

# Review of International Co-operation

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*Front cover: Location of ICA head office, Geneva.*

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# Review of International Co-operation

Vol. 86 No. 2/1993

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# Editorial

The first ICA General Assembly, under the organisation's new structure will be held in Geneva, where the ICA Head Office is located.

It will be the first time, at least in the ICA's recent history, that a large international meeting will be held without having an ICA member organisation as host, and the Secretariat is working to make this meeting as fruitful and interesting as possible.



We are confident that visiting delegations will find their trip to Geneva both interesting and enjoyable and, in order that participants can have a better understanding of the Co-operative Movement in this country of democracy, we have dedicated this issue of the ICA Review almost exclusively to the co-operative movement in Switzerland.

The ICA is building on the discussions on the Basic Values of Co-operation in order to present a clear co-operative alternative for the world at the Manchester Congress when a Co-operative Charter will be adopted. Part of this process is a reconsideration of the Principles as they were defined by the ICA in 1966. In charge of this process is Dr. MacPherson, Dean of Humanities at the University of Victoria, Canada, a member of the ICA Board. In his article "Recommitment at Manchester", Ian brings our readers up-to-date with the work so far and asks for views from ICA member organisations and co-operators around the world.

Other themes in this issue are Japanese Co-ops and the Environment, Gender Issues, and the ICA and Human Rights.

If you are interested in learning more about the movement in Switzerland, please contact directly the organisations concerned.

*Mary Treacy, Editor*

# Co-op Switzerland

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by Karl Weisskopf\*

The Swiss co-op group emerged from the consumer co-operatives established nationwide in the mid-19th century. In 1890 these joined together to form the Association of Swiss Co-operative Societies, the forerunner of today's Co-op Switzerland.

## Role of the Co-op Group

The co-op group now comprises the Co-op Schweiz headquarters and wholesaling operation, 28 regional co-operative societies active in the retail trade and over 30 manufacturing, trading and service operations.

The co-op group makes an appreciable contribution to the Swiss economy. With a consolidated turnover of 10.5 billion Swiss francs, it is the 13th largest company in the country. The group provides work for 44,000 people, making it the fourth largest employer in Switzerland. It also numbers among the largest Swiss investors at about 0.5 billion Swiss francs annually.

The Swiss co-op group has established a major retailing presence. Its 1700 plus retail outlets spread across the country make it an essential element of local shopping facilities. Co-op is Switzerland's second largest retailer,



accounting for 18.0 per cent of the food market and 8.5 per cent of non-food sales, i.e. 13.4 per cent of total retail sales.

Co-op has come to occupy a firm place in people's lives. Almost every other household in Switzerland is a shareholder in one of the regional co-operative societies. A weekly shareholders' magazine is issued in the three official languages, German (Co-op Zeitung), French (Coopération) and Italian (Cooperazione), and delivered directly to their homes.

## Adapting to New Challenges

Co-op is an economically healthy and successful business operation today because it was quick to realize that

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\* Karl Weisskopf is the Press Officer of Co-op Switzerland.



Co-op Super Centre.

photo: Pino COVINO, Birsfelden

competitiveness represents the key to success in a market economy. This means that it lost no time in adapting its structure to changing requirements. The 572 local and regional co-operative societies of 1950 have been reduced to just 28 today. In 1960, Co-op had 3,300 retail outlets, whereas nowadays there are just under 1,200 shops with the co-op sign outside. At the same time, the total floor space has been increased from 390,000m<sup>2</sup> in 1970 to 725,000m<sup>2</sup> today (or over 800,000m<sup>2</sup> for the group as a whole).

Even though the Co-op group has been able not only to maintain its position but actually to consolidate it, we have no doubt that major efforts will be needed if we are to continue improving our performance in future.

These efforts are being made on various fronts:

- \* Eurogroup co-operation
- \* range of goods
- \* better shop fronts
- \* slimming down of organizational structures
- \* consolidation of Co-op's affiliates

### **Eurogroup Co-operation**

In 1990 Co-op joined the Eurogroup S.A. Retailers' Group together with REWE of Germany, Paridoc of France, Vedex of the Netherlands and GIB of Belgium. Co-operation between these equal partners has been marked by a gratifying openness and goodwill. Coordination of buying activities in

both the food and non-food sectors as well as bilateral business has been of benefit to all parties.

### **Range of Goods**

The object here is to offer better value for money. A closed market in agricultural produce has led to high prices, with the result that the Swiss are doing more and more of their shopping abroad. This export of purchasing power has to be stopped, which means that in the next few years prices in Switzerland will have to be brought down closer to the level of the EC countries with which it has common borders. This calls for major adjustments in the farming sector (direct payments, for example), and associated operations, as well as higher efficiency in the food-processing industry and the retail trade: and Co-op is no exception.

Adjustments in the range of goods will be inevitable. There are so many of the same goods available in different packages these days that the impact on purchasing patterns is often only marginal. It would, therefore, make sense to concentrate on leading brands and strong up-market goods.

Consumers are setting greater store by quality and safety standards. They expect to be presented with clear information - about additives, for example - as well as healthy, natural products which satisfy ecological and, to a growing extent, ethical criteria.



*Co-op Switzerland's headquarters in Basle.*

Co-op has recently been playing a pioneering role in this field with:

- \* Co-op Oekoplan products satisfying demanding ecological standards in terms of packaging and environmentally-friendly non-food products, e.g. for gardeners,
- \* Co-op Naturaplan products representing organic farming methods and traditional, non-intensive forms of animal husbandry (organic vegetables, often home grown, beef from cattle weaned by natural or foster mothers, full-cream bio-yoghurt),
- \* the Co-op Naturaline Collection of underwear and shirts made from cotton grown and processed in

accordance with strict ecological standards,

- \* Co-op Havelaar Kaffee "Cooperation", a scheme which guarantees producers fair prices for their crops and already accounts for a major portion of sales.

### **Better Shop Fronts**

Shop fronts have to be changed to appeal to customers just as much as the range of goods. This is why Co-op Switzerland is looking more towards bigger shops (larger Co-op-Centres and Co-op-Super-Centres.

The scope for huge outlets and shopping centres on the outskirts has been reduced to almost nothing because of restrictions on development. But we are also concerned with specialist outlets such as do-it-yourself and garden centres as well as Co-op BauCenters. It was Co-op that pioneered these last mentioned outlets in Switzerland. All types have been recording above-average increases in turnover for some years now.

When it became majority shareholder in the Zürich Co-operative Society, Co-op also took over the Billi discount chain. We are planning a major expansion of these outlets, since we expect to see discounters taking a growing share of the market in the next few years.

### **Slimming Down of Organizational Structures**

Efforts are also needed behind the scenes. New financing arrangements were introduced for the Co-op

Switzerland headquarters in early 1992 to strengthen its position. The fact that accounts for work on behalf of the group as a whole are now settled separately has enabled Co-op Switzerland to offer the regional co-operative societies more competitive wholesale prices.

Efficiency will also have to be improved in the logistics field. Distribution costs amount to approx. half a billion Swiss francs annually. We intend to achieve savings into the tens of millions with new cost-cutting strategies.

The merger plans for regional co-operatives are yet another way of improving our competitiveness. Their number is to be reduced from the current level of 28 to 18 by 1995. Competition in the retail trade is such, however, that there is likely to be a need for a further reduction in the medium term.

### **Consolidation of Affiliates**

Co-op concentrates the bulk of its efforts on its role as a large distributor, and this will not change in the future either. At the same time, the group owns about 30 manufacturing, trading and service operations, as already mentioned. And there is a need for forward-looking strategies here, too.

In several cases we have already entered into arrangements with leading companies in the field:

- \* OK-Co-op AG, our fuel and petrol subsidiary, is working together with the Conoco oil company.





*Bio yoghurt, in the Co-op Naturaplan range, is a great hit with Co-op's health-conscious members.*

- \* Popularis travel agents have entered into a partnership with Kuoni, the market leader.
- \* Radio TV Steiner AG, co-op's consumer electronics chain, has concluded an agreement with the Interdiscount group, Europe's largest.
- \* Our printing operation is now involved in a joint venture with the leading printers in the northwest of Switzerland.
- \* Our flour-milling operation in Zürich now has a junior partner.
- \* And in 1994, Rivaliment S.A., our animal feed manufacturer, will be

joining forces with two other companies in the branch.

We think that other companies belonging to the Co-op group will continue to perform well of their own accord, which has led us to opt for major investments for the modernization of plants and an increase in capacity.

The Swiss Co-op group now occupies a key position in the country's retail trade, one which it intends to maintain and consolidate in the future. Many steps have already been taken or initiated with this in mind. But numerous challenges remain on the road ahead - and Co-op Switzerland will courageously face up to them.

# Co-op Geneva - 125 years of Consumer Co-op History

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by Marie-José Fournier\*

The society's image has widened enormously in 125 years since the opening of its first stand in the spring of 1868, providing basic necessities to the network of today's Co-op Geneva, which still distributes foodstuffs, but which is also involved in activities as diverse as textiles, books, audio-visuals, fuels, travel and catering.

In 1993, Co-op provides the population with a sizeable network for the distribution of consumer goods, comprehensively covering the canton of Geneva and the district of Nyon, and guaranteeing a constant supply and wide variety of goods and services which are not only inexpensive but also of high quality. In this sense, the objectives of the founders of the Swiss Consumer Co-operative Society, as it was originally called, have been achieved in full and are still respected today.

This should be stressed very strongly at a time when the co-operative ideals seem to be overshadowed by the laws of competition, a phenomenon which has been evident within the market since the ending of price regulation in 1967-68. But the consumer himself,



isn't he in reality the supreme decision-maker, who must bear the responsibility for this fierce competition?

## History of Co-operation - an Idea which Remains Relevant

The co-operative concept has much in common with the confederal idea, the structure according to which our country is organized, the model on which the USA is founded, and in which an evolving Europe continues to find inspiration.

This legal base - the co-operative society - still retains, as it did in the past, its qualities of solidarity and of efficiency.

## The European Pioneers

The idea which was the motivation for the creation of the first co-operatives is

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\* Ms Fournier is Editor of the Press Office of Co-op Geneva.



*The Swiss Consumer Co-operatives (SCSC) offered the best quality/price products from their earliest days.*

very simple and can be summed up in a few words: a better quality of life through the lowering of prices, improvement of quality, and ensuring accurate weights and measures.

The consumer co-operative was born in England. Little by little, its principles, arising from within the working class, gained support from the middle and upper classes of this nation. During times of huge economic and social changes, and high cost of living, the first attempts recruited mainly workmen and artisans. Such was the case when the humble weavers of Rochdale, in England, created the first consumer co-operative model for other countries in 1844.

### **In Switzerland**

Our forefathers, the people of Waldstätten, already practised self-help. Inspiring themselves with the spirit of co-operation evident in the treaty of 1291, the cities felt it necessary to defend their property.

### **In Geneva**

Co-operative groups appeared in Geneva at the beginning of the nineteenth century (fruit-producers, dairies, cheese-makers), uniting the peasants. This spirit of common action won the support of the town (for example, a co-operative-type bakery had already opened by 1937).

The co-operative idea gained ground. About 1860, inspired by James Fazy,



*Initially reserved for co-operative members, co-op stores opened their doors to all potential clients in 1885.*

Geneva opened itself to the modern world and pulled down its town walls. In 1864, the Geneva Convention began the cycle of international meetings. Our city also took part in the industrial revolution.

### **1808 - Creation of the Swiss Consumer Co-op Society**

A serious industrial crisis held sway Switzerland and in Europe as a whole, causing great hardship. The local food market was fraught with inaccuracies of quality, weights and measures, and prices.

The Swiss Consumer Co-operative Society was brought into existence on the 25th of January 1868, uniting men of integrity from all backgrounds.

Its constitution states:

'The Swiss consumer co-operative society has no profit motive. Through the Co-operative Association, it sets itself the aim of bringing about a humane society, which will give to each the possibility of mutual aid and will realize all the good deeds of economic solidarity'.

First constituted as a S.A., it had a capital of 10,000 francs made up of 10 franc shares.

The first shop was opened to members on the 21st March 1868, selling bread, flour, pasta, potatoes, rice and pulses, sugar, coffee, oil and soap (meat and wine came later).

In November 1868, Edmond Pictet, a man of liberal Anglo-saxon ideals, became president. He remained in the post until his death in 1901.

### **1868-1918: Pioneering Years**

The co-operative idea developed and spread vigorously. Research into co-operative ideals permitted the society to consolidate its position during the first twenty-five years. Its political neutrality was established and legal and commercial structures were put into place.

In 1878, the premises at l'Île having become dilapidated, the shop was transferred to the Fusterie (in the position of what was to become Epis d'Or).

In 1885, the society comprised four shops, which were also open to non-members. In addition to food and wine, the society distributed bread and coal (and was temporarily selling wood and meat). Clients received a rebate (about 10% of their purchases) which was paid to them at the end of the year.

In 1890 Edmond Pictet instigated a meeting at Olten for the representatives of the consumer co-operative societies in order to found a nationwide central purchasing shop.

In the same year, Pictet and others created a manufacturing organisation, and established the Swiss Union of Consumer Co-operatives at Basel.

In 1918, the Geneva co-operative was composed as follows: 28 retail shops (with 750 lines), 2 warehouses (at

Varembé and Tronchin, for bread and dairy produce), 3 fuel depots, and an administrative building (in the rue Bautre).

### **1918 - 1968: Achievements**

It was in 1920 that the society extended its activities to cover non-food goods by opening a specialist shop in the rue du Commerce. This was to bear the name "Aux Epis d'Or" from 1928.

Despite the economic crisis (no rebate paid in 1921), our society continued to support consumers. It introduced the system of dividend stamp books in 1927. This permitted all clients to obtain an immediate discount of 5%, followed by an additional 7% paid to members as an additional annual rebate.

