

Year Book  
of  
Agricultural  
Co-operation

1979



ICA 01657

# Year Book of Agricultural Co-operation

1979

334:630;058  
ICA.



© The Plunkett Foundation 1980

isbn 0 85042 028 8

issn 0142-498X

Printed by Parchment (Oxford) Ltd

YEAR BOOK OF  
AGRICULTURAL CO-OPERATION  
1979

THE PLUNKETT FOUNDATION FOR CO-OPERATIVE STUDIES  
31 St. Giles, Oxford, OX1 3LF. England

Director C.E. McKone

and

THE INTERNATIONAL CO-OPERATIVE ALLIANCE  
11 Upper Grosvenor Street, London, W1X 9PA

Director Dr. S.K. Saxena

Editor C.E. McKone

Contributors

Hasmet Basar  
J. Elise Bayley  
J.S. Cross  
Robert Dick  
Gordon Foxall  
F. Howarth

Ade T. Ojo  
Felix A. Ryan  
Malcolm Sargent  
R.J. Storey  
R.V.N. Surtees  
R.G.J. Wells

The views expressed in this book are those of the contributors, and are not necessarily those of the Plunkett Foundation for Co-operative Studies or the International Co-operative Alliance

THE PLUNKETT FOUNDATION FOR CO-OPERATIVE STUDIES

T R U S T E E S

J.A.E. Morley, M.B.E., Chairman  
N. Wood, C.B.E., Vice Chairman

P. Bolam, Barclays Bank Ltd  
J.P.J. Coles, Thames Valley Eggs  
Sir Roger Falk, O.B.E.,  
J. Fotheringham, North Eastern Farmers Ltd  
D. Gunn, Scottish Agricultural Organisation Society Ltd  
Dr. R. Houston, Co-operative College  
Professor G. Houston, University of Glasgow  
Dr. A.J. van Hulle, Belgische Boerenbond, Belgium  
P. Kelly, Ireland  
Ann K.S. Lambton, Emeritus Professor, University of London  
A.R. Manson, Scotland  
J.A. Markham, Potato Marketing Board  
J. McCarrick, Irish Co-operative Organisation Society Ltd  
W. Morgan, Agricultural Economist  
Professor Dr. Hans-H. Munker, University of Marburg,  
West Germany  
Chief G.A. Onogoruwa, Co-operative Bank Ltd., Nigeria  
I.L. Price, South Herefordshire Agricultural Co-operative  
Society Ltd  
J. Robb, Scotland  
G.D. Robinson, Southern Counties Agricultural Trading  
Society Ltd  
W. Ross, Ulster Agricultural Organisation Society Ltd  
Dr. S.K. Saxena, International Co-operative Alliance  
E. Thomas, Welsh Agricultural Organisation Society Ltd  
J. Upson, National Farmers' Union  
Professor H.T. Williams, Wales  
R.E. Williams, Milk Marketing Board  
B.J. Youngjohns, Overseas Development Administration

THE INTERNATIONAL CO-OPERATIVE ALLIANCE  
E X E C U T I V E C O M M I T T E E

R. Kerinec, (France) President

A. Smirnov, (U.S.S.R.) Vice President

P. Sjøiland, (Norway) Vice President

G. Anderson, Co-operative League of the U.S.A.

Y. Daneau, Compagnie Internationale de Developpement Regionale,  
Canada

S. Fujita, Central Union of Agricultural Co-operatives, Japan

N. Hamalainen, Kulutusosuuskuntien Keskusliitto, Finland

J. Kaminski, Supreme Co-operative Council, Poland

R. Kohler, Coop Schweiz, Switzerland

V. Magnani, Lega Bazione delle co-operative e Mutue, Italy

J.J. Musundi, Kenya National Federation of Co-operatives Ltd,  
Kenya

O. Paulig, Bund deutscher Konsumgenossenschaften, Federal  
Republic of Germany

A.E. Rauter, Konsum Osterreich GmbH, Austria

N. Thedin, Kooperativa Forbundet, Sweden

H.W. Whitehead, Co-operative Insurance Society, United Kingdom

## C O N T E N T S

	Page
Editorial .. .. .	i
Better ways of living through co-operatives, by R.G.J. Wells .. .. .	1
Forward planning in the supply and marketing co-operatives in six European countries, by J.S. Cross .. .. .	17
Some consequences of the extension of federal organisation among agricultural co-operatives in the United Kingdom, by Gordon Foxall .. .. .	43
The scope for co-operation at farm level, by Robert Dick .. .. .	51
Machinery sharing syndicates in England and Wales, by R.V.N. Surtees .. .. .	59
Success in horticultural marketing co-operation, by Malcolm J. Sargent .. .. .	65
Community co-operatives - A Highlands and Islands experiment, by R.J. Storey .. .. .	89
The co-operative movement in Jordan, by F. Howarth ..	105
Problems of agricultural co-operation in Turkey, by Hasmet Basar .. .. .	125
Industrial co-operatives in Japan, by Felix A. Ryan ..	129
Co-operative banking in a developing economy: Relevance of the Raiffeisen and Schulze-Delitzsch models, by Ade T. Ojo .. .. .	143
Co-operative Reference Library: select list of accessions during the period 1978/79, by J. Elise Bayley	
Contents .. .. .	171
Index of names .. .. .	173
List of Accessions .. .. .	181
General Index .. .. .	217

## E D I T O R I A L

The noticeable growth of literature and constant reference to agricultural co-operative development is a reflection of the increased focus by international and government agencies on this type of economic enterprise. Reports of co-operative developments are becoming commonplace in the economic and financial press and newsworthy even in the more popular press.

Major investments in agricultural co-operative developments by the agencies indicates an acceptance by them that this economic system can be highly successful in the right environment. It appears that co-operatives are acceptable to governments of widely differing political philosophies in a world where the division between nations becomes daily more accentuated.

In the developed world, the progress of co-operative development depends largely on economic advantages made possible by favourable changes in legislation, availability of government or regional grants, or more sophisticated corporate planning which can promote rapid further development along co-operative pathways. In many countries agricultural co-operatives ensure a plentiful supply of fresh food for home use but also contribute to surpluses that are available for export to food importing countries.

In the less developed world, co-operative development is promoted as a means of feeding hungry people who are often malnourished. It is rarely a rapid process and depends not so much on the availability of massive development grants but on the skilful use of co-operative development workers at grass-roots level. It is encouraging to observe the major co-operative developments unfolding in India, Thailand and Indonesia supported by the World Bank, UNDP and government bilateral agencies. These major efforts are laudable but as we enter the 1980's and the third development decade, it is vital that the lessons learned from the past are recognised and applied to current co-operative development: in no situation is the "trickle down" theory of development more inappropriate than in rural development on a co-operative basis.

Experienced agricultural co-operators are aware of the strong bonds which can bind together a small group of farmers with similar interests, when they commit themselves



to a co-operative enterprise based on tangible and significant economic benefits. The advantages of collective action and the economies of scale at grass-roots level are immediately beneficial and at first sight it appears to be a relatively simple step to multiply the magic of this effect across the region or indeed a whole nation. But herein lies the problem. The history of co-operative development shows that all significant developments have benefited from the dedicated work of an "initiator" who has motivated and persuaded a group to commit themselves to a co-operative enterprise. With large co-operative developments two problems emerge that are associated directly with their scale: firstly, large numbers of trained "initiators" are required and secondly, the commitment experienced at grass-roots level becomes progressively weaker and more diluted as the organisation grows, giving rise to the need for a systems approach to the management of the development. The key to these problems lies in a major emphasis on co-operative training programmes that need to be built in to each and every co-operative project at the planning stage.

The UN Food and Agricultural Organization has recognised this need with their "Appropriate Management Systems for Small Farmer Co-operatives" programme, which seeks to devise and promote suitable management systems for agricultural co-operatives. The experience of the non-government organisations (N.G.O.) that have been involved in small scale co-operative development and training should be utilised by international government agencies, for their involvement in co-operative enterprises spans many years and their contact with grass-roots development and the people is second to none. The World Conference on Agrarian Reform and Rural Development held in Rome in July 1979 recognised the important role of N.G.O's in promoting people's participation in agricultural and rural development.

As we enter the next decade the major growth of agricultural co-operation is likely to be in the less developed world. The challenge facing those responsible for co-operative development is one of providing food for the hungry and raising living standards. Their commitment should include a major emphasis on co-operative training and education, a readiness to co-operate with other agencies in sharing knowledge and special experience, and finally an acknowledgement that the limited successes, often quoted as failures by the detractors of co-operative development, can be learning experiences with important lessons for future successful development.

## BETTER WAYS OF LIVING THROUGH CO-OPERATIVES

by

R.G.J. Wells\*

Social philosophers have long stressed the role of co-operation in helping to promote better ways of living. Utopian socialists and co-operative pioneers such as Robert Owen and Charles Fourier saw co-operation as a key instrument of socio-economic progress and social reform through the collective organisation of man. Although Owen's villages of co-operation and Fourier's communal associations were conceived of as practical remedial measures for dealing with the then endemic social ills of poverty and unemployment, they also viewed co-operation in one form or another as having moral\*\*as well as economic functions, since they placed strong emphasis on the need to reach and sustain a high quality of social relationship. The social consequences emanating from large scale co-operative development were judged by them to be of equal importance with the material benefits to be derived from co-operation; whilst group solidarity and cohesion were themselves viewed as necessary preconditions for the success of co-operative ventures. Co-operative enterprises were seen as existing and operating in the social milieu and exercising interactional relationships with various dimensions of their environment; in its turn the environment provided opportunities but also imposed restraints on co-operative economic activities (1).

In a dynamic context, however, the co-operative movement was expected to effect a change in the socio-economic environment for the benefit of man. The ideology saw co-operatives as a mechanism for raising standards of living and promoting improved ways of living while avoiding the uncertainties and

---

\* Lecturer in Economics, University of Malaya, Kuala Lumpur, Malaysia.

\*\* This is also well exemplified by a quote from another co-operative theorist, Georges Fauquet "...by principles, I mean not the rules established by co-operative practice, but the moral precepts from which these rules stem". (2)

social costs associated with economic systems such as capitalism.\*

Marxist theorists have generally not had such a sanguine view of the co-operative but nevertheless co-operative enterprises were assigned a vital role by Lenin in the Soviet Union: he deemed them as the only useful institution to be inherited from the previous regime worthy of preservation, and he initially proposed that the whole population of the country be organised within a network of consumer and producer co-operatives. Although this plan was soon abandoned he nevertheless favoured the operation of several types of agricultural producers' co-operatives ('artels', normally called collective farms) and temporary or transitional producers co-operatives (TOZY) which were societies for the joint use of land and designed to practise an intermediate form of farm management (3). Farm machinery co-operatives also developed in the precollectivization period from 1921 and their expansion was particularly rapid from 1926-1929. During the 1920's Lenin continued to emphasise that the co-operativisation of agricultural and industrial production was the prime objective towards which Soviet Communists should direct their efforts. Moreover, many of the co-operative farming units continued to exist during his lifetime, although after the onset of compulsory mass collectivization in 1929 they had mostly lost their distinctive co-operative character, having become almost indistinguishable from other large agricultural units\*\*; among other things, membership.

---

\* With a few exceptions, neo-classical economic theorists have traditionally tended to be more reticent in viewing the co-operative as a means of improving living standards. In part, one suspects that this was because of the virtually exclusive focus on profit-maximising firms and utility maximising households in standard neo-classical texts; economic agents such as trade unions or co-operatives were either excluded from consideration or treated with only cursory attention.

\*\* In the post World War II period the Eastern European communist countries have established co-operatives somewhat analogous to the early producers' co-operatives in the Soviet Union: in Eastern Germany there are Agricultural Co-operatives (LPG) and in Poland what are known as "Agrarian Circles" in which individual farm family operations are voluntarily carried out on an integrated co-operative basis. See Schilles (4).

was made compulsory for ideological and political reasons and they no longer operated as autonomous entities.

### The co-operative as a mechanism for raising living standards

In recent years political leaders of developing countries have advocated the use of the co-operative and similar institutional forms such as farmers' associations as a mechanism for raising standards of living of both producers and consumers and for promoting a greater degree of egalitarianism.\* Policy-makers have increasingly placed heavy reliance upon the co-operative institution, especially agro-based marketing and credit societies, as a means of restructuring rural product and factor markets in order to advance the interests of farm producers and consumers of farm produce. The pervasiveness of imperfect competition in agriculture has become more generally recognised; produce and input markets are now widely perceived by policy-makers to be highly imperfect and a political dimension is often involved especially where the trading-financing functions are largely undertaken by racial minorities. In consequence the co-operative has been sponsored and nurtured as a vehicle for supplanting or supplementing such trader-financiers and for generating structural changes in the production and marketing of agricultural products, as is well exemplified by recent developments in East Africa and South East Asia. Among the more important potential benefits from co-operatives are greater stability of prices and returns, the retention of decision-making authority at the producers level, assurance of market outlets and greater security of input supplies.

It must be noted, however, that many writers are sceptical as to whether these potential benefits from the co-operative will materialise. Governmental initiation and sponsorship of co-operatives is alleged to result in the creation of quasi-government agencies rather than autonomous, efficient and viable producers' institutions (6). Other writers even question whether there is any basis, either on equity or productivity grounds, for co-operative intervention in such

---

\* The ability of co-operation to achieve greater egalitarianism in less developed countries has however been severely questioned by a number of writers. For a succinct but penetrating review of this issue see Stettner (5).

markets. Ruttan has also argued that in the light of Asian experience the relative failure of co-operatives has resulted from attempts to assign too many functions to them at an early stage of their evolution. In the case of South East Asia, Ruttan expresses doubts whether there is 'a single economically viable co-operative system in the farm supply field in any country of South East Asia. (7).

Sometimes the co-operative is judged to have considerable political relevance; it has, for instance, been viewed by politicians in some emerging nations as a useful and appropriate mechanism for disseminating the concepts of participatory democracy to the populace. Other leaders such as President Nyerere of Tanzania have still further widened the role envisioned for the co-operative since in that country the ultimate political objective has been declared to be the establishment of a co-operative economic system which is regarded as intrinsically more democratic than either unbridled capitalism or communism.\* The Ujamaa village is the key to Tanzania's socialist development; a country of such village communities would according to President Nyerere, be a socialist nation.

In the developed countries renewed interest is being given to the idea that co-operative production could offer a practical alternative to production being centred either in private capitalist or state-owned undertakings. In the United Kingdom, for example, in the last few years, well over 150 manufacturing and service co-operatives have been formed. Indeed, it has been cogently argued that a properly structured co-operative manufacturing sector with adequate access to finance would offer a practical solution to several of the deep rooted problems at present besetting the manufacturing industry in Britain. (9)\*\*

---

\* In several developing countries the co-operative character of the economic structure is explicitly detailed in the constitution; Indonesia, Egypt and India provide such examples. See Dülfer (8).

\*\* A Co-operative Development Agency (CDA) designed to encourage co-operative development through a combination of indirect promotion, public education and research was set up in 1978 in the United Kingdom. Although the CDA is enjoined to deal with all spheres of co-operation, in practice it has decided as its first priority, to concentrate its activities in the field of industrial co-operation.

In France two firms facing impending closure and subsequent employment loss have been reconstructed into viable co-operative ventures; this has especially been evident in the building and construction industries where about half of the 600-odd French industrial co-operatives are to be found. It must be stressed that the French experience of industrial co-operation is an impressive one - the producers' co-operatives have displayed considerable vigour and progress with growth rates exceeding the average for the French economy as a whole.

The picture in the Basque province of Spain is even more interesting. At Mondragon a total of some 82 industrial co-operatives have been established over the last couple of decades or so with striking success.

In 1976 the industrial co-operatives in the Mondragon group had around 14,000 industrial employee-members (and 45,000 consumer-members) and achieved sales of about 24,000 million pesetas; they included Spain's largest producer of several household appliances such as refrigerators and washing machines. There are co-operative enterprises producing earth-moving equipment, building materials, bicycles, kitchen fittings and furniture, and forging and foundry equipment; and a factory for the manufacture of refrigerators in Tunisia is being built by ULGOR, one of the Mondragon co-operatives. On the double-criteria of efficiency and democracy the Mondragon co-operatives appear to have provided a highly satisfactory alternative to either private capitalism or state capitalism. Empirical data relating to value added gross output and sales per head indicate that they are internationally competitive whilst the worker-members enjoy ultimate power and responsibility and do so on the democratic co-operative principle of one man one vote.

In summary, in Western Europe the co-operative seems to offer a degree of ideological neutrality which is attractive to proponents of reform on various sides of the political spectrum. On the one hand, successful co-operatives can be cited as examples of advanced forms of democratic socialism particularly where there is strong incidence of collectivization or, on the other, as genuine examples of workers' enterprises free from state involvement as is epitomised in the case of the Mondragon industrial co-operatives.

The significant interpretative conclusion that may be deduced from this brief review is that the co-operative can represent a viable and acceptable "middle-course" as well as

being neutral to various politico-economic systems in both developed and less developed countries. It is a datum that co-operatives (and quasi-co-operatives) exist under different economic systems and that they can be compatible with diverse political structures as is indicated by the fact that they represent an important segment in various capitalist and socialist societies.

### Why the co-operative?

It is pertinent to enquire why co-operatives are considered by policy-makers as potentially significant instruments in the development process in general and as a means of promoting better ways of living in particular.\* A variety of reasons may be advanced.

The first, although not necessarily prime, reason is the sheer size of the co-operative movement in the world, a fact not always perhaps appreciated by non-co-operators. Most nations in the world possess some form of co-operative organisation and the quantitative significance of co-operatives globally can be gleaned from the estimates of the International Co-operative Alliance, that there are now over 332 million people in the world who are members of some 664,000 societies located around the globe. In Europe there are over 155 million members, Asia has nearly 110 million members and there are more than 60 million co-operative members in the American Continent. Individual countries with over 10 million co-operative members include India (71.5m); U.S.S.R. (62m); U.S.A. (46.7m); Romania (13.5m); Japan (13.7m) and the United Kingdom (10.8m).

As can be seen from a perusal of Table 1, credit and agricultural societies are the most numerous representing 36.64% and 36.06% respectively of the total number of societies. Consumerism, however, accounts for the largest proportion of the individual membership of societies followed closely by credit co-operatives.

---

\* The view is implicitly held by the author that development is a necessary if not sufficient condition for better ways of living to materialise for a substantial number of the populace of developing countries.

TYPE	Percentage of Societies	Percentage of Individual Members
AGRICULTURAL	36.06	18.78
CONSUMER	9.83	37.88
CREDIT	36.64	33.92
FISHERY	1.94	0.59
HOUSING	9.03	3.50
PRODUCTIVE	6.33	1.66
MISCELLANEOUS	4.16	3.66

Source: ILO: Co-operative Information, Vol. 2, 1977, Geneva, pp. 28-29.

A major interest to both member-patrons and to prospective members is the potential for improved income to be gained through the operation of the co-operative. Through the provision of services at cost, co-operatives are able to augment their member-patrons income. In the case of agricultural co-operatives, for instance, in addition to sharing the surplus, co-operation among rural producers may generate improvements in their bargaining strength, increase their product prices, or lower their input costs. Moreover, the educational programmes of a co-operative may make its members aware of improved farming practices which in turn can result in improved member income. (10)

In this connection the substantial volume of economic activity that can be conducted by agricultural co-operatives might be noted. In the U.S.A., for example, around 30% of total farm output and more than 15% of farm supplies are handled by co-operatives. In Northern European countries the bulk of output of many of the more commercially important farm commodities are marketed by co-operatives; in Sweden, for instance, the percentage of agricultural produce handled by co-operative enterprises include the entire milk output, fertilizers (60%), eggs (65%) and cattle (83%). More than 60% of the agricultural and horticultural produce of the



Netherlands is traded through co-operatives and many other examples could be cited to show the economic significance of both agricultural and other forms of co-operation in developed countries. Regions of Africa, East and South Asia can also be found where the significant developmental progress and improved standard of living that has taken place can in part be attributed to well-functioning co-operative organisations.\*

Given the obvious global importance of the co-operative and the economic significance of co-operatives in advanced industrialized nations such as the U.S.A., West Germany, Japan and Sweden it is not surprising that policy-makers in developing nations should consider the co-operative as a suitable vehicle for development. Indeed there is an increasing awareness of the role co-operatives could play in aiding social development. As already indicated it is also argued that they can be used as a means of replacing private trading interests especially in rural credit and produce markets and for effecting a redistribution of income and wealth, although as noted some observers are sceptical of this role.\*\*

Where the co-operative sector forms part of an embryonic democratic economic system it clearly represents a useful organisational mechanism for building organised group activity

---

\* Two of the best examples where well-functioning co-operative or co-operative type organisations facilitated significant developmental progress in the agricultural sector are Taiwan and Japan. For an analysis of the contribution of such organisations to the implementation of post World War II agrarian reform programmes, see (11)

\*\* The early history of co-operation in Western Europe and North America displayed a similar tendency towards the conceptualization of the co-operative as the rational alternative to the private trader-financier. Sweden's consumer co-operative group KF/Konsum was formed in 1899 to fight monopolies and cartels on behalf of the consumer and in the U.S.A., Shapiro was a strong advocate of a co-operative monopoly over the supply of farm produce.

including democratic political action and in the process thereby strengthening democratic institutions. Its ability to do so will of course be impeded if governments are unable or unwilling to strive for greater political and social justice. The co-operative may also provide an avenue for enlarging the political aspirations and abilities of potential local leaders who might otherwise not have the opportunity to develop their capabilities (12), especially as the co-operative election system allows for the practice of voting and secret ballot. Moreover, by involving members in a participatory decision-making process, since the co-operative enterprise provides equal voting rights and for sovereignty to rest with member-patrons, a beneficial training in the fundamentals of democracy is imparted (13).

All forms of co-operation can indirectly promote better ways of living although more direct influence on the social environment can be exercised through the creation of "better living" and "general welfare" co-operatives, which has been a feature of co-operative development in parts of Asia.

The principal objectives of such societies are:

- (a) to eliminate the harmful customs of members;
- (b) to effect an improvement in their physical, moral and spiritual conditions;
- (c) to minimise waste and inculcate habits of thrift
- (d) to teach and practice the rules of hygiene and to fight against contagious diseases;
- (e) to arouse in their members a sense of human dignity and to fight against corruption;
- (f) to assist in the education of members and their children as well as in the use of leisure for cultural purposes in the community; and
- (g) to encourage any measure of thrift, social solidarity and personal effort. (14)

All of the reasons so far enumerated, individually important as they are, are still not sufficient to adequately explain why the co-operative holds such sway as a potential development catalyst and as a means of generating better ways of living. To do so a clear distinction should first be made between economic growth and development. The former is usually taken to refer to an increase in a variable such as gross national product, gross national product per capita or per capita consumption, etc. Development, on the other hand, not only requires an increase in output but also embodies a variety of changes in techniques, institutions, attitudes, beliefs and so on. Economic development itself is, of course, only a part or one dimension of general development;

in essence, development is a very complex process which implies both expansion and structural change and clearly it possesses political and social as well as economic characteristics.

Development is also concerned with economic diversification; the industrial structure of many developing countries is still strongly biased towards the production of a narrow range of agricultural commodities so that structural diversification is usually an important objective of planning. Development also needs to be oriented towards people and to improving their welfare; thus it seems apparent that efforts should be geared to securing certain minimum levels of consumption standards including adequate nutritional levels. Development programmes should also seek to minimise unemployment and to facilitate a diminution of economic inequalities by reducing, for instance, inter-sectoral, inter-regional or inter-ethnic disparities.

The co-operative is theoretically an instrument which could lead to the wide-ranging political, economic and social transformation of a society which is implied in the above definition of development. Co-operative goals, viz, the achievement of a significant increase in output, a more egalitarian distribution of that output and a more egalitarian participation in the decision-making which helps determine the pattern of that output and its distribution, concur very much with the objectives and ultimate aims of development. There is hardly a better organisational means than the co-operative for achieving the multi-dimensional elements of development, but it must be stressed that final success is crucially dependent on the level of practical efficiency attained. (15)

Policy-makers and development theorists have also been attracted to the co-operative because of the external economies\* generated through the process of co-operative development. In this regard the important educational and training effects exercised through the development of

---

\* These are sometimes alternatively christened "indirect benefits" or "social benefits" depending on the author's terminological preferences; their importance lies in the fact that they are not confined to individual economic units but 'spill-over' to the economy as a whole, thereby generally raising the level of real income and welfare.

managerial, administrative and entrepreneurial abilities are of crucial significance. Such skills are usually scarce in the developing countries and the co-operative is normally one of the few major nurseries of such skills that are available to nations emerging from a lengthy period of foreign domination. Since the advent of the 'human-capital' approach\* and the reduced emphasis on investment in material capital as a crucial variable in economic development, the external economies arising from co-operative education and training further enhance the co-operatives attractiveness as a means of raising living standards. The importance of improvements in human capital will be apparent from the following observations by the pioneer of the human capital approach, Theodore W. Schultz: "Although it is obvious that people acquire useful skills and knowledge, it is not obvious that these skills and knowledge are a form of capital, that this capital is in substantial part a product of deliberate investment, that it has grown in Western societies at a much faster rate than conventional (nonhuman) capital, and that its growth may well be the most distinctive feature of the economic system. It has been widely observed that increases in national output have been largely compared with the increase of land, manhours and physical reproducible capital. Investment in human capital is probably the major explanation for this difference. (10)

It might also be noted that there are also important social and political benefits stemming from education and training which accrue to society in general - a better informed electorate, a more culturally aware populace, a more literate workforce and better educated consumers - and these in turn may well have positive economic effects as well as contributing to better ways of living.

### Prerequisites for better ways of living through co-operatives

Despite the plausibility of the theoretical and ideological arguments in favour of co-operatives as a mechanism for improving the well-being of its members, their full promise has clearly not universally materialised. In particular, in many of the less developed countries their progress has often been halting and disappointing and an attitude of "sympathetic

---

\* This means, inter-alia, that human capital is included as a factor of production in analyses of the sources of economic growth and development.

pessimism" has grown as a result of the apparent divergence between the theoretical arguments and the empirical record of many co-operatives. In order to account for this divergency between fact and theory an identification and examination of the essential prerequisites for successful co-operative development is necessitated. These basic prerequisites can be subsumed under two main categories: external prerequisites and internal prerequisites.

There are a number of external pre-conditions necessary for co-operative efficiency. The need for a well-developed bureaucracy, rational systems of production, a suitable physical infrastructure, appropriate legislation and policy are, for instance, usually necessary if not sufficient conditions for effective co-operative development. It might be added that they are also necessary pre-conditions for general development of the economy and their absence not only impedes the development process but also severely limits the ability of co-operatives (or alternative organisations) to promote better ways of living.

A major problem that often faces marketing co-operatives in presently developing countries is the lack of incentives among farm producers to increase their marketable surplus. This may arise because of economic disincentives or as a result of the general attitude of cultivators toward material achievement. Economic impediments may be rectified, e.g., by way of more favourable pricing policies, fiscal changes, market reform, etc., but alleviating the sociocultural forces that cause a lack of motivation among farm producers to utilise their resources effectively or fully is more difficult. Improvements in the area of community development and mass education would, no doubt, assist in building an environment for changing attitudinal characteristics (especially material aspirations): this, however, is likely to be a very lengthy process.

Economic development is sometimes thought to be partially synonymous with urbanization and industrialization and co-operative development itself related to growth in urbanization. Certainly in many developing countries the urban segment of the movement has proved to be generally more dynamic and financially stronger than the rural segment and many of the countries in which the co-operative movement is most powerful are themselves highly urbanized. It would seem that there are possible socio-economic explanations for the apparent close correlation between the degree of urbanization and the extent of co-operative development. In the first instance, the geographical migration of labour from

the rural to the urban areas tend to loosen adherence to 'traditional' type institutions and values and the freeing of individuals from such constraints encourages them to seek more rational forms of organisation. The dynamics of business life in the urban-industrial sector and the diversity and anonymity of urban life may also tend to exercise generative influences on leadership formation, which is so crucial to the successful operation of voluntary organisations such as co-operatives.

The wide variety and flexibility in types of co-operation also provide many opportunities for urban people to improve their ways of living through organisations which are sound business enterprises but at the same time motivated by social objectives.

There are a number of important preconditions for co-operative success; conversely, the relative failure of co-operatives can often be explained by the absence of one or more of these necessary conditions. Among the more significant are the need for ideological commitment and loyalty; managerial expertise and for adequate access to capital and to markets. If co-operative enterprises are to realise their full potential they must be capable of evoking loyalty and ideological commitment from their member-patrons. This is probably a universal requirement but is certainly a fundamental precondition for co-operative success in a traditional developing economy. As has been cogently argued by a student of co-operation

"The consolidated economic or market power of the co-operative is a function of the sustained loyalty of farmer-members. In other words, the social orientation of the co-operative - projecting a socially cohesive institution - needs equal emphasis, especially where the membership tends to be semi-literate.... The social orientation of co-operatives, particularly in the aspect of democratic participation, becomes acutely relevant in traditional societies." (16)

The successful operation of a co-operative enterprise clearly is heavily dependent on membership attitudes, participation and commitment; a co-operative would be hard put to act as a moral instrument of socio-economic change unless its member-patrons are themselves firm adherents to co-operative ideology, principles and practices. The role of co-operative education in instilling such a commitment is widely recognised but given the high resource cost of education and training a good deal of external support - from

governments, international bodies and tertiary level apex co-operative servicing organisations - is frequently necessitated. At the same time financial assistance from public funds should not negate autonomous co-operative development or impede broadly-based participation.

The need for managerial expertise and for adequate access to capital are indispensable for co-operative viability. The literature is replete with 'explanations' for co-operative failure due to managerial defects or inadequate access to capital. The problem of managerial competence in economies where the level of education and entrepreneurial experience is limited provides a major limitation on co-operative effectiveness. Seemingly too a perennial impediment to effective co-operation in some developing countries has stemmed from inadequate access to dependable and adequate sources of finance; this suggests that a sustained input of managerial and financial resources is an essential pre-condition if the co-operative is to achieve better ways of living for its patrons and for other members of society.

### Summary

In this paper the theoretical and ideological arguments in favour of the co-operative as an appropriate mechanism for promoting better ways of living have been analysed. It is considered that the theoretical case is a cogent one and there is clear empirical evidence from a number of developed countries to indicate that the co-operative can indeed generate substantial improvements in standards of living. Regarding presently developing countries, however, the record is less clear cut: there appear to be divergences between the theoretical arguments and the practical accomplishments of many co-operatives. This can best be explained, it is argued, by the importance of certain pre-requisites; these include a favourable external environment, the need for ideological commitment and member loyalty, and for adequate access to markets and to managerial and financial inputs. If these pre-conditions are met then the co-operative can most certainly help promote better ways of living.

## References

- (1) Agarwal, R.D., The Objective of the Co-operative Enterprise. *Co-operative Information* 1, 1976. p.9.
- (2) Colombain, M., From the Rochdale Rules to the Principles of Co-operation. *Co-operative Information* 3, 1976. p.7.
- (3) Wittfogel, K.A., Communist and Non-Communist Agrarian Systems, with Special Reference to the U.S.S.R. and Communist China in Jackson W.A. Douglas (ed), *Agrarian Policies and Problems in Communist and Non-Communist Countries*. University of Washington Press, Seattle, 1971. pp.21-22.
- (4) Schiller, O., The Agrarian Question: Communist Experience and Its Implication for Developing Countries, in Jackson W.A. Douglas (ed), *Agrarian Policies and Problems in Communist and Non-Communist Countries*. University of Washington Press, Seattle, 1971. pp.240-241.
- (5) Stettner, L., Co-operation and Egalitarianism in the Developing Countries. *Review of International Co-operation*, 66/6, 1973. pp.1-15.
- (6) Bauer, P.T., Some Aspects and Problems of Trade in Africa in Mayer R. and Hollander S, *Markets and Marketing in Developing Countries*. Springfield, Ill. Ch. C. Thomas, 1968.
- (7) Ruttan, V.W., Agricultural Product and Factor Markets in South East Asia, in Anshel, K.R. et al (eds), *Agricultural Co-operatives and Markets in Developing Countries*, New York, Praeger, 1969, p.96.
- (8) Dülfer, G., *Operational Efficiency of Agricultural Co-operatives in Developing Countries*, Rome, FAO, 1974, p.7 and p.27.
- (9) Oakeshott, R., Industrial Co-operatives: The Middle Way, *Lloyds Bank Review*, 127, Jan. 1978. pp.44-58.



- (10) Mather, L.L., The Principles, Functions and Benefits of Co-operation: The Traditional Model in Anshel K.R. et al (eds), *Agricultural Co-operatives and Markets in Developing Countries*, New York, Praeger, 1969. p.23.
- (11) Fredericks, L.J., and Wells, R.J.G., Land Reform and Development in Asian Countries, in Raksasataya, A. and Fredericks, L.J., (ed.), *Rural Development: Training to Meet New Challenges*, Kuala Lumpur, Asian and Pacific Development Administration Centre, 1978, pp.1303-1397.
- (12) Buse, R.C., and Helmberger, P.G., Potential and Feasibility of Co-operatives as Instruments of Market Reform, in Anshel, K.R., et al (eds), *Agricultural Co-operatives and Markets in Developing Countries*, New York, Praeger, 1969. pp.197-211.
- (13) Fredericks, L.J., Rural Development and Co-operatives, *International Co-operative Training Journal*, 5/2, 1969.
- (14) ILO, *The Role of Co-operatives in the Economic and Social Development of Countries*, Geneva, 1964. pp.31-32.
- (15) Fredericks, L.J., Environmental Factors in the Implementation of a Co-operative Policy for the Agricultural Sector with Special Reference to Malaysia, *Zeitschrift für Ausländische Landwirtschaft*, 12:3, 1974. p.189.
- (16) Schultz, T.W., Investment in Human Capital, *American Economic Review*, 51, 1961. p.1.

## FORWARD PLANNING IN THE SUPPLY AND MARKETING

### CO-OPERATIVES OF SIX EUROPEAN COUNTRIES\*

by

J.S.Cross\*\*

The idea of corporate planning has been defined as follows: it is to determine the long-term objectives of a company (or of a co-operative, or any other organisation) as a whole and then to generate plans designed to achieve these objectives, bearing in mind probable changes in the environment. The corporate plan of one organisation is conditioned by that of any organisation on which it is dependent; for example the plan of a divisional commander must conform to the military strategy of his army commander, and the plan of an agricultural organisation to the economic and political strategies of its national government or, in the case of countries within the European Economic Community, to the intentions, not always clearly formulated, of the Common Agricultural Policy.

There are several distinctions that might be made about planning in a co-operative context. A major objective of almost any commercial organisation - whether this is formally stated to be so or not - is to increase its own power, and in the pursuit of that objective it is all too likely to find itself competing with other organisations with similar objectives. In many circumstances, such competition is considered to be acceptable and even desirable, but in a co-operative context it is regarded as somewhat improper. This is partly because, if co-operatives fail to co-operate among themselves, they seem to be betraying the very principle which they uphold to their members, and partly because the ultimate losers in a competitive contest are the farmer members of the weaker co-operative which may, eventually, be forced out of business. Consequently it is very usual for political federations of co-operatives to seek to superimpose, on any corporate planning done by individual co-operatives, an overall plan of their own, for which they try to obtain general assent. The objective of this kind of planning carried out

---

\* This paper was presented at the General Assembly of the Confédération Européenne de l'Agriculture in 1979 and is reproduced with the permission of CEA

\*\* Chairman, Agricultural Co-operation and Marketing Services Limited.

at the centre will be not only to reduce the tensions between co-operatives but also to take into account changes in the environment of which those at the centre of things ought to have, and very often do have a better perception than those at a distance from it.

The present paper has been designed to examine the aims, methods and degree of success of central planning for agricultural co-operatives in six countries of Northern Europe. There is, of course, an important difference between planning for co-operatives by an outside body, even one closely connected with them, and planning in co-operatives carried out by their own officials. Central planning, in the former case, will only achieve results if it is conducted with exceptional skill in enlisting and retaining the interest and support of those on whose behalf it is undertaken, and it may not succeed even then. Examples of the practical application of these skills will be found in the following pages of this report. It could not have been written without the help of contributors who were responsible for the case histories which are cited below, and who are thanked most warmly for their willing collaboration.\*

### Denmark

The example of corporate planning in Denmark is taken from the supply sector, where nearly half of the supply of feed and fertilizers to farmers is handled by co-operatives.

In 1955, over 1,700 local societies supplied feed and fertilizers. Feed was obtained from four large federal societies, operating factories and stores, and fertilizers

---

\* The principal collaborators from outside the United Kingdom were Preben Sheel of Samvirkende Danske Andelsselskaber, Copenhagen; James Moloney of Irish Agricultural Organisation Society,+ Dublin; Professor Vesa Laakkonen, University of Helsinki; Almar Sagelvmo of Landbrukets Sentralforbund, Oslo; and Carl Utterstrom of the Swedish University of Agricultural Sciences, Uppsala. They are not, of course, to be held in any way responsible for the general conclusions drawn at the end of the paper.

+ Now known as the Irish Co-operative Organisation Society.

from a single importing wholesale society. In addition there were about 300 small societies with feed mills, fertilizer stores, grain silos and grain driers, and about 400 distribution points through consumer co-operatives.

Fierce competition, the disappearance of the farm workers and the increase in size of the farms created a need for change. By 1960, the merger of small societies was being discussed within the federal societies. However, even in 1962 there were scarcely any contacts between these federals, or between them and the fertilizer society.

At the same time, small private firms were being swallowed up by companies operating at a national level.

In May 1962, the federals took the first step in the way of collaboration by setting up a new school to train managers. Meanwhile, a majority of the federals and others established a limited company, the aim of which was to assist the federals in their construction activities and the installation of machinery.

Of decisive importance, however, was a three-day conference held in the same year, called by the Central Co-operative Committee of Denmark, with all the major societies in the sector as participants. The aim of the conference was to discuss structural development but, during its course, the participating societies set up a National Planning Committee for the co-operative feed and fertilizer sector, with chairmen and general managers as members of the Committee. It took as its first project the working out of a detailed survey of the structure of the trade in feed and fertilizers at the retail level, i.e. that of the small local societies.

Early in 1963 the chairmen and general managers of the five feed and fertilizer societies set up a joint committee to examine the possibilities of collaboration. Monthly meetings were planned, to discuss the following subjects: joint purchases; collaboration with regard to investments in buildings, machinery etc.; rationalization; financial questions; education and training; and joint research.

From then onwards, rationalization and improvement of local installations proceeded rapidly; from contemporary records it seems clear that a merger between the federals was to include the local societies. The work of the planning unit was extended to include drawing up a model plan for the situation

of future trade units, and it was also to take an active part in current plans for mergers.

In the meanwhile, a parallel development was taking place between the federal of Lolland and the fertilizer society, initially with regard to investments. They were joined by the Zealand federal, and legal council was called in to draft a proposal for a merger. This development had received its main impetus from the joint meetings between chairmen and general managers. But little progress was made. Draft rules were produced, but this did not amount to a proposal for a full merger on the islands, only for a system of collaboration.

In April 1964, the chairman of the planning unit put forward a proposal to set up regional committees with participants from the federals, the local societies in the region and the planning unit, to deal with the co-ordination of investments within the region. In his presentation, the chairman expressly remarked on the value of bringing representatives into close contact with each other by holding meetings in such committees. On the same occasion, he allowed his imagination to wander further, to a full national merger covering the whole co-operative trade in feed and fertilizer.

By this time, the planning committee had completed its survey of the trade, which provided all the proof that was needed to convince people that the situation was indeed serious. It transpired that, out of 2,022 local societies existing in 1964, 85% had no technical equipment, and represented only 37% of turnover. On the other hand, mergers in the private sector were proceeding at a dramatic rate.

Thus enlightened, the federals assembled in October 1964 and set up Dansk Landbrugs Grovvareselskab, (DLG) (the feed and fertilizer society of Danish agriculture). At first this was not a merger, but a joint venture to deal with specific joint activities. By May 1965, however, the DLG board had already commissioned a report recommending a total merger of federals and local societies on the principle of an unbroken chain.

In January 1966 DLG set up a 'structural' committee, of which the general managers of the federals and the organisation of managers in the co-operative feed and fertilizer sector were members. This committee was commissioned to put forward proposals for the future organisational structure of the trade, and submitted its report in August.

The report upheld the long term aim of total integration. In the short term, however, collaboration between the local societies and the federals was to be developed as rapidly as possible. DLG set up an education department to serve the whole of the co-operative trade in the sector and an organisation department to work together with the national planning unit.

In 1967 a series of regional meetings was held to discuss the 1966 report. At these meetings, permanent committees were set up to take charge of the adaptation of local structures to the proposals of the report. In this way, responsibility for further development was placed on the shoulders of the farmers themselves, as members of the local boards.

After the publication of the 1966 report it became clear that the management of the chain had to be organised on a regional basis by joint action between the federals and the fertilizer society. This phase was carried out with success in Jutland and Funen, but met with difficulties in the eastern islands, where the federal concerned had a financial problem to contend with. Developments here had a dramatic effect on the course of events, and caused them to move much faster.

Had things developed as planned, the working groups which were set up in great numbers in 1967 should have completed their work in drafting proposals for future policy over a wide range of areas. Many of the problems dealt with by these groups were made the subject of debate at a new series of regional meetings in March 1968. Everything was moving satisfactorily, particularly the development of personal contacts, as had been envisaged by the chairman of the planning unit in 1964.

