system to serve the farmers of Thailand. It is being developed in collaboration with various Ministries, as well as with organisations such as the Co-operative League of Thailand, the Agricultural Federation of Thailand, the Bank for Agriculture and Agricultural Co-operatives and the universities.

Agricultural co-operatives in Thailand serve only a small proportion of farmers as many have considered it not worth while to join, regarding them as governmental agencies competing with other agencies or welfare organisations which provide loans which do not have to be repaid. The new system will be mainly based upon existing institutions, but a new National Agricultural Co-operative Training Institute is to be established, linked to a university and with four regional training centres at existing agricultural development centres. These centres will train co-operative managers and technical specialists.

A government department will supervise the promotion of co-operatives while the Bank for Agriculture and Agricultural Co-operatives will take over from the Co-operative Promotion Department as creditor of all agricultural co-operatives. A new National Agricultural Co-operative Federation is to be established by the government, but with control gradually passing to member co-operatives; and the Thai Rice Company and Marketing Organisation for Farmers will be expanded to serve the whole farming community in processing and marketing. New co-operative legislation is to be introduced, and the new system should greatly improve co-operative management and marketing and the provision of agricultural credit, making it more attractive to encourage farmers to join.

Co-operative Housing in Africa

The KK co-operative union in Finland and the International Co-operative Housing Development Agency, with support from the Finnish Government, provided a co-operative housing adviser to the UN Economic Commission for Africa in 1976 and 1977.

Consumers' Co-operatives in East Africa

A Finnish consultant on consumers' co-operatives served at the ICA Regional Office for East and Central Africa between 1973 and 1975. His role was to assess consumer needs and assist with the promotion and development of consumers' co-operatives.

Co-operative Insurance

An insurance consultant was made available to the ICA Regional Office for East and Central Africa by the Insurance Development Bureau of the International Co-operative Insurance Federation between 1975 and 1977, and he was succeeded by a Ugandan expert, whose work is still continuing.

Latin America

An ICA Educational Adviser has been appointed to work with the Organisation of the Co-operatives of America (OCA) in developing educational programmes. This has been made possible by the UK Co-operative Union, with financial support from the UK Overseas Development Administration. He took up his duties in February 1979.

II.4 Co-ordination

Co-ordination is vitally important in co-operative development programmes, to establish priorities, provide centralised services and marshal funds and skills in

relation to specific objectives. Planning experts have helped to achieve greater co-ordination of co-operative development in developing countries, and Committees in various co-operative sectors have been established during the decade to promote co-ordination.

West Africa

For much of the 1970s co-operative movements in West Africa have been urging the ICA to open an office there, arguing that it could do much to help co-operative development.

An ICA mission went to West Africa in February and March 1978 to explore the possibility of developing a regional programme with support from the Swedish Co-operative Centre, SIDA, the Co-operative Union of Canada, the Conseil Canadien de la Coopération, CIDA and the Danish Co-operative Committee. There was support for an ICA presence in West Africa from all the countries visited and a conference in Abidjan (Ivory Coast) recommended that a regional programme should provide for exchanges of experience and information, consultancy services, training and education, for assistance with projects, the channelling of technical and financial assistance and the creation of conditions favourable to the development of trade by co-operatives.

A year later, at the end of March 1979, a Conference on "The role of Co-operative Unions in Co-operative Development" was held at the University of Ibadan in Nigeria; followed by the opening of the new ICA regional office at Abidjan, Ivory Coast. Countries represented at the opening were Benin, Cape Verde Islands, Gambia, Ghana, Guinea Bissau, Republic of Guinea, Ivory Coast, Liberia, Mali, Mauretania, Niger, Nigeria, Senegal, Sierra Leone, Togo and Upper Volta. Observers from Britain, France, Sweden, Canada and Kenya also participated and the opening was attended by Mr. Roger Kerinec, the President of the ICA.

The ICA Regional Office in West Africa will have the task of promoting and co-ordinating co-operative development and representing co-operatives in the region. Its first seminar was on co-operative leadership and was held at Abidjan in March 1980.

The FAO has been considering the possibility of setting up a development centre in West Africa for the promotion of co-operative fisheries. A mission, following consultation with the ICA Agricultural Committee and financed by NORAD, found support in Senegal, Gambia, Sierra Leone, Ivory Coast, Ghana and Nigeria. It was envisaged that the centre would collect and disseminate information, draw up and implement training programmes, assist national development programmes, identify pilot projects and provide consultancy services.

The African Co-operative Savings and Credit Association (ACOSCA)

The African Co-operative Savings and Credit Association (ACOSCA) was organised by seven national credit union associations in 1969 with the purpose of providing those services which could not be provided by national organisations. By 1974 its membership had increased to sixteen associations and its three main objectives were to help its member associations in various ways, to sponsor regional educational activities and to promote life insurance and fidelity bonding in Africa.

Appropriate Management Systems for Agricultural Co-operatives (AMSAC)

The ICA has collaborated with the FAO, the Indian Institute of Management, Agricultural Co-operative Development International, the Plunkett Foundation, the UK Overseas Development Administration, the German Foundation for International Development and the University of Marburg in establishing Appropriate Management Systems for Agricultural Co-operatives, to work out training programmes, prepare manuals and courses for co-operatives concerned with farm guidance and improvement as well as with marketing and supply.

International Co-operative Trade

The International Co-operative Trading Organisation (ICTO) was established in Singapore in 1975 with the purpose of increasing trade between co-operatives. Experts from CO-OPTRADE, the trading organisation of the Japanese consumers' co-operatives, have been arguing at workshops in certain countries of South-East Asia that there is a need to train management people in primary co-operatives seeking to expand their trade in the importance of quality control, storage, packaging etc. The ILO, with support from SIDA and the collaboration of CO-OPTRADE, launched a Technical Co-operation Project to strengthen international co-operative trade relations and the work of ICTO. A workshop was held in Singapore in January 1979 with participants from ICTO, Burma, India, Indonesia, Malaysia, Nepal, Korea, Philippines, Singapore, Sri Lanka and Thailand. It was organised by the Singapore National Co-operative Union with support from the Government of Singapore and with representatives from UNCTAD/GATT, the International Trade Centre, the Trade Promotion Centre of ESCAP, Intercoop, Nordisk Andelsforbund, Japan, New Zealand, Eurocoop, and ICA and observers from the National Agricultural Co-operative Marketing Federation (NAFED) and the National Co-operative Development Corporation, India.

The Economic Sub-Committee and Bureau of the ICA Agricultural Committee

It is one of the functions of the ICA Agricultural Committee to help agricultural co-operatives in developing countries. Another is to exchange experience through conferences, seminars, study tours, publications etc while a third is to hold commodity conferences and promote trade. It established an Economic Sub-Committee in 1977 followed by an Economic Bureau based in Paris with support from French agricultural co-operatives. It organised the trade conference in November 1978 in New York and visits by the Chairman of the Sub-Committee to more than two dozen countries in Asia and Africa which have resulted in increased international trade by agricultural co-operatives of more than US\$250 million.

The Economic Bureau has examined the potential of and initiated trade between co-operatives and studied ways of improving the efficiency of agricultural co-operatives, especially those in developing countries. It plans to set up an information centre on co-operative trade.

The Committee for the Promotion of Aid to Co-operatives (COPAC)

The Committee for the Promotion of Aid to Co-operatives was formed at the beginning of 1971 by the FAO, the ILO, the ICA, the International Federation of Agricultural Producers (IFAP) and the International Federation of Plantation Agricultural and Allied Workers (IFPAAW). Its role is to co-ordinate the aid given by certain industrialised countries to co-operatives in many developing countries, to prepare schemes for national and international assistance in the recruitment of competent managers and specialists and to help to promote trade between co-operatives. It met at the ICA in London after the Loughborough Conference in 1971 to consider follow-up action and prepared a paper for the UN Social Development Division on recommendations to the UN Economic and Social Council on the co-ordination of co-operative development after its approval of resolution 1491 in July 1970.

A number of reports have been prepared by COPAC in consultation with its member organisations including the ICA, and it is well placed to do this, in view of its various contacts; COPAC collaborated for example, in the preparation of the UN Secretary General's 1972 report on "The Contribution made by the Co-operative

Movement during the Second United Nations Development Decade" and his 1974 report on "The Contribution of the Co-operative Movements to the Objectives of the Second UN Development Decade".

COPAC has organised a considerable number of meetings such as: a seminar on "The involvement of Women in Co-operative and other Self-Help Organisations in English Speaking Countries" in Kenya in 1974; a Consultation with FAO and IFAP and ICA on "African Rural Leaders" in Addis Ababa in 1975; a Consultation on "Co-operatives Against Rural Poverty" with support from SIDA, the SCC, the IPPF US AID and KK (Finland) in 1978; and the Consultation on co-operative development in the Sudan in March 1979.

In order to improve co-ordination at national level COPAC promoted the idea of Co-operative Development Groups but the idea was not generally accepted. It has also been involved with Co-operative Programming Missions such as the one in the Cameroons in 1974 relating to credit unions, in Ghana in 1974 on agricultural co-operatives and co-operative training, in Lesotho in 1975 on rural co-operative development and in Nepal in 1975 in collaboration with the ILO and the FAO on co-operative development. COPAC has been able to draw on a wide range of expertise through its members and has prepared a "Guide to Project Preparation" to help governments and co-operative organisations in preparing projects, especially with regard to those financed by their own governments and banks and non-governmental organisations. It also prepared a Technical Assistance Note (TAN) which was distributed by the UNDP to its resident representatives in a large number of countries.

The South East Asian Specialist Group in Co-operative Training (SEASPECT)

SEASPECT was formed in New Delhi in February 1977 to promote collaboration between national co-operative training centres in South East Asia and to provide them and the ICA Regional Office with specialist advice on educational programmes, and on personnel and training; also to collaborate with AGITCOOP and CEMAS.

Co-operative Educational Techniques Project (CET) and Co-operative Education Materials Advisory Service (CEMAS)

A series of international conferences on co-operative education and training in the late 1960s and early 1970s, notably the joint ICA/UNESCO conference at Jongny (Switzerland) in June 1970, identified a need for action at the international level in the field of educational materials and methods. A resolution of the Jongny Conference requested the ICA to look into the possibilities of organising a centre for exchange, co-ordination and advice to improve the supply and quality of materials available for co-operative education and training and provide information about methods and techniques.

As one of the earliest responses to CDD resolutions the ICA, with the financial support of the Co-operative League of the USA (CLUSA) set up the Co-operative Education Techniques project in 1973. The CET project was primarily aimed at research into the availability and standards of educational aids for co-operative development purposes, although the foundation for a clearing house for co-operative education and training materials was laid simultaneously, plans for publication of certain manuals were drawn up, and actual production work was initiated on some priority items.

The report of the preliminary CET project, published in July 1974, recommended the establishment of a specialised Co-operative Education Materials Advisory Service within the Education Department of the ICA and further CLUSA funding was provided during 1974/75 for the initial financing. Approaches to the Swedish Co-operative Centre led to an agreement on financing of the CEMAS unit as a technical

assistance project, for a period of three years from 1975. The agreement has subsequently been extended and CEMAS is now included among the several technical assistance projects operated by the ICA in the rolling three-year programme of collaboration between the Swedish Co-operative Centre and the Swedish International Development Authority.

CEMAS renders assistance to co-operative education in developing countries in three ways:

(1) Through operating a clearing house and information service on methods and materials of relevance to the co-operative education sector;

(2) Through publication of manuals and guides on various aspects and techniques. 16 titles were published in the period 1975-1980.

(3) Through development of new approaches and methodologies, particularly for educational work at the grassroots level.

There are also CEMAS units at the Regional Offices of the ICA, although technically not part of the donor-sponsored central project. Grants have been made available, however, by SCC/SIDA for the regional units in New Delhi and Moshi to facilitate extension of the work at regional level.

Co-operative Education and Training Consultancy Organisation (CETCO)

CETCO, a project organised by the ICA Regional Office for E. and C. Africa, has links with a number of national co-operative colleges. Four Vice-Principals and senior lecturers have been undergoing a six month training course at the Coady Institute in Canada in adult education methods; and will be improving teaching methods and techniques in their own organisations. CETCO has been collaborating with the Co-operative Educational Materials Advisory Service in training CEPOs.

Material and Techniques for Co-operative Management Training (MATCOM)

This organisation for promoting and co-ordinating co-operative education was established by the ILO in 1978 and is primarily concerned with training for the higher levels of co-operative management in developing countries and, in particular with management training in consumers' co-operatives. Under the terms of an Agreement it collaborates closely with CEMAS.

The International Co-operative Housing Development Association (ICHDA)

ICHDA was established as a non-profit making organisation in 1966 by six member organisations of the ICA Housing Committee of the ICA. It is a co-operative which has as its major objective the promotion of low cost co-operative and self-help housing in developing countries. It has 17 member organisations in 13 countries and works with requesting organisations in preparing pre-feasibility and feasibility studies and, when necessary, calls upon the many and varied human skills available within its member organisations.

It also engages in the identification of capital resources for such projects from donor agencies such as the United Nations agencies and governmental and non-governmental organisations. ICHDA publishes an occasional newsletter called *ICHDA News* to keep members and interested parties informed of its activities.

The basic aim of ICHDA is to promote low cost housing through the active participation of the people who are to live in the houses—that is self-build housing. The emphasis is on problem solving, education and training programmes and self-sustaining local institutions, often through a technical service organisation to bring together the various skills needed.

In 1970 ICHDA entered into a Memorandum of Understanding with the United Nations to establish a working relationship through mutual co-operation; and later came to a similar arrangement with the UN Economic Commission for Africa. It undertook a mission for the ILO in the Ivory Coast and missions for the UNCHBP in West Africa, Latin America and Bangladesh; and provided the ECA with a housing adviser from KK with support from the Finnish Government. It organised a low cost housing project in Lesotho in 1976; and a field study in Tanzania followed by a pilot project. It also undertook a housing survey in Gambia, followed by a workshop, and participated in a consultation in the Sudan with a view to a workshop on self-help housing.

ICA Regional Office for E. and C. Africa—Research project

The ICA Regional Office in Moshi has been primarily concerned with education and training but it was thought that some specialised research could be integrated with regional planning and consultancy. In 1973 a research unit was established with a Dutch specialist in charge and with support from the Dutch Government. It was concerned with the training of research workers and the preparation of material for seminars and conferences. It was intended at the beginning that it should be concerned mainly with practical problems but it later undertook theoretical work. Skills were needed in planning and research, in finance, in management and in policy making and the unit collaborated with national co-operative movements in planning and policy making. After a conference in Arusha in 1974 a Standing Committee on co-operative research and planning was established.

Organisation of Co-operatives of America (OCA)

The Organisation of Co-operatives of America has been affiliated to the International Co-operative Alliance since 1968. It has operated from Puerto Rico and from Lima but is now based in Bogota. In addition, the Co-operative League of the USA, US AID, Agricultural Co-operative Development International and the Canadian International Development Agency have been active in promoting co-operative projects in Latin America during the seventies.

As already stated, an ICA adviser has been appointed to work with the OCA in the provision and co-ordination of co-operative educational and training programmes, of information on co-operative education, to act as liaison between the OCA and the ICA and for preparations for the establishment of a documentation centre.

This documentation centre will be concerned with the collection of co-operative educational and training material, with the preparation of bibliographies and with assessing the need for new material. The basic objective is to link a systematic organisation of co-operative educational material with a systematic organisation of communications. A great deal of information on co-operative education and training exists in Latin America but it is scattered and inaccessible and unco-ordinated. The task is to assemble and disseminate it through an expanding communications network.

The centre will be helped in this task by the Association of Latin American Co-operative Education Centres (ALCECOOP) in its co-ordinating function. It is expected to disseminate information on scholarships, travel grants etc. offered by Latin American Governments, foundations, educational institutions etc. to co-operators in Latin America. A third function of the Documentation Centre will be to develop and implement a programme of co-operative education and training and help co-operative educationists to expand theirs. A formal incorporation of ALCECOOP in the project agreement would help this. It is expected that the Documentation Centre project will be completed in about two years.

Confederation of Credit Unions of Latin America and the Caribbean (COLAC)

COLAC was established in Panama in 1968 with support from CUNA and from the World Council of Credit Unions, it is a member of the ICA through the World Council of Credit Unions. It is the largest co-operative organisation operating throughout Latin America and the Caribbean and has seventeen affiliated credit union organisations. It acts as a co-ordinating centre for training courses run by affiliates and its general work of education and training is undertaken through an affiliated organisation FECOLAC.

COLAC represents the credit union movement in Latin America to the world wide movement and to other international organisations. It provides financial and technical assistance when needed to affiliated national federations and helps them to attain their objectives, increase their effectiveness and develop new services. It also disseminates the principles and objectives of credit unions through educational programmes.

At the same time it may make loans, issue bonds, give guarantees and undertake other financial activities. It has raised funds externally and from its own members; and has a preference for projects oriented towards agriculture and small industry in rural areas: preferring to provide finance for production rather than for consumption. It is thus in close touch with organisations such as US AID, the Inter-American Foundation, the International Development Bank, and CUNA Mutual.

Latin American Technical Institute for Co-operative Integration (LATICI)

LATICI is supported by SIDA, the Swedish Co-operative Centre and the ICA. Its aim is to help co-operatives to achieve the maximum output from their resources. It has a national organisation in Venezuela and is active in six areas. It has four Research and Training Centres with training programmes for general managers, store supervisors, cashiers, and store assistants. It has a consumers' co-operative project in Nicaragua linked to a small co-operative housing project with more than 25 houses. A number of the consumer co-operative stores it had promoted in El Salvador had encountered problems; but a consumer co-operative store in Bolivar, Venezuela, with which LaticI is associated is one of the largest in the country. Marketing and credit co-operatives have been promoted in other areas.

In Brazil LaticI has been building a supermarket, a warehouse, a training centre and offices; and the training centre has initiated studies in market research. This co-operative is one of the largest businesses in Aruba with sales in 1977 of over US \$ 150 million a month. During 1977 LaticI trained 1,260 Committee Members and 207 staff and organised some 98 courses and other training and educational activities including radio and television programmes.

The Advisory Group for the International Training of Co-operators (AGITCOOP)

AGITCOOP was established by the ICA Central Committee in 1973 to advise on the education and training of co-operators from developing countries; to encourage mutual consultation among member organisations and their training institutions so as to co-ordinate training plans, programmes and other activities; and to assist international collaboration between co-operatives in the educational field through study visits and in other ways.

By the late sixties and early seventies it had been recognised at a number of co-operative educational conferences that there was a need for an organisation that would facilitate a frank exchange of experience and opinion and a more effective co-ordination of programmes. The International Co-operative Training Centres and other co-operative colleges had built up a vast pool of experience in co-operative education and there was a need for this to be shared. Courses being provided had to respond to the changing needs of developing countries and AGITCOOP provided a

forum for the sharing of experience between the institutions of industrialised and developing countries, a two-way consultation.

The need for training was also urgent and the response to this demand needed to be co-ordinated so as to make the most efficient use of resources available. There had been an increase in the number of colleges and training institutions in developing countries and in the level and variety of courses offered. It was thus necessary to re-examine the role of International Co-operative Training Centres and give greater help to local colleges.

It was argued that AGITCOOP should seek to co-ordinate this work, so as to avoid overlapping, in collaboration with other organisations such as the ILO Centre in Turin, also that procedures for advice and information on training and courses available should be formalised and that International Co-operative Training Centres should seek to provide more courses in developing countries.

A Subcommittee was appointed to study the proposal for an International Co-operative Studies and Research Institute. It reported in favour and suggested that the ICA should carry out the planning and co-ordination of activities to be implemented by existing co-operative and other institutions. After much discussion it was proposed that the process of experimentation and exploration should continue, that the ICA should appoint consultants to provide additional guidance in creating a professional research capability, and that no commitment to such an institute should be made for the time being.

The two main functions of AGITCOOP are thus to support the work of the International Co-operative Training Centres and to advise the ICA on international co-operative training. It works in close collaboration with SEASPECT, CEMAS in teacher training programmes, with the ICA regional offices, with organisations such as UNESCO and with many co-operative movements.

II.5 Projects and Research

During the co-operative Development Decade various seminars organised by the ICA have helped to co-ordinate research activities; and the ICA has also collaborated with member organisations, UN agencies and governments in research studies and in practical projects.

(a) Practical Projects

The Indian Farmers' Fertiliser Co-operative Organisation (IFFCO)

The largest single co-operative project during the Co-operative Development Decade has been the Indian Farmers' Fertiliser Co-operative formed in the early 70s, on the initiative of the Co-operative League of the USA in collaboration with the National Co-operative Union of India and CF Industries, the big US fertiliser co-operative; and with support from the governments of the USA, India, Britain and Holland.

The IFFCO project includes an ammonia plant producing 910 metric tons a day and a urea plant producing 1,200 metric tons a day. Total production is now over 800,000 metric tons a year which supplies 25,000 agricultural co-operatives in India in membership of IFFCO. Turnover in 1978/79 was Rs.1,540 millions with a net profit of Rs.355 millions. The profits have been sufficient to cover the cost of the Kandla and Kalol plants, and while a modest return has been paid on share capital and patronage refunds to customer members, the bulk of the profits have been ploughed back to increase production facilities.

Two large ammonia and urea plants are to be built near Bombay in response to growing demand and it is proposed that two further plants should be built near Siwat at a cost of Rs. 7,000 millions and to organise a new co-operative to run it.

More than 225 villages have associated themselves with IFFCO with a view to improving agricultural performance, education, family welfare and the quality of life. Many programmes have been launched by IFFCO through these villages including one for the provision of seed. As a national co-operative organisation IFFCO is supported by many local co-operatives.

The "Buy a Bucket of Water" Campaign

The initiative for this campaign came from the Women's Committee of the ICA as a contribution to the UN International Year of the Child. A number of national co-operative movements, sometimes in association with other organisations, have campaigned to raise funds to improve water supplies in developing countries where this is a major problem.

It is estimated that the lives of some 500 million children are endangered by lack of a clean water supply; and water often has to be carried long distances. Member organisations of the ICA mounted campaigns at different times during 1979. As a result of the campaign some thirty wells were sunk in Afghanistan before the end of 1979 and other projects were mounted in India, Sri Lanka, Kenya and parts of West Africa. Ten water systems are being developed in Peru with support from CARE. By the end of March 1980 the fund totalled over £200,000 of which over £145,000 came from the Japanese co-operative movement.

The Bhor Dairy

In 1969 the "Aid India Fund" of the consumers' co-operative movement of the Federal Republic of Germany provided DM 550,000 to set up a co-operative dairy at Pune in India; and also provided a supply of milk powder for conversion into liquid milk in the summer months when fresh milk is scarce in India. The Bhor Dairy supplies pasteurised milk in polythene bags; and was opened in March 1973.

The project was launched, with the help of a German-trained Indian technician for three years, in collaboration with the Maharashtra State Co-operative Milk Producers' Federation. The objects of the project were to bring a better return to farmers in the Pune district and higher yields, to improve the diet of the local people through better quality milk, and to set an example in co-operative achievement. It was envisaged when the project was launched that it would be able, by competition, to reduce the prices being charged for milk by private traders; and that it would make it possible for pasteurised milk to be brought to the people of Pune without being spoiled in transit.

The output of the Bhor dairy has been about 50,000 litres a day of which half is sold liquid with a 6% fat content. Butter, skim milk and milk powder are also produced. The creation of the Dairy has brought into existence a number of social and economic improvements in the surrounding villages.

Fishery Project in the Sudan

Under ICA auspices a consultant of the UK Fisheries Organisation Society has undertaken a feasibility study ⁽¹⁹⁾ on co-operative fish production and marketing projects in the Khartoum, White Nile, Blue Nile and Wadi Halfa regions for the ICA Fisheries Committee with support from the ICA Development Fund. This report is based on published statistics and an analysis of infrastructure needs and first hand material in close collaboration with the Sudanese authorities, so as to provide a realistic assessment of the prospects of co-operative fishery development in the area.

At the Consultation in the Sudan in March 1979 it was recognised that co-operative fisheries in the Sudan had made encouraging progress and deserved further support. The report recommended help at national level for the promotion

⁽¹⁹⁾ Consultation in Co-operative Development in the Sudan, Khartoum. ICA, 1979.

of export markets through negotiations and trade missions; and also support for management training at a Training Centre near Khartoum. It noted that pollution was a problem and recommended support for bulk co-operative purchase of supplies of salt.

It argued that improvement in conditions in fish markets could raise standards at relatively little cost and help marketing; and that support should be given to the storage of ice and its supply at economic prices. Middlemen were criticised for being unreliable in purchasing and irregular in collecting supplies and hindering trade promotion; but the report had difficulty in making recommendations for the elimination of such malpractices.

Co-operative Housing in Lesotho

A low cost co-operative housing project was launched in Lesotho in 1976 with support from the Government of Lesotho, the UN Capital Development Fund and UNIDO. Technical services for the organisation and management of the housing co-operatives were provided by the International Co-operative Housing Development Association and over a hundred houses have been completed so far. They have been built on a self-help basis by the people who will occupy them.

The Indore Project

In February 1971 the ICA and the National Co-operative Union of India combined to launch an educational field project at Indore to prepare educational material for primary co-operatives in rural areas, to promote the social and economic development of these co-operatives and their members. It was envisaged that this intensive co-operative education for selected agricultural co-operatives would be of benefit not only to them but to the whole Indian co-operative movement and to the ICA Regional Office and Education Centre in New Delhi.

The project involved educational programmes for co-operative members, for employees, for board members, for supervisory and extension personnel, and for the staff of co-operative federations. The project was designed to demonstrate successful approaches and techniques in co-operative education and to produce educational materials, manuals and audio-visual aids.

Before the project was launched the Project Officer spent two months discussing it with local co-operative and government people. Four service co-operatives and a cold storage society were chosen; and five agricultural co-operatives were added later. Literacy varied but averaged about 20%, being lower among women than among men. Training courses were arranged for the secretaries of the service co-operatives.

The members and Committee Members of the primary societies have taken a lively interest in the project; and the service co-operatives have diversified their activities. The interdependence between primary and secondary societies and the value of co-operative education are both more widely recognised and increased allocations have been made to education by the co-operatives.

As a result of the Indore Project the Gujarat Co-operative Union in Anand established a Co-operative Education and Development Centre and a farm guidance service for five local co-operatives. A similar project is proposed in Bangladesh.

Functional Literacy in Gambia and Sierra Leone

After the Functional Literacy seminar in Ibadan, Nigeria, in February 1975 two functional literacy projects were launched in West Africa. One was in Gambia in collaboration with the National Co-operative Union of Gambia and the National

Literacy Advisory Committee and with support from the Gambia Rural Development Project; and the other was in Sierra Leone in collaboration with the Co-operative Department and with support from the ICA Development Fund, the Norwegian Solidaritetsfond and from the EEC. A report has been published on the project in Gambia.

The project in Gambia has been going well. It began with visits to the two project areas and to various institutions in Banjul. Village classes were arranged and village people were clearly enthusiastic about the project as being something of real value to them; and local organisations collaborated well. It was felt in the villages that the project would not only enable them to read and to calculate, but would also help them to cope more effectively with modern life and outside influences and unfamiliar ways of doing things.