During the 1930s, our society made payments to help unemployed co-operators experiencing financial hardship.

Our home delivery service was very much appreciated by rural inhabitants. Later it was discontinued as shops were opened in the outlying areas.

In 1937 the Assembly of Delegates finally became a reality. This assured a stronger link between directors and society members through the geographical representation of members, in liaison with the regional shops.

In 1933, the Co-op decided to manage a chain of dairies jointly with the Laiteries Réunies under the name of l'Union Laitière (the Dairy Union). It took over the whole operation in 1964, thus bringing the number of its points of sale up to 141.



*Sports department of the Fusterie Co-op Centre.*

In 1943, when the Wahlen plan put 500,000 hectares of land into cultivation, the society celebrated its 75th anniversary. All the co-operatives set about supplying the population, offering staple foods at reduced prices.

The 'modern' period, from 1945 to 1968, saw important achievements in consumer service.

More shops opened on the outskirts of the expanding town, our society opened 'La Rochelle' restaurant in the rue du Commerce and took over the Pêcheries under the same name. The self-service shop appeared in the rue de Lausanne in 1950, butchers' counters within the large supermarkets in 1957. The same year witnessed the opening of the first Co-operative petrol station.

	<b>Turnover (million CHF)</b>	<b>Shops</b>	<b>Staff</b>
1945	23	50	420
1968	200	100	2,300
1992	600	41	2,200

Besides the wine cellars, our depots comprise butchers' workshops and bakeries.

1967 saw the ending of price imposition, rebates having been withdrawn in 1963. From then on, the vogue for 'discount' shops had a limited future, and in 1970 the Co-op introduced its new net pricing policy.

### **1968 - 1992: Expansion**

This quarter century saw a change in business philosophy. The end of regulation pricing and of the rebate system gave way to the laws of the market and of competition.

'In order to be competitive, the retailer must sell the best quality goods at the best price'. This was the publicity slogan adopted by Co-op Geneva.

Led, from this point onwards, by purely economic considerations, the structure of the co-operative system retained, nevertheless, a basic ideological characteristic: its aim was to promote the economic and social interests of its members and to champion consumers in general, it also worked to provide general access to cultural activities.

Thus, the objective of the society was to serve the consumer in the larger sense of the word, not merely the smaller group of society members invested with decision-making powers within the context of their assembly.

From 1968 onwards, Co-op Geneva began to introduce electronics and computerization into its equipment.

At the time of its centenary, our society had opened enlarged premises at the Epis d'or in the typical form of a department store with 'everything under the same roof'. This formula of the future was the model for other developments such as Florissant, Onex (the biggest co-op super-centre in Switzerland at the time of its opening in 1979), Eaux-Vives 2000 and Montbrillant, to name just a few.

This period of huge expansion saw the society's activities multiply and diversify. For example:

- the creation of the Centre Culturel (now the Centre de loisirs Coop) in 1971;
- the expansion of the network of public restaurants and company canteens managed by Co-op Geneva, a sector which, with 29 units, has never ceased to be profitable;
- the taking over of Co-op Travel agencies (currently 4 offices) providing diverse services, including cultural holidays, mass tourism and business trips;
- the opening of the Gourmets (first commercial food hall selling premium quality food in Switzerland, inaugurated in 1977);
- the development of departments and of a home catering service;
- the creation of two do-it-yourself stores;



*Forum 2000 has a vast display of compact discs.*

- the organisation of two Forums, specialist departments selling books and audio-visual equipment (1981 and 1991);
- the extension of the chain of petrol stations, which had become 24-hour self-service stations (from 1988);
- at the same time as with the opening of new hypermarkets, the closing down of eight marginally profitable shops (1991), an evolution experienced by the whole of the Co-op group throughout Switzerland;
- the development, in 1980, of a new centre at La Praille for the distribution of general and non-food merchandise;
- enlargement of the warehouses at Varembe was followed, in 1985-86, by the commissioning of our new headquarters at Meyrin-Satigny, the sites at Varembe having been acquired by the Geneva authorities for the erection of council housing;
- the opening of the Rhône-Fusterie commercial centre in 1990 (Co-op City having been closed in 1987), a





*Rhône Fusterie Super Centre Co-op features modern eye-catching architecture.*

building comprising, in addition to a series of shop units (ready-to-wear clothing, jewellery, opticians, shoes, homecraft, hairdressing, perfumery), the Co-op specialist services, which are Gourmet, Forum, bakery, wine cellars and La Marmite self-service restaurant, not forgetting the traditional food, household goods and textiles.

### **Co-op Geneva: Statistics**

In 1993, Co-op Geneva consists of:

- A headquarters at Meyrin-Satigny (250 m x 60 m at ground floor, 37m high) in which are situated the operational and administrative services. 250,000 pallets of merchandise pass through it each year. The delivery vehicles travel an average of a million kilometres per annum.

- Over 40 shops, of which six are commercial centres and eight super-centres,
- 2 Gourmets,
- 2 Forums,
- 12 OK-Co-op petrol stations,
- 4 travel agencies,
- a leisure centre,
- a fuel service,
- 29 restaurants,

Total sales area of 47,133m<sup>2</sup>.

- 2200 workers,
- 75,500 members,
- 100 delegates.

Turnover in 1992: in excess of 6,000 million (the 4th highest in the Co-op group).

# A Small Co-op Association Pursuing a Big Idea

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by Ernest Laub \*

## Part of the Labour Movement

1932, the year of the foundation of the VSP/ASCOP (Verband Schweizerischer Produktivgenossenschaften / Association Suisse des Coopératives de Production), the Swiss Production Co-operatives' Association, was a year of political and economic crisis: strikes and demonstrations against salary reductions and mass dismissals were daily events.

The co-operatives that are affiliated to the VSP/ASCOP have therefore traditional links with the Swiss labour movement. Many of them have been supported by the trade unions as a contribution to overcome unemployment, to promote democratic structures in enterprises and to improve social conditions. As a matter of fact, some of the co-operatives have been created by and for workers who have been dismissed from private companies because of their involvement in strike actions and other labour disputes or because they were active trade unionists.



In respect to social progress, the production co-operatives reduced working hours and introduced pension funds for their workers long before this was made compulsory by Swiss law for all companies.

The first workers' production co-operatives were already created in the second half of last century. The oldest workers' production co-operative that still exists and which is a member of VSP/ASCOP was founded in 1907. The youngest member co-operative goes back to 1951.

## Structure and Activities

As the construction workers' union (now called GBI/SIB Gewerkschaft Bau und Industrie / Syndicat Industrie et

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\* Mr. Laub is a member of the VSP/ASCOP Executive Committee and the Secretary of its French speaking regional organisation ASCOP.

Bâtiment) has been the most committed one in this field, the great majority of co-operatives are to be found in the construction sector and annexed industries.

Four member co-operatives are construction companies (with 459 workers), six are in the wood industry (with 177 workers), five are in the metal industry (with 382 workers), five are painters' and/or plasterers' enterprises (with 167 workers) and two co-operatives are active in other sectors (with 101 workers).

The total turnover in 1991 was 161,906,000 Swiss Francs. The 22 co-operative enterprises that are VSP/ASCOP members employed a total of 1,286 workers. Unfortunately the membership has decreased over the years. In 1980, 31 co-operatives with 1346 workers were affiliated to the association. In 1991, 21.7% of the work executed by the VSP/ASCOP member organisations was done for the account of other co-operatives (mainly housing co-operatives), 57,0% for private companies or persons and 21,3% for public authorities (communal, cantonal or federal authorities).

With regard to the individual ownership of each VSP/ASCOP member co-operatives we do not have a homogeneous situation: some of the co-operative enterprises are exclusively owned by the workers directly and others by their trade union. But there are co-ops with mixed ownership that includes, in addition to the parties mentioned, other co-operatives such as housing co-operatives, private

persons who are committed to the co-operative idea but are not working in a co-operative enterprise and, last but not least, the VSP/ASCOP or its regional organisations.

Regional organisations exist for Zurich, Bern and Basel as well as one regional organisation for the whole French-speaking region of Switzerland, with co-operatives in Geneva, Lausanne, Yverdon and La Chaux-de-Fonds.

### **Present Situation**

1993 is again a year of economic and social hardship. Our member co-operatives are once more in a difficult position since orders and contracts are becoming scarce. At the same time unemployed people are seeking assistance for building up new co-operatives. A strong, helpful VSP/ASCOP is, therefore, urgently needed.

But this association as it has existed for 60 years has no full time staff. All the work it does is done by executive committee members in their spare time. Despite this deficiency there are many achievements. The association is not only involved in training activities and the exchange of information, it also operates a Solidarity Fund that gives credit to member co-operatives at favourable conditions.

But a structured interco-operative collaboration has still to be organised in our country and a joint co-operative public relation activity to be built up. Although, on the whole, the different individual co-operative companies (inside and outside the VSP/ASCOP)



*Headquarters of Building Co-operative (COBY), in Yverdon, consists of five departments: masonry, carpentry, roofing, paints and civil engineering.*

do an excellent job, the co-operative idea itself has very much suffered from big scandals in the co-operatives of neighbouring countries. We also do not have an efficient co-operative lobby: Swiss legislation (company laws and tax laws) should provide for more advantages for co-operatives (as compared with enterprises that are only in business for short term profit).

### **Outlook for the Future**

The VSP/ASCOP will probably open its ranks to other co-operatives that are not yet affiliated. It will also have to admit co-operatives from outside its traditional sectors in the construction, metal and wood industries. There is also one question that has not yet been answered: Will the VSP/ASCOP also take members that are not co-op, but have similar social obligations?

One other question for the future is whether a small co-op association such as the VSP/ASCOP will be able to commit itself on the international level in the framework of the ICA. This is a question that should also be studied within the ICA, since there are other co-ops and co-op organisations in Switzerland and in other industrialised countries that have not yet joined the international movement.

The important decisions on the future of the VSP/ASCOP and the implementation of adequate structures for the association and its secretariat will be taken at the general assemblies in 1993 and especially in 1994.

If we make the right decisions, the VSP/ASCOP will again be an attractive and dynamic association with increasing membership.

# Raiffeisen Banks in Switzerland

by Felix Walker \*

With 1158 independent banks in Switzerland, the Raiffeisen banking co-operative is numerically the largest autonomous Swiss banking institute. Nearly 500'000 Swiss men and women are co-op members and more than one million people from all walks of life are Raiffeisen customers.

In addition to a unique business philosophy, the Raiffeisen organization is different from other Swiss banks because of its co-operative structure. Co-op member banks have a right of participation and are jointly responsible for the functioning and development of the co-operative as a whole.

The Raiffeisen philosophy of solidarity, i.e. to jointly strengthen the financial and social well-being of the general population and to serve community interests, has enjoyed increasing popularity. Within the last four decades, co-op membership increased from 95,000 in 1950 to nearly 500,000 co-op members today.

## Management Policies

The following management policies are unique to the Raiffeisen co-operative of banks:



- Business activities are limited to clearly defined, geographically confined business areas.
- Customer deposits are used in the economic area of origin.
- Credit approvals are granted only for co-op members and only against sufficient security.
- No speculative ventures are funded with entrusted monies.
- No pronounced pursuit of profit in order to ensure financial advantages for co-op members.
- Simple, cost-effective administration.
- The Board of Directors and Board of Auditors of each bank serve on an honorary basis.

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\* Dr. Walker is the Chief Executive Officer of the Union of Swiss Raiffeisen Banks.



*There are 1,158 branch offices of the Raiffeisen banks in a very condensed banking network.*

### **Business Area**

Each Swiss Raiffeisen bank generally serves one or a limited number of small communities. In this way, the banks provide a valuable contribution to the preservation and strengthening of community vitality and economic independence in Switzerland. The cooperative also provides an appropriate rural network of banking services: Raiffeisen banks are primarily found in rural areas and suburbs.

Local banks idealistically work toward strengthening community economic independence, and increasing community cohesiveness and self-confidence. Their location, the relationship of trust customers have with bank employees, and members'

voting power at the annual meeting lends the Raiffeisen banking cooperative a very personal note, i.e. customers identify themselves with their bank.

Because each board member and chief administrator is familiar with the local social and economic situation, they are on the spot when banking assistance is required. Market closeness is also an advantage when credit risk is evaluated.

### **Business Activities**

Raiffeisen bank services fulfill the needs of middle class customers. Emphasis is placed on the savings and mortgage business. In order to serve customers on a daily basis as a competent, local

*One million customers appreciate the fair and competent advice provided by Swiss Raiffeisen - they trust the serious business policy based on security.*



institution for all banking services, general banking services and the commercial credit business are growing as customer demand increases.

In the mortgage business, Raiffeisen banks concentrate on customized financing plans for private, communal, small trade/business and agriculture buildings. To diversify the business base, other banking services (e.g. investment advice, securities, foreign exchange, payment systems) are being developed.

### **Co-operative Structure**

The 1158 legally independent Raiffeisen banks are members of the Union of Swiss Raiffeisen Banks (USRB). Headquartered in St. Gallen, the apex organization serves member banks and coordinates the co-operative's activities. For example, the USRB represents the banks to the general public, advises banks on administrative/organizational matters, trains local bank managers and board members, provides legal

aid, assists with personnel recruitment, manages national marketing activities, and offers various other support services.

In addition, the USRB manages the Raiffeisen Central Bank in St. Gallen. This bank is responsible for co-operative's solvency as well as providing important central services in the credit, portfolio management, securities, foreign currency, and payment systems business.

There are also 22 regional associations which support initiatives from the local Raiffeisen banks and act as a link to the USRB.

### **Philosophy of Solidarity**

Each Raiffeisen bank, the regional associations and the Union of Swiss Raiffeisen Banks strives to fulfill the co-operative's guiding philosophy of "working together to strengthen, support and - despite regional differences, different bank sizes and activities - compete in the financial services market as a unified banking institute."

