

STUDY MATERIAL

INTERNATIONAL CO-OPERATIVE MOVEMENT

VI SEMESTER

B.Com

(CUCBCSS - 2014 Admission onwards)

(Co-operation Specialization)



UNIVERSITY OF CALICUT

SCHOOL OF DISTANCE EDUCATION

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INTERNATIONAL CO-OPERATIVE MOVEMENT

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SYLLABUS

BC6B14 INTERNATIONAL CO-OPERATIVE MOVEMENT

Lecture Hours per week : 5

Credits

: 5

Internal : 20, External : 80 9

Objective: To enable the students to acquire knowledge about the evolution and development of co-operative movement in the world.

Module I Co-operative Movement in Foreign Countries: Great Britain (Consumer) - Germany (Agricultural Credit) - Denmark (Dairy) - China (Induscos) - Japan (Multi-purpose societies) - USA (Marketing) - USSR (Collective Farms). **15**

Hours

Module II Co-operatives and Employment in Africa: Cocoa - Co-operatives in Sierra Leone - African Confederation of Co-operatives Savings and Credit Associations, (Nairobi) Kenya - Kilimanjaro Native Co-operative Union (Tanzania) - Contribution of Robert Owen, Louis Blanc, Shri V. L. Mehta and D. R. Gadgil in the sphere of co-operation

15 Hours

Module III International Co-operative Alliance: Objectives – Role – Membership – Governing Bodies - Regional offices - Sectoral organizations and functioning of ICA - Leading specialized organizations of ICA - International Co-operative Agricultural Organization (ICAO) - International Co-operative Banking Association (ICBA) - International Health Co-operative Organization (IHCO) - International Co-operative Fisheries Organization (ICFO) - Consumer Co-operative World-wide (CCW).

20 Hours

Module IV Role of International Organisations in the Development of Co-operative Movement : International Labour Organization - World Bank - World Assembly of Youth - Afro-Asian Rural Reconstruction Organization . **15 Hours**

Module V Inter Co-operative Relations: Indian Farmers Fertilizers Co-operatives (IFFCO) - Anand Milk Producers Union Limited (AMUL) - National Co-operative Union of India (NCUI)

10 Hours

Reference Books :

1. G.R.Madan , Co-operative Movement in India.
2. T.N.Hajella , Principles, Problems and Practice in Co-operation.
3. Periodicals and Journals published by NCUI
4. R.D.Bedi , Theory, History and Practice of Co-operation.
5. Saxena and Mammoria , Co-operation in Foreign Lands.
6. T.N.Hajella , Principles, Problems and Practice of Co-operation.
7. I.C.A. Digest Published by I.C.A.
8. Review of International Co-operation, Official Journal of I.C.A.

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MODULE – I

Module – I - CO-OPERATIVE MOVEMENT IN FOREIGN COUNTRIES

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically-controlled enterprise.

The Co-operatives are businesses owned and run by and for their members. Whether the members are the customers, employees or residents they have an equal say in what the business does and a share in the profits. As businesses driven by values not just profit, co-operatives share internationally agreed principles and act together to build a better world through co-operation.

As member-owned, member-run and member-serving businesses, co-operatives empower people to collectively realize their economic aspirations, while strengthening their social and human capital and developing their communities.

Co-operatives contribute to sustainable economic growth and stable, quality employment, employing 250 million (indirect and induced employment not included) and generate 2.2 trillion USD in turnover while providing the services and infrastructure society needs to thrive. Within the G20 countries, co-operative employment makes up almost 12 % of the total employed population.

The following data published in “Co-operatives and Employment: a global report” by CICOPA (*International Organisation of Industrial, Artisanal and Service Producers' Cooperatives*) shows the contribution of co-operatives in generating and maintaining partial or full time employment around the world.

1. In France, 21,000 co-operatives provide over 1 million jobs representing 3.5% of the active working population. *Source: Coop FR, Top 100 des Entreprises Coopératives et panorama sectoriel, 2010.*
2. In Kenya, 50% of the population derives their livelihoods from co-operatives. Approximately 250,000 Kenyans are employed or gain most of their income from co-operatives. *Source: ILO, 2009.*
3. In Colombia, the co-operative movement provides 137,888 jobs through direct employment and an additional 559,118 jobs as worker-owners in workers co-operatives - providing 3.65% of all jobs in the country. *Source: CONFECOOP.*

4. In Indonesia, co-operatives provide jobs to 288,589 individuals. *Source: Ministry of Co-operative & SMEs, Indonesia, 2004.*
5. In the United States, 30,000 co-operatives provide more than 2 million jobs. *Source: National Co-operative Business Association.*

Co-operation is destined to play a decisive and effective role in the world economy. Even the co-operative development all over the world has not been one straight line, and at various times the co-operative movement has cleared the dynamic character of co-operative activities suiting the local and regional environment and economic and social situation. All this is the indicative of one basic fact that cooperation has been alive to the changes of time and basically concept is dynamic and an ever-absorbing one. Cooperation has always been a feature of humankind. Essentially co-operation is an activity of the people for mutual help and collective progress.

The International Cooperative movements:

The co-operative form of business organization, originated in England among the industrial workers in the mid-nineteenth century as an urban consumer stores but soon spread to rural areas amongst farmers. Workers had nothing to sell but their labor, as it was a buyers' market. Those who failed to find work in the factories were forced either to rely on insufficient rural assistance, or to starve.

By the early 1800s, food prices were artificially high and wages were being reduced, while much of the population suffered extreme poverty and scarcity. During the latter part of the nineteenth century, the concept spread to several parts of Europe and North America. The earliest co-operative were established among the weavers, workers in cottage industries, who were suffered at the hands of moneylenders and mercantile economy during the industrial revolution.

The real co-operative movement can be credited to Rochdale Pioneers who established the co-operative consumer store in North England, which can be called as the first in the co-operative consumer movement. Around this time the cooperative movement was more at a practical level.

In Great Britain, Robert Owen (1771-1858) established self-contained semi-agricultural, semi-industrial communities. Owen was sure that working-class people, given the right environment, possibly will form co-operative communities. He put this into practice in New Lanark, Scotland, where his own business was based. Dr. William King (1757-1865) helped to spread Owen's doctrine; his ideas were more reasonable than Owen's and achieved more results.

In France Charles Fourier (1772-1837) published a Treatise on Domestic Agricultural Association in 1822, first time on co-operation and Saint-Simon (1760-1865) worked on various theories of

“Associations”. In Germany, Schulze-Delitzsch (1808-1865) was the promoter of urban co-operatives and co-operatives in handicrafts, while F.W.Raiffeisen (1818-1888) did the same for rural credit co-operatives.

Early in the twentieth century, the cooperative movement spread to India and gradually to other Asian and African countries; mainly courtesy of the colonial administrators. The co-operative movement became a form of business organization recognized as an international movement. Although some associate it with socialist or communist countries, the cooperative movement also operates in capitalist countries such as the United States of America, Canada, Israel and Australia. An Indian Registrar of Co-operatives appropriately described the co-operative movement as representing: ... a happy mean between the forces of extreme individualism on the one hand and socialism and communism on the other. It stands for individual rights tempered by considerations of justice, equity and fair dealing as between man and man, and its one great aim is to prevent the exploitation of the weaker by the stronger party.

Cooperative movement in Great Britain

Great Britain is the homeland of cooperative store movement. It was the outcome of radical changes that took place in the latter half of the 18th century in the economic and social systems of Great Britain under the impact of Industrial Revolution. The Industrial Revolution had completely overhauled the entire social and economic life of Englishmen. Domestic industries were replaced by factory industries. The rural population started shifting its habitation from villages to towns and cities, industrial and mining districts in the expectation of bettering their lot. Improved means of transport and communications broke down the isolation of many places. People started depending more and more on the outside world for employment and supply of goods and commodities.

To some, this change was a boon while to others it was a source of great insecurity and poverty. Much of the distress was due to the effects of Napoleon wars. The factory system created new problems for the government and the people, namely, low wages, unemployment, labour disputes, exploitation of child labour and slums. Moreover the factories were ill-lit, ill-ventilated, overcrowded and insanitary. Safety precautions and devices were neglected. Children cleaned the running machines and suffered shocking accidents.

Another problem was the truck system of payment of wages. A **truck system** is an arrangement in which employees are paid in commodities or some currency substitute (such as vouchers or token coins, called in some dialects scrip or chit) rather than with standard currency. This limits employees' ability to choose how to spend their earnings—generally to the benefit of the

employer. As an example, company scrip might be usable only for the purchase of goods at a company-owned store, where prices are set artificially high. The practice has been widely criticized as exploitative because there is no competition to lower prices.

In the political sphere there were strong demands for universal suffrage, freedom of speech, press and association for the abolition of privileges. Such were the effects of Industrial Revolution and there seemed to be no way out.

The economists, political thinkers and social reformers, all started applying their mind towards finding a solution to these problems. Adam Smith and his followers expounded the theory of competition on the one hand and on the other Robert Owen pointed out the way of escape from the evils of competition through the organisation of equitable associations. Beer in his “History of British Socialism”, has rightly said that “the working classes learned socialism from Owen”. Owen’s socialism was cooperative in nature and it was constructive, educational, and non-political.

Fenwick Weaver’s Society

The earliest record of a co-operative comes from Fenwick, Scotland where, in March 14, 1761, 16 weavers and apprentice weavers came together to sign a charter in which they agreed to work together to set purchase prices for yarns, selling prices for cloth and to deal fairly and honestly in their work, thus forming the Fenwick Weavers' Society.

They also set up a fund that they lent back to members to purchase high cost items, and from which they gave charitable donations to the poor in the village. Some have seen this as a proto-credit union.

Later that decade, in 1769, they agreed to take funds from their society to purchase groceries which they sold from a central point in the village, the profits going back into their joint funds. This has been seen as a very early Co-op store.

The Weavers were not only interested in using their joint venture to improve their incomes, however, in the true spirit of co-operation, they set up a library in the village. They also joined together with the Freemasons and the Friendly Society to fund the building of a schoolhouse in 1812. They were active in other ways. They helped set up an Emigration Society in 1839 (23rd April) and, on the 5th April 1846, as members of the Secession Church they brought the famous American ex-slave and anti-slavery campaigner, Frederick Douglass, to the village to speak about his experiences. Sadly handloom weaving could not resist the advance of the factories and, in 1873, with only three members left, they wound up the Society.