However, in order to save the Zealand federal, a full merger was carried out in the period January to May 1969 between DLG and the federals of Jutland and Zealand, but not Funen.

Thus, DLG commenced its full scale activities on May 1st 1969, and from then on the rationalization of structures at the local level progressed under the guidance and within the framework of DLG as a federal co-operative actively engaged in trade.

## Eire

The main corporate planning exercise during the last decade has been concerned with co-operative creameries which, in this country, are also important handlers of agricultural requisites. In 1966 the creamery group accounted for more than two thirds of

the entire agricultural co-operative turnover. Responsibility for planning its future was undertaken by the Irish Agricultural Organisation Society (IAOS); this organisation, although strictly speaking a representative body, has always been able to exercise a fair measure of independent authority and on this occasion, it was promised the official co-operation and assistance of the government in "encouraging the co-operative creamery societies to achieve such voluntary consolidations and mergers as are designed to bring to the industry the operating and marketing advantages to be gained from economies of scale and diversification of production". The need for action along these lines was glaringly obvious; at the beginning of 1966 there were 136 co-operative central creameries, whose small individual size and fragmented marketing efforts were seen to be totally inadequate for the challenge of the competition that would begin to face the country's principal industry when Eire joined the Common Market (as it did in 1973). In addition to the co-operative central creameries there were 17 central creameries operated by a government-owned company, the Dairy Disposal Company, and the IAOS plan took these into account also.

Accordingly, early in 1966, the IAOS published its "Proposals for Re-organisation in the Dairy Industry" which were presented to the industry in the same year. The proposals envisaged a very substantial degree of rationalization, embodying the principle that the new investments needed for processing facilities should in future be undertaken by groupings of co-operatives, at a limited number of central points.

In the light of subsequent history it is particularly interesting to note what the proposals said on a number of issues which are crucial in any re-organisation programme, co-operative or otherwise:

- the creamery industry gave employment to about 4,500 persons and it was essential to consider the effects that a re-organisation would have on these people's livelihood;
- the financial position of managers had to be fully protected as otherwise it would be impossible to secure their collaboration;
- a reduction in the number and size of boards of farmer directors was necessary but would throw a great strain on member-co-operative relationships unless

the contacts which had been lost could be made good in some other way; the IAOS suggested regional committees and the appointment of staff specially concerned with member relations.

It is significant that all three of the above issues are of a social rather than an economic character. The third is considerably more important in a co-operative than it would be in a comparable non-co-operative situation, where the persons controlling the enterprise with their votes would probably not be the same as the persons supplying it with their produce.

There was also, however, an important economic recommendation. This was for the raising of capital from farmers by means of shareholdings which would be related to their daily milk supplies to the co-operative. Re-organisation by itself would achieve nothing; it had to be accompanied by massive new investment.

The farmers' reaction to these proposals was as might have been expected - would they get a better price for their milk? The response to this was somewhat guarded - and necessarily so. Amalgamations of co-operatives would, it was claimed, offer a better opportunity of paying farmers an increased price for their milk. In practice, amalgamation accompanied by heavy investment was unable to do this, for the servicing of the investment involved heavy interest payments which were a first charge on profits. Nevertheless farmers did benefit not in this way but in another, as will be seen from the final analysis.

As is usual with re-organisation everywhere, these proposals for reforming the creamery co-operatives in Eire encountered various obstacles, some foreseen and others unforeseen. The government, having backed the IAOS proposals in one year, withdrew from them in the next, and called for a second investigation by different consultants who, as was expected, produced a different set of conclusions. Some time was lost in correlating the results of the two exercises, but a way forward was eventually found and in the meanwhile, the co-ordination proposals were taken up by co-operatives, more actively in some areas than in others, though nowhere with total lack of success. For the next few years, the IAOS annual reports are no longer concerned with the general theme, but rather with the progress being made by different groups of co-operatives in different parts of the country. They



disclose how rapidly plans had to be revised in response to changes in cost, new trading patterns, altering market requirements, and developing technologies. Also, as the physical aims of concentration came to be realized, there was a shift of emphasis towards the problems of processing and marketing.

The programme of re-organisation was helped forward by a change in the law in 1971, which reduced the size of the majority required to approve amalgamations from three fourths to a simple majority. In 1972, the IAOS revised its 1966 proposals to reduce the number of groupings and concentrated its efforts on the southern part of the country, where the vast majority of the dairy co-operatives were located.

By the beginning of 1976, all creameries formerly held by the Dairy Disposal Board had been taken over by the co-operative, and the number of the latter had been reduced by approximately two thirds. This was a smaller reduction than had been envisaged, but there still remain quite a few creameries working in a confined locality which are able to continue offering an adequate service to their members at a reasonable price, so long as it is not necessary for them to undertake any substantial investment. The amount of milk they handle is, however, relatively insignificant.

In the final analysis, the justification for the corporate planning exercise for co-operative creameries was not a higher price for milk but is to be found in the fact that creamery milk supplies had by 1977 increased to 739 million gallons, compared with 369 million gallons ten years earlier (although the latter figure did not include the throughput of creameries owned by the Dairy Disposal Board). This enormous increase in productivity on the farm could never have taken place without the prior re-organisation of outlets, accompanied by heavy investments in processing plants and skilled management which was able to develop new markets for Irish dairy products, both within the country and overseas.

### Finland

Co-operative banks in Finland were modest financial institutions at the beginning of the 20th century, entitled to accept deposits only from their own members. Correspondingly, lending was confined to their own members.

In 1920, co-operative banks were given the right to accept deposits also from other clients. Finally in 1970, they were given equal rights and obligations to those of other bank organisations in the country.

Their development may be seen from the following figures:

	<u>Co-operative banks</u>	<u>Members</u>	<u>Deposits</u> (million marks)
1905	119	3,662	6
1940	1,079	156,212	26
1950	684	229,956	375
1960	537	301,944	1,341
1970	445	289,746	4,371
1977	376	307,809	12,406

OKOBANK (Osuuspankkien Keskuspankki Oy) was established in 1902. With headquarters in Helsinki, it is the central body of all the co-operative banks of the country, and carries on the full range of banking activities.

The Central Union of Co-operative Banks OKL (Osuuspankkien Keskusliitto r.y.) was established in 1928, it supervises the legal, economic, commercial and other interests of co-operative banks and produces various advisory, training, information and other services for co-operative banks.

The staff of the co-operative banks and the co-operative bank centre at the end of 1977 totalled around 8,400. The co-operative bank organisation expanded rapidly in the post war period and by the beginning of the 1970s the situation called for a thorough re-evaluation of the organisation's status and aims. 'Project OKO-80' was accordingly started in 1971. Its point of departure was the internal need of the organisation, and the changes observed in its working environment. Many of these had an essential influence on the operating conditions of the co-operative bank organisation. The following factors, in particular, were held to be important:

- the absence of long-term plans in the units of the organisation;

- the need to ensure continuation of activity;
- strengthening of the competitive position;
- the need for efficiency and rationalisation;
- the need to intensify co-operation.

After thorough deliberation it was decided to use the project approach, as this method suited well the co-operative bank organisation, with its decentralised units operating independently. The project was divided into two phases:

- (a) reform of the organisation of the co-operative central bank;
- (b) preparation of a working philosophy and targets.

The organisational study of the co-operative bank organisation was preceded by a pilot study. It showed the advantage of carrying out a reform of the organisation before starting work on the preparation of working philosophy and targets.

The principal stages in the evolution of this philosophy and targets were:

- production of reports and forecasts on which to base development work;
- a first programme meeting which discussed the starting points and directions of the development of the organisation's activity in which the chairman and managing directors of the co-operative bank unions participated;
- preparatory work of the project groups on the targets in the central sectors of the co-operative bank organisation;
- application of the proposed targets at co-operative bank level in 47 field projects headed by 10 consultants;
- draft of a summary of the field treatment;
- deliberation by the boards of administration (OKOBANK/OKL);
- decision by the annual general meeting of OKOBANK and the OKL meeting of representatives.

The project was concluded in April 1974.

An essential feature of the project was that all co-operative banks were given a chance of participating in fixing the targets as well as the project work itself. In this way there was created a management agreement on the trends of future activity and the principal aims to be pursued.

The main results of the 'project OKO-80' were as follows:

- the operational idea of the co-operative bank organisation was confirmed;
- targets in the following sectors of co-operative bank activity were approved:
  - membership
  - business activity
  - co-operation
  - external relations.

The first target set was to serve the membership by effectively meeting its banking needs. The targets for business activity were growth, profitability, solvency and liquidity; for co-operative bank organisation, the work that would best help to safeguard and develop the activity of the units of the organisation. The final target of external relations was to manage these in such a way as to promote the achievement of other main objectives.

Subsequently:

- from the main targets, quantitative part targets were derived which were approved as a guide to practical corporate planning;
- the organisation of the co-operative bank centre was overhauled;
- the trustees and staff of the co-operative bank organisation were activated;
- conditions for the internal co-operation of the organisation were improved;
- the principles of project work at different levels of the organisation were learnt;

- production was begun on material for use in corporate planning, resulting in the PTS (Long-term Planning), LTS (Short-term Planning) and TAJD (Management by Objectives) manuals;
- business management consultation from co-operative bank centre to co-operative bank level was intensified;
- more effective business economic training of principals was commenced (e.g. managerial grid).

The project was received favourably. Important lessons learned from it were that the implementation of such a project calls for thorough preparation and programming, and a vital factor was the training of those responsible in the project.

A new project 'OKO-85' was set in motion at the end of 1978 to define the targets of the co-operative bank organisation for 1985. The project has the same starting idea as 'OKO-80' i.e. the ever-changing environmental conditions and how to forecast them, and the methods of procedure will be the same in principle as those of 1971, but the process will be simplified.

Significant factors of changes during the last few years have been tighter competition, legislative reforms, governmental control and the monetary policy of the Central Bank. These and many other general factors will again be involved when the position and targets of the co-operative bank organisation are evaluated on entering the 1980s.

### Norway

In the mid-seventies the situation in the Norwegian wholesale trade in foodstuffs was that:

- agricultural marketing co-operatives had during the post-war period developed a country-wide distribution system for fresh food - i.e. milk and dairy products, meat and meat products, eggs potatoes and fruits and vegetables;
- grocery wholesalers had at the same time built up and expanded their own distribution system for groceries, with four groups dominating the market; these groups had further integrated with the retail

trade to the extent that more than 90% of retailers were in one way or another linked to them.

As the grocery wholesalers could not expand any further within their traditional types of commodities, they began to show great interest in the fresh food sector where agricultural marketing co-operatives were dominant.

This being the case, the Central Federation of Agricultural Co-operatives (Landbrukets Sentral forbund) in 1976-77 made an analysis of the most likely future development, the strategies to be pursued by agricultural marketing co-operatives in fresh food and the measures to be implemented consequent upon the strategy chosen.

From this analysis it appeared that grocery wholesalers were likely to increase their share in the distribution of fresh food very rapidly if no measures were introduced by the agricultural marketing co-operatives to counteract them. There was a choice of two strategies:

- to accept the takeover of fresh food distribution by grocery wholesalers and concentrate on securing prices, outlets etc. through agreements with them;
- to continue fresh food distribution to retailers, mindful of the increased competition with grocery wholesalers that would result.

The importance of fresh food distribution was so great for the marketing co-operatives, for market strategy reasons, that its surrender could not be contemplated. Consequently the second alternative was adopted.

The relatively strong expansion of the grocery wholesalers seemed to be due to:

- the supply of capital, advisory and information services linking retailers to their wholesalers;
- rational handling of goods and rational business routines;
- the increased number of commodity types and varieties per wholesaler resulting in reduced distribution costs per unit and the retailer having his demands in the main covered by one wholesaler only.

If agricultural marketing co-operatives were to maintain their market share in the distribution of fresh food in competition with grocery wholesalers, they would need to offer retailers services of equal quality in each of the points mentioned above. At the same time they had to make full use of their advantages vis-a-vis the grocery wholesalers, particularly in respect of commodity knowledge and quality of service.

The marketing divisions of the co-operatives were already well organised and co-ordinated in their various sectors. If, however, they wished to provide retailers with a competitive service, they would have to increase their efficiency within each sector even more. It would become increasingly necessary to co-operate between the branches of the marketing co-operatives.

Altogether, the fresh food sector accounts for a larger share of retailers' turnover than that supplied by grocery wholesalers (approx. 35% compared to 25-30%). Individually, however, each fresh food commodity represents a much smaller part (15% for milk and milk products, down to 2% for eggs).

Among factors stressed in the analysis, the following were the most important:

- joint financial aid (particularly in the form of bank loan guarantees) to retailers;
- joint bonus systems;
- joint distribution and selling system.

The analysis and report were completed in early 1977 and were discussed during the autumn of the same year by all the national marketing co-operative organisations - i.e. meat, egg and horticulture. All accepted in principle the assessments and measures suggested in the report.

Because of the structure of ownership of Norwegian agricultural marketing co-operatives, which consist of sovereign district and local units, it fell upon them to put the measures agreed upon into operation. In order to provide these local organisations with a firm basis for discussion and assessment, an economic analysis of joint distribution systems in certain districts was carried out. It showed that, by a system of joint distribution, significant cost reductions per unit could be obtained. Reductions of up to 30-40% seemed quite

realistic in the sparsely populated areas, but in the urban areas, too, cost reductions could be obtained. Furthermore joint distribution systems, in combination with joint actions in other fields, would be an effective competitive device because it would meet the wish of retailers to deal with as few distributors as possible. (The marketing organisations could act as one distributor instead of four).

Following the autumn of 1978, therefore, a number of district conferences were arranged, where the boards of all local marketing co-operatives came together. These district conferences covered the whole country. They provided detailed information about the analysis and evaluation made in the report from the Central Federation of Agricultural Co-operatives as well as about the strategy chosen. Furthermore, they reviewed the competitive situation between agricultural marketing co-operatives and grocery wholesalers in each district. On this basis the possible measures to be applied in each district could be discussed.

In most districts where conferences have taken place, regional committees have been established to look further into possible joint measures. These committees comprise representatives from all types of agricultural marketing co-operatives. Only a few concrete measures have, in the time available, been implemented so far as a result of the current discussion. In some districts, however, work had already been carried out to establish joint marketing systems prior to the present analysis and discussion.

Northern Norway has for a long time had only one agricultural marketing co-operative responsible for the marketing of meat, eggs and horticultural products.

Joint financial aid, in the form of guarantees for bank loans, has been implemented in one district and in the same district, joint advertising campaigns, demonstrations, exhibitions etc. have been arranged.

In one locality joint distribution of dairy products, meat, eggs and horticultural products has already been put into operation. In several districts the establishment of separate distribution companies jointly owned by dairy, slaughterhouse, egg and horticultural co-operatives is under consideration.

While it is still too early to draw any final conclusions as to what will be the final outcome of the work now in hand, and what will be its implications for the agricultural co-operative



marketing of fresh food, it is a matter of decisive importance that a realistic appreciation of the situation has been made and that a particular strategy has been chosen vis-a-vis grocery wholesalers. Only the future can show to what extent the marketing co-operatives, nationally as well as at district level, will succeed in pursuing the strategy chosen.

### Sweden

Farmer co-operatives have since the 1930's been of dominating importance in the food industry and farm supply sector in Sweden. Today, for instance, 100% of the dairy industry is co-operatively owned by the farmers themselves and 60% of the farm supply business is under their control.

Important structural changes took place in the farmer co-operative sector during the 1960's and early 70's. Many co-operatives merged, and several large centralised co-operatives were formed with more than 25,000 farmers as members.

In Sweden most farmers are organised in local or regional co-operatives, joined together in national co-operative federations, for example, Swedish Dairy Association (SMR), Swedish Farmers' Meat Packing Federation (SS), and Swedish Farmers' Purchasing and Marketing Federation (SLR). All national federations in turn belong to the Federation of Swedish Farmers (LRF), an organisation that was formed in 1971 as a result of the merger between the National Farmers' Union (RLF) and the Federation of Swedish Farmers' Associations (SL).

In 1959 SMR appointed a "Planning Committee" to make proposals on the future strategy of the dairy industry. Similarly, in 1960 SLR formed a "Regional Committee" and, in 1961, SS started to analyse the structure of the meat packing industry.

After six years of discussion and analysis the planning committee of SMR presented in 1965 a structural plan to form 5 regional dairy co-operatives in place of the existing 174 dairy co-operatives. The main reasons behind this proposal to form a more concentrated industrial structure were the changes that had taken place in the agricultural sector, with a decreasing number of farms and the formation of larger farming units with more specialised production; changes in the structure of retailing, with larger and fewer stores and purchasing units; changes in consumption patterns of food and a shift in eating habits, with more meals served outside the

home and more precooked dishes. With the proposed formation of five regional dairy co-operatives in the country, economies of scale could be realised in better planning of production and investment; cheaper and more effective administration, with the possibility of employing experts and using technical advancements, such as computers, larger resources in developing and marketing of products, and a better possibility of achieving an optimal plant structure.

In 1966 this proposal to form five regional dairy co-operatives was accepted by the annual meeting of SMR. Subsequently a number of mergers were carried out between dairy co-operatives all over Sweden. The Planning Committee continued its work and presented an outline of the future marketing organisation of the five regional co-operatives. In the process, the idea of a single marketing organisation for the five co-operatives was suggested. Continued discussions and analyses of this alternative led to a re-evaluation of the original idea of having five regional co-operatives. Instead, the idea of one dairy co-operative in the country for processing and distributing dairy products emerged.

The new proposal for a single, nation-wide co-operative was presented at a special meeting with leading representatives of the industry, and unanimously agreed upon as a guideline for future policy. A recommendation to this effect was put forward at a general meeting of SMR in January 1970, and accepted by a majority of delegates.

In the meat packing sector the Regional Planning Committee of the national federation, SS, presented in 1965 a proposal to form 4-6 regional meat-packing co-operatives. Economies of scale, production advisory services, and the possibilities for employing well-qualified experts were the main factors behind the proposal. The annual meeting of SS decided in 1966 to accept the proposal and to work for a future structure of five regional meat packing co-operatives.

In the farm supply sector (including marketing of grain and potatoes) the Regional Planning Committee presented a structural plan in 1968 which was accepted the same year by the annual meeting of SLR. According to this plan, the 23 farm supply co-operatives in the country would merge into 10 regional co-operatives. As a next step 6 regional co-operatives were proposed, and in the future one farm supply and grain marketing co-operative in the country could be foreseen.

Information about these structural plans was given in member magazines of SL and RLF, a book was printed and discussed in numerous study groups, the national co-operative federations set up regional committees with representatives from the co-operatives in the regions to investigate the possibilities of mergers, and special assigned "merger promoters" helped local co-operatives in making feasibility studies. A large number of mergers took place, as the following table shows:

Number of co-operatives in the dairy, meat packing,  
and farm supply sector in Sweden, 1960-1978.

Year	Dairy	Meat packing	Farm supply
1960	267	25	24
1965	168	21	23
1970	68	19	22
1975	37	10	19
1978	29	10	19

As shown in the table, the planned industrial structure was not achieved. After 1972 no mergers between large co-operatives took place. The merger climate has changed from approval to rejection. Agricultural policy changed in the early 1970's, prices of agricultural products reached a more satisfactory level, and farmers became more optimistic about the future. The trend towards centralisation and efficiency, based upon large scale economies, turned to greater emphasis on the need for smaller units and decentralised influence on decision making. Mergers are no longer viewed as necessary and desirable steps in reorganising the structure of the co-operative industry.

How has the corporate planning at the central level affected co-operatives at the local level? One case will be described in order to illustrate this question.

Nedre Norrlands Producentforening (NNP) was formed in 1970 through mergers of three dairy co-operatives, one co-operative meat packing firm, one farm supply co-operative, and one

combined dairy and farm supply co-operative. NNP is the only multi-purpose co-operative in Sweden.

The merger process started in 1965. The national co-operative federations had started to present their structural plans for the creation of very large, geographical extensive co-operative associations in the north of Sweden. Some co-operative leaders in northern Sweden felt that these proposed co-operatives would become too large geographically, and that the special problems of a region of small farms and large distances would create difficulties in the member relation and transportation areas. As a result a meeting was held in 1965 with board members and general managers from twelve co-operatives in the middle part of northern Sweden. A consultant firm, owned by SL, was hired to explore the implications of different organisational structures in the region. Extensive economical and organisational analyses were made of two main alternatives, either the creation of one large regional co-operative in each product area or the formation of a multi-purpose co-operative serving more limited geographical areas. The consultancy study showing the economic advantages of a multi-purpose co-operative. Two national co-operative federations supported the multi-purpose idea, while one, SS, was negative and fought against it. A heated debate took place. In late 1967 six of the co-operatives decided not to continue the negotiations. The other six were favourable and in 1970 they merged and formed NNP.

In other areas large regional co-operatives have been formed according to national plans. Most of the mergers are regarded by the farmers as successful, but in few instances post-merger problems have been more difficult than expected. In particular, consolidations where a large number of co-operatives joined to set up a new organisation have proved difficult to make administratively efficient. In general, the large co-operatives have been successful in retaining members' support and in creating a workable member democracy.

### United Kingdom

Agricultural co-operative in the United Kingdom are still at a comparatively early stage in their development, and rather behind their counterparts in other countries of the Common Market in terms of market shares and vertical integration. The reasons for this slower progress have not been fully analysed.

though a number of important factors can be identified. Among these are conditions in the nineteenth century unfavourable to the emergence of credit co-operatives, the cheap food policy of successive governments, a system of price guarantees for farm produce as a means of supporting that policy, and the passing of the Marketing Acts, which encouraged farming leaders to look to statutory boards rather than to voluntary co-operatives as a means of solving their marketing problems. Agricultural co-operatives, when they arose, were deterred from taking steps to co-ordinate their interests by the existence of a ready-made co-operative federal organisation (Co-operative Wholesale Society), which was owned and controlled by the consumer co-operative movement, but for a time fulfilled many of the agricultural co-operative requirements. However, it was never acceptable to them politically. Their attempt to set up a rival body, in the early nineteen twenties, ended in disaster, the repercussions of which were still being felt more than a quarter of a century later.

While the influence of personalities is certainly important in determining co-operative progress, external circumstances conclusively decide whether co-operation will flourish. The change of circumstances which took place in the nineteen sixties in the U.K. was conducive to the development of co-operation, and was followed by a development of co-operation; one can be reasonably sure that this was, at least in part, a case of cause and effect. The main elements of this change were the following:

- the agricultural support system depending on price guarantees was weakened, and eventually dismantled;
- no further Marketing Boards were created;
- the 'retailing revolution' and development of the food industry demanded various forms of preparation of produce which individual farmers were unable to supply.

Younger farmers in particular, who were not imbued with the prejudices and fixed ideas of the older generation, became active in setting up co-operatives, or infusing new life into those which already existed. They were also among the first to recognise that successful co-operation depended on the personal commitments of the co-operator; and it followed therefore that the rules in this respect are the strictest in those co-operatives which have been most recently formed.

The older established co-operatives do not, generally speaking, rely on members' commitments, which in any case would be more difficult to secure in the supply sector where they operate, than in the marketing sector. There is therefore some difference of outlook as well as function between the supply and marketing co-operatives, and this gives rise to an additional complication in the overall planning context. Central agricultural co-operative bodies which cater for co-operatives of all types see it as part of their function to generate new ideas and initiatives in sectors which appear to be ripe for development. In many situations it is quite difficult to say whether the farmers' idea of a co-operative solution to a particular problem gave rise to the central planning which enabled it to be formulated or, on the contrary, if it was the central planning which gave birth to the farmers' idea.

A recent example of this interplay of planning and development is to be found in a policy document entitled *Co-ordination of Co-operatives*, which was adopted by the Central Council for Agricultural and Horticultural Co-operation (an agency established by the government) and the member association of the Federation of Agricultural Co-operatives (the bodies representing agricultural co-operatives in different parts of the United Kingdom) in 1978. This document suggested that the time had arrived for a renewed consideration of second-tier bodies by agricultural co-operatives. The concept was not a new one. Many second-tier co-operatives were already in existence at the time the policy document appeared. But most of them suffered, to some extent, from the same weakness which had afflicted the first generation of primary co-operatives, of receiving too little commitment from their members to be able to achieve their full potential.

The publication of a general policy document for the second-tier development of agricultural co-operatives and its acceptance by all who represent them and speak on their behalf is a milestone in the history of corporate planning for agricultural co-operatives in the United Kingdom. As remarked earlier, the influence of such pronouncements on the course of future events is difficult to assess but, given that external circumstances continue to be favourable to the growth of agricultural co-operation, it seems certain that developments will take place along the lines it recommends. It may be worthwhile to indicate, therefore, some of the principal concepts appearing in this outline plan.

- (i) Federals are seen in the plan as being generally preferable to mergers. It may be argued that a policy of mergers would not have been politically acceptable but in fact, there were positive reasons for this recommendation. It was felt that a conscious attempt should be made to retain the benefit of local connections while still achieving the advantages of scale.
- (ii) Commitment of the member co-operative to the federal is considered to be fundamental. That is to say, commitment of business, of fixed and working capital and of authority.
- (iii) Co-operatives can be federated either territorially or functionally. The former kind of federal is the more difficult to achieve since it depends on prior agreement between the co-operatives concerned as to boundaries and membership.
- (iv) The planning required to transform a broad concept into a detailed scheme of action needs to be comprehensively and professionally carried out, and the participants must retain an open mind while it is in progress.

Although it is too early to say what the consequences of the policy document *Co-ordination of Co-operatives* will be on agricultural and horticultural co-operatives in the United Kingdom, it has already achieved some results. One has been to involve a much larger number of people in thinking about the future of their co-operatives and another to give a direction to this thinking which was not there before. Hopefully, therefore, developments toward federal structures will now proceed somewhat more rapidly, and somewhat less haphazardly, than they would have done if the corporate planning document had not been produced.

\* \* \*

There is strong family resemblance between the experiences of corporate planning for co-operatives in the six countries which contribute to this survey. The results have been analysed under the following headings:

- the reasons which caused corporate planning to be undertaken

- the qualifications of the planners
- the main aims of the plan
- the methods adopted
- the result achieved.

- (i) Corporate planning should be a routine operation, but in practice it is often undertaken only in reaction to an external threat, or with the recognition of some new opportunity. There is evidence of both factors in the situations described above. Certainly in many cases co-operatives were, or thought themselves to be, at a disadvantage compared with their leading competitors who, during the nineteen fifties and sixties, were busily engaged in rationalising and concentrating their activities, while the co-operatives remained weak, divided and inefficient. An important incentive was, therefore, the desire to make up lost ground. But there were, also, more positive reasons. Co-operatives did not need to be told that the structure of agriculture on which they depended was changing and creating demands for different services than before, and they were quick to learn from the markets that the pattern of demand for farm products was undergoing even more rapid modifications. There is no suggestion in any of the accounts that the initiatives taken by the planners were resisted - on the contrary, they seem to have found themselves pushing at an open door.
- (ii) The original initiative for corporate planning was in all cases taken by the central organisation or organisations of co-operatives but it normally did not proceed very far without the circle of responsibility being considerably widened. As one of the correspondents put it, "planning invariably runs into difficulties where planners - for reasons of prestige, or by wielding too much organisational power, or by sheer incompetence - have held the reins too tightly and for too long".
- (iii) Conversely, planning seems to have made most progress when it was broadened sufficiently to allow the political instincts of farmers to be brought into play to complement (and in some cases off-set) the more cautious economic approach adopted by the boards and management



who were concerned, quite rightly, with protecting their members' investments, and, less justifiably, with safeguarding their own positions. A firm hand and sound judgement are required to ensure, on the one hand, that farmers are consulted on the broadest possible basis and, on the other, that the consultations do not become so general as to accomplish nothing. It is interesting to note that a further result of opening up the discussions was, in most if not all cases, to give rise to programmes which were more ambitious, in the sense of involving more radical changes, than those envisaged in the original plan.

- (iv) The methods adopted were of a kind with which anyone working for consensus in a democratic society will be only too familiar. Working groups were set up, with carefully framed terms of reference, reports were commissioned, meetings were called to discuss the report, further and more detailed studies were undertaken, which were discussed in their turn, plans for action were drawn up, and rules formulated in order to implement them. By the end of the period, which might occupy two or more years, several things had happened. First, the situation on which the original planning was based had changed, maybe significantly. Secondly, progress had become to some extent self-generating, less dependent upon the original prime mover. Thirdly, certain groups within the whole showed themselves more progressive than the rest, and were inclined to take action themselves while other hesitated. At this stage the unity of the original planning concept was lost, but not necessarily in its entirety. There was still a considerable possibility of guiding developments in such a way as to satisfy the enthusiasts without disappointing the latecomers.
- (v) The results of planning appear at different levels. The most obvious result is that developments will have taken place which would be unlikely to have occurred, without the original planning initiative. These developments are different, perhaps very different, from those originally planned, but they are also more relevant. However, there is a secondary consequence of any planning conceived and carried out within a democratic framework, which is hardly less important than the first. This is that the general body of co-operatives will, at the end of the day, be far better informed about the problems which confront their organisations than they were at the

outset. Agricultural producers, even those who participate fully in co-operative or farmers' union activities, tend to be limited in their awareness and knowledge to the particular area of people with whom they habitually mix. Their involvement in forward planning on a broader front cannot fail to be a valuable experience from which both they and their co-operatives will reap a long-term advantage.



SOME CONSEQUENCES OF THE EXTENSION OF FEDERAL  
ORGANISATION AMONG AGRICULTURAL CO-OPERATIVES  
IN THE UNITED KINGDOM

by

Gordon Foxall \*

Effective management, both within individual co-operatives and centrally, is an important prerequisite of successful co-operation. (1) For various reasons, the United Kingdom has consistently lagged behind most other countries by failing to develop some aspects of centralised organisation in the co-operative sector of its agricultural industry: the structure of farming in the U.K. has not necessitated strong central organisation in the past; co-operation has not been as important to British farmers as to their counterparts in Europe and North America; and those who do co-operate here have been able to reap economies of scale by belonging to very large primary co-operatives. Thus, while the U.K. has certainly acquired the institutions it needs to represent co-operation nationally and internationally and to carry out central planning and advisory operations, it has not developed the type of second tier trading and commercial co-operatives which are common in other EEC member-states.

This will change during the 1980s. In 1978, the intention that second-tier co-operatives should develop in the U.K. having been expressed some years previously in the Barker Report (2) and a government green paper, (3) became the official policy of the national bodies which represent agricultural co-operation within the country. This paper examines the reasoning behind this step and the consequences of second-tier organisation for co-operative members and managements. (4)

Reasons for Second-tier Development

Numerous factors have contributed to the tendency for co-operative shares of agricultural and horticultural product-

---

\* Department of Agricultural Marketing, University of Newcastle upon Tyne

markets to be far higher on the continent of Europe than in the U.K. Variations in farm size and structure, the availability of credit and investment finance, government policy and the provision of facilitating legislation must all be taken into account in explanation of the difference between the U.K. and its partners in this respect. The presence of strong second- and third-tier co-operative organisations has also played a dominant role in the successes of European co-operatives in securing strong market positions. The advantages of secondary and tertiary levels of management have been frequently described but it may be useful to review briefly the main ones here. First supra-co-operative organisation enables co-operatives to benefit from economies of scale which would otherwise be available to only the largest individual societies and companies. Such economies are the *raison d'être* of the requisite societies whose function is to exploit the lower unit costs which derive from bulk purchasing. Other economies can accrue from the co-ordination of processing, marketing and distribution. It is sometimes easy to overlook, however, the managerial economies of scale that are possible through the co-ordination at a regional or central level of the supply, marketing and, less frequently, production functions of numerous primary co-operatives. Not only can the duplication of routine decision-making be avoided but better use can be made of talented executives if they can be freed to a greater extent from the day-to-day problems of their organisations to deal with the top-management function of policy-making. The establishment of second- and third-tier co-operatives also provides for managerial career development by extending the opportunities for middle managers to exercise a wider range of skills than is often possible even in the largest local co-operative.

The second broad justification of second- and third-tier organisation is related to the first: it is the promotion of a form of countervailing power which enables farmers to exercise greater influence on the markets in which they get their inputs and market their produce. While the theory of countervailing power has been developed considerably with regard to requisite co-operation, (5) comparatively little attention has been given to the need to establish the same type of market position for farmers in marketing through the use of institutions which co-ordinate ex-farm processing and distribution of their produce. (6) It has long been demonstrated that continental second-tier co-operatives are capable of providing an effective institutional framework for the operation

of minimum price guarantees for the members of constituent organisations (7) and specific examples of the ways in which groups of co-operatives can act together to enhance the prices their members receive are available. (8)

In addition to these standard justifications of higher level co-operative management, a group of consultants which advised on the development of second-tier co-operatives in the U.K. and on whose work the decision of the central co-operative bodies to endorse second-level co-operation was in part based, advanced four specific reasons for the extension of this form of organisation in this country. (9) Briefly, these reasons are as follows:

- second-tier co-operatives can help Britain in relation to the EEC by making available the skills required to interpret and respond to the complicated regulations and trading agreements in force in Europe, and by enabling groups of co-operatives to use marketing techniques which would be unavailable to single societies and companies;
- financial expertise can be made available to co-operatives which are having to cope with overseas trading in the context of fluctuations in the value of the Green Pound;
- second-tier co-operatives can help their member-organisations keep abreast of technological change in agriculture;
- and finally, they can provide co-operatives with detailed market information which would be beyond most individual societies to produce for themselves and help the co-operative sector match the buying power of the retailing sector.

U.K. co-operatives undoubtedly need the type of expertise, knowledge and market power indicated by all four of these additional justifications for second-tier co-operation. It must be pointed out, however, that some of them are very limited reasons for justifying this form of organisation and that many of the functions which are said to necessitate further co-operative organisation could just as easily be advanced as reasons for non-co-operative bodies to be established to advise farmers generally (e.g. in regard to technological change). It might also be argued that existing organisations

could carry out the marketing research function on behalf of co-operatives and that the expertise required to interpret EEC regulations does not need to reside in a co-operative organisation. These criticisms should not, however, allow one to overlook the fact that the consultants' report includes among its reasons for second-tier co-operative development some of the commercial justifications which have been mentioned earlier in this section. It is upon these factors that second-tier organisation must ultimately be based and by which it must be judged. Above all, the second-tier co-operatives must be able to cope with the needs of the members and management of individual primary co-operative societies and companies and with the structural changes which are likely to accompany their development.

### Some Implications of Second-tier Development in the U.K.

An issue which is certain to be raised repeatedly as the U.K. develops second-tier co-operatives is that of member democracy. It is inevitable that the extension of co-operative management beyond the level of the primary co-operative will mean that decision-making will become more remote from the individual co-operative member. Indeed, it is difficult to see how the benefits of stronger and more centralised management can be obtained without this. There will be those who will argue against second-tier development because of this but their arguments will be a red herring. Most farmers join co-operatives for economic reasons, to reduce the costs of their inputs and/or to obtain better prices for their produce. It is unlikely that they are interested in policy-making or that they object to their societies' making important decisions on their behalf without consulting them. Many respondents to a survey of co-operating farmers in the north of England stated as much (10) and other researchers have concluded that, already, in large, multi-purpose co-operatives, "the individual member has virtually no influence on policy-making". (11) This will not change if second-tier organisations are not developed; but, if they are, farmers stand a better chance of achieving their economic objectives.

A related issue is the loss of autonomy which will befall the managers of individual co-operatives if their organisations become members of powerful second-tier decision-making bodies. Although over a quarter of the U.K.'s 600 co-operatives have some experience of second-tier operation, the vast majority have been involved in loose-knit "associations" which act as fora for the pooling of market information, or "federations" which make joint policy for a group of co-operatives with similar

(usually specialist) interests but whose decisions do not bind their members. Few genuine "federals," in which members societies delegate responsibility to second-tier management, exist. (12) Some of the co-operative managers who have advocated second-tier management undoubtedly have the capacity to manage federals but not all of the managers of existing co-operatives will be in a position to retain the degree of influence they now enjoy. Many executives would undoubtedly resent a federal structure based on the present multi-purpose co-operatives as has been suggested, (13) and the necessity of determining how power will be shared among federal members involves the complex issue of deciding voting arrangements amongst the organisations which constitute a second-tier co-operative.

Finally, there is another related problem, that of the inevitable decline in the numbers of co-operatives if a federal system is devised and implemented. In other EEC countries, recent years have seen considerable decline in the numbers of primary co-operatives which operate within the agricultural sectors, often the result of rationalisation programmes implemented by central co-operative managements. The U.K. has rather fewer co-operatives than most of its EEC partners and their number has remained remarkably steady for several years - there were 565 in 1973 and 556 in 1977. (14) Nevertheless, it is most probable that there will be a reduction in the numbers of primary societies if a federal structure becomes widespread and especially if it is based on an extension of the existing tendency for specialist co-operatives to group together. Further development along these lines would certainly make rationalisation a strong probability as duplication of services and decision-making was eliminated as co-operatives ceased to compete among themselves. Such a reduction in numbers would also have implications for member democracy and managerial autonomy.

This paper has raised only some of the more obvious implications of the U.K.'s inevitable development of a second-tier of managerial organisation among its farm co-operatives. It has suggested some of the possible problem areas which will need attention. One of the greatest needs, however, is knowledge of the operation of functions (latent as well as manifest) of existing second-tier co-operatives on the Continent. It is dangerous to suggest that these co-operatives could be a model for U.K. developments and there are, in any case, wide divergences among the EEC members in the types of second-tier organisations they employ and the functions



these organisations perform. More detailed knowledge of the ways in which second-tier co-operatives operate on the continent would, nevertheless, allow decision-makers in the U.K. to assess the likely outcomes of the policies between which they must choose. Official "facts" are unlikely to be of much use in this respect. For instance, the descriptions emanating from Brussels of German co-operation give no indication that here one is dealing with a system which is able to implement vast rationalisation programmes via its regional unions which result in local services being withdrawn from members of primary co-operatives whose role in decision-making is purely nominal and to whom the central co-operative organisations are increasingly unaccountable. Official description cannot be expected to provide the information which can be gained from a painstaking academic research project but it is clear that insights of the type provided by Carpenter's study of the German Raiffeisen movement (15) are required if the period of learning from experience which is bound to precede the full implementation of a U.K. system of second-tier co-operatives is to be minimised.

## References

1. Oakeshott, R., *Industrial co-operatives: the middle way*. Lloyds Bank Review, 127, January 1978.
2. *Report of the Committee of Enquiry into Contract Farming*. Cmnd, 5099 1972.
3. *Agricultural and Horticultural Marketing*. Cmnd. 5121, 1972.
4. The author is grateful to the Central Council for Agricultural and Horticultural Co-operation, London, for its financial support of a research project concerned with the nature and functions of second- and third-tier co-operatives in the EEC. The opinions expressed in this article are those of the author and do not necessarily reflect the views of the CCACH or any other organisation.
5. Galbraith, J.K., *American Capitalism*. Harmondsworth Penguin Books, 1969.
6. Morsink, G.H., *Agricultural co-operation in Europe: its strengths and weaknesses*. Paper presented at the Association of Agriculture conference, Rotterdam, 1971.

7. Butterwick, M.W., *Vertical Integration in Agriculture and the Role of the Co-operatives*. London, Central Council for Agricultural and Horticultural Co-operation, 1969.
8. Nicolas, P., Diversification and expansion of agricultural co-operation in the agricultural food economy, in: Webster, F. (ed) *Yearbook of Agricultural Co-operation, 1978*, Oxford, Plunkett Foundation for Co-operative Studies and International Co-operative Alliance 1979.
9. *Second-tier Co-operatives*, London, Central Council for Agricultural and Horticultural Co-operation, 1979.
10. Foxall, G.R., and McConnell-Wood, M.M., *Member-Society Relations in Agricultural Co-operation*. University of Newcastle upon Tyne, 1976.
11. Webster, F., and Kimble, H., *Specialisation and Aggregation*, Oxford, Plunkett Foundation, 1978, p.51.
12. *Second-tier Co-operatives*. op. cit.
13. Webster and Kimble, op. cit., p.67
14. *Summary of Statistics*, Oxford, Plunkett Foundation, various years.
15. Carpenter, S., *The integration of agricultural co-operation in West Germany*, in Webster (ed), op. cit.

## THE SCOPE FOR DEVELOPING CO-OPERATION AT FARM

### LEVEL IN THE U.K.\*

by

Robert Dick\*\*

Most people involved in agricultural co-operation see it from a slightly different viewpoint, but Sir Horace Plunkett, the father of modern co-operation, summed it up in the words, "Better Farming, Better Business, Better Living." In spite of the impetus provided by Sir Horace and his successors, by the government and by farmers themselves, the growth of successful co-operation in the U.K. has been disappointing. Even where, or when, co-operatives have been started, they have too often failed in their objectives, often through bad planning, or lack of commitment by members. These and other problems are not insuperable in a time when the scope and the need for successful co-operation in the U.K. has never been greater. The need for better marketing of farm produce, and to maximise return from scarce resources, the inexorable pressure from rising costs and, for many farmers, the fiscal policies of government, all point to more and better organised co-operation. Co-operation should be used by the farming industry as a commercial tool in the struggle for improved profits, and for helping to maintain the competitive position of U.K. agriculture within the EEC.