## Significant Raiffeisen Figures

1,000,000 Customers	Nearly every sixth resident of Switzerland is a customer of a Raiffeisen bank.
500,000 Co-op members	Each of the nearly 500,000 co-operative members is also a co-owner of a Raiffeisen bank.
1,158 Raiffeisen banks	Every fourth bank in Switzerland is a Raiffeisen bank.
CHF 48,300 million balance sheet total	With a 48,300 million Swiss Franc balance sheet total, the Raiffeisen co-operative of banks ranks fifth among all Swiss banks.
CHF 34,500 million customer deposits	The above-average 7.6% growth of customer deposits is genuine proof of trust.
CHF 25,700 million mortgage investments	Every seventh mortgage in Switzerland is from a Raiffeisen bank.

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# Housing Co-operatives in Switzerland

by Fritz Nigg \*



*Photo: Marcel Studer*

The first housing co-operatives were set up around 1900. Their number has grown steadily ever since to reach a total of about 1,000. The 150,000 or so co-operative dwellings account for about seven per cent of all rented housing. Most of them are in towns and cities, with co-operatives owning 19 per cent of all housing in Zürich. In the eighties, the housing co-operatives built six to seven per cent of all new houses throughout the country, or 2,400 to 3,500 dwellings annually.

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\* Mr. Nigg is Chief Executive Officer of the SVW Swiss Housing Federation, umbrella organisation of non-profit housing associations. He is also Editor of "Das Wohnen" magazine.

There are no special legal provisions for housing co-operatives except that they have to be run on a non-profit basis. This imposes strict statutory limitations on the distribution of profits among shareholders and co-operative bodies, both in normal operations and in the event of liquidation. There are something like 800 housing co-operatives working on a non-profit basis along these lines. Of these, over 80,000 with a total of over 100,000 dwellings belong to the Swiss Housing Federation (SVW / ASH). There are no tax incentives to speak of for a co-operative voluntarily undertaking to work on a non-profit basis, but this does simplify

matters on an administrative level and offer access to certain grants.

Co-operative tenancy agreements are subject to the same tenancy law as any others. They include the additional provision that the amount of rent should be determined by what is sufficient to cover costs (rather than the market price) and provide a large degree of protection against eviction by the co-operative. Otherwise, the law leaves housing co-operatives plenty of room for manoeuvre, both in business and financial terms. Co-operatives have been only too pleased to make use of this, which has led to a large variety of forms. This is quite clear from the different numbers of dwellings administered by individual co-operatives. The SVW membership statistics show that most co-operatives own less than 100 housing units. This has been due, to no small extent, to a constant flow of new ones encouraged by a system of advice centres and special financial assistance. The 50 largest co-operatives, on the other hand, own nearly half of all dwellings in the co-operative sector. They have professional management staff, and frequently run a services operation of their own. The highest bodies of all the housing co-operatives are the management boards, which are part-time and are elected by the shareholders. In smaller co-operatives they are also responsible for day-to-day business.

Most of the non-profit housing co-operatives are concerned exclusively with rented accommodation which they let to their shareholders. The latter, in turn, control the general meeting with their

voting power and, in that way, the co-operative as such. There are far less co-operatives engaged in the construction and sale of housing than in the administration and erection of dwellings for rent. However, the purchase of existing property, often combined with refurbishment and a change in its use, is of growing significance. Newer housing co-operatives in particular are becoming involved in experimental development projects and new schemes to involve tenants directly in managing the co-operative's affairs.

Housing co-operatives are almost the only form of builders to take advantage of support from the public purse wherever possible and to accept the concomitant restrictions regarding the numbers and incomes of tenants. But the capital for these dwellings, too, usually has to be found within the free market. The result is that interest payments represent half the outgoings of the co-operatives, and thus half of the rent. The Residential Development and Property Ownership Promotion Act provides for federal Government guarantees to relieve the initial burden of interest payments.

Housing co-operatives have been stepping up their co-operation for some time. They have formed a joint solidarity co-operative guarantee fund, regional housing development organizations and an underwriting syndicate responsible for raising loan capital on the market.

Sources: *Das Wohnen*, Fachzeitschrift für Wohnungswesen, published by SVW, Zürich.

# M - The Shortest of Stories

by Bruno Ruf \*

Whether the model of decentralised co-operative societies is a workable form of an up-to-date trading organisation in a world of more and more closely and rapidly knit inter-relations, is a question that has caught my interest ever since I started working with Migros.

When Gottlieb Duttweiler converted regional Migros Inc. companies into regional Migros Co-operative Societies in 1941 he did so on the model of the Confederation of Switzerland: i.e. according to the motto "all power is local" by the delegation of "power" to the co-operative members. In Switzerland this is also true of the political field.



*Gottlieb Duttweiler was an important figure in the history of Migros as its founder in Zurich in 1925.*

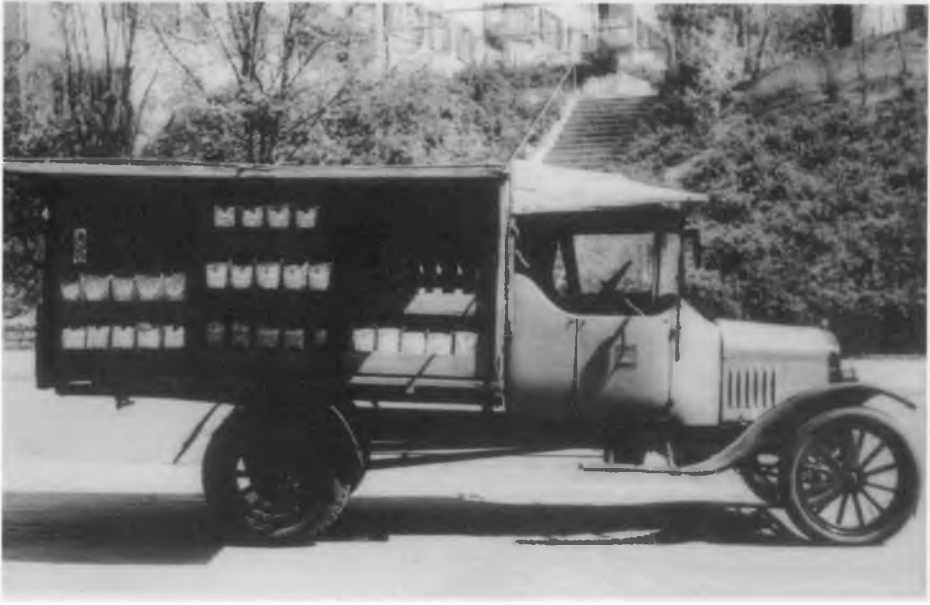
Migros has remained local, but a larger organisation is needed to buy worldwide, produce and manufacture, to coordinate a recognisable national approach to and entry into the Swiss market and, finally, to attain the loyalty of its customers. To this end, the regional co-operative societies formed the Federation of Migros Co-operatives (FMC) as their only offspring.

Just as the Swiss political system is built on "servicing the people" so a Co-operative is on "servicing its customers".

Thus, the regional Migros co-operatives are devoting their efforts to retailing, while the Federation of Migros co-operatives is doing the coordination and the wholesale and producing business.

To answer my question above, I must indeed admit that the democratic rules

\* Mr. Ruf is the Public Relations and Information Officer for Migros.



*Gottlieb Duttweiler started Migros with five Ford Model T sales vehicles.*

are strictly observed. The basic regional societies have the final say in all matters by virtue of their very close daily contact with their customers. This helps to avoid misunderstandings and major mistakes in the market. The customers regulate the regional Co-operative Societies which, in turn, regulate the Federation of Migros Co-operatives.

### **Migros Organisation**

Migros consists of twelve regionally organised, largely autonomous consumer co-operatives of people living in Switzerland. It is active in the retail trade, manufacturing and various services, as well as adult education.

Gottlieb Duttweiler (1888-1962) started Migros with five Ford Model T sales vehicles (mobile stores) and six prod-

ucts (coffee, sugar, rice, pasta, coconut-oil and soap) in Zurich in August, 1925. The basic idea was to make a direct "bridge" from growers to consumers which would enable selling prices to be drastically reduced.

The first store was opened in Zurich in 1926, and sales, ranges of goods, and number of sales outlets quickly grew, as did opposition to the young enterprise, when more and more suppliers joined a boycott by the manufacturers of traditional branded goods. Migros, however, met this challenge by buying up factories and later constructing its own manufacturing plants. About 30% of all goods sold by Migros are self-produced and bear the names of the Migros plants. In this way, branded goods, especially groceries, have been replaced by own brands.

Alongside its own brands, the Migros has successfully been trying to secure exclusive contracts with such international brands as Del Monte, Lyons Tea, Pepsi Cola, Cover Girl, etc.

### **Diversification**

The activities of Migros outside its customary retail sphere, and its entry into Swiss politics (with the "Alliance of Independents"), were a direct consequence of the ban on opening new branches instituted by the Federal Council in 1933 (revoked in 1945) to protect traditional small businesses. Migros consequently turned towards areas in which competition was non-existent or inefficient, or in which crises were emerging. Some examples of this are:

- "Hotelplan", started in 1935 to help the indigenous hotel industry, with the first "all-inclusive" arrangements, and now among the leading European travel agencies.
- In 1954 Migros entered the motor fuel and heating oil business and established the "Migrol Cooperative" in order to persuade the international oil companies to reduce their prices to consumers.
- The "Migros Bank", founded in 1957, with its advanced modest mortgage interest policy, contributes to the stabilisation of rented accommodation.
- In 1959, to combat high motor vehicle insurance premiums, Migros founded "Secura", which later entered the field of life insurance, too.

- "Ex Libris", the largest outlet for books, audio-cassettes and CDs in Switzerland, has been also part of the Migros Community since 1955.

- Gottlieb Duttweiler founded the "Zurich Shipping Company AG" in 1951. In 1984 a majority holding in the "Swiss Shipping & Neptune AG" (SRN) was acquired, and a joint business between the two shipping companies was set up in 1986. Thus, to a certain extent, Rhine shipping will hopefully remain in Swiss hands.

### **The Migros Idea**

The idea of converting the various regional Migros Inc. into co-operatives preoccupied the founder at an early stage. Migros Ticino had already been set up as a co-operative in 1933, and the rest of the Migros retailing stock companies were converted into co-operatives in 1940/1941 and handed over to the registered customers. Membership is free, and today Migros belongs to well over 1.5 million households functioning as co-operative members. Co-operative members participate in the annual Membership Ballot, where they can vote and elect the co-operative bodies every four years. Also in 1941, the Federation of Migros Co-operatives was set up, destined to take over all work delegated to it by the retailing regional Migros co-operatives.

Among the Migros working principles are: large scale direct purchasing from the grower and manufacturer; exclusion of middleman's profit; a small markup which only covers efficient

distribution costs plus a modest profit (sales prices calculated "from the bottom upwards"); rejection of selling price fixing by suppliers (retail price maintenance); advertisement through quality and low prices, multi-packs and special offers; loose sales (small quantities for small "families") of fresh products and delicatessen goods. Health-promoting foodstuffs are encouraged, and the sale of alcoholic drinks and tobacco is precluded in accordance with the statutes.

Migros possesses a wide network of stores with the three sales types: M (small), MM (medium), MMM (large) - a total of 560 stores. In the medium and large markets (hypermarkets) the popular M-Restaurants are installed, with hot and cold cuisines. About ninety mobile stores are operating in Switzerland and offer their 1,000 items at places where no Migros store exists and where the public is inadequately supplied.

The problem of environmental protection receives the greatest attention and a special policy is devoted to it. Efforts are made to reduce packaging material to a minimum in order to respect this problem.

Migros is aware that the success of an enterprise increasingly depends on the training and continued training of its staff. Its conditions of employment are up-to-date and take account of the increased need of leisure time for its 70,000 employees.

According to its statutes, Migros annually devotes about 1% of its sales, the so-called Cultural Levy, to cultural, social and politico-economic purposes. This amounts to more than CHF 100 million per year. Approximately 45% of this money is allotted to the Migros Club Schools, the largest and most famous institution for adult education in this country.

In March 1993, Migros crossed the borders and made a series of deals that would give it access to the Austrian retail market. It acquired 112 Familia supermarkets from the Zumtobel group and formed two joint ventures with Austrian Konsum. Migros knows very well that the Migros philosophy cannot be transferred into a country that has not been familiar with it. It bears this in mind in any intervention in Eastern Europe, where Migros is cautiously trying to promote self-help through its own know-how.

# A Trans-national Partnership

by Hermann Gerharter \*



Following the 1990 election and restructuring of its control and operational setup, the new management of Konsum Austria embarked upon a multi-step reorganization programme centred around the marketing concept 'Konsum 2000'. First started in 1988, Konsum 2000 involves the creation of a structure as a co-operative group, the abolition of consistently loss-making activities and the adaption of the structure of labour costs in order to remain competitive.

Even in its early stages, measures were taken to face the challenge of Europe through a strategic alliance with a strong partner. The most recent exam-

ple of the co-operation between Konsum Austria and Migros was the takeover of a chain of shops owned by Franz Martin Zumtobel, an entrepreneur from Vorarlberg. In a preliminary discussion with Migros during December 1992, I personally presented Migros with a five point proposal, which was then accepted by Migros as a basis for the ongoing negotiations.

On 8th February 1993, at a joint press conference with the president of the board of Migros-Genossenschaftsbund, Mr. Eugen Hunziker, and myself, the result of the negotiations was made public. The arrangements were as follows:

- 1) As a first step, the 112 Familia outlets of the Zumtobel group were to

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\* Mr. Gerharter is Chief Executive Officer of the Board of Konsum Austria.

be taken over by Migros-Genossenschaftsbund and the regional co-operative Migros St. Gallen. This happened on 1st March, 1993.