The educational materials made available will have relevance in any future: less restricted, stages of adult education which may follow the pilot project. The areas covered in the project include: numeracy in rural economic development, credit, market transactions and credit, farm management and record keeping.

Teachers Training Project, Sri Lanka

In September 1978 a project was launched by the ICA Regional Office and Education Centre in New Delhi, in collaboration with the Swedish Co-operative Centre and the National Co-operative Council of Sri Lanka, to improve the quality of the training of co-operative staff and members of management committees, concentrating on the development of new programmes for the training of teachers and the provision of new educational material. The project provides for the training of selected teachers from other co-operative movements in the region and it is hoped that the dissemination of the results will help other movements.

The project involves the identification of relevant teaching techniques, seminars for principals and teachers from co-operative training centres on teaching techniques, workshops on the production of relevant teaching materials, the training of co-operative teachers in research methodology, seminars on education in management, the development of internal training programmes for large co-operatives, field experience programmes for co-operative educationists and the development of guidelines for the recruitment of teachers. The project is based in Colombo, and its results will be disseminated among national and local co-operative training centres throughout the region.

(b) Research Studies

The International Financing of Co-operative Enterprise in Developing Countries

The ICA has long been concerned about the problem of financing co-operative development in developing countries. At the ILO's 1966 General Conference a resolution asked member countries to consider an international co-operative banking system; and in 1969 the ILO asked the ICA to undertake a study on the international financing of co-operative enterprise in developing countries. This was published in 1974—in English by the ILO and in French by the FAO.

This report discussed the adequacy of local sources of finance for co-operative development, such as co-operative, state and other banks, governments, insurance co-operatives and trade unions. But it was primarily concerned with international sources of finance such as the International Co-operative Bank, the World Council of Credit Unions, the United Nations Development Programme and the World Bank. Its central proposal was to strengthen national co-operative organisations as a means of channelling finance to viable co-operative projects and, in particular, to create a broader international co-operative development bank to invest money from the World Bank and other appropriate sources in appropriate co-operative projects.

The report proposed that prospective co-operative borrowers in developing countries should have at their disposal technical and managerial advisory services in local centres when applying for loans and afterwards, and that national co-operative banks should hold the shares of the development bank and should be the main link between that bank and co-operatives. It also suggested that a development division might, as a beginning, be set up by the existing International Co-operative Bank with loan, consultancy and guarantee departments and that that bank should collaborate closely with UN agencies and other institutions in providing technical advisory services.

Study on the Co-operative Inter-Lending Programme

This Study⁽²⁰⁾ was undertaken by the Committee for the Promotion of Aid to Co-operatives (COPAC) by two consultants with support from CIDA and Misereor, at the suggestion of WOCCU. It was begun in December 1976 and completed in April 1978. It discusses the credit needs of small farmers and the terms on which co-operative financial institutions might be prepared to make loans.

It begins by discussing the credit needs of farmers and of agricultural co-operatives in developing countries. It takes account of the experience of agricultural credit co-operatives in many countries and the need of the small farmers in developing countries for credit and the difficulties conventional banks have in meeting this need. It notes that credit can lead to continuing debt, and that credit for small farmers needs to be supervised and accompanied by farm guidance. Close links between a bank and local agricultural co-operatives can thus be very valuable. It also notes that farmers in developing countries often face political as well as climatic instability; and that supplying seed or fertilisers to farmers in developing countries may involve greater risks than supplying them in industrialised countries.

The report hopes that the proposed interlending programme could bring co-operatives in developing countries to the point where they could raise finance on fully commercial terms in the money market. The programme is intended to develop in the borderland between technical aid and development assistance. Thus it recommends that financial resources on market terms should be supplemented when necessary by technical aid and that the co-operative institutions should be strengthened. It argues that loans should initially be concentrated on projects considered creditworthy under normal lending criteria. It argues that the programme should be concerned more with medium and long term investment than with short term credit; and that the programme should be in some measure educational and seek to apply the findings of research into agricultural credit and utilise experience in the field. This calls for active collaboration with other organisations interested in rural development.

Study on the Development of Co-operatives for Small Farmers

This study for the ICA was proposed in 1979 and will relate to conditions in Sri Lanka and Thailand. It has received support from the Dutch Government and will be carried out by the Royal Tropical Institute in Amsterdam in collaboration with the ICA Regional Office for S. E. Asia. The study will be on ways and means of promoting small farmer involvement in co-operatives and other self-help institutions and the development of a strategy to meet the needs of small farmers more effectively through co-operatives.

It will identify strategies for the involvement of rural people, and especially small farmers, in government supported co-operative development programmes. The question is what kind of co-operatives small farmers are most likely to want to join,

⁽²⁰⁾Proposals for a Co-operative Interlending Programme: A Report by George St. Siegens and Per Sleina, COPAC, 1979.

and what can be done to stimulate the formation of such co-operatives. It is expected that research findings will not only provide answers to such questions but also have a more general relevance.

ICA Study on Industrial Co-operatives

In April 1977 an ICA research team began a two year study on the problems of industrial co-operatives in developing countries with support from the UK Overseas Development Administration. It involved in-depth studies of a limited number of industrial co-operatives in India, Peru, Indonesia and Senegal. Three months of field work were undertaken in each of the four countries, studying reasons for success and failure in a number of case studies. Many legal, administrative, social and political factors were noted as affecting the development of industrial co-operatives in developing countries, particularly joint production industrial co-operatives as distinct from those concerned with marketing and supply. The report made a number of recommendations for improving the performance of industrial co-operatives. It argued among other things that skills in financial management and in marketing were vital to the success of industrial co-operatives; and also that there were problems in using tax concessions to help industrial co-operatives and that strong federations of established industrial co-operatives could do much to help new ones.

II.6 Financing Co-operative Development

Some external finance is crucial to the promotion of co-operative development in developing countries not only because of the poverty of many of the people most in need of the help that co-operative organisation can provide but also because of the very limited resources of the governments of many of these countries. Generous support for co-operative development has come from many sources during the Co-operative Development Decade. A number of industrial countries have governmental departments or agencies specifically concerned with aid for developing countries; and among these Sweden, Norway, Denmark, Finland and Holland; Britain, France, the Federal Republic of Germany and Switzerland; and Canada, the United States and Japan have given some indication of the importance they attach to co-operative development as a way of helping developing countries.

Sometimes the governments of industrialised countries have channelled their assistance through or in collaboration with the co-operative movements of their own countries, which have often organised their own fund-raising campaigns. Emphasis must also be placed on the very substantial help given by the governments of the countries of Eastern Europe, in close collaboration with their co-operative movements, to developing countries during the Co-operative Development Decade.

Sometimes co-operative movements help co-operative development in developing countries by making a contribution to the ICA Development Fund established in 1954. In 1976 the Bonow Fund was set up by the Executive Committee of the ICA in honour of Dr. Bonow who was President of the ICA between 1960 and 1975 and who took an active interest in the needs of developing countries. The purpose of the new fund is to help co-operators in developing countries to visit co-operative and other institutions in other developing countries.

Substantial financial support for co-operative development has come from the World Bank and the regional development banks; and also from the United Nations Development Programme directly or through the UN specialised agencies and in particular through the ILO, the FAO, UNESCO, UNIDO, UNICEF and UNCTAD. The ICA Development Fund is a beneficiary under UNESCO's Gift Coupon Programme. And in 1971 2,500 UNICEF greeting cards were distributed on an experimental basis in a pilot scheme as a joint effort by the ICA and UNICEF.

PART III: COLLABORATION BETWEEN THE ICA, IT'S MEMBER ORGANISATIONS, UN AGENCIES AND OTHER ORGANISATIONS

III.1 Co-operative Education

The first major step in collaboration during the Co-operative Development Decade, as a result of the resolution on "The Training of Personnel in Developing Countries" approved at the 24th ICA Congress in Hamburg in 1969, was the ICA/UNESCO International Conference of Co-operative Education Leaders in Switzerland and Austria in 1970. It was the ICA's main contribution to the UN's International Education Year.

The conference discussed what should be done to shape co-operative education in the seventies. Functional education was discussed, relating education directly to skills and occupations and the solving of practical problems such as the successful management of a co-operative society. The conference agreed that any assessment of the educational requirements of co-operative movements in developing countries must be made primarily by those movements themselves. It was expected that the ICA would expand its programmes for co-operative education in developing countries.

The conference also agreed that co-ordination was absolutely essential and that it would be useful to bring together a group of heads of international co-operative training centres, co-ordinated through the ICA, for the purpose of discussing a number of problems of common interest such as selection policies, teaching materials and their production, teaching techniques, research etc. This conference showed the growing importance of collaboration between the ICA and UNESCO. At this conference three proposals for further collaboration between the ICA and UNESCO were proposed: one was for a literacy workshop in West Africa which ultimately became the 1975 seminar on functional literacy in Nigeria; the second was for a conference in Nairobi of the principals and tutors of co-operative colleges relating recommendations made at Jongny to the needs of co-operative colleges in Africa; and the third was for ICA collaboration in the UNESCO Gift Coupon Scheme.

It has long been recognised by governments and co-operators that illiteracy in West Africa is a formidable obstacle to co-operative development; so that a seminar on functional literacy would clearly be useful. It was thought at Jongny that the main cost of such functional literacy seminars would need to be borne by governments; and the needs of Gambia, Ghana, Liberia, Nigeria and Sierra Leone were discussed. It was agreed that co-operatives provided an admirable context for functional literacy programmes, providing motivation, a system of communication, physical facilities and access to trained staff and links with other organisations recognising the intrinsic value of education and training. The importance of co-ordination and the value of an ICA office in West Africa were also recognised at this conference.

The 46th ICA International Seminar, a symposium on school co-operatives, discussed the value of school co-operatives, organised and run by students, in giving young people experience of democracy, decision making, management and social responsibility and developing certain skills. It was emphasised at the end of the seminar that such co-operatives should be genuinely independent and not a form of adult patronage, although adult guidance should be available when needed.

Many examples were given during the seminar of successful school co-operatives being run with very limited resources and providing an excellent preparation for later life as well as serving the immediate needs of members. The seminar called for the international extension of school co-operatives as a way of educating future parents about their responsibilities and opportunities. The UN was urged to encourage governments to introduce legislation to encourage school co-operatives and it was

also recommended that countries where they were well established should disseminate more information about them. It was also recommended that established co-operatives of different kinds should establish closer links with schools.

III.2 Thrift and Credit

Financing co-operatives in rural areas in developing countries is particularly difficult because of the low level of savings—and heavy traditional and ceremonial expenditures. Industrial co-operatives are in a worse position than agricultural ones because of their higher capital requirements, and greater risks; and because the savings of workers are likely to be even lower than those of small farmers.

The rural scene is usually dominated by landlords, middlemen and money-lenders who take the place of bankers. They are successful not only because of their monopoly position but also because of their exact knowledge of local people and productive possibilities and their control over the capital market. Small farmers often find it difficult to meet security requirements, and interest charges are high because of the cost of handling small loans and investigating credit standings and of the risk of default.

The international conference on "Democracy and Efficiency in Thrift and Credit Co-operatives" held in London in 1974 paid particular attention to the needs of developing countries and recognised motivational problems and the crucial importance of confidence. It also recognised the vital need for greater international co-ordination in education and training in thrift and credit co-operatives and the value of research. Most speakers also emphasised the value of greater collaboration between thrift and credit co-operatives, insurance co-operatives, the International Co-operative Bank, the World Bank and other international financial institutions and UN agencies such as the ILO, FAO, and UNESCO. The ICA and the World Council of Credit Unions provided a focus for such collaboration.

III.3 Agricultural Co-operatives

Agricultural co-operatives are of major economic importance in some industrialised countries such as the Federal Republic of Germany, Holland, Denmark, Sweden, France, the USA, Japan, Canada and Australia. The Open World Conference on the Role of Agricultural Co-operatives held in Rome in May 1972 was an example of close collaboration between the ICA and the FAO, the ILO and the International Federation of Agricultural Producers. Discussion centred on the efficiency of agricultural co-operatives which is sometimes impaired by differences in the objectives of different co-operatives. The conference recommended that there should be close collaboration between governments and agricultural co-operatives so as to harmonise their objectives with national development plans, and that members of agricultural co-operatives should be able to participate actively in the formulation of such plans. The conference asked that agricultural co-operatives should play an integral role in UNDP Country Programmes.

It was recognised that management training and modern management techniques were crucial for efficiency in agricultural co-operatives; and participants from developing countries recognised the need for some measure of governmental supervision of agricultural co-operatives for them to play an effective role in implementing national plans. Participants insisted that management training was often needed for government officials as well as for co-operative staff and that the successful development of agricultural co-operatives sometimes depended upon land reform. Emphasis was also placed on the importance of agricultural pricing policies, marketing regulations, the ploughing back of earnings and agricultural credit. There was also a need

for adequate co-operative legislation, for a reasonable economic infrastructure, for research and for education. Governmental supervision should not be feared so long as farmers were assured of their ultimate full independence.

Another example of international collaboration between agricultural and other co-operatives was the trade conference in New York in November 1978. One aim was substantially to increase the co-operative share of world trade in certain basic agricultural products by the end of 1980; another was to co-ordinate farm supplies for the benefit of agricultural co-operatives, particularly those of developing countries. It was hoped to establish branches of the ICA Agricultural Committee's Paris Bureau in other parts of the world and agreed that another trade conference should be held in Moscow in October 1980.

The FAO World Conference on Agrarian Reform and Rural Development in Rome in July 1979 was another major example of collaboration between the ICA and other organisations. At this conference the Director of the ICA presided over a preliminary meeting of participating Non-Governmental Organisations. The ICA participants worked closely with those of the International Federation of Agricultural Producers and made a number of interventions relating to co-operative development in developing countries: and there was much emphasis on popular participation in rural development. In November 1979 the FAO decided to make new administrative arrangements with new co-ordinating mechanisms to follow up the Conference more effectively. A programme entitled "People's Participation in Rural Development through the Promotion of Self-Help Organisations" was proposed at a special meeting of the FAO with the ICA. This will need a Programme Advisory Committee with representatives from the FAO, the ILO, certain international Non-Governmental Organisations and donors. Working Groups will evaluate the Conference, and look at economic and social indicators, participation, the role of women, nutrition and training.

III.4 Fisheries Co-operatives

The Open World Conference on Co-operative Fisheries underlined the world wide solidarity of fishermen and the importance to mankind of a food rich in protein. The need for a rationalisation of the marketing of fish was emphasised and it was recognised that government help was needed for this in many countries. The suggestions made at the conference were discussed by the ICA Fisheries Subcommittee which called for the expansion of co-operative fisheries in developing and other countries, closer collaboration between fisheries and other co-operatives, and governmental and other assistance in promoting fisheries co-operatives in developing countries.

III.5 Industrial Co-operatives

An example of collaboration between industrial co-operatives was the ICA Open World Conference on Industrial Co-operatives held in Rome in October 1978. Three of the six main papers were about industrial co-operatives in developing countries and one of these was about the work of UNIDO on industrial co-operatives in developing countries and another on the work of the ILO. The final document of the conference declared that industrial co-operatives provided a third alternative to capitalist enterprises on the one hand and state enterprises on the other.

It was argued that industrial co-operatives had aroused much interest in many countries in recent years as a way of extending participation and industrial democracy; also that they could help to improve industrial relations, bring greater work satisfaction, reduce unemployment and meet human needs. Governments were urged to help

the development of industrial co-operatives with legislation, with finance, by setting up special agencies and through tax incentives. The conference called for close collaboration between the ICA, its Workers' Productive Committee, UNIDO, the ILO, trade unions and other organisations in promoting the development of industrial co-operatives in developing and other countries.

III.6 Housing Co-operatives

It was recognised at the 24th ICA Congress in Hamburg in 1969 that the problems of inadequate housing could not be solved by co-operative housing alone. At a housing seminar held later in Kuala Lumpur with participants from the UN, ECAFE, the UNDP, it was argued that inadequate housing in South-East Asia was likely to have serious, social, economic and political consequences unless governments took more effective action. It noted that co-operative housing had made significant progress in some areas in some countries in the region; and recommended that higher priority should be given by governments to co-operative housing.

The co-operative housing movement, however, needed greater governmental support. The seminar discussed various steps in planning and implementing co-operative housing schemes⁽²¹⁾ and various ways of reducing costs. The Foundation for Co-operative Housing International, in collaboration with US AID, has provided considerable technical assistance to co-operative housing projects in Latin America.

A seminar in Lesotho in 1977 discussed the pilot projects of the Lower Income Housing Company and the Mahalalitoe Co-operative Housing Society. The former is a technical service organisation for promoting low cost housing, providing education, technical services and materials. Both organisations had been established before their members were fully trained, shortly after the arrival of a technician, provided by ICHDA with support from UNDEP, to serve as project manager. There were certain problems encountered in this kind of "learning by doing" but 270 houses were nevertheless completed. Education was a continuing process and it was hoped that other countries in southern Africa would learn from the Lesotho experience in co-operative housing. Indeed the purpose of the seminar was to further this process and promote discussion of the problems of low cost co-operative housing.

PART IV: PROSPECTS FOR THE 1980s

What are the lessons of co-operative development in the 1970s for further co-operative development in the 1980s? Between the end of 1969 and the end of 1977 the members of co-operatives affiliated to the ICA increased from about 268 million to about 355, that is by about a third in about eight years. As the number of affiliated organisations has not changed dramatically this is a very substantial increase. But it is very difficult to measure to what extent this increase in the number of co-operators has been the result of efforts to promote co-operative development during Co-operative Development Decade.

These efforts have certainly made a considerable impact since seminars and conferences and co-operative educational and training activity cannot but result in people knowing more about co-operatives and in their being better able to form co-operatives. In some cases seminars and conferences have been followed by projects involving the formation of co-operatives. But while very considerable efforts have been made by co-operative organisations, by governments and by international organisations of various kinds during the 1970s, some may take the view that co-operative development during the seventies has not been quite as great or as uniformly successful as had been hoped at the beginning of the decade. If this has been the case it may be the

⁽²¹⁾Planning and Implementation of a Co-operative Housing Scheme. N. A. Kularajah.

consequence not so much of the ineffectiveness of work for co-operative development as of unfavourable economic and other circumstances.

The first twenty-five years after the end of the second world war was a period of unparalleled economic growth and a smoothly functioning international monetary system. The governments of many industrialised countries believed that something like full employment had been achieved even though at the cost of some inflation and that increased investment by these rich countries in developing ones would steadily raise the living standards of their peoples.

Then in the early 1970s things began to go wrong. The dollar was made inconvertible in 1971 and the international monetary system drifted into chaos. In 1972 there was deadlock at the UNCTAD III Conference in Chile and the Stockholm Conference on the Human Environment made us all much more aware of the need to conserve natural resources and to prevent the pollution of the environment. Then in 1973 conflict in the Middle East was followed by a fourfold increase in oil prices which gave a sharp boost to inflationary pressures throughout the world. Many developing countries, already deeply affected, encountered serious difficulties.

Since the end of 1973 inflationary pressures have grown and some governments have been much more successful than others in their efforts to contain inflation. Fluctuating exchange rates have contributed to economic uncertainty. Keynesian recipes have been losing their credibility and governments have tended to alternate between incomes policies that tend to break down under trade union pressures and monetarist policies which tend to lead to unacceptable levels of unemployment and to reduced production. The wider adoption of monetarist policies has made competition tough for consumers' co-operative movements in Europe and for other co-operatives.

The United Nations is seeking to develop a new international development strategy for the 1980s and to create some kind of New International Economic Order; but the economic outlook for the 1980s is sombre.⁽²²⁾ In difficult economic conditions established co-operative movements, governments and other organisations may be less willing than in the seventies to spend money on co-operative education and training and the promotion of co-operative development.

It may be, therefore, that in the 1980s the international co-operative movement in its efforts to promote co-operative development would be wise to concentrate more on persuading governments and UN agencies and other organisations to do more to create *conditions* in which co-operatives can grow and flourish, to concentrate more on the prerequisites for co-operative development.

After all the kind of measures needed to encourage co-operative development may be not dissimilar to the kind of measures needed to make the economy function more smoothly. All measures likely to create a more egalitarian society—tax changes, agrarian reform, more spending on education and less on arms etc—are likely not only to help to turn potential demand into effective demand and increase employment but also to help people to save from their earnings enough to create their own co-operatives. Conditions more favourable to co-operative development may prove difficult for governments to achieve because of political and economic pressures; but the kind of measures needed to stimulate co-operative development in the 1980s are the kind of measures required to build a New International Economic Order. Co-operatives should have a major role to play in such an order.

⁽²²⁾See Paper No. 3 "Co-operatives in the year 2000"

Paper No. 3

Co-operatives in the year 2000

Prepared and Introduced

by

Dr. A. F. Laidlaw

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Paper No. 3

Co-operatives in the Year 2000

INTRODUCTION

This paper is the result of a study over about a year, from early 1979 to March 1980. During the last four months, the work was done in London in order to be close to the Secretariat and Library of the ICA.

The aim of the study has not been to predict exactly the conditions and environment in which co-operative organizations will likely be carrying on business by the year 2000, which would have been an impossible task anyway, but rather to indicate some of the trends that can be seen and sensed and to suggest changes that may be necessary if these trends continue into the next two decades. This study does not contain a blueprint for the end of the century but it offers some pointers for the guidance of those who will be working on plans and blueprints during the intervening years.

This is essentially a document to stimulate discussion rather than provide a definite plan. It tries not so much to give firm answers as to ask the right questions. It suggests choices rather than giving clear directions.

It is addressed primarily to delegates attending the 1980 ICA Congress in Moscow, and secondly to leaders of co-operative organizations of all kinds the world over. It is not a scholar's document, though students of Co-operation will find it helpful in understanding the global movement.

It is divided into six parts that may be summarized in this way:

- I Looking both backwards and forwards from 1980.
- II The world we live in; general conditions at present.
- III What are co-operatives? Theory and practice of Co-operation.
- IV The problems co-operatives have and weaknesses from which they suffer.
- V What choices do co-operatives have?
- VI Major questions facing co-operators.

Since the study takes a global and international view of co-operatives, it could not be based on detailed or concentrated research. Of necessity, the picture is on a larger canvas than a national study would be, and is done with a much lighter brush. Obviously, it would have been impossible to describe any national movement in detail. Moreover, since co-operative movements are so different and diverse around the world, it has been difficult to make general statements that would apply to the situation everywhere. A fact or characteristic in one country will not hold true in another. Each region or nation will be found to have something unique about its co-operative systems.

Throughout the study three terms appear many times: co-operative movement, co-operative system and co-operative sector. The first is a general term to convey the concept of people working together to attain certain socio-economic goals, using the philosophy and principles embodied in Co-operation. The second is used in a more specific sense, as applied to various commercial and business organizations within the co-operative movement as a whole. The third is used to define the portion of the total economy carried on through co-operatives, as distinct from both public enterprise and conventional private enterprise.

The study was completed at the end of March 1980, and no doubt changes—perhaps some important changes—will take place even before delegates gather in Moscow in October.

There has been one general disappointment in connection with this work. In spite of repeated requests for information, papers, reports and documents relating to future studies, research and planning, not a great deal of material of this nature has reached ICA headquarters, at least, not as much as we would have liked. This may be taken to indicate, not an unwillingness to provide such material, but rather that it does not exist, at least not in substantial quantity. Perhaps co-operative systems around the globe have scarcely begun to make a careful study of the future, so occupied are they with present problems.

The bibliography provided at the end is merely a short list of about forty titles, mainly in English. It is suggested that national movements should see to the preparation of bibliographies of titles in various languages.

This study is not a final or definitive document, but rather the first instalment or initial stage of a continuing exercise that should go on indefinitely, certainly over the two decades to the year 2000.

As co-ordinator of the study, I wish to thank all those who assisted me, and without whose help and advice it could not have been done at all. In particular, I wish to mention the Director of the ICA, the members of the ICA Secretariat, both professional and secretarial, the members of the Reference Group and especially the co-operators and co-operative organizations that supplied information and various documents.

It should be understood that, though this report was produced in close collaboration with the ICA Secretariat, it does not necessarily reflect the official policy of the Alliance; and many of the opinions expressed here are only the personal views of the Co-ordinator and he takes responsibility for them.

A. F. LAIDLAW
Co-ordinator

PART I: THE PERSPECTIVE OF CONGRESS 1980

1. Background and Purpose

This study of the future of the co-operative movement was initiated by the Central Committee of the International Co-operative Alliance at a meeting in Copenhagen in September 1978. The delegates, representing national movements and various sectoral interests in the ICA membership, decided that a study should be undertaken to assemble and co-ordinate views and forecasts of the changes that would likely take place in the next twenty years and, as a consequence, the conditions under which co-operative organizations would probably be operating by the end of the present century.

One can assume that the delegates in Copenhagen had several thoughts in mind in commissioning the study: the need for co-operators to know and understand more about the various trends in world affairs that influence the progress of co-operatives or militate against them; the danger that co-operatives might be overtaken and passed by in the fast pace of modern change; the fear that co-operative systems might not be able to cope with the awesome power of giant multinational corporations, now growing to frightening proportions in many parts of the world; and the possibility that fundamental changes and restructuring might be needed for various types of co-operatives to maintain the strength and momentum built up over almost 200 years since they were started.

There was also the knowledge that many questions were being asked within the co-operative movement about its present relevance and performance, such questions, for example, as these: Do the democratic procedures that worked so well for small co-operatives in the past apply as well to very large co-operatives today? How can individuals participate in a meaningful way in a co-operative with tens of thousands of members? What is the most democratic structure for a federation or wholesale organization covering a large region? What is the present state of education in the movement? What is going to be the status of co-operatives confronted by the intervention and growing power of governments all over the world? And finally, what is the end and purpose of it all? What is expected of co-operatives? How is success of co-operative enterprise to be measured? By the same criteria by which other business is judged? If not the same, then what criteria?

Looking back over the history of co-operatives as they developed in various parts of the world, one can see them going through three stages of growth and change, each involving a crisis to be faced and overcome. The first was a credibility crisis. In the beginning, few people believed in co-operatives or had much confidence in them. To many people, the very idea of a co-operative was just too impossible. After all, business was for businessmen to own, run and direct and should be no concern of ordinary people. In some countries, appropriate legislation for co-operatives took a long time to get approval. Wherever they first took root, it required the necessary faith of a small band of pioneers to get co-operatives started at all. If they got any help or encouragement in pioneering times, it was often given in a patronizing manner by persons in high and influential positions, and some who approved of co-operatives in a paternalistic way never thought they would amount to much anyway. But slowly and gradually the co-operative idea won acceptance. The credibility crisis was passed. Co-operation became a good and noble cause in the popular mind.

But then came a second crisis, what may be called the managerial crisis. Co-operatives were recognized as being good and desirable institutions, but how were they to be managed? or rather, who was going to manage them and provide the technical and business experience they must have? Over a whole generation or two in many countries, co-operatives became almost synonymous with business failure,

and many hundreds collapsed and disappeared. Or if they did not fail outright, they had chronic trouble with mediocre management and tended to be backward and second-rate in their performance. But gradually this crisis was overcome too. Many capable young managers began to be attracted to co-operative business and soon the image of the movement changed. Co-operatives could be as efficient, up-to-date and modern as other business systems and a growing number of experienced executives came to the movement for a satisfying life-time career. In most countries, especially in Western society, there is no longer a managerial crisis as there was a half century ago.