However, co-operation is not the cure to all ills that many people suppose, nor should the U.K. become dominated by mammoth co-operatives. On the contrary, the use of co-operation should be expanded, not through the creation of larger co-operatives but through the development of smaller scale on-farm co-operation, an area which has in many ways been neglected

---

\* This paper is based on a dissertation written for  
Associateship of the Royal Agricultural Societies.

\*\* Farmer and founder member of Glenteviot Farmers Ltd.

by the promotional organisations, and by farmers themselves. Machinery syndicates are the prime example closely followed by production groups, marketing groups, and training groups. Arrangements for sharing labour and management and for better-shared responsibilities (in its widest sense) between landlord and tenant also have a part to play. All these schemes can be organised on an informal basis, and frequently are, with great success, but it is from the more formal organisation that most benefits normally accrue over a period of years.

The benefits from co-operation do not all fall to the individual farmer in the form of greater profits. Farmers, their employees, and the national economy can all benefit from co-operation in many different ways: the farmer should gain from better profits, and a better life, the employee should gain from better remuneration, and overall working conditions, more job satisfaction and improved training facilities; the U.K. economy gains from more food being produced at lower cost, and more satisfactory long-term structure and stability for the farming industry.

One reason why co-operation has not prospered to a greater extent is that farmers have been encouraged to run before they can walk. The glamour and newsworthiness of the larger co-operative may be very enjoyable; but the cost effectiveness of promoting the smaller co-operative or group, (and seeing that it operates efficiently once created), should be much greater. Experience indicates that farmers operate most enthusiastically with organisations with which they can identify, and also tend to copy other farmers whose operations they believe are successful. Success, as always, breeds success!

The promotion of co-operation is partly the creation of stepping stones. Farmers on the whole work best in small groups, close to their home surroundings. They are accustomed to conducting business in a pattern, and from a background, which has been built up throughout their lives and rarely successfully achieve a mammoth step beyond the farm gate all at once.

A buying group can be the ideal first stepping stone. It is easy to start and requires no capital and little skilled organisation, but it provides good experience for beginners, giving the farmer an awareness of the benefits of starting to make decisions with others instead of by himself requiring commitment from members for the minimum of cash input.

Discussion groups play a similar introductory role once the ice has been broken - and training groups (which have been successfully promoted by the Agricultural Training Board) grow from groups of farmers brought together through joint discussions or buying, or even just from the comradeship provided by the National Farmers Union meetings. They have an important role to play in helping to promote an improved career structure for the industry. Bargaining groups can provide a production or marketing backup service to member farmers without requiring dramatic commitment or loss of independence.

Often it is less dramatic methods of co-operation which produce the most worthwhile gains in early stages, and it is much better for farmers to concentrate on achieving successful harmony, and some fiscal gain on a small scale, before progressing to more ambitious schemes such as the more sophisticated production and marketing groups, in which there may well be new technical problems to deal with, in addition to the normal financial and organisational requirements associated with a new business venture.

The current growth area in smaller scale co-operation is the development of grain groups. These at their simplest are a step on from bargaining co-operatives, but they may not be very concerned with the actual production of the crop, which is normally left very much to the individual farmer. Clearly though, he must be keenly aware of the needs of the group, and if one of the objectives is to produce quality malting barley, then careful attention to varieties, fertilizer levels and harvesting technology will be required. The marketing function of such groups may be carried out at local level by another farmer, a salaried manager acting on behalf of the group, or increasingly, through the medium of a second tier or federal structure, or by another co-operative handling very significant tonnages of grain for several small production/storage groups. Such an operation normally removes from the grower the responsibility for finding outlets and agreeing prices. It may also provide him with better (and cheaper) storage and improve financing arrangements of his grain crop. Part of this function, selling the crop can be done through merchants, or through the grain marketing departments of larger co-operatives. By belonging to a grain group, the farmer should receive on average a better price, with less effort by himself, and with more satisfactory financing. He is closer to the marketing operation himself, and any surplus profit is returned to him in due course, (which would never be the case with a private merchant). Despite the fact that

federalisation of groups ties in well with the general trend towards ever larger units in the world grain trade a great number of farmers still prefer to handle their own grain sales, enjoying the negotiating skills required to market their crop successfully. However, the growth of grain groups is likely to continue, but there is some way to go before approaching the proportion of grain handled through co-operatives in the EEC generally. In France, for example, over 70% of grain is handled in this way, a pattern of trading which is repeated in other commodities.

Co-operation at this level is about the joint use of technology and the creation of profit. But it is also about people. Because it is the success of the human relationship between those involved in co-operation that is important, not only of farmers, but their employees and those with whom they do business too.

Farmers do not always have an easy life. If they are long-term owner occupiers, they may on paper be wealthy men. Alternatively, they may be struggling to pay a high rent and a great deal of interest to the bank on an undercapitalized newly-tenanted farm. They may have to do a considerable amount of manual work themselves in addition to dealing with the farm administration, marketing and accounts. They have to face up to problems created by the ever-present uncertainties of the weather and the dramatic (and sometimes demoralising) effect a change at the wrong time can have on crop or stock performance. In other words, they may feel constantly under pressure, and this is not the best background for deciding upon the change or innovation which new involvement in a group or co-operative may require.

Another problem affecting co-operative development is that while most farmers do a good job of managing their own farms, their informal knowledge may not be good enough when they become involved with co-operatives. Here they must adjust themselves to taking group, as opposed to individual, decisions; they must delegate; they must learn to operate in a board/manager/executive structure where they may feel uneasy at the lack of direct management control. Yet all these problems and many others must, be overcome at an early stage in a co-operative's development. Only then will members identify themselves with the aims of their group, plan carefully to achieve those aims, and commit themselves, and their produce or their requisites to the co-operative umbrella. For commitment and proper planning are as much

the cornerstones of successful co-operation, as they are in commercial life.

A number of organisations are concerned with promoting and sometimes with financing co-operation in the U.K. The government set up the Central Council for Agricultural and Horticultural Co-operation, under the Agriculture Act, 1967, "to organise, develop and co-ordinate co-operation of all kinds in agriculture and horticulture; to advise the Minister of Agriculture on all matters relating to co-operation, and to administer a scheme of Grants for promoting and developing co-operation between producers". In addition, each country in the U.K. has its own central co-operative organisation: the Agricultural Co-operation and Marketing Services in England, the Scottish Agricultural Organisation Society in Scotland, and the Welsh Agricultural Organisation Society, which deals with farmers at a more local level. The National Farmers Union is involved with ACMS, and also with the Federation of Syndicate Credit Companies; and several of the joint stock banks have become increasingly involved in schemes for promoting and financing co-operation. There are, perhaps, too many organisations spreading their efforts and their often tight financial resources, over too wide a field. If co-operation is to play the part it rightly should, then a less fragmented effort in promotion, and a better sense of practical objective is required from those involved, both promoters and producers.

Since joining the EEC, the whole market structure for agriculture and horticulture in the U.K. has changed. Previously, it had a home market of some 55 million people, and tended to be the dumping ground from world over-production. Now it has almost free access to a Community market of some 250 million people, giving substantial export opportunities for U.K. producers. On the other hand, producers in other EEC countries are taking every opportunity to gain access to our consumer market, and doing so in a very competitive spirit, fostered and assisted by the enormous strength and efficiency of their own co-operatives.

Unfortunately, U.K. producers started with a long-term historical and structural disadvantage so far as co-operation is concerned. It has, it is true, larger farms but there is a much better-developed sense of acceptance of the need to co-operate on the continent, and banks play a major part in financing and promoting co-operation amongst producers. This has led to a situation where, for example, some 50% of

fertilizer and 40% of feeding-stuffs is supplied to farms by EEC co-operatives, as against no more than 20% and 16% respectively in the U.K. Similar disparities apply on the production side, though the gap could well be closed substantially during the next decade.

As Alastair Miller, telling of the success of Elba Growers, told the Oxford Conference in 1975, "we have moved away from the theory of the divine right of producers which was so carefully fostered by guaranteed prices and the deficiency payment scheme, and we have accepted the marketing concept which, of course, starts with the idea that first of all, consumers have needs and that we then try and satisfy them". To achieve this objective, and to obtain a growing share of this enormous market, our farmers must produce and market with maximum efficiency. If the marketing successes of Elba Growers and other leading co-operatives are to be repeated on a larger scale, then a fundamental re-appraisal of attitude by farmers, co-operative promoters, and the government will be required.

In the meanwhile there is scope for the future development of small scale co-operatives if the difficulties that are often over-emphasised by farmers anxious to retain their increasingly mythical independence, and nervous of the implications of closer co-operation with their neighbours are removed, preferably by better education and promotion.

An assessment of progress and opportunities follows the pattern of organisation and finance for machinery syndicates\* is well established, and yet they have failed to show the sort of development growth which seems abundantly warranted by the cost savings and the increase in efficiency available from syndication. Only in a few limited areas of the country have syndicates really mushroomed, and there must surely be a strong case for a single national promotional organisation (like the French CUMA).

Marketing and production groups provide the major growth area for on-farm co-operation. Such groups to be successful require the most sophisticated management and may need considerable amounts of fixed and working capital. A high degree of member commitment is an essential ingredient for success, but the risk element in such ventures should never be ignored. Grouping may be almost essential for producing certain crops,

---

\* See following article by R.V.N. Surtees, pages 59-64



e.g., vining peas, or merely a highly desirable method of improving returns in crops like potatoes or cereals, which have traditionally been handled on an individual basis. The whole process of marketing farm produce can be improved if it is done co-operatively on the right basis. The producer understands his market better and gears production to suit it. Marketing administration, processing, packing and transport and publicity are all much more efficiently organised through a co-operative than by the individual farmer, who nevertheless helps to control the operation.

The growth and expansion of marketing groups in particular is best organised through second-tier or federal co-operatives, which link small groups together to provide the economies of scale necessary for effective marketing.

Finance and promotion of co-operation are interlinked to a considerable degree, Midland and Barclays Banks, for instance, though they do not specialise in co-operatives have financed machinery syndicates and promoted them to some extent. The Central Council and other national co-operative organisations on the other hand mainly promote, but do also assist financially with loans and grants. No organisation has a specific interest in promoting or financing small scale on-farm co-operation, and it has tended to be the larger requisite organisation which until recently have dominated the co-operative scene. However, finance for groups and smaller co-operative organisations is not normally a limited factor - even though most of it may have to be borrowed. U.K. banks are usually able to provide major assistance for worthwhile and credit-worthy projects. They will look for properly prepared budgets, possibly based on a professional feasibility study, and proper security for their lending.

On farm co-operation has a major contribution to make, therefore, in improving productivity through better use of men and machines, improving returns by assisting better marketing, reducing capital requirements and improving the returns on scarce resources. Successful co-operation at this level is usually achieved through a combination of the right members, the right properly-planned project, and a complete sense of commitment by those involved. Producers involved in successful groups should find new interests in their co-operative activities, and a greater sense of satisfaction and monetary reward from their own farming enterprise. Individual farmers, therefore, far from losing their individuality in a co-operative, should increasingly see and use the elements of on-farm co-operation which are available as a major and

significant asset in the fight for better profits, and the retention of their own strong individualistic positions.

## MACHINERY SHARING SYNDICATES IN ENGLAND AND WALES

by

R.V.N. Surtees\*

### Background

The concept of machinery sharing by farmers in England and Wales is not new; it was conceived under the inspiration of Leslie Aylward and Nestor Capper in the late 1950's. It is in essence a form of agricultural co-operation although, in recent years, the co-operative element has tended to become overshadowed to some extent by the opportunity syndication provides for bank loans to groups of farmers on favourable terms. The principle is basically a very simple one; farm machinery and equipment today is both expensive and sophisticated. Few farmers can afford to invest £20,000 in a combine harvester and it makes no kind of commercial sense if he buys one only to let it stand idle in the barn for ten months of the year.

Despite the obvious advantages to a farmer in sharing a combine with one or two of his neighbours, he is often reluctant to give up his independence. He foresees problems about who uses the machine and when; and about responsibility for the cost of its maintenance and repairs. Clearly, it is essential that all members of a syndicate know each other and get on well together; and that the nature and scale of their respective farming activities are compatible. For these reasons, much machinery sharing activity is informal. A farmer buys a combine and lets it out to his neighbours when mutually convenient in return for a service fee. However, this very lack of formality can itself cause misunderstandings leading to disagreements which are time consuming, unnecessary and often expensive. Furthermore, no bank is going to lend at favourable rates of interest to an individual customer whose credit may well be nearing its limit; it may well do so, however, to a group of farmers comprising a machinery sharing syndicate with universally applicable rules, procedures and loan terms.

---

\* Secretary of the Federation of Syndicate Credit Companies and the British Agricultural Council; Executive Secretary of the Federation of Agricultural Co-operatives (U.K.) Ltd.

The idea of setting up formal machinery sharing syndicates in partnership with the bank and the National Farmers Union grew in appeal therefore as credit became tighter and farm machinery ever more expensive and necessary as the techniques of modern farming expanded and became more universal. The first syndicates operated with Barclays Bank Ltd only and involved not less than three farmers. Today, in addition to Barclays Bank Ltd, the three other major Clearing Banks, Lloyds Bank Ltd, the Midland Bank Ltd and the National Westminster Bank Ltd, also operate broadly similar loan schemes which together amount to approximately £10 million of business.

It is not practicable in an article of this kind to go into the terms and conditions of the machinery sharing loan schemes in great deal, but it is essential to have an understanding of the basic requirements in order to appreciate the nature of machinery sharing and its value to farmers. Bearing in mind that there are differences in emphasis between the banks in the facilities they provide but not in the substance of the loans themselves, i.e., all four banks charge the same rate of interest; and that different areas of England and Wales with different types of farming activity, require different types of machinery, an attempt is nevertheless made to summarise the main features of the schemes in the paragraphs which follow.

### Structure

The operation of a machinery sharing loan scheme involves the following organisations:-

The National Farmers Union; the Federation of Syndicate Credit Companies; a county syndicate credit company or advisory committee; a participating bank; and, of course, the syndicate itself. The role and functions of each of these bodies is outlined below:-

#### 1) The National Farmers Union

- (a) To promote the machinery sharing schemes to its members.
- (b) To advise its members on the feasibility of each proposed syndicate and to pass on its views to the bank concerned.
- (c) To use its best endeavours to recover any outstanding debts.

2) The Federation of Syndicate Credit Companies

- (a) To co-ordinate and direct the operation of the schemes through its member organisations, the county syndicate credit companies or, in cases where no county company exists, through an advisory committee set up by the branch of the National Farmers Union concerned.
- (b) To negotiate interest rates and other terms with the participating Banks. The Federation carries out its functions through an elected board of management and an executive secretary.

3) County Syndicate Credit Companies/Advisory Committees

- (a) To act as the link organisation between the National Farmers Union and the participating Banks (see 1 (a) and (b) above).
- (b) To carry out a number of relatively minor administrative procedures. The companies are registered under the Companies Acts; have a board of directors and a secretary (usually the NFU Branch Secretary or his assistant).

4) Participating Banks

- (a) To provide the necessary documentation for implementation of the loans.
- (b) To decentralise the scheme to local branches to which farmers have ready access.
- (c) To assist in publicising the scheme and involving the National Farmers Union and the Federation of Syndicate Credit Companies.

5) The Syndicate

Machinery syndicates have no formal constitution. In so far as their functions are not governed by the machinery sharing loan scheme rules (drafted and agreed jointly by the National Farmers Union, the Federation of Syndicate Credit Companies and the participating banks), syndicates are subject to the provisions of the Partnership Act, 1890. Each syndicate, which can consist of between two and twenty members, nominates a secretary, who is usually

also the focal point for purposes of VAT. The administration of the scheme with the bank is the responsibility of the secretary who will also implement agreed apportionments of capital and interest charges to members with the bank, under the direct debit System.

### Rules governing the scheme

The rules governing the operation of the scheme are broadly similar in each case. The main provisions are:-

1. All members of the syndicate must be members of the NFU. In the case of hybrid syndicates consisting of one NFU farmer member and a machinery dealer, the dealer, who is usually a member of British Agricultural and Garden Machinery Association Ltd, is regarded as an associate member of the NFU for this purpose.
2. All members of the syndicate are jointly and severally liable for the loan.
3. The machinery should be insured through the NFU Mutual Insurance Society Ltd.

### Terms of Loan

The terms offered by the participating banks are broadly similar. The main features are:-

1. The rate of interest charged is currently 2% above current bank base rate. Interest is charged half yearly in June and December on the reducing balance.
2. A loan of up to 80% of the purchase price of the machinery can be arranged.
3. The loans are for maximum periods of five years in the case of mobile machinery and seven years in the case of a building e.g., a grain drying unit.
4. Second-hand machinery is eligible on special conditions.

### Statistics

Precise statistics of the number of syndicates and the amount of loans outstanding are not readily available, partly due to the confidential nature of the transactions; and partly because of the understandable reluctance of the Banks to disclose

publicly the extent of their respective shares in the business. However, it can be said that the largest single sector of business, is held by the Midland Bank Ltd in the East Midlands, almost exclusively in hybrid syndicates. Barclays Bank Ltd tends to deal only in traditional type syndicates, including a syndicate consisting of a husband and wife; Lloyds Bank Ltd insists that one member of a syndicate must be an existing Lloyds Bank customer; and the National Westminster Bank Ltd is also involved in the syndication of leasing through Farm and Agricultural Finance Ltd.

Nevertheless, notwithstanding the difficulties, some statistical information is available; the results of a survey undertaken by the Federation of Syndicate Credit Companies in 1977/78 provided the following information. The number of active county syndicate credit companies was 10 with a further 16 inactive. There were 12 active NFU Advisory Committees and a total of 943 Syndicates. At the time of this survey only Barclays Bank Ltd and Midland Bank Ltd, operated the scheme and they were both participating to an almost equal extent.

### Conclusions

The machinery sharing loan schemes are popular with both farmers and machinery dealers and compare favourably with leasing for the following reasons:-

- (a) Low interest rates are obtained.
- (b) There is an extra source of loan capital for members.
- (c) The loan cannot be recalled as with an overdraft.
- (d) Ownership of the machines passes immediately to the farmer for Tax purposes.
- (e) From the dealer's point of view, credit worthiness is improved by the joint liability imposed and the strict control of maintenance written into the agreement.
- (f) The advantage of shared costs for the purchase of the most modern and productive machines available.
- (g) The ability to negotiate cash discounts.
- (h) Grant aid and investment allowances can be claimed.

It is important, however, to bear in mind that the personal tax position of each farmer will determine whether it is to his advantage to lease or to purchase his machinery outright through a machinery syndicate loan scheme.

Although the original concept of machinery syndicates has been modified over the years and now includes hybrid syndicates, the original concept of co-operation between farmers to their mutual advantage still holds good, and is fully supported by the Federation of Syndicate Credit Companies, the NFU and the participating banks. It is believed that the English scheme is unique, although it is known that machinery sharing does take place within some member states of the EEC; for example, through CUMAs in France. Information on machinery syndication in other parts of the world is not generally available and it is hoped that this article will provoke an exchange of information for the practical benefit of farmers in other countries.



## SUCCESS IN HORTICULTURAL MARKETING CO-OPERATION

by

Malcolm J. Sargent \*\*

Formal agricultural and horticultural co-operative organisations have existed in the U.K. for over a hundred years. In 1943, when a British Association meeting considered their progress under the title *Co-operative Systems in European Agriculture*, it was acknowledged that this was not as good as it might have been. Several speakers outlined the successes of a diversity of co-operatives elsewhere in Europe and some optimism was expressed for the future. Thirty-five years later it is again pertinent to review progress and in this paper it is horticultural marketing co-operation that is brought into focus, for this type of organisation has long been recognised as having potential for development and during the last ten years there have been signs of progress. This period also coincides with positive government support for agricultural co-operatives, including the availability of grants, some of which have financed research at several universities (including Bath). As a result our understanding of formal co-operation is improving but important questions, central to the continued development, are also being posed

### The Changing Market for Horticultural Produce

Significant changes have occurred both in horticultural production and in the market outlets for produce during the last thirty years. These have been the result of increasing consumer incomes and changing social habits, particularly the desire for more luxury goods and 'convenience' in food purchasing. The output from commercial horticulture increased nearly three times between 1965/6 and 1975/6. This is only a modest increase in real terms and represents about 10% of the output of agriculture as a whole. In value-added terms, however, this proportion is probably nearer 18%. In the same period, output as a proportion of total supplies has lost ground slightly to imports, only the outdoor vegetables and nursery stock sectors more than holding their own (Table 1). Output has been achieved with a much diminished labour force, land area and fewer holdings - an impressive record of productivity. However, even though 75%

\* Paper produced for the British Association for the Advance ment of Science Annual Meeting 1978.

\*\* Lecturer in Horticulture, University of Bath.

of output comes from about 10% of producers, small-scale producers still predominate in horticulture and these have very little direct influence over consumers. They rely on selling their produce to intermediaries in the marketing distribution network.

Table 1. Supplies of horticultural produce by type, 1965/6 to 1975/6

<u>Proportion home-grown (by value) (%)</u>	<u>1965/6</u>	<u>1975/6</u>
Outdoor vegetables	78.0	85.6
Glasshouse vegetables	41.3	39.5
Mushrooms	95.2	93.5
Glasshouse flowers	95.8	88.2
Nursery stock, outdoor flowers and bulbs	69.4	77.4
Fruit	54.3	36.5
Total horticultural	61.7	62.5
<hr/>		
Total value (£m)	207.5	551.4
Total imports (£m)	191.7	656.0
<hr/>		
Output as percentage of total agriculture	9.6	10.4
<hr/>		
Output as a percentage of total supplies	52.0	45.6
<hr/>		

Source: Various MAFF Statistics

Concentration has been the outstanding feature of the market outlets for horticultural produce. Retail trading has become increasingly concentrated in the hands of large-scale multiples in the U.K. mainly at the expense of independent retailers (Table 2). This pattern has not always been the

same throughout other EEC countries (Appendix 1) but the general trend is nevertheless evident and the U.K. has the smallest proportion of independent retailers. Self-service has become a common feature, which for horticultural suppliers manifests itself as a demand for large quantities of high quality produce that is standardised and often prepacked before delivery.

Table 2. Share of all retail sales, U.K. (%)

	<u>1962</u>	<u>1971</u>	<u>1976</u>
Multiples	24.0	29.3	40.6
Department stores	4.5	4.5	5.0
Variety stores	4.3	5.8	5.0
Consumer co-operatives	10.2	7.1	7.3
Mail order	2.5	3.8	4.8
Affiliated independent multiples	6.9	10.0	17.3
Independent retailers	47.6	39.5	20.0

Source: *National Census, Distributive Trades EDC (U.K.), Retail Trade Europe and Management Horizons (U.K.)*

In food processing the number of firms is also decreasing with increasing output and the food manufacturing industry now purchases about 50% of the output of the whole of British agriculture compared with 22% in 1963. The implications to horticulture are again a demand for large quantities of quality produce grown to stringent specifications for a particular process. Both retailers and processors have substantial investment in facilities and brand images and may also be significant employers in their locality. They are usually engaged in intense competition with their rivals and may obtain their inputs from overseas if they are not available in the U.K. To secure supplies, and to reduce their own risk, they enter into direct contracts (not always formally) with suppliers and hence the name "Contract Farming" has become commonplace (see Appendix 2) and in 1972 was the subject of an Inquiry (Barker Report (1)). To suppliers these contracts

give some forward market security, the particular advantage depending on the nature of the contractual arrangement.

Inevitably, direct sales to processors and retailers have meant that the wholesale market trade has been increasingly by-passed, although at least 65% of all horticultural produce probably still passes through these markets or the hands of distributing wholesalers. They too, as a result of the shrinking market, have become highly concentrated. Some have diversified, becoming involved in such activities as retail markets, prepacking, other merchandising and two, to date, have formed co-operative organisations with growers or growers' co-operatives in particular localities. The further imposition of compulsory minimum grading standards for certain commodities just before, and since, Britain joined the EEC has also placed further emphasis for the horticultural industry on quality supply.

The challenge to growers from the changing market place is more than just the ability to assemble appropriate quantities, quality and form of produce. The relative bargaining strength of the large firms in food marketing is often greatly superior to that of the relatively very small scale unco-ordinated producers. Furthermore, the provision of marketing facilities by these growers individually may be both costly and inefficient. Indeed some facilities - for example, sophisticated storage and pre-packing facilities - might be beyond the financial capacity of an individual small scale grower. The logic of a collective, co-operative solution to growers' marketing problems on this evidence would seem to be obvious, though progress in co-operatives is dependent on far more than just incentive.

### Recent Progress in Co-operation in the U.K.

Co-operative businesses have all the rights of a firm or corporation organised for profit, but their distinctive feature is that they should have no other interest than serving their producer members. They do this by lowering production costs or by marketing crops more cheaply and efficiently, thereby affecting members' returns. This usually involves capital investment so that after accumulating funds on an appropriate scale the co-operative then establishes a formal management structure, staffed by specialists, so that it can offer facilities and services unavailable to members operating independently.

The United Kingdom's low incidence of formal co-operation in comparison to other EEC countries, and the scope for

improvement are well known (Appendix 3). The proportions of fruits and vegetables marketed co-operatively are greater in all other countries of the EEC except Italy. This apparently dismal record of the U.K. must be viewed against at least three historical features. Firstly, after the spectacular failures of an Agricultural Wholesale Society and an Agricultural Organisation Society in 1924, both supporting agricultural co-operation, there had been no government support for co-operatives until 1967. Secondly, since 1933 there have existed statutory, monopoly marketing boards for certain commodities, that could do what no co-operative could do, namely control prices. Although they still exist for milk, potatoes and hops and have existed at various times for pigs, eggs and wool, there has been little marketing board activity in horticulture except for tomatoes and cucumbers (1950-1963), and this was a failure due mainly to the inability to influence prices. Thirdly, there has been no significant export trade from the U.K. in agricultural produce, which has been an important incentive to collective action elsewhere.

In the last ten years agricultural co-operative societies have become steadily fewer and total membership has also declined (Appendix 4). This reflects adjustments both to gain scale economies and a committed membership. By contrast, it is the increase in horticultural marketing societies, to a high-water mark in 1975, that is very evident in Table 3. Membership started to decline a few years before this but still exceeds 8,000 with an increasing capital commitment to their societies. There are fewer employees too, although still 300 more than ten years ago. Profitability has been variable but very recently net profits at 15% of capital employed are more than double those of ten years ago. Data on co-operative companies are not available either in the same detail or duration as those for societies but they are increasing in both numbers and turnover. All categories of company increased their turnover by four times between 1971 and 1976 (Table 4). In horticulture the largest increase has occurred amongst the vegetable marketing co-operatives although exceptional prices as a result of droughts in 1975 and 1976 exaggerate progress.

Even though the societies are larger than the companies, the largest has a turnover of only about £5m after 60 years, with its most impressive progress more recently. However, this is not strictly comparable with some of the larger, multi-purpose agricultural societies where several have turnovers exceeding £20m, because specialisation is also a characteristic of horticultural co-operatives. Table 5 reveals that although horticulture barely features in the trade of multi-purpose

\*

Table 3. Some features of Co-operative Horticultural Societies in the U.K., 1967 to 1976

	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976
No of societies	54	58	62	73	77	79	89	92	92	88
No of members	8,984	8,957	9,023	9,206	9,248	9,053	8,832	8,848	9,003	8,378
No of employees	1,189	1,367	1,435	1,728	1,702	1,746	1,836	1,518	1,506	1,485
Share capital per member (£)	n.a.	n.a.	n.a.	n.a.	n.a.	400.20	411.60	441.06	534.33	667.67
Loan capital per member (£)	n.a.	29.86	33.49	39.10	51.11	92.51	120.45	162.64	182.77	214.21
Net profit as % of capital	7.3	7.2	7.3	8.2	9.2	5.5	8.5	11.1	15.6	15.1

Source: Plunkett Foundation for Co-operative Studies, *Summary of Statistics*, Oxford

\* including the Land Settlement Association

**Table 4. Turnover of certain categories of Co-operative Companies in the U.K., 1971 to 1976 (£000's)**

	1971	1972	1973	1974	1975	1976
Fruit	6,393	7,297	10,228	7,996	9,090	9,616
Flowers/Nursery stock	230	354	561	824	810	1,553
Vegetables	2,992	3,628	5,273	6,049	8,194	14,472
Peas and beans for processing	4,627	5,618	6,490	8,642	8,014	8,635
Potatoes	3,076	4,798	4,680	6,189	12,410	19,256
A. All Marketing Companies	36,601	47,064	59,541	69,010	94,559	125,490
B. All Requisite Companies	6,147	20,654	22,894	29,887	32,068	43,314
C. All Service Companies	26,858	31,755	38,753	47,836	57,865	70,705
TOTAL TURNOVER (A + B + C)	69,606	99,473	121,188	146,733	184,492	239,509

Source: Adapted from various statistics of the Plunkett Foundation for Co-operative Studies, Oxford

N.B. Figures adjusted to eliminate double counting

societies it is the major part of the turnover in mainly specialist co-operatives and has increased by a factor of 8 between 1966 and 1975. In this respect, the current co-operative structure in horticultural marketing reflects the industry itself, which is comprised of distinct specialist sectors - glasshouse, outdoor vegetables, fruit and nursery stock and there is some mixed cropping included with agriculture. Overall there are about a dozen much older, larger co-operative societies, with mixed activities and many smaller specialist co-operatives. There is also a special case, the Land Settlement Association, a co-operative set up to administer several estates owned by the Ministry of Agriculture. Their occupants are compelled through the conditions of their tenancies to market through the Association. Another relatively recent development has been the formation of a few joint co-operatives comprised of a growers co-operative in association with a wholesale merchant. These have existed for longer elsewhere, notably in France and Australasia.

Table 5. Marketing turnover in England

	Mainly requisite multi-purpose societies (£m)		Mainly specialist marketing societies and companies (£m)	
	1966	1975	1966	1975
Eggs	8.9	5.3	29.1	48.1
Potatoes	2.2	4.7	0.3	18.5
Grain	11.5	46.8	nil	24.5
Livestock	6.1	8.0	3.2	23.7
HORTICULTURE	0.7	1.9	6.2	52.4

Source: *Farming Business*, Autumn, 1977, p.3.

By aggregating the turnover of those societies and companies that are sufficiently specialised to be called 'horticultural' their progress can be set in context of horticultural expansion generally (Table 6). It must be remembered that some horticultural produce may be marketed by other types of co-operatives and that turnover also includes trade in



requisites. There is also no exactly corresponding figure available for the turnover of British horticulture. However, on this basis, as a proportion of the total output of horticulture, co-operatives appear to have more than kept pace with horticultural expansion but it remains to be seen whether 1975 and 1976 were exceptional years.

This recent surge of activity by horticultural marketing co-operatives has at least four origins. Firstly, there has probably been greater potential in horticulture to add value in the marketing process by such activities as grading, storing packaging and transport than for agricultural produce generally. Secondly, particularly prior to the entry of the U.K. to the EEC, there was considerable publicity given to the vulnerability of horticulture to competition from overseas. This threat, together with a realisation by growers at home of the changing market structure for their produce probably also provided a stimulus for collective action. Co-operation in all its forms thrives under conditions of common adversity. Thirdly, it is well known that growers join co-operatives for many reasons and not always only for financial advantage. For example, it may be to gain security from collective action and sometimes to shed the worry and considerable time involved in marketing. They are content to delegate this function to a professional team to gain more time to concentrate on production or leisure. Fourthly, and perhaps more tangibly, there has been positive government support since 1967. A summary (Table 7) of recent grant aid proposals approved by the Central Council for Agricultural and Horticultural Co-operation reveals that horticulture has been receiving a lion's share. Between 1971 and 1975, 61% of the grants went to horticulture this being 70% of their total value. More recently the proportions have declined but still represent about a quarter of the total value in 1976/7. Public investment on this scale warrants examination in terms of claimed successes but defining success and for whom in co-operation, is not easy.

Table 6. Turnover<sup>1</sup> of Horticultural Co-operatives in the U.K., 1971-1976 (£000's)

	1971	1972	1973	1974	1975	1976
A. Societies	22,749	26,128	20,484	41,571	56,823	68,615
Companies						
Vegetables	2,992	3,628	5,273	6,049	8,144	14,472
Fruit	6,393	7,297	10,228	7,996	9,090	9,616
Flower/Nursery	230	354	561	824	810	1,553
Stock						
B. TOTAL COMPANIES	9,615	11,279	16,062	14,869	18,094	25,641
TOTAL (A + B)	32,364	37,407	36,546	56,440	74,717	94,256
National output of horticulture	285,000 <sup>2</sup>	315,000 <sup>2</sup>	392,000	471,000	527,000	596,000
Co-operative output as % of total horticultural output	11.3	11.8	9.3	11.9	14.1	15.8

Sources: Plunkett Foundation for Co-operative Studies, *Summary of Statistics*, and MAFF, *Annual Reviews of Agriculture*.

1. Total value of sales and services of co-operatives
2. Estimated

Table 7. Proposals and grant aid approved by the Central Council for Agricultural and Horticultural Co-operation by commodity (U.K.)

COMMODITY	TOTAL		1974 - 1975		1976 - 1977	
	Nos.	Grant £000's	Nos.	Grant £000's	Nos.	Grant £000's
Fruit	174	1,683	28	102	23	72
Non-edible horticulture	20	70	5	9	7	50
Production (two or more commodities)	2	2	-	-	-	-
Potatoes	47	169	12	110	15	208
Peas	-	-	-	-	6	18
Other vegetables	252	1,160	69	424	25	62
Cattle	34	64	9	15	1	-
Dairying	2	2	2	2	-	-
Sheep	17	32	3	6	7	32
Pigs	45	262	9	129	2	7
Poultry and eggs	23	116	7	16	4	28
Cereals	55	509	10	96	14	190
Grass	12	40	2	11	3	2
Development and research	11	22	5	14	11	29
Miscellaneous	31	15	2	1	3	11
TOTAL	729	4,146	163	935	121	708

Horticulture (excluding potatoes and peas) as % of total

61      70      69      57      45      26

Source: Central Council for Agricultural and Horticultural Co-operation, Annual Reports.

## What is success in Co-operation?

Some criteria that might be applied to co-operative performance are as follows.

1. Prices and Incomes for growers. It is often argued that co-operatives will sustain and improve growers' incomes because of their superior marketing facilities. In practice it is extremely difficult to prove or disprove such a proposition because comparison of "like with like" is virtually impossible with respect to individual growers' personal and financial circumstances. Their own marketing strategies and a co-operative's may be quite different too. Nor is it made easier by the diverse nature of horticultural produce which experiences wide price fluctuations even in the short term. From the few studies that have been made there is evidence that for certain commodities growers may actually achieve a lower net income by marketing through the co-operative than by marketing independently. Even when the co-operative does obtain higher prices, its charges for marketing services may be higher and inflexible so that its performance may depend on the particular year. As growers are the owners and controllers of co-operatives they might therefore be expected to be the greater beneficiaries.

2. Co-operative business performance. Increasing sales, turnover and net profits, as with any other type of business may be taken as an indicator of co-operative success. Growth of these may result in better marketing services and dividends to members, co-operatives often being publicised as being "an extension of the farm". Some profit is necessary to sustain the co-operative business and for re-investment, but how much? It is always a dilemma for managers and directors to determine how much to dispose of and how much to keep. If the co-operative becomes relatively large and its management very professional, self-contained and has lost effective contact with its membership, then it may develop its own goals. Thus co-operative business performance is not of itself necessarily a perfect measure of success. Indeed, some conflict is perhaps inevitable between growers and co-operative, both aiming for higher incomes. In assessing co-operative business performance it must be remembered also that co-operatives receive special arrangements in society. These include the provision of the Industrial and Provident Society Acts which effectively means that they cannot be taken-over. Providing that 90% or more of their members are growers they are exempted from the provisions of the Restrictive Practices Acts. They also receive concessions in corporation tax. The

extent to which these factors influence or determine the market success of co-operatives has not to date been investigated and would be extremely difficult to do in such a diverse market.

3. Efficiency in marketing. If efficiency in marketing is taken to mean distribution at minimum cost compatible with services required by those in the marketing chain, then clearly the co-operative must be able to do cheaper what growers cannot do independently. If for example, a co-operative is formed and continues to market in the same way as its members did independently and is unable to increase prices then it is doomed to failure because by its very existence extra costs have been incurred. It may, of course, be able to offer a superior service at lower cost to its members by more efficient preparation or transport of produce for market.

4. Bargaining strength. Even though co-operatives have expanded and have increased their share of the market they are still relatively small in relation to the organisations that they trade with in all sectors of agriculture, including horticulture. In a relatively free market, such as exists in horticulture, it is possible to influence markets but not to control prices unless there is total domination. Only in apple and pear marketing do the co-operatives collectively have a significant share and this is only partially co-ordinated through a federalised, so called "second-tier", co-operative. This organisation is able to influence prices by regulating supplies to separate markets. In this way they can send most produce to those buyers who pay the best prices and keep prices near a pre-determined level. Transport is effectively utilised and there is a common market brand and compulsorily maintained grading standards within the organisation. Packages are bought in bulk on behalf of member organisations and market research and television advertising have resulted.

### Recent Research at Bath

The Committee of Inquiry on Contract Farming in 1972 (1) commented on the dearth of research into matters related to Contract Farming in British Universities compared to other countries. They also expressed concern at the little interchange of personnel between the business world, the universities and the government services and recommended the creation of at least one chair of co-operative marketing studies. In response, research funds were made available through the Central Council for Agricultural and Horticultural Co-operation and by mid 1970's, research was established

in several places. At Bath, interest has centred mainly on horticultural co-operation and on the evolution of co-operative businesses in relation to external conditions and management. Case studies have been the means of study because co-operatives in the U.K. are extremely diverse and very dependent upon local features, requirements and personalities. Initially sixteen English horticultural marketing co-operatives were studied through lengthy interviews with the general managers (in some cases the chairman or training officer was also present) and the collection of as much data as could be made available. The co-operatives were chosen with the assistance of CCAHC and were classified under the headings "Successful", "Surviving" and "Failed", the criteria being recent performance in terms of sales, turnover and profits, the last groups having ceased trading. The analysis of these cases was used to write a set of teaching case-studies (2) illustrating success and failure. Cross sectional analysis (3) was also very rewarding about management in the organisation - even though it was the managers who were interviewed.

### Management

Managers of successful co-operatives had very adequate records and carefully thought out development plans reflecting past performance and market trends as well as the aspirations of the co-operative. Growth targets were varied but were specified. All in the "surviving" group kept some form of management records but some had only just started. Only one in five had crystallised future plans, suggesting a disproportionate amount of time spent on day to day activities. In the "failed" category no growth strategies and few management records were evident. The heavy commitment of management to day-to-day matters may, however, also have been due to under-staffing, lack of capital, or to problems of satisfying members with differing expectations.

### Co-operative/Member contractual arrangements

All members had strong contractual ties with their co-operative in the "successful" category and no outstanding cases of disloyalty were mentioned. Contracts usually ensured that members guaranteed all, or a given proportion of their crop to the co-operative. In a few cases a probationary period was imposed on new members before their full acceptance. Contractual ties in the "surviving" category were more loosely applied and independent marketing allowed so that members came to look upon the co-operative as just one outlet for their produce in competition with other outlets. These co-operatives

could not obtain a guaranteed supply from their members. It is not surprising that in this "surviving" group it was loyalty by members that was often quoted by managers as a reason for success whereas in the "successful" category emphasis was on commercial outlook, good management and making profits. At the other extreme, in the "failed" co-operatives, contractual ties were weak or non-existent and disloyalty was the commonest quoted reason for failure.

Disloyalty has long been recognised as a particular problem of horticultural marketing co-operatives and was the major conclusion of a Working Party on the subject in 1948. The absence of a definite code of operation gives the members greater scope for determining the success of the co-operative and at the same time heightens the conflict between members' business goals and the co-operatives. This is particularly true when prices are relatively high and members consider that they can do better independently but they still expect the co-operative to sell their produce profitably in times of low prices. Expulsion of miscreants has occurred but only rarely and prevention is better than cure.

#### Backward co-ordination by co-operatives

If the co-operative is evaluating market trends its success will depend to some extent on how it translates this into market intelligence to its producers so that they in turn can supply the co-operative with the type, quantity and quality of produce that it requires. This process was most evident in the successful and least evident in the "failed" category of co-operative. However, co-operatives in our sample that failed did so within the first five years of operation, so there was hardly time for them to introduce production changes or to acquire the skills required for retrieval of market information.

That production and marketing become more co-ordinated in the successful co-operative is reflected in the preoccupation of the managers of the "surviving" and "failed" categories with selling. Managers in these categories often spend most of their time on the day to day task of trying to off-load or sell what had been produced. A market strategy has been evolved by the more successful managers and they are more involved in developing and administering than in the day to day execution of it.

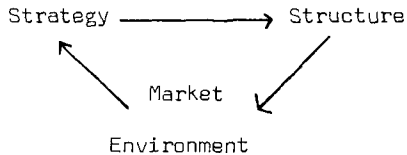
#### Training

Although not obviously connected with the task of increasing

members' short term returns, the existence of training schemes for personnel indicates an awareness of a need for an overall strategy that transcends simply growing and selling produce. It is part of the growth and development process of the co-operative, ensuring the emergence and availability of appropriate new administrative structures. In the "surviving" and "failed" categories there had been little or no attempt to consider any sort of training programmes, although there was evidence of managers and directors attending externally organised courses. The "successful" co-operatives used the external courses or had their own internally organised. Two had employed training officers who often took on the role of field officer as well.