- 2) In the framework of a joint venture between Konsum Austria and Migros, a new Austrian hypermarket chain was to be established, comprised of the KGM hypermarkets and the retail network of the Familia group. 75% of this newly-formed retail group is owned by Konsum Austria, 25% by Migros.
- 3) All Vorarlberg outlets of Familia and Konsum were to be merged to form a single commercial entity, 75% owned by Migros St. Gallen and the remainder by Konsum Austria. It was agreed that Migros St. Gallen would also have an option to take over Konsum Austria's West Tirol outlets.
- 4) To optimize the buying power of the newly-created retail groups, Konsum Austria and Migros would establish a Marketing organization, owned in equal shares by the two partners.
- 5) International co-operation between Migros industry and the industrial arm of Konsum Austria is under active consideration.

In the meantime, the general assembly of Konsum Austria has approved the proposed programme unilaterally. Konsum Austria is, and remains, an independent co-operative with 730,000 members. Following the takeover of the larger part of the Familia chain, Konsum's market share within Austria will be a fifth of Austrian retail

sales. This is comparable with that of its competitors, Billa and Spar.

A well-planned strategic alliance between Konsum Austria and Migros, which has the reputation of being the most successful retailer in Europe with the best logistic system in the world, will not destroy jobs but, on the contrary, will help to make them secure and more highly skilled, and will even lead to the creation of new ones.

Groups like Billa of Meinel moved their headquarters abroad a long time ago. Chains such as Löwa, Zielpunkt and Magnet are owned by the German Tengelmann group. The Hofer discount chain is part of Aldi Germany, and Metro, which owns the Huma hypermarkets, is a German-based company with its headquarters in Switzerland. Quelle, ABM, Kleiderbauer, DM, Eduscho and many others have foreign owners. Buying groups like ZEV Markant, with a higher retail turnover than Konsum Austria and most other Austrian competitors, especially the highly-organized Spar group, long ago created international functions and makes joint purchases on all the international markets.

That concentration tendencies began in food production and reached gigantic dimensions is a fact of growing importance. It is common for such internationally guided producers to own market shares of 70 to 90% per production segment, especially in Austria.

Two questions Konsum Austria is frequently asked by interested consum-



ers are: firstly, what happens to the co-operative, and secondly, what will happen to the dividend based on the consumers' annual purchases<sup>1</sup> within the Konsum stores.

The answer to the first question is that Konsum Austria will remain unchanged as a co-operative. Through this strategic alliance the co-operative structure can be secured for a long time. Migros does not exert direct or indirect influence on Konsum Austria. An ideal basis for the alliance is the fact that both organizations are organized as co-operatives. Regarding the second question: dividends on consumer purchases will remain where they are currently paid. The only exception is Migros St. Gallen in Vorarlberg, where Konsum Austria retains a substantial share of Migros in Austria.

Co-operative members will continue to get their dividend on annual purchases in the KGM hypermarkets. No dividend will be paid within the newly acquired Familia markets. In the course of the next year, additional co-operative services will be added.

That part of the agreement which concerns buying through the marketing organization jointly owned (50% each) by Konsum and Migros is a source of irritation to producers of branded goods and certain other individuals not in possession of the full facts. The

Association of producers of National Brands made the impossible and irresponsible claim that such co-operation endangers 40,000 jobs in Austria, because most branded articles will vanish from the shelves within a short period of time (Austrian food industries employ 55,000 people altogether!!)

The pretended flooding of Austria with Migros products is absurd for several reasons: firstly, the protection of Austria's agriculture and the influence of these regulations on the food industry prevent the free flow of merchandise over the borders. This will only change with EC membership. Secondly, the Austrian consumer is not prepared to change his pattern of consumption quickly and radically. Thirdly, every industry or retail manager knows that extreme caution must be exercised when introducing new lines. Fourthly, Konsum industry, which is an important part of the Austrian economy, will get a boost, since it is projected that Austrian exports will increase. 5th, Migros industry is already working at full capacity and 6th, well-known companies producing national brands will get the chance to manufacture retail brands to derive additional sales. Some of these companies will be the very ones which expressed fear of competition during the recent discussions.

On 10th February, 1993 Konsum Austria arranged an information meeting

<sup>1</sup> Not only are members of Konsum Austria supplied with fresh products daily, they can also get a refund of 1% of their total annual purchases as a special dividend paid on their purchases in all outlets of 'Der frische Konsum' and 'KGM'. This year, the total amount was 120 Million AS, an average of 600 AS for each member claiming this benefit. In addition to this dividend, members receive three special offers per year, entitling them to make purchases on particularly favourable terms.

with thirty top managers from the Austrian branded goods industry with the following results:

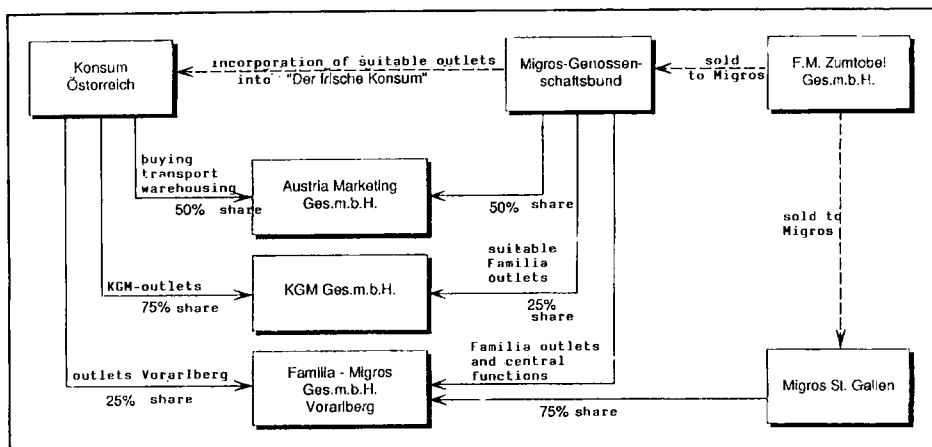
- 1) Konsum Austria is viewed as an important and reliable partner by agriculture and industry.
- 2) Co-operation between Migros and Konsum, together with Familia, is seen as a wise strategy with positive future expectations.
- 3) National brand producers see the new structure as a challenge. Konsum Austria made it clear that national brands will continue to have their place on the shelves of Konsum Austria. However, producers and Konsum must work together to improve price, quality and service for their consumers.
- 4) Konsum expressly invited industry to strengthen the retail brand concept.

- 5) None of the industry managers present supported the claim that 40,000 jobs would be lost. On the contrary, the company representatives declared that they would continue to co-operate with Konsum and take advantage of the new opportunities presented by the changing circumstances.

Austria is taking steps to join the European community. Many Austrians have realized that the only way in which they can combat the problems which a unified Europe will cause them is to join the Community, and thus stabilize the position of Austria as one of the most successful countries in the world on a long-term basis.

Responsible co-operation such as that of Konsum Austria with the strong Swiss Migros-Genossenschaftsbund is a step in the right direction.

KONSUM ÖSTERREICH - MIGROS GENOSSENSCHAFTSBUND: . FRAMEWORK OF COOPERATION



# United Dairies of Geneva

## Market-oriented Franco-Swiss Co-op with a Wide Product Range

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by Gérard Charles\*

### Origin and Legal Form

Founded in 1911, when two existing co-operatives, dating from 1889 and 1904 respectively, merged, United Dairies of Geneva (LRG) is the milk producers' Federation of Geneva and the surrounding area. Society members are the local dairy co-operatives, formed by dairy farmers from the villages within the region.

LRG is one of 13 regional dairy federations in Switzerland.

### Private Economy meets Public Interest

This co-operative structure covers the whole of the country and is a very valid instrument for the decentralisation of official directives, notably on the two following subjects:

- **Hygiene and public health**  
Monitoring hygiene within farms, analysis of animal fodder requirements, taking samples for various quality tests, particularly bacteriological.
- **Public economy**  
Monitoring the entire production



and utilization of milk enables each of the small producers to control the quantity<sup>s</sup>/he produces.

### Spelling out the Differences

From its creation, United Dairies united four regions, each having its own regional characteristics and administration: in Switzerland, the canton of Geneva and the south-west part of the canton of Vaud; in France, the tax-free zones of the departments of l'Ain (Pays de Gex) and Haute-Savoie. Differences between the society members arose because of the fact that a national frontier passes through the area covered by the Federation and that the State intervened in agricultural affairs. This justified an internal structure specifically

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\* Mr. Charles is Director-General of the United Dairies, Federation of Milk Production for Geneva and the surrounding area.



*United Dairies headquarters for Geneva and the surrounding area.*

designed to minimize these differences as much as possible.

From its origin, commerce and distribution have shaped this organisation of milk producers to allow it to respond to the needs of a large urban area.

### **Largest-selling Food and Farming Enterprise**

An organisation very much in touch with consumer demands, having diversified very early, United Dairies is now able to offer its clientele four large groups of products:

- Milk and milk products
- Cheese and eggs
- Ice cream and frozen foods
- Meats and delicatessen products.

In this way, the society has become the largest single food and farming - business under one management in Suisse Romande (the French-speaking part of Switzerland).

In contrast to the milk federations of the other regions of Switzerland, which are oriented towards the bulk production of industrial type products, United Dairies make only ready-to-eat products using fresh produce.

The society is in evidence throughout the national market by virtue of four product lines:

- **DANONE, largest-selling brand of yoghourts** - Since 1930, United Dairies have held the exclusive licence for the import and production of the Gervais and Danone

brands (Group BSN) within Switzerland.

**DANONE** is the No 1 seller worldwide of yoghourts, 'fromage frais' and deserts made from milk. Also No 1 in Europe, Danone holds 30% of the market there and its sales are three times greater than those of its direct competitors. Danone is also No 1 in Suisse Romande, holding this place jointly with the brands of the two principle distribution chains.

- **VAL D'ARVE**, largest-selling brand of Swiss tomme and reblochon cheeses

Small cheeses, each weighing about 100 grammes, the tommes have a mild and aromatic taste and are typical of the Lac Lemman (Lake Geneva) region, between the Jura and Mont-Blanc. Val d'Arve holds 55% of the Swiss market for tommes and 68% for the reblochon. A dozen specialities are produced in the Swiss Fromagerie of Val d'Arve.

- **DEL MAITRE**, Largest Swiss producer of braised ham

Containing no polyphosphates and prepackaged under a controlled atmosphere, this premium ham fully justifies its name of 'Le Prestige'. Del Maître offers a large selection of tasty products, which are low in fat, low in salt and generally well-balanced in dietary terms.

- **Foremost Swiss wholesaler of speciality cheeses** - The cosmopolitan population of Geneva has led to the development of an important commerce in speciality cheeses from

throughout Europe. This society constitutes an important distribution platform for the Swiss market, reaching a group of retailers who handle 92% of the country's 'food' turnover. Such logistics rely on high performance data processing and guarantees that 'use by' dates are respected.

United Dairies is also one of the largest customers of the Swiss milk industry. In fact, it sells twice as much Swiss milk as it produces within its catchment area, including the tax-free zones. This is due to the finished products which it purchases elsewhere in the country and sells in its own marketplace.

#### **Partnership between Consumer and Production Co-operatives**

It is now the occasion to recall that it was in Geneva that the association of a consumer co-operative and a production co-operative took place in 1933, under the sponsorship of Dr. G. Fauquet, Chief of the Co-operative Branch of the International Labour Organisation (ILO). The two organisations involved were the Swiss Consumer Co-operative Society (now COOP-Genève) and United Dairies, a co-operative society of milk producers from Geneva and the surrounding area.

This association no longer exists in its original form but, 60 years later, the collaboration continues in a manner more in keeping with the current economic climate.

This sharing of experience developed the long-term expertise and specialist

areas of the two co-operatives, whose interests were generally in opposition. Each learning about the other's trade has proved to be a very positive asset in terms of the partnership between producers and distributors.

Each acknowledges that pooling their funds, resources, and information can only improve performance with regard to the optimum satisfaction of consumer needs.

**What does the Future hold for Co-ops within the Modern World?**

Co-operative self-help is still the appropriate means of giving life and development to a good number of enterprises, whilst leaving the ownership of investment property, whether industrial or commercial, in the hands of the members. This form of society has the advantage of placing more importance on the individual than on his or her capital participation: the authorized

share, which is not negotiable, has no nominal value - it is more a sign of solidarity.

The co-operative structure is perfectly compatible with the principles of modern management. It does not prevent management from being as efficient as the management of a capitalist-based company, it allows for economic development and is applicable to all sizes of business. But, in any type of society, the organisation of management is of the utmost importance and, in order to avoid the dilution of responsibility, it is important that the lines of delegation be clearly defined, as well as the limits of competence between the different actors.

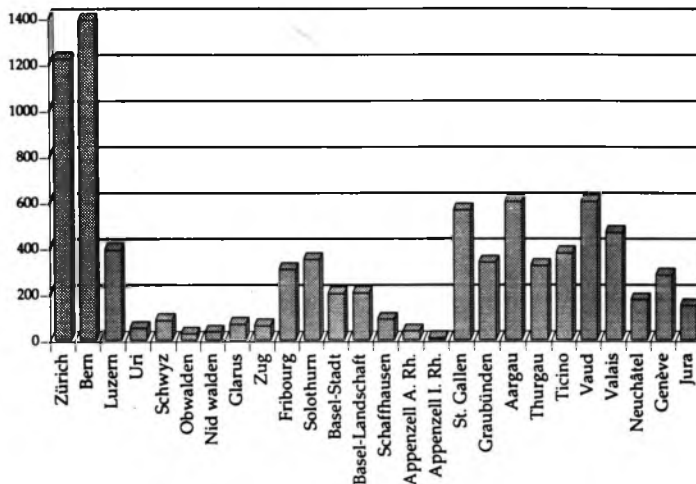
In conclusion, the co-operative society offers a great deal of flexibility and constitutes an appropriate formula for the economic association of individuals with a common aim.