But now, where different co-operative systems are well established, they are faced with a third crisis, what may be called an ideological crisis. It arises from the gnawing doubts about the true purpose of co-operatives and whether they are fulfilling a distinct role as a different kind of enterprise. If co-operatives do nothing more than succeed in being as efficient as other business in a commercial sense, is that good enough? And if they use the same business techniques and methods as other business, is that in itself sufficient justification for the support and loyalty of members? Moreover, if the world is changing in strange and sometimes perplexing ways, should co-operatives change in the same way, or should they not strike off in a different direction and try to create another kind of economic and social order?

To enquire and probe into questions like these, and at the same time try to gauge the prospects for the co-operative movement to the end of the century, is the purpose of the present study, in responding to the mandate given by the ICA Central Committee in September 1978.

2. Co-operatives: A Global Movement

The following summary will not be a detailed description of the worldwide co-operative movement but instead is intended to provide a few highlights to show the many and varied facets of Co-operation in different parts of the world.

- The extent and size of the movement may be judged from the global statistics of the International Co-operative Alliance, which has 175 national and regional bodies in membership, from 65 countries in all continents, and these in turn represent about 355 million individual members. (These figures are for 1977). However, there are many important systems or branches of the world movement not presently in the membership of the ICA, including those of the most populous country, China. The global movement would probably number over 500 million people, making it the largest socio-economic movement in the world.
- It is important to note the many and varied forms in which co-operatives appear. It is hard to think of an economic function, apart from a railroad system, that is not carried on by co-operatives somewhere in the world. Production and distribution of goods, agriculture, marketing, credit, transportation, manufacturing, banking, insurance, housing, forest industries, fisheries, and services of all kinds—co-operatives are engaged in all these and many more.
- Co-operatives are also found in all countries, in every type of economy and culture, and wherever there is human settlement, in some of the most remote corners of the earth. There is something universal in the concept of Co-operation that responds to human needs everywhere. Every government, it seems, has ideologies or movements that it condemns and opposes, but it is hard to find a government that openly and publicly condemns co-operatives.
- Hence the ubiquity of co-operatives: they are everywhere, in the old and settled regions, in both rich and poor countries, in the tropics and even in the far North. In the northern parts of Canada, co-operatives of the Inuit people operate at great distances beyond the Arctic Circle. The per-

sistence of the co-operative idea is so strong that many groups of people, having failed in one attempt, will return to it again and again until they succeed.

- The concept of Co-operation is so versatile and universal that co-operators from a certain type of co-operative in one part of the world quickly feel and understand a completely different kind of co-operative in another culture and country when they visit it.
- As to size of enterprise, there is a wide range from small to large and very large. There are many thousands of small co-operatives with fewer than 100 members, or even fewer than ten, but there are many of medium size and some of enormous proportions measured by either membership or turnover of business. In several countries, co-operative systems are the largest economic institutions next to government. There is no ideal size for co-operatives, although it is widely acknowledged that smaller units are more easily managed.
- Co-operatives in many countries have signal achievements to show. To mention just a few: multipurpose co-operatives are largely responsible for the rural side of the modern economic development of Japan; co-operatives for the distribution of electric power were responsible for “lighting up rural America” in the last generation; the co-operative movement in Romania has the best travel system and holiday resorts in the country; about half of all the sugar production of India is through co-operatives; co-operatives are so well developed in all branches of the economy of Iceland, it is often referred to as the “Co-operative Island”; the agricultural co-operatives of France have the second largest credit and banking system in the world; the Mondragon co-operatives in the Basque region of Spain are among the country’s largest manufacturers of refrigerators and household appliances; over 75 per cent of all new urban housing constructed in Poland is co-operative; the OK co-operative system in Sweden has the largest oil refinery in the country and supplies about 20 per cent of the total market; the dairy marketing co-operatives of the State of Gujarat in India operate some of the largest and most modern milk processing plants in the world; in Malaysia, the largest insurance system is co-operative; in Italy, the various systems of workers’ co-operatives are recognised as the most effective job-saving agencies when industrial plants are forced to close. . . .but these are just a few examples of accomplishment taken at random.
- Once established on a firm foundation, co-operatives have remarkable resilience and staying-power through both good times and bad. Some consumers’ co-ops in Britain can trace their beginning to the early part of the nineteenth century, and a few claim a history to the late eighteenth century. The ICA Review is printed in a workers’ co-operative establishment that will celebrate its centenary in 1993. Walsall Locks, another workers’ industrial co-operative in England, is still older. It was started in 1873, and a remarkable thing about it is that the present general manager, Arthur Rose, is only the fourth manager the enterprise has had in 107 years. The large system of housing and consumers’ co-operatives in Argentina will celebrate its 75th anniversary in 1980.
- Certain types of co-operatives in different countries have a high percentage of the total or potential market. In the Scandinavian countries, agricultural co-operatives have by far the largest share of the market in most products, and over 90 per cent in some. One Canadian in three is a member of a credit co-operative of one kind or another, and over 75 per cent of the wheat and other grains grown in Canada is handled by a marketing co-

operative. In the food retailing markets of Europe, consumers' co-operatives lead the field in several countries, headed by Finland and Switzerland. Centrosoyus, the central organization of consumers' co-operatives in USSR, is responsible for the distribution of goods throughout the entire countryside. In several African countries, marketing co-operatives handle the bulk of the main agricultural commodities.

- In the global picture of co-operatives there are also surprises. Of the 50 largest banking systems in the world, five, in France, Federal Republic of Germany (two), the Netherlands and Japan, are co-operative. Though they do not run a railroad system anywhere, they do run other means of transport, for example, buses and taxis in Israel, a bus system in one Canadian province, transport for agricultural products in many countries, and taxi services under workers' co-ops in cities all over the world. The provision of port services in Gdynia, Poland is on a co-operative basis. There seems to be no end to the ways in which the co-operative idea can be made to work. So we find restaurants and hotels, medical centres and hospitals, a gallery where artists can display and sell their work, a marketing agency through which textbook-writers can sell their manuscripts, and even a service through which farmers may get rain for their crops—all operated under the name "Co-operative". And in a considerable number of countries, for example, France, Poland and the Philippines, there are successful school co-operatives, in which children purchase books and educational supplies and at the same time learn the elements of Co-operation.
- As a vocational group, farmers all over the world have used co-operative organization more fully and successfully than others. There is hardly an agricultural or rural service imaginable that farmers have not provided on a co-operative basis somewhere in the world. Farmers of Saskatchewan, Canada were the first consumers to organize petroleum services all the way from oil well to refinery to users in a co-operative system. Referring to rural co-operatives, a World Bank report says: "...such organizations provide the participation and impetus in rural development programmes that is hard to secure in any other way."⁽¹⁾
- In many countries of the world, fishermen's co-operatives are being developed in much the same way as farmers' but their development came at a later stage and their growth has been generally slower.
- If one were asked to list the most important trends or developments of the last fifty years in the co-operative movement worldwide, the first would likely be the building of stronger and larger organizations at the secondary and tertiary level, so that now a person joining a primary co-operative for the first time gets a place, a share and a voice not only in a local society but in a whole system that extends in several directions and embraces economic functions far beyond what can be seen in the vicinity. The second positive trend would be the massive spread of co-operatives in many Third World countries.
- And if one were asked to identify the greatest danger looming before the co-operative movement in most parts of the world, it would be adverse relations with all-powerful government. This was the conclusion of a seminar on the future of co-operatives held in Pune, India in January this year, the report of which reads in part: "...the co-operative movement in India stands at cross-roads in 1980. . .more and more people especially from the weaker and vulnerable sections of the community, are drifting away from the co-operative fold. . . Co-operatives are by and large perceived as government

⁽¹⁾World Bank. *Rural Development: Sectoral Policy Paper*, 1975.

sponsored institutions, at times even as appendages of the sprawling state administrative apparatus". The question of "Co-operatives and the State" will be treated at some length in this study.

This summary presents the positive side of the worldwide co-operative movement. The matter of weaknesses, shortcomings and difficulties will be dealt with later.

3. The View From Where We Stand

The Moscow Congress will be the 27th in the history of the International Co-operative Alliance, including the initial meeting in London in 1895. All meetings of Congress have been held in Europe, most frequently in Great Britain and France, five each; three have been in Switzerland, and two each in Germany, Sweden and Austria, and the remainder in the Netherlands, Hungary, Italy, Belgium, Czechoslovakia, Denmark and Poland, one each. Obviously the venue of Congress has been fixed for historical reasons and by concentration of co-operative organization as well as convenience of location.

The 1980 Congress is the twelfth since the end of the Second World War. Each Congress in the intervening thirty-five years has been surrounded with a certain atmosphere reflecting the current economic, political and international climate of the time. In the late 1940's the world was engrossed in the gigantic tasks of postwar reconstruction and rehabilitation, and co-operative movements everywhere were busy picking up the broken strands of organization and finding new personnel for leadership roles. This was also the period that started the end to colonialism and new nations began to appear on the map of the world. Before 1947, a large part of the political geography of the world was still colonial.

The 1950's were years of rising expectations, when people had shining visions of a new era dawning. Leaders talked of the coming Age of Plenty and called for a new kind of mobilization of forces, for a war on poverty. United Nations agencies led the way in carrying the message of co-operative organization to the Third World. But there was yet another kind of war, the Cold War, and the drawing of firm lines dividing nations into rival camps and hostile blocs.

The 1960's, during which four Congresses were held, at Lausanne, Bournemouth, Vienna and Hamburg, became the decade of unprecedented economic growth and unrestrained development. Nothing seemed improbable or technically impossible, and before the end of the decade man walked on the moon. It was also the time of deepening social conflict and the revolt of youth against war and established institutions, and it was the period when lesser nations learned how to combine to find new strength, using their resources as leverage in international bargaining.

The decade of the 1970's opened as a continuation of what went before—more expansion and unbounded confidence in modern technology. But it suddenly began to turn sour in disillusionment. Monetary systems began to crack and inflation went wild. This became the decade of dashed hopes and shattered dreams. The war on poverty was not being won—the poor were becoming poorer and the elite and privileged more powerful and secure. Then came what was probably the greatest single new discovery of the last quarter century, when men became aware that the earth's resources are not infinite, that indeed some of them will soon run out, and that humanity must find new ways of sharing in order to survive.

Delegates gather at the 1980 Congress in a time of deep foreboding. Mankind is at a sort of cross-roads or turning-point in history. Some leaders and thinkers believe that a new age is dawning but others fear we are more likely at the onset of another Dark Age. We surely stand on the threshold of devastating changes, some of the most profound that humanity has ever experienced. Even since the Paris Congress four years ago, the fields of communications, medical science and computer technology

have been revolutionized by the miracle of fibre optics. Perhaps the prophecy of Teilhard de Chardin that "today something is happening to the whole structure of human consciousness" is coming true in ways that not even he foresaw or would understand.

This is a time, above all, of uncertainty. In most parts of the world the prospect for the 80's seems shrouded in gloom. The economy of a number of major nations of the world is ailing, and for some it is sick indeed. Political leaders face social and economic problems of fiendish complexity. This is certainly not a time when ambitious young politicians aspire to become ministers of finance. To begin with, where would they turn for advice, now that economists generally and economics as a serious discipline are so widely discredited? One of the most articulate American futurologists, Hilda Henderson, speaks of the "bankruptcy of economics" and another advises that "the greatest service economists can render to posterity is to remain silent".⁽⁴⁾ Not only do people not trust economists any more, they are not willing to put all their faith in the GNP and the purely economic any longer. They are writing a new kind of economics, like "A study of economics as if people mattered".⁽⁵⁾

As we enter the 1980's, people feel cut loose from old moorings and set adrift on a sea of uncertainties. This is a time when the very pillars of civilization are shaking. Humanity will almost certainly not continue to travel in a straight line, merely extending the past still further, but will be seeking other pathways from which it can strike off in new directions. At such a crucial time as this, co-operatives must try to be islands of sanity in a world gone somewhat mad—at the time of writing, the prime bank lending rate in the United States has gone to 19%!

It is not too much to hope that Congress 1980 will be remembered as the harbinger of a new era for the global co-operative movement and a time when co-operators were hard at work helping to build a new kind of world and a social order based on justice for all human beings. The remaining years of the twentieth century will have great need of the moral precepts that are implied in the co-operative idea.

4. Change, Planning and the Future

(1) Change

We know, of course, that change has become a dominant feature of modern society and is now having a profound effect on almost all institutions, even those that fear and oppose change. It has been said that institutions that resist change will, in the end, be destroyed by change. It is also said that it is not change itself that is so disturbing nowadays but the speed with which it takes place. The suddenness comes as a severe shock.

This tells us that institutions must ever be on the alert for signals of change, even weak signals that give a faint warning that something new or strange is going to take place. Some institutions know well in advance what is going to happen and are busy preparing for it. For example, it is predicted that by the year 2000 four-fifths of the mail presently handled by the post office will be transmitted electronically over telephone lines.

Some changes will not come about easily or without resistance and will have to be accepted by force of circumstances. The private automobile will likely have to give way to less costly means of transportation in time. There are now more than 300 million passenger cars on the world's highways and 100,000 new ones come off assembly lines every day. And these automobiles use one-fifth of all the oil produced. Obviously humanity will have to begin phasing out the private car and turn more and

⁽⁴⁾ Alan Coddington, in "The Economics of Ecology", *New Society*, April 1970.

⁽⁵⁾ Subtitle of *Small is Beautiful*, by E. F. Schumacher.

more to public transport, unless an automobile that is not propelled by a distillate from fossil fuels can be invented and designed.

For co-operatives there are two things to be said about change. First, the great objective should not necessarily be to change wholly and completely in the way the world seems to be going, but rather to select the elements in a certain situation that should be discarded and keep what is good and essential. And second, when change is inevitable, co-operatives must do everything possible to bend and direct it in the most desirable way. For example, if plastic money in the form of credit cards and bank cards begins to invade the field traditionally occupied by credit co-operatives, let us see that they are employed in such a way as not to destroy the true nature and purpose of the co-operative.

(2) *Planning*

It must not be thought that planning is a new and strange exercise for co-operative systems. Many of them have been at it a long time. Whole national movements in some countries have been thoroughly surveyed more than once and long planning sessions followed these surveys. Some movements have altered the course of co-operative development or restructured their systems as a result of planning. The Rural Credit Survey in India in the early 1950's is an example of a thorough examination of a large and intricate movement and it brought about profound changes which can be seen throughout the country today. It is safe to say that there is no large system of co-operatives in the world that is not engaged in planning of some kind, and many of them have statistical and research departments on which to base future planning.

But it cannot be assumed that planning methods and procedures appropriate for co-operatives have been worked out or are being followed. As a general rule, institutions do not change from within but by force of external influences, and all too often this applies to co-operatives as well. A great deal of planning is in response to a crisis situation, perhaps the loss of members or severe pressure from competitors. Co-operatives are often accused of being followers rather than leaders, but happily this is not always true, for co-operatives have been innovators too. The important rule here is that co-operatives often do their best and most productive planning when they devise policies and procedures that harmonize with co-operative principles and ideals. For example, when co-operatives carry out the traditional rule of "full and open information", as applied to all products and services, they generally secure an immediate advantage in the market.

A second point in planning, in keeping with co-operative principles, is that as broad a range of people as possible should be involved, and especially the ultimate users. It is not enough that planning be done by technicians, professionals and experts: members and laymen must be part of the planning process. One has only to look at Concorde to realize how far from the paths of sanity and commonsense planning can stray when it is left to the tunnel vision of the experts. A simple but sound motto for co-operatives would be: Planning is for members too.

A third point worth noting is that planning must take place at the micro-level as well as higher up. Much of the planning in modern society takes place at a high level, remote from those most affected, and people in the local community are simply asked to comply and conform. The real action in co-operatives takes place among people in a neighbourhood or community setting, and it is there that planning must be done too.

Moreover, in the spirit of the modern age, co-operators must be prepared to test some completely new ideas and concepts in their planning. Let us take an example. Co-operatives everywhere assume that the conventional board of directors (or committee of management) is the linchpin in the control structure of their organization. But let us suppose someone suggested that the board is an unnecessary piece of appara-

tus and should be abolished, since after all it is an idea and a mechanism borrowed from capitalist business and therefore should not have a central place in co-operatives, and members are sometimes heard complaining that the board becomes a wall separating them from the real functioning of the co-operative. Mind you, this paper is certainly not suggesting that boards be abolished but is saying that co-operators must be willing to examine questions of this order if they are to keep up with the pace of change in the new age into which the world is moving.

(3) *The Future*

From the perspective of 1980, we see humanity at as dangerous a point as it has ever been in all recorded history. Of one thing we can be quite certain: co-operatives will be obliged to operate in a world that is largely not of their own making. But this is not to say that people working through co-operatives cannot help to make the future, for indeed this is the central purpose of the co-operative movement: to help make a different and a better kind of world. The history of the future has not been written, and co-operators must be determined to have a hand in writing it. In short, co-operators can be active participants in the planning, and indeed creators, of the future, if they only have a mind and a will for it.

5. *Assumptions of the Study*

A global study of this kind must begin with a number of assumptions. The first one taken here is that we must distinguish between the wider problems of humanity and those that are the more specific concern of the co-operative movement itself. For example, in most situations, co-operatives have no power to transfer wealth, as the State has, and therefore cannot be held responsible for conditions of poverty over which they have no control. The best co-operatives can do is ensure that they are not prejudicial against the poor, and in fact do everything in their power to help them.

Similarly, co-operatives generally are unable to act as strong agents of political change, even where such change would be desirable. Their main role is in the field of economic rather than political change. Of course, co-operatives that operate in a truly democratic way cannot be otherwise than indirect agents of change in favour of democracy, but such influence acts in the long term rather than the short.

When we talk about and plan for co-operatives, we generally assume the existence of a favourable climate which they must have for proper growth. But unfortunately that ideal climate does not exist everywhere, and in fact can be found in rather few countries of the world. In some countries where government wishes to assist, it also wants to control; or it may be so anxious to promote co-operatives, it smothers them with so much help they never develop self-reliance. In other parts, government may be so committed to capitalism, it never wants to see co-operatives operating effectively, except in a very minor role and in situations that are not attractive for private-profit business. In short, co-operatives often have to wait a long time to find the proper soil in which they can take root and grow strong.

Finally, good co-operative development on a global scale depends on peaceful co-existence among nations and peoples. There are many trouble spots around the world where we can hardly imagine co-operatives flourishing, simply because of open conflict or the constant threat of war.

And we cannot forget the ultimate horror of nuclear war. We too easily forget that the threat of annihilation hangs over the whole human race. It is reported that a group of nuclear scientists have a symbolic doomsday clock and they move the hands forward or back as international tension and the threat of war advance or recede. Doomsday is midnight, and the group set the hands forward to seven minutes to midnight towards the end of 1979.

PART II: WORLD TRENDS AND PROBLEMS

1. The World We Live In

The opinion is now widely held that the world in 1980 stands at the threshold of dangerous and troubled times. Some observers believe there is hope we can look forward to improved economic conditions by 1985, but they are almost all agreed that the first half of this decade will be difficult, from whatever angle we view it. As for the last years of the century, the 1990's can be seen only as a decade clouded in uncertainty and apprehension.

Writing in 1922, Thomas Hardy could describe that earlier period as "our prematurely afflicted century", so it would seem that the greater part of the era now coming to an end has been marked by affliction for mankind, especially affliction from war and depression. Perhaps the saddest commentary on the world situation as we enter the 1980's is that the only hope for rapid economic recovery comes from the threat of war, for the wheels of industry can be made to operate at full capacity only when nations are at war, engaged in destroying each other.

But while we bewail the disastrous downturn in the world economy, we should pause to reflect that the majority of mankind have never known anything but depression, hunger and deprivation. When we speak of a world economic crisis, we are, in fact, saying that the affluent people and the rich nations are getting just a taste of what is normal and perennial for the poor of the earth. Moreover, while the present severe recession means great hardship and suffering for millions in the industrialized countries, it means only further reduction at the already low level of living of those who barely manage to survive in extreme poverty. And yet, if we were to have a stock market crash in October 1980 similar to the one of October 1929, the wealth and lifestyle of many of the rich of the world would be affected hardly at all.

The frightening aspect of today's gloomy outlook is that the causes seem so deep-seated and ingrained in society, the precedents and solutions of the past have little or no meaning. Over twenty years ago, a United States President could recommend as a cure for an economic recession of that time that all who could afford it should go out and buy a second car in order to speed up the economy! This may sound unbelievable today but it shows that a solution which could be suggested in all honesty and perhaps with some logic in the 1950's is simply unthinkable today, for it is more than the business cycle which is out of timing. The fact is that the capitalist system itself is in deep trouble around the world. Indeed, for a long time it hasn't worked as capitalism is supposed to work, and now the world and mankind are looking for alternatives as never before.

At the time of writing, early in 1980, the general decline in the economy continues unabated and, as well as in growing unemployment and falling production, is seen in the deterioration of major cities, the growing burden of public and private debt, runaway inflation, unconscionable interest rates and the flight to gold. Only a few areas or regions richly endowed with resources, especially those of energy, are spared the onrush of recession and even these are not spared some of its grim aspects. All the while, governments are looking for places to retrench, and the first to fall victim to budget cuts are expenditures for human and social needs, especially housing, education, health services and international aid, even as budgets for defence and armaments are moved upwards. All in all, the prospects for the 1980's are anything but bright. The world may be headed for the worst economic slump in fifty years.

Looking back to the 1970's, the overriding question in everyone's mind is: What went wrong? Why did the economic climate of the 60's change so cruelly? Some may trace the great change to the actions taken by OPEC, but OPEC has to be seen as effect rather than cause, even though the rise in the price of oil from two to

thirty dollars a barrel has been an important factor: The truth is that the world has lost much of its faith in the economics of the past, especially in the underpinning of its monetary systems.

Some of the key indicators of the era into which the world is moving are these:

(1) *Economic*

In the Western economies, growth will be slow for several years, and in some countries will be close to zero. In fact, several countries—Britain for one—are anticipating a drop in economic output in 1980, with a further decline in 1981. Interest rates will remain high, public debt will continue to rise steeply. Prices will also continue to climb, especially food prices. Inflation can now be seen not merely as an economic indicator of the times but as a threat to civilization itself. Attention is being drawn more and more to the neediest people, especially the working poor, and those in the lowest 20 per cent of the population whose share of the national income is generally well below 5 per cent of the total.

On the business side, bankruptcy has been rising dramatically, and some of the former giants of industry, e.g. British Leyland in Britain and Chrysler in U.S.A., are in deep trouble. There will likely be a steady move towards protectionist tariffs in an attempt by government to save local industry. There is generally falling confidence in orthodox economics and the conventional market economy. Thomas Carlyle's description of economics as the "dismal science" seems apt enough today.

The gloomy economic picture is not confined to Western countries, for the nations of Eastern Europe appear to be no less affected. Delegates assembled in Moscow from all parts of the Soviet Union last November heard from their leaders a bleak economic forecast, telling that the country had fallen seriously behind its targets in the present five-year plan and targets for next year would have to be scaled down. Similarly, a party congress in Warsaw in February 1980 reported that Poland's real national income had fallen by 2 per cent last year and that expectations would have to be trimmed down because of the general slump. So, the present dark economic outlook would seem to be virtually world-wide.

(2) *Social*

If the economic situation is gloomy and uncertain, the general social picture is complex and often confusing. There seems to be general mistrust of conventional institutions, especially of government and business. For example, on questions of energy, industrial pollution and nuclear waste, citizens are not sure they are being told the truth. The public are often suspicious of the bureaucracy, and especially big bureaucracies of every sort.

Similarly, in education, youth does not have much confidence in conventional institutions. Professionalism does not speak with the authority it once commanded. The impact of education on poverty, as promised and predicted in the early post-war years, has turned out to be disappointing. In North America, after several generations of free schools open to all, we find startling figures of massive illiteracy—as many as 64 million adults in U.S.A. and a comparable figure in Canada. On the other hand, there is a marked return to cultural and spiritual values of former generations, though the work ethic does not have the appeal it used to have.

It is sometimes surprising to find in the Western world a complete turnabout in social values from those of former days. In our grandfathers' time, there was a loud cry for public education available to all boys and girls; nowadays some parents are demanding the right to opt out of the system. In the Victorian era, reformers called for legislation to get women out of the coal mines; now liberated women are demanding the right to work where they will, in the mines or as lumber-jacks if they wish. Once workers dreamed of the time when they could retire from toil at 65; many are now asking for the right to continue working after 65. And so it goes.

The changing position of women in modern society has ramifications in all aspects of life, economic as well as social. For some years, the number of women in the workforce has been increasing faster than the number of men. Women are also beginning to move into senior and executive positions from which they were formerly excluded. The effect of having two incomes in the family instead of one is being reflected throughout the market, particularly the housing market.

Poverty of the stubborn and endemic kind continues to be a major social problem, even in the highly industrialized and affluent societies. Henry George's epitome of society as "Progress and Poverty" is still as fitting for most countries as when he wrote it a hundred years ago, and the gap between rich and poor will almost certainly grow in the next two decades if present economic indicators are reliable.

One of the characteristics of present-day society is a growing awareness of social problems. People seem determined to dig out facts and expose the weaknesses in the social fabric and hunt for causes and solutions, for instance, of the neglect of the aged, the abuse of children, the exercise of status and privilege, denial of civil liberties, the treatment given to aborigines, damage to the environment, political corruption or the public cost of private property, including the automobile. Groups of people will stand up to oppose, with violence if necessary, what they would have watched and accepted in silence even a few decades ago. Consider, for example, the opposition to Narita Airport in Japan, which has been described as "a planner's dream, a passenger's bane and a taxpayer's horror". Canadians have a similar showpiece in Mirabel.

The trend towards community is another feature of modern society that is of great significance. In many regions there is a fairly strong back-to-the-land movement, and rural decline has slowed down in some parts or even halted as young people seek a simpler lifestyle close to nature. A new generation wants to return to ways and values their ancestors abandoned, and in affluent Sweden a writer, watching the drift away from the values and mores which made the country industrially rich and prosperous, asks the question: "Can Sweden be shrunk?"⁽⁴⁾

And if there is one thing feared and hated by mankind the world over, it is the mere thought of nuclear war.

(3) *Political*

Many people have remarked on the political swing to the Right in recent years. A Paris tabloid reports on a disquieting movement, what it calls "La Nouvelle Droite" and says: "The New Right is in fashion". The swing is obvious enough, as shown by elections in several countries; also in the quite widespread doubts about certain welfare programmes and in reaction to the weak performance of many nationalized industries.

But the political pendulum has swung to the Left in several countries and Right-wing dictatorships of long standing have disappeared, for example, in Spain and Portugal.

The political mood of the time is also reflected in considerable dissatisfaction with the performance of some branches of the public service, and there is often tension between government and its employees on the one hand, and the employees and the general public on the other. Citizens in many countries are demanding "freedom of information" in matters that were long closed to them.