### Growth and development

Preliminary studies of the cases outlined above have demonstrated the crucial importance of change in the co-operative. Management must constantly re-appraise the market environment in which the co-operative trades and in this light determine the long term objectives, courses of action and allocate resources necessary to carry out these goals. In short a strategy is adopted in relation to the market environment and a structure established to make the organisation functional. But all are constantly re-examined and more important, adjusted if necessary, in the successful organisations in a cyclic manner. In this way progressive growth is achieved.



Studies to date have indicated that co-operative business progress follows certain common features and this is, at the time of writing, being evolved into a theory in relation to other types of business.

To explain more fully the phenomena of change in the co-operative business a further, very detailed, case study (4) was made between 1975 and 1977 of a large multi-purpose agricultural society. Its progress from 1916 to 1977 was studied in relation to the local and nationally prevailing economic and social conditions at each stage of its evolution. It was a particularly interesting society because it had experienced



mixed fortunes in the past but has become particularly successful as a co-operative business and with experience of restructuring in the last ten years. In 1976 a survey was made of views and attitudes of 120 of the member/traders sampled from the area over which the co-operative trades. The organisational structure was also studied through interviews with board members, chairman and managers. The study again highlighted the crucial role of management (often a single person) and the importance of adjusting the society structure in the light of prevailing circumstances. A strong, effective Board of Directors was also shown to be contributory to recent successes. The extremely complex interaction between farmers, who are both owners and traders with the co-operative, in relation to expected benefits was also discussed in detail. Because it is not a horticultural co-operative this study is not reported in detail here but it has served to demonstrate that many of the issues that are discussed in this paper have wider implications for the co-operative movement as a whole.

### The Future

Recently a Government Working Group has reported on the potential for establishing a Co-operative Development Agency (5) embracing all types of co-operative and, at the same time of writing, a Bill (6) to introduce such an Agency has just passed through its final stages in Parliament. Since it is envisaged that its role will be primarily in promotion and advisory areas, one might expect the subject matter discussed here, together with the longer experience of agricultural/horticultural co-operatives, to be of considerable importance.

The Working Party Report comments on the specific role of co-operative type organisation thus:

"Because there is no general expectation that they will seek to maximise their profits and dividends, in taking decisions of the same kind as those taken by purely private organisations, co-operatives are freer to have regard to social criteria and the general interest. Retail consumer co-operative, agricultural and fisheries societies can help to keep down prices, while industrial common ownership enterprises can maintain employment in companies which would otherwise cease to operate, as well as create new industrial opportunities".

It is implied in the above that co-operatives have an inherent

advantage over private enterprise organisations but they are extremely intangible to demonstrate, as we have seen. In the horticultural co-operatives, much of the financial success has undoubtedly been due to good management and commercial practices whilst at the same time not ignoring social issues. In short, it is by behaving as capitalist organisations in a capitalist economy that has brought success and yet the co-operative is essentially a socialist organisation. Evidence from other studies suggest that competitive prices and convenience of trading dominate growers' reasons for using co-operatives rather than the less obvious "social" reasons including belief in co-operative principles. Therefore, we should not shut our eyes to the base upon which success to date has been built, particularly in extolling the virtues of the non-monetary benefits of co-operation.

The role of management, and very commonly a single manager, in the success of horticultural co-operatives has long been recognised and their recruitment and training represents the biggest challenge for the future. In the past individuals "with the certain something" have emerged by chance from the co-operatives with very little education and training other than that available for agricultural/horticultural and business management generally. We should not have any illusions as to our ability to teach all the subject matter required by tomorrow's management. There is still no substitute for experience but special attention needs to be paid to considerations appropriate to the leadership administration and control of modern co-operative business. Agricultural colleges and universities must become more attuned (and some are doing so) to future needs of the industry in this respect. Expansion of co-operative studies as part of the curricula, 'sandwich courses' and research, which in turn stimulates teaching, are helping in this direction.

Co-operatives, like any other business, do not trade in a static environment. Businesses get larger and with scale come new problems. The largest horticultural co-operative is still small compared to some agricultural ones which in turn are tiny compared to some overseas. It is important that we be more aware of the hazards of growth and scale. Coping with change is one of the central features of management. Having the confidence to actually make decisions, and carry them out, in relation to a forward plan which in turn takes account of the changing environment is a remarkably uncommon trait. It is extremely easy to start a co-operative these days, particularly in reaction to adversity. There is plenty of advice and financial assistance available and probably will

be even more in the future. The real test is not faced at this stage but later on when management is needed. Mortality is greatest in the early years of co-operatives for this reason. Today's circumstances are out-dated by tomorrow. For example a marketing co-operative formed today by, say, 25 growers to market vegetables because of uncertainty and low prices may find within a few years that its early successes are eroded and new stimulus is necessary to maintain progress. In the same way, the real test of some of the recently formed workers' co-operatives is yet to come when they have to develop new products in, and for, new circumstances. It may be that certain groups or collective activities should have a specific cycle at the end of which they complete their useful life or inevitably combine with other units to maintain viability. This is still very much a subject for research. Management should, however, be aware of this for the pattern of business development may not be completely predictable, due to the diverse nature of the co-operatives and the personalities of both managers and directors.

The scope for horticultural co-operative trade to expand is enormous, from its still relatively small base, after more than a hundred years. It is apparent that increasing co-ordination between co-operatives and wholesalers, co-operatives and processors and retailers could become more commonplace. Even though the Co-operative Wholesale Society and the Co-operative Retail Society are two of the largest individual (if not the largest) farmers in Britain there are only the slenderest links between them and the agricultural/horticultural co-operatives. Federalisation of producer co-operatives is more commonplace in other European countries. Progress has been slow in the U.K. because, as with primary co-operation, there has to be a subjugation of independence by the participants and a willingness to work together. The benefits have to be real and tangible. If the benefits of co-operation are so beneficial, both for growers and between co-operatives, then they should surely grow and develop of their own accord. They may, of course, need some nurturing, including the expenditure of public funds, even if this is regarded as a departure from the 'voluntary principle' on which the co-operative movement has developed. What we do not want is some kind of 'master plan' for co-operatives. Imposed co-operation has a very poor record of success - the key would seem to be in being able to demonstrate co-operative success.

## References

- (1) *Report to the Committee of Inquiry on Contract Farming.* Chairman Sir James Barker. Cmd. 5099. 1972.
- (2) Sargent, M.J.. *Case Studies in Horticultural Marketing Co-operation.* London, CCAHC, 1975.
- (3) Sargent, M.J. and Roxburgh, C.D.L. *Management and the Growth and Development of Horticultural Marketing Co-operatives.* University of Bath, 1976.
- (4) Sargent, M.J. and Doherty, N.M. *Agricultural Co-operation in Practice.* University of Bath, 1977.
- (5) *Report of the Working Group on a Co-operative Development Agency.* Cmd. 6972. 1977
- (6) Co-operative Development Agency Act. 1978.

## Appendix 1

### Retail trade by form of organisation, 1976 (% share).

	Belgium	Denmark	France (1971)	Eire	Italy	Holland	W. Germany	U.K.
Multiples	14.8	10.0	15.2	14.6	5.5	28.2	19.0	40.6
Department stores )			(4.2	6.5)				(5.0
Variety stores )	9.0	6.0	(	4.6	4.6	5.5	10.5	(
			(5.3	2.8)				(5.0
Consumer Co-ops	1.3	8.5	2.9	7.5	2.5	1.2	3.1	7.3
Mail Order	1.2	0.2	1.1	-	0.3	0.9	5.0	4.8
Affiliated independent retailers	7.8	20.0	15.6	7.0	8.5	31.4	40.7	17.3
Independent retailers	65.9	55.3	55.7	61.6	78.6	32.8	21.7	20.0

Source: National Census, Distributive Trades EDC (U.K.), Retail Trade Europe and Management Horizons (U.K.)

## Appendix 2

### Output and contract disposals for certain crops in the U.K., 1970/71

	Contract disposals*	Contract disposals as % total U.K. output	Value of Contract disposals
	'000 tons	%	£m
Potatoes (early (maincrop))	20 (400)	5	0.6
	539 (400)	13	7.8
Peas (green for processing)	163 (163)	82	8.5
Brussel sprouts	26 (11)	11	1.3
Broad Beans	27 (27)	71	0.6
Runner/French beans	36 (34)	37	1.9
Carrots	117 (83)	25	1.8
Beetroot	13	11	0.3
Onions (dry bulb)	12	11	0.4
TOTAL ALL VEGETABLES	-	-	26.4
Apples (dessert)	30	11	2.2
(culinary)	5	3	0.2
Pears (incl perry)	3	3	0.2
Plums	4	6	0.3
Blackcurrants	10	50	1.7
Strawberries	11 (9)	25	2.2
Raspberries	7 (7)	38	1.0
TOTAL ALL FRUITS	-	-	8.1

Source: Report of the Committee of Inquiry on Contract Farming. Cmnd. 5099, HMSO, London, 1972

\* figures in parenthesis relate to contract disposals for processing, where available.

Appendix 3 } of produce sold through Co-operatives in 1975 (%)

	<u>Milk</u>	<u>Beef</u>	<u>Pigmeat</u>	<u>Fruit</u>	<u>Vegetables</u>	<u>Cereals</u>
Germany	78	19	20	26	36	52
France	46	15	50	40	30	70
Italy	35	5	5	46	5	15
Netherlands	90	20	30	82	85	60
Belgium	65	small	15	35	50	15
Luxembourg	90	-----22-----		30-35	-	65-70
Eire	88	28	32	16	18	30
Denmark	87	60	90	55-60	50	40
U.K.	-	9	5	15 <sup>2</sup>	9	20

Source: EEC Commission. *The Agricultural Situation in the Community*

1. Based on estimates by Commission departments
2. For tree fruits alone the figure would be nearer 50%

Appendix 4

Distribution Society and Members by type of Co-operative in the U.K., 1967-1976

	1967		1974		1975		1976	
	Number of Societies	Members	Number of Societies	Members	Number of Societies	Members	Number of Societies	Members
A. Requisite or Supply Societies	152	222,907	111	192,423	108	190,302	108	188,053
B. Dairy Societies	20	10,441	18	7,749	18	7,606	18	7,351
Egg and Poultry Societies	21	46,826	14	35,293	12	29,510	14	28,775
Livestock Societies	70	20,710	92	26,331	90	25,451	82	25,916
Meat and Bacon Societies	17	10,592	12	9,218	13	9,358	12	16,273
Wool Societies	10	19,724	7	14,452	7	14,743	8	15,873
Miscellaneous Marketing Societies	110	32,374	20	8,412	22	8,508	21	2,157
HORTICULTURAL SOCIETIES	54	8,984	92	8,848	92	9,003	88	8,378
Total of above Marketing Societies (B)	302	151,651	255	110,303	254	105,179	243	105,723
C. Service Societies	816	75,158	30	7,555	26	6,346	23	5,951
TOTAL (A+B+C)	1,270	449,716	396	310,281	366	301,827	374	299,727

Source: Adapted from Plunkett Foundation for Co-operative Studies, Summary of Statistics



COMMUNITY CO-OPERATIVES - A HIGHLANDS  
AND ISLANDS EXPERIMENT

by

R.J. Storey\*

This article\*\* describes a pilot scheme, located chiefly in the Outer Hebrides of Scotland, for the encouragement of multi-functional co-operatives, of which seven have been formed - though only one is so far fully operational. It is concluded that successful response depends on a balance of individual advantage and community concern, the latter being more evident in areas of social and cultural homogeneity. Remoter settlements, notably on islands, may offer especially favourable conditions for initial local support. The community co-operative model is still evolving, and has a significant community development dimension.

The Highlands and Islands Development Board (HIDB) scheme followed a visit to Ireland in 1976, where the progress of community co-operatives in the Irish Gaelic-speaking areas was sufficiently impressive for their potential to be considered for the Highlands and Islands of Scotland. Most of the Irish groups (about twenty-five in all) have come into existence within the past ten years. Locally generated, they reflect concern with issues such as survival of the community in depopulating areas and preservation of the Gaelic language, as well as individual advantage. One of the largest has been involved in printing and publishing, horticulture, fishing, language-teaching, metal parts assembly, mechanised peat-cutting, a local photography service, water supply, and hire of earth-moving equipment. Not all the co-operatives pursue such varied programmes. Though all are multi-functional in fact or intent, many are heavily weighted in one direction, e.g. to agriculture.

---

\* Senior Social Development Officer, Highlands and Islands Development Board

\*\* This is an edited version of a paper presented at the International Seminar on Marginal Regions held in Dublin, 1979 and published with the permission of the Institute for the Study of Sparsely Populated Areas.

Though they have evolved relatively spontaneously, the Irish community co-operatives have been recognised by government to the extent of financial support for their administration, in addition to standard assistance for projects. Gaeltarra Eireann, a regional development agency, now employs a full-time co-operative liaison officer. It seems clear that the co-operatives are subject to most of the difficulties that beset small scale enterprises in remote locations, to the extent that it has been questioned whether many would survive without protracted state assistance. However, prima facie, the benefits in terms of employment, reduced emigration, improved services, and increased confidence reported by several observers could arguably outweigh the cost of subvention, which is of course considerable for most other forms of development in remote areas.

### The Outer Hebrides

It was decided to undertake the Scottish scheme in the Outer Hebrides (see map on page 103) a group of Gaelic-speaking islands where terrain, economy and culture bear a number of similarities to the West of Ireland. The population is about 30,000, inhabiting a dozen islands, the largest of which is Lewis (pop. 20,000). By the standards of many of the world's marginal areas the infrastructure is well developed. Good, though costly, air and sea connections exist with the mainland, and all roads in the island are paved. Electricity and water are provided to virtually all settlements. This affords an important contrast with the West of Ireland where provision of public services is less advanced and has often provided a strong incentive for support of co-operatives which have offered a means of securing them. In the Scottish situation, gaps are more common in commercially provided services. Thus several islands lack shops, though evidence suggests that the populations could sustain them. Three community co-operatives will in fact focus initially on provision of shops.

The economy of the Outer Hebrides is based on crofting (small agricultural holdings of 2-10 acres), fishing, textiles (weaving and knitting) and service activities. Fishing has seen a significant resurgence in recent years, but remains concentrated in seven or eight centres, except where practised on a small scale in combination with other activities. Occupational pluralism is a feature throughout, and reflects the marginal nature of crofting, whose importance in an area of poor land is often chiefly in providing a housing base and food for the family. The holdings, however small, are important in

confirming local identity. Though out-migration of individuals is high, there is a remarkable continuity of association of families with crofts over successive generations. The effect, compounded by extensive kinship ties, is the survival of communities whose members probably come as close to knowing each other as anywhere in 'rurban' Britain. (A locally produced telephone directory for the parish of Ness (pop. 2,400) lists subscribers entirely by nickname or Gaelic patronymic.)

Gaelic is still the language of most Hebridean homes, but all the population of school age and over also speak English. Religious adherence is notable, with the southern Isles mainly Catholic and the northern communities Presbyterian. Though the trend in the crofting townships is to individuation, activities are still quite often community based. A striking characteristic is the relative egalitarianism of Hebridean society, outside the one or two urban centres. The level of education is high. A larger proportion of children proceed to higher qualifications than in some Scottish cities.

The creation of the Western Islands Council, as a new unit of local government, following many years of administration from the other side of Scotland, has improved local prospects. Municipal policies have become much more appropriate to the area's special needs, and this has been reinforced by assistance to the local economy, notably in fishing, by the HIDB. Yet unemployment and out-migration continue at formidably high levels, and compared to other parts of the Highlands and Islands the Outer Hebrides remain a depressed marginal area. There has been some introduction of industry from beyond the islands, through financial incentives of the HIDB, but predictably on a much smaller scale than in areas more accessible to markets. The local value of such developments is of course often reduced by the routing of profits elsewhere, lack of control, and the vulnerability of branch enterprises.

As K.J. Alexander confirms<sup>1</sup>, the board has found that a better record tends to be achieved by locally-derived enterprises. In the Outer Hebrides, however, entrepreneurial individuals are not readily found among the islanders. The age groups from which they might normally be expected are much depleted by migration. Lack of capital and experience are additional problems, as are other difficulties of a remote location. There are also socio-cultural factors, ranging from the general insecurity of minority group members in their dealings with the world beyond, to more specific internal features. An example of the latter is the effect of the egalitarianism of the crofting community, in other respects a feature of strength and appeal. In this context individual initiative may sometimes

be regarded as socially pretentious, or otherwise threatening to local solidarity. It was defined by one Gaelic lexicographer earlier this century as "an emulation to be no better than my neighbours, a hateful characteristic of many crofters .... waiting for the other man to do it first".

In contrast, there are precedents which suggest that community-based initiatives offer promise. One of the most successful post-war developments in the Outer Hebrides was the re-seeding of land on a township basis, through local grazing committees. More recent was a national job creation programme, in which a remarkable variety of projects was undertaken, for the most part organised at community level, with a view to providing new or improved facilities for the social and economic life of the areas concerned.

Reaction to the idea of community co-operatives was tested and local response - often searching, sometimes negative, but on balance strongly in favour of the concept - was evaluated by the Board and a decision taken to promote a scheme, to last for two years in the first instance. Much of the public discussion at the time referred to the importance of 'self-help'. While the term was also used by the Board personnel in arguing for the scheme, there was concern to justify the approach not simply in terms of its populist appeal, but as an effective development programme (through local knowledge of resources, avoidance of constraints on individual action, economies of scale, retention and transferability of profits, etc.) The longer-term advantages of local control were acknowledged as likely to permit evolutionary development consistent with local values. It was also felt that if community action increased local confidence in the way hoped for, there might well be a greater response to other development incentives, as part of a general stimulus to awareness and interest.

## The HIDB Scheme

### Information

The Board's scheme was launched in November 1977 with the appointment of two field officers, both young Gaelic-speaking graduates from the Outer Hebrides, one covering the northern isles and the other the southern. Their function was seen as providing information and encouragement, but not the initiative required from the communities themselves. They made themselves available to any individual or group in need of facts or advice on the scheme, and acted as links with the Board's technical and financial specialists as required.

Copies were circulated of a handbook describing the work required to set up a community co-operative and the terms of Board assistance. In addition, special model rules for community co-operatives were prepared, and eventually approved by the Registrar of Friendly Societies. The field officers commonly worked initially through pre-existing local groups, e.g. community councils or development associations, but a condition required by the Board was that as soon as possible a public meeting should be held at which a steering committee would be elected, with responsibility for preparing a programme of co-operative activity to be presented at a further public meeting, for approval or rejection.

### Terms

Financial assistance to the co-operatives was made available as follows:

1. An establishment grant, to match funds raised by the community within an initial period and up to an agreed target figure (so far ranging from £5,000 to £15,000) usually six months after registration of the co-operative.
2. A management and administration grant sufficient to pay the salary of a manager and basic office and travelling expenses at a level of 100% during the first three years and at 50% in the fourth and fifth years, subject to an annual report on progress. This grant has averaged some £6,800 p.a. to date.
3. Standard assistance for projects undertaken by the co-operative, usually at a level of some 50% of total cost, in a combination of grant and loan (though in special circumstances a higher proportion of grant may be given).

Probably the most significant feature of these terms is the establishment grant, introduced largely as a result of information from Irish co-operatives on the problems of securing working capital. The 'matching' formula was devised to encourage greater local investment. Before the board agrees to make finance available the steering committee must submit a convincing programme to be undertaken when the co-operative is established. Evidence of thorough preparation, e.g. in the form of resource analysis, market research and costings, is required by the Board. At this stage such data is viewed as much as evidence of capacity of local people to plan realistically as of the likely viability of the projects concerned (this is further tested when each proposal is later

submitted for specific project assistance).

In judging applications, special importance is attached by the Board to the level of local funding. Share subscriptions are normally committed in the first instance in the form of promissory notes, converted into cash after the Board's decision is known. The appeal for funds is usually launched at the public meeting at which steering committee members present their proposals, and this meeting is attended by a Board member or senior officer as observer.

The Board has refrained from influencing choice of projects but has made a general statement to the effect that the scheme is not intended to provide competition for local companies or individuals already providing an adequate service. So far there have been few difficulties in this regard, though the issue will doubtless arise in the longer term. Interestingly, such tension as has arisen chiefly involves agricultural supply co-operatives covering a wider geographical area than the community groups.

### Progress

To date seven co-operatives have been registered - six in the Outer Hebrides and one in Orkney (the Board is now prepared to assist to an extent outside the original experimental area). Only one of the co-operatives (at Ness, in Lewis) has had a manager in post long enough to claim significant operational experience as yet. Some of the activities planned have been started, but have not yet progressed far.

There are signs of some of the hoped-for advantages of community being achieved. Collective thought and action have produced projects for development which have not emerged previously and which reflect local knowledge of resources (see table on page 104). Projects vary from small part-time activities, e.g. in craft production, to relatively large-scale ventures such as fish processing or storage plants. Facilities and services which were unlikely to be made available to individuals have been forthcoming both from within the community and from agencies, notably the Western Isles Islands Council, which has leased old school premises to co-operatives and is also encouraging them to tender for contracts in local house building, road-making, supply of vegetables for school meals, etc. Government schemes like the Special Temporary Employment Programme should find in the co-operatives the kind of community springboard which they need, and co-operative projects could in turn benefit greatly (assuming the programme's funding is not

reduced). The HIBD itself is likely to offer the co-operatives participation in development programmes, e.g. a Board fish farming scheme requiring conditions of management and joint servicing which could be provided by community groups of this kind. In another instance a community co-operative will undertake a Board-financed experiment in mechanised peat cutting in an area where there is a large proportion of elderly persons who have difficulty in obtaining fuel.

Several of the projects planned by the co-operatives reflect deficiencies in private and public provision. Thus two co-operatives (and one in Orkney) plan to provide shops where they are lacking. Another has a garage in mind, there being strong local objection to the fifty mile round trip to the main town for vehicle servicing - though no local individual operates a garage in the community concerned (pop. 2,400). (Interestingly, one of the co-operative members responsible for recommending and costing the garage project is himself a director of one of the garages in the town).

The performance of local committees in assessing their resources and preparing projects has been encouraging. This work has usually been done by assigning responsibility for each project to one or two individual members who investigate feasibility more closely. The range of skills in a Hebridean community can be surprising - a feature of the pattern of return to the islands of men and women who have led successful careers elsewhere in the U.K. or overseas. This has of course been a variable feature, and in very small islands, for instance, there may be a total lack of financial expertise. There has certainly been a good deal of initial difficulty for local people inexperienced in work of this kind, though the relatively high level of basic education has usually allowed this to be overcome with guidance. The growth of confidence in communities has been striking. Here of course the field officers, backed by technical staff of the Board. (e.g. in financial management and marketing) have had a crucial role. They have attended most of the early steering committee meetings, attempting not to be over-supportive but guiding the committee in the task of fitting projects into a total programme.

In some cases it has been necessary to spend much time in advising on basic procedures without which a co-operative would not be accepted by the Registrar of Friendly Societies. In contact with the general public, both before and after committees have been formed, they have had to stand ready to re-state general principles of the community co-operative,

notably its multi-functionality and also important specific features, such as the non-payment of dividend within the first five years. (In work of this kind there has been valuable assistance from staff engaged on a programme of community education in the Outer Hebrides, jointly funded by the Bernard Van Leer Foundation and the local authority.) The field officers have also had to act as middle-men in relation to Board headquarters in Inverness, where new procedures have had to be devised and advice given to staff more accustomed to dealing with professional and commercial applicants.

The field officers have had to give a good deal of assistance in the drafting of the application for Board assistance which the committee presents and signs. Ideally the Board's judgement is based on presentation as well as planning, but it is important to avoid the principle of 'to him that hath - or knows how to ask' which has in the past compounded the plight of many marginal communities. In most cases applications have been preceded by many months (rarely less than a year) of preparation by local committees. From the outset field officers have not given their services unless asked to do so, once they have made their availability known. Nevertheless the presence of a Board 'face' has been demonstrated as crucial in areas of this kind, where personal rapport is all important.

Local factors affecting response to the scheme are beginning to emerge, and will of course be significant in any assessment by the Board of potential for the rest of the Highlands and Islands. As has been stated, local people in the Outer Hebrides have had to make the first move to form a community co-operative by declaring their interest to the field officers. The problem of what constitutes 'the community' is at least partly removed for the Board, as the issue has had to be tested publicly by the proposers. There is perhaps less difficulty in this regard in island situations, and there have been relatively few instances of doubt as to what area of settlement should be covered. (The formation of local development associations and community councils in the few years preceding the scheme has also helped to clarify ideas on community groupings.) There appeared at first to be little consistency in the matter, with the populations concerned ranging from 110 to over 2,000, variations by no means being accounted for merely by differences in settlement pattern. Traditional social and cultural affinities have gradually appeared as well as economic linkages.



Settlement pattern has undoubtedly been significant in regard to the level of support given by individuals within the area. The solidarity felt by the relatively concentrated population of a small island can obviously be very great indeed, and it is a fact that the highest per capita contributions to community co-operatives have so far come from the smaller communities. Support has also been substantial in what has been called the largest village in Britain (Ness, in Lewis, pop. 2,400) which is on the same island as the main urban centre of the islands, Stornoway, but prefers not to depend on the services of this town, 25 miles distant. Leadership has of course been an important variable in the pattern of response. The extent to which strong and effective individuals have in some cases influenced the development of Irish community co-operatives is striking.

### Training

Inadequate training is well-known as a cause of co-operative failure and will obviously be crucial for the multi-functional groups in the Highlands and Islands. To prevent scarce resources being spread too thinly, it will be necessary to review the pattern of projects and existing skills of personnel as they emerge, and relate training to operational need as far as possible. So far visits have been arranged by the Board to allow members to study successful projects elsewhere, a seminar has been held on general responsibilities of management committees, and managers are given a brief induction course of discussions with Board specialists in Inverness on appointment. An accountant has been commissioned to advise committees and managers on financial control, and to prepare standard procedures in this field.

Much will depend on the ability of managers recruited. Here co-operatives have been faced with a difficult choice. Should they seek managers with technical versatility, or those most likely to establish rapport with the community (probably, though by no means necessarily, a local person), bearing in mind the special need for this in the Outer Hebrides? Experience to date has shown that it is difficult to find someone qualified in both respects. The question partly depends on the co-operative programme, and the extent to which it must rely on local goodwill, but it applies to a degree in all cases.

Interestingly, the four co-operatives in the Outer Hebrides which have so far appointed a manager have each selected an islander against technically impressive competition from outside. This is not without sense. The range of skills required is

potentially so wide as to favour the person of general capacity, a characteristic more readily assessed by local report than by paper qualifications and references. All but one of the committees have been well-aware of the dilemma. Interviews have been long and searching, concluding in one case at almost midnight.

The need for training is not of course confined to managers. It will be necessary to keep committees and ordinary members aware of their rights and responsibilities, an area sometimes neglected in conventional co-operative training and even more important in the community variety with its diffuse programme which can leave sectors of the population without visible benefit for varying periods of time. Although there is likely to be a contribution from bodies such as local authority community education departments, there will probably be a continuing role for the Board's field staff in this respect.

### Prospects

In considering local response it is important to recognise that it involves a quite substantial cash contribution from people of low income. This makes it necessary to distinguish two different aspects of the community co-operative. One is its appeal to local individuals or households in terms of direct material benefit, e.g. in better prices, the possibility of employment, or improved services. The attraction here is one of personal advantage - a central consideration in any conventional co-operative. Another no less important feature is the community dimension. This relates much less directly to individual advantage - indeed it may offer no material incentive in the lifetime of some subscribers. In the Outer Hebridean context it is usually expressed as a concern for the survival of populations in specific local settlements to which many people are very strongly committed. This is partly a matter of identity, reflecting long and continuous settlement and distinctive cultural values. Clearly the community co-operative must appeal as much on these grounds as in terms of personal benefits.

Against this background, what is the likelihood of successful extension of the scheme to other parts of the Highlands and Islands, assuming that the co-operatives established to date prove viable? In a number of respects the encouraging progress of the scheme in the Outer Hebrides may stem from special local conditions. Given the gaps in commercial and social provision which exist in this remote location it is not too difficult to fulfil the co-operative's function as

a provider of material improvement. This is not so readily achieved in less peripheral areas where facilities are more extensive.

In respect of social and cultural factors the Outer Hebrides also reflect favourable conditions for initial response. The area offers the strong and very local identity necessary for ensuring support on community grounds. The importance of its relatively egalitarian social structure and of its settlement pattern has already been mentioned. To these may be added a keen awareness of adversity, a feature which can of course lead to demoralisation but must exist in some measure if novel remedies are to be tried. Most of the crofting townships of the Outer Hebrides show such characteristics. Interestingly, in those which have effectively become suburbs of the main town of Stornoway, with many residents commuting to urban employment (though a large proportion also maintain crofts), there has been significantly less interest. Board staff have responded to a number of approaches from locations outside the Outer Hebrides, and with certain exceptions the response here has also tended to be less encouraging when the terms of the scheme have been explained. This is believed to reflect more social fragmentation (e.g. a larger proportion of incomers and formal employer/employee relationships) and less cultural homogeneity, as well as fewer obvious gaps in provision. There seems more promise in Orkney and Shetland, which have a strong egalitarian tradition and cultural distinctiveness. Indeed the only community co-operative established so far outside the Outer Hebrides is in Orkney, on the small island of Papa Westray (pop. 100), where the highest per capita contribution of all has been made.

The fact that co-operatives of the more conventional kind have not been more widely favoured in the Highland and Island periphery clearly bears examination here. Many factors are involved (A. McCleery discusses a number of these (3)). In addition to more general historical causes it is worth noting some simple features of scale in the remoter margins, notably the islands. Limitations on recruitment imposed by terrain are compounded by the fragmented economy of the area. Moreover such areas form a very small part of the British scene, in marked contrast with, say Scandinavia, where fundamental principles of co-operation are acknowledged in most areas of contemporary life. The support systems for co-operatives in Britain, e.g. advisory and promotional organisations, have until recently been geared to activity on a much larger scale.

Add to these features the introversion of small isolated communities, and it is understandable that members of such communities feel little identity with proposals for co-operative aggregation that do not appear to reflect their interests. The attraction of the community co-operative is that it corresponds to the community as most local people understand it, and in its diverse scope can more appropriately cover, in theory at least, the needs of occupational pluralism.

Some more active promotion will be started by the Board beyond the Outer Hebrides during the coming year, and it will be interesting to observe the result, though budgetary and staffing limits will impose restrictions here. It may be that if community co-operatives are successful in the Outer Hebrides motivation elsewhere may become so strong as to overcome social and other contra-indications.

Community co-operatives cannot yet be regarded as a panacea for the ills of the rural margin - though there has been a tendency to view them in this way. Short-term effects may not be particularly impressive. Employment likely to result from the present scheme could well be less than fifty jobs in the first three years. While there are obvious benefits in the democratic control of commercial undertakings, there are also classic operational difficulties, and these will not disappear overnight. Progress in the early stages will be slow, as committees and managers learn their parts. With little yet known of the preconditions for success, weaknesses in planning remain to be demonstrated. All this is in the nature of an experiment and the possibility of early failures is not discounted, though the cost of failure in the Highlands and Islands can be high in terms of general confidence. The surge of optimism which has resulted from the scheme to date could be as quickly reversed.

The community co-operative model may be said to be still in process of definition. Outside Europe there have been many ventures in multi-functional co-operation, from ujamaa villages in Tanzania to moshavim in Israel, but usually reflecting very different social and political contexts. Precedents in areas closer to our own situations are not much more illuminating. In the United States the example of Community Development Corporations is interesting but not yet appropriate. Within Europe, Mondragon has diversified impressively, but remains essentially a workers' operation. The Irish community co-operatives, though exciting in the

breadth of their promise for local development, are clearly still evolving as a system. They reflect a range of conventional co-operative interests - consumers', workers', producers', marketing, etc. - which they straddle somewhat uneasily\*. They have so far failed to come together in any kind of association, a step which the Highland and Island groups have not yet taken but seems crucial to provision of proper services (marketing, training, credit, etc.) and to ultimate success.

Icelandic local co-operatives probably come closest in Western Europe to the breadth of operation and political recognition which appear desirable, but their example is not wholly apt. They have evolved over eighty years from mono-functional groups whose single mindedness laid a secure foundation. Today the span and scale of their operations is quite remarkable, and must be at least partly responsible for the strength of the rural periphery in Iceland, but there is now a tendency for the system to be taken for granted by the ordinary member. A feature of the Icelandic scene is the strength of Samband, the federation of co-operatives, so powerful and efficient in its operation of central services (lending, marketing, training, etc.) that it is sometimes seen as inimical to local interests, though it is doubtful if many of the local groups could now survive without it.

It seems important that the Highland and Island scheme should help to establish more clearly the scope and institutional location of the community co-operative as it is developing in the U.K. (there is growing interest in Wales, where the first such group in Britain was established some years ago) and in Ireland. It is arguable that the model should be seen less as a co-operative, in any formal sense of the term, than as a structure for general community development, with flexibility a prime feature. This is an attractive view, and in fact comes close to Board thinking on the matter. However, there can be danger in the looseness of much community development theory and practice, which probably has as striking a record of failure as that of rural co-operation. To try to identify the community co-operative as an institution principally in these terms could be a slow process of uncertain outcome. There is obvious appeal in continuing to anchor the exercise in an established framework like the

---

\*J.M. Bryden (4) has listed succinctly a number of the imperatives which may act upon such groups.

co-operative movement, but it remains to be seen whether this will prove the best setting in the long term. There are clear initial advantages for the groups themselves - for instance the expertise of support bodies like the Scottish Agricultural Organisation Society - but it may not be easy for the British co-operative movement to accommodate the new structures, with their widely varying activities, and their concern to fulfil both social and profit rationales. A start has been made by acceptance of the special model rules, but a good deal more adjustment will be necessary. The existing co-operative apparatus will effectively have to be expanded to include a new category. Very possibly the movement and its criteria will prove sufficiently flexible, but this cannot be assumed.

#### References

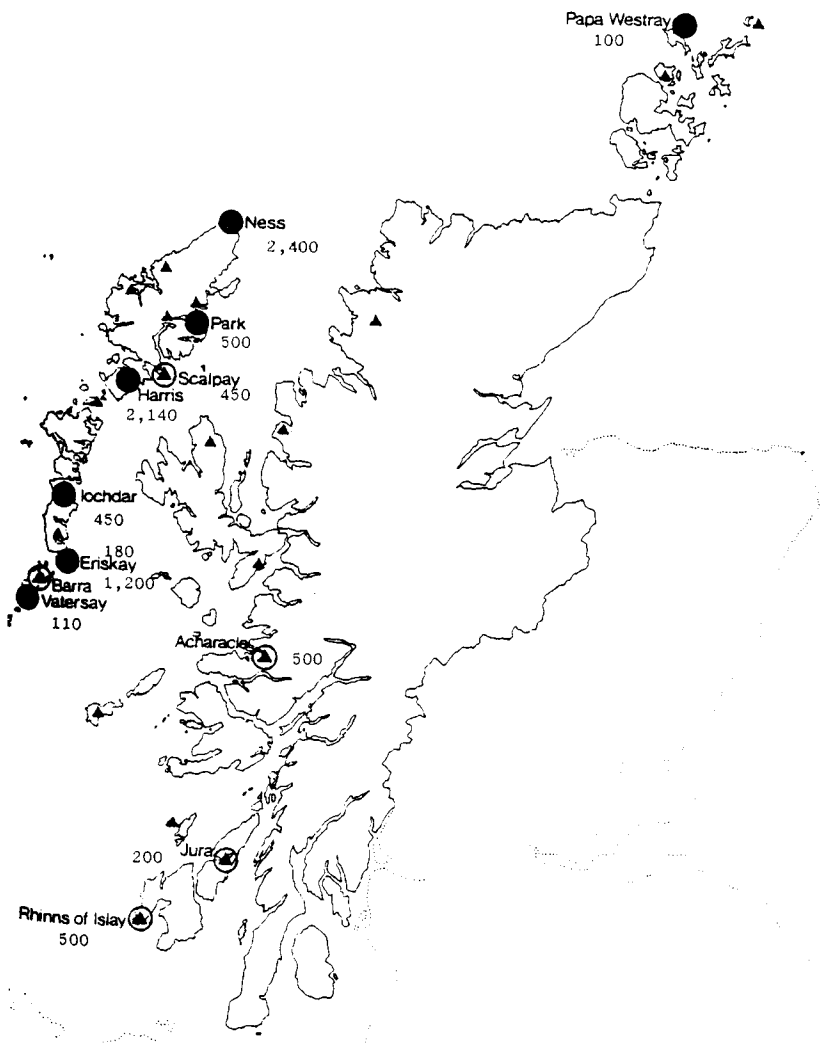
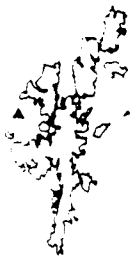
- (1) Alexander, K.J.W., *Local Initiatives*, presented at Fraser of Allander Institute seminar, Balmacara, 1978.
- (2) MacDonald, Father A., definition of coimhearp in *Gaelic Words and Expressions from South Uist and Eriskay*, ed. J.L. Campbell. Dublin Institute for Advanced Studies, 1958.
- (3) McLeery, A, *The Persistence of Co-operation as a Theme in Marginal Development*, for 5th International Seminar on Marginal Regions, Dublin, 1979.
- (4) Bryden, J.M., *A Speculative Look at Prospective Developments in Co-operation in the Scottish Highlands and Islands*. Fourth Co-operative Seminar, Plunkett Foundation, Oxford, 1979.

# Community Co-operatives

September 1979

Figures show approx. populations

- Co-operative formed ●
- Committee formed ▲
- Interest expressed ▲



COMMUNITY CO-OPERATIVES - RANGE OF ACTIVITIES UNDER CONSIDERATION (JULY 1975)

Category	Enterprise	Co-operative or Committee										
		Ness Park	Harris	Scalpay	lochdar	Eriskay	Barra	Vatersay	Rhinn of Islay	Jura	Acharacle	Papa Westray
Land	Land Improvement	X										
	Horticulture	X		⊕		⊕		⊕				
	Horticulture Nursery					X					●	
	Agricultural Machinery Hire	●					⊕				X	
	Agricultural Requisites	●				⊕		⊕		X	X	⊕
	Mechanical Peat Cutting	X									X	
	Egg Production			X							X	
Sea & Fish	Fish Farming		X	X							X	
	Lobster Ponds		X	X								
	Fish Processing			X			⊕					
	Slipway				⊕				X			
Building & Manufacturing	Sawmill										X	
	Building Contracting	X						X	X			
	Plant Hire		●					⊕	⊕			
	Workshop	⊕										
	Knitwear		⊕	X	X		●	X		X	⊕	
	Sheepskin Curing		⊕			⊕						
	Sealskin			X								
	Other crafts			⊕				X		X	X	X
	Bakery			⊕		X			X	X	X	
Services & Tourism	Museum/Exhibitions				X	X					X	⊕
	Hostel/Guest House	⊕										
	Garage											
	Shop	⊕		X		X	⊕		⊕		X	⊕
	Catering	⊕		⊕	X		●				X	X
	Community Hall					●			X			
	Transport					X			X			
	Self-catering Cottages					X	⊕		X	X		X
	Coal/Fuel			⊕					X	X		X
	Laundrette				X						X	
	Car Hire			X								
	Electrical Repair			X								
	Printing	X				X					X	

X Under consideration

⊕ Costed

● In operation



# THE CO-OPERATIVE MOVEMENT IN JORDAN

by

F. Howarth\*

## History and Background

The co-operative movement in Jordan started in 1952, and the co-operatives that were formed then were mainly agricultural credit and thrift societies on the Raiffeisen basis. They granted small seasonal loans to co-operative farmers not exceeding one year in duration and the maximum of about JD100. The establishment of several apex organisations like the Jordanian Co-operative Federation, the Co-operative Institute, the Co-operative Auditing Federation, and the Olive Processing and Marketing Co-operative Federation completed a rather intricate and somewhat top-heavy organisational set-up.

The 1967 war had a drastic effect on co-operative development because it resulted in losing more than 60% of the co-operative societies which were then situated on the West Bank. A new start was made with the Co-operative Law No. 55 in 1968 which provided for the establishment of the Jordan Co-operative Organisation (JCO) as a semi-private, semi-government institution, handling all co-operative affairs in the country. The JCO absorbed the functions of the formerly existing apex organisations and the government co-operative department. At the same time the most important sector of the co-operative movement, the agricultural co-operatives, were re-organised by amalgamation and new, bigger units called multi-purpose agricultural co-operatives were formed, intended to render a full spectrum of agricultural co-operative services.

The general development of the co-operative movement can be seen by the figures in Table 1.

---

\* Co-operative Adviser to the Jordan Co-operative Organisation

Table 1

Development of Co-operative Movement in Jordan 1954 - 1978

YEAR	No. of Societies	No. of Members	Paid-up Capital JD	Reserves JD	Remarks
1954	50	2,091	8,643	3,230	
1959	247	14,520	33,086	56,328	
1964	636	30,969	307,667	151,024	
1968	472	27,782	117,322	123,703	See Note 1
1973	515	34,361	427,291	161,708	
1974	236	15,431	656,458	203,579	See Note 2
1975	274	20,042	960,503	371,902	
1976	346	29,325	1,958,825	544,157	
1977	296	28,725	3,425,630	658,607	See Note 3
1978	310	29,605	3,847,693	875,470	

Notes

1. Occupation of the West Bank took place after the 1967 War. Figures since then do not include West Bank Co-operatives. At the time of the occupation there were 238 co-operatives with 14,377 members, capital of JD 227,366 and reserves of JD 113,076

2. Between 1973 and 1974 around 300 school co-operatives were transferred over to the Ministry of Education for supervision and were therefore excluded from the figures from 1974 onwards.