**General Information**

Turnover	268 Million
Cash flow	5% of turnover
Employees	613
Number of dairy societies	112
Average daily production	150,000 kg

# Co-operatives in Switzerland

by Laurent Jimaja (ICA)



The structure of the co-ops and the way they function are very similar to those of a "confederation", the German terms being relatively close: "Genossenschaft" for co-operative and "Eidgenossenschaft" for confederation. This would explain the success of the co-ops, which are better understood by the population because they are perceived as providing the same guarantees as the nation state, in that the way they function gives each member a chance to express himself.

Several thousand co-operatives have a share in Switzerland's economic and social life. According to the 1991 federal census, they totalled 8,404 and were distributed over all 26 cantons and half-cantons of the Swiss Confederation. Zürich and Bern ranked high in the classification with 1,222 and 1,389 co-ops respectively. These co-ops provided jobs for almost 160,000 people in 1991.

Co-ops are active in all sectors of the country's economy including consumer, agriculture, banking, insurance and housing. They are also to be found in areas as new as social re-integration of the unemployed (the Association "Partage") and in the storage of radioactive waste (CEDRA - National Co-operative Society for the Storage of Radioactive Waste). On the occasion of the ICA's General Assembly in Geneva, the co-operative network deserves to be presented and known not only outside Switzerland but also inside the country. Following the conclusions of the latest UNDP report on human development, which advocates wider popular involvement in countries' development, there is good reason to believe that, through the co-ops, many households and/or individuals contribute by their commitment to the durability of the development of this country, ranked fourth worldwide according to the criteria selected (Human Development Index - HDI).



*Wine is an important part of the Swiss gastronomic culture - subsequently, the Swiss countryside is rich with beautifully-kept farms and cultivated vineyards.*





# ICA and Human Rights

by the United Nations Department of Public Information\*

*At the request of the members in the region, the ICA Regional Office for Central America and the Caribbean (ROCAC) has been implementing a programme on Human Rights since 1992. The aim of the programme is to strengthen the capacity of the co-operative movement to promote and raise awareness on human rights, especially as regards economic and social rights, and the right to development.*

*A series of national and regional workshops have been and will continue to be held. These focus on the role of co-operatives as structures for the promotion and realization of human rights and introduce basic human rights as laid down by the Universal Declaration on Human Rights.*

*As part of the programme of activities, the Office has also focused attention on the situation of indigenous peoples in the region. Three seminars will be held in 1993 to commemorate the United Nations International Year of Indigenous Peoples: 'Identity, Culture and the Mayan Perspective', 'Women, Human Rights and Co-operatives' held in Qiché with translation into Spanish, and 'Co-operatives and Indigenous Peoples'.*

*In addition, the regional office will be representing the ICA at the UN Conference on Human Rights in Vienna (14-25 June*

*1993) where it will be lobbying for the recognition of co-operatives as important instruments for realizing human rights and calling for the promotion and support of co-operatives.*

*It is anticipated that these activities will heighten the awareness and understanding of basic social and economic rights, as well as the right to development, so as to protect the development of new co-operatives in the region.*

## **The Right to Development: A North-South divide?**

The growing economic divide between North and South may well be reflected in the upcoming World Conference on Human Rights, as many developing and industrialized countries define their human rights concerns in sharply different terms. One basic difference over how much emphasis to place on the 'right to development' may set the tone for a pointed debate at the Vienna conference.

Many developing countries contend that political and civil rights cannot be separated from, or be given priority over, economic, social and cultural rights. Increasingly, they have asserted that development is an essential human right and objected to what many see as the industrial countries' narrow

\* This article appeared in the UN Chronicle, DPI/1354-93207-March 1993-15M. The introduction was submitted by Maria Elena Chávez, UN/Development Liaison Officer, ICA Geneva.

view of human rights as solely involving political and civil liberties. Indeed, in their view, economic development and an adequate standard of living are preconditions of expanded political and civil rights. Further, the 'collective rights' of people, some argue, may take precedence over certain rights of individuals.

A number of industrial countries, on the other hand, contend that some individual freedom must exist for successful development to take place. Some have pressed developing countries to open their political processes and better protect their citizens' civil rights.

Partially reflecting both points of view, Secretary-General Boutros Boutros-Ghali recently declared that 'development provides the foundation for human rights advances and ... equally, human rights is the key which unlocks the creative energies of people so central to economic progress'.

The UN has acknowledged development as a right, implicitly or explicitly, practically from its inception. In 1948, the right to development was confirmed in Article 28 of the Universal Declaration of Human Rights, which states that 'everyone is entitled to a social and international order in which the rights and freedoms set forth in this Declaration can be fully realized'. The Universal Declaration also recognized the rights to work, to education and to an adequate standard of living. The Covenant stressed the 'essential importance of international co-operation' in realizing this right.

The 1966 International Covenant on Economic, Social and Cultural Rights made this commitment more explicit, obligating States to 'recognize the right of everyone to an adequate standard of living ... including adequate food, clothing and housing, and to the continuous improvement of living conditions'.

The 1969 Declaration on Social Progress and Development stated that 'all peoples and all human beings ... shall have the right ... to enjoy the fruits of social progress and should, on their part, contribute to it'.

In 1986, the General Assembly adopted the Declaration on the Right to Development, which it described as 'an inalienable human right by virtue of which each person and all peoples are entitled to participate in, contribute to and enjoy economic, social, cultural and political development in which all human rights and fundamental freedoms can be fully realized'. The Declaration proclaims, among other things, that: the human person is the central subject of development and should be the participant and beneficiary of the right to development; all human beings have a responsibility for development; and States have the primary responsibility for creating national and international conditions that will allow the right to development to be realized.

The Declaration also states that the right to development is both an individual and a collective right - a right of 'every human person and all peoples' - and adds that 'equality of opportunity for development is a prerogative both of nations and of individuals'.

## **Interrelationships**

Continuing this emphasis, the World Conference on Human Rights will consider 'the relationship between development, democracy and the universal enjoyment of human rights, keeping in view the interrelationship and indivisibility of economic, social, cultural, civil and political rights'. In March and April 1992, at the second Preparatory Committee meeting for the Conference, some developing countries made it clear that they attached special importance to the subject.

India, for example, stated that the 1993 Conference needed to emphasize that development should be the central global concern, so that the weakest and the poorest were enabled to enjoy human rights. China stated that the Conference should reflect the important connection between human rights and economic development.

Declarations adopted at regional preparatory meetings for the World Conference have similarly underscored the interrelatedness of human rights and development. In the Tunis Declaration, representatives of the African States affirmed: 'Political freedom, when not accompanied by respect for economic, social and political rights is precarious'.

The Declaration continued: 'Lasting progress towards the implementation of human rights implies, at the national level, more equitable economic relations, as well as a favourable economic environment'.

In part, this emphasis reflects the view of many developing countries that world attention to human rights viola-

tions has focused so far almost exclusively on such concerns as torture, executions, imprisonment without fair trial and involuntary disappearances.

## **Obstacles to Development**

During the 1992 session of the Assembly's Third Committee (Social, Humanitarian and Cultural), several Asian, African and Latin American delegates articulated the view that consideration of human rights should give priority to development issues.

'If there is genuine concern about the human rights situation in developing countries', said Li Daoyu of China, 'the primary need is to remove obstacles to development, lessen external trade, provide those countries with unconditional assistance and create a better economic environment for their survival.'

Said Luis Fernando Jaramillo of Colombia: 'The right to development is the pillar for economic and social rights, which must help preserve civil and political rights. The right to development is an inalienable right, yet industrialized countries fail to recognize it.'

In contrast, at last year's Earth Summit, the United States qualified its support for the Rio Declaration on Environment and Development by reiterating its position that 'development is not a right. On the contrary, it is a goal that we all hold, which depends for its realization in large part on the promotion and protection of the human rights set out in the Universal Declaration of Human Rights.'

In the same vein, British delegate Henry Steel told the 1992 session of the Commission on Human Rights that unless human rights were protected by an open, fair legal system, ordinary citizens would not be motivated to play a full part in the development process. Far from being abstract, the debate on the right to development has far-reaching economic implications.

Developing countries have argued that the current state of the world economy is not conducive to the expansion of human rights. Foreign debts of developing countries currently amount to more than \$1.3 trillion. Primary commodity prices, upon which most developing nations' economies depend for exports and hard currency, have reached their lowest levels since the 1930s. In Africa, Asia and Latin America, extreme poverty remains the lot of hundreds of millions of peoples. Developing countries have also called for their efforts to be supported by an increased flow of resources and by measures creating a favourable environment for development. In particular, they want a restructuring of international economic relations.

Similar proposals were made at the 1992 session of the Commission. In the view of Nigerian delegate Olu Adeniji, most developing countries were victims of an international economic system that inhibited their economic and social development. He emphasized that the debt burden and ever-falling commodity prices had led to drops in national incomes and increasing impoverishment.

The dispute is also manifested in conflicts over international development assistance, with developing countries objecting to political conditions that are increasingly being set by donor Governments. Outside pressure to hold elections or to free prisoners, for example, is regarded as infringing on national sovereignty. Such conditionality is also viewed as selective and discriminatory.

According to the San José Declaration of the Latin American and Caribbean States, 'when democratic Governments are making determined efforts to resolve their human rights problems, such problems should not be used for political ends or as a condition to extending assistance or socio-economic co-operation'.

The Tunis Declaration, meanwhile, cautioned that 'no ready-made model' of human rights 'can be prescribed at the universal level since the historical and cultural realities of each nation and the tradition, standards and values of each people cannot be disregarded'.

Many developing countries believed that the industrial countries are obligated to provide assistance and redress the international economic barriers in the way of economic development, such as heavy foreign debt burdens and record-low prices for the commodities developing countries export.

Thus, among the 'obstacles to development' identified at the San José regional meeting were 'poor socio-economic conditions resulting partly from the transfer of resources for the servic-

ing of foreign debt and from the disparity in the terms of international trade'.

The San José Declaration also cited the 'shortage of resources for the institutionalization and implementation of justice'. The Tunis meeting likewise noted that 'the proper administration of justice and an independent judiciary' were 'impossible without substantial investment'.

Furthermore, observed participants at the 1990 UN Conference on Economic, Social and Cultural Rights: 'In the absence of an active programme of international assistance and co-operation on the part of all those States that are in a position to undertake one, the full realization of economic, social and cultural rights will remain an unfulfilled aspiration of many countries'.

Despite the different priorities of developing and industrial countries on the issue of development and human rights, there is a broad consensus that 'without democracy, a people's potential for socio-economic progress cannot flower', Bangladesh's Foreign Minister Mostafizur Rahman told the UN General Assembly in 1991. But there is also a widespread concern, he said, that 'without improved standards of living and a vision of the future that cannot sustain hope, democracy will wither'.

### **1993 - International Year for the World's Indigenous People**

Launched by the United Nations General Assembly in New York on Human Rights Day, 10 December 1992, it 'will

provide an opportunity to focus the attention of the international community on one of the planet's most neglected and vulnerable groups of people'.

The Year's theme - 'Indigenous people: a new partnership' - will encourage the development of new relationships between States and indigenous people and between the international community and indigenous people.

Erica-Irene A. Daes, Chairperson/Rapporteur of the Working Group on Indigenous Populations, explained, 'Indigenous people have told us that their human rights are part of a total quest for well-being. We do not want the International Year to be a lot of empty words; we want there to be real advances'.

Indigenous people are descendants of the original inhabitants of many lands, strikingly diverse in their cultures, religions and patterns of social and economic organisation. An estimated 300 million indigenous people live in more than 70 countries, from the Arctic region to the Amazon and Australia.

A generation ago, many indigenous people were not entitled to vote. Today they are increasingly visible partners in the struggle to protect the global environment and promote sustainable development and resource use.

In conjunction with the ILO and other United Nations agencies and offices, the Centre for Human Rights in Geneva will ensure the coordination for the Year.

At the national level, States were urged to include measures that would:

- \* Encourage participation of indigenous people in the preparation and implementation of all activities undertaken in connection with the Year; and
- \* Encourage indigenous organisations and communities to prepare their own programmes and activities.

At the international level, the General Assembly likewise recommended that the United Nations systems should:

- \* Fund concrete projects for indigenous communities, reflecting the

wishes of indigenous people, that can be of direct benefit to them;

- \* Provide technical assistance to Governments wishing to make provisions in their legislation for protecting and promoting the human rights of indigenous people, in particular on questions of land, environmental protection and strengthening cultural identity, and provide technical and financial assistance for implementing such legislation.

For further information, contact: International Year for the World's Indigenous People, Centre for Human Rights, United Nations, 1211 Geneva.

*The ICA Regional Office for Central America and the Caribbean has implemented a series of activities to commemorate the International Year for the World's Indigenous Peoples under the aegis of the Human Rights Programme. These are:*

- \* *Seminar on 'Identity, Culture and the Mayan Perspective', held at San José, Costa Rica, 17th February 1993. The seminar was attended by members of the Liga May Internacional and co-operative leaders from Costa Rica and Guatemala.*
- \* *Training Seminar on 'Women, Human Rights and Co-operatives', Totonicapán, Guatemala, 25 - 26 March 1993. The seminar was attended by 73 people, of whom 55 included women from indigenous communities, women co-operatives and community leaders.*
- \* *A Training Module - 'Human Rights of Indigenous Peoples, Indigenous Common Law, Cultural Values and Identity'*

*All seminars and workshops organised by the regional office under the aegis of the Human Rights Programme will have a module focusing on the various UN legal international instruments on the above as well as on the cultural understanding of indigenous peoples.*

# Environmental Problems and the Japanese Co-op Movement

by Momiyoshi Shigaki\*

Japan has enjoyed a high rate of economic growth since the Second World War, while relying on other countries for most of its industrial resources. However, we have experienced serious environmental problems as a result of this rapid economic expansion.