Dr. William King and The Cooperator.

Dr. King was an ardent follower of Owen. Like Owen, he argued that poverty, disease and crime were chiefly the result of existing economic and social condition. He believed that the remedy for the worker's plight was in their own hands. It was cooperation. The workers suffered because they worked for others. Unless they worked for themselves they would not enjoy the whole product of their labour. But this could be possible only if they had capital. For that he advocated cooperation to raise enough capital by accumulating small savings. The surplus capital could be used to employ more and more members to make shoes, clothes etc. By and by, all members would be self-employed and the society would develop into a community.

In 1828 he started a paper, '**The Co-operator**' to promote these ideas. '*The Co-operator*' had a wide circulation and a great influence in the emerging movement. Though only published for slightly over two years, the paper served to educate and unify otherwise scattered groups. King's articles in the paper gave the movement some philosophical and practical basis that it had lacked before. King's overriding rationale for the movement is best illustrated by the phrases repeated on the masthead of every issue of *The Co-operator*: "*Knowledge and union are power. Power, directed by knowledge is happiness. Happiness is the end of creation.*"

The Rochdale Pioneers

Though there were many cooperative efforts, experiments and failures, The Rochdale Pioneers are generally regarded as the prototype of the modern co-operative society and the founders of the Co-operative Movement in 1844. On 21.12.1844, the Rochdale Pioneers established a society with a working capital of £28.



As the mechanisation of the Industrial Revolution was forcing more and more skilled workers into poverty, these tradesmen decided to come together to open their own store selling food items they could not otherwise afford. With lessons from prior failed attempts at co-operation in mind, they designed the now famous Rochdale Principles, and over a period of four months they struggled to pool £1 per person for a total of 28 pounds of capital. On 21 December 1844, they opened their store with a very meager selection of butter, sugar, flour, oatmeal and a few candles.

The Pioneers decided it was time shoppers were treated with honesty, openness and respect, that they should be able to share in the profits that their custom contributed to and that they should have a democratic right to have a say in the business. Every customer of the shop became a member and so had a true stake in the business. At first the co-op was open for only two nights a week, but within three months, business had grown so much that it was open five days a week and they expanded their selection to include tea and tobacco. They were soon known for providing high quality, unadulterated goods. Ten years later, the British co-operative movement had grown to nearly 1,000 co-operatives.

The Rochdale Society of Equitable Pioneers, was an early consumer co-operative, and one of the first to pay a patronage dividend, forming the basis for the modern co-operative movement. Although other co-operatives preceded them, the Rochdale Pioneers' co-operative became the prototype for societies in Great Britain. They are most famous for designing the Rochdale Principles, a set of principles of co-operation that provide the foundation for the principles on which co-ops around the world operate to this day. The model the Rochdale Pioneers used is a focus of study within co-operative economics.

The British cooperative today

The United Kingdom is home to a widespread and diverse co-operative movement, with over 7,000 registered co-operatives which are owned by 17 million individual members and which contribute £34bn a year to the British economy. The British co-operative movement is most commonly associated with The Co-operative brand (best known for its supermarket and Funeral care brands) which has been adopted by several large consumers' co-operative societies; however, there are many thousands of registered co-operative businesses operating in the UK. Alongside these consumers' co-operatives, there exist many prominent agricultural co-operatives (621), co-operative housing providers (619), health and social care cooperatives (111), cooperative schools (834), retail co-operatives, co-operatively run community energy projects, football supporters' trusts, credit unions and worker-owned businesses.

‘Co-operatives UK’ is the central membership organisation for co-operative enterprise throughout the UK. This is a co-operative of co-operatives: a co-operative federation. Most kinds of co-operatives are eligible to join Co-operatives UK.

Cooperative movement in Germany

1815-1850

The first half of the 19th century, especially the years between 1815 and 1850, represents the phase in which basic preconditions for rural cooperation were laid. This era saw the breakthrough of agrarian modernization, starting with the so-called “peasant liberation” (Bauernfreijung) in Prussia. This policy led to the dissolution of feudal system, making individual farmers owners of their land.

Germany is the birthplace of co-operative credit movement in the World. In the middle of the 19th century the circumstances like-famine, poverty, exploitation and indebtedness necessitated

the introduction of a new idea in Germany. The poor farmers and laborers were heavily under debt and exploited by the money lenders. Mostly the trade was also in the hands of the Jews and the farmers bought their requirements as well as sold their produce through this class. The result was an extreme poverty among the laborers and farmers. It is reported that almost every house and farm land was encumbered with debt. To add to this misery, famines occurred too frequently and broke the backbone of the poor.

When such condition was around, two pioneers, Herr F.W.Raiffeisen and Herr Franz Schulze,



Friedrich Wilhelm Raiffeisen (1818-1888)



Franz Hermann Schulze-Delitzsch (1808-1883)

both well known personalities in the cooperative field, moved by the miserable condition of farmers and laborers, started making experiments with various methods of relief.

Herr Franz Schulze (1808-1883), judge and the mayor of Delitzsch, started his efforts after studying the conditions of famine stricken people as a chairman of the “Famine Commission”. With contributions from his friends he started a charitable bakery to distribute bread to the poor people. Co-operative efforts, however, started with a realization by him of the superiority of self-help and mutual-help over charity. In 1849, he established his first friendly society of shoemakers with the object of making purchases of raw material in bulk and supplying it to the members.

In 1850, Schulze established his first credit society in his native town. Its function was to raise funds to be lent to its members. With the experience gained by his first cooperative society, Schulze formulated some principles and published them in book written in 1856.

The number of his banks grew rapidly and in 1859, he called a congress of his banks which resolved to set-up “The General Union of German Industrial Societies”. He remained its Director till death. He also secured the “First Co-operative Law” from Prussia in 1867, which was made applicable to the whole Germany in 1889.

Friedrich Wilhelm Raiffeisen is one person to whom the co-operative movement owes the maximum. As a Mayor of Wyerbusch, he came across with the poverty-stricken peasants and

greedy moneylenders. There were near famine conditions, he got some grain on loan from the government, but he met the difficulties of transport and he motivated the people to harness the grain sledges to their villages. He constituted a poor people's committee which distributed food on credit to the really deserving people. The committee also made recoveries of loans after a specific period.

After his transfer to Flammersfeld commune, he organized the "Union in Aid of Impoverished Farmers" in 1849, in which the needy farmers joined as members. At Heddesdorf, Raiffeisen organised the "Heddesdorf Beneficient Society", this society joined by well to do persons and each of them deposited some money on interest. He made the beneficiaries also as members of the society and gave it a new name- "Hedderdorf Credit Union". The phrase "each for all- all for each" was coined. Principles of honorary service and unlimited liability were also worked out. The seed thus sown by Raiffeisen began to take root and in a short time new credit unions were formed. In 1877, "The General Union of Rural Co-operative Societies" which was known as the "Raiffeisen Union" was also set up.

Raiffeisen laid the maximum stress on the moral aspects of the working of societies and the concept of self-help, mutual-help, social equality, non-profit motive and joint liability. He believed in the capitalization of character and wanted members to help one another and increase their borrowing power by pooling their resources in present and in future. He believed that societies were not business concerns in themselves but were meant to help the members to improve their financial condition. On the other side, Schulze believed that co-operative institutions should be run on business lines. He believed less in sentiments and more in realities of life and made his societies viable units, able to stand with competition and difficulties.

After the national collapse and German defeat in 1945, the country was divided into the German Democratic Republic and the Federal Republic of Germany, the formal agricultural production co-operatives have been formed on the pattern of collective farms as Russia.

Later on, the co-operative movement developed in four distinct groups:

1. Rural Societies- the most important group of co-operative organization is the rural multi purpose societies, organized on Raiffeisen model. These societies combine in themselves the work of providing credit, supplying agricultural requirements, marketing of crops and processing of produce.
2. Urban Co-operative Societies formed in urban areas, Schulze type of cooperatives have developed with the membership composing of retailers, restaurant owners, doctors, druggists and others. The organization of retail shop keepers into cooperative serving as wholesalers was a feature of West Germany. Such societies had a central all their supplies

through these societies. Other societies in the group provided credit mainly to non-farming people. Both Raiffeisen and Schulze type societies provided all services offered by commercial banks. Thrift is encouraged among members by offering various types of deposits such as long range savings, lottery savings, thrift messenger and club savings.

3. Housing Co-operative Societies formed the third group in the movement. These societies constructed houses for their members with the finances collected from the members as well as from the government. A very large number of co-operative housing societies have been working in Berlin.
4. Consumer's Co-operative Societies was the last group of consumer's cooperatives. These societies were also running with a very large number of shops and have million members.

The four groups of co-operatives had their own federal organizations. Although the co-operative movement in Germany can be divided into four major groups, there are several common features between them e.g. all co-operatives observed the same fundamental principles namely self help, self responsibility and self management. All types of societies were governed by the same co-operative law and were affiliated to the German Co-operative Bank and obtained the required finances from it.

In Germany, the rural cooperative movement, which started merely for the elimination of financial debility of members, covered the whole economic field in rural areas. They not only provided credit but also helped members in cutting down cost of production by providing them their farm and house-hold requirements and marketing their crops at reasonable rates. The co-operatives also undertook joint production in order to increase the units of production in agricultural and industrial fields and thus cutting down the overheads.

The societies adopted a policy of rationalization by increasing their membership and turnover. Similar types of societies amalgamated into reasonably large institutions and vertical integration of the societies into central organizations strengthened.

The cooperative movement in Germany has developed into a national force. Since the beginning of the Credit Union movement in Germany, there are national leagues, regional confederations and the global organization- World Council of Credit Unions (WCCU). The main task of WCCU was to provide the necessary assistance to members for sustaining the credit unions development. For connecting with the cooperative movement WCCU joined International Co-operative Alliance (ICA) in March 1977 to provide the services to 97 countries with 46,377 credit unions and 17,20,10,203 members as the end of 2006.