3. The decrease in the number of co-operatives is caused by amalgamation and creation of bigger units, as the figure for capital and reserves show.

Functions, Objectives and Structure of the JCO

The JCO represents all co-operatives in Jordan and it is a full member of the International Co-operative Alliance. Its main functions are:

1. The promotion and supervision of co-operative societies. This involves registration, liquidation, supervision, audit and in some cases, management of co-operatives.

2. To act as banker for co-operatives and their members. This involves loans of all kinds, collecting spare funds in current, deposit, and savings accounts.
3. The provision of technical advisory services to co-operatives and their members.
4. Supply and marketing of agricultural items.
5. Training and education of its own staff and also the members, committees and staff of co-operatives.

(2 and 4 are cost-covering operations which are now yielding a surplus each year.)

The JCO management policy-making body is a board of directors with ten members; five from co-operatives and five from government. The director general is also the president of the board of directors and is appointed by the cabinet.

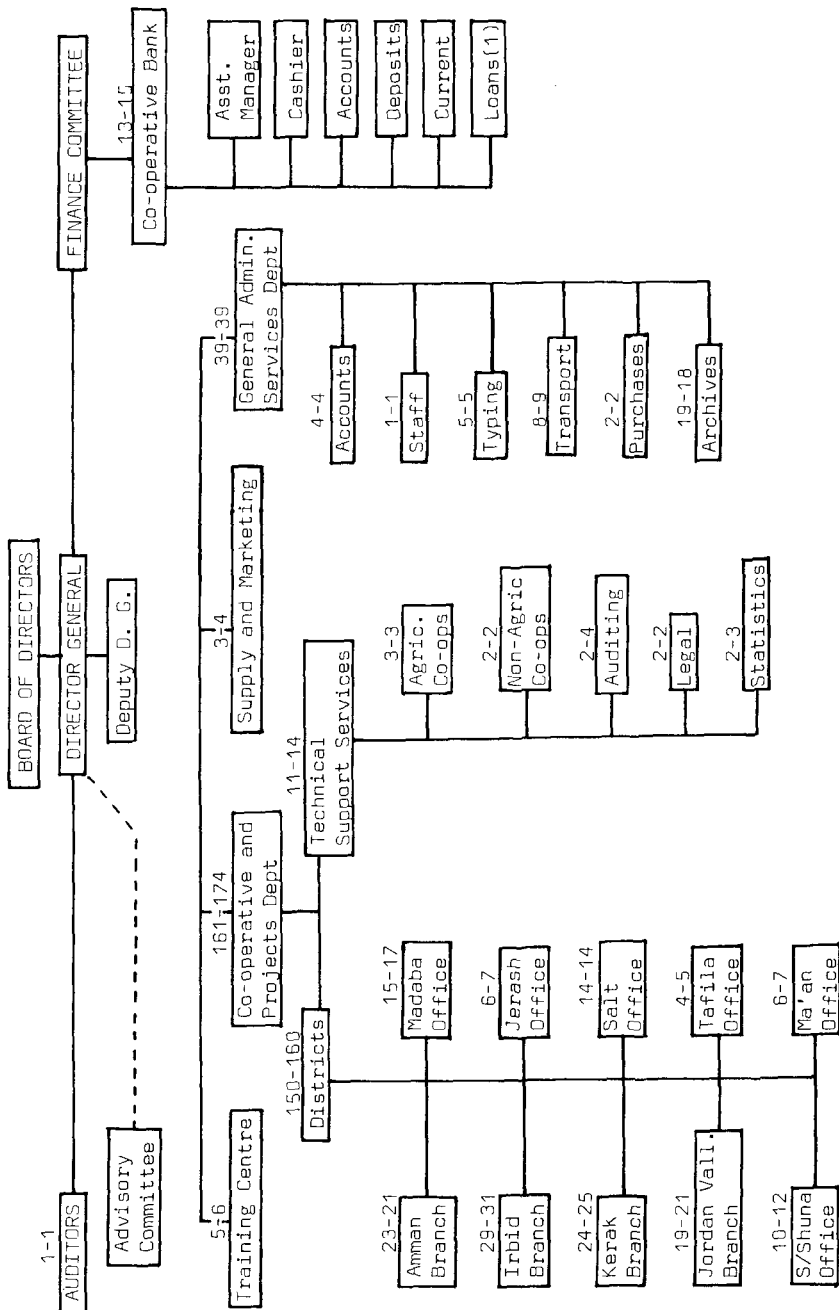
To carry on its work the JCO is organised as shown on the chart (Table 2). The co-operative bank operates as a wholly owned subsidiary with separate accounts. The supply and marketing department does not have the same degree of autonomy but it does have completely separate accountability and has an agreed overdraft with the co-operative bank on which it pays the commercial rates of interest. There are four branch offices of the JCO and six sub-offices giving complete coverage of the Kingdom.

The JCO now employs a staff of 243. Of these 43 are agricultural graduates, and 50 are graduates in other disciplines. Staff working in the field, in the branch or sub-district offices, or in the co-operatives themselves are around 160; the remainder work in one or other of the headquarters departments.

The institutional set-up has many advantages as a base for development over the more common "dual" system found in many countries. It avoids the dichotomy which often exists between the "department" (i.e. the department of government responsible for co-operative development) and the "movement" (i.e. the independently registered co-operative societies.)

Table 2

Jordan Co-operative Organisation (East Bank Only - July 1978)



Note: Figures on the left are staff members for 1977 (Dec.), and those on the right are for 1978 (June).

This does obviously involve a loss of democratic control, but in a country such as Jordan (and many others in the developing world are not all that different) this does not mean any fundamental change, since traditional socio/political authority structures would prevail anyway. Western style democracy is just not a practical possibility, so it would be unrealistic to compare with such a situation.

Of the many advantages arising from the unitary structure of the co-operative movement perhaps the most important is that it has allowed government direction, guidance, and help without the stifling hand of civil service control and domination. The freedom to develop commercial initiatives, coupled with financial support from the Central Bank and outside governments, have been the key material factors behind the dynamic developments which have occurred. In the more usual "dual" institutional arrangements both of these factors are often precluded. Cost covering criteria have little force within a government-controlled and civil service-staffed operation. Similarly a completely independent co-operative movement could not have attracted finance in the required amounts.

### Promotion and Development of Co-operatives

The lending policies of the Jordan Co-operative Organisation have been conceived and are being implemented in the context of its overall strategy for co-operative development. Side by side with its strategy for the development of co-operative institutions, there is a parallel need to help the current generation of small and medium sized farmers and artisans, which involves the fullest possible participation in the projects and programmes of other ministries as well as the initiation of projects by the JCO itself.

The general strategy for co-operative development is based upon past experience in Jordan and in many other countries, and above all, on the priorities set by the government's overall development plans. Experience has shown that the problems which are most difficult to overcome in the rural sector are those surrounding the provision of capital to finance new technology and new methods. There are two parts to this problem; first the difficulty in persuading banks to lend to small farmers who have little or no security, and secondly the problems of management, control, and direction, (both of the new technology itself and of the communal assets), by farmers with little or no

business experience. The two aspects of the central problem are being faced by JCO and its whole operation is based on overcoming them. Farmers are grouped together into agricultural multi-purpose co-operatives on the basis of their common interests. Each is provided with a full or part-time manager who is usually of agricultural degree level and whose salary is initially paid completely by JCO. Each co-operative is then classified according to the stage of its development and contributions towards the manager's salary are paid according to a sliding scale based on the society's ability to pay. Some societies are now at the stage where they can and do meet all the cost of their manager's salary, whilst others are still just beginning to accumulate their communal strength.

The long-term objective is that a co-operative should be fully self-sufficient within ten years of its registration. This period is based upon experiences in Jordan and elsewhere which indicate its suitability for a new institution to really prove its worth and develop its services so that it receives sufficient support from people in its area to sustain its continued growth. In general, unless there are some exceptional mitigating circumstances, co-operatives which do not develop within this time scale are liquidated after around five years.

The main thrust in recent developments has been in the agricultural sector (in line with government's development plans). There are now over 11,652 members of 139 agricultural multi-purpose co-operatives with a paid up capital of over JD450,000 and reserves of over JD250,000. These co-operatives are providing a range of services which include seasonal and medium term credit, agricultural supplies and technical services in close collaboration with the Ministry of Agriculture. Co-operative members are involved in all the main agricultural activities in Jordan, including fruit and vegetables, wheat, barley, tobacco, sheep and cattle rearing and milk production. Tables 3 and 4 give an indication of co-operative penetration in the agricultural sector.

There has also been a steady growth and consolidation of other types of co-operative, including many successful urban-based savings and credit societies, artisans and craftsmans societies and few housing co-operatives. There are 171 non-agricultural co-operatives with around 17,943 members.

Table 3

Land Use By East Bank Co-operative Members Compared with Total Area Cultivated  
(in Dunums and Percentage)

DISTRICT	Fieldcrops			Vegetables			Fruit		
	District	Co-ops	%	District	Co-ops	%	District	Co-ops	%
	Amman	552,718	93,436	16.9	22,821	20,082	88.0	78,975	20,670
Balqa	43,672	35,811	82.0	3,398	3,162	93.0	32,775	23,310	71.1
Irbid	829,105	165,823	20.0	57,785	18,085	31.2	240,011	52,802	22.0
Karak	362,280	234,332	69.9	2,917	2,335	80.0	20,340	17,289	85.0
Ma'am	91,229	52,908	58.0	402	242	60.1	3,899	2,535	65.0
Jordan V.	80,566	32,226	40.0	176,651	78,776	44.5	33,230	6,696	20.0
Total	1,959,570	614,536	31.3	263,976	122,682	46.4	409,232	123,252	30.1

Note: In Balqa (Salt, Madaba, and Karak the co-operatives cover all villages in the District, but this degree of coverage has not yet been reached in other districts.)

One dunum equals one tenth of an hectare.

Table 4  
Animal Husbandry By East Bank Co-operative Members Compared Total Livestock  
(1976 and 1977)

Type of Animal	1976			1977		
	No. in Kingdom	No. in Co-op	% 1976	No. in Kingdom	No. in Co-op	% 1977
BROILERS	19,200,000	3,250,000	17	22,660,000	4,795,000	21.2
LAYERS	300,000	40,000	13	1,329,300	126,000	9.5
FOREIGN DAIRY CATTLE	10,000	2,000	20	7,288	1,724	23.6
SHEEP	713,000	34,000	5	859,190	49,781	5.5



## The Co-operative Bank

The Co-operative Bank is a wholly-owned subsidiary of the Jordan Co-operative Organisation. The bulk of its on-lending funds come from the accumulated reserves of the JCO and from the Central Bank of Jordan. Smaller amounts come from loans from the U.K. Government and from the West German KFW Bank.

Lending operations have been mainly concentrated in the agricultural sector and have been made to small farmers. Approximately one half of the outstanding loans are for seasonal periods (i.e. up to 14 months), and the other half on medium or longer term. Most of the latter is committed for less than five years. Table 5 shows the share of the agricultural credit market obtained by JCO and Table 6 the lending operations during 1978. Table 7 gives a general idea of the development of Bank's lending operations over the last five years.

The qualified managers are the cornerstone of the JCO's strategy for developing the co-operative institution as well as the farmers themselves. Loans are merely one part of a package which includes farm planning, extension advice, as well as financial and commercial information services. Seasonal credit is made available to a co-operative on the basis of the farm plans agreed with the manager and the JCO district and HQ staff, each member's involvement being determined by his record as a farmer and as a member of the co-operative. The manager is responsible for aggregating the needs of each of the members for seeds, chemicals, fertilisers and small items of farm equipment and these are met from an overall seasonal credit amount which is negotiated each year for each society.

Medium term credit i.e. loans for longer than a year but not more than nine years are made on the basis of a technical appraisal of the proposed uses by managers with the help of the Ministry of Agriculture and staff and the audit (accountancy) staff of the JCO. These applications pass through the district directors to the HQ technical and project staff who advise the financial committee of the JCO responsible for approving loans. District Directors often reject applications because the information is obviously insufficient to support the loan request or because some other aspect of the loan procedures has not yet been met. When this is done the director meets the farmers or the Society concerned to explain the rejection and help plan and present their project.

Table 5  
Market Shares - Institutional Agricultural Credit

	MARKET SHARES AS % OF TOTAL						
	1973	1974	1975	1976	1977	1978	
<u>INSITITUTIONS</u>	%	%	%	%	%	%	
AGRICULTURAL CREDIT CORPORATION	71.6	62.1	62.3	54.1	46.7	39.8	
COMMERCIAL BANKS	20.3	29.1	25.3	28.7	36.5	43.6	
JORDAN CO-OPERATIVE ORGANISATION	8.1	8.8	12.4	17.2	16.8	16.6	
T O T A L S	100.0	100.0	100.0	100.0	100.0	100.0	

Table 6  
Loans Issued And Outstanding For the Year Ending December 31st, 1978

Description	Outstanding at 1.1.78	Issued During Year	Repayments During Year	Outstanding at 31.12.78
Seasonal	1,435,982	1,735,788	1,421,220	1,750,550
Medium and Long	1,921,585	1,292,065	589,701	2,623,949
Others	35,708	-	8,163	27,545
TOTALS	3,393,275	3,027,853	2,019,084	4,402,044

- Notes:
1. "OTHERS" includes co-operatives under liquidation and two old projects handed to JCO from the 1960's.
  2. The percentage of repayment on time was 84.45.
  3. Less than 4% of the seasonal/short loans were for non-agricultural purposes.
  4. Less than 2% of the medium and long term loans went to non-agricultural purposes.
  5. All long term loans are agricultural and have been made only with funds earmarked for that purpose e.g. part of UK 1973/5 loan, and the whole of the Kuwait and Iraq loans.

Table 7

The Development Of The Co-operative Bank  
(East Bank Only)

Year	New Loans Issued JD	Repayments Received JD	Outstanding Loans At End Of Year JD
1972	-	-	410,089
1973	443,355	328,500	524,944
1974	561,550	407,746	678,748
1975	1,156,384	508,538	1,326,594
1976	2,205,688	920,919	2,611,363
1977	2,054,340	1,272,428	3,393,275
1978	3,027,653	2,019,084	4,402,044

Long term loans are, in general, only made to co-operatives and not to individual farmers. To qualify for consideration a society must have funds deposited with the JCO to cover a proportion of their needs. Long term loans are now only made with long term funds provided for that particular type of lending, e.g. the British (1973-85), Kuwait, and Iraq loans, specifically earmarked for co-operative buildings.

### Agricultural Supplies

The JCO began its involvement in this business in 1974 mainly through its association with project fertiliser. Since that year the business has been developed in amount and in scope. JCO now imports many items of agricultural supply and has also negotiated central invoicing and supply arrangements with some private companies and businesses who have sole agency rights on certain farm inputs. The latter have effectively reduced prices and improved the reliability of delivery dates for the items concerned.

Originally the supply business was conducted on the basis of order collection, followed by delivery some time later when the supplies had been obtained. It was soon realised however that the only way to really compete strongly was to carry stocks of the main items for immediate delivery and, if possible, obtain the sole agency rights for some key items.

Land was acquired south of Amman, and a bulk store of 1,500 square-metres has been purchased under the U.K. 1977 Loan Agreement. The store became operational by March/April 1979.

The JCO initiatives in this activity have improved the availability of agricultural inputs for the small and medium sized farmers. In addition the supply business has become an important contributor to the funds of the JCO through its annual net surpluses. Another very real benefit has been the effect on market prices of the JCO intervention. This was particularly marked with fertiliser where reductions of up to 14% in market prices were recorded after the major market interventions of 1975 and 1976. The JCO is now the largest single supplier of fertiliser in Jordan.

A carefully selected expansion in the range of commodities dealt in was undertaken during 1976, 1977 and 1978. The supply of seeds, of agricultural chemicals, of small items of equipment such as knapsack sprayers, led to larger deals involving the purchase of the total supply of the local plastic

manufacturer for several months, the supply of the large plastic greenhouses in the Jordan Valley, the import of animal feed concentrates, the setting up of a number of relatively small animal feed mixing plants owned by local co-operatives and direct importation of the bulk fertiliser and chemical items.

Table 8 (on page 122) gives a general idea of the size of the business in the various commodity groups in 1978.

### Training and Education

Training of JCO staff and the managers, committee and members of co-operative societies is organised by the Co-operative Training Institute which operates as a department of JCO. The activities of the Institute were assessed and re-directed during the latter half of 1976 so as to give maximum priority to the ongoing operational training requirements and the development needs of the next few years. Plans for the immediate future include:-

- a. Short courses (one or two weeks) for the field staff with mainly agricultural experience, in financial accounting and in farmer credit counselling and farm planning.
- b. Management courses of similar length for JCO district staff and Society managers.
- c. A series of one-day schools for conferences are being held in various parts of the country. These are attended by society members, JCO staff, the staff of other ministries and institutions as well as the committee and manager of the Society operating in that area.
- d. The mobile cinema is in constant use and has a full programme each year.
- e. Directors of the districts meet each month in Amman to discuss the implementation of local, national and overseas training with the Director of the Training Institute. This is one item on the agenda of their regular monthly meetings.
- f. Evaluation, and the follow-up visits to course participants are part of the field department's regular routines.

During 1977 and 1978 the JCO has offered tailor-made training courses and/or study tours for co-operative extension workers from Afghanistan and Bahrain. In 1978 a more formalised course of training and attachments was arranged for ten employees of the Confederation of Yemeni Co-operative Development

Associations. The course was financed by the U.K. government and lasted for six weeks.

### Future Plans and Prospects

When one measures the achievements of the JCO and its affiliates against the 5 Year Plan they show up quite well. There has been quicker and more widespread development in some aspects than planned. For example:-

- a. Increased seasonal, medium and long term lending by the Co-operative Bank, financed by funds provided by the Central Bank, Britain, Kuwait, Iraq and by West Germany, as well as its own funds.
- b. Increased agricultural supply sales.
- c. Starting agricultural multi-purpose co-operatives in new areas, and expanding the activities of the existing ones.

On the other hand, for one reason or another, progress has been less than planned in the following areas:-

- Non-agricultural co-operatives in general.
- Education and training.
- The improvement in the financial strength of agricultural co-operatives, (as distinct from that of the individual farmer members).

The task for the future is to keep up the momentum of the existing expansion, to review the plans set out in the 5 Year Plan and discard the ones that need changing and then decide which of the relatively neglected plans should now be given more attention. An outline of the strategy for development over the next few years is given in the paragraphs which follow.

Continue to develop all activities which improve the overall financial strength of the JCO and of its affiliated societies. This involves continued expansion in the lending of the Co-operative Bank, with an emphasis on increasing medium term lending up to a point where the repayments coming in each year are sufficient to finance the demand for new medium term loans. Clearly this situation will be reached sooner if the period of lending is kept as short as possible. A maximum of 5 years, with the bulk of the loans for shorter periods than this will be the overall policy here.

The expansion of agricultural supply activities and the introduction of new lines, obtaining the agency rights for a few selected lines will be an important objective over the next two years.

More determined efforts to attract surplus funds of members and co-operatives will be made. Branch banking possibilities exist in Irbid and the Jordan Valley and these will be investigated.

The vexed question of interest rates seems to be unanswerable in the conditions prevailing. The fact is that many farmers could very well afford to pay a more economic rate of interest on their loans. Investigation of their costs and profits show this. Some Jordan Valley farmers have been able to recoup the whole of the capital cost of their greenhouses in the first season. The JCO cannot move alone on this topic, but the rates being charged at the moment are really negative, when one bears inflation in mind. If lending rates were at say 12% to farmers it could then offer a rate of interest on deposits which would attract funds. This would allow a slightly better margin to co-operatives on condition that receipts are used to increase their financial strength. A further advantage would be that the higher rate may ration the available loanable funds so that capital would flow into projects offering the highest potential returns. There is little doubt that with a completely rational use of interest rates in Jordan the JCO would be able to attract loanable funds from within the country instead of continuing to look to government for government loans in the future. This would be a wholly desirable development since any business organisation which is predominantly dependent on government is likely to find its development intermittent and haphazard at the very least.

The need for current surpluses cannot be too much emphasised. However as long as the JCO operates as a government department and not as a fully independent private organisation so long will it need to look to government for contributions to its current budget and to its capital funds. Many aspects of the JCO's activities are not, and cannot be, profitable or even cost covering. However it is difficult to convince Ministry of Finance officials that the amount they are called upon to pay to the JCO each year is not in fact a subsidy. Moreover the more the JCO succeeds in developing its own profitable operations the more difficult it will be for these officials to appreciate why the JCO needs government money at all.



In addition to the above there is a need to look at those aspects of the JCO objectives which have been relatively neglected over the last few years. A more broadly based training programme which would provide for the staff of the JCO, the staff of co-operatives, and something for the committee and general membership would cost a great deal to finance and can only be contemplated if a large proportion of the finance comes in the form of a grant from outside donors. If the necessary finance can be obtained, the JCO would be prepared to invest some key personnel into such a project and there would then be scope for offering a more continuous service in training to other Arab countries as well.

The prospects for developing non-agricultural co-operatives are not so clear cut. Arab trading structures are not, on the whole, favourable to co-operative penetration. The only successful consumer co-operatives ever to exist in Jordan (and the rest of the Arab world is not a lot different on this point) have relied upon a "common bond" formed by a closed community, such as that on a university campus or an industrial campus remote from ordinary competition or cut off from it by a decision of the campus controllers.

The only other field in which development seems likely to show significant progress is in the housing co-operatives. A specialist visited the JCO during 1979 to advise on the possibilities in this regard.

Other matters which will receive attention in the immediate future are:-

- modernising and improving the record keeping and data collection methods. Some use of electronic data processing is being considered.
- the development of objective criteria for measuring the performance of staff.

Table 8

Agricultural Supply Turnover 1978

Description	Amount JD	%Total
Fertiliser	432,317	34.6
Plastic Greenhouse Etc	170,799	13.6
Chemicals & Seeds	250,888	20.0
Poultry Feed	388,351	31.0
Others	8,424	0.8
TOTALS	1,250,779	100.0

Jordan Co-operative Organisation

Consolidated Trading Account for Year Ending December 31st, 1977

	JD	JD
Sales		660,049.628
Purchase	606,934.164	
Add Stock to Begin	<u>36,143.915</u>	
	643,078.079	
Less Stock to End	<u>62,186.874</u>	
	580,891.205	
Direct Expenses	<u>21,809.600</u>	
Cost of Goods Sold		<u>602,700.805</u>
Gross Profit		<u>57,348.823</u>

Consolidated Profit and Loss Account for Year Ending December  
31st, 1977

	JD	JD
<u>Income</u>		
Gross Profit from Agric Supplies		57,348.823
Interest Receivable		171,420.052
Audit Fees	11,834.600	
Societies Cont. to salaries	6,480.000	
Supervision and Promotions (Govt)	149,130.000	
Other Income	<u>7,919.579</u>	<u>175,364.239</u>
		<u>404,133.114</u>

Expenditure

Personnel Expenses	278,277.512	
Travel and Subsistence	20,256.380	
Administration Expenses	18,909.266	
Financial Expenses	60,110.608	
Training and Public Relations	11,303.040	
Board Meeting Expenses	1,924.000	
Subscription, Fees etc	505.360	
Indirect Supply Section Expenses	1,664.302	
Society Subsidy	1,975.750	
Depreciation	<u>10,424.035</u>	
		405,350.253
Less Net Deficit		<u>1,217.139</u>
		<u>404,133.114</u>

Consolidated Balance Sheet as at 31st December, 1977

	JD	JD
<u>Fixed Assets</u>		
Building, Furn. Vehicles etc		127,689.325
West Bank Loan		427,075.584
Investment		4,200.000
Medium/Long Term Loans		<u>1,897,323.673</u>
		2,301,288.782
<u>Current Assets</u>		
Debtors (Less Provision)	266,311.948	
Seasonal & St. Loans	1,695,951.545	
Stock	63,636.954	
Expenses - Advances etc	478.435	
Accrued Interest	54,902.345	
Cash in hand and at Bank	<u>253,068.929</u>	
	2,334,370.156	
<u>Less. Current Liability</u>	<u>838,756.193</u>	
<u>Working Capital</u>		<u>1,495,613.963</u>
<u>Total Net Assets</u>		<u>3,796,902.755</u>
Represented by:-		
Capital and Reserves	1,491,860.408	
Less Deficits	<u>44,865.100</u>	
	1,446,995.308	
Long term loan	<u>2,349,907.437</u>	
		<u>3,796,902,745</u>

## PROBLEMS OF AGRICULTURAL CO-OPERATION IN TURKEY

by

Haşmet Başar\*

The agricultural co-operative movement has a vital role within Turkish economic development. Agriculture still employs 60 per cent of the Turkish population, and accounts for 30 per cent of national income. Economic development still depends on improvements in the performance of the agricultural sector, and agricultural co-operatives are the primary agents of such improvements.

Turkey is unique among the developing nations in having a long history of agricultural co-operation. The Turkish agricultural co-operative movement dates from 1863, almost as early as similar organisations originated in Western European countries. From this early start stems an important distinction: in Turkey agricultural co-operation is home-grown, unlike the foreign systems imported by most other developing nations.

The succession of wars that brought the Ottoman Empire to an end also destroyed the successful early co-operative movement, and one of the tasks initiated by Kemal Ataturk was to develop a new and strong agricultural co-operative movement within the new republic. It was hoped to increase agricultural efficiency and output, an increase necessary to improve the incomes of the sadly-neglected Turkish peasants, and to provide increased foreign exchange earnings. Ataturk took a personal interest, and the necessary legal framework was provided by Acts of Parliament, but the movement failed to achieve general success. The need to improve agricultural efficiency has continued, so successive governments have attempted to bolster the co-operative movement, but most attempts have had at best limited success but more commonly, failure.

This crucial failure is attributable to the government's co-operative philosophy. They have seen agricultural co-operative movements as administrative organisations which, once established, will attract members, and will somehow generate a co-operative feeling amongst them. In fact, the most successful co-operatives starts as associations of members with a given interest in collective self-help, and the organisation necessary will grow out of the perceived needs of the members. In other words, Turkish governments have sought to establish an agricultural co-operative movement

---

\* Professor at University of Bursa

from the top down, rather than encourage the growth of a genuine co-operative spirit among farmers at the grass root level. Government involvement, in establishing agricultural co-operatives and co-operative institutions, has thus served to retard rather than advance the movement's success.

Successive governments have had different co-operative policies, and this lack of continuity has created problems for the movement. Similarly, a lack of co-ordination between different government departments concerned with agricultural co-operatives has often resulted in co-operative societies and institutions having conflicting policies applied to them at the same time.

The weakness of the movement as a consequence of governmental involvement is evidenced by a rapid increase in the number of societies - the result of government encouragement - but marred by a marked decline in the average membership. In 1962 there were 2,127 agricultural co-operatives with an average membership of 681, and by 1978 the number of co-operatives had risen to 13,345 but the average membership had dropped to only 253. This shows a very basic weakness because the strength of the movement as a whole is built on the strength of the basic unit, the society, and very small societies are rarely economically viable.

Proliferation of small societies has been encouraged by governments in several ways. The primary motivation of farmers establishing societies has been to obtain some kind of government assistance, usually financial. Since the mid 1960's governments have pursued a policy of diversifying the movement into new activities such as irrigation and forestry but the farmers, only interested in obtaining state benefits, have formed their own societies, usually on a village-by-village basis, these small societies are efficient at obtaining government aid, but at little else, and government departments have failed to insist on the establishment of larger area societies.

By far the largest contributors to the dramatic increase in the number of societies have been the village development co-operatives, which increased in number from 400 in 1967 to over 7,000 in 1978. In 1965 the government produced a scheme with the twin objectives of increasing the inflow of foreign exchange and diverting that exchange into rural areas to promote agricultural development. The Turkish government came to an arrangement with Western European governments that allowed a number of Turks into Western

Europe to work. It allocated foreign employment and under a special scheme priority could be obtained by rural workers who were prepared to establish village development co-operatives, which were to be financed from their wages. Thus these societies grew out of a desire for higher earnings, without any real commitment to rural development. Remittances were often limited, investments mismanaged, and as investments showed little or no return, payments to the co-operatives usually dried up. As a result many societies were established, but achieved little advantage for rural Turkey. These schemes foundered in the years after 1972 when recession in Western Europe cut the demand for migrant Turkish labour.

Trends since 1972 show a glimmer of hope for agricultural co-operation in Turkey. That sector of the movement still most closely involved with government support, whether it be direct or through such institutions as the Agricultural Bank, generally continues to achieve very little. One section of the movement, though, has shown remarkable success. Some of the village development co-operatives, realising that employment abroad was no longer available, and under the influence of keen co-operators, decided to start taking an interest in genuine co-operative self-help. The societies themselves formed a central co-operative union, KOY KOOP, without government assistance. This union and its member societies were remarkable for both their democracy and their efficiency, and have been particularly successful in filling member-farmers' needs. They have provided members with low cost agricultural input items, especially agricultural machinery, by buying on a large scale. They have also succeeded in utilising economies of scale to export members' produce and thus finance its imports of machinery.

If the Turkish agricultural co-operative movement is to be a successful agent of economic development in Turkey, it must be free from governmental influence and grow from the bottom up, reflecting a spirit of co-operative self-help among its members. Apart from the notable exception of the successful sugar beet producers' co-operative, which does serve its members' interests, despite a close functional relationship with the State Sugar Corporation, success in Turkish agricultural co-operatives is equated with freedom from governmental control. Successive governments have hampered the progress of the co-operative movement by exercising de facto financial and administrative control, and if Ataturk's vision of a prosperous nation based on a prosperous agricultural sector is to be achieved, then co-operatives must be free to co-operate in a genuine spirit of self-help.

Number of Co-operatives and Members in Turkey (at end of 1978)

	Provincial Union	National Union	Number of Primary Co-operative Societies	Number of Members
Village Development	56	1	7,070	847,900
Agricultural Credit	16	1	2,099	1326,900
Agricultural Marketing	23	-	804	266,100
Irrigation	3	-	1,449	91,340
Forestry	-	-	1,107	44,130
Husbandry	-	-	388	41,050
Fishery	1	-	301	76,000
Tea Producers	-	-	96	69,650
Sugarbeet Producers	1	-	19	614,182
Land Reform	-	-	12	1,427
Housing	-	-	16,063	490,000
Consumer Retailing	1	-	2,601	183,000
Small Trader	26	1	722	416,000
Artisans	-	-	530	102,100
Transport	1	-	738	26,760
Electrical App.	-	-	13	918
Insurance	-	-	6	2,250
Education and Publication	-	-	11	3,200
<b>TOTAL</b>	<b>128</b>	<b>3</b>	<b>34,029</b>	<b>4,602,907</b>

Average Member per Agricultural Co-operative      253  
 Average Member per non-Agricultural Co-operative      59  
 Average Member per Co-operative Society      135

Source: The Turkish Co-operative Association



## INDUSTRIAL CO-OPERATIVES IN JAPAN

by

Felix A. Ryan\*

There is much for Asian co-operatives to learn from Japan. Though the Japanese methods of co-operation in industries differ considerably from those of other Asian countries in that they adhere more to business than to co-operative principles, there is reason in their methods and their methods have produced excellent results.

### Small and Medium Enterprise Agency

In order to appreciate the policies, programmes and practices of industrial co-operatives in Japan it is necessary to understand the working of Small and Medium Enterprise Agency which promotes and fosters small enterprises including industrial co-operatives. The agency was set up in 1948 as a branch of the Ministry of International Trade and Industry, and its main objective is to nurture and develop small industries and to create conditions helpful to the improvement of their management. Some of the main functions and responsibilities of SMEA are as follows:-

1. to develop basic policies for the growth and development of small industrial enterprises including industrial co-operatives;
2. to enforce the Small Enterprise Co-operative Law;
3. to collect, analyse and distribute information helpful to the development of small industries and industrial co-operatives;
4. to arrange funds for them;
5. to arrange for credit guarantee or insurance;
6. to promote and assist central banks that give industrial credit;

---

\* Director, Small Industries Development Organisation,  
Ministry of Industry, Government of India.

7. to conduct surveys of small industries and industrial co-operatives;
8. to rationalise small enterprises;
9. to enforce the Shopping Districts Development Law;
10. to organise exhibitions for the introduction of products of small enterprises, and industrial co-operatives.

The policies and programmes of the SMEA are implemented by its various branches, prefectural governments and municipal authorities.

Small and medium enterprises in Japan include: units engaged in manufacturing, mining, quarrying, transporting, wholesaling, retailing, milling, and those engaged in commerce, trade or services. They play an important role, accounting for 99.41% of the total business establishments in the private non-primary industries, 79.5% of the total number of employees in Japan.

Table 1

	Kind of Industry	Capital ¥	Number of Employees ¥
Small and Medium Enterprises	Manufacturing, mining and quarrying, transportation etc.	100 million or less	300 persons or less
	Wholesale trade	30 million or less	100 persons or less
Small Enterprises	Retail trade	10 million or less	50 persons or less
	Manufacturing, milling and quarrying, transportation etc.	-	20 persons or less
	Commerce and service trade	-	5 persons or less

Industrial co-operatives in Japan took a positive shape only after the enactment of the Small Industries Co-operative Law in the year 1949. This law recognises six forms of industrial society:

1. joint enterprise co-operatives.
2. common facility co-operatives.
3. common facility small co-operatives.
4. (industrial) credit co-operatives.
5. federation of co-operatives.
6. fire and mutual relief co-operatives.

Credit co-operatives and fire and mutual relief co-operatives are not industrial and are not included as such in India or elsewhere. In Japan however, they have been given a place in the Small Industries Co-operatives Law only in the sense that they indirectly benefit industrial co-operatives.

#### Related Laws in the Country

1. Small and Medium Enterprise Basic Law.
2. Small and Medium Enterprise Modernization Promotion Law.
3. Special Measure Law for Business Conversion of Small Business.
4. Law concerning the organisational Structure of Small and Medium Enterprise Organisations.
5. Law on the Co-operative Association of Small and Medium Enterprises etc.
6. Law concerning the Organisational Structure and Related Matters of Commerce and Industry Associations.
7. Law to ensure that Small and Medium Enterprises receive orders from Government and other public Agencies.
8. Law on the Prevention of Delay in the payment of Sub-contracting charges and related matters.

9. Small and Medium Sub-contracting Enterprises Promotion Law.
10. Law to adjust business Activities of Large Corporations to Preserve Business opportunities to Small enterprises.
11. Minor Enterprise Co-operative Law.
12. Law on Mutual Aid to Prevent Bankruptcy by Small Enterprises.
13. Small and Medium Retail Business Promotion Law.
14. Law on Special Measures for the adjustment of Retail Business.
15. Law for adjusting Retail Business Operations in large scale Retail Stores.
16. Shopping Centre Promotion Association Law.

Strangely, Japan does not have a separate Act for registering and regulating co-operative societies as found in most other countries and industrial co-operatives are covered by any one or more of the laws listed above.

### Joint Enterprise Co-operatives

The constitution and function of joint enterprise co-operatives are similar to those of industrial co-operatives in India or elsewhere being mostly engaged in productive activities. Independent artisans take shares and form the society. Thereafter, they manage the society themselves with an elected board of directors. At the end of the year they divide the profits in proportion to the wages earned by each member.

Units which are not small or medium enterprises may also become members of joint enterprise co-operatives provided the by-laws of the society permit such membership. A condition imposed by law is that such members should not exceed 25% of the total membership of the co-operative.

### Common Facility Co-operatives

These are composed of individual entrepreneurs who retain their independence but form an association to bring about rationalisation on a co-operative basis where it cannot be achieved individually.

Industrial units which do not have more than 300 employees (or semi-commercial and service enterprises having less than 30 employees) can be organised into common facility co-operatives. Only owners can be members of these societies (not workers). The main activities are:

- a. purchase and distribution of raw materials required by the members;
- b. marketing of the products manufactured;
- c. arranging for financial aid;
- d. promoting improvements and productivity;
- e. giving guidance and rendering technical assistance.

In addition to the above services, common facility co-operatives engage in joint processing, stocking, warehousing, testing, transporting and market research.

### Common Facility Small Co-operatives

These societies are constituted by small enterprises employing not more than 5 employees (less than 2 in the case of mercantile and service enterprises) and their constitution and functions are similar to those of common facility co-operatives.

### Credit Co-operatives

In April 1975 there were 488 credit co-operatives and 471 credit co-operative associations in Japan for assisting small industries. The credit co-operatives had ¥ 4,162 millions outstanding and the credit co-operative associations had ¥ 15,709 millions outstanding. Their membership is confined to persons conducting or working in a business within a limited area. The area of operations of these societies and the minimum limit of loan that they can grant are restricted by law. The credit co-operatives are not allowed to lend to non-members but credit associations do lend under

certain conditions. The credit associations have their own central organisation called the National Federation of Credit Associations. The credit co-operatives too have their own national body which is called the National Federation of Credit Co-operatives and these national bodies are affiliated to the Central Bank for Industrial Co-operatives.

### Federation of Co-operatives

Federations of co-operatives are organisations of the common facilities co-operatives or credit co-operatives. They look after the proper working of their affiliated societies.

### Fire and Mutual Relief Co-operatives

These societies provide the fire mutual relief for their member industries/industrialists in case of damage to their property caused by fire, and undertake medical relief.

In March 1975 the number of Industrial Co-operatives in the country were:

Common facility co-operatives	40,230
Small common facility co-operatives	39
Mutual fire relief co-operatives	40
Credit co-operatives	495
Federations of common) facility co-operatives)	634
Federation of mutual fire) relief co-operatives )	1
Federation of credit co-operatives	1
Small joint business co-operatives	4,961
TOTAL	46,401

(Source: *Small Business in Japan - 1977*, published by the Ministry of International Trade and Industry.)

### Organisation and Structure

No rigid rules are provided. Medium and small industrialists are not prevented in any way from co-operating with whoever they consider to be useful in increasing their own benefits.

Thus industrialists are allowed to organise co-operatives together with traders.

There are three major combinations in the organisational structure of Industrial Co-operatives as follow:

1. co-operatives of industrialists in the same line of business;
2. co-operatives of industrialists in different lines of business;
3. co-operatives of industrialists and traders of like business;
4. co-operatives of industrialists and traders of unlike line of business;
5. co-operatives of sub-contractors to specific parent enterprise.

Collective organisations of manufacturers and traders are registered either as industrial co-operatives or, as commercial co-operatives according to their respective numerical strength, i.e., if a few dealers join with many small industrialists, they are registered as an industrial society; on the other hand if a few industrialists join with many merchants they are registered as a commercial co-operative.

If we call societies of industrialists and those of industrialists and traders belonging to the same business a horizontal combination, we may regard those composed of different businesses as a verticle combination. When there are big enterprises securing reduction in production costs through integrated work, it is rational for small industrialists to organise vertical co-operatives to compete with them.

The sub-contractors' co-operative is unique to Japan. Sub-contractors who often have common interests form co-operatives to increase their benefits. The mechanical industry (machine shops) has the greatest number of such co-operatives. Most of these sub-contractors' co-operatives are aided by their parent enterprises in their establishment, leasing of offices, and even in financial matters. Consequently, a large number of these sub-contractors' co-operatives are dependent on their parent factories.

## Purchasing

There are two systems of purchasing:

1. the co-operative society merely assists the members in purchasing their requirement;
2. the society purchases those requirements on its own responsibility for sale to members.

Which of these two methods is adopted depends upon the members' desire and upon the financial condition of the co-operatives. A successful example of industrial co-operatives engaged in co-operative purchasing is an industrial co-operative in Gumma Prefecture which buys agricultural instruments (iron and rubber manufactured goods, metal parts, all sorts of bearings, paint etc.) on behalf of its members. Another example is the foodstuff and confectionary industrial co-operative of Dyama, where co-operative buying is extended to fuel, sweet potatoes, malt, sugar etc. by the society on behalf of its members. But in the Kamo Textile Industrial Co-operative the members are merely assisted by their society in the purchase of raw thread.

## Marketing

There are several varieties of co-operatives:

1. societies that merely assist the individual manufacturers in marketing their goods;
2. societies that undertake the entire responsibility for selling members' products;
3. societies that purchase the products of the members and sell them.

For example, the Foodstuff and Confectionery Industrial Co-operative of Oyama follows both the first and the third methods.

## Welfare

Industrial co-operatives provide various kinds of welfare facilities to members, but the commonest among them being medical facilities. There are several societies that run hospitals. The Tango Textile Co-operative is a famous example, and its hospital is widely used. Co-operative insurance facilities based on the Health Insurance Law or the National



Insurance Law are also popular. Besides these, there are nearly a thousand co-operatives today that provide cultural facilities such as education and amusements.