Japanese co-operatives have been undertaking a critical review of our lifestyles, together with the effect of our activities upon the environment. As a result, we have come to recognize that, whilst we should take action to establish the fair and democratic 'co-operative community' advocated by Dr. Laidlaw, we must also ensure that any such action will not adversely affect the environment.

Co-operatives are community organizations, based on links between people. As such, they are not only responsible for business operations in the fields of agriculture, forestry and fisheries, but are also involved in various activities related to people's daily lives. Co-operatives are thus in a unique position to achieve sustainable development.

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\* Mr. Shigaki is Chairman & President, of the National Federation of Agricultural Co-operative Associations (ZEN-NOH).



We Japanese co-operatives will endeavour to deepen our solidarity with our fellow ICA members from around the world, and promote environmental protection activities at every level, from local to regional, and from national to global.

The following is a report on the environmental protection activities being promoted by the Japanese agricultural, forestry, fisheries and consumer co-operatives.

## **Agricultural Co-operatives**

In Japan, agriculture helps to preserve the environment. More and more people have come to understand this fact, observing, for example, the way rice



*Left: Compost makers, which are effective for putting kitchen refuse and dead leaves to good use, are tested at ZEN-NOH's Agricultural Technical Centre.*

*Below: Environmental preservation is an important issue for livestock farmers. As one of the ways to improve the environment of hog farms and also the image of swine production, agricultural co-operatives have been introducing a campaign to spruce up the farms with colourful, perpetual flower patches.*





paddies function as reservoirs and dams to prevent flooding. At the same time, there is a growing interest in matters like food safety and in ensuring that agricultural practices preserve the ecosystem.

In view of these trends, the 1991 National Convention of agricultural co-operatives announced policies to promote environmentally-friendly agriculture and the production of safe, high-quality goods. Based on these policies, agricultural co-operatives themselves have begun to inspect produce for pesticide residues. They have also embarked upon 'healthy soil' campaigns which concentrate on the proper use of chemical fertilizers and pesticides, thereby ensuring sustainable agricultural development with due attention to environmental protection.

With a limited amount of farmland on which to produce enough food to sustain its 120 million people and, at the same time, to secure environmental preservation, it is vital for Japanese agriculture to utilize advanced technologies. ZEN-NOH has therefore initiated a three-year operating programme this year, with the programme slogan of providing 'Security to Agriculture and Consumers'. Under this programme, we are undertaking research into forms of rice cultivation that require no ploughing and use less pesticides, yet improve crop yield and quality. We have also developed methods of animal husbandry which permit animal waste to be recycled into useful resources during the agricultural production process. It can thus be seen that active promotion of envi-

ronment-oriented production, and the use of new technologies are not mutually exclusive.

### **Forestry Co-operatives**

In view of the fact that forests are endowed with numerous environmental preservation functions Japanese forestry co-operatives adopted a five-year campaign plan at their National Convention in 1989. The objectives of the campaign were firstly to establish resource-rich forests containing trees of varying ages and species, and secondly to promote the integrated use of forests by, for example, developing the cultivation of mushrooms and other edible forest plants, and encouraging communication between the members of forestry co-operatives and urban residents.

The guiding principle of forestry co-operatives begins and ends with the creation of healthy forests. Forestry resources belong to all generations and it is important to raise forests with this in mind. Forestry co-operatives will continue their environmental preservation efforts by maintaining resource-rich forests (through well-organized programmes of planting, pruning and thinning).

### **Fisheries Co-operatives**

Water can rightly be said to be the source of all life. With this in mind, fisheries co-operatives confirmed various measures for environmental protection at their National Convention in 1989. These include campaigns for the preservation of fishing grounds, activities to reduce the pollution of seas



*Environment-friendly products developed by the JCCU.*

and rivers by discouraging the use of synthetic detergents, and tree-planting drives along coastal areas to help create an environment friendly to marine life. This tree-planting is a unique experiment, born from the viewpoint that it is first necessary to maintain the cleanliness of water to preserve fishing grounds and increase fish stocks, and then, to protect the water, we must secure a favourable environment in those areas adjacent to rivers and seas by planting trees there. This can rightly be said to be a campaign integrating land and sea. Also, throughout the country there have been regular beach-cleaning drives in which co-operative members, officials, and staff participate together. They have now become so common that they are regarded as a familiar part of the fishing village scene.

### **Consumer Co-operatives**

Japanese co-ops first became involved in environmental issues during the 1960s, and were among the pioneers in Japan to confront problems related to water pollution. As one measure, co-ops developed environmentally safe detergents and educated co-op members about the importance of using them. Co-op activities have reached a new stage now that the environment has become an issue of global importance. To date, co-ops have developed and distributed approximately 200" environment-friendly products. These products bear a standardised symbol to show that they meet one of the three conditions: the product cannot impose undue strain on the environment; the product can be recycled; and/or the product conserves energy or natural



*Children of co-op members participating in a river water analysis programme.*

resources. In co-operation with auto-manufacturers, co-ops are also developing electric and methanol vehicles that will be used to deliver goods purchased by HAN groups.

Co-ops also work to increase environmental awareness by educating members about hands-on conservation activities that each household can perform. One project that members have enthusiastically supported is the collection of milk cartons, which co-ops recycle into toilet paper rolls. The recycling of cans, plastic trays, and bottles is also increasing. In addition, members are reminded that environmental awareness begins in their own homes, and they can examine their day-to-day life for ways to conserve energy and preserve the environment. Members are also encouraged to participate in

surveys to monitor air and water quality in their communities.

In 1991, consumer co-operatives adopted the 'Consumer Co-operatives' Environment Conservation Drive - Concept and Guidelines', whereby they confirmed that environmental issues are closely linked to all the activities of consumer co-operatives. Based on these guidelines, the Japanese Consumers' Co-operative Union has developed about 300 environmentally-friendly products under the slogan 'Let Us Protect Life and the Earth'. Consumer co-operatives also supply recycled products and refills.

At present, consumer co-operatives are drafting the 'Environment 21 Plan' as the 21st century approaches. This plan is designed to reduce the environmen-



*Consumer co-ops in Japan distribute special packs containing equipment for measuring the percentage of acid in rainwater. Here a co-op member monitors the amount of acid rain in the vicinity of her own home. Naturally, the idea is to get members involved and aware, not to conduct an accurate scientific experiment.*

tal burden of products in an integrated way, for example, by compiling common guidelines together with Government offices and interested private enterprises.

### **Joint Action**

The activities currently undertaken by our four co-operative groups are further developed through the launch of a joint action programme of environmental protection, which will be the first such experiment in the history of the Japanese co-operative movement.

Our four co-operative groups, with a total of 36 million members, have decided upon three key activities based on the concept of 'Water, Flora, Land: Environmental Action by 36 Million Co-operative Members'. The activities are as follows:

### **Local Environment "Clean-Up"**

Currently, the women's sections of agricultural and fisheries co-operatives and the members of consumer co-operatives voluntarily promote recycling, the preservation of water resources and other related activities. For example, they observe the condition of domestic sewage in their own homes, thereby learning how to avoid the contamination of water; monitor the levels of acid rain and air pollution; and also recycle milk cartons, aluminium cans, and other waste. The Local Environment Clean-Up Campaign aims to reinforce these activities and further promote them both at group level and nationwide.

This new campaign has four main components: first, environmental improve-



*Left: customers are encouraged to carry their own shopping bags and decline packaging of commodities at agricultural co-op superstores even though this may only be a very small step to resource conservation.*

*Below: used milk cartons, bundled and put into boxes, are collected and prepared for recycling.*



ment through the study of our daily life and local environment; second, a drive to encourage the use of environmentally-friendly products; third, the promotion of recycling and the organisation of networks for this purpose within communities; fourth, regional activities for environmental conservation and beautification to preserve water resources and to increase greenery. The campaign hopes to involve not only our 36 million co-operative members throughout the country, but also the population as a whole.

#### **Environment-friendly Business**

This includes business activities such as expanding the development and promoting the use of environmentally friendly products, developing a system for the evaluation of these products, and saving energy and other resources in co-op offices and stores.

#### **Global Solidarity**

The third key activity is an international movement aiming to assure a 'sustainable common future'. To this end, we promote the expansion, on a global scale, of close links between co-operatives, currently concentrating on the Asia and Pacific Co-operative Environment and Development Workshop, and on participation in the ICA environment and development programme. We hope to carry out concrete activities in collaboration with ICA Headquarters and Regional Offices.

#### **Rainbow Environment Fund**

At the Tokyo Congress, it was proposed that 'as a reflection of their com-

mitment to sustainable development, national co-operative organizations and development agencies should establish their own special environment and development funds'. In response to this declaration Japanese co-operatives established the Rainbow Environment Fund.

If each of Japan's 36 million co-operative members were to subscribe 100 yen to the Rainbow Environment Fund in order to demonstrate their support of environmental protection it would be possible to raise a very large amount of money. However, it is more important that each member have a deep understanding of environmental issues. We have a long way to go, but we are determined to make steady progress toward our goal, with our efforts to boost co-operation among members, to appeal to the population at large, and to secure the support of Government and other organizations.

I would like to share with you an old Japanese folk-tale called 'A Crane Returns a Kindness'.

Long ago, an old man and his wife found a crane that was injured and nearly dead. Through their great caring, they were able to nurse the crane back to health. By and by, the crane was completely healed, and she left the old couple. One day a beautiful young girl came to them. The girl hid away in a room, from which, day and night, came the sounds of weaving. Finally, they looked inside the room and saw the crane; she had created a treasure of beautiful silk. The crane then thanked the old couple for their kindness and flew away forever.



*Members from a Han group take part in a river analysis programme.*

Mankind has benefited, and continues to benefit, from the natural environment of this miracle, planet earth. Yet we are sacrificing the earth to our economic activities, and if the present situation continues our environment will soon deteriorate past the point of no return.

Surely now is the time for co-op members to take the lead in returning the kindness that the earth has bestowed on us, like the crane in the folk tale.

In order to do this, Japanese co-operatives are working towards the coordination of lifestyles and economic activities so as to create a better relation-

ship between man and the environment. Our motto for this is 'think on a global level and act on a local level' and 'think on a local level and act on a global level'.

A total of 700 million people, including the Japanese, are members of co-operatives worldwide. I believe that the earth could survive forever with its symbiotic environment intact—if each individual, who is honest to himself, to his family, to the community, and to the earth and nature, were to get together with another individual who cares and, in this way, these 700 million individuals could combine their power to reach this goal.

# Exploring the Future of Recycling

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## Experiment in Pre-Processing

The construction of the JCCU's experimental recycling centre in Okegawa, Saitama prefecture (about 40 kilometres from Tokyo), has been completed. The centre's operations, which began this April, are a response to the serious problem of waste disposal caused by the advent of Polyethylene Terephthalate (PET) bottles, used as beverage containers, and the Styrofoam trays used in food packaging.

At the centre, Styrofoam trays, PET bottles, aluminium cans and milk cartons collected from 91 co-operative stores in the Tokyo area are pre-processed for recycling. This is the first facility of its kind in Japan to be operated by a retailer for the purpose of facilitating recycling.

The recycling centre is built within the grounds of the JCCU's Okegawa Central Distribution Centre, and covers an area of 1,000 square metres. Two volume-reducing machines are installed, one capable of processing 1,000 to 1,200 PET bottles an hour, and the other reducing 100 kilograms of Styrofoam trays an hour.

The trucks that deliver goods to co-operative stores from the distribution centre will return with the stores' waste materials. After foreign substances have been removed from these wastes, they are sorted, reduced in volume, and stored at the recycling centre,

where they are pre-processed before being sent on to industrial recycling plants. Trays are eventually recycled into egg cartons and containers, while PET bottles are turned into recycled PET bottles and drain nets (see chart page 53).

## Reducing Costs

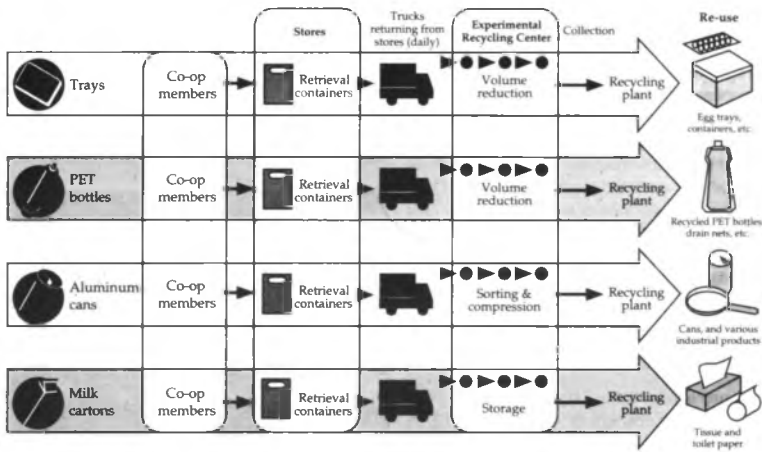
Recycling has not increased significantly due to its expense, the lack of uses for recycled goods, and the high transportation costs it incurs. However, by constructing the recycling centre on the grounds of the distribution centre, the JCCU has been able to keep transportation costs to a minimum. Furthermore, by collecting trays, aluminium cans and PET bottles together, costs and labour have been further cut, while transportation and storage efficiency have been increased.

'We noted that the cost of recycling is the same whether we recycle single or multiple items. So we felt that there was a need for a comprehensive recycling centre, and started one as a social experiment', says Koji Motokawa of the JCCU Environment Secretariat.

## Providing Data

The JCCU will make the data obtained from the recycling centre available to industries and administrations, and will make active proposals on policies which will lead to a society that makes full use of recycling technologies in the future.