In Germany there are 17 million members spread across around 5,300 cooperative. Each one out of four is the member of co-operative. The co-operative network is the largest economic

organization in Germany. German Co-operative and Raiffeisen Confederation Registered Association (DGRV- Deutsche Genossenschafts and Raiffeisen Verband) is the apex and the auditing association as defined by German Cooperative Act. Today co-operatives are also present in growth sectors such as the service industry, in data processing and new media industries and in the education and health sectors. This shows that co-operatives are not only engaged in current development but also that their foundation concept can be flexibly applied to the most varied industry structures.

Cooperative movement in Denmark

Denmark is a very small kingdom. However, it is having a good fertile soil. Agriculture plays an important role in the economy of the country about 50% of the Danish export consists of agricultural products. However, agriculture occupies only one quarter of the population and remaining three fourth earns its overall structure of economy, the co-operative movement is playing an important role. The co-operative movement has developed agricultural working techniques which have their own special characteristics. In Denmark, the farmers had their own difficulties arising out of the socioeconomic structure, most of the land though cultivated by farmers, belongs to the barons. The farmers had thus neither the incentive nor the opportunity to improve agriculture.

Under benevolent rules, land reforms spread over a long period between 1769 and 1850, and converted most of the tenancies into freeholds. There were some improvements in agriculture, but as the holdings were small and scattered the farmers were destined to remain poor for sometime more to come. Other reasons of their poverty included lack of finance, necessary to develop the land.

The problem of credit was solved by the credit associations under the supervision of the Government in 1850 by a special law. The main source of their funds is the money received by the sale of debentures. Saving Banks are second important which are self governing institutions owned by the depositors. Most of the money is advanced on the mortgage of property preferably to the agricultural sector and interest rates charged comparatively less. These banks have become very strong organizations with huge reserves. In 1925, a co-operative bank called “Andelsbanken” was established. The bulk of its share holders come from within the co-operative sector and in its voting system, it follows the principle of “one man-one vote”. It advances loans to co-operative societies, traders the bank for any purpose and there is no supervision on the application of loans, defaults in payments are negligible. Loans are advanced only in the shape of overdrafts to depositors. No loans are given to those who do not have their deposit account with the bank. The bonus of democratic control, limited rate of dividend and

bonus payments to customers are the other features which distinguish it from commercial banks, though it is registered under Companies Act.

The co-operative movement in Denmark grew spontaneously and naturally. Although there were pioneers, the credit of success goes mainly to the efforts of the members in general. Co-operative movement in Denmark was introduced by H.C.Sonne, a special worker. He was impressed by the successful example of consumer's co-operative societies of England by Rochdale pioneers. He convinced a number of persons to form "Thisted Workers Society" in 1886. Mr.Sonne worked so hard to make this society a success that soon he came to be known as "Provisions Person". The work of the society was carried with the principles formulated by Rochdale pioneers. In 1871, the number of such societies rose to 86 and in 1874 to 119.

It was an important feature of the Danish co-operation that, the consumer's movement is largely rural in nature and it is closely connected with the agricultural movement. The rural stores have got a majority in the wholesale society.

The general trend of amalgamations, which is witnessed all over the World, is also found in the Danish Consumer's Co-operative Movement. In September 1966, the Congress of Consumer's Co-operatives held at Copenhagen decided to carry on the process of amalgamation, till all the Consumer's Societies are amalgamated into "Denmark's Consumer Society". Most of the societies are comparatively small and each society has generally only one shop. As early as 1896, the retail societies had organized their wholesale society named F.D.B. and all the primary societies are affiliated to it. The object of the society is to purchase, produce and distribute goods to the co-operative societies. Over one fourth of F.D.B. turn-over is made up by the goods produced. Coffee is the largest processing item along with other production chocolate, sweets, rope, soap, edible oils, spices, tobacco, furniture, clothing, wine, biscuits, etc. Its architectural department gives technical advice in the construction of new shops along with financial support. At the end of the 19th century dairy business became an important industry.

In the earlier years, pattern of farming in Denmark comprised of food grain production. The immense increase in the supply of cheap foreign grain made it profitable for the Danes to import corn. On the other hand, demand for Danish butter increased in England. Thus, the Danish farmers took to growing fodder and raising live-stock on an increasing scale, the production of milk, butter and cheese has played its important part in the economy of Denmark. The changeover was stimulated by the invention in 1878 by a Danish engineer, L.C.Nielsen. The first co-operative dairy established in Hjedding with the efforts of a young dairyman named Stilling Andersen in 1882. Since then the co-operative dairy industry had made continuous progress.

England being the major buyer, 70% of the dairy products including butter, cheese, cream and milk powder is exported and the remaining 30% is sold in the home market.

In 1964, “Dairy Society Denmark” was established. It is an overall federation to which co-operative dairies as well as export organization are affiliated, which co-ordinate the production and marketing activities in the whole co-operative dairy business in the country.

The Danish farmers, who started with dairies, had soon to take to piggeries as an additional job. The milk produce was much above the local needs and after churning butter out of it, the separated milk went waste. As pigs are best fattened with this milk, farmers started rearing them. On 14 July 1887, 500 farmers from the Horsens region joined forces to form Denmark’s first co-operative meat company. The first general meeting was held, land was purchased, building work commenced and the equipment installed.

In 1895, the Co-operative Egg Export Association was established. It introduced the system of grading and stamping of eggs to ensure that only eggs of good quality reached to British Market as most of the eggs were exported to England.

In Denmark, co-operation also spread in other spheres of economic activity in country. Some of the important types of societies developed in Denmark are: Co-operative Poultry Killing Stations, Co-operative Cattle Sale Societies, Co-operative Seed Supply Societies, Fruit Growers Co-operative Association, Co-operative Feeding Stuff Societies and Cooperative Fertilizer Purchase Society.

With a view to securing its continuity, promotion of member education has always been considered as one of the important jobs of the co-operative movement. The folk high schools have been since long instrumental in promoting co-operative education, co-operative conferences and gatherings often held at these high-schools. In 1932, the Danish Co-operative College was established by the Danish Co-operative Wholesale Society at Middelfort.

Hence, it was in Denmark that the full potential of this type (Agricultural Marketing and Processing Co-operatives) of Cooperatives was realized, and by the beginning of the 20th century virtually all the needs of the rural communities were met by co-operatives. In 1990’s the Danish Consumer Co-operatives represent a market share of roughly 33% of the national foodstuff and beverage consumption. In every town rural community found a co-operative supermarket or smaller shop and in many rural areas the only retail show at all was a co-operative.

The co-operative movement also resulted in a series of co-operative stores known as Brugsen, under the administration of the Danish Consumer Co-op. Society. The stores kept a large share

of the Danish Consumer goods market. It merged with the similar retail chains in Norway and Sweden in January 2002 to form co-operative Norden.

Chinese Industrial Cooperatives

Chinese Industrial Cooperatives (CICs) were organizations established by a movement, involving various Western expatriates, to promote grassroots industrial and economic development in China. The movement was led through the **Chinese Industrial Cooperative Association (CICA or Indusco)** founded in 1938. Its international arm the **International Committee for the Promotion of Chinese Industrial Cooperatives (ICCIC)**, also known by the nickname **Gung Ho International Committee**) was founded in 1939 in Hong Kong to promote cooperatives in China.

The movement was especially active in the 1930s and 1940s with bipartisan support from both the left and right wings of Chinese politics. The movement disappeared after the 1950s due to suppression by the People's Republic of China government, but CICA and ICCIC were revived in the 1980s and are still active today. In the English-speaking world, the industrial cooperatives' best known legacy is its nickname **Gung Ho** meaning "working together", which led to the word 'gung-ho'.

The Gung Ho (literally "work together") movement was first initiated in Shanghai in 1937. Some of the principal organizers were Rewi Alley of New Zealand, Edgar Snow, Nym Wales (Helen Foster Snow), and Ida Pruitt of the USA, as well as a group of Chinese including Hu Yuzhi and Sha Qianli. In August 1938, the CICA was established. It was founded in the wartime capital Hankow when China was engaged in the War of Resistance against Japan. Through the sponsorship of Madame Chiang Kai-shek, Finance Minister Dr. H. H. Kung supplied government financial support.

The movement aimed to organize unemployed workers and refugees, increasing production to support the war effort. The goal was to replace industrial capacity lost to bombing by dispersing and giving workers voting shares in their CICs. The CICA organized small scale self-supporting cooperatives, mainly in rural areas, to create employment for workers and refugees and produce goods for the war effort.^[2]

In January 1939, the international arm ICCIC was established in Hong Kong. Ms. Soong Ching-ling was elected honorary chair and the Anglican Bishop of Hong Kong, the Right Rev. Ronald O. Hall to be chair, and Dr. Chen Hansheng was appointed as secretary general.

In 1941, the Gung Ho movement reached its peak: around 3 000 cooperatives with a combined membership of nearly 300 000 people were functioning. Their factories produced more than 500 products for the local people, and a large number of blankets, uniforms and other army supplies for the battlefield. Ida Pruitt toured the United States to raise substantial financial support. The unique role of Gung Ho cooperatives in the war also won such international acclaim that the

term "gung-ho" became a famous slogan of the U.S. Marine Corps, and entered the English language as a term denoting whole-hearted dedication to a meaningful cause.

Both the Nationalist government of Chiang Kai-shek and the Communist movement of Mao Zedong supported the movement and tried to control it. Alley placated the Nationalists but his sympathies and eventual loyalties were to the emerging Communist government. In 1942, Alley was dismissed from Gung Ho by the government of Chiang Kai-shek. After Mao's victory in 1949 Alley stayed in China, but there was no need for the CICA and ICCIC. Both CICA and ICCIC suspended their works in 1952.

An excellent discussion of the CICs appears in Graham Peck's book *Two Kinds of Time* (1950). Peck traveled with Alley to a number of CICs early in 1941 and was able to see them at their height, but as his experience grew he came to understand their limitations and the fact that their course was ultimately downwards, not upwards, for a variety of reasons.

Revival

The CICA was revived in 1983, and the ICCIC was revived in 1987 in Beijing by Alley and other former Gung Ho leaders. The reorganized ICCIC registered with the Ministry of Civil Affairs of People's Republic of China as an international non-profit organization. Zhu Xuefan was elected as honorary chair and Alley as chair.