Probably the most significant political trend in the context of this study is the strong move of ethnic minorities all over the world towards self-determination and independence. There is hardly a major nation without a loud and vigorous minority

⁽⁴⁾The author is Nordal Akerman, writing in *Development Dialogue*, 1979:2, published by Dag Hammarskjöld Foundation, Uppsala.

calling for separation and autonomy, or at least some degree of devolution in cultural, ethnic and social affairs. Indigenous people in many regions, many of whom have long been in danger of extinction, are making a stand for human rights and redress from ancient wrongs. Terrorism has become a powerful lever for gaining political ends.

But personal freedom is certainly not the norm all over the world. Amnesty International reported that basic human rights were abused in over a hundred countries during the past year, and these cover the greater part of the earth. The number of political dissidents facing arrest, imprisonment without trial, torture and death is beyond count. Furthermore, there is hardly as much freedom of the press in the world as there was, say 25 years ago, and this does not augur well for freedom in the year 2000. In many parts of the world, democracy is in retreat.

(4) *Energy and Resources*

One of the crucial matters for all humanity in the next twenty years will, of course, be the use of energy and control of dwindling natural resources. It was pricing of petroleum products which, more than any other single factor, upset the international status quo in the seventies. Only about 80 years ago—just a heartbeat in the life-time of the human race—our civilisation began to develop its dependence on oil, but even now the question of how long supplies will last hangs over mankind. And we can be fairly sure that conflict over oil will turn the world upside down, perhaps several times, before the bells ring out the century.

It is expected that worldwide demand for energy will double by 1990, and if all countries used resources at the rate of the big users, the demand simply could not be met, unless science can come up with new sources and new technology. One person in North America uses as much energy as two or three in Europe, sixteen in China and several hundred in Africa. With about 5 per cent of the world's population, one nation is presently consuming 40 per cent of its resources. The affluent people and the rich nations are using more than their share of the earth's store of energy, and if they do not change their ways, there is bound to be conflict on a global and disastrous scale. Quoting Hazel Henderson on this vital issue: "Hurling massive quantities of capital at the increasingly fruitless endeavours of trying to produce greater supplies of energy and resources will, in time, be played out."⁽⁶⁾ In the past 25 years, we are told, humanity has consumed a volume of energy equivalent to that used by humanity since the beginning of history.

So, just on the basis of energy alone, those of us who live through the two remaining decades of the century are going to see profound changes in their way of life. Mankind simply cannot go on using and wasting with abandon. And this applies, not only to oil and energy, but to all the earth's resources, especially water, minerals and forests. It is predicted, for example, that the world's supplies of lead and zinc will likely be finished by the end of the century and several other metals are on the danger list. Hazel Henderson again: "We must therefore now run our economy with a leaner mix of capital, energy and materials and a richer mix of labour and human resources".⁽⁶⁾

But in our preoccupation with oil and other sources of energy, we must never forget land as the most important resource in the long view. E. F. Schumacher says: "Among material resources, the greatest, unquestionably, is the land. Study how a society uses its land, and you can come to pretty reliable conclusions as to what its future will be."⁽⁷⁾

⁽⁶⁾Hazel Henderson, *Creating Alternative Futures*, Berkley Publishing Corp., New York, 1978; p.87.

⁽⁶⁾Hazel Henderson, *Ibid*, p.7.

⁽⁷⁾*Small is Beautiful*, p.84.

(5) *Population and Food*

One of the harsh realities of our time is that the majority of people in the world go hungry and suffer from malnutrition while another part is plagued with food surpluses. We know for sure that the struggle to feed mankind will be long and hard, lasting well beyond the year 2000. The present world population of 4.3 billion is expected to reach 5.3 billion by 1990 and go beyond 6 billion by 2000, and by then there will be nearly four times as many people in the Third World as in the industrialized countries. In the last decade, food production in the poor countries has barely kept pace with population growth. World production in 1979 was, in fact, about 4 per cent below that of the previous year. The number of severely undernourished people in the developing countries is about 500 million, according to FAO estimates, and these countries are spending an ever-increasing amount of their earnings on food imports. At the same time, more and more land in the poor countries is being used, largely by multinational corporations, to grow non-food crops for export to the rich countries, land that should be used to grow food for consumption at home.

The question of world food supplies is surrounded by great difficulties and dilemmas. Food aid to the poor countries is seen as the decent and humane policy for countries with surplus food, and yet it is well recognized as being counter-productive and discouraging to farmers at the receiving end. But we are told that food exports to the poor countries will have to be trebled by the year 2000, even while these countries are doubling their own food production. Clearly, as long as it depends on the rich countries for food, the Third World will be poor. In other words, in the long view only the Third World can feed the Third World.

But the existence of surpluses, sometimes of embarrassing size, is not necessarily a sign that all is well in the rich countries. Food prices are going to continue to rise, especially for products from highly mechanized farming depending on petroleum. A point will be reached where large-scale farming will be seen as inefficient, and a return to smaller farms may become inevitable. Inflation will tend to turn people away from highly processed and costly packaged foods, and the food industries will be affected. Consumers will be looking for more direct links with food producers to avoid processing and transportation costs. They will also become more conscious of food values and nutrition. The food industry in all its aspects—methods of production, wholesale markets, processing, food subsidies, imports and consumer protection—can all be expected to change rapidly in the next twenty years.

(6) *Employment*

If full employment is a mark of a healthy economy and high unemployment a mark of a sick, then we have good reasons for worry over the near future. Only a few parts of the world can be said to be near full employment at the start of the 1980's and in most regions that strange and ominous word "stagflation" is heard on all sides. Already there are an estimated 100 million unemployed in the world, and some countries that formerly enjoyed full employment, and even depended heavily on migrant labour, are beginning to feel the effects of rising unemployment. The Federal Republic of Germany, for example, expects the number of jobless to be close to a million in 1980. By 1990, we are told, some 400 million more jobs will be needed all over the world for young people who will be coming into the work force.

Again, as with the new phenomenon of stagflation, a new factor in the job market is appearing in the highly industrialized countries: the total disappearance of jobs; that is, when better times return these jobs will not open up again. Many thousands of jobs are simply becoming redundant. This is going to be a particularly harsh aspect of unemployment in these two decades, and the social and psychological effects on the whole population and on certain occupations is going to be devastating. In the steel and textile industries in Europe, for example, massive shifts and dislocations

have already begun. In Scotland alone, it is reported that over 100,000 jobs have disappeared in the past ten years because of redundancy and new industrial technology.

Because of technological advances, futurists are predicting fundamental changes in the pattern of employment in the new era. They believe that a significant proportion of the working population will work only part-time as employees in the traditional way and will supplement their normal income by working in an informal economy, in the home or at casual jobs and with groups of people in communal, small-scale industry. Two writers on the future of a growing informal economy in Britain say: "If we are to cope with a world in which jobs are lost inside the formal economy, we must come to understand the nature of work outside it."⁽⁶⁾

(7) *The Environment*

Whatever else may be said about the century now approaching an end, it must be recorded as the period in which mankind has done more to poison and destroy the environment than in all previous eras of history. The industrial revolution of modern times, beginning about 200 years ago, started society on the road to destruction and spoilage of the whole human habitat, using the adage "muck makes money". The degradation of the environment has gone hand in hand with wasteful use of resources and disturbance of the delicate balances of nature.

Many great lakes and rivers can no longer sustain fish-life because of chemical wastes. Acid rain now threatens to destroy thousands of lakes across Europe and North America. Soil erosion is helping the onward march of deserts on several continents. The great tropical rain forests have been reduced to about 60 per cent of their original size. Many animal species have disappeared altogether and others are threatened with extinction. And now the ultimate pollutant, nuclear waste, is creating environmental disasters that may last for thousands of years. If we think of the earth or the planet as space on which mankind holds a lease, we are now getting close to the time when the lease runs out.

An important fact of misuse of the environment is that the Western nations and the highly industrialized societies are the worst polluters, as shown by an OECD study published in 1979. It detailed such dangers as polluted drinking water, unacceptable levels of aircraft noise, health hazards from chemicals in the soil and general deterioration in the quality of life because of abuse to the environment, especially poisoning of the atmosphere. Recent emergency situations in nuclear power plants also go to show that man-made disasters are not so remote as we may think.

But the general outlook for protection of the environment is better now than it used to be, as concerned citizens become aware of the urgencies and the need for vigilance. At least, our knowledge of the environment, which was woefully limited until quite recently, is now much better and growing rapidly. If governments will only divert some of the astronomical sums of money and resources away from armaments and towards protection of the environment, there is yet hope for mankind on this score.

(8) *Science and Technology*

When primitive man first used a stone axe or crude hoe, or struck a fire, he was taking the first steps leading to modern science and technology. But it took him many thousands of years to advance from stone axe to the telephone, whereas he has gone from the telephone to silicon chips and the microelectronic revolution in less than a hundred years. Such is the speed of the new technological age we live in and have to live with, and we would be foolish indeed to think that science and technology cannot change our lives just as much in the next two decades as in the century since Alexander Graham Bell invented the telephone. The world of the year 2000 will, to a

⁽⁶⁾See "Britain in the decade of the three economies", in *New Society*, 3 January 1980, pp.7-9.

very great extent, be a technological world directed, for better or worse, by the machines and inventions of the past few decades and the two decades that lie ahead.

In the present context, we are mainly concerned with the human and social consequences of science and technology. Who will control it? For what purpose? And what will it do to the quality of life? What is the end of it all? For science and technology is a double-edged sword. It can be seen as both friend and potential enemy of human beings, both liberator and destroyer. Technology can make the instruments that help to improve and prolong life, but it can also make the weapons and machinery of war more destructive and lethal.

A central question is that of ownership and control of technology. Will it be used to benefit all mankind, or only to make profits for investors? And how can the use and control of technology be democratized? Lewis Mumford says: "Instead of continuing to mechanize and regiment man, we must undertake just the opposite operation; we must humanize the machine, restoring lifelike attributes, the attributes of selectivity, balance, wholeness, autonomy and freedom". In other words, technology must not be used, as it so often is even today, to enslave great masses of human beings.

For our purpose here, one of the most far-reaching technological changes is taking place in the field of communications. We are now in the era of instant information. Radio, television and satellites have brought the whole world into our homes. The influence of the mass media on our lives is mind-boggling, and the political power that comes from ownership and control over any mass medium, including newspapers, magazines and wire services, is frightening, for these are the vital nervous system of society. There is good reason to fear that the world of tomorrow will be dominated by those who control the flow of information from data banks. Forty years ago, a people's organization or a citizens' group could get its message across with a mimeograph machine at small cost, but nowadays only those who control the mass media, especially television, are able to spread the word effectively. "The battle over the public's right of access to the mass media may well be the most important constitutional issue of this decade. . .the present structure of our mass media was not ordained by the Almighty."⁽⁹⁾

There is great danger in thinking that all technological progress means human development. Thomas Merton writes: "When technology takes over human beings for its own purposes, exploits and uses up all things in the pursuit of its own ends, makes everything subservient to its processes, then it degrades man, despoils the world, ravages life and leads to ruin."⁽¹⁰⁾ Even before the end of the last century, Emerson wrote:

Things are in the saddle,
And ride mankind.

(9) *Corporate Power*

Another feature of the present age of vital interest to this study is the corporation acting as the seat of final power in society, and the widespread misgivings over the use and abuse of that power. As the medieval baron in his castle held sway over the feudal age, so the business magnate from the corporate boardroom rules society in the modern age. The main difference today is that corporate power is generally hidden and inaccessible. It may also be irresponsible, and no one can be quite sure where this power begins and ends. It is often uncontrollable, and unlike political power cannot be voted out or impeached. Indeed, in Western society corporate power sometimes overrides government and the state. The nineteenth and early twentieth-century image of economic power was the individual industrialist or entrepreneur, prominent in the public eye, but his counterpart today is often anonymous and faceless.

⁽⁹⁾Hazel Henderson, *Ibid*, p.273-274.

⁽¹⁰⁾From *Conjectures of a Guilty Bystander*.

The resentment against corporate power is growing. People don't like to be ruled and controlled by forces they cannot reach and confront face to face. The individual person seems weak and helpless against corporate power, and so individuals are organizing in groups and finding advocates to speak for the unprotected. About 30 years ago the president of a corporate giant could declare: "What is good for General Motors is good for the country", but that was before the rise of consumerism. His successor today would not likely make a similar statement.

The outgrowth and extension of the large corporation in modern times is the multinational corporation, and it has become a particularly sinister form of corporate power, especially in the Third World, where weak or subservient governments are all too prone to become involved in their machinations and financial manipulations. It is quite likely that in the last two decades of the century the spread of corporate power and the multinationals will be checked somewhat and brought under closer control by wary governments, acting in response to popular demand by informed and alert citizens.

(10) *Urbanization*

The twentieth century up to 1980 has seen an enormous growth of cities all over the world, and this trend towards greater urbanization will continue until by 2000, for the first time in history, over half the world's people will be urban. In 1900, fewer than ten cities had over a million people, but now over 200 cities have a population over a million, and a growing number of metropolitan areas can count several million. Even within the 1980's the world will have 17 cities with population over 10 million each. By the end of the century we shall see in a number of countries the coming megalopolis, a city stretching continuously as far as a hundred kilometres or more. In short, modern man is a city-dweller and in the future will become all the more urban.

The balance between urban and rural is constantly changing, with the shift gradually going, for better or worse, towards the former. To take one country for example, in 1900 Japan had 40 million people, only 10 per cent of them urban; by 1970, it had 100 million and 65 per cent urban; by 2000, the population should be about 120 million and over 90 per cent will be urban.

The implications of greater and greater urbanization are, of course, incalculable and are of immense significance for co-operatives. It means a larger and larger proportion of people depending on a smaller proportion for food. In the most advanced industrial societies, the number of people engaged in agricultural production has fallen below 5 per cent of the total. One of the most obvious results is the declining political power of rural people.

But furthermore, it means a shift in public services and social influence, for while the city creates much for the benefit of all, it also claims much for itself. Many institutional services are mainly for the benefit of urban people, who tend to have the best in education, hospitals and health care, professional and public services and social amenities, while rural people often go without. Public subsidies, for medical services, education, housing and transportation, also tend to favour city-dwellers. The city also creates massive problems for the rural areas, in water supply, pollution, disposal of garbage and waste, and in distortion of land values. But most of all perhaps, it also robs the rural countryside of its potential leadership, and in this sense may be said to live off the rural parts.

Finally, when a civilization begins to deteriorate and decline, the rot usually starts in the city. Thus, urbanity and urbane living, which are generally taken to mean culture and civilized ways, must also be seen as destroyers of civilization in the end.

2. The Third World

There are good reasons for considering the Third World countries separately and in a more detailed way. They constitute the majority of the world's people and their needs and problems are not only very great but also quite different from those of other countries. Moreover, the Third World countries have special problems that affect co-operatives on a massive scale. Already there are more co-operatives in the developing countries than in the rest of the world, and in the next couple of decades there will likely be vastly more. Stated another way, if the co-operative movement of the future is going to succeed in a global way, it must do so above all in the developing countries.

We might begin by pointing out some strange anomalies about the Third World and its economies. For example, while the Third World is known as the poor world, it is also the home base of some of the richest people on earth, and the elite of these poor countries not only command enormous wealth but also enjoy great social power. This becomes a complicating factor in international aid. Also, some Third World countries are rapidly emerging as industrialized nations. Four of them, South Korea, Hong Kong, Taiwan and Singapore, now called the "New Japans", have reached the level that their exports are impinging on the manufacturing industries of the older developed economies. And while we usually think of India as one of the poorest of nations, at the same time its industrial output places it among the ten leading manufacturing countries of the world. The state railway system of India is the world's second largest under single management and its airline system is among the finest in the world. So, a nation that is poor on a per capita basis may be advanced in other respects.

Some of the main facts and indicators of the Third World are these:

- The future of China and India is crucial since together they make up about 40 per cent of the world's population. Indeed, it should be noted that over half the world's people live in only four countries, and their position in world affairs is central.
- The present imbalance in world economics can be quickly told with just four numbers: the Western nations have 20 per cent of the world's people but 60 per cent of its industrial output, while the Third World has 50 per cent of the people but only 10 per cent of the output.
- It is now well recognized that the so-called gap between rich and poor nations is not closing but becoming ever wider. Though there are some bright spots on the development horizon, the Third World cannot "catch up" in the foreseeable future or at the present rate. Only earth-shaking changes can correct the imbalance between the haves and have-nots, and the present world situation gives little hope for the aims of a New Economic Order. In some countries, especially the poorest 40 or so, a whole new economic and social infrastructure will have to be constructed.
- The trickle-down policies of development do not bring about much improvement in developing countries, any more than in rich countries. The poor tend to remain poor until the whole structure of society is transformed. Simple reform is not usually effective, and besides it is painfully slow.
- Third World countries generally have suffered from over-concentration on prestige projects and the wrong kind of development, often to the neglect of agriculture. Food production, rural development and employment should take priority over other sectors and interests.
- A number of negative and retarding forces continues to be a burden on Third World development. One is expenditure on arms. Half the big spenders on arms are developing countries. Their military spending in 1976 was reported to be \$56.3 billion, and it has greatly increased since then. Second, and not

unrelated to the first, is indebtedness, which is now in the range of \$300 billion and continues to increase by astronomical sums. About 20 per cent of export earnings of the Third World goes only to service foreign debts. Third is the "brain drain", the loss of many of the best trained and capable men and women through migration to the richer countries.

- In much of the Third World, land reform is one of the most pressing needs. In India it has been found that production on smaller holdings averages 80 per cent higher than on large farms. The very small and unproductive agricultural producers of the world are marginalized, not because they want to be or because they are incapable of being otherwise, but for the most part because they are victims of injustice and oppression. It is noteworthy that China feeds 25 per cent of the world's population on only 8 per cent of the cultivated land.
- Early in 1980 the report of the Brandt Commission was released to the United Nations and the world. It will be a key document on international relations during these two decades. It is especially significant that it speaks not so much of aid to the Third World as of drastic restructuring of relations between the rich nations and the poor for joint and mutual survival. It should be noted that even now, or as recently as 1978, Third World countries purchased as much as 20 per cent of the West's manufacturing output.

3. Implications for Co-operatives

This, in broad outline, is the kind of world we are entering in the last years of the twentieth century. The implications for the co-operative movement as a whole, and its various parts as well, are all-important.

- On the negative side, many individual units and sometimes whole co-operative systems are going to be hard hit in the coming years and some will have difficulty surviving. The rate of business failures in many countries has been rising sharply, and we cannot expect co-operatives to escape the onslaught of depression.
- But on the positive side, many people the world over are going to be looking for alternatives in trying times and will turn to the co-operative way, as they did in large numbers in the Great Depression of the 1930's. These two decades may well be a period of unprecedented growth for co-operatives, in terms of the number of people involved.
- In some areas of general public need, housing and health services for example, as governments cut expenditures in order to retrench, people will be inclined, and in some places compelled, to organize co-operatively to take up the slack.
- If the anticipated economic depression becomes severe, voluntary and unpaid labour will become a proportionately larger part of the economy. It is already much greater than we imagine. From the time a mother wipes a child's nose to the time when a volunteer community worker assists a helpless pensioner, unpaid work is an important factor which is reflected but does not appear in official statistics. The GNP could decline while the standard of living is actually rising.
- If many co-operatives get into trouble because of a declining economy, various co-operative systems should consider establishing rescue units and salvage teams to help member organizations.
- Assistance to co-operatives in the Third World may be seen more as a responsibility of the movement itself than of international aid bodies and UN agencies.

- The economic outlook for the 1980's and 1990's is sombre indeed. Rising energy prices are bound to accelerate inflation and, as trade unionists try to maintain their living standards by seeking higher wages, governments may try to contain inflation with tough monetarist policies. Such policies are likely to lead to more unemployment in industrialized countries, where it is already high. We may be confronted by the hunger of millions, combined with large food surpluses elsewhere, and an accumulation of petrodollars in the oil-rich countries that will make competition for markets even tougher than in the past, perhaps combined with continuing monetary chaos.
- Against this background, co-operatives have to compete with the growing power of giant transnational corporations which increasingly dominate the world economy. In this situation, co-operatives seem to have two disadvantages which derive directly from co-operative principles. In the first place, the return paid on capital is limited, so that the real return dwindles with inflation. This makes it even harder for co-operatives to raise capital from their members. Other corporations have a "hedge" against inflation, since the return they can pay on capital is unlimited and tends to increase with inflation. Second, because of its democratic character, decision-making in a co-operative is necessarily somewhat slower than in the private sector. In an ordinary corporation, power is concentrated at the top. A co-operative may have good professional management and may take quick day-to-day decisions in the interests of the membership; but in matters of major decision-making, the membership will wish to be involved. Thus, their democratic character may sometimes place co-operatives at a disadvantage.
- Moreover, in tough competitive conditions, both nationally and internationally, victory will tend to go to the stronger, and the resources of huge companies are immensely greater than those of co-operatives. Moreover, because of their size, the private companies often have advantages deriving from the economies of scale. This greater strength seems to stem from the tendency of companies to plough back a higher proportion of earnings than co-operatives. In short, capital formation will likely continue to be more difficult for the co-operative sector in Western society in the years to 2000, and federations of co-operatives may be at a disadvantage in competing with large firms and integrated corporations. There will thus be a trend towards further structural change leading to greater integration and centralization in some co-operative movements. Already in Austria, for example, regional consumers' co-operative societies have merged into a single national society.
- A major expansion of co-operatives in general and of industrial co-operatives in particular may be of great relevance to the problem of coping with inflationary conditions. In their approach to the problems of inflation, governments have tended to alternate between a tough monetarist policy and the development of some kind of incomes policy. In the 1970's there has been a trend towards protectionism to provide answers to the basic problems. Monetarist policies tend to lead to unacceptably high levels of unemployment, while incomes policies come up against trade union resistance. If industry were organized on a co-operative basis, the situation would be basically changed. There would be little point in trade unionists pressing for increases in money wages if available surpluses were coming to them anyway. Wage bargaining might tend to become a matter of bargaining between different kinds of workers, combined with discussions about how surplus earnings ought to be distributed. The conversion of industry to a co-operative basis is, of course, a formidable task and would likely take a long time.

- We thus have a paradoxical picture in which co-operatives are likely to face enormous difficulties in the tough competitive conditions of the 1980's and 1990's, but in which it may come to be increasingly recognized that co-operatives could have a major contribution to make to solving long-term economic problems. But the more equitable system required to make the economy work better is precisely the one under which co-operatives are more likely to develop: that is to say, one in which a more equitable distribution of wealth and income has made it possible for more people to save and form co-operatives.
- In considering the conditions that co-operatives are likely to face in the year 2000, we need to consider the extent to which governments and international organizations are likely to take positive steps to encourage co-operative development. If they are persuaded of the relevance of co-operatives to their own pressing problems, they may be more active in encouraging co-operative development and a wider application of co-operative principles. The task of the international co-operative movement is to show how relevant co-operatives are to the tough problems that face the world.

PART III: CO-OPERATION: THEORY AND PRACTICE

1. The Nature of Co-operatives

There is a strong tendency among co-operators nowadays to avoid theory and ideology and instead "get on with the business". But this is a mistaken attitude because every organization or institution is built, first of all, on ideas and concepts of what people believe and are willing to stand for. So in co-operatives we must see and understand the basic ideas on which they rest, for it is from these ideas they take their direction.

Co-operation as a social and economic system is not based on one specific concept or social theory but on a collection of many ideas and concepts, such as mutuality, the weak combining in solidarity for greater strength, equitable sharing of gains and losses, self-help, a union of persons with a common problem, the priority of man over money, the non-exploitative society, even the search for Utopia. Various people have expressed their views of co-operative organization with such mottoes as: "all for one and one for all", "not for charity, not for profit, but for service", "eliminate the middleman", "service at cost", "people in business for themselves". The great Japanese leader and reformer, Kagawa, called the co-operative movement "Brotherhood Economics". The overriding concept present in all co-operatives is this: a group of people, small or large, with a commitment to joint action on the basis of democracy and self-help in order to secure a service or economic arrangement that is at once socially desirable and beneficial to all taking part.

In order to fit into the great many situations in which co-operatives are being and will in the future be used, our interpretation of co-operative ideology must be broad and flexible rather than narrow and stringent. But still there must be general agreement on essentials and inexpedient elements. In other words, what are the features without which an organization cannot be considered a co-operative? We would assume, for example, that democracy in ownership and control would be one such essential feature, although there may not be agreement on how to interpret and apply it. Similarly, an enterprise which holds out the prospect of unlimited or extravagant gain to investors must be ruled out as a co-operative.

A further reason for clarifying our ideology is that people who are imbued with a missionary spirit, as many co-operators have been in the past, are not usually disposed to enquire deeply into the beliefs which they spread, for they assume they

already have the true faith and need search no further. Some critics of co-operatives refer to them as a "system of presumed virtue".

Sometimes non-essential and extraneous factors are injected into the debate on the nature of co-operatives. For example, the argument is commonly heard that a small business undertaking may indeed be a genuine co-operative, but when it becomes very large it can no longer be considered a true co-operative. This paper will take the view that size is not the determining element, even though meaningful participation is more difficult in a large organization. Ten poor fishermen using cast nets and selling their fish together as a group can, it seems, readily form a co-operative, but so also can five hundred fishermen using large boats and expensive gear who wish to sell their catch co-operatively. Both can be true co-operatives though one is more complicated and difficult than the other to manage. So, size alone is not the distinguishing element.

Legal requirements and corporate structure may also distort the true nature of a co-operative, which is essentially much closer to an association than to a corporation. In other words, though a co-operative is legally constituted as a corporation, it finds its true nature when it bases practice on the concept of association. An ordinary corporation may exist and operate from its own detached power-base, but a co-operative cannot exist apart from a body of people who are its members.

It should be noted too that the very nature of a co-operative changes many concepts and methods adopted from other forms of business. A share means one thing in capitalist business but something different in a co-operative. Strong reserves may yield a handsome capital gain in a conventional corporation, but no such gain in a co-operative. So also with profits, competition, dividends and even advertising, the nature and purpose of co-operatives have the effect of changing these or may do away with them entirely. In the years ahead, the growth and survival of co-operatives will likely depend to a great extent on how faithfully they adhere to certain characteristics that identify them as co-operatives.

The nature of Co-operation has been described and defined in countless ways. One of the most satisfactory and useful definitions is given to us by Charles Gide: "A co-operative is a grouping of persons pursuing common economic, social and educational aims by means of a business enterprise".⁽¹¹⁾

2. Principles

We do not need to go over the Rochdale Principles and try to interpret them in great detail, but it seems necessary to bring out a few salient points as they relate to the problems of co-operative development in the years ahead.

The ICA and its constituent parts have been wrestling a long time with the problems of elucidating co-operative principles. Throughout the 1930's especially, while the world reeled under the impact of economic depression and ideological conflict, co-operators sought to clarify the claims and objectives of their movement. The ICA Congress of 1930 in Vienna established a special committee to enquire into the whole question of principles, and the subject was hotly debated in the Congress of 1934 in London, but it was not until 1937 in Paris that a satisfactory statement was adopted. Controversy over principles arose again in the 1960's, leading to the present formulation adopted in 1966 in Vienna.