PET bottles that have been collected are transported via conveyor belt and crushed. Fifty to sixty bottles are compressed into a small lump.

### Early Morning Delivery

Joint purchase is the mainstay of Japanese co-operative activities. Under this system, products are usually delivered to each han<sup>1</sup> at a set time during the day. However, those who are away from home during the day find it difficult to use this system. To solve the problem, Nagoya Kinro-Shimin Co-op started making early morning deliveries in March, 1993.

Under this operation, dubbed 'Morning Co-op', part-time workers make twice-weekly deliveries of food items such as milk, bread, fruit, sliced vegetables, tofu and desserts to about 2,500 han between 4 and 6 a.m.

Actually, the early morning delivery concept is not new, since milk has been delivered this way ever since the co-op's establishment.

### Increasingly Popular

A total of approximately 110,000 of the 140,000 Nagoya Kinro-Shimin Co-op members make use of the joint purchase system, and the number is increasing each year. However, with more women working outside the home, it is becoming increasingly difficult to accommodate working women through conventional arrangements and management needed to provide a solution for the future. As a result, Nagoya Kinro-Shimin Co-op decided to develop 'Morning Co-op' into a major operation.

With the sharp rise in the number of Japanese women joining the work force in recent years, housewives - once key players in joint purchase operations - are staying home for shorter periods of time.

To cope with the diversifying lifestyles of their members, various co-ops are trying out new and different approaches. Early morning and evening delivery are two such examples.

<sup>1</sup> see Review of International Co-operation Volume 85 no. 4 1992



*The conference was inaugurated by Isao Takamura, President of JCCU.*



# Regional Conference Focuses on Gender Issues

by P. Nair\*

The ICA Regional Office for Asia and the Pacific collaborated with the Japanese Consumers' Co-operative Union, one of their major development partners, in holding a Regional Gender Planning Conference.

Held in Tokyo from March 1 to 6, 1993, under the sponsorship of the ICA ROAP, JCCU, SCC and ICA Women's Committee, the goal of the conference was to discuss gender integration in co-operative development and search for more effective methods and strategies for enabling women to have equal opportunities to participate actively at all levels in co-operatives.

Forty-five delegates from co-operatives around the world, representatives from UN organizations, NGOs like the AWCF (ASEAN Women in Development Co-operative Forum), as well as representatives from the JCCU and Zengyoren, participated.

## After Colombo

The conference was a result of the ICA Regional Office's holding a regional consultation in Colombo in 1992 that laid down initial strategies for gender planning in co-operatives and deter-



mined both the format for the 1993 Regional Gender Planning Conference and its agenda.

Earlier, at the inaugural ceremony, Mr. I. Takamura, President of the JCCU noted that, 'From now on, as we move forward with the development of the co-op movement, we must not be satisfied with women only being a hidden resource. We should properly evaluate the role of women and we should prepare an environment in which women are able to fully utilize their talents.'

Ms. M. Horiuchi, Director of Women's Affairs for the Prime Minister's Office and the chief guest at the conference, noted that women were very active at the grassroots level and that the consumers' co-operatives in Japan have

\* Mr. Nair is responsible for desk top publishing at the ICA Regional Office for Asia and the Pacific in New Delhi.



*Group discussions are in progress between Ms. Lota Bertulfo from the Philippines, Ms. Ila Bhatt from India and Ms. Maryam K. Saleh from Iran.*

the strongest women's organisation, adding that 'A target was set in 1991 for 15% of the Government's advisory council members to be women by 1995.'

Mr. G. K. Sharma, Regional Director of the ICA, in his address to the gathering, said 'Many positive steps have been taken by Governments to create legal and institutional environments for mobilizing women as a resource for development on a par with men. But many practical issues need to be resolved. Otherwise, policy changes will have limited effect. ICA ROAP is in the process of reviving the gender component of the regional office at the request of numerous member organizations and women's committees. As for Japan, the JCCU will not only provide financial support for the programme, but also provide a woman consultant in the future.'

### **Seeing First-hand**

The conference lasted for four days and at the end the participants were taken on field visits to various co-operatives in and around Tokyo, to see the various workings of the co-operatives and women's activities. The participants were quite impressed by the initiatives taken by female Japanese co-operative members in their co-op activities.

The delegates were divided into four groups and were requested to answer specific questions on gender planning. The delegates also prepared country-specific action plans, which were discussed at the Conference.

A separate drafting committee was formed, and a 'Statement on Gender Integration in Co-operatives and a Call for Action' was adopted.

# Reflections on Gender Planning

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*After the Conference on Gender Planning in Co-operatives, the editors of 'Coop Japan Information News' had an opportunity to discuss the conference with two persons who have considerable experience with issues concerning women in development: K. Apelqvist and W. U. Herath. The text of that discussion follows, which is a reprint of the article which appeared in Issue no. 13 May 93 of the above publication.*



Katarina Apelqvist of Sweden, chairs the ICA Women's Committee, a position she has held since 1991. Trained as a journalist at Sweden's Journalists' College, she worked at various newspapers until 1965, when she joined the Co-operative Insurance Group, Folksam. At Folksam she has held a number of positions, including that of the first woman on the Folksam Group Management Board.

*There were quite a few issues discussed here today. From your point of view, what were the major outcomes of this conference?*

Herath: We wanted to achieve two things at the conference: first, we



W. U. Herath of Sri Lanka, serves as an Advisor for Human Resources Development at the ICA Regional Office for Asia and the Pacific. His work with the co-operative movement began in 1970, when he joined the Department of Co-operative Development, Sri Lanka. There, he held several positions and worked in a variety of capacities before becoming an ICA Advisor.

wanted to prepare a statement for the future and a call to action. Second, we wanted to produce action plans for gender planning in co-operatives. Both these goals were met: the statement and call to action were approved by the conference participants. In addi-

tion, action plans for the institution of gender integration were developed for 10 countries.

*The term 'gender integration' is probably a new one for many of our readers. Could you briefly explain the meaning of this term for us?*

Herath: Gender is very much different from sex. Sex is a biological difference, while gender is determined by the social and economic conditions in which people are brought up. Gender integration attempts to alleviate problems caused by gender stereotyping, where the stereotypical roles of men and women prevent their equal participation in the economic and social development of their countries. The incorporation of gender integration means that men and women will be able to contribute toward development on an equal basis as equal partners. This goes for their participation in the development of co-operatives as well.

Apelqvist: Gender you learn, sex you are born with. If I were to state how I view the two typical gender roles it would be as follows: the typical 'male' role is object-oriented and focuses on achievement through competing with others. People playing the typical 'female' role are more people-oriented and focus on achieving harmony with others. In most countries, both in the family and in the labour market, men play the male (dominant) role, and women play the female (subordinate) role. Gender integration deals with bringing equality to these roles.

*Since our readers are familiar with the state of women's participation in co-operatives in Japan, could you tell us something about the status of women in co-operatives in Asia?*

Herath: Women's status in Asia hasn't changed much since the end of the United Nations Decade for Women in 1985; health, life expectancy, illiteracy, and the degree to which women can participate in development, have not improved much since then. One exception to this is in the so-called socialist countries - for instance, Vietnam shows the highest rate of female participation in the economy and women occupy leadership positions in the co-operatives. However, because the situation is different in most places, the revitalization of the gender integration programme is vital at present.

*So you're saying that the situation facing Asian women is a fairly static one. Can you tell us what major factors are hindering women's participation at various levels in co-operatives?*

Herath: One of the problems we have encountered is the Eastern cultures themselves. Even in fast-developing countries such as Japan, Korea, and Singapore, improvement of the situation of women has not occurred in line with those countries' economic advances; you still don't find women at the policy-making levels in either the public or private sectors. Also, superstitions and religious practices interfere; women are expected to be passive. Furthermore, because the life expectancy situation is worsening in

some countries that are getting poorer - like Bangladesh for instance - people are no longer improving themselves. And the main victims of these circumstances are women.

Apelqvist: The subordinate role of women, a situation which has been passed down from generation to generation in almost every country, causes a much larger number of women to be illiterate than men worldwide. However, for women to demand literacy, they first need self esteem. This cannot be acquired when they play a subordinate role.

*We understand that women's status has been well advanced in Scandinavian countries. Does this apply to the co-operatives as well?*

Apelqvist: Women are very active in co-operatives in Scandinavia, but we still have some of the same problems as co-operatives in Asia. For example, most women co-op members participate at the basic level. Though we have a growing number working in middle management, the higher you look in the organizations, the fewer women there are. However, there has been some progress in gender integration; women have organized formally and informally, politically and non-politically, and the progress in gender integration is the result of these women's activities and perseverance.

*That's a good point. Clearly, this is a situation that requires some sort of action. How have gender problems been taken up by the Women's Committee and the ICA Regional Office?*

Herath: Until the termination of the United Nations Decade for Women, we had a women's section in the ICA - and in 1989, we began to revise our programme to incorporate gender integration. As a consequence, we had to do a number of studies on human resources. In one of these we looked at the situation in 14 countries. There, we found that we need to reapply ourselves to gender integration urgently if co-operatives are to succeed in meeting the challenge of opening up the economies of Asian countries. So we approached the JCCU and the Swedish Co-operative Centre for support. With it, we will be carrying out gender integration activities over the next few years.

Apelqvist: Because the ICA Women's Committee is an all-women's committee with 59 members from 30 countries, we have been contributing our expertise as consultants. For us, the question of gender integration is not only a question of social justice, it's a question of necessity for the co-operative movement. The movement will suffer, and may not survive, if women's skills, values, and energies are not utilized more in the near future.

# Joint Participation of Men and Women in Japanese Consumer Co-operatives

by A. Yamauchi\*

Even though men have started to help women with the household chores in recent years, tasks such as shopping and preparing food still remain, for the most part, the jobs of women. As a result, 95 percent of the members of consumer co-operatives are also women.

## Changing Focus

Through their participation in the consumer co-operative movement, Japanese women have shifted their focus from the kitchen to society. Additionally, as a result of their efforts to meet the needs of their mostly female members, Japanese consumer co-operatives, have grown to the point where approximately 20 percent of Japanese households are members of consumer co-operatives.

## Lack of Balance

Let's now analyze the present status of consumer co-operatives in terms of joint participation of men and women. As mentioned previously, at the member level women greatly outnumber

men, and there are problems arising from this lack of male membership.

At the employee level, although women account for 92.1 percent of part-time employees, they only make up 18.6 percent of full-time workers. At the division manager level, 2.2 percent are women and a mere 3.3 percent of section managers are women.

The imbalance continues at the director level, as even though 95 percent of board members are women only 10 percent of chief directors, 2 percent of representative directors and 8.9 percent of managing directors are women. Summarizing these facts, it seems that, while the members are primarily women, consumer co-ops are being managed by men.

## Call for Action

The JCCU Women's Council has made the following suggestions to individual consumer co-operatives, in order to increase the participation of women at the decision-making level:

- 1 Make joint participation of men and women one of the key tenets of the consumer co-op movement.

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\* Ms. Yamauchi is working with the JCCU in Corporate Planning Office in Tokyo. She is responsible for welfare issues.



2 Conduct further studies on internal and external measures that will lead to the joint participation of men and women.

3 Increase the participation of women when decisions are being made in the management of the organisation.

4 Strengthen the education and training of women so that the number of

permanent female board members will increase.

5 Emphasize training programmes for female employees.

The Women's Council has strongly requested the JCCU to increase the number of female participants at board meetings and other executive gatherings, and create action plans to promote the joint participation of men and women in consumer co-op activities.

# Recommitment at Manchester

by Ian MacPherson\*

## Defining the Challenge

In 1988, while addressing the Stockholm Congress of the International Co-operative Alliance, President Lars Marcus issued a challenge to the international co-operative movement. Concerned about questions of co-operative identity in the industrialised countries, the uncertainties confronting co-operatives in Eastern Europe, and the failures that had occurred in southern countries, he asked the international movement to re-examine its basic values so that it could better meet the needs of the twenty-first century.

Between 1990 and 1992, under the leadership of Sven Ake Book of Sweden, representatives from the international movement discussed the nature of co-operative values at great length in a series of colloquia held around the world. At the 1992 Tokyo Congress, ICA delegates received a report from Mr. Book which summarized his views on the essential co-operative principles. In that report, he said that co-operatives expressed their basic values by undertaking economic activities for meeting human needs; by fostering participatory democracy; by



sustaining human resource development; by practicing social responsibility; and by practicing national and international co-operation.

## Reconsidering the Principles

Between the Tokyo Congress of 1992 and the Manchester Congress, which will be held in autumn, 1995, the ICA is building on the discussions of values in order to present a clear co-operative alternative for the world in the twenty-first century. One part of this process is a reconsideration of the Principles as they were defined by the ICA in 1966.

The 1966 version of the Principles was an adaptation of the principles which had been adopted by the ICA during the 1930s. Those principles, in turn

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\* Mr. MacPherson is Dean of Humanities at the University of Victoria, Canada, and Member of the ICA Board.

were a selection, with modifications, of the principles adopted by the Rochdale pioneers in 1844. In both previous formal reviews, the ICA sought to follow the spirit of the Rochdale pioneers while trying to demonstrate how co-operative principles could be adapted to address a wide range of specific contemporary issues. In the 1966 reformulation, too, the ICA was also trying to give greater recognition, without in any way diminishing the importance of the Rochdale traditions, to the fact that there were other, powerful complementary traditions within the co-operative banking, agriculture, workers and service sectors.