The main task of the revived ICCIC is the promotion of cooperatives in China. Membership is open to all individuals and organizations who support the cooperative movement. The committee has approximately 100 members from China, Australia, Germany, Belgium, France, Japan, Mexico, Singapore, the United Kingdom, the United States of America, and Hong Kong. The ICCIC's General Assembly of all members meets every five years. The Executive Board elected by the Assembly is responsible for decision-making on major issues according to its articles of association during the adjournment of the Assembly. A secretariat is set up to handle day-to-day work.

USA (marketing)

Co operative marketing associations in the United States have been organized as single commodity organizations. There are separate marketing associations for each commodity, such as food grains, cotton, oil products, livestock, wool, dairy products, poultry and eggs, etc. such associations have attained commendable success since they have tackled marketing problems in an efficient manner. Co operative dairies including cream pools, co operative creameries, co operative central creameries, and butter sale agencies were the first co operative marketing associations to be established. In places where the production of cream is limited, local cream pools have been established. The pool, after collecting cream from individual farmers disposes it off to the centralized creameries. The local co operative creamery gets the whole milk or cream from its members every day. The area of operation of the centralized creameries is quite wide. Such creameries are few in number. The butter sales agencies deal in the sale of the butter products. Co operative dairy societies have achieved considerable success in the states of

Wisconsin and Minnesota. There are five large federations in the USA for the marketing of creamery products. These cooperative organizations have been handling about 25% of the total consumption of fluid milk and cream in the country, about 40% of butter, 16% cheese and 70% of milk powder. Since the second world war they have also started the manufacture of milk powder. Regarding the sale of fluid milk there are two types of cooperative organizations viz., one which supply milk to the retailers directly and the other which have business only with the traders. Most of the associations are of the second type. The national cooperative milk producers federation of the cooperative dairies acts as a promotional and educational agency.

In the field of cooperative marketing of food grains there are cooperative elevators at the local level which receive grain from the farmers either for storing or for selling. If the market is not favorable for the farmers, the grain is stored in the local elevators, till the market becomes favourable. The societies also purchase wheat from the members and dispatch it to the terminal association which is a federation of the local elevators' societies. They sell grain on commission basis. The terminal associations have federated into the National Federation of Grain Cooperatives. Its headquarters are at Chicago, it has been handling the export trade and for this purpose it has established its own agencies. It supplies up-to-date information to the local elevator's and the terminal associations about the marketing trends. The Farmers' Union associations also undertake the supply of seeds, fertilizers and other requirements to their members.

THE COOPERATIVE MOVEMENT IN RUSSIA

History of Cooperative-type societies in Russia

We know that cooperative-type societies came into being in the period from 1769 to 1777. At that time there were consumers' and production workers' associations as well as fellowships of weavers, of tailors and of the farmers of England and Scotland. By the middle of the 19th century there were more than 1,000 such organizations, half of which were consumers' cooperatives. The real beginning of the cooperative movement, however, was marked by two developments. The first of these was the rise of the famous cooperative organisations, founded by Socialist-Utopians and their successors. The second was the foundation of the workers' consumers' cooperative, the Society of Rochdale True Pioneers (1844). If we take this as our reference date then it can be seen that Russia was not far behind. There, the origins of the cooperative movement can be traced to the Petrovski factory cooperative in Zabaikal'e (1864), to a cooperative of the employees and workers of the Stroganov factory, in the province of Perm (1864), to the consumers' cooperative in Riga (1865) and to the Rural Credit cooperative in the village Rozhdestvenskii, in the province of Kostroma (1865-1866). Various forms of cooperative-type societies obviously existed even before this, in Russia as in other countries, within the milieu of workers and peasants.

History of the cooperative in Russia

In Russia, the history of the cooperative has always included an element of tragedy. From the very beginning it had to contend with the opposition of the ruling classes, as they attempted to defend the privileges of their corporations and their monopoly of power. Finding that it was unable to exert influence over the cooperative movement, however, the establishment accordingly made several attempts to bring it under government control. Although history offers us some interesting parallels, of even greater interest is the fact that the cooperative movement in Russia achieved such great importance towards the end of the 19th century and the beginning of the 20th. Part of the fascination is that this new type of management structure was able to achieve such status despite a complete lack of acceptance, and in the face of intense opposition. Suffice it to say that, in the period from 1915 to 1916, there was a department at Shaniavskii university, in Moscow, which appears to have been the intellectual centre of the cooperative movement. Here cooperative education was given at a very high level. Courses were offered by such highly-qualified specialists as M.I. Tugan-Baranovskii, A.E. Kulyzhnyi, S.N. Prokopovich and A.V. Chaianov, whose works are to be found in the catalogue. The All-Russian Central Cooperative Committee, founded in 1915, later became the All-Russian Soviet of Cooperative Conventions, the highest organ of the cooperative movement. The members of cooperatives aspired to become the “third” force, a transcendent class of an independent political persuasion. In 1908 they held the first All-Russian Conference in Moscow. They founded the Moscow People's (Cooperative) Bank and special journals were published throughout Russia (about 200 of which are mentioned in the catalogue). A noteworthy feature is the broad spectrum of interest and of regional variety reflected in specific movements, not only by individual areas, but also at provincial level.

Structure of the movement

Powerful bodies as the Central Flax Growers' Fellowship, founded by Chaianov, S.L. Maslov and others, gained a foothold on both national and world markets with astonishing rapidity. By 1917 there were more than 63,000 primary cooperatives in Russia, with a total of 24 million members. The structure of the movement is particularly interesting: 35,000 of these primary cooperatives were consumers' cooperatives, 16,300 were credit cooperatives, 11,000 were agricultural cooperatives and 1,200 were industrial and production cooperatives. The practical success of the Russian cooperatives was evident. It depended upon well-trained specialists, upon the limits of scientific research and upon the systematic approach.

Collective farms

Collective farming and **communal farming** are various types of agricultural production in which multiple farmers run their holdings as a joint enterprise. This type of collective is often an agricultural cooperative in which member-owners engage jointly in farming activities. In some countries (including the Soviet Union, the Eastern Bloc countries, China, and Vietnam), there have been state-run and cooperative-run variants. For example, the Soviet Union had both **kolkhozy** (cooperative-run type) and **sovkhozy** (state-run type), often denoted in English as collective farms and state farms, respectively.

In general, collective farming is contrasted with family farming (in which land ownership and farm management are family-based) and with feudal arrangements in which land was owned by landlords or aristocrats and peasant farmers were typically impoverished (such as serfdom and slavery). It can be both compared and contrasted with corporate farming; in the post-Soviet states, collective farms have generally been decollectivized either as family farms or as corporate farms, the latter being similar to the old collective farms but with stock ownership.

Notable examples of collective farming include the kolkhozy that dominated Soviet agriculture between 1930 and 1991 and the Israeli kibbutzim. Both are collective farms based on common ownership of resources and on pooling of labour and income in accordance with the theoretical principles of cooperative organizations. They differ radically, however, in the application of the cooperative principles relative to freedom of choice and democratic rule. The establishment of kolkhozy in the Soviet Union during the country-wide collectivization campaign of 1928–1933 exemplifies forced collectivization, whereas the kibbutzim in Israel traditionally form through voluntary collectivization and govern themselves as democratic entities. The element of forced or state-sponsored collectivization that operated in many countries during the 20th century led to the impression that collective farms always operate under the supervision of the state,^[3] but this is not universally true; the common theme was that the administration would be collective, although not necessarily run by government agency staff.

Cooperative Movement in JAPAN

The **Japanese Consumers' Cooperative Union (JCCU)** is a national federation of consumer cooperatives that represents and serves consumer cooperative societies all throughout Japan. Its main operation is to supply food and other daily necessities to its members through store operations and home delivery services. Currently, its mission statement, “Ideals of the 21st Century,” is to create a more humane and sustainable society through the efforts of the cooperative members in the form of business operations and through their involvement with the community.

History of Consumer Cooperatives in Japan

Cooperative societies in Japan were initiated during the era of Taisho democracy. In 1900, the Industrial Association Law was enacted and under its provisions consumer cooperatives like Nada Consumer Cooperative and Kobe Consumer Cooperative were formed. During the Showa period, cooperative movements came to a halt due to the increase economic control of the government and the compulsory military drafts for war. At the end of WWII in 1945, severe food shortages and inflation stimulated the growth and expansion of cooperatives once again. In 1948, the Consumer Cooperative Law replaced the Industrial Association Law of 1900 which provided limitations on the operation of consumer cooperative societies within prefectures and prevented the merger of cooperatives across prefecture borders. In 1951, Toyohiko Kagawa founded the Japanese Consumers' Cooperative Union, or JCCU, which was established to represent and serve all the consumers' cooperative societies of Japan.

MODULE – II

Co operatives and employment in Africa

Cooperatives are successful in economic development because they are commercial organizations that operate by a broader set of values than those associated with the narrow pursuit of profit alone. Cooperatives are first and foremost businesses, but at the same time they practice economic fairness by ensuring equal access to markets and services among an open and voluntary membership base. Because they are owned by the consumers of the services they provide, cooperatives tend to make decisions that balance the need for profitability with the greater interests of the community which they serve.

More than 40% of all households in Africa are members of a cooperative society. Taken as a whole, the cooperative movement is Africa's biggest non-governmental organization; cooperatives play a significant role in many national economies, and have created a great number of salaried jobs and self-employment opportunities in Africa.

Yet, the role of cooperatives in employment creation has been neglected by employment planners, cooperative promotion agencies, social partners and donor organizations alike. In many African countries, cooperatives were considered primarily as tools to execute certain economic or political functions on behalf of the government, not as autonomous, member-based organizations that create and consolidate self-employment. This policy of "incorporation" has done great damage to cooperative development in Africa. Fortunately, government policies towards cooperatives have changed after the economic reforms and the democratization process that have taken place in most African countries.

Today, the economic, political, legal and administrative environment of many nations is conducive to the development of genuine, self-reliant and autonomous cooperatives and similar organizations which can greatly contribute to job creation and to the empowerment of the poorest. This opportunity must be seized.