But doubts remain about the present official formulation, set forth in six principles, and many co-operators feel that this statement is somewhat less than fully satisfactory. The trouble with many statements of principles arises mainly from two defects:

- (i) they have tried to raise current practice to the level of principle instead of identifying the principle itself; and

⁽¹¹⁾Charles Gide (1847-1932), eminent French co-operator.

- (ii) they seem to be based chiefly on consumers' co-operatives and do not apply as well to other types, for example agricultural, workers' and housing co-operatives.

Various attempts have been made to improve upon the present formulation and it is hoped that the effort will continue until the basic moral and ideological pillars of the co-operative system have been set in place. The reformulation of principles made by the late Maurice Colombain, published by the ILO in 1976, is suggested as a good place to start a new examination.⁽¹²⁾ He recommended just five basic principles as applying to all types of co-operative: (1) The principle of solidarity and mutual commitment; (2) Equality and the rule of democracy; (3) Non-profit operation; (4) Equity, fairness and proportionality; (5) Co-operative education, which he interpreted in the wider sense of culture.

Of course, we do not review our ideology merely to repeat it but also to examine it critically, sometimes to defend it, but also to revise it when necessary and allow it to evolve. In a general way it can be said that methods, rules and practices, as opposed to principles, continue to have momentum in the co-operative movement long after their validity and usefulness are finished. For example, "cash trading" and "sale at current market prices" held on to their place in co-operative doctrine too long, even though they are still good rules in many situations, especially where it is important to promote habits of thrift.

Co-operative movements everywhere will require and must have guiding principles as a star to steer by in the future. The late Paul Lambert summed it up very well when he wrote: "Far from becoming outmoded, the Rochdale principles represent, in their essence, everything that is new and hopeful in our modern civilisation".⁽¹³⁾ The operative phrase here is "in their essence", for it is the essence of Rochdale rather than its outer aspect that we must seek out and identify. This is not the time to abandon or lose faith in co-operative ideology, for the future will almost certainly be a testing time for co-operatives, as for other economic systems.

3. Types, Forms and Structures

(i) *Types.* In the future, more attention will have to be paid to what might be termed the architecture of the co-operative system, its form and shape, the arrangement of its parts, and how the pieces relate to one another.

First, as to the type or kind of co-operative, one thing is very clear: the co-operative movement of the future will be made up of a great variety of co-operatives, including some kinds that don't exist or are not even thought of at present. In the last century, co-operators tended to think of and devote their energies to only a few types of organizations, and indeed usually to one kind, and many great names in the movement achieved fame by sponsoring and promoting just a single type, consumers' or workers' or agricultural credit, for example, and ignoring other fields and possibilities. This induced a doctrinaire attitude on the part of many leaders, to the point that they assigned supremacy to one kind of co-operative, usually the consumers', and placed a lower value on other kinds. This led to much controversy and friction over priority and purity of type.

Here it is suggested that no one type of co-operative should be regarded as inherently superior to another, and instead they should all be judged in relation to the particular needs and most urgent problems of the people concerned. To one group of people at a particular time, a credit co-operative may be the most valuable, to another group a consumers' co-operative, to another a housing co-operative, and to yet another something different from all these. Thus, a particular kind of co-operative derives its value and priority, not from an abstract doctrine but from its human usefulness in time and place.

⁽¹²⁾"From the Rochdale Rules to the Principles of Co-operation". *Cooperative Information*, 3/76.

⁽¹³⁾*ILO Review*, August 1958, p.169.

A great deal of effort has been wasted in the past, particularly in situations of serious underdevelopment, trying to establish certain kinds of co-operatives for a theoretical or visionary value, when some other and perhaps simpler type should have been attempted first. What we must look forward to is the multiplication of types, so that people elsewhere can enjoy the benefits of co-operative organization as both consumers and producers, and in many fields of everyday need, e.g. housing, medical and health services, insurance, credit, transportation and so forth.

The vision of a co-operative commonwealth can probably never be realized on a macro-scale, at least certainly not by the end of the present century. But in countless communities it can be established at the micro-level by having a wide variety of co-operatives involving great numbers of people, and indeed this has already happened in many places in the world.

There is also the alternative of the multipurpose or multifunctional co-operative at community level to be considered, and there is some evidence that this is the way a great variety of co-operative services will be made available to large numbers of people at once under a single umbrella organization. This has already been done in the rural parts of Japan with success. However, it should be noted that co-operatives with a fixed or specialized membership, as in workers' and housing co-operatives, cannot be fitted into the multipurpose type with community-wide membership and should therefore be separate.

(ii) *Forms.* A vital matter for co-operatives that is becoming an almost universal problem and is bound to loom larger all the time is that of size and greater complexity brought on by rapid growth. As long as co-operatives remained rather small neighbourhood organizations, as most of them were in the early decades of the century, they were generally pretty stable, even when resources were weak, and most of them were able to overcome great difficulties because of their simplicity and the loyalty of members, who, for the most part, knew one another well. But that is now changing fast, and the dominant form of successful co-operatives in the future will likely be large size. But this need not apply to certain types; for example, many workers' co-operatives and most housing co-operatives seem to operate best when kept relatively small. For the rest, the central problem will be how to cope with bigness and how to ensure that the co-operative character is not destroyed by size.

There is strong reaction in our day against the institutional power and sheer size of big organizations of all kinds, and co-operatives are no exception to this attitude. So, all leaders and especially boards of directors must be alert to the dangers of alienation brought on by growth and large size. Co-operatives must not pursue growth merely for the sake of power. Mergers should not be pushed only to get bigger, but for other and better reasons. Where management has to be centralized for greater efficiency and savings, policy-making must be decentralized to retain democratic control. Large organizations need a great deal more attention to education and communication with members. The bond between co-operative and members must not be allowed to weaken just because of growth.

And while mergers may be necessary for greater strength, breaking large co-operatives into smaller units may be the only alternative in the interest of democratic participation and personal involvement. Here it should be noted that merger for greater strength is not the only alternative and that voluntary federation in a secondary society is a prime example of the principle of "Co-operation among Co-operatives".

In an age of frightening corporate power, co-operatives must avoid the accusation now often heard: co-operatives are only another "Big Business" like the rest!

(iii) *Structures.* A striking feature of the architecture of the co-operative system in the past century has been the building of secondary organizations of various

kinds, and then further combining into tertiary, regional, national and even international organizations. This is the most natural and logical thing imaginable: as individual persons come together to form primary societies, so these in turn combine to form secondary co-operatives and federations. In the process, power and control usually move upwards and away from the basic co-operative and its members. In time the secondary or tertiary co-operative becomes the seat of power, and the primary or local co-operative must conform to its dictates in order to survive. Sometimes the upper tier enters into arrangements involving other levels that may lead to the collapse of the whole structure. This is what happened in the case of Co-op Nederland in the last decade.

About all that can be said here, in addition to emphasizing that the principle of democracy must carry through to all levels of the movement, is that control mechanisms for federations and other associations of co-operatives have yet to be worked out satisfactorily, and must be attended to in the years ahead.

The movement will also have to give greater attention to the need for international associations in a wide range of business activities. A strong start has already been made at the international level in insurance, in Europe in the mass purchasing of consumer goods, and in North America in agricultural research and farm supplies. In some situations it may be necessary to have "reserve operations" for national systems that get into serious trouble.

There also remain a number of unanswered questions and problems about co-operative organization; for example, what about organizations that operate co-operatively but are not called co-operative? and the reverse, those that call themselves co-operative but are not? Can an organization owned by another, e.g. a trade union, be considered a true co-operative? This paper takes the view that it cannot. Can a number of private businesses be joined to form a secondary organization that is called co-operative? Some can, others cannot; it all depends on the nature of the business and the way they are organized.

The architecture of Co-operation is far from perfect. Perhaps it can never be made completely satisfactory but certainly it can be tidied up and made more in accordance with its professed principles. The remaining years of this century will be filled with great changes and experimentation, and co-operators will need to be assured of the control structure of their organizations. It is a common error to suppose that something is a co-operative because it is so called.

4. The Democratic Character

In the section on the nature of co-operatives, it was stated that democracy should be considered one of the essential elements of the co-operative system and that, lacking this element, an organization cannot be considered a true co-operative. But then, we are faced with many difficult and controversial questions, like these: How does co-operative democracy reveal itself in practice? How is democracy expressed and exemplified? How does a co-operative or a system of co-operatives measure its democratic character or prove that it is genuinely democratic? or, How can it improve and strengthen its democratic quality?

Many co-operators, sometimes even experienced and well informed, when asked to explain the democratic character of their movement, have only one thought in mind: the right of each person to a single vote, for they imagine that the principle "one member, one vote" says all that needs to be said about democracy in co-operatives. But this paper will take the position that this familiar Rochdale principle, basic and essential though it is, enshrines only one facet of co-operative democracy, for the democratic character of co-operatives appears and must be tested in many ways besides membership meetings.

The various ways in which the democratic character may be judged and its many ramifications in co-operative organization are suggested by the following:

- Membership in a co-operative is never by coercion but always by volition.
- The concepts of open membership and non-discrimination are basic to democracy in co-operatives.
- There must be among the members a certain degree of comparability and a bond of association on which to base solidarity. For example, a membership of 500 poor farmers holding 2 hectares each and five rich farmers holding 2000 hectares each is an unlikely foundation for an agricultural co-operative that is going to be democratically controlled, even though the large volume of business of the bigger producers may help to make the co-operative viable.
- Democracy is measured by involvement of members as well as by the counting of ballots.
- In a co-operative that is fully democratic, only the members, the actual users of the service, have the right to nominate and elect officers and directors.
- A democratic co-operative has effective educational programmes and opportunity for leadership training at all levels.
- In a democratic co-operative, women do not occupy positions in a token way as women but in a complete sense as members. There is no distinctive “role for women”, just as there is no separate “role for men”.
- Democracy is less than complete in a co-operative in which there is no democracy in the workplace among employees.
- There is usually a higher level of democratic participation in co-operatives that provide for automatic rotation of directors by bye-law.
- By strict democratic procedure, auditors are appointed by a membership meeting and report back to the members. Distribution of surplus must also be decided by the members, though of course the board may make a recommendation. Furthermore, members in general meeting have the power to appoint committees that report to the membership as well as to the board.
- A democratic co-operative grants no special favours or privileges to officers and directors that are not available as well to all members.
- If a co-operative needs to own a subsidiary company, provision is made for representation of users on the board of directors and various committees.
- In a true co-operative, supreme authority must rest with the membership.
- The democratic character of an organization may be judged by the free flow of information to members and the opportunity given to them for feed-back and input into policy-making.
- In a co-operative that is concerned for democracy, all reports and information are in such a form as to be readily understood and are made available to any minority group of members of significant size in their own language.
- Democracy is at its best in organizations where great power is not lodged in one person, an elite group or a small clique. Vital decisions are made by consensus rather than by hierarchic command. The depth of democracy can be judged by the extent to which decisions originate from suggestions made at the base of the control structure.
- In a democracy, experts and technocrats are consulted, advise and recommend; laymen then decide.
- “In a democracy it is not essential or even desirable that citizens should agree, but it is imperative that they should participate.” (Eduard C. Lindeman).

In short, the concept of democracy is exemplified throughout all aspects of co-operation organization, in addition to voting under the rule of "one member, one vote" at meetings. The ideal co-operative of the future will not be a tightly controlled hierarchy of powers, but essentially a democracy in both structure and operation.

5. The Dual Purpose

Leaders and writers in the co-operative movement over several generations have stressed the doctrine that co-operatives are different from ordinary corporations and capitalist business in general by virtue of their dual purpose, since they are not merely business but business with a social as well as an economic aim. This concept of economic objectives united to a body of social ideas is, in fact, one of the pillars of co-operative philosophy. A leading economist of the last century, Alfred Marshall, expressed it thus: "Other movements have a high social aim; other movements have a broad business basis; Co-operation alone has both".⁽¹⁴⁾ A former director of the ICA, writing in 1962, went further still in emphasizing the social side of co-operatives when he wrote: "The real difference between Co-operation and other kinds of economic organizations resides precisely in its subordination of business techniques to ethical ideas. Apart from this difference the movement has no finally satisfactory reason for its existence."⁽¹⁵⁾

However, though they are both economic and social in their aims, co-operatives are primarily economic and must succeed in business in order to continue at all. A co-operative that fails in a commercial sense can hardly be a positive influence in a social way, especially if it must close down operations. Thus, while economic and social are as two sides of a coin, viability as sound business must enjoy prior claim; and in Third World conditions especially, co-operatives must first prove that they can be of economic benefit to people in great need.

Most co-operators will subscribe to the belief that theirs is a business with a difference and that the distinction must be maintained to justify loyalty and support, but almost all will agree that keeping economic goals and social ideals in balance is never easy. A fairly common situation is the co-operative with a divided membership, some members urging greater attention to strictly business matters and others calling for more attention to social concerns. Idealism and business frequently make strange and uneasy partners. In fact, within the co-operative system there is always some tension and at times open conflict between two camps, those who are all for strictly business and economic gains, and those who wish more involvement in social reform.

In some countries in Western society, there are now two quite distinct movements, one of rather large, tightly structured and well established co-operatives whose aim is to compete successfully with capitalist business, and the other, a fairly loose and informal network of relatively small co-operatives which, more or less, ignore the ways of capitalism and aim to fulfill social and community aims instead.

The choice between the two extreme viewpoints is never easy. The co-operative which is all enterprise and no social purpose will likely survive longer than the other but will gradually weaken and disintegrate in the long view; while the co-operative which puts great stress on its social mission and neglects sound business practice will probably collapse rather soon. What is needed, of course, is commonsense balance in the whole system, a blending of economic and social, of business and idealism, of pragmatic managers and lay leaders with vision.

A very common problem with many directors and managers is that of identifying the social concerns and activities that are appropriate for co-operatives. We usually know how to judge co-operatives on the economic side and tell how well or

⁽¹⁴⁾ Alfred Marshall (1842-1924); from an address in Ipswich in 1889.

⁽¹⁵⁾ W. P. Watkins, in the *Review of International Co-operation*, March 1962.

how poorly they do: the balance sheet, operating efficiency, satisfactory service, careful accounting, best use of capital, and all that; but how are we to judge a co-operative on the social side? Who is to say whether it is socially efficient? Where is the balance sheet for social concerns, for the elements that we feel and sense but cannot count or calculate?

Co-operatives of the future that wish to match economic with social efficiency would be well advised to keep a number of guidelines in view. The co-operative that scores high from a social standpoint:

- Assists in programmes that help to create community spirit and is involved in broad human and social problems outside the narrow confines of the business;
- Has great concern for education in the broadest sense—and indeed the social impact of a co-operative can usually be gauged by the vigour of its educational activities;
- Does not permit racial or religious discrimination in its employment or operating practices;
- Is associated with democratic and humane causes that benefit other people besides the members;
- Has concern for the poor and makes special provision for helping poor people to become members and benefit from the co-operative;
- Is known as a fair and just employer and a good corporate citizen in the community;
- Supports programmes of international development to help co-operatives in the Third World.

Of course, common sense tells us that there is a limit to what any co-operative can do in the vast field of human welfare and social need. There are situations and conditions far beyond the strength and capabilities of a single co-operative or even many combined. It is better for a co-operative to accept its limitations and attend to what it can do well, than to try to change the whole world and all its woes, and fail in fruitless effort. But this said, there is still a great deal any and every co-operative can do to prove it accepts the idea that Co-operation is a balanced mixture of business enterprise and social concern.

6. Co-operatives and the State

There are several reasons why this is one of the most difficult subjects to deal with in discussions of co-operative theory and practice:

- (i) It is the major area of ideological difference and dispute within the co-operative movement as a whole.
- (ii) There is the widest possible variation from one country to another, from those in which co-operatives are relatively free from state control and political interference, to those that are wholly dominated and directed by government and officials.
- (iii) The question itself is a complex one, since the situation varies not only from country to country but also from region to region within a single country, from one type of co-operative to another in most countries, and from one set of circumstances to another at different times.

In short, this is a subject on which there can be no easy answers. Almost every pat and dogmatic statement that is offered on the question needs to be examined carefully and usually must be qualified. What seems to be the correct policy to follow or position to take at one time and place will perhaps never apply exactly at another. The best that co-operators can do is to set broad and flexible guidelines and then

allow national or regional movements to declare their policy and various sets of circumstances to dictate pragmatic and reasonable courses of action.

This has been a subject for discussion, study and debate within the Alliance from the beginning of the present century. It was one of the principal topics on the agenda of the 1904 Congress, held in Budapest, with delegates from 22 countries in attendance. At that time the major question was whether co-operatives should accept assistance from government, and the danger of such assistance influencing co-operative policies and objectives. Since then, the whole question has become vastly more complex and controversial, chiefly because of (a) the coming to power of governments exercising central control over the whole economy and most, if not all, business activity; (b) the effort by governments in the newly-independent and poorer countries to use co-operatives as an instrument of rapid economic development; and (c) the growth of co-operatives generally in the last century and their spread in a variety of forms until they touch upon almost all aspects of the national economy in countries where they are well developed. Of one thing we can be fairly certain: the points of contact between co-operatives and the state over the next twenty years will be greater than ever, sometimes in disagreement, sometimes to mutual advantage, and frequently, we hope, for the common good.

This question will reappear in later sections of the paper, but at this stage, while reviewing the general subject of theory and practice, a few of the more important points in the case for co-operatives should be stressed:

- The co-operative movement recognizes the obvious fact that there can be no such thing in organized modern society as *absolute* freedom in economic affairs. Clearly, the state, as represented by the government in power, is responsible for the fiscal management of the national economy. Below that level of control, co-operatives must be autonomous and self-governing.
- In the ideal setting, a co-operative is essentially an organization and instrument of free people, free in the sense that they may enter into business arrangements for their own good and benefit as long as they do not contravene the laws of the state or the rights of others.
- Co-operators have a rightful claim on the state for:
 - (i) Suitable legislation that permits them to organize and operate business enterprises according to the basic principles and methods of Co-operation;
 - (ii) Recognition by the state confirming their legitimacy alongside other forms of business; more specifically, co-operators do not accept the view held by some governmental and legislative bodies that co-operatives are to be regarded as an aberration from “normal” business;
 - (iii) Protection and assistance from the state on behalf of people in need of special help who wish to join and form co-operatives.
- It is one thing for a government rooted in democratic traditions to befriend co-operatives, but quite something else for a regime holding power by despotic force to adopt co-operative organization as an additional instrument of power over people.
- Governments have to learn that they can't do everything, and one form of enterprise that is beyond their power to run properly is a co-operative. “The experiments multiplying before our eyes show that, no sooner does the state undertake the organisation of the economy, than it has to recognize the limitations of its own power and competence.”⁽¹⁶⁾
- The co-operative kind of business becomes sluggish under the heavy hand of bureaucracy. The co-operative mystique is like quicksilver: put an official finger upon it, and it slips away.

⁽¹⁶⁾ Georges Fauquet, in *The Co-operative Sector*.

- The state should see that the more citizens do for themselves by way of production and other economic functions, the less will be the burden on the state and its apparatus.
- The extreme and most offensive intervention^f in the affairs of co-operatives comes from government when the political party in power is able to use co-operatives for its own benefit and advantage. Something very precious is lost when politicization of life goes so far that it becomes impossible to distinguish between the state and society.
- Governments and co-operatives should look for collaborative arrangements in enterprise and public service, one complementing the other, with government filling the functions that only government can perform, and co-operatives doing what co-operatives are best able to do.
- On the positive side, there is much that governments can do to promote co-operatives in a sound and helpful way, and indeed there are many examples all over the world of government assisting co-operatives without dominating them. The service of USDA in the United States is a prime example of state encouragement to agricultural co-operatives in a helpful, positive and non-intrusive way.
- During the twenty years ahead of us, assisting and advising governments on relations, arrangements and procedures as between co-operatives and the state should continue to be one of the larger tasks of the International Co-operative Alliance.

The subject "Co-operatives and the state" was again a major topic for ICA discussion, at the meeting of the Central Committee held in Copenhagen, 11-13 September 1978, and a record of the presentations and debate has been published by the Alliance.

7. The Co-operative Sector

Co-operative organizations began to take root and grow in the nineteenth century at a time when there was very little state or public enterprise as we know it today, and co-operatives were started solely as an alternative to private business or capitalism. The pioneers of the movement spoke of and planned for the day when the co-operative system of business would gradually win over so many followers, it would be in a dominant position, and would then exert its influence in all fields and finally build a co-operative commonwealth.

There are few co-operators today who have this utopian vision of creating such a commonwealth, at least on a macro-economic or national scale, even though it is still possible and indeed highly likely at the micro-economic level in local communities and small regions. For two changes especially have taken place since the Rochdale Pioneers in England and early co-operators in other countries dreamed of creating a commonwealth: (1) all countries of the world have been organizing many forms of state or public ownership, often at subsidiary or municipal levels, and in some countries public ownership has become the dominant form of business and industry; and (2) capitalism too has changed, or has been forced to change, by power of the state or by employees or by force of public opinion, until it has softened somewhat and is sometimes quite acceptable, even though some of its more objectionable aspects are still as rampant as ever.

In modern times, therefore, the leaders of the co-operative movement think of their system of business in a new light and a more realistic way, as operating in co-existence alongside both public and private enterprise, and the three together forming the total economy. This we usually refer to as the mixed economy, and the co-operative portion is known as the co-operative sector. The proportion of each of the three parts varies greatly from one national economy to another, and in some countries one or

other of the sectors may be very small or scarcely existent, while a dominant sector may be overpowering.

There are some leaders and theorists in co-operative circles who reject this concept of the co-operative sector, but this paper sees it as the pragmatic and normal arrangement in most parts of the world in the future. The co-operative sector viewpoint may be summarized as follows:

- No one sector alone, public, private or co-operative, has been able, up to the present, to solve all economic problems and provide the perfect social order, nor have any two alone. The three together, working side by side and complementing one another, may be able to achieve the best that is humanly possible.
- This theory assumes there are certain functions that can be best performed through public enterprise, and so belong to the state or government at some level. But so also, a very large part of the economy can be owned and controlled directly by groups of people, small and large, organized co-operatively. Similarly, there are certain areas of the economy that seem to respond best to private business and can be safely left to entrepreneurs.
- Co-operatives and government in complementary roles and functions can frequently supply essential public services in the most efficient and satisfactory way. Wheat marketing in Canada, rice marketing in Japan, housing in Poland and rural electrification in U.S.A. are just four examples of this kind of collaboration selected from many, and it is quite likely that this kind of economic arrangement will become more and more common in the future. However, in entering into and operating under all such joint arrangements, co-operative organizations will resist any tendency towards absorption by the state.
- In its ideology, the successful co-operative of the future will be a mixture of pragmatism and idealism, entering into advantageous arrangements with private business for practical reasons, but still uncompromising in its opposition to the main drive that motivates capitalism, that is, the urge for profit-making. It may be noted that one of the largest co-operative wholesales in the world sells as much as 35% of its manufacturing output outside the co-operative system, and we can assume this is a beneficial arrangement for both sides.
- Ideologically, the co-operative sector occupies the middle ground between the other two sectors, in some respects resembling the public sector and in other respects the private, and in general attempting to adopt the most desirable features from both.
- In the co-operative sector context, co-operatives do not stand and are not thought of as a modification of capitalism, but essentially as an alternative to it. But in the past, it must be admitted, too much of the development pattern of co-operatives has been dictated by the example and models of capitalist business, as seen by the terminology, structures, methods and even the titles adopted into the co-operative system.
- While co-operatives stand distinct from private business and are opposed to many of its aims and methods, co-operators recognize that there are gradations of capitalism in the social order. Some private enterprise is grasping, ruthless and thoroughly anti-social, but some too is supportive to the community and not at all exploitative or extortionate in its ways. It should be the goal and purpose of co-operatives to root out and replace the one but not necessarily the other. Some private business of the small and entrepreneurial type is what we might call capitalism in its benign form and is not fundamentally an enemy of Co-operation, though in Third World countries it is the

small traders, especially the moneylenders, who are usually found to be the most rapacious.

- The co-operative position vis-a-vis the state on the one hand and the private sector on the other may, of necessity, have to be at times ambiguous and shifting. Where government is open, democratic and progressive, co-operatives will find many opportunities for agreement, concurrence and joint ventures with the state; but in countries where the government holding power is authoritarian and repressive, the co-operative movement may well be forced to seek alliances with the private sector in order to secure a more just social order, except, of course, in those countries where the regime in power and the private business sector are allies. Let us be clear and unequivocal about it: the ideology of Co-operation is threatened from two sides, extreme statism on the one hand, and overpowering, grasping capitalism on the other.
- Much of the controversy about whether co-operatives are socialistic or capitalistic is futile, for the simple reason that the co-operative system need not justify or explain itself by relation to something else, any more than a river needs further explaining because it does not have its source in a lake.
- It should be noted that the sixth principle in the present formulation of co-operative principles, adopted officially in 1966, ("Co-operation among co-operatives") is a statement in support of the co-operative sector concept.

8. Ideological Differences

There remains one question to be discussed in the matter of theory and practice: the fundamental difference between the co-operatives of the Western countries and those of Eastern Europe as a group, and those of the developing countries as a second group, because of connections with the state and the political party in power. It is commonly accepted that the three groupings are in worlds apart in this respect. Let us first consider co-operatives in the socialist countries of Eastern Europe.

Like other institutions, co-operatives tend to take their character and features from the general environment in which they exist. They have the chameleon power of matching or imitating the colour and hue of the milieu in which they are located and have to live. Thus, every co-operative is in some way or another a reflection of a certain cultural and political background, and indeed must fit into its own society in order to survive. This accounts for the considerable difference in co-operatives from one country to another, and seen from a global perspective the variation is great.

This leads some observers to look at co-operatives in another country and judge them to be so different from co-operatives in their own, they may wonder whether those are co-operative at all. Thus, a co-operator from Western Europe or America, assessing co-operatives in Eastern Europe, may condemn them outright because of the influence of the state and the ruling political party. But it is not the view of this paper that co-operative movements in Eastern Europe should be written off, as many outsiders from the West believe, for in truth they only reflect their political environment in much the same way as co-operatives in the Western world reflect theirs. It can be argued that the co-operatives of Poland or Hungary, for example, are affected by the dictates of their setting only to the same extent that co-operatives in Britain or U.S.A. accommodate themselves to the dictates and ways of dominant capitalism. Indeed, there are places and situations in the West where co-operatives regard themselves as simply a variant of the capitalist system, or even capitalism in a regenerated or corrected form.

There is much to be gained, not only ideologically but also commercially, from a free interchange of ideas and information and from detente between the two sides of the global movement that calls itself co-operative; and bringing the two

viewpoints together in a clearing-house where they can meet for dialogue should continue to be one of the most important functions of the International Co-operative Alliance, though this was hardly conceived as one of its purposes when it was founded.