### **Meeting Current Needs**

The current review of principles follows the pattern of these earlier reviews. It is based on the belief that the essence of the co-operative way has been carefully developed over the years and that the traditions carefully sustained by co-operators over the generations must be maintained. Nevertheless, it will examine the principles to see if they articulate, as fully as possible and in the light of current needs, the essential co-operative values and requisite practices. It will also assess whether other principles, based on long-standing co-operative values that are particularly important in contemporary circumstances, should be added. Some of the revisions in the current principles that have so far been suggested are changing the current "strictly limited" rate of interest principle and considering a reference to gender in the membership principle. Some have also suggested that princi-

ples on the environment, operating efficiency, and government relations might be added. As currently envisioned, the Statement of Principles will be very similar in form to the existing Statement: it will be no longer than a page; it will be simply worded; it will be easily translated.

### **The Co-operative Message**

The second part of the process for defining a clear co-operative message for the twenty-first century is the preparation of a series of operating principles for each of the various co-operative sectors. This initiative is based on the understanding that there are significant differences among types of co-operatives and, therefore, there are different practices among them, particularly in democratic procedures, capital formation, and the distribution of surpluses.

Each of the Specialised Organisations of the ICA is being asked to consider existing operating principles and practices in light of the current principles and in light of what they think should be other principles. The objective ultimately is to have operating principles for each sector that accurately reflect practice and reconfirm the basic principles. When that is accomplished, the co-operative movement will reflect a greater consistency and distinctiveness to its members, governments and the public.

### **The Co-operative Charter**

The third part of the process for defining a clear co-operative message for the twenty-first century is the prepara-

tion of a co-operative charter. All of these projects are closely intertwined; in fact, deciding what should be included in the statements on Principles and what should be in the Charter will be a major challenge on the road to Manchester. The end objective though is very clear: it is to have an integrated series of statements that reinforce each other and can serve as a rallying call to co-operators and co-operatives around the world.

### **The Potential of Co-ops**

The Charter, through statements of objectives and examples of successful experiments (in the past and particularly the present day), will demonstrate the immense potential of the co-operative movement around the world. It will do so through the elaboration of themes that will be explored, developed, and decided upon by the summer of 1994. Some themes have already been suggested. They include: co-operatives and youth; co-operatives as a training ground for democracy; co-operatives and the environment; co-operatives and their communities; international ties among co-operatives; co-operatives and the state; co-operatives and emerging social needs; co-operatives as a form of empowerment (for the poor, for women, for disadvantaged areas). Themes such as these will be explored in a compelling and pragmatic way in about fifty pages of text.

### **Questionnaire on Principles**

In order to sample opinions among co-operators and to encourage co-operatives to consider their distinctive char-

acteristics and to envision what they would like to undertake in the next century, a questionnaire on the Principles and the Charter has been prepared. It is available on request from the ICA Office in Geneva; it is available in all of the ICA official languages. The questionnaire is intended as a way to understand how co-operators and co-operatives around the world view the current principles. It is intended to spark discussion; while it asks questions about specific issues, it also includes open-ended questions that should encourage co-operators and co-operatives to build on their values and principles in order to ensure the expansion of co-operative enterprise in the next century.

The questionnaire will also be used by each Specialised Organisation in order to begin the process of developing sector-specific 'Operating Principles'. These principles will address the specific practices, structures, and governing systems that each sector utilizes in order to compete in contemporary economies. These Operating Principles will differ from sector to sector, but the underlying Basic Principles will be the same. It is expected that each Specialised Organisation will have prepared its Operating Principles by the time of the Manchester Congress, although, in a few instances, this may not be possible.

Ian MacPherson, who is chairing the Resource Group that will review the Basic Principles and prepare the Charter, attended meetings in each of the ICA regions during the spring of 1993. He explained the objectives and proc-

ess to be used to the ICA members attending those sessions, and he invited co-operatives and co-operators in the regions to participate in the process. They have until April, 1994 to do so.

### **Send us your Views**

The review of the Basic Principles and the preparation of the Charter will be undertaken by a Resource Group that will commence its deliberations after the Geneva meetings. Drafts of its work will be distributed to a Consultative Committee of over forty co-operators scattered around the world and reflecting the diversity of the international movement. The names of the members of the Resource Group and the Consultative Committee will be announced at the Geneva meetings. As drafts of the documents reviewing the Principles and articulating the Charter are completed, they will be

considered by the Board of the International Co-operative Alliance. The final drafts of the document reviewing the Basic Principles and of the Charter will be completed and approved by the ICA Board by the end of 1994.

The ICA member organisations, co-operatives around the world, and co-operators concerned about the future of their movement are encouraged to communicate their views on this important project. They can do so by requesting and completing the questionnaire that has been specially prepared or simply by expressing their views by writing to:

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University of Victoria,  
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## Book Reviews

### 1993 Yearbook of Co-operative Enterprise

*Published by the Plunkett Foundation, 23 Hanborough Business Park, Long Hanborough, Oxford OX8 8LH, UK, 259 pp, ISBN 0 85042 130 6, price £14.95*

The 1993 *Yearbook of Co-operative Enterprise*, published by the Plunkett Foundation, is a collection of high-calibre articles that examine the broad spectrum of co-operative enterprises from a variety of perspectives. This year, the *Yearbook* focuses on how co-operatives play a significant role in the economic life of most nations, and demonstrates the adaptability of the co-operative form of organisation to many types of business.

Part I, *The Role of Co-operatives in Economies Under Reconstruction*, examines the ways in which co-operatives have been involved in the evolution of economies from being State-run to market-driven. Two articles provide a general overview of the situation in Eastern Europe, while there are contributions focusing on specific developments in Germany, Hungary, Bulgaria, Estonia, and the former Soviet Union. The response of co-operative movements to structural adjustments in Africa - specifically Cameroon, Tanzania and Uganda - is also explored in separate articles.

The section on Innovative Co-operatives offers examples of how fresh approaches can be made to the use of the co-operative form of organisation. Public services can be offered in co-operative form, as witnessed by the existence of health care co-operatives and student housing in the USA. Social concerns are addressed by child care co-operatives in Canada and a co-operative radio station in Singapore. Commercial enterprises, too, can be innovative, as explained by articles on the Wine Society, a book publishing collective and a law practice in the UK.

The articles in Part III, *Co-operative Opportunities for Women in Developing Countries*, confirm that at a certain level women have been successful in running women-only co-operatives; however, the role they play is often confined to feminine interests and they are seldom given responsibility in economic activities or management. Specific examples of the effectiveness of women in co-operatives, from the bottom end of the scale right through to the achievements of women when they

are given full recognition of their potential, are found in articles on Kenya, Zambia, Ghana, the Philippines and Nicaragua. Also included are general overviews of women and co-operatives in Asia, promoting women's participation in co-operatives, and the role of economic interest groups and their relevance for women's development in Africa.

1992 saw many changes in UK co-operatives, and Part IV, the Annual Review of Co-operation in the United Kingdom, examines the impact of these changes on fishery, housing, community, worker, agricultural and consumer co-operatives, and credit unions.

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## Grassroots Co-operative Action

by Koenraad Verhagen

*Published by International Labour Office, Geneva, Switzerland, 320 pp, ISBN 92-2-108225-3, price, CHF 35.-*

The Trainers' Manual 'Grassroots Co-operative Action', has been designed as a tool for the training of field workers, who work with people at the grassroots and are committed towards supporting economic ventures which the poor themselves are willing and capable of undertaking. Its contents are based on action research carried out over a broad spectrum of developing countries.

The manual provides an outline for a three-week course which can be shortened or extended according to specific needs. Its 29 half-day training sessions have been designed in such a way that course content and direction can be adapted to local circumstances and ample suggestions are provided for group work, role-playing and other

problem-solving exercises. In this way, field workers are given an opportunity to systematically reflect on their methods of work, failures and successes.

Dr. Koenraad Verhagen, the Manual's principal author, was working in conjunction with CEBEMO, a Dutch co-financing agency, as the Head of Studies whilst drafting the document. In June, 1990, he was nominated Secretary General of CIDSE in Brussels.

As an agent of change, a co-operative field worker can play a crucial positive role in altering the situation of the rural poor. He/she can contribute significantly to the improvement of their economic conditions by raising their awareness and by helping them initiate co-operative action and run such activities on their own.

The training programme is intended for training co-operative field workers and all those who can play both a catalytic and a facilitating role in co-operative development work at the grassroots level, especially among the rural poor. It aims at enabling the trainees to identify the positive and negative processes in the community which can influence its development; assist groups in rural communities to identify co-operative projects, and provide logistic and advisory support to the groups. The guide is divided into eleven sections (sessions), the main substance of each one being presented in a 'summary' followed by guidelines to the instructor.

The topics covered are the following:

1. Vision of Change
2. Identifying the Target
3. Identifying Co-operative Micro Projects
4. Feasibility and Planning
5. Education and Training
6. Mobilization of Savings
7. Management Support Services
8. Linkages with Third Parties
9. Process Extension and Movement Building
10. Monitoring and Evaluation
11. Course Evaluation & Commitment

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## **Co-operative Housing: A Building with Many Facades**

by K.A. Stefan Svensson

*Published by The Swedish Co-operative and Research Institute (KOOPI), Box 20063, 10460 Stockholm, 90 pp, price SEK100.*

The study contains a comprehensive review of all the common and less familiar forms of co-operative housing that exist in Sweden, together with a presentation of all the larger co-operative enterprises and organizations.

The author presents interesting statistics and facts about co-operative members and their participation, and how democratic involvement and demo-

cratic structure has changed over a period of time. He discusses possible consequences of and implications regarding to the competitive efficiency of the co-operatives.

Svensson also provides us with a very interesting examination of the application of co-operative values and principles by the different forms of co-operative housing.



## What are the Viable Co-operative Models and Contributions for the Future

(Proceedings of the Tokyo Forum, 1992)

*Distributed by the Japanese Society for Co-operative Studies, c/o Educational Department of CUAC, 4771, Aihara-cho, Machida-shi, Tokyo 194-02, Japan, 348 pp.*

### Paradigm of the Garden

In the last issue of the ICA Review, we examined the paradigm of the garden. Continuing our series of reading presented as the art of gardening, we would like to introduce a book which we will call the Japanese garden. In Japanese gardens, detail has no importance "per se". It takes significance only within a larger perspective: a stone could be an island or a dolphin surfing the waves - waves which are paradoxically represented by their very antithesis: dry sand. A succession of stones would represent the Japanese archipelago or stages in human life. A careful wanderer will stroll through the garden going from one panorama to another so as to perceive the inherent unity in its diversity, as each arrangement has more than one symbolic meaning.

The ICA XXX Congress in Tokyo was fruitful from the viewpoint of the development of co-operative thought. The main report, "Co-operative Values in a Changing World", roused an animated discussion. The diversity of the papers presented in the report from the Co-operative Research Forum is a testament to the wealth and vivacity of co-operative research. Five sessions, like five panoramas from our garden, were offered and the reader can now experience the feeling of excitement

shared by the Congress participants in Tokyo, in October 1992, of being at the same time actor and spectator. Walking through a Japanese garden is not a passive activity, it is an intellectual effort.

During the first session on "Fundamentals of the Co-operative Model for the Future", the authors examined the plight of the contemporary movement. In the "Logic of Self-Help and Participation". J.G. Craig, after meticulous examination of the co-operative paradigm, maintains that the role of management is crucial in upholding co-op societies as self-help organs even when they grow old and large. Ki-Won Suh's paper brought an Asian point of view to the discussion on basic values. Analysing the relationship between the individual and the society in oriental culture, he explained why the role of the government in co-operative development is differently understood. Japanese experience in promoting international co-operation based on self-help was presented by Takashi Iwami.

The second session, "Experiences of Co-operative Performance", brought together reports investigating the consumer sector. Kajllmonen, in his usual sharp style, depicted the crisis: "Although Finnish co-operation has slipped beyond the reach of its members, this tendency must not continue".

Brazda and Schediwy are talking about the process of managerialization and de-ideologization of co-operatives. The Japanese actuality described by Kiyofumi Kawagushi is quite different. In the mid-eighties, following changes in the social environment co-operatives had to redefine their strategy. The exercise was successful owing to the high level of members' participation. Marietta P. Demelino puts forward the paradigm of sustainable development as a philosophical and psychological basis for co-operative operations in Philippines.

Community development in Saskatchewan, rural co-ops in China and child and health care in Sweden are "New Areas of Activities" presented during the third session. Hammond Ketilson epitomises the integrative function of the co-operative for local communities. Xiaoshan Zhang summarises recent developments in rural areas and clarifies some distinctive features of Chinese co-ops. Jobring & Ternegren present the contribution of co-ops to the health care system - a field they were traditionally absent from.

Swedish consumer and dairy movements again provided empirical material to C.L. Svenson's study on goals and strategies of federative organisations. In the federative organisation, strategy formation is the outcome of process, which is not only according to the goals of federation but also to the goals of the member organisations. Among the multiplicity of possible goals, the one emphasised most frequently is the ability to survive. Viable co-operative models for Asia are ex-

amined in the G.P. Bhavé's. The background data was obtained through analysis of the Indian movement. The author concludes that the essence of co-operative development lies in the increasing productivity and technical competence of members. J. Juhasz, introduced the Central and Eastern Europe's agricultural co-ops. During the communist era the sector was dominated by statal or parastatal structures which proved generally inefficient. Agriculture is undergoing profound transformation leading to the establishment of new forms of collaboration between farmers. Co-operatives cannot afford to miss the opportunity of being present in the market.

The fifth and last part, "Co-operative Research for the Future" is in many ways the most enlightening if not the most interesting. Three authors are pleading "pro domo suo" on how to organise co-operative research. J. Nilsson, M.V. Madane and J.H. Wolf reveal their successes and frustrations and put forward ideas for the future. Applying the transaction cost theory to the production of co-operative knowledge, Nilsson calls for more planning and more public funds to finance research. Wolf considers an earth summit for co-operation to be organised near Rochdale "as our co-operative rain forests are chopped down, our co-operative water and air polluted, and our appeals are boycotted by the major industrial transnational powers". And Madane outlines an international scheme for the exchange of information and collaboration between researchers.

Alina Pawlowska

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