### Mixed Co-operatives

There are cases where individual concerns, partnership firms and limited companies have got together and formed co-operatives for their mutual benefit. An example of this can be found in the Midosi Clothing Co-operative of Tokyo. This co-operative now has over 30 members, comprising generally a draper in each district. Some four years back this society has as its members eight joint stock companies, two partnership firms, nineteen individual shops and one limited company. Every shop of this co-operative is painted green and their shop signs read "Green Chain Store." This association has a long history of success. A Drapery Federation was formed for the purpose of co-operative purchasing in 1931 and now carries on business of every kind but concentrates on co-operative purchasing of plain cloth and other commodities common to all member shops, at reduced prices, freight charges etc. Almost similar is the Tokyo Silk Chain Co-operative. This organisation has 20 draper members, on the principle of one shop in each district and purchases on an average ¥ 20 million worth of goods for its members.

In recent years many of the famous shopping centre groups have come to assume the form of a co-operative. As an example, there is the Jujo Ginza Shopping Centre Co-operative in a suburb of Tokyo with 185 shops selling foodstuffs, sundries and textile goods. The managers of these 185 shops combine to provide window dressing and service facilities. The co-operative carries out frequent investigations and studies business methods in competitive shopping centres, reporting back to its members. Some common functions are: technical guidance, inspection, collecting information, management aids, purchasing, marketing, transporting, storage, medical facilities, cultural facilities, community kitchen, mutual relief etc.

### Funds for Industrial Co-operatives

As in India, industrial co-operatives in Japan derive their funds from share capital, reserve fund and borrowings. Occasionally government subsidies and loans are obtained. Each member must have a share in the society. There are two types of reserve funds, the general reserve fund and the legal reserve fund. Until half the paid-up shares are

accumulated, at least one-tenth of the annual surplus must be reserved every year for the legal reserve fund to make up losses.

The Central Bank for Commercial and Industrial Co-operatives provides short term credit and the Small Enterprises Financing Bank provides long term credit. Co-operatives which borrow from these banks reloan to their members. Credit Co-operatives, the intermediaries between banks and member co-operatives are developing fast to provide financial assistance to small industries. They numbered 600 at the end of 1978.

#### Government controlled financial institutions for small enterprises

The four types listed below are the principal institutions:

- a) Small Business Finance Corporations
- b) People's Finance Corporations
- c) Central Bank for Commercial and Industrial Corporations
- d) Environmental Sanitation Business Finance Corporations.

#### Credit supplementation system for small and medium enterprises

Under this system credit guarantee associations established in prefectures and municipalities will guarantee loans borrowed by small and medium enterprises from private financial institutions. Then the Small Business Insurance Corporation will insure this guarantee. The limit of guarantee per small and medium enterprise is ¥ 58 to 88 million, but for co-operatives is ¥ 98 to 128 million. Usually security is called for by the association that guarantees, but if the credit is a small amount - not exceeding ¥ 25 million, guarantee is given without security. The outstanding volume of guarantee obligations made by 52 credit guarantee associations throughout the nation totalled nearly ¥ 6,000 billion at the end of March 1979.

#### Legislation

##### Small and medium retail business promotion law

This law was enacted in 1973 with the objective of smoothing implementation of collectivisation of equipment, and of shopping centres, and for promoting modernisation in various

ways. The law also helps the formation of chain retail stores .

#### Law on extraordinary measures for the conversion of small and medium enterprises

This law came into force in November 1976 for helping units to switch over from one business line to another. It helps the government to take some promotional measures in favour of units that face difficulties in their switching over from one line to another as a result of changes in the trade structure, decline in demand for their products due to technological innovations, difficulty in securing raw materials, etc.

#### UNICOOPJAPAN

An interesting experiment in promoting foreign trade by co-operatives of all types is the formation of a trading company 'UNICOOPJAPAN', 1961. This is owned by other co-operatives such as the Central Co-operative Union, the National Purchasing Federation, the National Marketing Federation, the National Federation of Fisheries Co-operatives and the National Federation of Forest Owners' Associations. The company exports foodstuffs, provisions, toilets, fertilisers, chemicals, machinery and novelties. It also imports food stuffs, oil seeds, dairy-products, machinery, chemicals, hides and skins etc. Industrial co-operatives have not taken much advantage of this company to date, but it is hoped that commodities manufactured by industrial co-operatives will be handled by this agency.

In spite of the fact that nearly half the small industrial enterprises of Japan have either been organised on a co-operative basis or assisted directly or indirectly by some co-operative agency, the real meaning and significance of co-operative endeavour have not been fully recognized by all co-operatives of Japan. Hence, there are cases in which the advantages of co-operative undertakings are not realised. In view of this the Smaller Enterprise Agency is giving guidance in the proper operation of co-operatives. For instance, the Agency distributes printed leaflets explaining the fundamentals of co-operatives and useful booklets on subjects such as accounting and auditing. The Ministry of International Trade and Industry has also evolved a system of supervising co-operatives. Study groups and courses for educating co-operative executives and employees are being held with

the help of the local governments. With all these steps taken by the government it is expected that Japanese industrial co-operatives will pick up further strength and contribute to a greater extent to the economy of the country.

It is interesting to study the motives for establishing industrial co-operatives in Japan. While the prime motive in most European countries has been industrial democratisation, decentralisation, socialisation or rationalisation, in various Asian countries it has been to obtain government aid.

An investigation in 1955\* revealed the following motives for establishing co-operatives:

1. To reduce the tax burden, heavy taxation is one of the major complaints of industrialists in Japan and many of them take to the co-operative form of organisation to avoid it. (23.3%).
2. To introduce rationalisation in management. In most of the cases, more or less partial co-operation led to fuller co-operation in management. (39.4%).
3. To procure licenses. As in India, the government or local officers in Japan prefer to issue licenses to corporate bodies and also give preference to co-operatives. (2.8%).
4. To obtain government loans. Financial institutions lend freely to good co-operatives since they keep their accounts open and clear. (17.3%).
5. For social reasons. Societies which were organised by workers themselves or by social workers fell under this group. (11.4%).

It is clear that the motives behind the formation of industrial co-operatives have not been healthy in most cases but in recent years there seems to be more social thinking in the co-operative sector. The impression gathered is that the Japanese are building up the true

---

\* The Co-operative Section, Promotion Division, Smaller Enterprise Agency. *Findings on Establishment and Dissolution of Co-operative of Small and Medium Enterprises*. April 1955. (No similar survey has been conducted since 1955.)

spirit of co-operation, even though it is allied with materialism and although another impression that a student of co-operation gathers in Japan is that co-operation as a movement in that country, increasingly assisted by the government is growing out of the desire and initiative of the people. So, though the true character of co-operation is missing here and there, the foundation of the movement is very strong and stable. And although co-operatives are not officially state-aided or backed, they receive a certain amount of support and aid from the government - because they possess the technical know-how and resources. Even without state aid they remain in business, but with state aid they certainly do better. Unlike most of the Asian countries, mortality among industrial co-operatives in Japan from meagre investment, mismanagement or misappropriation of funds is not great: failures are generally due to unforeseen business circumstances.

One is left with the impression that there is much for Asian co-operators to learn in Japan. Though the Japanese methods of co-operation in industries differ considerably from those of other Asian countries, there is reason in their methods and their methods produce good results.

CO-OPERATIVE BANKING IN A DEVELOPING ECONOMY:  
RELEVANCE OF THE RAIFFEISEN AND SCHULZE-DELITZSCH  
MODELS

by

Ade T. Ojo\*

This article is based mainly on two major studies. The first one on *Rural Finance Problems in Nigeria* was carried out by the writer in 1973/74.\*\* The second one on *Co-operative Banking in Nigeria* was carried out in the first half of 1978.\*\*\*

The major aim here is to review in a brief manner the nature of co-operative banking in some countries and make an appraisal of co-operative banking operations in Nigeria. From this appraisal, the extent to which co-operative banking in Nigeria has conformed with the Raiffeisen and Schulze-Delitzsch models is examined; and the relevance of the two models, which were essentially based on the need to fill certain "financial gaps", is highlighted, especially with regard to the need to promote economic development in a developing country.

---

\* Senior Lecturer in Finance, Department of Finance, University of Lagos, Nigeria.

\*\* This formed an aspect of a Ph.D thesis (1) submitted to the University of Wales: *Financial Sector and Economic Development, with special reference to the Nigerian Capital Markets*, 1974.

\*\*\*This was jointly undertaken with a colleague, Mr. Wole Adewunmi of the Department of Finance, University of Lagos. The University of Lagos financial support for this is gratefully acknowledged.

### Why Co-operative Banking?

Starting with its development in Germany during the German industrialisation around 1850, co-operative banking has, essentially, developed to meet the aspirations of individuals, groups, or societies who rightly felt that commercially oriented financial intermediaries do not provide sufficiently satisfactory borrowing and saving facilities to people of modest means, slow profit-yielding activities, and small-scale enterprises. For instance, commercial banks have sizeable resources and trained staff at their disposal but their pattern of business and procedures is not attuned to dealings with rural and small scattered savers and borrowers who engage in various activities, small production units, and the non-urban areas. Seeing commercial banks as serving mainly the interests of big businesses and the privileged or affluent classes, a "financial gap"\* therefore exists in many developing countries for co-operative banks to fill. For our purpose here, a co-operative bank can be defined as a special financing institution set up to offer greater access to saving and borrowing facilities for co-operative societies and their members at relatively cheaper costs than those provided by the traditional/commercial banking institutions. Thus, the motto of the co-operative bank in Britain is "Consumers' Bank", and in some countries like Canada, France and Germany, it is referred to as the "People's Bank".

### Expected Role in a Developing Economy

A co-operative bank is expected to provide greater access to banking facilities for co-operative societies and their members at relatively cheaper costs than those provided by commercial banks. As a co-operative financial institution, it is expected to exist mainly for the economic betterment of its members, basing its operation on basic

---

\* The nature of this "financial gap" and the various aspects of its implications for economic development are fully examined in the writer's thesis, op.cit. See also Ojo (2) (ch.V).

co-operative principles and practices - democratic governance and distribution of benefits on a patronage basis.\*

In a developing economy, in particular, a co-operative bank is expected to have the organisation to cater for those economic units provided with little or no financial facilities, organising themselves into co-operative bodies for mutual assistance. In short, such a bank is expected to fill the "financial gaps" created by the conservative financing practices of commercial banks, resulting in the neglect of certain individuals, groups, and activities in the provision of financial facilities, without which they are unable to contribute significantly towards the industrialisation of their economy.

### The Raiffeisen and Schulze-Delitzsch Models and Co-operative Banking in some Countries

#### Early Initiatives by Raiffeisen and Schulze-Delitzsch

Co-operative banking, as first developed in Germany in the nineteenth century, became a model for similar co-operative developments in the peasant economies in other countries later. This initiative in developing the co-operative provision of credit came from two Germans, Frederick William Raiffeisen and Herman Schulze-Delitzsch, a Rhineland burgomaster and a Prussian judge respectively (4 and 5).\*\* The orientation of the big commercial banks towards large scale industry created a gap in the financing of farmers, small traders and craftsmen which they attempted to fill by the setting up of co-operative financial institutions.

---

\* In an attempt to make the co-operative banks in Nigeria assist the co-operative societies, the government has modified this aspect of distributing benefits on a patronage basis. According to the recent *Government Views on the Report of the Review Panel on Co-operative Principles, Laws and Regulations in Nigeria* (3). "Co-operative banks should be compelled to do most of their business with the co-operative organisations they were established to serve whether or not they are owned, controlled and managed by co-operators".

\*\* Wilhelm Hass, from Darmstadt (born in 1893), was the third of the early founders who helped to consolidate the co-operative movement.



Raiffeisen, whose motto "one for all, all for one", started his first experiment with the help of a few wealthy individuals who made funds available. In 1864 he created the first "Raiffeisen-genossenschaft" for the farmers and artisan workers and thus made the rural personal credit system possible. His concern was to help provide credit at low cost for the debt-ridden peasant farmers. The Raiffeisen co-operative banks were based on a village membership, so that members knew and could vouch for one another. They had no share capital, their farmer members accepted unlimited liability and their profits were not distributed but put into reserve. It was from reserves and the deposits of local salary-earners that the banks accumulated their capital and loans were made for productive purposes only, such as for seeds, cows and ploughs.

In like manner, Schulze-Delitzsch sought a solution to the financial problems of independent farmers and traders through the co-operative bank. In 1865 he founded the Deutsche Genossenschaftsbank, from which developed the people's banks. Co-operative banks organised along the lines of the Schulze-Delitzsch experiments were confined primarily to urban areas to help artisans and traders counteract the wealth concentration process inherent in a capitalistic economy. They were not, like the Raiffeisen model, restricted to particular districts but sought their membership from a wider field. They too lent small sums of money for purely productive expenditures, such as for leather for shoe-makers, cloth for the tailor, tools etc. The loan was to be repaid when the goods produced had been sold. This form of credit bank, although considered to be better suited to less-developed countries passing through a phase of workshop production or initial stages of industrialisation, has not been extensively applied in these countries.

Both the Raiffeisen and Schulze-Delitzsch banks are essentially alike in that they both serve to fill some gaps by providing financial facilities to two entirely different areas of private enterprises, where, due largely to prevailing indebtedness and lack of security, no other source of credit has been available, as is the case in a typical developing economy today.

#### Later Experiences in Some Countries

From their early emphasis as banks for the middle classes, in the course of time, the People's Banks and Agricultural Credit Co-operatives in West Germany developed into universal banks for all groups of customers. But an analysis of their

members shows that the middle class element is still predominant.

The People's Banks and Agricultural Credit Co-operatives are usually medium-sized or smaller, widely scattered credit institutions vis-à-vis commercial banks. This structure suits their special task, which requires a strong attachment to the customer. The need to develop a very close relationship with local business firms is realized, so as to be able to provide tailor-made financial services to them. These banks make it easier for the middle class businessmen, operating on a small- or medium- scale to get started by granting them low-interest loans as to reduce their debt-servicing burden in the initial stage of their operations. In addition, they founded the "Beteiligungsgesellschaft m.b.H." (Company for Participation in Middle Class Firms Ltd.), that procures participation to clients from middle class business, enabling them to expand their firms on a broader basis.

These banks have been the dynamic force for the German development of universal banking, offering a wide range of services to their customers.

In France, as in Germany, the orientation of commercial banks towards large-scale industry and commerce created a gap in the provision of finance to farmers and craftsmen which led to the development of co-operative banks.\* These are the People's Banks which today occupy a prominent position in the French banking system. Their rapid expansion has been facilitated by the rising prosperity of rural society in France and the monopoly they enjoy of distributing subsidized credits to farmers.

The People's Banks constituted the sixth largest banking groups in France, with more than 40 billion francs in resources, about 2,000 agencies and branch offices, 25,000 employees, over 400,000 members and roughly 2 million clients.

In line with co-operative ideology, the People's Banks came into existence at the end of the nineteenth century, out of the spontaneous initiative of artisans small industrialists and traders who had the idea of uniting on the local level,

---

\* Also in Italy, the orientation of commercial banks towards industry, commerce and the wealthier classes created the need for co-operative banks to cater for the farmers, small traders, and craftsmen.

to help each other and to lend each other the money which the big banks denied them. Since 1878, the People's Banks have multiplied all over France. They were not joint-stock companies as such but an association of persons putting together their savings, experiences and energies so as to provide credit at a reasonable price from their own funds. The law of March 13, 1917, on "the organisation of credits for small and middle-sized business and industry" made their existence official in giving them a special statute.

Today, the People's Banks can operate and provide services as any banking establishment, addressing themselves to the same customers and enterprises as the other depository banks do. Yet, true to their original objective, they remain co-operative societies with a fixed, variable capital subscribed by their members. Special ties are still maintained between the People's Banks and their active members.

In 1977, about 37 People's Regional Banks served the regions. They were given a large legal and financial autonomy so that each could develop a policy to suit the region. Technical means are put at their disposal by the central organisation the financial resources being provided by their customers, and their wide powers enable them to make on the spot decisions for the provision of financial facilities for individuals and enterprises in each area.

In this way, the People's Banks continue to support their traditional clients - the small and middle-sized enterprises and handicrafts. Being very conscious of the fact that these categories of individuals and enterprises have to be confronted with financial and management difficulties, they have provided a wide range of services to meet their needs; e.g. acting as counsellor for as well as financier and real partners in the enterprise.

In the United States of America, an entirely different kind of credit co-operative developed - the Credit Union,\* i.e. not set up on the German models. These unions set out to stimulate thrift among American salary-earners and wage-earners and to provide them with loans.

According to the Glenn G. Munn (6) a law was passed in Massachusetts authorising the establishment

---

\* For credit union history and development in the U.S. and other parts of the world, see Ryland A. Taylor, (5).

of Co-operative Savings Fund and Loan Associations on May 14, 1877. In 1883, they became known as Co-operative Banks. From this idea sprang Building and Loan Associations. The Federal Land Bank Associations, Labour Banks, Mutual Savings Banks, and Savings and Loan Associations are also described as forms of co-operative banking. The Co-operative Bank called Saving and Loan Association is a co-operative savings institution, chartered and regulated by a state or the federal government. It receives deposits in exchange for shares of ownership and invests its funds chiefly in loans secured by first mortgages on loans.

In Britain, the Co-operative Bank is one of the group of smaller Banks \* which offers services as extensive or almost as extensive as the Big Four. In many respects an account with the Co-operative Bank actually has advantages. A major one has been cheapness - lower bank charges than the Big Four, interest on current account balances and lower interest rates on loans. It operates on a more flexible basis than the bigger banks, offering a quick and quality service.

Although Co-operative Bank has been in existence for over a century, it was only in 1971, by special Act of Parliament, that it became a company in its own right. Until then, it had been a department of the Co-operative Wholesale Society. In 1969, Co-operative Bank set up a city subsidiary, Co-operative Commercial Bank, and acquired control of the hire purchase company, F.C. Finance. This has been the trend in recent years in Britain, whereby banks tended to engage in the provision of non-banking financial services through the setting up or acquisition of subsidiary non-banking financial institutions.

Among the long-standing major categories of accounts with the Co-operative Bank are local authority accounts, and also accounts from such other bodies as hospital boards and trade unions. It has recently set about expanding its corporate banking business, taking investments in companies with a view to eventual flotation. This might be construed as a departure from Co-operative Bank's traditional pre-

---

\* That is, in respect of the five bigger members of the London clearing house: National Westminster, Barclays, Lloyds, Midland and Williams and Glyn's. The Coop Bank has recently established itself as a member of the London Clearing Banks in its effort to build up a full-scale wholesale banking capability.

occupation with providing a service for co-operative societies and their members.

Without shareholders in the normal sense of the word, the Bank's profits have been ploughed back in providing cheaper services for these customers. But the new emphasis means that the questions of whom Co-operative Bank exists for is quite likely to arise, as it has hovered over co-operative banking in Nigeria since the sixties.

In the developing countries, the most widespread application of co-operative banking has been in India, where the problem of peasant indebtedness and "Shylock" moneylenders has been a particularly serious one.\* As compared to the commercial banking system, which is mainly urban-oriented, co-operative banking has penetrated into the rural areas, mainly as a result of official initiative and encouragement.

The structure of the Co-operative Banks in India is as follows:

- 1)           (i)    Agricultural Credit Societies.  
             (ii)   Land Development Banks - for long term agricultural credit.
- 2)    Non-Agricultural Credit Societies.  
             (i)    Employees' Co-operative Credit Societies.  
             (ii)   Urban Co-operative Banks.
- 3)    Industrial Co-operative Banks.

The co-operative credit structure for short- and medium-term credit is a three-tier federal one, with a State Co-operative Bank at the apex level in each state, the Central Co-operative Bank at the district level, and the Primary Credit Societies at the base.

The Urban Co-operative Banks generally accept current savings, and fixed deposits for different periods. As a rule fixed deposits form the major portion of total deposits collected. The loaning operations of Urban Co-operative Banks consist of

---

\* According to Kamat (7) the origin of the co-operative movement in India may be traced to the need to emancipate farmers from the clutches of unscrupulous moneylenders.

granting loans or cash credit to their members against surety and adequate security. The Industrial Co-operative Banks exist at the state and district level, and were established to look after the financing of industrial co-operatives.

Co-operative Land Mortgage Banks arose from the necessity for separating the business of long-term credit from the short-term and medium-term accommodation, which represents the proper field of the primary credit societies. They are also engaged in the financing of rural housing societies. While the State Land Development Banks operate at the apex level, the Primary Land Development Banks operate at the lower level.

State Co-operative Banks are found in all the states of India. The State Co-operative Bank is the final link in the chain between the small, scattered primary societies and the money market, as also with the Reserve Bank of India. The State Co-operative Bank's relations with the primary societies may be direct but are usually through the Central Bank.\*

Central Banks exist solely to lend money, and being managed on purely business principles, are not, according to Eleanor M. Hough (8), strictly co-operative institutions; but they form the necessary link between co-operative distributors and collectors of funds and the money market. Loans and deposits from the State Co-operative Banks or other central banks are common, but overwhelmingly the central bank's greatest source of funds has been individual deposits. Central banks accepted current account deposits only where adequate banking facilities were absent. In the context of the co-operative development plans, central banks were called upon to finance various types of non-credit societies, especially those related to cottage and small-scale industry.

Under the co-operative development plans, the state governments contributed to the share capital of central financing agencies and large-sized credit societies, directly or indirectly, to give them adequate borrowing power. When particular schemes are financed mainly at the behest of the government, it is necessary for the government to lend its support especially by

---

\* The central banking authority in the country is not these Co-operative Central banks but the Reserve Bank of India.

guaranteeing the lending banks against losses within reasonable limits. This has now been the accepted policy with regard to the financing of weavers' co-operative societies by the Co-operative Banks.

As regards their competition with the joint-stock banks, the Central Banking Enquiry Committee in India found some feeling that in the matter of deposits, the Co-operative Banks, with the help of government assistance and prestige, were competing unfairly with joint-stock banks. However, such a competition would not be a serious one\* where it is accepted that the clientele of the co-operative banks in general are normally drawn largely from the small agriculturists and people of limited means in urban areas, and that the central banks lend only to members.

In India, the contribution of co-operative banks in taking banking facilities to the non-urban places could be noted from the fact that these banks, according to D.R. Gadgil, et al (9) accounted for as many as 791 out of the 1,135 bank offices in places with a population of less than 5,000.

In Sierra Leone, the need to establish a co-operative bank became imperative when the R.C.S. Loan Fund\*\* was frozen. Co-operators throughout Sierra Leone thereby had to meet in Freetown in 1971, when a decision was taken to set up the National Co-operative Development Bank as the apex financial institution for all co-operatives in the country.

The first major problem was how to raise funds to meet the cost of necessary facilities and to provide working capital in respect of credit and marketing operations for the 60,000 members of the movement. Out of the total initial outlay of one million leones needed, the share capital contribution was only 10,000 leones, i.e. 1% of the total capital requirement.

---

\* This was the view of Eleanor M. Hough, *ibid.*, (p.275).

\*\* This was an overdraft facility of about half a million leones from the commercial banks on government guarantee and administered by the Registrar of Co-operative Societies. This was reported by F.B. Samura. (10)

Because of the initial financial bottleneck, the Bank could only select limited areas of activities - viz., reviving marketing operations, issue of short-term production loans to primary co-operative societies, and it also undertook an insurance agency as a way of diversifying the services to members as well as earning more income from commissions. Profits made from the various sectors are given out to members as short-term production loans.

The Bank has, as its long range objectives, the following aims:

- (a) To rationalize the marketing of all cash crops in the country so that co-operators handle about 50%
- (b) To increase the issue of short-term production loans to farmers as well as small-scale entrepreneurs, including women.
- (c) To revive the mechanical cultivation of rice as well as promote the formation of producer co-operative societies in areas of mechanical cultivation
- (d) To establish more consumer co-operatives in the rural areas and to federate these to a wholesale society based in Freetown.

## Analysis of Co-operative Banking Operations in Nigeria

### Brief Historical Background

Co-operative banking in Nigeria developed on the former regional political setting of Western Nigeria, Eastern Nigeria and Northern Nigeria.\*

The Co-operative Bank of Western Nigeria Limited (now Co-operative Bank Ltd.) was started in 1953 with a capitalisation of ₦ 2 million from the Nigerian Marketing Board in the form of a grant. Through the former Western Regional Government, capital was further increased by ₦ 80,000

---

\* More comprehensive details of the historical developments are contained in: Ade. T. Ojo and Wole Adewunmi, *Co-operative Banking in Nigeria*, a monograph to be published soon by the University of Lagos Press. See also, O. Adeyeye (11).



Table 1

Co-operative Bank of Western Nigeria Loan Statement, February 28, 1966

	<u>Amount</u> N	<u>Percentage Share %</u>
Co-op Produce Marketing Unions	1,064,472	30.03
Co-op Union of Western Nigeria	28,044	0.79
Co-op Printing Press	5,150	0.15
Other Co-op Societies	3,158	0.09
Co-op Supply Association	911,590	25.72
G.L. Gaiser Ltd	582,618	16.44
Co-op Development:		
Agriculture	172,458	4.87
Building	235,182	6.64
Manufacturing	2,050	0.06
Commerce	4,954	0.14
Investment Loans	180,000	5.08
Miscellaneous	3,796	0.11
Commercial Bank Lending	350,638	9.89
	<u>3,544,110</u>	<u>100.00</u>

Source: Harold Bauman et al., (12) p. 346

Table 2

Co-operative Bank of Eastern Nigeria Loans Issued and Loans Collected 1959-1965

Year	Purpose of Loans		Amount Loaned N	Amount Collected N
	Agric., Live- stock, etc.	Non-Agric.		
1959	30,738	47,200	77,938	-
1960	49,184	54,900	104,084	60,536
1961	92,484	24,000	116,484	45,294
1962	60,282	14,000	74,282	12,042
1963	52,548	22,800	75,348	12,922
1964	73,574	23,400	96,974	28,096
1965	79,574	18,000	97,574	32,766
TOTAL	438,384	224,300	662,684	191,656
%	66.15	33.85	100.00	28.92

Source: Harold Bauman et al (12) pp. 286,287

The Co-operative Bank of Eastern Nigeria was formed in 1954 as a treasury of the co-operative movement in the Eastern Region. The capitalisation of the Bank was initially ₦ 1,180,000 representing the share capital of 25 co-operative societies. The sources of capital for the Bank up to 1966 before disruption in its activities by the civil war in Nigeria were as follows:

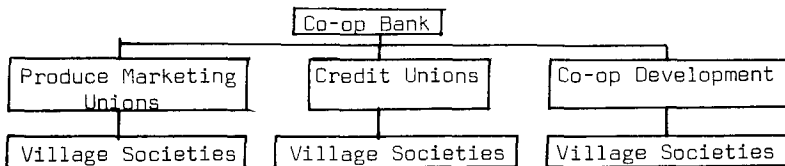
<u>Year</u>	<u>Source</u>	<u>Amount</u> ₦	<u>Type</u>
1954	Government	20,000	Grant
1954	Credit Unions	20,000	"
1961	Government	300,000	"
1954-66	Membership share	80,506	Share Capital

By 1962, the two banks had been made by the Authorities to register as commercial banks, subject to the control of the Central Bank of Nigeria. They were also required to have a minimum capitalisation of ₦ 500,000 as in the case of other commercial banks.

An analysis of the Banks' operations in the initial years, shown in Tables 1 and 2, indicates that they concentrated more on the financing of agricultural activities and the co-operative movement than in the period since the latter part of the sixties when their operations tended to become more and more generalized in almost the same pattern as the other commercial banks in the country. For instance, in the period 1955/56 through 1965/66, the ₦90,333,984 total loan issued by the Co-operative Bank of Western Nigeria was made in the following manner:

	₦
Produce Marketing	88,874,330
Credit Union	84,286
Co-operative Development	<u>1,375,368</u>
TOTAL	<u>₦ 90,333,984</u>

During that period, the Bank constituted the primary source of rural credit. It conducted its credit activities in such a way as to reach large numbers of people. The funds were channelled from the Bank to the rural sector through unions and societies in the following pattern:



The Produce Marketing Unions dealt almost exclusively with cocoa and the Authorized Buying Agents for the Western Nigeria Marketing Board. Loans to this type of co-operative were short-term. Credit Unions utilized loans for small loans to individual traders with no agricultural activity involved. Co-operative development loans were primarily for farming although other activities were also financed. However, as the co-operative banks started to function in their ill-advised commercial banking status as from the latter part of the sixties, the special attention formerly paid to the financing of co-operative unions, societies and members became gradually reduced.

It was in this latter phase of development that the other co-operative banks in the Northern States came into being. The Kaduna State Co-operative Bank was established in November 1974 as the North-Central Co-operative Bank. It was reconstituted as the Kaduna State Co-operative Bank in July 1976 on the creation of the Kaduna State. The Kano Co-operative Bank was established on April 1, 1976. The capital of each bank is almost wholly owned by the respective State Governments.

#### Analysis of their operations

Recent data in respect of the operations of the co-operative banks are analysed in Tables 3 - 5.

Both the Kaduna Co-operative Bank and the Kano Co-operative Bank could still be said to be at their formation stage, and as such their pattern of operations is still likely to be influenced largely by this more than in the case of the older Co-operative Bank Ltd. and the Co-operative Bank of Eastern Nigeria. This could be clearly noted from the analysis of their balance sheet figures in Table 3 where the normal pattern of bank assets and liabilities structure is not yet properly maintained.

Also, in the two younger Co-operative Banks, the ratios of

Table 3

Asset and Liabilities Structure of the Co-op Banks

	Percentage Distribution(%)			
	End March - 1977		End March - 1977	
	Coop Bank Ltd	Coop Bank of Eastern Nigeria	Kaduna Coop Bank	Kano Coop Bank
<b>A. ASSETS:</b>				
1. Cash	3.52	9.98	1.92	1.14
2. Balances with other Banks	24.18	25.81	42.24	10.41
3. Money at Call & Short Notice	-	-	2.81	-
4. Money Market Assets	15.53	14.28	16.18	71.70
5. TOTAL LIQUID ASSETS (1-4)	43.23	50.07	63.15	83.25
6. Loans & Advances	43.79	33.71	26.73	10.14
7. Cash Reserve Deposits	1.52	1.45	3.44	-
8. Other Investments	5.87	2.91	1.17	5.19
9. TOTAL CURRENT ASSETS (1-8)	94.41	85.23	94.49	98.58
10. Fixed Assets	1.16	2.50	4.95	0.80
11. Fictitious Assets*	-	-	-	0.34
12. Customers' Liability for Acceptances and Guarantees	4.44	12.56	0.56	0.27
13. TOTAL ASSETS	100.00	100.00	100.00	100.00
<b>B. SHARE CAPITAL &amp; LIABILITIES</b>				
1. Share Capital (paid-up)	2.43	2.13	14.06	11.10
2. Reserves )	-	-	2.85	-
3. Profit & Loss Account)	1.85	-	0.25	(0.14)
4. TOTAL CAPITAL & RESERVES	4.28	2.13	17.16	10.96
5. Current and Deposit Accounts	78.24	84.46	82.28	86.82
6. Other Liabilities	13.05	1.14	-	1.94
7. Guarantees & Other Obligations	4.44	12.56	0.56	0.27
8. TOTAL LIABILITIES	100.00	100.00	100.00	100.00
TOTAL AMOUNT (₦)	165,280,410	68,630,055	21,331,396	21,135,825

\* Pre-operational expenses

Source: The Banks' published balance sheets

**Table 4**

**Sectoral Distribution of Loans and Advances as at 31st March, 1978**

Sectors	Actual Percentage				Prescribed Percentage for 1977/78 5
	Coop Bank Ltd 1	Coop Bank of Eastern Nigeria 2	Kaduna 3	Kano 4	
<b>A. PREFERRED SECTORS/SUB SECTORS</b>					
(i) Production	50.20	38.84	48.31	57.14	48.00
Agriculture, Forestry, etc.	8.95	4.26	8.26	7.08	6.00
Mining	-	0.78	-	2.73	2.00
Manufacturing	26.58	7.72	12.75	14.49	30.00
Construction	14.67	26.08	27.30	32.84	10.00
Residential Building	7.79	3.28	16.92	10.33	(5.00)
Other	6.88	22.80	10.38	22.51	(5.00)
(ii) Services	10.67	5.91	10.39	7.38	10.00
Transportation & Communication	10.67	4.34	10.32	7.38	8.00
Public Utilities	-	1.57	0.07	-	2.00
TOTAL (A)	60.87	44.75	58.70	64.52	58.00
<b>B. LESS-PREFERRED SECTORS</b>					
(ii) General Commerce	31.36	35.23	15.29	21.59	30.00
Exports	8.64	0.38	-	-	6.00
Imports	10.76	4.44	-	0.16	10.00
Domestic Trade	11.96	30.41	15.29	21.43	12.00
Bills Discounted	-	-	-	-	2.00
(iv) Others	7.77	20.02	26.01	13.87	12.00
Credit & Finance institutions	-	2.05	-	-	3.00
Government	-	4.40	-	9.89	2.00
Personal & Professional	4.83	10.51	15.90	2.92	4.00
Miscellaneous	2.94	3.06	10.11	1.06	3.00
TOTAL (B)	39.13	55.25	41.30	35.46	42.00
TOTAL (A) + (B)	100.00	100.00	100.00	100.00	100.00
AMOUNT (N,000)	132,933	34,806	9,404	4,459	

Notes: The prescribed percentages for the preferred sectors are MINIMA, while those for the less-preferred sectors are MAXIMA.

Sources: (i) Data for cols. 1-4 obtained from the four Banks.  
(ii) Data for col. 5 obtained from the Central Bank of Nigeria Credit Guidelines for 1977/78 - Monetary Policy Circular No. 9.

their balance sheet items to total assets/liabilities have not conformed with the normal ratios of fully established banks, as in the case of the other two older ones, especially in respect of liquid assets and loans and advances.

Now, the sources of deposits of all the Co-operative Banks as well as the pattern of investing their funds are essentially the same as in the other commercial banks in the country, patronised by all categories of individuals, firms and other entities alike.

The major forms of investments have been money at call and short notice, treasury bills, treasury certificates, stabilization securities, and federal government development stocks. The liquid assets ratios of the two younger banks have been relatively too high; the percentage being 52% and 63% for Kaduna Co-operative Bank for 1976 and 1977 respectively and 83% for Kano Co-operative Bank in 1977. For instance, Kano Co-operative Bank invested 72% of its total resources in money market assets\* in 1977 with only 10% in loans and advances, which ought to have been the reverse, notwithstanding the restriction on loans and advances by government monetary policy.

Loans and advances ratios of the two younger banks have been lower than in the other older ones. The percentages were 35% and 27% for Kaduna Co-operative Bank for 1976 and 1977 respectively and as low as 10% for Kano Co-operative Bank in 1977.

As regards the beneficiaries of their loans and advances, they are shown in Table 4 on sectoral distribution of loans and advances. The distribution is largely influenced by the Central Bank credit guidelines and the limit imposed on overall credit expansion. With the exception of the Co-operative Bank of Eastern Nigeria, the Co-operative Banks conformed well with the sectoral guideline shown in column 5.

An important issue at this juncture is the extent to which co-operative societies and their members are given preferential treatment by the Banks, which have been ostensibly set up to cater for their interests. For instance, according to the *Government Views on the Review Panel on Co-operatives Principles, Law and Regulations in Nigeria*, (2) "Government

---

\* These are bankers unit fund, treasury bills and treasury certificates.

holds the view that Co-operative Banks should encourage and deal with primary Co-operative Societies..." (para. 4.10.2) and "that Co-operative Banks should be compelled to do most of their business with the co-operative organisations they were established to serve whether or not they are owned, controlled and managed by co-operators" (para. 4.37.1). This candid view is equally shared in this study.

Data to show the extent of the Banks' assistance to the Co-operative Societies were not readily available from the Banks. Some of them explained that they functioned in the same way as the other commercial banks, placing little or no emphasis on financing the co-operative societies and their members as such. Loans were given to all customers on more or less the same basis; i.e. no preferential treatment and no special attention paid to their needs.

On the demand side, the co-operative societies, with no special preferential treatment given to them as such, had little, if any, to attract them in the Co-operative Banks' loans. In fact, as a result of the discrepancies in the interest rate structure in the country, especially up to 31st March, 1978, viz., at a minimum lending rate of 3% at the Nigerian Agricultural Bank\* as compared with a minimum lending rate of 6% at the Co-operative Banks as in other commercial banks, some Co-operative Societies, the writer was told, even preferred to approach the Nigerian Agricultural Bank for loans rather than the Co-operative Banks where the rate was higher. This is considered rational behaviour on their part, although the financial assistance from this source is very limited.

This important information on Co-operative Societies' preference for loans at the Nigerian Agricultural Bank made the writer approach the Bank to obtain a break-down of its loans and advances which are presented in Table 5. From 1973 to October 1977, the Bank has granted the societies a total of ₦ 70.8 million, out of which a total of ₦ 35.2 million has been disbursed. As a percentage of the Bank's total financial assistance to all its clients, the co-operative societies had a share of 27.4% of total loan commitments and 31.7% of total loans disbursed. This seems more encouraging than in the case of the Co-operative Banks.

From this analysis of the Co-operative Bank's operations as well as such other aspects such as the types of security for loans

---

\* Now the Nigerian Agricultural and Co-operative Bank Ltd.



and advances and the maturity pattern, it does not appear that the co-operative societies and their members have been provided with any special financial facilities in an easier form or on a cheaper basis than those provided by the other banks in Nigeria.

### Appraisal

This study of co-operative banking in Nigeria reveals that the Co-operative Banks, rather than embarking vigorously upon the vital task of filling some financial gaps (as they started with up to the mid-sixties), with emphasis on the provision of financial facilities to Co-operative Societies at relatively cheaper costs, have been functioning essentially in the same rigid and conservative manner as the other commercial banks as from the latter part of the sixties. We see them as merely increasing the number of commercial banks, paying little or no attention to the need to devise necessary innovative techniques for assisting the Co-operative Societies in a special and dynamic manner on the Raiffeisen and Schulze-Delitzsch models.

These Co-operative Banks are yet to get themselves closely associated with Co-operative Societies, their members and enterprises. They are yet to provide them with the required wide variety of financial services at a relatively cheaper rate than those provided by the other commercial banks. As indicated earlier, they even granted credit to the Co-operative Societies at higher rates of interest than in some other financial institutions as can be noted in Table 6.

The Monetary Authorities have their own part of the blame for the Co-operative Banks' deficiency in shouldering their tasks squarely. By requiring these Banks to register as commercial banks\* as well as observe the same rules and credit guidelines, the impression seems to have been created that they are to operate in the same way as commercial banks.

---

\* The 1969 Banking Decree regulates the activities of all commercial banks in Nigeria, including the Co-operative Banks. The restrictions imposed on the activities of the Co-operative Banks by the provisions of Section 13 1(a) of the Decree have been under attack, including several representations made to the Authorities in order to make necessary amendments that would enable these banks to operate more flexibly.

Table 5

## Nigerian Agricultural Bank\*

Financial Assistance to Clients, 1973 to October, 1977

Loan Beneficiaries	Amount (N)		Percentage Share (%)	
	Loan Approved	Disbursement	Loan Approved	Disbursement
1. Limited Liability Companies	79,575,710	16,509,197	30.76	14.85
2. Individuals	3,941,880	2,010,760	1.52	1.81
3. Co-operatives	70,803,840	35,232,973	27.37	31.70
4. State Government Agencies	67,949,812	41,083,516	26.27	36.96
5. State Owned Companies	36,412,573	16,307,809	14.08	14.67
TOTAL	258,683,815	111,144,255	100.00	100.00

\* Now re-organised as the Nigerian Agricultural and Co-operative Bank

Source: Data obtained from the Nigerian Agricultural Bank, Kaduna.

Table 6  
Lending Rates at Commercial Banks and the Nigerian Agricultural Credit Bank

	1977/78 % P.a.	1978/79 % P.a.
<u>I. Commercial Banks, including Co-op Banks:</u>		
Minimum rate	6	7
Maximum rate	10	11
Preferred Sectors (e.g. Agriculture, manufacturing & mining)	8	9
Favoured Sectors:		
a) Agric. Credit Guarantee Scheme	-	4-6
b) Residential Housing & Agric. production	6	6
Less Preferred Sectors (e.g. General commerce)	7-10	7-11
<u>II. Nigerian Agricultural Bank:</u>		
Agricultural Production	3-5	3-5
Agricultural Commodity Marketing	-	7-9

Source: Monetary Policy Circular, No. 10, Central Bank (Nigeria) *Guidelines*  
for 1978/79.

The authorities might have thought that since the Banks have to mobilize deposits from the public, they are to subject themselves to monetary control. To a large extent this is a fact, but it does not mean that they have to register as commercial banks and be made to observe the same rules and operating instructions as ordinary commercial banks.

Experiences elsewhere have shown that the Banks could be registered separately as Co-operative Banks and be made to observe modified rules and credit guidelines, taking into consideration that special nature of the bulk of their expected financial operations. Their financial operations can be controlled either directly by the Central Bank or indirectly through such an apex institution as the recently restructured Nigerian Agricultural and Co-operative Bank Limited, which could also be required to co-ordinate the various activities of the Co-operative Banks in the country.

The Co-operative Banks, on their own part, have advanced some arguments in support of their having to operate as commercial banks, i.e. a departure from the Raiffeisen and Schulze-Delitzsch models. One of their major arguments centres on the need for greater business transactions. Most of the arguments are either not plausible or questionable. For instance, a solution to paucity of business transactions is not necessarily having to operate as commercial banks. A better more effective remedy is to engage in the provision of a variety of financial services as Co-operative Banks in some countries have shown in Section II to have successfully done.