One of the matters that should be corrected is the common misconception that co-operatives in Eastern Europe are of rather recent origin and owe their conception to the present political regimes. The historical fact is that co-operatives were begun in many parts of Eastern Europe in the first half of the nineteenth century and were already well established in several countries before the beginning of the twentieth. Of course, the pace of co-operative development in Eastern Europe has been greatly stepped up in the last thirty years and given a strong political orientation, because government in all these countries has made co-operatives, at least certain types of co-operatives, a firm plank in their official economic blueprint, and co-operative leaders and spokesmen on their part regard co-operatives as an essential arm of a fully socialist society. In the West, the co-operative system has to fight to find a place in the economy and has to fight to keep it; in the countries of the Eastern bloc, it is given and secured by the state.

The situation in the developing or Third World countries is in some respects generally the same as, but in other respects quite different from, that just described. In the large and influential presence of the state and government bureaucracy, it is generally much the same. And it is somewhat ironic that many co-operators of the West, who condemn co-operatives of Eastern Europe because of the presence and tutelage of government, have no such reservations in developing countries where official power is just as great, if not greater, as long as their international alignment is towards the West.

A basic difference, however, is that, unlike co-operatives of Eastern Europe, co-operatives of the Third World rarely enjoy the privilege of being in a monopoly position by virtue of exclusive business franchise. Thus, Third World co-operatives ordinarily must operate under the strict control and rules of government but at the same time compete with private business that may be more or less free, and so in this way may be said to have the worst of both worlds.

Further comments on co-operatives in Third World countries:

- The ideal guideline for co-operative development is given in Recommendation 127 of the International Labour Conference at Geneva in 1966. It reads in part: "Governments of developing countries should formulate and carry out a policy under which co-operatives receive aid and encouragement, of an economic, financial, technical, legislative or other character, *without effect on their independence*".
- If it becomes state policy to employ co-operatives as an instrument of economic development in national planning, this should be done in consultation with experienced persons in the co-operative movement, and not unilaterally by state planners. Co-operatives are not always and automatically the best means to use in situations of extreme underdevelopment.
- A system of genuine co-operatives operates as a liberating force in society. Co-operatives that only lead to increased regimentation by the state and interference by its officials are more in the nature of quasi-government institutions and should be so regarded. Furthermore, their social and educational value to developing peoples is usually minimal.
- "A 'government-promoted co-operative movement which is not becoming increasingly capable of standing on its own proper economic basis and running its own business safely and successfully cannot be other than a burden on the State.'"⁽¹⁷⁾

⁽¹⁷⁾ *Co-operative Information*, ILO, No.2, 1965.

9. Implications for the Future

1. It is important, and indeed imperative, for the co-operative movement to clarify and make known the fundamental concepts, ideology and moral claims by which it operates.
2. The principles of Co-operation need to be formulated as a statement of fundamental precepts rather than operating rules, and set out as an irreducible minimum that applies to all types of co-operatives.
3. The future will call for a great variety of co-operatives of all sizes, with special accent on the multipurpose type at community level.
4. The democratic character of co-operatives must be secured in all aspects and at all levels of the co-operative system.
5. Co-operatives that are not only economically efficient but also socially influential will have the most appeal for the new age.
6. Interaction between co-operatives and the state will be greatly increased and intensified in the foreseeable future.
7. The future development of the co-operative system can be assured only through the building of a cohesive sector in the economy of each nation.
8. In the global co-operative movement of the future, there must be room for a wide range of ideologies.

PART IV: THE PERFORMANCE AND PROBLEMS OF CO-OPERATIVES

In this part, the aim will be to assess the weaknesses and shortcomings of co-operatives, to point out where they are falling short of promise and expectations, and to suggest where there is room for improvement. Though it may appear to be a negative recital of defects, it should be seen rather from the positive side as indicating a self-examination aimed at improvement and progress leading to much stronger co-operatives, both as movement and business enterprise, by the year 2000.

1. The Commitment of Members

The foundation of a co-operative rests in a group of people with a common need which they undertake to satisfy by making a commitment to act together in a united way. This commitment must be especially strong when it touches on a vital part of life and living. Thus, in a workers' co-operative commitment must be total, or nearly so, because it means one's livelihood. So also in a housing co-operative—it is a family's home. Also, in many agricultural or fisheries co-operatives, the attachment of members to the organization tends to be strong because of income and livelihood. The individual person usually has to associate with others in order to survive. Martin Buber says: "The individual clings desperately to the collectivity."⁽¹⁸⁾

Commitment is the life-blood of a co-operative, and where it is lacking or weak the organization declines. The difference between 500 people posting their letters in a certain mail-box and 500 buying their food in a consumers' co-operative is that the latter requires a commitment which the other does not. The strength of the bond between member and co-operative is the measure of its success, and obviously is of great importance in accumulation of capital.

Lack of commitment on the part of many members is a common complaint in recent times, especially in consumers' co-ops. Many members just do not seem to care or are casual about their membership. Loyalty is often strained. The fact that many co-operatives must resort to commonplace product-advertising is an admission of weakness, or loss of commitment on the part of members.

⁽¹⁸⁾Martin Buber (1878-1965), in *Paths in Utopia*.

The reasons are many and are often subtle and complex. For consumers, it may be the presence of an alternative service; or it may be the acceptance of non-member business, which leaves the members with little advantage to show. In some situations the changing nature and value of the dividend has had an effect on commitment. An old co-operator in Britain puts it this way: "In the co-ops nowadays we have only customers, not members".

Whatever the cause, the factor of commitment is vital, and when it is deteriorating must be studied and perhaps made a subject of careful research.

2. Democratic Participation

Another weakness and common worry in co-operatives in recent times, often though not always related to commitment, is declining participation by members. Even in the last century it was noted in some kinds of co-operatives that participation was on the decline and democratic control thus being diluted. The general situation in many co-operatives, perhaps the majority, is that a rather small percentage of members attend meetings, and in some it is difficult to attract the necessary quorum for a general meeting. If participation is an index of vibrant democracy, then far too many co-operatives could be described as undemocratic.

It is fairly easy to identify many reasons for declining participation. Growth itself and structural change to larger societies make participation more difficult. Unless there are mechanisms for decentralizing members' activities, the complexities of large size are a discouraging factor. Like dinosaurs, organizations and institutions can grow too big for their own good. Moreover, the extent to which members can or will take an active part in a single-purpose co-operative is often limited. Cultural traditions may discourage participation by some members, for example, women or youth. And the presence of an external influence, domineering government officers, for example, will cause members to recede into the background and become inactive.

Profound social changes are also making it harder to interest members in taking an active part in just one corner of life's affairs. In many Western countries, it must be admitted, widespread apathy in consumers' societies results from many members having a much wider range of interests than in former days. For an earlier generation, how a family purchased a few food items was an important matter, but it no longer is for affluent middle-class consumers.

3. The Neglect of Education

It is generally agreed that neglect of education is now fairly widespread throughout the co-operative movement in most countries, and it is safe to say that the majority of co-operative systems, except in some Third World countries, are guilty of default in this respect. In many co-operatives education has been mostly a one-shot affair: intense activity and high interest at the start, and waning interest thereafter. While the business speeds into the cybernetic age, education still lingers in a sort of stone age in many places. Few co-operatives can report that educational expenditures have kept pace with business growth, and few can report that educational programmes are as vigorous as thirty or so years ago. There is usually careful attention to the need for setting up reserves to take care of depreciation of physical assets, but often nothing to provide for depreciation of another kind, in human capabilities. A new generation of members will not understand what the co-operative is or why it came about. Goethe says: "One does not possess what one does not comprehend".

Generally speaking, it cannot be denied that education has suffered by being left in the hands of management, where it does not belong. The prime responsibility for education should rest with the board of directors, and the education department or educational personnel should report directly to the board; and education is a particular

function which busy presidents might delegate to a vice-president. In the first place, of course, it is the duty of boards to provide the budgetary funds for education, not spasmodically from surplus, but as an ongoing and continuing function of the organization. In the last century, the great political economist J. S. Mill gave as his opinion: "Education is desirable for all mankind; it is life's necessity for co-operators."

But the picture is not entirely discouraging, and the neglect of education, though obvious enough, is not complete, for there remains a certain percentage of co-operatives in all countries where imaginative educational programmes continue to bear fruit in the form of dynamic organization, capable leaders and well informed members.

4. Communicating the Message

Co-operators frequently stop short with surprise when they find that many otherwise well informed people outside the movement know little or nothing about co-operatives. To leaders in co-operative enterprise, their organizations may appear all-important; to the general public not directly involved in them, co-operatives are more likely to be something they may have heard about but understand only vaguely. For the fact is, that co-operators know how to talk to one another but not to others; they do not seem to communicate easily outside the co-operative circle. The result is great lack of understanding, and often misunderstanding, in places of influence where support is badly needed: in the universities, in government, among economists, journalists and opinion-makers in the mass media.

A particular case in point will bear this out. We can assume that Swedish co-operatives are among the most advanced and progressive in the world in the field of communication. Their literature and published materials are of a high order and circulate freely. Yet, a Swedish public research institution could write as recently as 1979: "Knowledge about the co-operative movement's actual significance is relatively limited. . . This lack of complete and intelligible information on the co-operative movement's development and background as well as current structure and activities has hampered and limited discussions on the co-operative movement's role in Swedish trade and industry."⁽¹⁹⁾ The lesson is clear enough: if this holds true of the Swedish movement, how much more accurately does it apply to less highly developed movements. In order to gain strength in the next two decades, the co-operatives of the world must learn to communicate their message more surely, more effectively. We have the ancient warning: "If the trumpet gives forth a feeble blast, who will answer the call to battle?"

5. The Images of Co-operatives

What about the images of co-operatives? What do their critics say of them? It is important that we know in order to correct wrong impressions or to mend the ways of co-operatives so as to attract new adherents to the cause of Co-operation.

We must speak of the *images* rather than the *image* of co-operatives, because they appear in many aspects, in different ways and sometimes in strange guise in various lands and places. The important thing here is not what dedicated and serious co-operators believe or imagine but rather the picture that others carry in their mind of the institution called co-operative.

- To some, the co-operative is a retail shop with the identification CO-OP on it—not always the most up-to-date in town.
- To others it is a class institution, mostly for "working people".
- Elsewhere it is looked upon as a farmers' organization only.
- Some critics consider it as an idea that had merit in the nineteenth century but whose day is now past.

⁽¹⁹⁾"The Co-operative Movement in Sweden". SOU (Statens Offentliga Utredningar), 1979:62.

- In some places the poor look upon the co-operative as a middle-class business that does not cater to their needs.
- In many parts of the Third World, a great many people think of it as a scheme to get money from government.
- For some politicians it is a convenient stepping-stone to greater power.
- Private business men may look upon a co-operative as a means of escaping taxes which they have to pay.
- In places where co-operatives have had a bad record, they tend to be associated with business failure.
- Very conservative people may consider them the thin edge of radical action.
- But people on the Left may look upon them as a buffer institution protecting the status quo.
- And others may brand them as just another kind of Big Business.
- While in situations where the presence of officialdom is dominant, citizens may look on co-operatives as Big Government in a different dress.

And so on—the images of co-operatives that people carry with them are legion. But each one has a meaning for co-operators: perhaps to find the grain of truth in the popular image; or to indicate the kind of information and publicity that is currently required; or to tell what is needed to orient co-operative development in a different direction. The wrong and erroneous image of co-operatives is, of course, a handicap to growth and progress, and it rests with leaders to project an image of the movement that is genuine and true to its purpose.

6. Laymen and Technocrats

In theory, co-operatives are administered and run by two quite distinct groups: on the one hand, elected laymen chosen by the members, and on the other, appointed managers and personnel selected by the board of directors. These two together make up the main leadership team of any co-operative, small or large, and in practice the concept of two-pronged leadership, laymen and technocrats, works well in many co-operatives. This is an important distinguishing feature of co-operatives, for other business tends strongly to single management and leadership of a small managerial unit headed by a dominant personality.

The success of the co-operative leadership team depends on certain factors, the prime one being mutual confidence between laymen and management, neither one trying to overstep the authority of the other, management recognizing the board of directors as representatives and spokesmen for the members, and directors respecting management in day-to-day control of the business. In the ideal situation, directors do not try to manage and managers do not dictate general policy, although they should, of course, advise the board. There is thus a balance and a division of responsibilities between the two: management ensures that the co-operative operates as a sound business, while directors, acting as custodians on behalf of the members, ensure that it operates as a good co-operative.

This is the theory and the ideal. The great weakness in too many co-operatives, however, especially in large-scale organizations nowadays, is that the balance is tipped towards management, and technocrats gradually take over policy-making and board functions. In such a situation the directors become a mere “rubber-stamp” for decisions already made by the other half of the team. Thus the control structure that is a vital part of co-operative democracy breaks down.

Obviously, a key question is the ability of elected lay leaders to play their part in a meaningful instead of a merely ritualistic and perfunctory way alongside technocrats and specialists in modern and complex business. This will be taken up in Part VI.

7. Relevance to National Problems

No co-operative exists in a vacuum but must operate in a given economic and social environment. It must strive, of course, to modify and improve that environment, but it cannot do so unless it recognizes the overriding problems, first of the immediate community, then of the larger region, and finally of the nation and indeed of humanity itself. In the long view the question will be asked: What have these co-operatives and the co-operative movement as a whole done to help people wrestle with the difficulties of life? What is the relevance of co-operatives to the nation's basic problems?

- The Rochdale Pioneers declared war on adulteration of food. What are consumers' co-operatives doing today to ensure the nutritional value of food products and eliminate twentieth-century forms of adulteration?
- Misleading, wasteful, deceptive and costly advertising is a national problem in many countries, especially in Western society. Are co-operatives guilty of it too? or are they determined to eliminate it from co-operative business?
- The employment of handicapped and disabled persons is a huge national problem in every country, and it is especially gratifying in recent years to hear and read about new schemes being implemented all over the world to provide gainful and creative employment through co-operatives for those who suffer from various disabilities.
- Illiteracy is a national problem, not only in the poor and underdeveloped regions but in the rich and affluent countries as well. The pioneers of the co-operative movement in the last and in the early part of the present century were in the vanguard of adult education and many programmes of popular education. Is there any good reason why they cannot take up the role again in the twentieth century?
- Decent housing for families and individuals with low incomes is a national problem the world over. Co-operative housing for the comfortable and well-to-do does little to solve a national problem, but co-op housing schemes and programmes that include and provide for the poor do.
- The credit union movement in North America pioneered the most innovative systems of low-cost group life insurance for great numbers of people at every economic level. That is an example of helping to solve a universal problem.
- Waste and price-spread between producers and consumers are gigantic problems in all countries and every type of economy. Surely the co-operative way is part of the answer for the people of the world.
- Rural development that touches upon all aspects of life in an integrated way is, no doubt, the greatest single need of the Third World. This is one of the most important tasks in which the world co-operative movement will be engaged in the next two decades and beyond.

Many co-operatives help to provide solutions to massive problems of the nation and humanity, and a few examples are included above. It is relevance to such problems on which co-operatives will, in the long run, be judged. Unfortunately, co-operatives sometimes become part of the problem instead of providing a solution, and this weakness must be weighed in the balance too.

8. Co-operatives and the Poor

The question of co-operatives in relation to poverty and the poor is a large subject that has received much attention in recent years, and will be discussed here only briefly in order to bring out certain tendencies that must be considered weaknesses or shortcomings in various co-operative systems in modern society.⁽²⁰⁾ The essential ⁽²⁰⁾The study *Co-operatives and the Poor*, 1977, published by the International Co-operative Alliance, is recommended reading on this subject.

questions are these: Are co-operative organizations effective in combating conditions of poverty? Do they really help the poor? What evidence do we have that they do? or evidence to the contrary?

In the popular mind, there is no doubt that co-operatives are associated with the weaker and the disadvantaged members of society, the have-nots who must organize to benefit more from resources and production. And yet, the fact is that many who are not the poorest and who may even be among the affluent take advantage of co-operative ideas and techniques too, and as so often happens in other fields of endeavour or public service, when the affluent move in, the poor move out. Consequently, leaders in co-operative enterprise must be ever on their guard against any policy, procedure or arrangement that is prejudicial to the poor or militates against their best interests.

- It may be noticed, for example, that the poor members in thrift and credit organizations usually find it more difficult than others to obtain loans; they may not be considered credit-worthy on the same level with other members, in spite of the fact that in many credit societies the big borrowers are generally found to be the most guilty of delinquency.
- Some co-operatives may have a high initial capital requirement that poor people wanting to become members cannot meet.
- It is a common complaint that many agricultural co-operatives favour big producers over small or marginal farmers. A United Nations study came to the conclusion that “cooperatives when successful aided overwhelmingly the rich and medium farmers.”⁽²¹⁾ Though the study itself has been a matter of dispute, the criticisms it raised cannot be ignored.
- We sometimes hear of co-operative housing projects, built with the help of public funds because they are going to be “housing for the poor”, but which end up occupied by civil servants and others who are not so poor.
- There are many areas of the world that have had various kinds of co-operatives for a long time where the gap between rich and poor is not closing and may indeed be getting even wider.
- The poor, of course, suffer certain disabilities just because of their poverty, and co-operatives that undertake to serve them must take this into account and try in the first place to correct the disabilities.

In short, if there are weaknesses or shortcomings in co-operatives in relation to poverty and the poor, that must be made a matter of urgent concern for those who lead and plan for the future of the movement.

9. The Co-operative as Employer

A serious weakness in co-operative business, generally speaking, is relations between employer and employees: not because working conditions in co-operatives are not as good as in other business, for they usually are and are often better; not because salaries and wages paid by co-operatives suffer by comparison with those paid by other employers, for, though the level of pay was frequently low in co-operatives in former times, it is generally as good as and sometimes better than in other business today; and not because there is open hostility between unions representing employees and co-operatives as employers, for in the majority of situations nowadays, dialogue between the two is amicable.

No, the weakness is not for any of these reasons, but rather because the relationship between employer and employees is no different from that in private business generally. Co-operatives claim to be different, and actually are different, in

⁽²¹⁾See *Rural co-operatives as agents of change*, United Nations Research Institute for Social Development, Geneva, 1975.

purpose and method, but in matters of employment and treatment of employees, they are usually no different, no more imaginative or innovative than the ordinary company or big corporation. They have simply failed to take advantage of their special nature and unique position as co-operatives. In short, most co-operatives try to be no more than conventional employers.

Consider for a moment the importance of the employee to the co-operative. He/she usually spends about eight hours a day in the workplace, while the member may spend only a few minutes a week. To the average member, the co-operative may be only incidental and not the most important thing in life; to the average employee, the co-operative is the most important thing to his livelihood and security. Moreover, it is from employees that members usually get their impression of the co-operative, and also their only information about it. In other words, except for those who are directors or serve on committees, the only contact the members ordinarily have with the co-operative is through employees, usually at the lower levels of responsibility. In that respect, from the standpoint of member relations, the clerk at the check-out counter is much more valuable than the general manager. In brief, employees are important!

The suggestion made here is that co-operatives should strive to build a new kind of bridge between organization and employees, and indeed they will likely be compelled to do so in the future in order to hold on to whatever advantage they may have in the world of business, trade and commerce. More specifically:

- Directors and management, where they presently do so, should stop thinking of union recognition as a favour to employees, and of the union as the only channel of dialogue with them. The union is only a minimum in maintaining good relations.
- Both board and management should begin thinking of employees as partners in an enterprise that is not like others. Good employees want to be thought of as co-workers, not as mere hired hands.
- In countries where co-operatives are not already legally obliged to provide for employee representation on the board of directors, membership meetings should discuss the advisability of doing so voluntarily. It is proposed that this be decided by members instead of board or management because either or both of these may be biased against such an innovation.
- Senior management should discuss with employees various plans for self-management (*auto-gestion*) and look for opportunities to try out such plans in the workplace.
- In many situations, co-operatives will find that certain parts or operations within the business can be turned over to a workers' co-operative under contract.
- Boards and management will give high priority to opportunities for self-improvement, educational programmes and technical training for employees.

Obviously, some of the above will not apply, or will apply only in a special way, to workers' co-operatives, for in them the work force and the membership are one.

10. Sectoral Solidarity

In Part III we reviewed the concept of co-operatives as a sector of the total economy in which they operate. This concept is expressed in the present official statement of co-operative principles as "Co-operation Among Co-operatives", the ideal being that various types of organizations must collaborate in a mutually supportive way. Many co-operators look upon the principle as just a pious hope, while others say that it simply states what commonsense would dictate in any case.

But the truth of the present situation is that in many countries, especially in the Western world, co-operatives are not a united movement with the various parts

striving to support one another, but all too often a collection of warring and rival bodies, jealous of each other's jurisdiction. Of course, the degree of unity or discord varies greatly from one country to the next. Where different co-operatives carry on business in a harmonious way as part of a larger movement, we see them only doing what is expected of them; but where they do not, we are naturally suspicious that ulterior or parochial and personal motives can be found behind the outer scene.

Unfortunately, in some countries the co-operative movement is fragmented in a scandalous way, to the extent that various co-operatives not only disagree on fundamental issues but carry on as if they were unaware of each other's existence. Of course, where co-operatives are not united and work at cross purposes, government and official bodies tend to ignore the movement altogether because they know it is enfeebled by division.

Unfortunately, central unions, federations, leagues and councils that are responsible only for non-commercial and co-ordinating functions are often ineffective in overcoming serious divisions, mainly because membership in these bodies is almost always voluntary, and a co-operative or system of co-operatives that wishes to remain apart and go its own way simply stays out. But a finance institution—co-operative bank, central credit or insurance organization—can often succeed in bringing different kinds of co-operatives together where these other centrals fail. Thus, the co-operative bank or other finance co-operative can often play a very important co-ordinating role in addition to its primary function. However co-ordination is achieved, different co-operatives will have to discover that the whole is generally much more than the sum of its parts.

11. Attitude to International Development

Strange as it may seem, the world co-operative movement is not strong at the international level. Co-operatives generally reach their strength at the national level but find it difficult to step over national boundaries to become transnational. But this may not be so strange after all, because co-operative action is so tied to social background, cultural traditions, language and legal arrangements that organization tends to stop at the boundary-line. Co-operatives of various kinds had been operating for many years before the International Co-operative Alliance was started in 1895. One of the contradictions that confound co-operators is that private business rather than co-operatives knows how to co-operate across borders and values most highly the international connection.

This section will deal with only one aspect of international action: aid to new co-operatives in other lands and especially to the people of developing countries. The general picture in this particular field has not been bright. There have, of course, been some gratifying results and excellent examples of people helping people through co-operatives, but the overview is not at all impressive. On the whole, contacts with groups in the Third World have not been strong; the helping hand has not been big and firm. The Second Development Decade has not been a spectacular success, though co-operators may write good reports about it.

Then, who has been responsible for all the development work we hear about in Third World countries? In the main it has been various governments and governmental international bodies, including United Nations agencies. Of course, some national co-operative movements, especially the Swedish, have made a strong effort in international development, but the majority have not come through with plans of significant size; and some that have done a great deal of good work have done it with government funding rather than co-operative funding. Indeed, it may be said, with some considerable sadness, that co-operatives are the only great popular movement that relies largely on external agencies and other institutions to conduct its work

of promotion and development activities. The great majority of co-operators who have benefited handsomely from Co-operation have done little to carry the word and the example to others.

These, then, are the present shortcomings and defects of the co-operative movement, the mice and rats that keep gnawing away at the co-operative house. Over the next twenty years, these will undoubtedly occupy a great deal of time and effort on the part of co-operators. No one would expect co-operative leaders to deal with them all so expertly that they will not exist in 2000. Indeed, if the world movement were to attack just one of these weaknesses with such dedication to the task that it was no longer a weakness—say, securing the democratic nature and character of co-operatives—that alone would be an achievement of gargantuan proportions.

But surely a start can be made on most if not all of these weaknesses in the next two decades; and of course other problems which we cannot see today or even imagine will emerge in the meantime. But examining our institutions as well as ourselves in Socratic humility and keeping them in good running order is the price we pay for having them.

PART V: CHOICES FOR THE FUTURE

As leaders of the co-operative movement all over the world enter the decade of the 1980's and turn their sights on the year 2000, they will be keenly aware that they are working under conditions and constraints, mostly not of their choosing, which they must conform to and live with as well as they are able. Certain trends and directions, as we have seen, are already set and there is no escaping them.

And yet, this does not mean there are no choices at all open to co-operators for the future. Indeed, there *are* choices, there are vital decisions still to be made, and the great task of leaders in charting the future will be, first and foremost, assessing and weighing the choices before them. And imaginative leaders are not necessarily faced with a simple either/or situation, that is, they don't always have to choose between two propositions, neither of which they want or like. For there is almost always a third or still another alternative, and for co-operatives the best answer to a problem is often far off in another direction altogether.

What is needed to begin with is some lateral thinking leading to less obvious solutions. For example, the board of a consumers' society may be debating newspaper advertising versus television advertising and the merits of each in allocating budgets, when perhaps the right solution based on lateral thinking might be to have no conventional advertising at all.

This part of the study will concentrate on choices in four areas of fundamental importance and priority: food, employment, distribution of consumer goods and the community environment, and the possible roles that co-operative organization can play in each.

1. Priority Number One: Co-operatives for Feeding a Hungry World

Few people will argue with the statement that co-operatives have been most successful in the many fields touching upon agriculture and food. If there is any particular business in which co-operatives have proven skills and knowhow it is in the production, processing and marketing of food all over the world. At the producers' end, whether in Europe, Asia, the Far East, Australia, Africa or North America, the largest and most successful co-operatives are those that serve farmers and the agricultural industry. At the consuming end, the Rochdale Pioneers' shop of 1844 offered

mostly foodstuffs for sale to the first members. The British co-ops' share of the total retail market today is only about 8 per cent, but in food it is close to 18 per cent. In most other countries, consumers' co-ops are best known for the handling and distribution of food. In North America, most retail co-operatives begin with food and many never get far beyond that. In short, food from start to finish is the enterprise in which co-operatives have the greatest competence and experience. From this premise, certain conclusions and proposals flow:

- Co-operative organizations of all kinds and at various levels ought to take the lead in bridging the gap between producers and consumers. Joint co-operative councils of farmers and urban people should take the initiative in a wide range of problems surrounding the production and distribution of food: marketing costs, price spreads, destruction of food values through processing, extravagant packaging, waste, product research, advertising codes for the food industry, use of dangerous poisons in farming, the disposal and storage of food surpluses—in fact, any and all matters concerning food from farmland to the table.
- Farmers' co-operatives on the one hand and co-operatively organized consumers on the other should develop comprehensive food policies touching upon everything from protection of farmlands from urban encroachment to long-term planning of supplies.
- As part of Priority Number One, national co-operative movements of the world should give first place to development programmes assisting the organization of peasants and small farmers of the Third World.
- In summary, there are good reasons for predicting that, from a global viewpoint, the most valuable contribution of co-operatives to mankind by the year 2000 will be in food and the conquest of world hunger.

2. Priority Number Two: Co-operatives for Productive Labour

One of the most significant and far-reaching changes in the world co-operative movement in the last two decades has been the rehabilitation of the entire concept of workers' co-operatives. From a position of benign neglect during seventy-five or more years, they have returned to a place of high esteem in the mind of many co-operators, and much can be expected of them in the remaining years of this century. Here it is suggested that, next to food, employment in various kinds of workers' industrial co-operatives will be the greatest single contribution of the global co-operative movement to a new social order.