African cooperatives have created a sizeable Number of salaried jobs; yet, their biggest employment creation potential lies in the field of direct and indirect self-employment. Cooperatives do have a comparative job creation advantage over other types of enterprises: they are labour intensive by nature, they are cost-effective because of member commitment and participation, they generate economies of scale and scope through horizontal and vertical integration, they establish links between the informal and the formal sectors, and they put economic and social development on a broader base. Worker-owned cooperatives provide their members with decent, permanent jobs; client-owned cooperatives, which are predominant in the agricultural sector, can stabilize existing self-employment in rural areas; financial cooperatives

can mobilize savings among the poorest and thus accumulate capital for productive investment; and social cooperatives provide self-employed workers with a minimum of social security while creating jobs in the social service sector.

Cocoa Cooperatives in Sierra Leone

Cocoa farmers in Sierra Leone are coming together to increase the value of their product.

In three of the country's eastern districts—Kailahun, Kenema and Kono—farmers have formed three independent cooperatives that pool cocoa bean exports and help them compete with large companies. Total membership is nearly 13,000 people.

“The cooperative network generates a sense of ownership among indigenous cocoa farmers, helps increase price consciousness and generates competition with private companies that leads to higher prices,” said Charles Annor Frempong, World Bank Senior Rural Development Specialist and team leader on the project.

The three cooperatives are all independent but come together to form a cocoa export company called KayeiGworma that synchronizes their activities and helps them compete at the international market level. The formation of cooperatives has begun to build a new wave of international market price consciousness in the cocoa sector which has forced traditional cocoa exporters to increase their price offer to farmers from 1,500 Leones per pound of dried cocoa beans to 3,500. This has benefitted all cocoa farmers in the country irrespective of their membership in our cooperatives.

Although co-op members have yet to meet their target export volume of 3,000 metric tons of cocoa per harvest season in 2011, up from 1,000 in 2010, the sense of ownership has boosted pride among the farmers. Within the cooperatives, a new sense of ownership and greater assurance of economic security and social safety net is creeping through the member farmers.

Increased competition and higher income

With the entrance of cooperatives in the market, traditional private cocoa exporting companies now have competition. Since the cooperatives formed, the companies have increased their price offers and incentives to cocoa farmers to between 3,200 and 3,500 Leones.

Private companies also offer farmers other incentives including advance loans in the form of food-for-work and shelter materials. These shelters help indebted farmers store their cocoa past the harvest season instead of selling it at lower prices that are often dictated by the creditors as a form of debt relief. The companies also provide trucks that can navigate the rugged rural road networks to cocoa growing villages.

Despite some of these incentives, the cooperatives are still forced to fight back against the private companies, which have tried to keep prices low by buying from non-cooperative farmers and purchasing low-quality cocoa.

African Confederation of Co-Operatives Savings and Credit Associations

ACCOSCA is a Non-governmental, Pan-African confederation of national associations of savings and credit cooperatives societies. ACCOSCA opened its doors in 1968 and is currently being governed by domicile laws and the ACCOSCA constitution. It enjoys a goodwill gesture from its members and other stakeholders that are keen on making Africa a better place to live.

ACCOSCA has a membership of 28 countries in Africa ie. in Kenya, Uganda, Rwanda, Tanzania, Seychelles, Mauritius, Nigeria, The Gambia, Ghana, Cameroon, Ivory Coast, Benin, Togo, Liberia, Burkina Faso, Senegal, Sierra Leone, Congo, Democratic Republic Congo, Ethiopia, Madagascar, Zimbabwe, South Africa, Namibia, Swaziland, Lesotho, Malawi, and Botswana.

The General Assembly which currently comprises of twenty seven countries is the highest organ of the organization. The General Assembly is held annually and is rotated within the region. It ensures that the activities of ACCOSCA remain relevant in meeting the challenges faced by Africa. It is in this respect that a bold step was taken to approve the Confederation's revitalizations program at the Malawi General assembly meeting in 2007.

Currently ACCOSCA has developed programs aimed at improving socio-economic needs of Africa through saving and credit unions, partnering with various government bodies, development agencies and research institution so as to contribute towards mitigating challenges **facing** Africa in the twenty-first century aimed at effectively supporting members, working on bringing services to the people not generally served by the formal sector.

Objectives

- Promoting the establishment of an institutional framework for mobilizing personal saving and credit cooperatives
- Capacity Building
- Technical Assistance
- Financial assistance and services to the African cooperatives saving and credit Associations
- Information exchange (discussion of common experiences)
- Research

African Confederation of Cooperative Savings & Credit Associations (ACCOSCA) is a Non Governmental, Pan African confederation of national associations of savings and credit cooperatives societies. ACCOSCA opened its doors in 1968 and is incorporated and registered under the societies Act of Kenya Chapter 108 of the laws of Kenya, rules and the ACCOSCA constitution and bylaws.

The goal is to attain sustainable and viable SACCOs in Africa by empowering them through financial, social, and technical assistance in accordance with the co-operative principles. The customized products that ACCOSCA offers its members are flexible and add great value towards

optimizing system functionality and improving operational efficiency. Their associates are distinguished by their expertise combined with their hands on experience thus effective and professional services are offered.

ACCOSCA is currently engaging in the activities mentioned below to empower its members;

- *Capacity Building, ACCOSCA carries out annual trainings of SACCO Leaders, Youth for Cooperatives and the Savings and credit cooperatives in Africa. The trainings are international events that attract members from more than 17 countries. The approach taken is participatory and as such enhances information exchange and a better avenue to bench mark best practices. Customised trainings to individual members are offered on request.*
- *Technical assistance is offered to the member organizations to improve operational efficiency aimed at maintaining financial stability thus fostering growth of the SACCOs towards self reliance and sufficiency. Our broad skills encompass all features of SACCO operations including requirements for product development, and continuous functional and technical support.*
- *Advocacy, ACCOSCA promotes a policy and legislation that best protects the interest of SACCO in addition to maintaining good government relations.*
- *Research and Business development, research on present and futuristic issues affecting SACCO operations is carried out.*

The organization has experience in multiple location management as well as maintaining business partnerships. This is due to the effectively led and directed team members in the management of the organization. The General assembly is the highest organ of the organization and for efficiency, the member countries have been classified into three regional blocks that include Western, Eastern and Southern. For effective coordination, each block is represented by two directors who have vast experience in SACCO operations and are on the board of directors in national apex bodies of the countries that they represent. Further more, ACCOSCA has two board of trustees who oversee the operations of the institution and are based in Kenya.

Kilimanjaro Native Co-operative Union (Tanzania)

KNCU has been in the coffee business for a long time. Its roots go back to 1933 when it was founded as a registered union under Tanzania's Cooperative Societies Ordinance. After the government dissolved the union in the 1970s (along with the rest of the Tanzania's unions/cooperatives), it took over a decade for KNCU to reestablish itself. Currently, the Union trades coffee with 67 Primary Cooperative Societies, representing 60,000 farmer members. The actual number of members is higher but because of the industry's trend towards liberalization, many of the members sell their coffee to private buyers as opposed to the association.

The Union operates democratically with an elected Board of Directors and administrative staff for the Union itself as well as a Board and secretariat for each of the primary societies.



About 7% of members are women, most of them heirs to their deceased husbands' membership. KNCU is currently engaged in a union-wide effort to increase female membership in the cooperatives.

Quality is a primary focus of KNCU. The Union believes that small-scale farming is the best way to achieve the highest quality coffee. Most of the members' plots are between 0.5 and 1.5 acres per family, at altitudes of 1000-2000 meters above sea level. The core function of the Union is to "coordinate, organize and sensitize the farmers on the production of quality and increased quantity of coffee." In 2005, it began a Coffee Quality Improvement Program with the aim of extending knowledge and expertise to create a better product and thereby receive a better price for its members. KNCU helps members process the grains and market the coffee abroad.

In more recent years, KNCU has concentrated their efforts on training groups of producers in organic production of coffee (first NOP certificate obtained in 2004). Slowly but surely, organic techniques are making their way throughout the primary societies; new groups are certified each year.



The Union has also engaged in a number of projects aimed at generating additional income and deepening the Fair Trade connection with importers and consumers of KNCU coffee. Since 2006, they've been running a "Fair Tourism" project in which they invite people on the other side of the coffee chain to come and spend a few days getting to know the farmers and the production process. Visitors have the option of camping in traditional-styled Chagga huts on the slopes of Kilimanjaro or in a basic campsite surrounded by coffee farms.

At its core, the coffee production of KNCU and its farmers depends greatly on the successful administration and communication of its many primary cooperative societies. Capacity building to improve the functioning of the societies is a primary and indispensable service KNCU offers to its members. Since obtaining FLO certification in 1993, the Fair Trade premium has allowed



members to establish a collective educational fund for scholarships to the farmers' children and later, to build and operate schools, to finance the organic transition of 7 primary societies, to help finance the Quality Improvement Program, to grow a coffee nursery, and finally, to help finance a cooperative bank allowing producers to obtain loans and create savings and credit programs. KNCU is most definitely a success story when it comes to Fair Trade!

ROBERT OWEN AND THE COOPERATIVE MOVEMENT

Robert Owen has been called the 'father of English Socialism'. He was the founder of the Co-operative movement and believed in worker control although he was a high capitalist himself. He was the product of self-help and a very practical man who concentrated on the 'means to the end'. He believed that if the working man ever was to achieve equality, then the man must change first - in attitude. Also, the working man had to know of, believe in and be equipped to fight for the cause, according to Owen. This is very much the self-help ethic. Owen became convinced that the advancement of humankind could be furthered by the improvement of every individual's personal environment. He reasoned that since character was moulded by circumstances, then improved

circumstances would lead to goodness. The environment at New Lanark, where he tried out his ideas, reflected this philosophy.

A **London Co-operative Society** had been started in 1824 with rooms in Burton Street, Burton Crescent, where discussions were held. Later it transferred to Chancery Lane where John Stuart Mill, Charles Austen and others had hand-to-hand fights with the 'Owenites'. The *Co-operative Magazine* was started in January 1826 and gave accounts of the New Harmony community. It was published during the next three years as a sixpenny monthly. In 1830 it was replaced by the *British Co-operator*, the *Co-operative Miscellany* and other journals that expounded Owen's theories.

Also in 1826 the London Co-operative Society was formed, with William Lovett as storekeeper. Similar societies were formed elsewhere, and the British Association for Promoting Co-operative Knowledge was founded. All failed within three to four years because funds had no legal protection although much of this happened when Owen was in New Harmony. After 1829 Owen took over the development of Co-operatives, and pursued three lines of development:

1. education
2. storekeeping
3. production - the heart of Owenism.