In a developing economy like Nigeria, Co-operative Banks are expected to make contributions to the promotion of economic development\* in various ways. These include, inter alia,

- (i) the training of co-operative bankers or the provision of financial assistance for a programme of education,
- (ii) promotion of financial infrastructure,
- (iii) supervision of production credit to ensure productive utilization of loans,
- (iv) co-ordination and disbursement of the financial resources of the co-operative movement, and,

---

\* See, e.g. F.B. Samura (10), pp. 100 - 104

(v) stimulation of investment potential through counselling and acting as industrial partner.

Co-operative banking in India, seeing their tasks as filling definite financial gaps, especially that of tackling the problem of rural indebtedness, have made their impact greatly felt in all parts of India. Although the problem of indebtedness has not been as serious in Nigeria as in India, there is nevertheless a great deal of seasonal indebtedness in rural areas which, in default of credit facilities, results in the farmer having to pledge his crop to middlemen who buy them or to moneylenders at very high cost. There is also the indebtedness of the urban wage-earners and of small self-employed workers - artisans, carpenters, craftsmen, etc. - who need money to start or carry on small or medium-size enterprises.\* Co-operative arrangements to encourage thrift and to provide credit on reasonable terms and suitable forms can greatly assist in bringing into being many potentially viable enterprises in a developing economy.

Co-operative societies in Nigeria and some African countries no longer have such ready access to accumulated reserves from their marketing of agricultural produce as in those golden boom years of the forties and fifties. This might have, perhaps, been one reason why co-operative development in these countries had tended to concentrate on the marketing societies themselves rather than being based on the Raiffeisen or Schulze-Delitzsch models of financial gap-filling in the economy.

To be capable of increasing productivity in a developing economy, these banks have to be more dynamic and cease to operate as if they were intended merely to swell the number of existing maladapted commercial banks. For instance, the Co-operative Banks in Britain, having traditionally specialized in the smaller corporate and personal accounts, offer a quick and quality service at cheaper costs to smaller customers than the bigger London Clearing Banks. As in the case of the co-operative banking groups in France, those in Nigeria should take the initiative in creating in each Co-operative Bank a special bureau to deal with would-be business creators so that they can actually help new projects to get underway. This is very important because, as is being

---

\* For a detailed study of this form of indebtedness, role of moneylenders and the financial problems of small-scale enterprises in the country, see Ojo, (2) chapters V and VI

realized in France, U.K., Japan and some other countries, the creation of new businesses is a promising generator of employment - big businesses being unable to create more jobs because of the demands international competition makes on costs and productivity. It is the small rural industrialist who can now be expected to perform the dual role of creating jobs and maintaining a degree of economic activity at the rural or regional level. The commercial banks have seen themselves incapable of assisting this sector of crucial importance in most developing countries.

We expect such a bank to be able to accompany a rural, small or nascent industrial enterprise, as brilliantly summed up by Professor Gerschenkron (13) in the German Case, "from cradle to grave, from establishment to liquidation throughout all the vicissitudes of its existence."

### Conclusion

In many developing countries today, the need of co-operative societies, enterprises and other activities in the financially undeveloped areas for greater financial assistance during the industrialization process makes the development of co-operative banking on the Raiffeisen and Schulze-Delitzsch models more relevant than ever before. The existing co-operative banks, to be able to really contribute much to the economic development of these countries, have to be more dynamic and cease to operate as if they were intended merely to swell the rank and file of the maladapted commercial banks.

In the light of a detailed study of the Nigerian particular experience with co-operative banking development, the following suggestions and recommendations are considered useful in making the Co-operative Banks operate in the manner expected of them, most especially that of filling some financial gaps in a developing economy and providing greater financial facilities at cheaper costs to co-operative societies, small and medium-sized enterprises. Apart from making them contribute more to the industrialization of a developing economy, the vital question as for whom the Banks were really established to serve, posed now in Nigeria, for instance, since the sixties, would be substantially disposed of.

In view of the need for preferential treatment of co-operative societies and enterprises, co-operative banks in a developing economy should develop in a manner to lay greater emphasis on relieving the societies, their members and enterprises

of their financial problems. They should also assist in providing counselling, managerial and technical assistance so as to render projects financed more viable.

The Co-operative Banks should not be treated and made to operate in the same manner as commercial banks. They would only be able to fill definite financial gaps in a developing economy if they were constituted on their own as a group under an apex co-operative financial institution. They should, therefore, have their own separate Co-operative Banking Regulations, with the apex institution exercising necessary control as well as having responsibilities for co-ordinating the activities of the co-operative banks and their collective representation at national level. The apex institution could also play the role of a clearing house for the group.

Co-operative banks should be prepared to provide a wide range of services to meet the special needs of their clients in almost the same manner as those developed on the Raiffeisen and Schulze-Delitzsch patterns; e.g. playing the role of a counsel as well as a financier and acting as real partners of the enterprises in the localities.

Finally, the process, as in Nigeria, whereby loans were first issued to a Co-operative Union, who, in turn, issued this to its societies who then issued it to their members appears to be unnecessarily long and cumbersome; and it is likely to render the loan more costly to members.\* Co-operative Banks should, through a Rural Development Section, deal directly with primary co-operative societies rather than indirectly through a long chain of unions and their societies.

---

\* For instance, according to *A Situation Report of Agricultural Credit in Nigeria*, by Harold Bauman *et al.* (1966, p.289), one co-operative bank charged 8-10% interest on loans issued to a co-operative union, with the union charging about 15% to the societies who then charged their members 20%.

## References

- (1) Ojo, J.A.T., *Financial Sector and Economic Development, with special reference to the Nigerian Capital Markets*. Unpublished Ph.D. Thesis, University of Wales, 1974.
- (2) Ojo, Ade T., *The Nigerian Financial System*, Bangor Occasional Paper in Economics No. 7, University of Wales Press, Cardiff, 1976.
- (3) Nigeria, Federal Republic of, *Government Views on the Report of the Review Panel on Co-operative Principles, Laws and Regulations in Nigeria*, Federal Ministry of Information, Lagos, 1978.
- (4) United Africa Company, Co-operative Enterprise and its Relationship to Private Enterprise, *Statistical and Economic Review* (UAC), Issue No. 26, October 1961 (pp. 1-38).
- (5) Taylor, Ryland A., Credit Unions and Co-operative Banking in Developed and Developing Countries, *Annals of Public and Co-operative Economy*, April/June 1974 (pp. 105-118).
- (6) Garcia, F.L., Glenn G. Munn's *Encyclopedia of Banking and Finance*, 6th Edition, The Bankers Publishing Co., Boston, Mass., 1962.
- (7) Kamat, G.S., Public Sector Banking and Co-operative Banking in India, *Annals of Public and Co-operative Economy*, April/June, 1973 (pp. 159-163).
- (8) Hough, Eleanor M., *The Co-operative Movement in India*, 5th Edition (revised and enlarged by K. Madhava Das), OUP, London, 1966.
- (9) Gadgil, D.R., et al., *Organizational Framework for the Implementation of Social Objectives*, Report of a Study Group of the National Credit Council (India), Reserve Bank of India, Bombay, October, 1969, p. 13.
- (10) Samura, F.B., The Role of the Co-operative Bank in Economic Development, in *The Impact of Central Banking on a Developing Economy : 10 Years of Central Banking in Sierra Leone*, Symposium edited by Dr. A.B. Taylor, Central Bank of Sierra Leone, Freetown (pp. 99-107).



(11) Adeyeye, O., Co-operative Banking in Western Nigeria, Yesterday, Today and Tomorrow, *Review of International Co-operation*, No. 6, Vol. 62, 1969.

(12) Bauman, Harold, et al., *A Situation Report of Agricultural Credit in Nigeria*, NISER/Consortium for the Study of Nigerian Rural Development, Report No. 3, June 1966.

(13) Gerschenkrom, A., *Economic Backwardness in Historical Perspective: A Book of Essays*, Cambridge, Mass, Harvard University Press, 1962. p.14.

PLUNKETT FOUNDATION  
CO-OPERATIVE REFERENCE LIBRARY  
SELECT LIST OF ACCESSIONS DURING THE PERIOD 1978/79

Compiled by  
J. Elise Bayley

CONTENTS

Index of names	page
	<u>Numbers</u>
Agriculture and Agricultural Co-operation	1 - 42
Banking, Credit and Insurance	43 - 60
Bibliography	61 - 68
Biography and History	69 - 77
Co-operatives by Countries	78 - 176
Credit Unions	177 - 181
Economics and Politics	182 - 193
Education and Training	194 - 216
Housing	217 - 219
Law/Legislation	220 - 237
Marketing	238 - 253
Organisation, Management and Financing	254 - 277
Reference	279 - 294
Rural Development	295 - 314
Statistics	315 - 324
Workers' Co-operatives	325 - 341

CO-OPERATIVE REFERENCE LIBRARY

SELECT LIST OF ACCESSIONS 1979

Index of Names

Abbot, J.C., 241  
Aberdeen, School of Agriculture, 27  
ACOSCA (African Co-operative Saving and Credit Association), 53  
Agricultural Co-operative Development International, 116  
Agricultural Refinance and Development Corporation, 43  
Ahmed, Akbar S., 122  
Alexander, Sir Kenneth, 195  
Andreou, Paris, 139  
Arkleton Trust, 130, 194, 195  
ASEAN, 240  
Asian and Pacific Regional Agricultural Credit Association, 44  
ASLIB, 279  
Associazione Nazionale Co-operative Agricole, 134  
Australia, South Department of Agriculture and Fisheries, 1  
Aziz, Ungku A., 2

Badioli, Enzo, 128  
Bangladesh Academy for Rural Development, 84, 85, 86, 87, 295  
Bangladesh Integrated Rural Development Programme, 88, 89  
Bangladesh Jatiya Samabaya Union, 91  
Bangladesh Jatiya Palli Unnayan Samabaya Federation, 90  
Bank für German Wirtschaft, 43, 46  
Bar-Ilan University, 149  
Baron, P., 32  
Bellamy, Joyce, 61  
Bellers, John, 325  
Belloncle, Guy, 81  
Bergeron, Lise, 98  
Bletzer, Keith, 154  
Botswana Co-operative Development Centre, 255  
Botswana Government, 220, 221  
Bottomley, Trevor, 207  
Bray, Jeremy, 326  
Brewster, G., 80  
Buonocuore, Vincenzo, 129

Cable, Vincent, 185  
 Caisse National de Crédit Agricole, 47, 182  
 California University, 222  
 Cambridge University, Department of Land Economy, 12  
 Campbell, Alastair, 327  
 Canada Agriculture, 62, 99, 100  
 Canada Government, 233  
 Canadian Co-operative Credit Society Ltd, 101  
 Carruthers, Ian D., 92  
 Cebeco - Handlesraad, 69  
 CEMAS, 209, 210, 287  
 Central Association of Co-operative Unions Rhodesia, 296  
 Central Council for Agricultural and Horticultural  
 Co-operation, 3, 4, 5, 6, 7, 8, 9, 10, 224, 256  
 Centre for Environmental Studies, 339  
 Centro Nacional de Educacion Co-operativa, 63  
 Cesarini, Giulio, 130  
 Christiansen, Per H., 14  
 Clarke, Peter, 183  
 Clearinghouse on Development Communication, 280  
 Cline, William R., 184  
 Coady International Institute, 297  
 CODEC (Co-operative Development Centre of the Government of  
 the Republic of Botswana), 51  
 Cohen, Joseph G., 70  
 Coleraine University, 294  
 Commonwealth Forestry Bureau, 64  
 Commonwealth Secretariat, 185  
 Confédération Européene de l'Agriculture, 110, 246  
 Confederazione Co-operative Italiane, 11  
 Co-operativa Cultural dos Esperantistas, 96  
 Co-operative Development Foundation, Canada, 298  
 Co-operative Housing Agency, 217  
 Co-operative League of Thailand, 163  
 Co-operative Party, 186  
 Co-operative Union, 187, 196  
 Co-operative Union of Canada, 257  
 Co-operatives Promotion Department, 165  
 COPA/COGECA, 315  
 COPAC (Joint Committee for the Promotion of Aid to  
 Co-operatives), 48, 49, 78, 136, 142, 150, 157, 299, 307  
 COSIRA, 258  
 Credit Union League of Great Britain, 177  
 Credit Union National Association, 178  
 Cujes, Rudolf P., 71  
 Czechoslovakia Central Committee of the Union of Co-operative  
 Farmers, 103  
 Czechoslovakia Central Co-operative Council, 104, 105  
 Czechoslovakia Statutes, 225

D'Alessandro, Antonio, 11  
 Danish International Development Agency, 93  
 Davidson, J.G., 12  
 Denman Rural Training Centre, 197  
 Derrick, Paul, 328  
 Deshpande, S.H., 123  
 Deutsche Entwicklungshilfe für Soziales Wohnungs-und  
 Siedlungswesen, 218  
 Deutsche Raiffeisenverband, 115  
 DG Bank., 50, 316  
 Digby, Margaret, 72, 219, 238  
 Douse, William John, 76  
 Dülfer, Eberhard, 300  
 Dutertre, Guy, 111

Eckstein, Shlomo, 149  
 Economic and Social Research Institute, 281  
 Enese, Laszlo, 119  
 Erdos, Renee F., 198  
 European Communities Commission, 13, 199, 239, 259, 317

Farmers Organisation Authority, 143  
 Farmland Industries Inc., 200  
 Faustino, B.P., 240  
 Federacion Argentina de Co-operativas Agrarias, 201  
 Federazione Nazionale delle Co-operative della Pesca, 11  
 Fenn, M.G., 243  
 Fenyes, T.I., 82  
 Fisheries Development Organisation, 17  
 Fledderjohn, David, 116  
 Food and Agricultural Organisation, 14, 15, 16, 51, 52, 65, 79,  
 80, 109, 202, 238, 241, 242, 243, 260, 300, 301, 305, 314, 318,  
 319  
 Foxall, Gordon R., 261  
 Friedrich-Ebert Stiftung, 203, 334

Gaikwad, V.R., 263  
 Gajardo, Marcela, 264  
 Gambia Ministry of Agriculture and Natural Resources, 114  
 Galetti, Vincenzo, 131  
 Gasson, Ruth, 18  
 GB (Great Britain) Government, 19, 20, 21, 179, 266, 245  
 GB Central Office of Information, 302  
 GB Department of Education and Science, 282  
 GB Ministry of Agriculture, Fisheries and Food, 22, 244  
 GB Ministry of Overseas Development, 303

GB National Economic Development Office, 23, 24  
GB Parliamentary Debates, 304  
Gill, A.H., 248  
Gorman, G.E., 284  
Gretton, R.H., 238  
Groenewald, J.A., 82  
Grosfeld, Jan, 141  
Groves, C.R., 42  
Gupta, V.K., 263

Hanel, Alfred, 53, 305  
Haque, A.K.M. Zahirul, 91  
Haque, M. Mohammed, 88  
Haswell, Margaret, 164  
Highlands and Islands Development Board, 195  
Hoinville, Gerald, 204  
Hull University, 273  
Hussain, Sajjad, 54

ICECOOP, 264  
Ifidon, Sam E., 205  
Ijere, Martin A., 152  
India Government Planning Commission, 55  
Indian Farm Education Foundation, 124  
Indian Institute of Management, 263  
Industrial Common Ownership Movement, 206  
Information Center on Instructional Technology, 283  
Institut National de la Recherche Agronomique, 141  
Institute of Development Studies, 54, 284  
Intermediate Technology Development Group, 207, 277  
International Committee of Workers Co-operative Productive  
and Artisanal Societies, 68  
International Co-operative Alliance, 66, 83, 160, 188, 208, 209,  
210, 228, 285, 286, 287, 332, 336, 338, 340  
International Co-operative Insurance Federation, 60  
International Federation of Agricultural Producers, 306  
International Labour Office, 211  
International Labour Organisation, 107  
International Voluntary Services, 288  
Iowa State University, 168, 272  
Irish Agricultural Organisation Society, 125, 126  
Islam, M. Zahedul, 90  
Italy, Ministero dell Agricoltura delle Foreste, 132  
Italy, Ministero del Lavoro e della Previdenza Sociale, 229  
Italy, Presidency of Ministers, 133

Jennings, Andrew N., 25  
Johnson, Maureen, 127  
Jowell, Roger, 204

Kentucky University, 265  
Kimble, Helen, 41, 95  
Klatzmann, 112  
Knapp, Joseph G., 73  
Kola, Mary, 138  
Kuhn, Johannes., 26

Lamming, G.N., 15  
LeFrance, E.R.M., 135  
Lega Nazionale Co-operative e Mutue, 134  
Lester, Lois Joy, 283  
Lewis, John W., 269  
Liesenburghs, H., 246  
Lockett, Martin, 212, 329, 330  
Low, John, 213

McCalla, A.F., 35  
Machima, Pradit, 163  
Mackel, Christopher, 27  
McMonnies, David, 330  
Mahoney, N., 332  
Marburg, Philipps - Universität, 53, 145, 153, 307  
Markie, John, 49, 136, 142  
MATCOM, 214  
Mauritius Co-operative Union, 148  
Mauritius Ministry of Co-operatives and Co-operative  
Development, 215  
Mbithi, Philip, 138  
Meat and Livestock Commission, 289  
Mend, A.F., 146  
Mevellec, Pierre, 266  
Miriti, A.M., 139  
Moura, Valdidi, 96  
Mshiu, Sam, 209  
Münker, Hans-H., 145, 307  
Mustonen, Martii, 108

Nagy, L., 118  
Nagy, Sandor K., 120  
National Agricultural Co-operative Federation, Korea, 140

National Co-operative Union of Mauritius, 147  
 National Council of Agricultural Co-operatives, Hungary, 118,  
 119, 120  
 National Union of Agriculture, India, 124  
 National Co-operatieve Raad voor Land-en Tuinbouw, 151  
 Newens, Stan, 28  
 New Hebrides Government, 230  
 Nidenberg, Simone, 113  
 Niyomviphat, Adul, 165  
 Noorani, Encik Mohamed, 17  
 Nova Scotia Department of Agriculture and Marketing, 267  
 Ntiti, E.O, 79  
 Nourse, Edwin G., 73  
 Nystrom, Harry, 159

Oakeshott, Robert, 332  
 O'Brien, Terence, 67, 189, 308  
 Omowale, 56  
 Open University, 161, 212, 268, 290, 330  
 Osontogun, A., 154  
 Overseas Development Administration, 164  
 Overseas Development Institute, 291

Paddyachie, R.L., 247  
 Pakistan Government, 231  
 Parsons, Kenneth H., 117  
 Paton, Rob, 268  
 Peiris, T.D.L., 255  
 Perraton, Hilary, 216  
 Pieve, Fred A., 267  
 Plum, Werner, 334  
 Plunkett, Sir Horace Curzon, 61, 74, 75  
 Plunkett Foundation, 29, 30, 57, 58, 219, 274, 275, 292, 320  
 Prodi, Romano, 335  
 Prothero, Rowland E., 31

Qadir, S.R., 87  
 Quddus, M.A., 87  
 Queensland Government, 232, 233  
 Quick, Stephen, 175

Radwan, Samir, 107  
 Rasmusson, Rasmus, 138  
 Raven, Charles E., 190



Reading University, 32, 33, 34, 35, 36, 37, 248  
 Reithang, Inge, 139  
 Reserve Bank of India, 59, 320  
 Rhodesia Government, 234  
 Ritson, C., 32  
 Robbins, C.J., 34  
 Rodrigues, A.M., 56  
 Rosenfeld, Claude H., 121  
 Rowley, J.J., 76  
 Royal Tropical Research Institute, 162

Samvirkende Danske Andelsselskaber Andelsudvalget, 106  
 Sandberg, L., 109  
 Sargent, Malcolm J., 249  
 Sarji, A.H. Ahmad, 143  
 Sarhad Co-operative Union, 122  
 Sattar, M.Ghulam., 85  
 Sawtell, Roger, 336  
 Scandinavian Institute of African Studies, 138  
 Schroeder, Jack., 180,181  
 Scottish Co-operative Development Committee, 269  
 Scottish Council of Social Service, 337  
 Shaw, W.J., 257  
 Shedden, Barbara, 224  
 Sherbrooke University, 81  
 Soper, M.H.R., 38  
 South Pacific Commission, 322  
 Sri-Lanka Department of Co-operative Development, 156, 323  
 Sprudz, Alexanders, 102  
 Sultan, K.M. Tipu, 295  
 Sunrise Co-operative Farm Community, 70  
 Surridge, B.J., 57  
 Sveriges Lantbruks Suniversitet, 159  
 Swedish Co-operative Centre, 309  
 Swedish University of Agricultural Sciences, 137  
 Swinbank, A., 32, 33

Tasmania Government, 235  
 Tayeh, A.K.,  
 Taylor, Michael, 191  
 Teachers, The, 393  
 Thailand Co-operative Promotion Department, 236  
 Themistocli, Koulla, 68, 337  
 Thornley, Jenny, 339  
 Torres, James F., 310

Ullah, M Balaghat, 90  
United Kingdom Agricultural Supply Trade Association, 39  
United Nations Conference on Trade and Development, 60  
United Nations Development Programme, 94, 311  
United Nations Economic and Social Council, 192  
United States Department of Agriculture, 40, 167, 168, 169, 170,  
171, 172, 173, 174, 250, 251, 252, 253, 270, 271, 312, 324  
University, see under name  
Utterstrom, Carl, 159

Van Dooren, Pierre J., 313  
Vanek, J., 340  
Van Heck, Bernard., 314  
Verhagen, Koenraad, 148, 162

Wales, University College of, 25  
Ward, Joseph D., 341  
Warren, Richard D., 166, 272  
Webster, F.H., 41, 57  
Westfälischen Wilhelms Universität Münster, 144  
West of Scotland Agricultural College, 42  
Whelan, Maria C., 281  
Wierer, K., 241  
Wiles, P.J.D., 193  
Wilson, J.S.G., 273  
Wisconsin University, 117  
Wiseman, Brian L., 274  
Wright, David H., 342  
Wye College, 18, 92, 121, 247

Yeo, Peter, 275, 276  
Yetley, Mervin J., 166, 272, 277  
Yorkshire and Northern Woolgrowers, 77

Zambia University, 175

## AGRICULTURE AND AGRICULTURAL CO-OPERATION

(including FISHERIES & FORESTRY)

see also MARKETING AND DEVELOPING COUNTRIES

1. Australia, South. Department of Agriculture and Fisheries. Farm and machinery syndication in Britain: study tour report, June-Sept., 1978. Adelaide, 1979. pp.32
2. Aziz, Ungku A. Co-operation as a method to increase agricultural productivity. pp. 19-32 of ?,?, 1979.
3. Central Council for Agricultural and Horticultural Co-operation. Agricultural co-operation - a policy review. London, 1978. pp. 8
4. Central Council for Agricultural and Horticultural Co-operation. Benefit of agricultural co-operation (and case studies) London, 1979. pp. 28
5. Central Council for Agricultural and Horticultural Co-operation. Commitment, control and growth in co-operatives, by Anglian Produce, Deeside Dairy Farmers, Eastern Counties Farmers, Gloucestershire Marketing Society, Group Cereals Services, Hertfordshire Quality Livestock Producers. 1979. pp. 72
6. Central Council for Agricultural and Horticultural Co-operation. Co-operation in action. Pigs for professionals: the farmers' guide to co-operative pig breeding, production and marketing. 1978. pp. 10
7. Central Council for Agricultural and Horticultural Co-operation. Co-operatives and joint ventures. 1979. pp. 9
8. Central Council for Agricultural and Horticultural Co-operation. Second-tier co-operatives. 1979. pp. 11
9. Central Council for Agricultural and Horticultural Co-operation. Study of the fresh vegetable production within the United Kingdom, by A.H. Poray. 1978. pp. 134
10. Central Council for Agricultural and Horticultural Co-operation. Study of the fresh vegetable imports into the United Kingdom, prepared by Andrew H. Poray. 1978. pp. 48

11. *Confederazione Co-operative Italiane. Le co-operative della pesca e la riforma tributaria; a cura di Antonio Giuseppe D'Alessandro. Rome, 1975. pp. 87. Federazione Nazionale delle Co-operative della Pesca, quaderno, 1*
12. *Davidson, J.G. Grain storage - some economic aspects. Cambridge, Department of Land Economy, 1977. pp. 5*
13. *European Communities. Commission. Proposals on policy with regard to agricultural structures (submitted to the Council by the Commission). Brussels, 1979.*
14. *Food and Agriculture Organization. Las co-operativas forestales a nivel comunitario: estudios de tres casos: Mexico, Guatemala, Honduras, por Per H. Christiansen (dupl. typ). Rome, 1979. pp. 73.*
15. *Food and Agriculture Organization. FAO consultation on increasing agricultural production through co-operatives, Bali, October 1978: introductory working paper, by G.N. Lamming. pp. 81; report, pp. 34. Rome, 1979.*
16. *Food and Agriculture Organization. Forestry for rural communities. London, 1978. pp. 56*
17. *Fisheries Development Organisation. Development of the fisheries industry in Malaysia, by Encik Mohamed Noorani. Paper presented to 2nd ASEAN Co-operative Organisation Council, Meeting, Kuala Lumpur, 1978 pp. 11*
18. *Gasson, Ruth. Labour sharing in agriculture: report prepared for the Agricultural Training Board, CCAHC and NFU Development Trust. Ashford, Wye College, 1979. pp. 117*
19. *G.B. Command paper, 6020. Food from our own resources. Presented to Parliament on April 1975. HMSO, 1977 (repr.) pp. 21*
20. *G.B. Command paper, 7458. Farming and the nation: presented to Parliament February 1979. 1979. pp. 36*
21. *G.B. Command paper, 7599. Report of the Committee of Inquiry into the acquisition and occupancy of agricultural land. Chairman: The Rt. Hon. Lord Northfield. Presented to Parliament July 1979. 1979. pp. 378*

22. G.B. Ministry of Agriculture, Fisheries and Food. Possible patterns of agricultural production in the United Kingdom by 1963. 1983. pp. 20
23. G.B. National Economic Development Office. The agriculture EDC and its work. Folder. 1978.
24. G.B. National Economic Development Office. Agriculture into the 1980's: progress on recommendations. London, 1977. pp. 20
25. Jennings, Andrew Neil. Co-operation in farm production: a review and development. A dissertation submitted as part candidature for the degree of M.Sc., University College of Wales, Department of Agricultural Economics, 1978.
26. Kuhn, Johannes. On the interests of the members of agricultural co-operatives in developing countries. Article from Law and State 1978. Vol. 15. pp. 137 - 158
27. Mackel, Christopher. Contracting for fat cattle - a feasibility study. Aberdeen, School of Agriculture. 1978. pp. 51+
28. Newens, Stan. The co-operative movement in Essex. Article from The Essex Journal, Spring 1978. pp. 2 - 15
29. Plunkett Foundation. Co-operative Communication, 1979
  1. Significance of the size factor in supply co-operatives. pp. 3
  2. Capital maintenance and accumulation in agricultural co-operative societies. pp. 8
30. Plunkett Foundation. Fourth co-operative seminar, Oxford April, 1979: papers and research register. Oxford, pp. 57
31. Prothero, Rowland E. English farming past and present. London, Longmans, Green, 1917. (2nd ed.), pp. 504
32. Reading University. Centre for Agricultural Strategy. The agricultural industry and co-operatives. Discussion papers by A. Swinbank, C. Ritson, P. Baron for ACMA seminar : A Review of Food and Agriculture in the World, the EEC and the U.K., at Worcester, 1979. 1979  
paging varies.

33. Reading University. Centre for Agricultural Strategy. The British interest and the green pound, by A. Swinbank. 1978. pp. 48. CAS paper, 6.
34. Reading University. Centre for Agricultural Strategy. Food, health and farming: reports of panels on the implications for U.K. agriculture, edited by C.J. Robbin. 1978. (rev. ed.), pp. 119
35. Reading University. Centre for Agricultural Strategy. International agricultural research: potential impact on world food markets and U.K. agricultural strategy, by A.F. McCalla, 1978. pp. 37. CAS paper 5.
36. Reading University. Centre for Agricultural Strategy. National food policy in the U.K. 1979. pp. 116. CAS report, 5.
37. Reading University. Centre for Agricultural Strategy. Strategy for the U.K. dairy industry. 1978. pp. 186. CAS report, 4.
38. Soper, M.H.R. British agriculture today: an introduction. London, Association of Agriculture, 1978. pp. 46
39. United Kingdom Agricultural Supply Trade Association Ltd. (UKASTA) Do you know? Facts and figures about the U.K. compound animal feeding stuffs industry. 1978. pp. 19
40. United States Department of Agriculture. Economics, statistics and co-operatives service. Alternative futures for world food in 1985. Vol. 1 World GOL (grain oilseeds livestock) model: analytical report. Washington, 1978. pp. 137
41. Webster, F.H. and Kimble, Helen. Specialisation and aggregation - a study of whether, to what extent, and how agricultural co-operatives diversify their activities. Oxford, Plunkett Foundation, 1978. pp. 74
42. West of Scotland Agricultural College. An EEC agricultural handbook, by C.R. Groves. 1978, pp. 104

## BANKING, CREDIT & INSURANCE

43. Agricultural Refinance and Development Corporation. Report of the committee on integration of co-operative credit institutions. Bombay, 1976. pp. 260
44. Asian and Pacific Regional Agricultural Credit Association (APRACA). Report on the first general assembly of the Association and the Third Asian Conference of Agricultural Credit and Co-operatives, held in New Delhi, 1977. ?1978. Bangkok, pag. varies.
45. Bank fur Gemeinwirtschaft. The BSV Bank - bank for the investment of savings and capital formation: tasks - organisation - achievements, by Oskar George. Frankfurt 1979. pp. 71. Series Commonweal Economy, 26.
46. Bank fur Gemeinwirtschaft. German labour banks in the twenties, by Achim von Loesch. Frankfurt, 1978.
47. Caisse National de Credit Agricole. Economie et finances agricoles. Montreuil, 1978. pp. 75
48. COPAC. International co-operatives credit interlending programme (ICCIP). Rome. 1979. pp. 15
49. COPAC. The role of credit co-operatives in combating rural poverty in India, by John Markie. Rome, 1977. pp. 34
50. D.G. Bank. Zur mittelstandsbezogene Bankpolitik des Verbundes der Genossenschaftsbanken, von Felix Viehoff. Teil II. Wirtschaftlicher Mittelstand und Genossenschaftliche Bankpolitik. Frankfurt, Fritzknapp, 1979. Veroffentlichungen der D.G. Bank, Bank 12.
51. Food and Agriculture Organisation. Final technical report of the FAO co-operative credit specialist to the ILO/UNDP supported Co-operative Development Centre (CODEC) of the Government of the Republic of Botswana, Gaborone (Project BOT/72-008). Roma, 1976. Typsc. pp. 107
52. Food and Agriculture Organisation. Scheme for agricultural credit development: report on the ad hoc consultation..... Roma, 1976. pp. 24

53. Hanel, Alfred. Challenges facing ACOSCA in the second decade: paper presented at Regional Workshop of ACOSCA in Lesotho, 1979. Marburg, Philipps-Univ. 1979. pp. 31
54. Hussain, Sajjad. Some problems of access in the distribution of rural credit through the replication of Comilla co-operatives in Bangladesh. Brighton, Institute of Development Studies. Dupl. typ. pp. 12. 1976
55. India. Government Planning Commission. Study of utilization of co-operative loans. Delhi, 1967. pp. 227 Programme evaluation organisation, 49.
56. Omowale and Rodrigues, A.M. Agricultural credit related to nutrition and national development in the Caribbean: a study of the Guyana Agricultural Co-operative Development Bank. Article from Tropical Agriculture, Vol. 56/1 Jan. 1979. pp. 1 - 9
57. Plunkett Foundation. Co-operative thrift, credit, marketing and supply in developing countries, by B.J. Surridge and F.H. Webster. Oxford, 1978 (rev. ed), pp. 88
58. Reserve Bank of India. Report on trend and progress of banking in India. 1977-78
59. Reserve Bank of India. Review of agricultural development and co-operative credit in Maharashtra. Bombay, 1977. pp. 114. All-India debt and investment survey, 1971-2
60. United Nations Conference on Trade and Development. Invisibles: co-operative insurance. A suitable form of insurance for developing countries. Study... for UNCTAD by... International Co-operative Insurance Federation. Geneva, 1977. pp. 30

#### BIBLIOGRAPHY

61. Bellamy, Joyce. Sir Horace Curzon Plunkett: bibliography compiled for the Dictionary of Labour Biography. Photostat. University of Hull, 1977. pp. 15 - 23



62. Canada Agriculture. Co-operative information retrieval system (COINS) : a monthly bulletin. Ottawa.
63. Centro Nacional de Educacion Co-operativa. Catalogo de la biblioteca. Zaragoza, 1979. pag. varies.
64. Commonwealth Forestry Bureau. Forestry co-operatives bibliography, 1978.
65. FAO Documentation. Current bibliography, Rome.
66. International Co-operative Alliance. Annotated bibliography of literature on co-operative movement in S.E. Asia. New Delhi.
67. O'Brien, Terence. Co-operative bibliography with special reference to Ireland. Coleraine, Irish Management Institute/New University of Ulster, 1979. pp. 188
68. Themistocli, Koulla. Industrial co-operation: a bibliography. Rome, CICOPA (International Committee of Workers' Co-operative Productive and Artisanal Societies) 1978. pp. 61

#### BIOGRAPHY AND HISTORY

69. Cebeco-Handelsraad. Cebeco-handelsraad, 1899-1979. Rotterdam, 1979. pp. 21
70. Cohen, Joseph J. In quest of heaven: the story of the Sunrise Co-operative Farm Community. Philadelphia, Porcupine Press, 1975. pp. 244
71. Cuješ, Rudolf P. Rev. Janez E. Krek, dr. theol. Antigonish. St. F. Xavier University. 197?, pp. 18
72. Digby, Margaret. The little nut tree: the memoirs of Margaret Digby. Oxford 1979. pp. 415
73. Knapp, Joseph G. Edwin G. Nourse - economist for the people. Danville, Interstate, 1979. pp. 544
74. Plunkett, Sir Horace. Sir Horace Plunkett and Irish politics. Article from Eire-Ireland, Fall Issue, 1978.

75. Plunkett, Sir Horace Curzon. (1854-1932) Co-operator and politician. Entry in Dictionary of Labour Biography. pp. 181 - 191
76. Rowley, J.J. Douse, William John (1842? - 1927): co-operator. Draft of article for Dictionary of Labour Biography. pp. 12
77. Yorkshire and Northern Woolgrowers. Golden jubilee 1929-1979, by Duncan Robertson. Helmsley, 1979. unpag.

### CO-OPERATIVES BY COUNTRY

#### Afghanistan

78. COPAC. Co-operatives in Afghanistan. Rome, 1975. pp. 19
79. Food and Agriculture Organisation. The final report of the government of the Republic of Afghanistan on the development of co-operative organisations in Afghanistan, based on the work of E.O. Ntiti. 1974. pp. 29
80. Food and Agriculture Organisation. Report to the government of the Republic of Afghanistan on evaluation and rural planning in co-operative development in Afghanistan, based on the work of G. Brewster. 1975. pp. 26

#### Africa

81. Belloncle, Guy. Co-opérative et développement en Afrique noire sahélienne. Univ. Sherbrooke, 1978. pp. 248. Collection du CEDEC, 10.
82. Fenyés, T.I. and Groenwald, J.A. Socialist enterprise forms in agriculture VII: potential application in agriculture in Africa. Article from Agrekon, July 1977. Vol. 16/3. pp. 2-9
83. International Co-operative Alliance. ICA regional conference for West Africa 1978, Abidjan, Ivory Coast: report. pp. 19

#### Bangladesh

84. Bangladesh Academy for Rural Development. A new rural co-operative system for Comilla Thana. Rural co-operative pilot experiment. 16th Annual Report, 1975-6. 1978.

85. Bangladesh Academy for Rural Development. Rural development through self-help: a study of the self-help Ulashi-Jadunathpur project in Jessore, by M. Ghulam Sattar. Comilla, 1979. pp. 105
86. Bangladesh Academy for Rural Development. Small farmers and landless labourers' development project: proceedings of the workshop held at Comilla, May 1978. Comilla, 1978. pp. 73
87. Bangladesh Academy for Rural Development. Women's education home development programme. Seventh report, 1973-1977, by S.R. Qadir and M.A. Quddus. Comilla, 1979 pp. 69
88. Bangladesh Integrated Rural Development Programme. Co-operatives in development and population planning, by M. Mohammed Haque. Bangladesh Family Planning Seminar, sixth session, 1972, pp. 11
89. Bangladesh Integrated Rural Development Programme. Revised cost estimates for first five year plan (1973-4 to 1977-78). 1973. pp. 7
90. Bangladesh Jatiya Palli Unnayan Samabaya Federation. Co-operative movement and the national co-operative federation for rural development in Bangladesh, by M. Bakaghat Ullah and M. Zahedul Islam. Dacca, 1977. pp. 37
91. Bangladesh Jatiya Samabaya Union. Background paper on co-operative movement of Bangladesh, by A.K.M. Zahirul Haque. 1978. pp. 46
92. Carruthers, Ian D. A study of the needs and capacity for agro-economic planning and research in Bangladesh. Dacca (Wye College), 1976. pp. 49
93. Danish International Development Agency (DANIDA). Appraisal report on an integrated rural development project in Noakhali, Bangladesh. 2 vols. København. Min. of Foreign Affairs, 1977. paging sectionalised.
94. United Nations Development Programme. The 1977 Bangladesh development assistance report. Dacca, 1978. pp. 77

### Botswana

95. Kimble, Helen. Agricultural credit co-operatives in Botswana: report on pilot project, 1976-78. Oxford, Plunkett Foundation, 1978. pp. 42

### Brazil

96. Moura, Valdidi. Problemas intemporais: agricultura, colonização, co-operativismo, historia, irrigação, reforma agraria, sociologia rural. Rio de Janeiro, Co-operativa Cultural dos Esperantistas, 1977. pp. 205

### Canada

97. Agrologist. Various articles on co-operatives in Vol. 7/3, 1978.
98. Bergeron, Lise. Development and present situation of agricultural co-operatives in Quebec. Paper presented at International Conference on Family Farms. Quebec, 1979. pp. 21
99. Canada Agriculture. Co-operative business in Canada. Ottawa, 1979. pp. 18
100. Canada Agriculture. Market commentary: proceedings of the Canadian agricultural outlook conference. December 1978. Ottawa, 1978. pp. 132. Farm inputs.
101. Canadian Co-operative Credit Society Ltd. The Canadian co-operative system. Toronto, 1976. pp. 22
102. Sprudz, Aleksandrs. Co-operatives in native communities in Canada. Dupl. typ. of article in Canadian Journal of Public and Co-operative Economy, Vol. 8 No. 1 and 2, 1975 pp. 22

### Czechoslovakia

103. Central Committee of the Union of Co-operative Farmers. Farm co-operative movement in the Czechoslovak Socialist Republic. Prague, 1978. pp. 10
104. Central Co-operative Council. The Czechoslovak co-operative movement in the struggle for socialism and its contribution to socialist transformation of society, 1945-1960. (n.p., n.d.) pp. 39

105. Central Co-operative Council. Československá družstva v rozvoji socialistické společnosti (Czechoslovak co-operatives and socialist development) in Polish, Russian English and French. Prague, 1978. pp. 150

#### Denmark

106. Samvirkende Danske Andelsselskaber Andelsudvalget. Member organisation, 1978. pp. 1

#### Egypt

107. Radwan, Samir. Agrarian reform and rural poverty, Egypt 1952-1975, Geneva, International Labour Office, 1977. pp. 91

#### Finland

108. Mustonen, Martti. Näköaloja yli rajojen (Over the boundaries - to Martti Mustonen on the occasion of his 60th anniversary, 29.8.1969). Helsingin yliopiston Osuustoimintaopin laitos, 1969. pp. 205
109. Sandberg, L. Finland. Case study for FAO/Netherlands expert consultation on national coordinating organisations and institutions for dairy development, Dec. 1977. Rome, FAO, 1977. pp. 27

#### France

110. Bulletin d'Information du Ministère de l'Agriculture. The situation of agricultural co-operation in France. Extract from issue of July 17, 1978. pp. 5
111. Confédération Européenne de l'Agriculture. Comité Directeur. Information on agriculture in France. Lisbon, 1978. pp. 5
112. Dutertre, Guy. Les ambiguïtés du statut des SICA. Articles from Gestion de l'Entreprise, 1976. pp. 19-24 and pp. 15-22
113. Klatzmann, Joseph. L'agriculture française. Paris, Seuil, 1978. pp. 250
114. Nidenberg, Simone. French agriculture in the European Community. Paper prepared for meeting of Agricultural Economics Society, Manchester, 1978. Paris, Min. d'Agric. pp. 7

### Gambia

115. Gambia. Ministry of Agriculture and Natural Resources. Summary of the financing and objectives of the rural development project, by George Lowes. ?1978. pp. 13

### Germany

116. Deutscher Raiffeisenverband e V. Raiffeisen Jahrbuch 1977.

### Guatemala

117. Fledderjohn, David. Agricultural co-operative project in Guatemala: terminal report. Washington, Agric. Co-op. Devpt. Internat. (ACDI). Dupl.typ. 1976. pp. 58

### Honduras

118. Wisconsin University. Land Tenure Center. Key policy issued for the reconstruction and development of Honduran agriculture through agrarian reform, by Kenneth H. Parsons. Madison, 1978. pp. 22

### Hungary

119. National Council of Agricultural Co-operatives. Agrarian reform, co-operative land tenure, and leasehold in Hungary, by L. Nagy. Budapest, 1979. pp. 31. Documents on agricultural co-operatives, 1.
120. National Council of Agricultural Co-operatives. Development of forms of co-operative farming in Hungary, by Laszlo Enese. Budapest, 1979. pp. 37
121. National Council of Agricultural Co-operatives. History of the organisation of the agricultural co-operatives in Hungary, by Sandor K. Nagy. Budapest, 1979. pp. 44
122. Rosenfeld, Claude H. Centre for European Agricultural Studies. Hungarian agriculture: a symbiosis of collective and individual enterprises. Ashford, Wye College, 1979. pp. 57

## India

123. Ahmed, Akbar S. A strategy for co-operation: a study of the North-West Frontier Province. Peshawar, Sarhad Co-op. Union/University Peshawar, 1973.
124. Deshpande, S.H. Some problems of co-operative farming. Bombay, Himalaya Publishing House, 1977. pp. 196
125. National Union of Agriculture/Indian Farm Education Foundation. First India co-operatives congress, Trivandrum, No. 1977: report, New Delhi, (n.d.), pp. 54

## Ireland

126. Irish Agricultural Organisation Society. Framework for co-operative development for greater co-operation - for better farming by a stabilised farm population - for more jobs in agri-business and the food industry. Dublin, 1979. pp. 67
127. Irish Agricultural Organisation Society. People and their co-operatives: papers presented at national co-operative conference, Dublin 1978. 1979. pp. 31
128. Johnson, Maureen. The co-operative movement in Gaeltacht  
Dupl.typ of article from Irish Geography, ?, ?, 1979/80  
pp. 13

## Italy

129. Badioli, Enzo. The co-operative movement in Italy.  
Article from Review of the Economic Conditions in Italy,  
Nov. 1977. Vol. XXX1/6 pp. 375-384
130. Buonocore, Vincenzo (ed). Co-operazione e co-operative.  
Napoli, Liguore, 1977. pp. 269
131. Cesarini, Giulio. Rural production co-operatives in  
Southern Italy. Arkleton Trust, Langholm, 1979. pp. 80
132. Galetti, Vincenzo. Co-operazione: partecipazione e  
riforme. Bologna, Mulino, 1977. pp. 201

133. Ministero dell'Agricoltura e delle Foreste. La riforma fondiaria: trent'anni dopo (Land reform: thirty years after), a cura dell'Istituto Nazionale di Sociologia Rurale. 2 vols. Milano, Franco Angeli, 1979. pp. 431 and 413
134. Lega Nazionale Co-operative E Mutue/Associazione Nazionale Co-operative Agricole. Un nuovo ruolo del Movimento e dell'impresa co-operativa nella programmazione dello sviluppo agricolo, per trasformare l'economia e partecipare alla costruzione dell'unità europea. VI congresso nazionale, Roma, 15-18 Febbraio 1979. Tesi. Roma, 1979. pp. 39. Relazioni e documenti elaborati in preparazione del VI congresso. Rome, 1979. pp. 91. (Draft paper presented to VI congress) by Luciano Bernadini.
135. Presidency of Ministers. Italy: documents and notes. XXVI, 2/6 Mar-Dec. 1977. (Section on co-operatives pp. 111-137).