The late nineteenth and early twentieth centuries were unkind to workers' co-operatives and many of them collapsed and fell by the wayside. A particularly unhappy aspect of their decline in Britain was the treatment they received at the hands of two organizations, the trade unions and the CWS, which should have been counted among their friends and supporters.⁽²²⁾ Two generations of co-operators were brought up to believe that workers' productive societies were doomed to failure and would never amount to much.

The turnabout began to be seen in the 1950's in several European countries, and also in the Third World. The Mondragon complex in Spain showed workers' co-operatives at a new level of sophisticated industrial development. Governments began to turn to them to rescue ailing capitalist industries. The output of new literature about them is quite amazing, even in the United States, where one might not expect

⁽²²⁾For an account of the struggle between the CWS and workers' co-operatives in the nineteenth century, see *Christian Socialism and Cooperation in Victorian England*, by Philip N. Backstrom. London: Croom Helm, 1974.

much enthusiasm for them. An unofficial count in Britain shows that about 400 workers' co-operatives have been formed in recent years, where they were pronounced dead, notably by the Webbs, in the last generation.

It is not too much to forecast that the rebirth of workers' co-operatives will mark the beginning of a second Industrial Revolution. In the first, workers and artisans lost control of the instruments of production, while ownership and control passed into the hands of entrepreneurs and investors. Capital employed labour. Workers' co-operatives reverse the situation: labour employs capital. Developed on a massive scale, these co-operatives will indeed usher in the new Industrial Revolution.

Something of the meaning and significance of workers' co-operatives is caught in a booklet of the British Scott Bader Commonwealth, which is akin to such a co-operative in both spirit and operation. It reads in part:

"In a broader sense, however, the Commonwealth is an ideal we are working to achieve. It is a visionary concept of a working community of mutual trust and co-operation without the divisions between owners, management, and workers that exist in traditional companies. It is neither capitalism nor socialism though in some respects it is a bridge between the two. Today, as industrial conflict increases throughout the world, more and more men of all shades of political opinion are beginning to question both the structure and purpose of traditional industry. There is renewed discussion of co-operatives, common ownership, co-determination, workers' control, community control, participation in management, and industrial democracy. . . "The move towards new industrial concepts affecting the relationship between owners, manager, and workers has greatly increased during recent years. One of the best known examples is the John Lewis Partnership. As well as comprising the famous Oxford Street store, it includes many other large departmental stores now owned by the Partnership. All the many thousands of employees are partners, i.e. owners, and can contribute towards the management of the enterprise. In Yugoslavia for the past twenty years industry has been run by directors elected by workers' councils. In Israel there are industrial and agricultural Kibbutzim, and in China industrial and agricultural communes."⁽²³⁾

Seen in this light, the new workers' co-operatives, or the old workers' co-operatives revived, are more than just another kind of co-operative: they become the basic structure of a new kind of industrial democracy, in which workers are owners as well as employees. And reports indicate they are becoming virtually worldwide, in several countries of both Eastern and Western Europe, throughout the Third World and in a few parts of the Americas. A recent article on industrial co-ops in China says:

"In Kunming as a whole there has been a sixfold increase in employment in producer co-ops since 1970. They now have nearly 27,000 workers employed in over 700 enterprises. . . Co-ops also produce many different kinds of clothes besides children's, as well as plastic, rope, carpets, furniture and domestic appliances. Then there are hundreds of small co-ops engaged in the repair of almost every conceivable kind of object. . .and other small ones which own and run restaurants, tea shops and wine shops. . . They have so far avoided a single failure of any of their businesses. . . China has far more members of co-ops than the rest of the world put together. . ."⁽²⁴⁾

A great deal of official thinking on industrial development nowadays points in the direction of worker-owned industry. A spokesman for the present British

⁽²³⁾From a booklet *A Kind of Alchemy*, by Scott Bader. Wollaston, Wellingborough, Northamptonshire, England.

⁽²⁴⁾Michael Young, "China's co-op shops". *New Society*, 1 November 1979.

Government said recently: "What we are now developing in Government is an approach which will encourage all workers to move out of the age of wage-subservience and into the age of ownership and independence."⁽²⁵⁾

But workers' co-operatives touch upon an inner need that is even deeper than employment and a feeling of ownership, that is, the connection between the human personality and labour. At a 1978 UNESCO conference on "The challenge of the year 2000", a professor of the University of Bucharest spoke of "the need to achieve a proper harmony between physical and intellectual labour, and to include in every model of supreme values the idea of work as an indispensable part of life and of a complete human personality."⁽²⁶⁾ The idea of a workers' co-operative, as compared to the conventional relationship between employees and the workplace, touches very close to the speaker's meaning.

However, enthusiasm for the concepts surrounding workers' co-operatives should not blind would-be organizers and promoters to the fact that they are perhaps the most intricate and difficult of all forms of Co-operation to run smoothly and successfully—and the high rate of mortality in the early attempts is evidence of this. Many of the underlying difficulties in connection with, for example, shareholdings, hired labour (non-members), distribution of earnings, distribution of residual assets, repayment of capital and creation of reserves, are discussed in a recent issue of the journal *Public Enterprise* by a prolific writer on the subject of Workers' Co-operatives.⁽²⁷⁾

3. Priority Number Three: Co-operatives for the Conserver Society

(a) *The Present Situation*

The global picture of consumers' co-operatives is spotty, with large grey patches and empty spaces between dappled areas. By far the largest concentration of them is in Europe, but even on the European continent they are relatively weak in the southern parts. Transplanting the methods and mystique of Rochdale has never been found easy, even though there have been many enthusiasts working at it for well over a century.

Even in countries where other types of co-operatives flourish, the consumers' kind generally lag behind. In the USA they are not of great importance alongside the giant agricultural and quite large credit and insurance co-operatives. In Canada they are well developed in some parts but not in the most populous central provinces. In Japan the consumers' movement is not large compared to the highly developed multipurpose agricultural co-operatives, though they do about 20 per cent of the business in the smaller places where they operate. In the Third World, they are still no match for the entrenched power of countless small traders and big multinational companies.

In the birthplace of the movement, Great Britain, the consumers' movement, though still very large, especially in food, seems to have reached a plateau. In Northern Europe generally they are strong and vigorous, but in two countries, West Germany and the Netherlands, they have suffered severe setbacks. In two countries with strong economies and a high standard of living, Austria and Switzerland, they are doing well.

Many observers believe that consumers' co-operatives during the next couple of decades will have difficulty keeping their present share of the market and may encounter serious setbacks.

⁽²⁵⁾As reported in *The Times*, 3 March 1980, p.2.

⁽²⁶⁾Mircea Malitza, in "The present exploring the way of the future". *Suicide or Survival*; Paris: UNESCO, 1978.

⁽²⁷⁾Paul Derrick, "Towards a Co-operative Consensus", *Public Enterprise*, Journal of the Public Enterprise Group (British section of CIRIEC), Number Sixteen, April 1979.

(b) The Background

At such a crucial time as this, it is important to review the philosophy and objectives of the Rochdale system. The Pioneers launched themselves into retail business with one general goal in view; to reform society by changing the business of buying and selling, and to replace the sales power and profits of private business with the purchasing power and savings of consumers. A rallying-cry addressed to the British working class during the formative period of the consumers' movement summed up its philosophy thus:

"Your greatest weapon is your purchasing power, provided it is organized; unorganized, it is a weapon that is used to keep you in subjection".

In the last and well into the present century, consumers' co-ops won the loyalty of members and measured their success largely by their ability to redirect profits and pay dividends, and the capital necessary for growth and development was accumulated mainly by the reinvestment of surplus earnings. As well as building a huge wholesale structure, the retail societies also formed the basis for a wide range of co-operative services, notably in the insurance business and banking.

But the British system, once the flagship of the world co-operative movement, appears to have sailed into the doldrums. In recent years it has had great difficulty attracting a larger share of the market. Its clientele has changed: from serving a solid working-class membership in the nineteenth century, it has shifted more and more to serving an affluent class in the twentieth. There is now greater dependence on non-member business and off-the-street trade. The co-op shop is threatened by price competition, while the importance attached to the dividend has almost vanished. Instead of being a distinct movement of consumers, the system is seen as just another big business struggling for its share of the market and using the same methods as other business to attract customers.

The older source of capital, the savings of members left for investment, is drying up and there is now greater dependence on the pension funds of employees for working capital. To meet stiff competition, there has been a steady trend to merge larger societies and concentration. This in turn makes meaningful participation by members more difficult. There is widespread alienation and indifference on the part of members, and attendance at meetings is generally low. Like a dinosaur in a changing environment, the system seems to have great difficulty adapting itself to a different climate and milieu. A critic writes: "Consumer co-operatives in particular have undoubtedly lost momentum in this century. . . the image remains obstinately antiquated. . . where now are the new departures, the innovations, to come from?"⁽²⁸⁾

(c) A New Orientation

The suggestion that there may be an inherent weakness in the consumer co-operative as an instrument of social and economic change is nothing new. Writing some years ago, Martin Buber drew this conclusion:

"... the Consumer Co-operative Society is least suited in itself to act as a cell of social reconstruction. It brings people together with only a minimal and a highly impersonal part of their total being. . . the Consumer Co-operative is concerned not with consumption proper but with purchases for consumption . . . as soon as common purchasing becomes a business, responsibility for which passes to the employees, it ceases to unite people in any significant sense."⁽²⁹⁾

Further he says:

"Common production of goods implicates people more profoundly than their common acquisition of goods for individual consumption. . . Man is pro-pro-

⁽²⁸⁾ Michael Young and Marianne Rigge, in *Mutual Aid in a Selfish Society*.

⁽²⁹⁾ *Paths in Utopia*, p.77.

ducer is by nature more prepared to get together with his kind in an eminently active way than man as consumer. . .”

If Buber is right in his analysis, the consumers' co-op must be connected to its membership in a more intimate and organic way than through the mere purchase of goods. This statement does not question the validity of Rochdale, but it does recognize the enormous change that has taken place since the days when the daily purchase of basic foodstuffs was of great economic importance to the average family. Nowadays the cost of housing, for example, in Western society is generally of far greater weight than food in the family budget. So, if there is a weak and rather casual relationship between member and organization in a conventional consumers' co-op, it is due to the nature of the institution and its inherent qualities, and these cannot be substantially corrected by larger size, a more aggressive price policy or increased advertising alone. The consumer co-operative needs a new orientation as well, and a setting in which it will be only one of a wide range of community services, as will be proposed in the next section.

In addition, the following are some of the major points about consumers' co-operatives that need to be carefully examined and researched:

- Where a high volume of non-member business is carried on, it should be regarded as a source of weakness rather than of strength. The conventional consumers' society is the only type of co-operative that comes to depend on a substantial proportion of non-member participation (in some countries, it is ruled out by legislation). And where officials and members argue that a distinction is maintained because non-members do not share in the surplus, this too is another weakness rather than a virtue.
- The entire concept and practice of paying dividends needs to be reconsidered. Marking up the price of goods and later reducing it by payment of a dividend is purely a mechanism, not a co-operative principle. The principle lies in the non-profit nature of the co-operative itself, and this can be achieved in a number of better and more equitable ways than by patronage refund. Furthermore, issuing trading stamps as dividend is only jumping from frying-pan to fire and should have no place in co-operative business.
- In their effort to be as much like conventional private business as possible—or “as good as private business”, as is often heard—many consumers' co-ops have failed to see the great advantage in being *different*. In other words, co-operatives may be losing a battle because they try to meet a foe on his ground using his weapons—costly advertising, loss leaders and sales gimmicks, for example—when they should be concentrating instead on serving members in a simpler and more economical way, as co-operative ideals would dictate. In former days, the British movement advertised with the slogan “The dividend makes the difference”. Perhaps the time has come to consider another motto instead: “The difference is the dividend”.
- Many consumers' co-operatives the world over suffer from lack of capital, and those that are obliged to borrow money at today's high rates of interest are going to be under a heavy handicap in this period. They might take a leaf from the book of successful farmers' marketing co-operatives everywhere: financing by check-off on the quantity of goods or products handled. A group of consumers' co-ops in North America is doing this, with considerable success.
- Some boards of directors might be encouraged to test the arrangement whereby the present employee function in the Consumers' Co-op would be turned over to a workers' co-operative under contract. This would mean creating a completely new relationship between the work force, on the one hand, and the board, management and the workplace, on the other.

— The time has come to re-examine the concepts and assumptions of an earlier age directed by the philosophy of "the primacy of the consumer". The simple rule that the consumer should get value for his money is, of course, sound commonsense; but where concern for the consumer is extended to absurd and extravagant lengths to satisfy every whim, love of conspicuous consumption and waste of precious resources, the co-operative society should have none of it. Surely there are better ways to employ modern technology than—taking an ordinary, everyday example—arranging paper tissues in seven different colours in variegated boxes. If the world has to be run on a leaner mix, let consumers' co-operatives, by emphasis on economy and frugality, abandon the frills and waste of the post-industrial consumer society. The customer is not always right; the consumer often has to be protected from his/her own bad habits and desire for pampering and self-indulgence. In an affluent and surfeited society, a consumers' co-op may be judged on its impressive sales. In a less indulgent and perhaps saner society, it may be judged as well on what it refuses to sell.

4. **Priority Number Four:
Building Co-operative Communities**

(a) *Three Certainties*

In a world full of doubts and uncertainties, there are still some things one can be quite sure of, if not absolutely sure, and at this point we shall consider three. The first is the certainty that the world of the future will be mainly urban. The great majority of mankind in the next century will be living in large towns and cities, even though there is a noticeable movement back to the land in some countries. Demographers predict that sometime before the year 2000 the point will be passed when the rural population of the globe will no longer be in the majority. In the countries that are highly developed industrially, the urban population will be over ninety per cent of the total, and the tendency will be for people to be concentrated in a relatively small number of very large cities. This is already an established fact in many countries. Thus, if co-operatives are going to be of any importance in the economy of the year 2000, they must operate by serving both urban and rural people.

The second certainty concerns the influence of co-operatives, based not on a prediction of the future but on what has already taken place in the past. The certainty is that no one type of co-operative alone is capable of bringing about substantial change in the prevailing economic system and social order unless it be the rural multipurpose co-operative, and that is not a single co-operative but a conglomerate of co-operative services combined in one; there is also the Kibbutz, which is a form of co-operative with great power to effect fundamental change, but it is a special case that is not likely to have universal appeal.

There is ample evidence that any one kind of co-operative by itself is a weak reed on which to depend for the reform and improvement of society. Throughout the last century in Great Britain, it was widely predicted that the consumers' movement was going to change the face of the land. Even a prime minister said that the co-op shop was the greatest discovery of the nineteenth century, but Gladstone would be disappointed to see how ineffective it has become in the twentieth century as an instrument of change and progress.

In India, a whole generation of reformers thought that rural poverty would disappear under the impact of credit societies—the moneylenders would be checked and their power brought under control by a massive system of co-operative credit. But nobody today believes that credit societies alone can do more than scratch the surface of rural poverty. Similarly, fifty years ago another group of enthusiasts in North

America said they were going to bring about great economic changes through the power of credit unions, but though they have become very big and even powerful in some regions, nobody can claim that credit unions have brought about fundamental economic change in the dominant pattern of North American finance.

Many other examples of dashed hopes and lowered expectations could be cited all over the world as a result of people imagining they can do wonders with just one facet of the co-operative idea. The fact is manifest and clear: people must employ a variety of co-operative instruments and a whole spectrum of organizations in order to benefit fully from Co-operation and make a strong impact on the economic and social environment. The countries where Co-operation is in the ascendancy or counts for something are those in which it appears in various forms and with many functions.

The third certainty concerns planning and organization, and the level at which planning takes place and organization is formed. In the past several decades, especially since the end of the Second World War, there has been strong emphasis on planning, but mainly national planning and regional planning, all at a high level. Co-operative movements have been planning too, again mostly at national and state levels, but much less at district or local level, such was the confidence in planning at or near the top.

Nowadays, however, because of the pile-up of current problems and general disillusionment with high-level planning, less attention will likely be given to macro and much more to micro-level planning. Many of the big changes and new ventures start in the little places. About a year ago, an article in *The Economist* stated: "Grand economic planning is long dead. . . The industrial strategy is essentially 40 or so sectoral micro-strategies, worked out mainly by people in the sectors concerned. . ." ⁽³⁰⁾ Arguing in this vein, a strong case can be made for planning for co-operative development at the community level.

Putting these three certainties together suggests that co-operative development in the future must involve great numbers of urban people and planning for community organization of a wide variety of co-operative services. The end of the planning should be the creation of co-operative communities, not in the sense that Robert Owen would understand community, but in the sense of typical urban groupings, neighbourhoods and districts using many kinds of co-operatives to the extent that the co-operative way becomes a very important, if not dominant, factor in the lives of those involved. It is this line of reasoning on which Priority Number Four is based: Building Co-operative Communities.

(b) *The Co-operative Community*

The large city is essentially an agglomeration of human beings who, in the average or typical situation, have only casual relationship and are often total strangers. For many urbanites, the city is a sea of loneliness and alienation. There is usually no bond other than proximity holding them together. To most people, where they live in the city may be a certain apartment building, a neighbourhood, a suburb, but rarely a living community in the same way that a village is a community. The great objective of co-operatives should be to build community, create villages, many hundreds of them, within the larger urban setting. Around many economic and social needs, co-operative organizations can be formed which will have the combined effect of creating community. Co-operatives of all kinds will have the effect of turning a neighbourhood inward to discover its own resources and start the services required. The co-operative idea, of self-help, sharing common interests and needs, can be the social adhesive holding an urban area together and transforming it into community.

To make a strong impact on the urban population, to the point of creating what would be regarded as a co-operative community, the approach must be comprehensive. ⁽³⁰⁾*The Economist*, February 24, 1979, p.70.

hensive, in a way comparable to that of the rural multipurpose co-operative in Japan, for example. The conventional consumers' co-operative will not be enough, for it leaves the city-dweller exposed or untouched on so many sides.

Consider what the rural multipurpose co-operative does and what it provides in the typical Japanese setting. It provides farming inputs and markets the agricultural product; it is a thrift and credit organization, an insurance agency, a centre for consumer supplies; it provides medical services, and hospital care in some places; it has extension and field services for farmers, and a community centre for cultural activities. In short, this kind of co-operative embraces as broad a range of economic and social services as possible. Life for the rural people and the whole community would be entirely different without such a co-operative.

It is not suggested that such a broad range of services and activities in an urban area could be administered under a single multipurpose society, but many of them could be housed in a co-operative services centre within easy reach. The general objective should be to help create an identifiable community served by many types of co-operative organization: housing, savings and credit, medical services, food and everyday household needs, daycare, baby-sitting services and nursery schools. Provision would be made for branch operations of national co-operatives, especially insurance, banking and trust services. In addition to the various departments of a well developed consumers' society, such as restaurants and funeral service, there could be a variety of workers' co-operatives, for example, repair service for household appliances, bakery, barber shop and hairdressing parlour, shoe repair, dry-cleaning and auto repair. Thus many co-operators in the area would be engaged as producers or workers as well as consumers.

As the whole complex develops, provision could be made for a hobby and crafts centre, recreation and cultural activities, an artists' gallery, music centre, library and reading room specializing in co-operative literature and the personal interests of members in the vicinity. In the modern city, all sorts of services, recreation and cultural activities tend to be widely dispersed and the residential parts reduced to a sort of dormitory suburb. In the setting envisioned, many of these services and activities would be drawn together and returned to a living and working environment, creating a co-operative economy of micro-proportions. To some extent, dependence on the automobile would be reduced and people would find many of the daily necessities of life within walking distance or close to public transport. The aged, elderly and handicapped would find themselves in a living and working environment. Within the city a village would be created to which people could easily relate and feel attached.

The main concrete proposals and recommendations of the study are contained in this part. To recap them:

1. In the years ahead, co-operatives everywhere should concentrate especially on the world problem of FOOD, all the way from farming to consumer. It is an area of great human need in which the co-operative movement is in a position to give world leadership.

2. Workers' productive and industrial co-operatives are the best means to create a new relationship between workers and the workplace, and to bring about another Industrial revolution.

3. The traditional consumers' co-operative should be oriented in such a way that it will be doing something more than merely trying to compete with a capitalist business. It will be known as a unique and different kind of business and will serve only members.

4. To serve the urban population, there should be a cluster of many different kinds of co-operatives that have the effect of creating villages within the city.

PART VI: MAJOR ISSUES AND CRUCIAL QUESTIONS

The final part will be a summing-up and stressing of the main points raised throughout this study:

- 1. Where are the leaders for future development?**
 - The very nature of co-operative organization calls for elected lay leaders alongside the employed professionals. In the past twenty years, great attention has been paid to recruitment and training for the second group, but very much less for the first. In the next twenty, priority must be given to processes by which volunteers of high calibre emerge and move into leadership positions.
 - There must be a great body of lay leaders, women as well as men, not just to make a success of co-operatives, but also to work towards the building of a new kind of society. The best leaders will not see co-operatives as an end in themselves but rather as a means to a better social order. Without lay leaders, the business leaders and technocrats will tend to judge and direct co-operatives largely as business dictates. The urgent contemporary problems of co-operatives must cease to be the exclusive preserve of experts and technicians and become the concern of rank-and-file people as well.
 - It is not too much to say that the quality of co-operatives will depend on whether first-class leaders are leading them, not necessarily supermen but democratic leaders who share responsibility with others in groups and teams. It is said that first-class leaders attract first-class people to work with them, but second-class leaders attract third-class people to work under them.
 - For the training and preparation of lay leaders, co-operative systems that are affiliated to educational institutions and programmes of continuing education will have an advantage over those that do not.

- 2. Will co-operatives be able to communicate their message?**
 - It is hard to find anyone who thinks that co-operatives are communicating as well now as they did forty or so years ago. Co-operators were quite effective communicators in the age of the mimeograph machine, but the age of electronic communication seems to have passed many of them by.
 - It is said that every institution depends on its ABC's: A for administrators, B for businessmen, and C for communicators.
 - The conventional house-organ of a co-operative business system is often a singularly ineffective means of communication, even with members.
 - The printed word as a means of communication seems to be most effective when it is either a rather small intimate newsletter at the community level or a serious journal for the leadership group.
 - Conventional radio and television advertising that merely tries to outdo or compete with other business will not likely be the best way to communicate the co-operative message in the future.
 - In the coming years, national movements and the larger business systems will need to publish journals of research and futurist studies.

- 3. Can education be stimulated and enlivened?**
 - Probably not, as long as it is limited to purely commercial matters and only the concerns of business, but it can if education is taken in its broadest possible sense.

- A co-operative society that is not an educational institution as well as a business is missing a great part of its potential role in society.
- In a country that exists under a harsh and repressive regime, a good educational programme must be, to some extent at least, subversive.
- "Great efforts must be made on an unprecedented scale to educate people for the future."⁽²¹⁾
- If the board of directors does not take a deep interest in education and accept responsibility for it, it is in great danger of being neglected altogether.

4. What is the proper role of government?

- To encourage, befriend, and sometimes assist with financial support, but never dominate, direct or try to manage.
- In the next twenty years, relations with government will likely become a major problem with co-operatives in many countries.
- Co-operatives that aim to improve the condition of the poor will need special assistance from government, but again, it must be assistance without bureaucratic and intimate supervision.
- If co-operatives are to be used as strong instruments of economic development, experienced co-operators must be involved in national planning.
- All too often, the strong embrace of government ends with the kiss of death for co-operatives.

5. Where will the necessary capital come from?

- In the long run, from the members themselves. People who use the services of a co-operative without helping to finance it are only a burden to the association.
- Workers' co-operatives especially will have to build up strong systems of self-financing over long periods.
- A strong system of thrift and credit is an essential foundation for all co-operative development, even though it may not be the first step in situations of extreme poverty.
- As long as interest rates remain excessively high, co-operatives that employ a great deal of borrowed capital will be at a serious disadvantage.
- Every system of co-operatives should be structurally affiliated to a system of co-operative credit and banking.
- Co-operatives that have an automatic method of capital formation built into their operation, in preference to accumulating capital from profits, will have a great advantage in the future.
- Co-operatives of the future will require a well developed system of international banking.

6. Will a special kind of management be needed?

- Yes, if co-operatives are going to be essentially different from other kinds of enterprise. Managers and business leaders in the movement will need the competence and technical skills expected in other business, plus a good understanding of co-operatives and their unique place in the business world.

⁽²¹⁾Mircea Malitza in *Suicide or Survival*, p. 119.

- Managers in large-scale capitalist business generally have far greater control than the owners. In co-operatives they must respect members as owners and share control with elected leaders. Leadership in co-operatives is largely a matter of team-work.
- In large co-operatives of the future, senior management will be guided by teams and the central task will be the responsibility of men who are especially skilful in co-ordinating decisions of great complexity.
- Some phases of management training should include elected leaders along with employed personnel.
- Management in the future will have to give special attention to the strengthening of democracy in the workplace.

7. What of the place and role of women in co-operatives?

- Co-operatives in which the talents and capabilities of women are given full play will enjoy great advantages in the future.
- In certain parts of the world, there is evidence that some types of co-operatives, housing for example, make very rapid progress under the influence and leadership of women.
- Participation in all aspects of Co-operation should be on equal terms as between women and men. A special and separate role for women should be continued only where cultural and religious traditions dictate it.

8. Who will aid Third World Co-ops?

- Ideally, direction and policies should come from the co-operative movement itself, with assistance from other bodies, especially United Nations agencies.
- The ICA should be placed in a position by its member organizations to play the principal role in co-ordinating aid to the Third World.
- In general, aid programmes suffer for lack of co-ordination and concentration over a sufficiently long time.
- Bilateral aid between governments appears to be the least satisfactory form for the establishment of genuine and stable co-operative movements. What is needed is much more people-to-people aid.

9. What of the ICA in the future?

- The global co-operative movement of the future will continue to need an effective coordinating body and clearing-house to ensure sound growth and development in all parts of the world. This is the historic task of the International Co-operative Alliance. The Central Committee should consider the advisability of having a study made to review the present role, structure and financing of the ICA, especially as it relates to the international problems of the future.

10. What is the relevance of co-operatives to the future?

- One of the strongest tendencies in modern economies is towards the convergence of the two most powerful institutions: Big Business and Big Government. The only alternative left to citizens is to form groups of their own, especially co-operatives.

- Nothing is more precious in life than the individual person, but each of us will find that he needs the group to shield and save his individuality from being crushed into the mass. “The unsociable species”, says Petr Kropotkin, “are doomed to decay”. (*Mutual Aid*). The vital unit for survival in the future will be the community, the group.
- In an age of terrifying corporate power, the co-operative way is the only means by which great masses of people can exercise and enjoy corporate rights, and moreover, do so without exacting toll from one another.
- Many present-day trends lead us to endorse, with considerable confidence, the view of the British economist Alfred Marshall (1842-1924): “The world is just beginning to be ready for the higher work of the Co-operative Movement.”