The idea failed in the short-term, but was better organised after 1844. Many societies were started and Owen began to spread his ideas through lectures and by promoting various associations: he gave Sunday lectures at the Mechanics' Institute in Southampton Buildings until people objected. He then moved to the 'Institute of the Industrious Classes,' and to Burton Street. In 1832 he started the Labour Bazaar. He believed that the maldistribution of wealth was the result of expensive and unnecessary middle-men who were barriers between producers and consumers. He advocated 'labour exchanges' and 'labour bazaars' to eliminate middle-men. Owen preached two types of co-operation:

1. co-operative exchange
2. co-operative production

Since 14 April 1832 Owen had published a penny paper called *The Crisis*; in June he announced the formation of an association to promote the exchange of all commodities upon the 'only equitable principle' of giving 'equal values of labour.' To carry out this, an 'Equitable Labour Exchange' was opened on 3 September 1832 at a building called the Bazaar, in Gray's Inn Road. It had belonged to a man called Bromley who had pressed Owen to use it for a new society. Owen had thought it suitable for his experiment, which had already been partly set going elsewhere. Any goods might be deposited in it; 'labour notes,' which had been elaborately contrived to avoid forgery, were given in exchange, and the goods deposited might be bought in the same currency. The system was extremely crude and scarcely intelligible. There was, however, a rush to the

exchange. A large amount of deposits was made and the example was imitated, especially in Birmingham.

Difficulties soon arose. Bromley made exorbitant claims for rent though Owen thought that he had offered his premises free of charge. It was decided to move the exchange to Blackfriars. In January 1833 Bromley forcibly entered the premises and Owen paid large sums to settle the matter. Bromley tried to appropriate the scheme himself, but soon failed. The exchange was moved to Charlotte Street, Fitzroy Square, where Owen, helped by his son Robert Dale Owen, continued to lecture for some time, and a new constitution was framed. It only survived for a short time; Owen made up a deficiency of £2,500 for which he held himself to be morally, though he was not legally, responsible.

Owen's activity continued for several years, and had a great effect in stimulating the co-operative movement in the country, though exciting comparatively little public interest. He took part in the seven co-operative congresses which met between 1830 and 1834; he also took part in the succeeding fourteen 'socialist congresses' (1835-1846).

The Rochdale Pioneers

On 24 October 1844, the Rochdale Society of Equitable Pioneers was registered under the Friendly Societies Act. It was set up by seven flannel weavers who knew about poverty, unemployment, goods on credit, truck and poor quality and/or adulterated food. Early in 1844 they rented the ground floor of a warehouse in Toad (t'owd) Lane for three years at £10 p.a. They opened the store on 21 December 1844 and it grew steadily into the Rochdale Equitable Co-operative Society Ltd. By 1851 about 13 co-ops existed, with a membership of 15,000 and in 1863 the English Co-operative Wholesale Society was set up.

Louis Blanc

Louis Jean Joseph Charles Blanc (29 October 1811 – 6 December 1882) was a French politician and historian. A socialist who favored reforms, he called for the creation of cooperatives in order to guarantee employment for the urban poor.

Following the Revolution of 1848 Blanc became a member of the provisional government and began advocating for cooperatives which would be initially aided by the government but ultimately controlled by the workers themselves. Blanc's advocacy failed and, caught between radical worker tendencies and the National Guard, he was forced into exile. Blanc returned to France after the conclusion of the Franco-Prussian war and served as a member of the National Assembly. Although he did not support the Paris Commune he successfully proposed amnesty to the Communards.

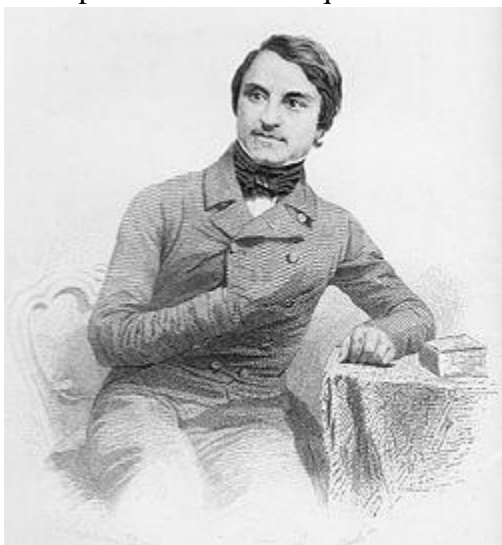
Even though Blanc's ideas of the workers' cooperatives were never realized, his political and social ideas greatly contributed to the development of socialism in France.

Early years

Louis Blanc was born in Madrid, his father held the post of inspector-general of finance under Joseph Bonaparte. His younger brother was Charles Blanc, who later became an influential art critic.^[1] Failing to receive aid from Pozzo di Borgo, his mother's uncle, Louis Blanc studied law in Paris, living in poverty, and became a contributor to various journals. In the *Revue du progres*, which he founded, he published in 1839 his study on *L'Organisation du travail*. The principles laid down in this famous essay form the key to Louis Blanc's whole political career. He attributes all the evils that afflict society to the pressure of competition, whereby the weaker are driven to the wall. He demanded the equalization of wages, and the merging of personal interests in the common good—"De chacun selon ses facultés, à chacun selon ses besoins",^[2] which is often translated as "from each according to his ability, to each according to his needs." This was to be affected by the establishment of "social workshops", a sort of combined co-operative society and trade-union, where the workmen in each trade were to unite their efforts for their common benefit. In 1841 he published his *Histoire de dix ans 1830-1840*, an attack upon the monarchy of July. It ran through four editions in four years.

The Revolution of 1848

In 1847 he published the two first volumes of his *Histoire de la Revolution Française*. Its publication was interrupted by the Revolution of 1848, when Louis Blanc became a member of the provisional government. It was on his motion that, on 25 February, the government undertook "to guarantee the existence of the workmen by work"; and though his demand for the establishment of a ministry of labour was refused—as beyond the competence of a provisional government—he was appointed to preside over the government labour commission (*Commission du Gouvernement pour les travailleurs*) established at the Palais du Luxembourg to inquire into and report on the labour question.



Frontis from Blanc's *Organisation du Travail*, published in Paris in 1850 by *Nouveau Monde*.

The revolution of 1848 was the real chance for Louis Blanc's ideas to be implemented. His theory of using the established government to enact change was different from those of other socialist theorists of his time. Blanc believed that workers could control their own livelihoods, but knew that unless they were given help to get started the cooperative workshops would never work. To assist this process along Blanc lobbied for national funding of these workshops until the workers could assume control. To fund this ambitious project, Blanc saw a ready revenue source in the rail system. Under government control the railway system would provide the bulk of the funding needed for this and other projects Blanc saw in the future.

When the workshop program was ratified in the National Assembly, Blanc's chief rival Emile Thomas was put in control of the project. The National Assembly was not ready for this type of social program and treated the workshops as a method of buying time until the assembly could gather enough support to stabilize them against another worker rebellion. Emile Thomas's deliberate failure in organizing the workshops into a success only seemed to anger the public more. The people had been promised a job and a working environment in which the workers were in charge, from these government funded programs. What they had received was hand outs and government funded work parties to dig ditches and hard manual labor for meager wages or paid to remain idle. When the workshops were closed the workers rebelled again but were put down by force by the National Guard. The National Assembly was also able to blame Blanc for the failure of the workshops. His ideas were questioned and he lost much of the respect which had given him influence with the public. Between the "*sans-culottes*", who tried to force him to place himself at their head, and the National Guards, who mistreated him, he was nearly killed. Rescued with difficulty, he escaped with a false passport to Belgium, and then to London. He was condemned to deportation in absentia by a special tribunal at Bourges. Against trial and sentence he alike protested, developing his protest in a series of articles in the *Nouveau Monde*, a review published in Paris under his direction. These he afterwards collected and published as *Pages de l'histoire de la révolution de 1848* (Brussels, 1850).

VL MEHTA

Vaikunthbhai Mehta (26 October 1891 – 27 October 1964) was a pioneer leader of Indian Cooperative Movement. Vaikunthbhai was born at Bhavnagar in Gujarat. Vaikunthbhai served the Bombay State Cooperative Bank, now Maharashtra State Cooperative Bank as Chief Executive for an uninterrupted period of about 35 years. He was Minister of Finance and Cooperation of the then Bombay State and was first Chairman of Khadi and Village Industries Commission.^[1]

Contribution in co-operative movement

The contribution of Vaikunthbhai Mehta to the cause of Cooperative Education and Training was pioneering and foundational. He said, "Cooperative Training is not merely a prerequisite but a permanent condition of cooperative activities".^[2] Many leaders were influenced by his work in Cooperative sector; Leaders such as, Yashwantrao Chavan- Pioneer of Maharashtra, Dr. Verghese Kurien-Chairman of Amul India, Gulabrao Patil-Cooperative Leader of Maharashtra and many such leaders took Cooperative Movement further in India.

D R. GADGIL

Dhananjayrao Ramchandra Gadgil a foremost researcher and economist who contributed towards forming India's economic plans and who promoted co-operation for rural development was born on 10th April 1901 at Nasik in Maharashtra.

He finished his early schooling at Nagpur in Maharashtra, the place originally his ancestor belonged. Prof. D.R. Gadgil received a Master of Arts degree and a Master of Literature degree from the University of Cambridge, England as well as honoris causa Doctor of Letters degree. He had very broad intellectual interests ranging from sociology, public affairs and history to biology and astronomy. He had in-depth knowledge in the fields of economic policies, planning and development, the Indian democracy, Wage control, Labour issues, Agricultural Economics and Co-operation. He studied Urban Planning and had prepared developmental plans of the cities of Mumbai and Pune. He was actively involved in the United Maharashtra struggle and was the Chairman of the panel that prepared the developmental plan for United Maharashtra.

To facilitate the study of politics along with economics, he established the Gokhale Institute of Economics and Politics in Pune in 1930. He was the Vice Chancellor of Poona University for some time too. He was the Vice-President of the Central Planning Commission from 1967 to 1971. He was a member of the Planning Commission during the fourth Five-Year Plan from 1969 to 1974. He was also on the Board of Directors of the Reserve Bank of India and the State Bank of India. He also was the President of the Indian Economic Council and the Indian Society of Agricultural Economics. From 3 March 1966 to 31 August 1967, he was a nominated member of the Rajya Sabha.