#### Jamaica

136. Le Franc, E.R.M. Co-operative movement in Jamaica: an exercise in social control. Article from Social and Economic Studies Vol. 27/1 March 1978.

#### Kenya

137. COPAC. Co-operatives and rural poverty in Kenya, by John Markie. Roma, 1977. pp. 33
138. Kola, Mary. Co-operative movement in Kenya: a seminar paper. Swedish University of Agricultural Sciences, 1978. pp. 23
139. Mbithi, Philip and Rasmusson, Rasmus. Self-reliance in Kenya: the case of Harambee. Uppsala, Scand. Inst. of African Studies. 1977. pp. 177
140. Reithaug, Inge, Mirití, A.M. and Andreou, Paris. Planning co-operative development in Kenya: a formalized and integrated approach to sector planning Article from Journal of Admin. Overseas ? ? pp. 102-117.



## Korea

141. National Agricultural Co-operative Federation. Agricultural co-operative year book. 1978.

## Latin America

142. Grosfeld, Jan. Les co-opératives et les changements agraires en Amérique Latine; (trans. from Polish by Christine Rottenberg). Paris, Institut National de la Recherche Agronomique, 1978; pp. 76

## Lesotho

143. COPAC. Report on rural co-operative development policies in Lesotho, by John Markie. Rome, 1975. pp. 34

## Malaysia

144. Farmers' Organisation Authority. Farmers' co-operatives on the move...., by A.H. Ahmad Sarji. Kuala Lumpur, 1978. pp. 117

## Malawi

145. Institut für Genossenschaftswesen. Der Dualismus in Entwicklungsländern und Ansätze zu seiner Überwindung ein Studium Zentralafrikas (Malawi, Zambia und Zimbabwe). Westfälischen Wilhelms-Universität, Münster, 1979. pp. 488. Studien über Entwicklungsländern, Band 3.

## Malta

146. Münkner, Hans-H. Report on the promotion of the co-operative movement in Malta. Marburg, 1975. pp. 128

## Mauritius

147. Mend, A.F. Some aspects of agricultural co-operation in Mauritius. Submitted for B.Sc. course at University of Mauritius. 1975. pp. 107
148. National Co-operative Union of Mauritius. Co-operatives in Mauritius. ?1976. pp. 16
149. Verhagen, Koenraad. Prospects of multi-purpose co-operative development in Mauritius: report of mission to Mauritius Co-operative Union Ltd. 25 July to 13 August 1976, Moshi ICA?, pp. 84.

### Mexico

150. Eckstein, Shlomo. Group farming in Mexico and Peru: a multivariate analysis of peasant co-operatives. Ramat-Gan, Bar-Ilan University. 1976. pp. 56

### Morocco

151. COPAC. Education à la vie rurale par l'intermédiaire des co-opératives: rapport... d'une mission COPAC/IPPF au Royaume du Maroc, 1978. Rome, 1979. pp. 16

### Netherlands

152. Nationale Co-operatieve Raad Voor Land-en Tuinbouw. Land-en tuinbouwcooperaties in Nederland per 1.1.1978. De Land- en tuinbouw co-operaties in 1977. Lijst van ledenorganisaties van de NCRLT per 1 Januari 1978. (leaflets).

### Nigeria

153. Ijere, Martin O. Modernising Nigerian co-operatives. Lagos, 1977. pp. 105
154. Osontogun, A. An analytical study of the operations of the co-operative supply association of Nigeria. Marburg, Instit. f. Koop. in Entwickl., 1979. pp. 56. Studien und Berichte, 8.

### Panama

155. Bletzer, Keith. Transition to co-operativism in a Panamanian rural community. Article from Land Tenure Center Newsletter, No. 55. Jan-Mar 1977. pp. 1-9

### Peru

156. see Mexico, Eckstein, Shlomo. Group farming in Mexico and Peru.

### Sri Lanka

157. Sri Lanka. Department of Co-operative Development. Administration report on the co-operative movement in Sri Lanka for 1974. ?1977. pp. 65

## Sudan

158. COPAC. Summary project requests for co-operative development in the Sudan. Rome, 1978. pp. varies.
159. Sudan. Consultation on co-operative development in the Sudan, Khartoum, 27-31 March 1979. (dupl. typ.) paging varies.

## Sweden

160. Sveriges Lantbruksuniversitet. Myth, issue and ideology reorganisation by merger among farm co-operatives in Sweden, by Harry Nyström and Carl Utterström. Uppsala, 1978. pp. 23. Institutionen för ekonomi och statistik rapport, 136

## Tanzania

161. International Co-operative Alliance. Recent trends in co-operative development in Tanzania. Moshi, 1979. pp. 5
162. Open University. Food production systems. Unit 16. Please sir, I want some more (case studies include papers on ujamaa). Folder. 1979
163. Verhagen, Koenraad. Changes in Tanzanian rural development policy 1975-78. Amsterdam, Royal Tropical Research Institute. pp. 10

## Thailand

164. Co-operative League of Thailand. Growth and development of agricultural co-operatives in Thailand, by Pradit Machima. Bangkok, 1976. pp. 117
165. Haswell, Margaret. Northeast Thailand: 'farm gate' surveys of organisational and financial constraints on development of the marketable surplus. London, ODM, 1975. pp. 48. Overseas research publication, 22.
166. Co-operatives Promotion Department. Agricultural co-operative movement in Thailand: problems and prospects, by Adul Niyomviphat. Bangkok, pp. 11

## United States of America

167. Iowa State University. The changing co-operative scene in Iowa, by Richard D. Warren, Mervin J. Yetley and others. 1973. pp. 57. *Sociology report*, 109
168. United States Department of Agriculture. Economics, Statistics and Co-operative Service. Agricultural co-operatives: challenges and strategies. Washington, 1979. pp. 54. *Research report*, 9.
169. United States Department of Agriculture. Economics, Statistics and Co-operative Service. Agricultural exports by co-operatives, Washington, 1979. pp. 85. *Research report*, 5.
170. United States Department of Agriculture. Economics, Statistics and Co-operative Service. Co-operative farm fertilizer costs. Washington, 1979. pp. 30. *Research report*, 8.
171. United States Department of Agriculture. Economics, Statistics and Co-operative Service. Co-operative strategies for the pork industry. 1978. pp. 36. *Marketing research report*, 1097.
172. United States Department of Agriculture. Economics, Statistics and Co-operative Service. Future structure and management of dairy co-operatives. Washington, 1979; pp. 58. *Research report*, 7.
173. United States Department of Agriculture. Economics, Statistics and Co-operative Service. Grain co-operatives. Washington. 1979. pp. 42. *Co-operative information report*, I, 55.
174. United States Department of Agriculture. Economics, Statistics and Co-operative Service. Regional grain co-operatives, 1976 and 1977. Washington, 1979. pp. 30. *Research report*, 6.
175. United States Department of Agriculture. Economics, Statistics and Co-operative Service. Subsidiaries of agricultural co-operatives. Washington. 1979. pp. 32. *Co-operative research report*, 4.

Zambia (see also Malawi)

176. Quick, Stephen. Humanism of technocracy? Zambia's farming co-operatives, 1965-1972. Lusaka, University of Zambia Institute for African Studies. Zambia papers, 12.

Zimbabwe (see Malawi)

Credit Unions

178. Credit Union League of Great Britain. The credit union book: a comprehensive guide to self-help financial co-operatives. Skelmersdale, 1978. pp. 44
179. Credit Union National Association. Yearbook. Madison, 1976.
180. G.B. Statutes. Credit unions bill (as amended by standing Committee A) 1979. London, HMSO. 1979. pp. 23
181. Schroeder, Jac K. Credit unions: a self-study programme. (n.p.) BC Central Credit Union, 1971. pp. 97
182. Schroeder, Jac K. Credit unions: a self-study programme for credit union employees. (n.p.) B.C. Central Credit Union, 1971. pp. 112

ECONOMIC AND POLITICS

(see also Workers' Co-operatives)

183. Caisse Nationale de Crédit Agricole. L'économie agro-alimentaire mondiale. 1977. pp. 55
184. Clarke, Peter. Co-operative development under labour 1974-1979. London, Coop Party. 1979. pp. 36
185. Cline, William R. (ed.). Policy alternatives for a new international economic order: an economic analysis. New York, Praeger, for Overseas Development Council, 1979. pp. 392

186. Commonwealth Secretariat. Commonwealth finance ministers meeting, Montreal, 1978: 3 papers: review of progress in implementation... of report... 'Towards a new international economic order', by the Commonwealth Secretariat; Developments in international trade policy...., by Vincent Cable; Multilateral trade negotiations and relevant trends in international trade policy, by the Commonwealth Secretariat.
187. Co-operative Party. The Coop Party, what's it all about? London, 1979. pp. 30
188. Co-operative Union. Economic review. 1978-79
189. International Co-operative Alliance. Co-operatives and the state: papers from - Meetings of Central Committee, Copenhagen, 1978. - Meeting of Agricultural Committee, Copenhagen, 1978.
190. O'Brien, Terence. Economic and social development through co-operative action - challenges and opportunities in the years ahead. Paper given at conference 10-11 Nov. 1978, Institute for Continuing Education, Derry. pp. 9
191. Raven, Charles E. Christian socialism 1848-1854. London, Macmillan, 1920. pp. 396
192. Taylor, Michael. Anarchy and co-operation. London, Wiley, 1976. pp. 151.
193. United Nations. Economic and Social Council. National experience in promoting the co-operative movement. Dupl.typ. 1978. pp. 27 + ann.
194. Wiles, P.J.D. Economic institutes compared. Oxford, Basil Blackwell, 1977. pp. 608.

#### EDUCATION & TRAINING

195. Arkleton Trust. Educating for the year 2000 - agricultural education and training in the European Community: report of a seminar held in Scotland from 3-10 June 1978. Langholm, 1978. pp. 28

196. Arkleton Trust/Highlands and Islands Development Board. The Arkleton lecture 1978: the work of the Highlands and Islands Development Board with particular reference to the role of education and training, by Sir Kenneth Alexander. Langholm, 1978. pp. 22
197. Co-operative Union Ltd. Education Department/National Co-operative Education Association. Report of Education Executive. 1978. pp. 84
198. Denman Rural Training Centre. Group formation under the tribal grazing land policy. Senior officers' workshop: final report and course materials, by Malcolm J. Odell. Sebele, 1976. pp. varies.
199. Erdos, Renée F. Teaching by correspondence: a study undertaken on behalf of UNESCO. London, Longmans, 1967, pp. 218. Unesco source book.
200. European Communities Commission. 1977-78 educational co-operation in the European community: chapter contributed by the EC to the progress report of the 11th session of the standing conference of European ministers of education. ?1979, typ.
201. Farmland Industries Inc. Introduction to agribusiness (correspondence course on supervision and management). Kansas City, 1975. (Ring binder).
202. Federacion Argentina de Co-operativas Agrarias. Educacion y capacitacion co-operativa: programacion/ 1979. n.p., unpag.
203. Food and Agriculture Organisation. The case method in co-operative training: an investigation based on the example of the Honduras, by Gerold Dieke. Rome. 1977. pp. 63
204. Friedrich-Ebert Stiftung. Guide de l'agent de base aux co-opératives: résultats d'un workshop organisé a Marburg, 1977. Bonn, 1978. pp. 48
205. Hoinville, Gerald and Jowell, Roger. Survey research practice. London, Heinemann, 1977. pp. 228
206. Ifidon, Sam E. New developments in the Nigerian library scene. Article from Journal of Librarianship, July 1978. Vol 10/3. pp. 201-211

207. Industrial Common Ownership Movement. Administration for small scale worker co-operatives: programme... (of short courses). 1979. Folder.
208. Intermediate Technology Development Group. An introduction to co-operatives: a programmed learning text, by Trevor Bottomley and the Co-operative Panel. London, 1979. pp. 67
209. International Co-operative Alliance. Moshi. Co-operative research perspectives in East and Central Africa: papers and proceedings of the 2nd ICA Regional Co-operative Research and Planning Conference, Lusaka, 18-23 April, 1977. Moshi, 1977. pp. 76
210. International Co-operative Alliance. Moshi. Exercises in participative teaching: a selection of case studies role play, in-tray and ranking exercises produced at the ICA seminars for co-operative college lecturers, 1975-1977; edited by Sam Mshiu. Moshi, CETCS/CEMAS, 1978, pp. 49
211. International Co-operative Alliance/CEMAS. The CEMAS file, 1979.
212. International Labour Office. An introductory course in teaching and training methods for management development. Geneva, 1978, (6th impr.) pp. varies.
213. Lockett, Martin. Action research in co-operative enterprises: theory and practice. Milton Keynes, Open University, 1978. pp. 34
214. Low, John. The Sudan rural television experiment. Article from Educational Broadcasting International 1978. Vol. 11/3, pp. 113-116
215. MATCOM. Curriculum guide for agricultural co-operative management training. Turin, ILO, 1979. pp. varies.
216. Mauritius. Ministry of Co-operatives and Co-operative Development. New techniques of co-operative education: proceedings of the seminar on modern methods and techniques of co-operative education held in Port Louis 16-26 May 1977. Port Louis, 1978 pp. 31



217. Perraton, Hilary. The techniques of writing correspondence courses. Cambridge, International Extension College, 1973. pp. 50

#### HOUSING

(see also LAW/LEGISLATION)

218. Co-operative Housing Agency. CHA directory of housing co-operatives. 1978.
219. Deutsche Entwicklungshilfe für Soziales Wohnungsund Siedlungswesen E.U. Pre-member education course for housing co-operatives. Köln, 1979. (2nd ed.) pp. 39
220. Digby, Margaret. Co-operative housing. Oxford, Plunkett Foundation. 1978. pp. 253. Occasional paper, 42.

#### LAW/LEGISLATION

221. Botswana. Agricultural Marketing Board Act, no. 2 pp 1974. Botswana Government Gazette, April 1974. pp. A3 - All.
222. Botswana. Laws of Botswana: chapter 42:03 Co-operative societies 1975. pp. 19
223. California University. The legal side of multi-owner farm businesses: doing business as a production co-operative corporation. 1977. pp. 32
224. Canada. An act to amend, revise and consolidate the law respecting co-operative associations. Chapter 7 Acts of 1977. Bill No. 61. Nova Scotia, 1977. pp. 37
225. Central Council for Agricultural and Horticultural Co-operation. Guide to co-operative legislation, by Barbara Shedden. London, 1979, (2nd ed.). pp. 468
226. Czechoslovakia. Statutes. Act No. 122 of November 13 1975 concerning agricultural co-operatives. pp. 253-285 of the Collection of Laws of the Czechoslovak Socialist Republic.
227. G.B. Co-ownership of flats bill, London, HMSO, 1978 pp. 5

228. G.B. Registry of Friendly Societies. Guide to the law relating to industrial and provident societies. London HMSO, 1978. pp. 90.
229. International Co-operative Alliance. Co-operative legislation in eight countries: a comparative statement, by Kathleen C. Barclay. 1978. pp. 294
230. Italy. Ministero del Lavoro e della Previdenza Sociale. La co-operazione nelle regioni a statuto ordinario. Roma, Direzione Generale della Co-operazione, 1977. pp. 236
231. New Hebrides. Joint regulation to provide for the operation of Native Co-operative Societies No. 11 of 1962, reprinted and amended by joint regulations 6 of 1963, 20 of 1964, 24 of 1966, 46 of 1973.
232. Pakistan. Co-operative farming act, 1976. Gazette of Pakistan, July 24, 1976. pp. 429-443
233. Queensland. Statutes. An act to amend the co-operative and other societies act 1967-74 in certain particulars and for another purpose. No. 52 of 1976.
234. Queensland. Statutes. An act to amend the co-operative and other societies act 1967-76 and the primary producers' co-operative associations act 1923-74 each in certain particulars. No. 1 of 1978.
235. Rhodesia. Statutes. The co-operative societies act. 1st June 1956. Chapter 193. pp. 313-330
236. Tasmania. An act to amend co-operative industrial societies act 1928. 10 October 1978. pp. 3
237. Thailand Co-operative Promotion Department. Translation of the Co-operative Societies Act B.E. 2511. Bangkok, 1973. pp. 29
238. Digby, Margaret and Gretton, R.H. Agricultural co-operative marketing: Rome, Food and Agriculture Organisation, 1978 (repr.). pp. 80  
Economic and Social Development series, 8.  
Agricultural Development paper, 53.

239. European Communities. Commission. Agricultural markets. Bruxelles, 1979. pp. 145.
240. Faustino, B.P. Co-operative marketing and trading in the Philippines. Background paper given at 2nd meeting of ASEAN Co-operative Organisation. 1978. types. pp. 6
241. Food and Agriculture Organisation. Fertilizer marketing, by K. Wierer and J.C. Abbott. Rome, 1978. pp. 156. FAO marketing guide, 7
242. Food and Agriculture Organisation. Final report to the government of the Democratic Republic of Afghanistan on agricultural co-operative marketing, based on the work of A.K. Tayeh. Dupl.typ. 1978. pp. 26
243. Food and Agriculture Organisation. Marketing livestock and meat, by M.G. Fenn. Rome, 1977 (2nd ed.) pp. 198. FAO marketing guide 3.
244. G.B. Ministry of Agriculture, Fisheries and Food (and others). Report on agricultural marketing schemes for the period 1975-76. 1977. pp. 99
245. G.B. Statutes. Agricultural marketing act, 1958: the potato marketing scheme 1955 as amended to 1st March, 1976. 1977. pp. 43
246. Liesenburghs, H. The achievements of agricultural co-operatives and their associations in the marketing sector and for the benefit of the consumer. Paper for CEA General Assembly, Athens, 1978. pp. 7
247. Padayachie, R.L. Marketing boards and co-operatives in the controlled marketing of agricultural commodities in South Africa. Thesis for M.Sc. in agricultural economics, Wye College, 1979. pp. 53
248. Reading University. Department of Agricultural Economics and Management. Joint ventures in horticultural marketing: a study of links between certain producers' co-operatives and wholesalemartketing companies, by A.H. Gill. 1978. pp. 52. Miscellaneous study 66.
249. Sargent, Malcolm J. Success in horticultural marketing co-operation (paper given at) British Association for the Advancement of Science Annual Meeting, Bath , 1978. pp. 23

250. United States Department of Agriculture. Farmer Co-operative Service. Contract integrated, co-operative cattle marketing system. Washington, 1977. pp. 28  
Market research report, 1078.
251. Economics, Statistics and Co-operative Service.  
- New dimensions of co-operative bargaining: proceedings of 22nd national conference of bargaining and marketing co-operatives, January, 1978. San Francisco. Washington, 1978. pp. 11
252. - Proceedings of the 23rd national conference of bargaining and marketing co-operatives, 1979, Las Vegas. Washington, 1979. pp. 86
253. - The future role of co-operatives in the red meats industry. Washington, 1978. pp. 100. Marketing research report, 1089.

#### ORGANISATION, MANAGEMENT AND FINANCING

254. Agricultural Co-operatives. Agricultural co-operatives: an instructional manual. ?, 1977. pp. 132
255. Botswana Co-operative Development Centre. A handbook of co-operative practice with special reference to co-operative marketing societies in Botswana, by T.D.L. Peiris, Gaborone, 1978. pp. 114
256. Central Council for Agricultural and Horticultural Co-operation. Grants for co-operatives. Dupl.typ. 1978. pp. 8 + append.
257. Co-operative Union of Canada. The role of directors: a discussion paper presented to the National Association of Administrators of Co-operative Legislation, by W.J. Shaw. Ottawa, 1978. pp. 24
258. COSIRA. (Council for Small Industries in Rural Areas). Pamphlets: COSIRA helps small businesses in rural areas....; Loans for small industries...; COSIRA means prosperity for rural England.
259. European Communities. Commission. (FEOGA). European Agricultural Guidance and Guarantee Fund. Importance and functioning /1977/pp. 83. isbn 92 825 0042.

260. Food and Agricultural Organisation. Financement international de l'entreprise co-opérative dans les pays en voie de développement: étude préparée par l'Alliance Co-operative Internationale... (et).. BIT FAO et le COPAC. Rome, 1975. pp. 107
261. Foxall, Gordon R. Agricultural improvement of common land: the relevance of co-operative management. Article from Journal of Environmental Management, 1979, 8. pp. 151-161
262. Germany, Federal Minister for Economic Co-operation. Principles for the promotion of self-help organisations in developing countries. Bonn, 1978 Dupl.typ., paging varies.
263. Gupta, V.K. and Gaikwad, V.R. Management of small farmers' co-operatives (a prototype manual); report submitted to FAO. Ahmedabad, Indian Institute of Management, ?1977. pp. 189
264. ICECOOP. Capacitacion campesina y medios de comunicacion: una aproximacion a sus alcances, por Marcela Gajardo. Santiago, 1978. pp. 64
265. Kentucky University. Co-operative Extension Service. Managing farm supply co-operatives: cases, materials, instructor's guide. Lexington, 1975. pp. 663
266. Mevellec, Pierre. Financement à long terme des co-opératives agricoles. Dup.typ. 1978. pp. 47
267. Nova Scotia Department of Agriculture and Marketing. How to start a co-operative: guidelines for incorporating a co-operative in Nova Scotia, by Fred A. Pierce. Truro, 1978. pp. 42
268. Paton, Rob. *Some problems of co-operative organisation*. Milton Keynes, Open University Co-operative Research Unit. 1978. pp. 81. Co-operative Research Monograph, 3
269. Scottish Co-operative Development Committee. Starting a co-operative, by John W. Lewis. Glasgow, 1979. pp. 8

270. United States Department of Agriculture, Economics, Statistics and Co-operative Service. Financing new co-operatives. Washington, 1979. pp. 19. Program aid, 1229.
271. United States Department of Agriculture. Economics, Statistics and Co-operative Service. Voting systems in agricultural co-operatives. Washington, 1979. pp. 26. Co-operative Research Report, 2.
272. Warren, Richard D., Yetley, Mervin J. and others. Managers and firm characteristics of farm supply co-operatives in Iowa: data book, Iowa State University, 1973. pp. 147. Sociology report, 107.
273. Wilson J.S.G. Report on the financing arrangements of agricultural co-operatives in East Anglia. University of Hull, 1978. pp. 146
274. Wiseman, Brian L. Basic financial control. Oxford, Plunkett Foundation, 1979. pp. 186. Study Series, 2.
275. Yeo, Peter H. Basic economic concepts for planning and decision making. Oxford, Plunkett Foundation, 1979.
276. Yeo, Peter H. and the Co-operative Panel. The work of a co-operative committee: a programmed learning text. London, Intermediate Technology Development Group, 1978. pp. 87
277. Yetley, Mervin J. and Hoy, Frank. Managerial influence of organisational efficiency: an analysis of local farmer co-operatives. Reprint from Rural Sociology 43(1), 1978. pp. 48-69

#### REFERENCE

279. ASLIB. Index to theses accepted for higher degrees by the universities of Great Britain and Ireland and the Council for National Academic Awards. Vol. XXVI, pt. 2. 1978. pp. 109

280. Clearinghouse on Development Communication. A source book on radio's role in development. Washington, 1976. pp. 85. Information bulletin, 7.
281. Economic and Social Research Institute. Register of current social science research in Ireland 1978, compiled by Maria C. Whelan. Dublin, 1978. pp. 71 isbn 0 7070 0021 1
282. G.B. Department of Education and Science. Agriculture horticulture and forestry: choose your course. 1977-78. London, HMSO, pp. 9
283. Information Center on Instructional Technology (ICIT). A directory of sources of assistance on educational technology for development, compiled and edited by Lois Joy Lester. Washington, Academy for Educational Development, 1975. pp. 90
284. Institute of Development Studies. Development studies register of research in the United Kingdom 1977-78; edited by G.E. Gorman. Brighton, 1978. pp. 223
285. International Co-operative Alliance. Calendar of technical assistance for co-operatives. London, 1978. pp. 63
286. International Co-operative Alliance. Co-operative education directory. 1979. unpag. isbn 0 904380 408
287. International Co-operative Alliance/CEMAS. Sources of co-operative information. 1979. pp. 70. isbn 0904380 41 6
288. International Voluntary Services. An index of sources of information. instructional materials and assistance for development workers in the subcontinent and Asia. (photostat) Dacca, 1976. unpag.
289. Meat and Livestock Commission. Index of research 1979. London.
290. Open University. Co-operative Research Unit. Co-operatives research directory 1979. pp. 14

291. Overseas Development Institute. Development guide: a directory of non-commercial organisations in Britain actively concerned in overseas development and training. London, Allen and Unwin. 1978.
292. Plunkett Foundation. Directory of agricultural co-operation in the United Kingdom 1979. Oxford, 1979. pp. 146 + app. isbn 0 85042 011 3, issn 0307 689X
293. The Teachers. Directory: alternative communities, compiled by Michele and Kevin of The Teachers. Bangor, 1978. pp. 113
294. University of Coleraine. Directory of Irish Co-operatives. Printout. 1979.

#### RURAL DEVELOPMENT

295. Bangladesh Academy for Rural Development. Government and citizens in politics and development: an Asian case, by K.M. Tipu Sultan. Comilla, 1978. pp. 122.
296. Central Association of Co-operative Unions Ltd. Co-operatives as an agency of development: report on a symposium held at University of Rhodesia 1978. Salisbury, 1979. pp. 14
297. Coady International Institute. National development seminar, 1978. Kanjirapally. Report of proceedings. Antigonish, 1978. pp. 145.
298. Co-operative Development Foundation. (Canada) Report to contributors. 1978.
299. COPAC. Co-operatives against rural poverty: (report of) symposium held at Vår Gärd, Saltsjöbaden, 1978. 1979. Rome, pp. 64
300. Dülfer, Eberhard. An analytical method for evaluation of (rural) co-operatives in developing countries, Rome, FAO, 1976. pp. 73
301. Food and Agriculture Organisation. Food aid and co-operatives: a report by the Executive Director of WFP Committee on Food Aid Policies and Programmes. Fourth session. Rome. 1977. pp. 33



302. G.B. Central Office of Information. Overseas aid: a brief survey. London, HMSO, 1978. pp. 41. isbn 0 11 700980 6. COI reference pamphlet, 77.
303. G.B. Ministry of Overseas Development. Report on research and development. 1978.
304. G.B. Parliamentary Debates (Hansard). House of Lords official report. Vol. 398. No. 36. Wednesday 14 February 1979.... Rural deprivation (Col. 1250) London, HMSO, 1979.
305. Hanel, Alfred. Concepts for establishing rural co-operatives through implementation of specific government policies in developing countries with special reference to a three-phased model. FAO, 1976. pp. 25
306. International Federation of Agricultural Producers. Rural development projects: a guide for farmers' organisations. (Report of) Farm Leaders Seminar, Sorrento, April 1979. Paris, 1979. pp. 20
307. Münkner, Hans-H. Short analytical review of research results on co-operatives and rural poverty....: papers presented at COPAC symposium on co-operatives against rural poverty at Vår Gård, 1978. Marburg, Philipps-Universität, 1979. pp. 93. Papers and reports, 10.
308. O'Brien, Terence. Rural development co-operatives in Ireland; their relevance to Wales. Paper presented at Plunkett Foundation seminar on multi-purpose rural community co-operatives, Aberystwyth, 1979. paging varies.
309. Swedish Co-operative Centre. SCC: report on activities (of the Swedish co-operative development assistance) 1976-77 and 1977-78.
310. Torres, James F. Success in smallness: a plan for developing areas. River Falls, University of Wisconsin-River Falls Press, 1978. pp. 54
311. United Nations Development Programme. Comprehensive development planning: report on the joint UN/IBRD/UNDP evaluation study.....New York, UNDP, 1979. pp. 63 +

312. United States Department of Agriculture. Economic research service. International organisations and agricultural development, by Martin Kriesberg. Washington, 1977. pp. 135
313. Van Dooren, P.J. Co-operatives voor ontwikkelings landen (Co-operatives for developing countries). Muiderberg, Coutinho, 1978. pp. 171
314. Van Heck, Bernard. The involvement of the poor in development through rural organisations: framework for research-cum-action. Draft. Rome, FAO Rural Organisations Action Programme. 1977. pp. 65

#### STATISTICS

315. COPA/COGECA. Copa/Cogeca statistical bulletin. Jan-June 1979. Bruxelles. pag. varies.
316. DG Bank. Die Genossenschaften in der Bundesrepublik Deutschland 1977. Statistischer Teil.
317. European Communities. Statistical office. Eurostat: yearbook of agricultural statistics, 1974-77.
318. Food and Agricultural Organisation. State of food and agriculture 1977: world review. Some factors affecting progress in food and agriculture in developing countries. The state of natural resources and the human environment for food and agriculture. Rome, 1978. FAO Agriculture series, 8. pp. varies.
319. Food and Agricultural Organisation. State of food and agriculture 1978: world review-problems and strategies in developing regions. Rome, 1979. pp. varies.
320. Plunkett Foundation. Agricultural co-operation in the United Kingdom: summary of statistics 1977-78. Oxford, 1979. pp. 32. issn 0142-4998.
321. Reserve Bank of India. Statistical statements relating to the co-operative movement in India 1975-6. Part I. credit societies. (n.p.) 1978. pp. 208

322. South Pacific Commission. South Pacific economies; statistical summary. Noumea, 1979. pp. 19. Occasional paper, 15.
323. Sri Lanka. Department of Co-operative Development. Statistical bulletin Jan-March 1978.
324. United States Department of Agriculture. Economics, Statistics and Co-operative Service. Statistics of farmer co-operatives, 1975-76. Washington, 1979. pp. 57. Research Report, 3.

#### WORKERS' CO-OPERATIVES

325. Bellers, John. Proposals for raising a college of industry of all useful trades and husbandry with profit for the rich, plentiful living for the poor, and a good education for youth. Nottingham, Institute for Workers' Control. ?1979. pp. 30.
326. Bray, Jeremy. The relevance of industrial co-operatives to current economic problems. Paper given at ICA World Conference on Development and Industrial Co-operatives, Rome 1978. pp. 26
327. Campbell, Alastair. The grouping of industrial co-operatives. Paper given at ICA World Conference on Development and Industrial Co-operatives, Rome 1978. pp. 26
328. Derrick, Paul. Co-operative Development in Britain. Paper given at ICA International Conference on Development and Industrial Co-operatives, Rome, 1978.
329. Lockett, Martin. Democracy, participation and satisfaction: some implications of workers' co-operatives for industrial sociology and organisation theory. London, Imperial College, Dup.typ. 1979. pp. 47
330. Lockett, Martin. Fakenham enterprises. Milton Keynes, Open University, 1978. pp. 129. Co-operative research monograph, 1.
331. McMonnies, David. Kirkby Manufacturing and Engineering. Dupl.typ. 1979. pp. 54 + Thesis for 2-year labour studies course at Ruskin College. Oxford.

332. Mahoney, N. The success and failure of industrial worker-productive co-operatives in developing countries, Paper given at ICA World Conference on Development and Industrial Co-operatives, Rome, 1978.
333. Oakeshott, Robert. The case for workers' co-ops. London, Routledge & Kegan Paul, 1978. pp. 272. isbn 0 7100 0041 3
334. Plum, Werner. Les utopies anglaises, modèles de co-opération sociale et technologie. Bonn-Bad Godesberg, 1975, pp. 114. Friedrich-Ebert-Stiftung. Aspects sociaux et culturels d'industrialisation.
335. Prodi, Romano. Industrial co-operatives and their economic influence. Paper given at ICA World Conference on Development and Industrial Co-operatives, Rome, 1978.
336. Sawtell, Roger. How to convert a company into an industrial co-operative. London, Co-operative Development Agency, 1979. pp. 31. isbn 0 906 737 00 1
337. Scottish Council of Social Service. Workers' co-operatives: a Scottish handbook. Edinburgh, 1977. pp. 71. isbn 0 903589 16 8
338. Themistocli, Koulla. History of economic thought on industrial co-operatives. Paper given at ICA World Conference on Development and Industrial Co-operatives, Rome, 1978.
339. Thornley, Jenny. Workers co-operatives in France. London, Centre for Environmental Studies, 1978. pp. 40. Occasional paper, 6.
340. Vanek, J. The co-operative of work at the crossroads of history. Paper given at ICA World Conference on Development and Industrial Co-operatives, Rome, 1978.
341. Ward, Joseph D. Meriden: a triumph of co-operation. A dissertation submitted for the University of Nottingham diploma in political, economic and social studies for external students. Loughborough, Co-operative College. 1979. pp. 39 +

342. Wright, David H. Co-operatives and community: the theory and practice of producer co-operatives. London, Bedford Square Press of NCSS, 1979. pp. 118. isbn. 0 7199 0952 X

## INDEX TO YEAR BOOK

- AFRICA, East, 3, 8  
ACMS, 55  
Agricultural Credit Co-operatives, 147  
AMERICA, 6, 8  
ASIA, 3-4, 6, 8  
Aylward, Leslie, 59
- Banks, 24-28, 57, 61-63, 113-117, 143-168  
Barker Report, 42, 67, 77  
Başar, Haşmet, 125  
Bath University, 65, 78  
British Agricultural and Garden Machinery Association Ltd, 62
- Caper, Nestor, 59  
Central Co-operative Committee of Denmark, 19  
Central Council for Agricultural and Horticultural  
Co-operation, 37, 55, 73, 75, 77  
Community Co-operatives, 89-104  
Contracts, 78-79  
Co-operative Bank (Jordan), 113-117  
Co-operative Development Agency, 4, 81  
Co-operative theory, 1-14  
Cross, J.C., 17
- Dairy Co-operatives, 21-24, 32-34  
Dansk Landbrugs Grovvaereselskab, 20  
DENMARK, 18-21  
Development, 6, 8-10  
Dick, Robert., 51
- Economic development, 7-8, 13  
Education, 10-11, 13  
EEC, 42-47, 55, 68-69  
EGYPT, 4  
EIRE, 21-24  
Elba Growers, 56  
Europe, 6, 7, 8
- Farm and Agricultural Finance Ltd, 63  
Farmer co-operatives, 31  
Farmers, 51-64  
Fauquet, Georges, 1  
Federation of Syndicate Credit Companies, 55, 60-61  
Federals, 19-38, 43-49, 57  
Feed and fertilizer societies, 18-21  
FINLAND, 24-28

Fourier, Charles, 1  
Foxall, Gordon, 43  
FRANCE, 5, 147

GERMANY, East, 2, West, 8, 144

Hass, W., 145  
Highlands and Islands Development Board, 89-104  
Horticultural marketing, 65-89  
Howarth, F., 105

ICELAND, 101  
INDIA, 4, 6, 150-152  
INDONESIA, 4  
Industrial co-operatives, 4-5, 129-141  
IRELAND, 101  
Irish Agricultural Organisation Society, 22-24  
ISRAEL, 100  
ITALY, 147

JAPAN, 6, 8, 129-141  
JORDAN, 105-124  
Jordan Co-operative Organisation, 105-124

Laakkonen, Vesa, 18  
Landbrukets Sentral forbund, 29  
Land Settlement Association, 70, 72  
Lenin, Vladimir, 2  
Library, 171-215

Machinery syndicates, 52, 56, 57, 59-64  
Management, 44-48, 78  
Marketing, 29-33, 44-45, 56-57, 65-88  
Meat-packing co-operatives, 33, 34  
Moloney, James, 18

Nedre Norrlands Producentforening, 34-35  
NETHERLANDS, 8  
NFU, 55, 60-63  
NIGERIA, 143-170  
NORWAY, 28-32  
Nyerere, Julius, 4

Ojo, Ade T., 143  
Osuspankkien Keskusliito, 25  
Osuspankkien Keskuspankki Oy, 25  
Owen, Robert., 1

Planning, 17-41

Plunkett Foundation Co-operative Reference Library, 171  
POLAND, 2

Raiffeisen, F.W., 143-146  
Research, 77  
ROMANIA, 6  
Ryan, Felix A., 129

SAOS, 55, 102  
Sagelvmø, Almar, 18  
Sargent, Malcolm J., 65  
Schulze-Delitzsch, H., 143-146  
SCOTLAND, 89-104  
Shell, Preben, 18  
SIERRA LEONE, 152  
SPAIN, 5, 100  
Storey, R.J., 89  
Supply co-operatives, 18-21, 33-34  
Surtees, Richard, 59  
SWEDEN, 7, 8, 32-35  
Swedish Dairy Association, 32  
Swedish Farmers' Meat Packing Federation, 32  
Swedish Farmers Purchasing and Marketing Federation, 32

TAIWAN, 8  
TANZANIA, 4, 100  
Training, 79, 118-119  
TURKEY, 125-141

UNICOOP JAPAN, 139  
UNITED KINGDOM, 4, 6, 35-38, 43-49, 51-58, 59-64, 149-150  
USA, 6, 7, 8, 100, 148-149  
USSR, 2, 6  
Utterström, Carl, 18

WALES, 101  
WAOS, 55  
Wells, R.G.J., 1  
Wholesale trade, 28



The YEAR BOOK FOR AGRICULTURAL CO-OPERATION has been published by the Plunkett Foundation for Co-operative Studies since 1927. Its purpose is to provide a continuous review of agricultural co-operative development throughout the world from a wide range of view points by publishing articles on countries at regular intervals, and on particular aspects of co-operation when these are innovatory or of topical interest. Articles are normally invited from authors representing variously academic, government, grass-roots and outside points of view, on the basis of an annual editorial plan, which in 1980 will include co-operative development in South East Asia and women's involvement in co-operative enterprises. However, unsolicited articles will also be considered.

Intending contributors should note that articles should conform with the general policy of the YEAR BOOK, presenting an informed analysis of recent developments backed by factual statements and figures. (Historical references and descriptive background should be kept to a minimum). The purpose of the article should be clearly stated at the beginning and the author should develop the contribution by comparisons, critical comments or recommendations. All articles must be original and accompanied by a statement that they will not be published elsewhere; and they should not exceed 5,000 words and cannot be accepted later than June of the year of publication. Two copies of the manuscript should be submitted in English or French, typed in double spacing, with the full name of the author, his position and the name of the organisation with which he is associated. Articles are accepted for publication on the understanding that they may be subjected to editorial revision.