APPENDIX 1

Affiliated Organisations as at May 1980

Argentina	Federación Argentina de Cooperativas de Consumo, Buenos Aires Intercoop, Editora Cooperativa Ltda., Buenos Aires Asociación de Cooperativas Argentinas, Buenos Aires COOPERA, Buenos Aires Instituto Movilizador de Fondos Cooperativos, Rosario Federación Argentina de Cooperativas de Crédito Ltda., Buenos Aires Asociación Argentina de Cooperativas y Mutualidades de Seguros, Buenos Aires
Australia	Cooperative Federation of Australia, Melbourne
Austria	Konsum Österreich, Vienna Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, Vienna Österreichischer Raiffeisenverband, Vienna
Bangladesh	Bangladesh Jatiya Samabaya Union, Dacca
Belgium	FEBECCOOP, Brussels Société Coopérative d'Assurances, "La Prévoyance Sociale", Brussels OPHACO – Office des Pharmacies Coopératives de Belgique, Brussels L'Economie Populaire, Ciney Fédération Nationale des Coopératives Chrétiennes, Brussels
Botswana	Botswana Cooperative Union, Gaborone
Bulgaria	Central Cooperative Union, Sofia
Canada	Cooperative Union of Canada, Ottawa Conseil Canadien de la Coopération, Quebec
Chile	Instituto de Financiamiento Cooperative "IFICOOP" Ltda., Santiago
Colombia	Cooperativa Familiar de Medellin Ltda., Medellin
Cyprus	Cooperative Central Bank Ltd., Nicosia Cyprus Turkish Cooperative Central Bank Ltd., Nicosia Vine Products Cooperative Marketing Union Ltd., Limassol
Czechoslovakia	Ustredni Rada Druzstev, Prague
Denmark	De Samvirkende Danske Andelskøbsforeninger, Copenhagen Det Kooperative Fællesforbund i Danmark, Copenhagen Fællesforeningen for Danmarks Brugsforeninger, Albertslund
Egypt	Central Agricultural Cooperative Union, Cairo
Fiji	Fiji Cooperative Union, Suva
Finland	Kulutusosuuskuntien Keskusliitto, Helsinki Keskusosuusliike OTK, Helsinki Yleinen Osuuskäyttöjen Liitto, Helsinki Suomen Osuuskäyttöjen Keskusliitto, Helsinki Pellervo-Seura, Helsinki Pohja-Yhtymä, Helsinki
France	Fédération Nationale des Coopératives de Consommateurs, Boulogne Billancourt Société Générale des Coopératives de Consommation, Boulogne Billancourt Confédération Générale des Sociétés Coopératives Ouvrières de Production, Paris Caisse Nationale de Crédit Agricole, Paris

France (continued)	Confédération des Organismes du Crédit Maritime Mutuel, Paris Confédération Nationale de la Coopération, de la Mutualité, et du Crédit Agricoles, Paris Fédération Nationale des Sociétés Coopératives d'Habitation à Loyer Modéré, Paris Confédération des Coopératives de Construction et d'Habitation, Suresnes Confédération Nationale du Crédit Mutuel, Paris Union du Crédit Coopératif, Paris
The Gambia	Gambia Cooperative Union Ltd., Banjul
German Democratic Republic	Verband der Konsumgenossenschaften der Deutschen Demokratischen Republik, Berlin
Federal Republic of Germany	Bund deutscher Konsumgenossenschaften, Hamburg Coop Handels- und Produktions AG, Hamburg Volksfürsorge Lebensversicherung AG, Hamburg Volksfürsorge deutsche Sachversicherung AG, Hamburg Gesamtverband gemeinnütziger Wohnungsunternehmen, Cologne Deutscher Raiffeisenverband e.V., Bonn Bank für Gemeinwirtschaft, Frankfurt am Main
Ghana	Ghana Cooperatives Council, Accra
Greece	Pan-Hellenic Confederation of Unions of Agricultural Cooperatives, Athens
Haiti	Caisse Populaire Dominique Savio, Pétion-Ville
Hungary	National Council of Consumers' Cooperative Societies, Budapest National Council of Industrial Cooperatives, Budapest National Cooperative Council, Budapest National Council of Farming Cooperatives, Budapest
Iceland	Samband Islenzkra Samvinnufelaga, Reykjavik
India	National Cooperative Union of India, New Delhi National Federation of State Cooperative Banks Ltd., New Delhi National Cooperative Consumers' Federation, New Delhi The All India Central Land Development Banks' Federation, Bombay National Agricultural Cooperative Marketing Federation, New Delhi Indian Farmers' Fertiliser Cooperative Ltd., New Delhi
Indonesia	Dewan Koperasi Indonesia, Djakarta
Iran	Central Organisation for Rural Cooperatives of Iran, Tehran Consumers and Services Cooperative Society, Tehran
Iraq	General Cooperative Union, Baghdad
Irish Republic	Cooperative Development Society, Dublin
Israel	Hevrat Ovdim – General Cooperative Association of Labour in Israel, Tel Aviv "Bahan" Audit Union of Agricultural Cooperative Societies in Israel, Tel Aviv
Italy	Lega Nazionale delle Cooperative e Mutue, Rome Confederazione Cooperative Italiane, Rome Associazione Generale delle Cooperative Italiane, Rome
Ivory Coast	Chambre d'Agriculture de Côte d'Ivoire, Abidjan
Jamaica	National Union of Cooperative Societies, Kingston
Japan	Japanese Consumers' Cooperative Union, Tokyo Central Union of Agricultural Cooperatives, Tokyo National Federation of Agricultural Cooperative Associations, Tokyo IE-NO-HIKARI Association, Tokyo National Mutual Insurance Federation of Agricultural Cooperatives, Tokyo National Federation of Fisheries Cooperative Associations, Tokyo National Federation of Forest Owners' Cooperative Associations, Tokyo Central Cooperative Bank for Agriculture and Forestry, Tokyo

Jordan	Jordan Cooperative Organisation, Amman
Kenya	Kenya National Federation of Cooperatives Ltd, Nairobi
Korea	National Agricultural Cooperative Federation, Seoul National Federation of Fisheries Cooperatives, Seoul
Malaysia	Cooperative Union of Malaysia, Kuala Lumpur National Union of Cooperatives (ANGKASA), Selangor Malaysian Cooperative Insurance Society, Kuala Lumpur Cooperative Central Bank Ltd., Kuala Lumpur National Land Finance Cooperative Society Ltd., Kuala Lumpur Federation of Housing Cooperatives Ltd., Kuala Lumpur
Mauritius	Mauritius Cooperative Union, Port Louis
Morocco	Union Nationale des Coopératives Agricoles Laitières, Rabat-Chellah
The Netherlands	Dutch Federation of Workers' Productive Cooperative Societies, Utrecht
Nigeria	Cooperative Federation of Nigeria Ltd., Ibadan
Norway	Norges Kooperative Landsforening, Oslo Norske Boligbyggelags Landsforbund (NBBL), Oslo Landbrukets Sentralforbund, Oslo
Pakistan	Mercantile Cooperative Finance Corporation Ltd., Rawalpindi Punjab Cooperative Union, Lahore
Peru	Cooperativa de Seguros del Perú Ltda., Lima Cooperativa de Crédito Central del Perú Ltda., Lima
The Philippines	Central Cooperative Exchange Inc., Rizal Cooperative Insurance System of The Philippines, Quezón City Sugar Cooperatives Development Institute of The Philippines, Bacolod City National Association of Training Centres for Cooperatives (NATCCO), Cebu City
Poland	Central Agricultural Union of "Peasant Self-Aid" Cooperatives, Warsaw Supreme Cooperative Council, Warsaw Central Union of Building and Housing Cooperatives, Warsaw "Spolem" Union of Consumer Cooperatives, Warsaw Central Union of Work Cooperatives, Warsaw
Portugal	Instituto "Antonio Sergio" do Sector Cooperative (INSCOOP), Lisbon
Puerto Rico	Cooperative League of Puerto Rico, San Juan Cooperativa Consumidores Unidos de Puerto Rico (UNI-COOP), San Juan
Romania	Central Union of Consumer Cooperatives (CENTROCOOP), Bucharest Central Union of Handicraft Cooperatives (UCECOM), Bucharest National Union of Agricultural Producers' Cooperatives (UNCAP), Bucharest
Singapore	Singapore National Cooperative Union, Singapore
Somalia	Union of Somali Cooperatives Movement, Mogadishu
Sri Lanka	National Cooperative Council of Sri Lanka, Colombo
Sweden	Kooperativa Förbundet, Stockholm Kooperativa Gillesförbundet, Stockholm Folksam Insurance Group, Stockholm Lantbrukarnas Riksförbund, Stockholm Hyresgästernas Sparkasse-och Byggnadsföreningars, HSB:s Riks- förbund ek för, Stockholm Svenska Riksbyggen, Stockholm
Switzerland	Coop Schweiz, Basle Genossenschaftliche Zentralbank AG, Basle Coop Lebensversicherungsgenossenschaft Basel, Basle Verband sozialer Baubetriebe, Zurich

International Co-operative Alliance

Subscriptions Received for the four years to 31st December 1979, shown under the year in which they were received.

	1976	1977	1978	1979
	£	£	£	£
Argentina	619	785	1,161	1,659
Australia	1,234	1,000	1,200	1,611
Austria	1,940	3,295	3,684	4,495
Bangladesh	—	—	—	1,350
Belgium	7,835	10,839	12,204	11,796
Botswana	—	—	—	100
Bulgaria	1,265	1,400	1,530	1,910
Canada	4,022	6,406	7,509	11,734
Chile	484	—	400	—
Colombia	50	100	50	—
Cyprus	425	490	696	778
Czechoslovakia	4,000	4,000	4,800	4,397
Denmark	5,634	6,598	7,700	14,376
Egypt	270	270	—	750
Fiji	480	505	606	606
Finland	15,695	16,344	19,224	18,552
France	13,233	18,525	29,142	29,166
Gambia	578	350	396	396
German Democratic Republic	10,328	10,710	13,394	12,697
German Federal Republic	13,094	27,726	30,156	34,601
Ghana	290	290	—	2,200
Greece	1,000	1,000	1,100	1,200
Haiti	—	12	12	23
Hungary	4,100	4,000	4,800	7,922
Iceland	1,575	1,707	2,264	2,264
India	2,510	2,545	3,057	3,583
Indonesia	—	—	—	245
Iran	270	310	220	50
Iraq	—	2,000	1,200	1,200
Irish Republic	25	30	30	98
Israel	2,100	2,100	2,120	2,500
Italy	6,659	7,353	7,024	8,054
Ivory Coast	—	—	—	97
Jamaica	—	—	100	100
Japan	18,936	33,200	39,978	43,675
Jordan	66	65	78	167
Kenya	650	1,000	—	100
Korea	1,000	1,000	1,200	2,014
Malaysia	1,588	2,031	2,082	2,534

Tanzania	Union of Cooperative Societies, Dar-Es-Salaam
Thailand	Cooperative League of Thailand, Bangkok
Turkey	Turkish Cooperative Association, Ankara Köy-Koop, Ankara
Uganda	Uganda Cooperative Alliance, Kampala
United Kingdom	Cooperative Union Ltd., Manchester Cooperative Wholesale Society Ltd., Manchester Cooperative Insurance Society Ltd., Manchester Plunkett Foundation for Cooperative Studies, Oxford Cooperative Bank Ltd., Manchester
Uruguay	Centro Cooperativista Uruguayo, Montevideo
USA	The Cooperative League of the USA, Washington DC
USSR	Centrosoyus, Moscow
Yugoslavia	Yugoslav Cooperative Union, Belgrade
Zambia	Zambia Cooperative Federation Ltd., Lusaka

International Organisations

Organisation of the Cooperatives of America, Colombia
 Nordisk Andelsförbund, Denmark --
 International Cooperative Bank Co. Ltd., Switzerland
 International Cooperative Petroleum Association, USA
 Sociedad Interamericana de Desarrollo y Financiamiento Cooperativo (SIDEFCOOP),
 Argentina
 International Cooperative Housing Development Association (ICHDA), UK
 World Council of Credit Unions Inc., USA

Malta	—	—	—	—
Mauritius	75	150	180	180
Morocco	70	—	—	386
The Netherlands	50	68	83	101
Nigeria	1,000	1,000	—	1,066
Norway	7,710	10,099	10,676	11,673
Pakistan	—	1,712	200	100
Peru	150	550	—	360
The Philippines	75	475	35	289
Poland	7,599	7,873	9,466	11,719
Portugal	—	—	—	—
Puerto Rico	1,466	—	—	782
Romania	3,700	2,000	3,600	3,900
Singapore	—	—	164	100
Sri Lanka	—	900	540	185
Sweden	12,940	19,345	17,256	21,273
Switzerland	15,056	19,536	21,161	20,916
Tanzania	—	1,392	2,471	1,105
Thailand	250	250	300	300
Turkey	50	1,060	1,200	1,372
Uganda	—	—	—	—
Uruguay	50	50	63	60
United Kingdom	22,263	24,793	30,516	28,100
USA	11,022	12,975	14,016	14,055
USSR	16,510	16,510	19,800	35,000
Yugoslavia	394	—	899	497
Zaire	—	—	—	—
Zambia	—	150	175	175

International Organisations

Organisation of the Co-operatives of America	560	561	—	336
Nordisk Andelsforbund	1,200	1,500	1,500	1,600
International Co-operative Bank	1,700	2,566	2,814	2,605
International Co-operative Petroleum Association	1,033	1,335	1,189	1,107
Sociedad Interamericana de Desarrollo y Financiamiento Cooperativo Argentina	100	—	100	120
International Co-operative Housing Development Association	123	143	153	152
World Council of Credit Unions	—	985	1,200	1,200
	<hr/>	<hr/>	<hr/>	<hr/>
	227,101	295,964	338,874	389,815
	<hr/>	<hr/>	<hr/>	<hr/>

APPENDIX 2

Audited Accounts for the four years ended 31st December 1979

		Revenue Account				TOTALS for four years
Four years to Dec 1975	£	1976	1977	1978	1979	£
	INCOME:					
	Subscriptions—current year	225,060	286,316	334,326	381,913	1,227,615
	—arrears	2,041	9,648	4,548	7,902	24,139
667,550	TOTAL Subscriptions—Note 1	227,101	295,964	338,874	389,815	1,251,754
	Interest on Investments, net after allocations to Funds and Deposits	23,482	23,715	16,250	20,797	84,244
£730,925	TOTAL INCOME	£250,583	£319,679	£355,124	£410,612	£1,335,998
	EXPENDITURE:					
	HEADQUARTERS					
298,503	Personnel—Note 2	119,242	128,351	176,473	192,687	616,753
62,054	Property—Note 2	22,107	24,860	27,626	33,292	107,885
53,096	Communications—Note 2	21,562	24,311	29,465	29,423	104,761
89,296	Meetings and UN Representation	29,493	47,312	59,696	55,896	192,397
19,241	Congress, net after Delegates' Fees	36,813	—	—	—	36,813
(277)	Conferences and Seminars	—	(3,368)	(535)	11,150	7,247
16,301	Contract Activities	—	33,951	44,737	27,287	105,975
	Other Charges, net after Grants Receivable	5,400	7,386	8,084	7,090	27,960
	Project 2000—1980 Congress	—	—	—	6,590	6,590
538,214	Less Contract Activities met by Sponsors	234,617	262,803	345,546	363,415	1,206,381
	Development Grant for Seminars	—	(33,951)	(44,737)	(27,287)	(105,975)
538,214		234,617	228,852	300,809	325,542	1,089,820
	SOUTH EAST ASIA					
159,815	Personnel	53,491	66,794	65,298	59,332	244,915
29,403	Office Rent	12,029	13,629	10,724	10,577	46,959
48,213	Travel	19,622	15,010	11,990	8,945	55,567
	Regional Council	—	2,353	2,582	5,653	10,588

202,024	Educational Activities	53,352	85,177	83,213	116,842	338,584
36,801	Other Charges	9,554	10,033	11,207	8,778	39,572
476,256		148,048	192,996	185,014	210,127	736,185
(390,167)	Less met by Swedish Co-operative Centre and S.I.D.A.	(124,248)	(161,698)	(160,573)	(192,917)	(639,436)
86,089		23,800	31,298	24,441	17,210	96,749
62,005	EAST and CENTRAL AFRICA.					
13,251	Personnel	40,708	43,865	55,739	38,586	178,538
14,034	Office Rent	1,851	3,145	3,033	2,465	10,494
4,186	Travel	7,742	10,465	9,389	13,461	41,057
72,074	Regional Council	11,311	17,068	2,667	5,603	36,649
43,099	Educational Activities	35,723	101,170	190,784	131,177	458,854
15,898	Sponsored Activities	32,886	51,730	55,942	102,651	243,209
	Contract Activities	10,508	6,053	20,510	16,576	26,563
	Other Charges		10,566	18,640		56,290
224,547		140,729	244,062	356,344	310,519	1,051,654
(98,144)	Less met by: Swedish Co-operative Centre and S.I.D.A.	(57,137)	(128,442)	(223,868)	(150,035)	(559,482)
(51,576)	Sponsors	(41,778)	(62,317)	(64,635)	(106,332)	(275,062)
	Sponsors (Contract Activities)		(6,053)			(6,053)
	Member Organisations in East and Central Africa					
(5,189)	Charge to Supplementary Fund	(5,624)	(2,475)	(7,086)	(1,369)	(8,099)
(24,301)	Charge to Development Fund	(6,806)	(8,073)	(15,188)		(23,334)
45,337		(8,057)	(9,175)			(32,420)
669,640		21,327	27,527	45,567	52,783	147,204
	TOTAL EXPENDITURE for the year	279,744	287,677	370,817	395,535	1,333,773
4,000	PROVISIONS FOR EXPENDITURE, partly attributable to the year:					
	Headquarters—Maintenance	2,000	2,000	2,000	11,000	17,000
	--Equipment		2,000	2,000		4,000
31,000	Congress—1980		15,000	15,000	15,000	45,000
(14,000)	--1976 Provision Released	(31,000)				(31,000)
(1,319)	75th Anniversary Book Provision Released	(65)	(5,525)			(5,590)
	75th Anniversary Book Stock Written Off		5,525			5,525
	Doubtful Debtors				3,000	3,000
689,321	TOTAL EXPENDITURE and PROVISIONS	250,679	306,677	389,817	424,535	1,371,708
23,370	Charge for UK Taxation on Interest Receivable at 40%	11,837	11,660	8,730	10,850	43,077
18,234	Surplus (Deficit) for the Year after Taxation	(11,933)	1,342	(43,423)	(24,773)	(78,787)
£730,925		£250,583	£319,679	£355,124	£410,612	£1,335,998

Balance Sheet as at 31st December 1979

	1975			1979	
	£	£		£	£
ASSETS					
FIXED—Leasehold Property at Cost—Note 3	35,000				35,000
INVESTMENTS—Deposits with Bankers					
—Loan Accounts—Building Society	258,551			283,876	
—Shares—International Co-operative Bank, 15 shares each 200 Swiss francs, donated to ICA	131,893			161,439	
—Shares—Subsidiary Company ICA Domus Ltd—Note 4	510			510	
	<u>390,954</u>				<u>445,825</u>
CURRENT ASSETS					
Stocks—Publications at nominal value	1,500			1,500	
—75th Anniversary Book at cost	5,590			—	
Debtors and Prepaids	42,989			199,320	
Cash at Bank and in Hand—Note 5	73,210			146,666	
	<u>123,289</u>			<u>347,486</u>	
Less CURRENT LIABILITIES					
Sundry Deposits	(37,847)			4,463	
Sundry Creditors	(89,259)			256,328	
				<u>260,791</u>	
Headquarters Furnishing Donations less Expenditure to Date				4,760	
West Africa Office—Grants				26,500	
				<u>292,051</u>	
	<u>(3,817)</u>				<u>55,435</u>
NET ASSETS	<u>422,137</u>				<u>536,260</u>

14,557	FINANCED BY:				
114,612	FUNDS—Leasehold Sinking	..	..	..	42,585
—	—Development	..	..	..	129,439
19,085	—Bucket of Water	..	..	..	30,219
1,375	—Supplementary—E. and C. Africa	..	..	..	—
149,629	—Dr. Bonow Study	..	..	..	28,479
					230,722
2,000	PROVISIONS—Headquarters—Maintenance	..	..	..	19,000
—	—Equipment	..	..	..	4,000
31,000	—Congress 1980	..	..	..	45,000
—	—Doubtful Debtors	..	..	..	3,000
5,590	—75th Anniversary Book	..	..	..	—
68,000	—Currency Losses—Note 7	..	..	..	134,490
106,590					205,490
165,918	RESERVE—Note 7	..	..	..	100,048
422,137					536,260

Funds Statement

	Leasehold Sinking	Development	Bucket of Supplementary Water	Supplementary C. & E. Africa	Dr. Bonow Study
	£	£	£	£	£
Balance, December 1975	14,557	114,612	—	19,085	1,375
Income	22,000	109,280	47,492	2,560	27,871
Interest	6,028	31,577	—	1,689	3,233
TOTAL	42,585	255,469	47,492	23,334	32,479
Expenditure	—	126,030	17,273	23,334	4,000
Balance, December 1979	42,585	129,439	30,219	—	28,479

Notes

1. Subscription Income comprises amounts received during 1979 and up to 31st January 1980; adequate information by way of Annual Reports of Member Organisations is not available to confirm the correctness of the amounts remitted. Under Article 13(c) of the Rules, each affiliated organisation has an obligation to supply the ICA with its Annual Report.
2. These amounts are shown net, after charges to other bodies.
3. The Accounts are prepared under the Historical Cost Convention and the current value of the Leasehold Property has not been brought into account. The annual amortisation charge credited to the Leasehold Sinking Fund was increased in 1977 from £2,000 to £5,000 and again in 1979 to £10,000 and this charge under the heading "Property" is to be reviewed periodically, with the expectation that the Sinking Fund and its co-related investment will match the replacement value at the expiry of the Lease in the year 2016.
4. No credit has been taken for the profit accruing to the ICA from its majority shareholding in the subsidiary company, which at 31st December 1979 amounted to £24,531 (1975 - £8,043). Net attributable assets are likewise excluded from the ICA accounts.
5. The Cash at Bank includes £1,537 balance in a West African bank in respect of the projected office there and is the amount held at 31st October 1979 according

to a statement, not directly confirmed in audit. No information is available on the balance held at 31st December 1979.

6. Foreign currency balances have been converted in Sterling at the rate ruling on 31st December 1979, transactions during the year being converted at the average remittance rate. The gains in conversion up to the Balance Sheet date are carried forward as a provision against losses; at the date of the audit, 3rd June 1980, the foreign balances held at the end of 1979 show a loss of £5,475 on the values brought into these accounts.

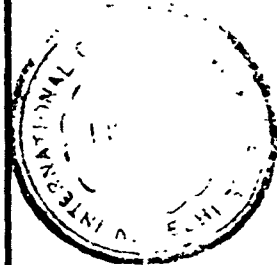
7. Movement of	Reserve	Currency Conversion Gain
	£	£
Balance, December 1975	165,918	68,000
Total adjustments relating to prior years	12,917	66,490
Less Deficit for the four years	(78,787)	..
Balance, December 1979	<u>100,048</u>	<u>134,490</u>

Auditor's Report

The Accounts of the Regional Offices have been audited by other firms and are incorporated in these accounts. In my opinion, the foregoing accounts notes thereon, especially subject to Note 5, and the statement of funds give a true and fair view of the Revenue of the particular activities dealt with thereby for the four years to 31st December 1979 and the state of affairs at that date.

Woodford, Cheshire
3rd June 1980

P. E. CUCKOW
Chartered Accountant



International Co-operative Alliance

Subscriptions Received for the four years to 31st December 1979, shown under the year in which they were received.

	1976	1977	1978	1979
	£	£	£	£
Argentina	619	785	1,161	1,659
Australia	1,234	1,000	1,200	1,611
Austria	1,940	3,295	3,684	4,495
Bangladesh	—	—	—	1,350
Belgium	7,835	10,839	12,204	11,796
Botswana	—	—	—	100
Bulgaria	1,265	1,400	1,530	1,910
Canada	4,022	6,406	7,509	11,734
Chile	484	—	400	—
Colombia	50	100	50	—
Cyprus	425	490	696	778
Czechoslovakia	4,000	4,000	4,800	4,397
Denmark	5,634	6,598	7,700	14,376
Egypt	270	270	—	750
Fiji	480	505	606	606
Finland	15,695	16,341	19,224	18,552
France	13,233	18,525	29,142	29,166
Gambia	578	350	396	396
German Democratic Republic	10,328	10,710	13,394	12,697
German Federal Republic	13,094	27,726	30,156	34,601
Ghana	290	290	—	2,200
Greece	1,000	1,000	1,100	1,200
Haiti	—	12	12	23
Hungary	4,100	4,000	4,800	7,922
Iceland	1,575	1,707	2,264	2,264
India	2,510	2,545	3,057	3,583
Indonesia	—	—	—	245
Iran	270	310	220	50
Iraq	—	2,000	1,200	1,200
Irish Republic	25	30	30	98
Israel	2,100	2,100	2,120	2,500
Italy	6,659	7,353	7,024	8,054
Ivory Coast	—	—	—	97
Jamaica	—	—	100	100
Japan	18,936	33,200	39,978	43,676
Jordan	66	65	78	167
Kenya	650	1,000	—	100
Korea	1,000	1,000	1,200	2,014
Malaysia	1,588	2,031	2,082	2,534

Malta	—	—	—	—
Mauritius	75	150	180	180
Morocco	70	—	—	386
The Netherlands	50	68	83	101
Nigeria	1,000	1,000	—	1,066
Norway	7,710	10,099	10,676	11,673
Pakistan	—	1,712	200	100
Peru	150	550	—	360
The Philippines	75	475	35	289
Poland	7,599	7,873	9,466	11,719
Portugal	—	—	—	—
Puerto Rico	1,466	—	—	782
Romania	3,700	2,000	3,600	3,900
Singapore	—	—	164	100
Sri Lanka	—	900	540	185
Sweden	12,940	19,345	17,256	21,273
Switzerland	15,056	19,536	21,161	20,916
Tanzania	—	1,392	2,471	1,105
Thailand	250	250	300	300
Turkey	50	1,060	1,200	1,372
Uganda	—	—	—	—
Uruguay	50	50	63	60
United Kingdom	22,263	24,793	30,516	28,100
USA	11,022	12,975	14,016	14,055
USSR	16,510	16,510	19,800	35,000
Yugoslavia	394	—	899	497
Zaire	—	—	—	—
Zambia	—	150	175	175

International Organisations

Organisation of the Co-operatives of America	560	561	—	336
Nordisk Andelsforbund	1,200	1,500	1,500	1,600
International Co-operative Bank	1,700	2,566	2,814	2,605
International Co-operative Petroleum Association	1,033	1,335	1,189	1,107
Sociedad Interamericana de Desarrollo y Financiamiento Cooperativo Argentina	100	—	100	120
International Co-operative Housing Development Association	123	143	153	152
World Council of Credit Unions	—	985	1,200	1,200
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	227,101	295,964	338,874	389,815
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