The idea of a cooperative was first mooted at a conference of irrigators and presided over by eminent economist Dr. D.R. Gadgil in 1945. It was only by the end of 1948 that the first cooperative society to be set up at Pravaranagar was registered. He actively supported Dr. Vitthalrao Vikhe Patil in establishing the first co-operative sugar factory at Pravaranagar, Loni, Ahmednagar district. He worked as the President of this sugar factory for some time. The resounding success of the Pravara resulted in the government taking a decision in 1954 of granting industrial licenses for sugar industry to co-operatives alone.

Maharashtra was privileged to benefit from his thoughts and knowledge in the areas of rural industry, principles of de-centralization, the role of the Reserve Bank in rural development and co-operative credit supply.

Prof. Gadgil, a visionary who formed India's economic policies played a key role in the development of the co-operative movement in Maharashtra. His work and contribution in the areas of long term economic research and planning and in the development of co-operatives in Maharashtra is regarded as fundamental.

He served as President of National Cooperative Union of India, New Delhi, an Apex cooperative organization of India. As a tribute to and memory of the great co-operative leader and philosopher, the Institute has been named after him, as Dhananjayrao Gadgil Institute of Co-operative Management.

MODULE III

INTERNATIONAL CO-OPERATIVE ALLIANCE

The **International Co-operative Alliance (ICA)** is a non-governmental co-operative federation or, more precisely, a co-operative union representing co-operatives and the co-operative movement worldwide. It was founded in 1895 to unite, represent and serve co-operatives worldwide. The Alliance maintains the internationally recognised definition of a co-operative in the Statement on the Co-operative Identity. The ICA represents 272 co-operative federations and organisations in 94 countries (January 2014).

The Alliance provides a global voice and forum for knowledge, expertise and co-ordinated action for and about co-operatives. The members of the Alliance are international and national co-operative organisations from all sectors of the economy, including agriculture, banking, consumer, fisheries, health, housing, insurance, and workers. The Alliance has members from 100 countries, representing close to one billion individuals worldwide. Around one hundred million people work for a co-operative globally. Co-operatives are values based businesses owned by their members. Whether they are customers, employees or residents, the members get an equal say in the business and a share of the profits.

In 2006 the ICA published the first major index of the world's largest co-operative and mutual enterprises, the *ICA Global 300*, which demonstrated the scale of the co-operative movement globally.

On the first Saturday of July each year, the ICA coordinates celebrations of International Co-operative Day. In December 2009, the United Nations declared 2012 as the International Year of Cooperatives. The International Cooperative Alliance is an independent non-governmental organization which unites represents and serves co-operative organizations in the world.

The Alliance was founded in London in 1895. The Alliance members are national and international cooperative organizations in all sectors of activity including agriculture, banking, credit and saving, industry, insurance, fishing, social housing, health, public services, consumer services and tourism.

There are 292 member organizations from 102 countries that represent nearly 1,000 million individuals worldwide. In 1946 the Alliance was the first non-governmental organization to be accorded consultative status with the United Nations. Nowadays it is one of the 41 organizations which appear in Category I on the list of organizations which enjoy consultative status before the Economy and Social Council of the United Nations (ECOSOC).

Objectives

The main objective of the Alliance is to promote and to strengthen independent co-operatives all over the world by means of international, regional and national activities. The Alliance also tries:

- ▀ to encourage and defend the values and principles of the co-operative movement;
- ▀ to stimulate mutually beneficial relations between its member organizations;
- ▀ to favor the economy and social progress of people, thus contributing to security and international peace.

To promote a worldwide cooperative movement based on mutual self-help and democracy.

- ▀ to promote and defend co-operative values and principles.
- ▀ to facilitate the development of economic relations and other mutual benefits among its member organizations..
- ▀ to promote human sustained development and to encourage the economic and social progress of the individual.
- ▀ to promote gender equity in all the activities within the cooperative movement and in decision making processes.

Therefore:

- ▀ The Alliance raises awareness about co-operatives. It helps individuals, government authorities and regional and international institutions understand the co-operative model of enterprise. The Alliance is the voice of the co-operative movement.
 - ▀ The Alliance ensures that the right policy environment exists to enable co-operatives to grow and prosper. It helps its members in their lobbying for new legislation and more appropriate administrative procedures that respect the co-operative model, its principles and values. It provides political support as well as technical expertise to enable co-operatives to compete on a level playing field.
 - ▀ The Alliance provides its members with key information, best practice and contacts. Through its publications it ensures the sharing of information. It organizes meetings and workshops to address key issues affecting co-operatives and allows discussion among co-operators from around the world. The Alliance facilitates contacts between co-operatives for trading purposes and intelligence sharing in a wide range of areas.
 - ▀ The Alliance provides technical assistance to co-operatives through its development program. The Alliance promotes capacity-building and financial support, it facilitates job creation and supports poverty reduction and microfinance programs around the world.

Role of international cooperative alliance

The role of the international cooperative alliance in development is to promote and strengthen cooperatives through the exchange of information and coordination of people and organizations and to assist organizations in creating an enabling environment for sustainable cooperative development and fight against poverty.

Advocacy

The ICA represents members, articulates their needs and concerns, and functions as a facilitator and catalyst for cooperative development. The ICA also support cooperative policies and legislation reforms at the national level: advocates for the positive role and contribution of cooperative movements as actors and partners in the development challenges, policies and programs; and lobbies vis-a vis governments.

Linking donors and Organisations

The ICA helps develop partnership amongst cooperatives, donor organizations and development organizations. It organizes joint approaches to multilateral and bilateral donors such as the UN system, world bank, regional development bank and the European Union.

Developing partnership through the cooperating out of poverty campaign

The international labor organization and ICA have joined forces to enable poor people to cooperate out of poverty through a global cooperative campaign against poverty. The campaign is a call to action to the world cooperative movement to join hands to fighting poverty. It aims to strengthen the capacity of cooperatives to make a significant contribution to poverty reduction by increasing their role in achieving the millennium development goals particularly with regard to reducing poverty by half by the year 2005.

Strengthening knowledge base

The ICA builds up a knowledge base to get cooperatives on to the development agenda. It produces, collects and disseminates statistics and information on best practices in cooperative development to member organization and other stakeholders.

Developing 300 projects

Initially 30 developing economies have been surveyed – 8 countries from the Americas region, 10 countries from Asia and 12 from Africa. The aim is to collect data on the 20 biggest cooperatives in each country.

Capacity building

The ICA coordinates and support member organizations to develop, test and promote the utilization of appropriate services, methods, systems and software development.

ICA – Membership

Article 6 under section II of the rules lays down the conditions of membership as follows: organization which conform to the ICA statement on the cooperative identity and observe the aims of ICA shall be eligible for its membership. Organizations are eligible for three type of membership. They are:-

- a) Members :- there are main types of organizations in membership with full participatory powers. Normally they are: National Union or Federation of Cooperative organization, national confederations of cooperative Unions, National Cooperative Business Organisation, with majority individuals ownership, and International Cooperative organizations.
- b) Associates: - these are organizations which support cooperatives or are owned and controlled cooperatives.
- c) Sectoral :- these are members of sectoral organizations, which are branches of ICA , and therefore all their members are affiliated to ICA as sectoral members. Normally they will also be full members of ICA.

Members and associate members pay an annual subscription in proportion of their economic activities or on the basis of the aggregate business activity of their members. Associate members pay on a reduced scale. The associate and sectoral members do not enjoy voting rights in ICA's global or regional framework.

Governing bodies

The present authorities of the ICA are:-

- a) General assembly
- b) Regional assemblies
- c) Board
- d) Regional elected bodies
- e) Audit and control committee
- f) President and
- g) Vice president

General assembly

The general assembly is the highest authority of the ICA. It consists of representatives appointed by members for a four year term and one representative from each of the sectoral organisations and thematic committees. The board may establish targets for the representation of women at the general assembly. As a rule it shall meet every second year. However, extraordinary

meetings of the general assembly may be convened on the decision of the board or at the request of one-fifth of members or one fifth of the total representatives votes in the general assembly.

Regional assemblies

With a view to promoting collaboration among ICA members at the regional level and providing a forum for discussion of regional issues, regional assemblies constitute an integral part of ICA governing structure.

Board

Article 18 provides for the constitution of the board, as follows:

- a) The board consists of the president, four vice presidents and 15 members elected by the general assembly for the four year term. Vacancies e filled through election at a subsequent general assembly.
- b) The board meets at least once a year.
- c) Members from one country can have not more than one representative on the board, excluding the president of ICA.
- d) No person is allowed to serve on the board whose organization ceases to be a member of ICA or is in arrears of subscriptions without a valid reason approved by the board or, who has ceased to be an accredited representative of the nominating member or in the case of vice presents of the respective regional assembly.

Regional elected bodies

The regional elected body is elected by the regional assembly according to the rules of ICA. It consists of a president, vice president and other members elected by the regional assembly for a four year term. Vacancies are filled through election at a subsequent regional assembly or by co option subject to ratification at the subsequent regional assembly.

Audit and control committee

The general assembly elects from amongst its member representatives an audit and control committee consisting of not less than three and not more than five members.

President

The president is the chief representative of ICA and presides over the general assembly and board of ICA. He provides leadership in collaboration with director general in all matters pertaining to the policy and organization.

Vice president

The vice president assists and supports the president and serves as link between the regional assemblies and board.

Regional offices

According to article 27 the regional offices are responsible for

- a) Promotion and defense of cooperative values and principles.
- b) Coordination and implementation of ICA cooperative development programmes with the region.
- c) Representation on request of members' policy concerns to governmental bodies and the public
- d) Organization of the regional assemblies and support to elected bodies
- e) Carrying out the nay other activities as may be requested by the director general.

Sectoral organisation

Sectoral organization have been given the following responsibilities under article 28:-

- a) Draw up their rules which shall be approved by ICA board.
- b) Report regularly on their activities to ICA board and general assembly.
- c) Nominate one representative on the general assembly.
- d) Propose to ICA board themes for discussion at the meetings of ICA authorizes.
- e) Be responsible to their member and seek to establish a working collaboration with each other where practicable and desirable
- f) Collaborate with the ICA head office and regional offices
- g) Ensure that their regional organization are established and operate in conformity with policies of the ICA and regional assemblies with regional chairs represented on global sectoral organization , and
- h) Create funds for their activities

Functioning of ICA

The ICA had a total membership of 226 organizations from 82 countries. These member organizations comprised total individual membership or approximately 800 million. The strength of ICA is in its member organizations which not only provides the alliance with financial resources, but also supply human resources in term so technical expertise, supply for projects in developing countries.

Leading specialized organization of ICA

International Co-operative Agricultural Organization (ICAO)

November 1998

The International Co-operative Agricultural Organization (ICAO) is a specialized organization of the International Co-operative Alliance founded in 1951. This organization represents 43 agricultural co-operatives from over 36 countries. Agricultural co-operatives account for 36% of

the total number of co-operative societies represented by ICA member organizations, and 18% of the total individual membership. These figures clearly indicate the significance of this specialized organization, which aims:

- * To exchange experience on specific activity fields by hosting international seminars;
- * To promote the establishment of agricultural co-operatives in developing countries in order to increase food security;
- * To improve the distribution of agricultural products;
- * To take concrete action for preserving the environment;

To achieve these goals, the Agricultural Committee works closely with the Food and Agriculture Organisation of the United Nations (FAO), the General Committee for Agricultural Co-operation in the EEC (COGECA), the International Federation of Agricultural Producers (IFAP), European Agricultural Confederation (EAC) and other professional groups in the agricultural field.

ICA is an independent, non-governmental association which unites, represents and serves co-operatives worldwide. Founded in 1895, it now has 232 national members in 93 countries, plus four international members.

International Co-operative Banking Association (ICBA)

November 1998

The International Co-operative Banking Association was set up in 1922 by national co-operative banks and financial organizations:

- * To exchange information;
- * To promote co-operation among co-operative banks;
- * To promote the development of new co-operative banks through advice and assistance;
- * To research and study subjects of common interest, i.e. capital formation, co-operative values as applied to banking, etc.

Membership is open to all banks and central thrift and credit organisations through one of the six Regional Committees or by direct membership of the Central Executive. The ICBA had 68 member organisations from 40 countries in 1997.

The ICBA Central Executive maintains close contact with the Association of European Co-operative Banks in Brussels, and the World Council of Credit Unions (WOCCU).

ICA is an independent, non-governmental association which unites, represents and serves co-operatives worldwide. Founded in 1895, it now has 232 national members in 93 countries, plus four international members.

International Health Co-operative Organisation

The International Health Co-operative Organisation (IHCO) is a sectoral organisation of the International Co-operative Alliance (ICA) which brings together co-operatives within the ICA membership that provide health care to their members or the provide self-employment for health professionals (doctors, nurses, etc.) or integrate consumers' and producers' co-operatives. It was founded in 1996.

Objectives

Its objectives are to :

- provide a forum for the discussion and exchange of issues of relevant to its member organisation's;
 - provide information to United Nations organisations, national governments, the media and the public about the nature and role of health co-operatives;
 - promote the development of health co-operatives;
 - collaborate with other sectoral organisations and thematic committees of the ICA
- Structure;

IHCO has two regional entities for Asia and the Pacific (Asia-Pacific Health Co-operative Organisation - APHCO) and the Europe (IHCO Europe). These two regional sectoral organizations organise meetings and activities in their respective regions.

International Cooperative fisheries organisation

It had 26 member organizations from 21 countries. It has been organizing seminars/ workshops on fisheries cooperatives in developing countries on themes like: management of cooperatives: business development and cooperation between the government and the cooperative sector, etc. it has conducted two studies to provide essential information for cooperative leaders concerned to help devise ideas on institutional support systems for fisheries cooperative development.

Consumer cooperative world wide

It has 17 member organizations from 16 countries. It has been active in discussing consumer issues of particular interest to cooperative at its annual meetings. Since the subject of environment is the most important it has been involved in monitoring and promoting environmental awareness amongst its members.

MODULE IV

ROLE OF INTERNATIONAL ORGANISATIONS IN THE DEVELOPMENT OF CO-OPERATIVE MOVEMENT

ILO

The International Labour Organisation (ILO) is a specialised agency of the United Nations (UN) which deals with the world of work. It was founded in 1919 under the Treaty of Versailles, at the same time as the League of Nations, which was a weaker, earlier version of the UN. It became the first UN specialised agency in 1946 and is based in Geneva, with a network of offices in more than 40 countries.

Each part of the UN system is responsible for a particular area – its ‘mandate’, in UN jargon. The ILO’s mandate is social questions – especially the world of work and employment. So industrial relations, child labour, vocational training, policy on employment creation, health and safety at work and, of course, co-operatives are some of the issues dealt with by the ILO.

Like all UN organisations, the ILO is financed by member states. Countries have to join the ILO separately. Not all countries that are members of the United Nations are members of the ILO. Currently, the ILO has 175 member states. Some governments also give the ILO extra funds for projects.

The politicians who assembled in 1919 to draw up the Treaty of Versailles met in the shadow of a huge wave of strikes, revolutions and uprisings all over the world. The Russian Revolution was only two years old. Workers were demanding that one outcome of the suffering caused by the war should be social justice. So the ILO’s constitution states that

universal and lasting peace can only be established if it is based upon social justice

The huge social unrest in 1919 was one reason for the ILO. But the idea of international legal action for workers was not something completely new. There had been movements for such an organisation for many years.

Tripartism and social dialogue

What makes the ILO unique among international organisations is its tripartite nature. All the other international organisations – the UN itself, the World Bank, World Trade Organisation etc, are run exclusively by governments. But in the ILO, governments, trade unions and employers are all represented at the International Labour Conference and on the ILO Governing Body.

The concepts of tripartism and social dialogue are at the very heart of the ILO. The ILO is based on the belief that trade unions, employers and governments should work together and try to seek consensus on issues which effect them, at every level – in the enterprise, at industry level and at national level.

The ILO defines social dialogue as:

all types of negotiation, consultation or exchange of information between representatives of governments, employers and workers, on issues of common interest relating to economic and social policy.

In some countries, for example Vietnam and South Africa, the co-operative movement is included as a partner in the social dialogue mechanisms.

At the ILO Conference, each member state sends four delegates. Two represent the government; one employers and one trade unions. Delegates do not sit together as national delegations, but form three groups at the conference: government, employers and workers.

The Governing Body of the ILO which runs its affairs is composed in the same way: out of 56 full members, 28 are from governments, and 14 each are elected by the delegations of workers and employers.

Co-operatives and the ILO

The ILO has been involved with co-operatives since its very foundation.

In 1919 Albert Thomas, an active co-operator, becomes ILO's first Director-General. Albert Thomas (born 1878 in Champigny-sur-Marne – died 1933) was a historian, journalist, politician, international civil servant, co-operator and a member of the Executive Committee of the International Co-operative Alliance.s

The Peace Treaty foresees that the ILO should not only be concerned with the conditions of work but also with the conditions of workers. By and large, it is under the organisational form of co-operatives that this concern is best addressed for the largest part of the population. The Co-operative Section will not limit itself to the questions of distribution, but will also research into the question of housing, leisure time of workers and transportation of the workforce etc. Extract from Annex 3 of the second Governing Body of the ILO, 1920

Albert Thomas set up Le Service des Cooperatives at the ILO in March 1920 on the occasion of the third meeting of the Governing Body. At first, it assumed the role of one of the fourteen independent technical branches of the ILO. However, during his time as the Director-General of the ILO, Albert Thomas pushed actively for giving co-operatives an equal say in the ILO vis-à-vis employers and workers.

1924 First issue of ILO's Co-operative Information which continued for over sixty years.

1960 Technical co-operation begins.

1966 Recommendation No 127, Co-operatives (Developing Countries) is adopted.

1998 'Decent Work' adopted as the aim of the ILO.

2002 Recommendation No 193 adopted.

It's the first time for a long time a formal official policy has been produced by an international organisation of the status of the ILO, Iain Macdonald, ICA

2003 Mr Juan Somavia, ILO Director-General, addresses the ICA's General Assembly in Oslo.

Co-operatives empower people by enabling even the poorest segments of the population to participate in economic progress; they create job opportunities for those who have skills but little or no capital; and they provide protection by organising mutual help in communities. Juan Somavia, International Labour Conference, 2003

2004 The ILO and ICA agree a Memorandum of Understanding.

Co-operatives and Millennium Development Goals

The recently signed Memorandum of Understanding (MOU) between the International Co-operative Alliance and the ILO (February 2004) emphasises the role which co-operatives can play in working towards achieving the MDGs.

The ICA and ILO are committed to formulating a Common Co-operative Agenda, among other things identifying activities to contribute effectively to the attainment of the MDGs.

The ILO and ICA have agreed to:

- Design and implement technical co-operation programmes with co-operative organisations aimed at reducing poverty and creating jobs in developing countries.

- Work on scaling up successes to national level, in collaboration with national organisations and governments.

- Influence the Poverty Reduction Strategy Papers (PRSP) process by working together to incorporate co-operative perspectives into PRSPs.

- Clearly demonstrate at national and international level the contributions that co-operatives can have on poverty reduction.

The agreement and its annex emphasise that co-operatives have a significant contribution to make to all the MDGs, but there is a stress on the role that co-operatives can and do play in rural areas. This is where the poorest of the poor live, where jobs are scarce and basic services are weak. Often the nearest institutions to the poor are local co-operatives and strengthening their capacity will have a positive impact on rural poverty.

The Millennium Development Goals (MDGs)

The Millennium Development Goals are an ambitious agenda for reducing poverty and improving lives that world leaders agreed on at the Millennium Summit in September 2000. For each goal there is one or more specific target, most for 2015, using 1990 as a benchmark, along with specific social, economic and environmental indicators used to track progress towards the goals.

Promoting Co-operatives A guide to ILO Recommendation 193

The eight goals represent a partnership between the developed countries and the developing countries determined, as the Millennium Declaration states, "to create an environment – at the

national and global levels alike – which is conducive to development and the elimination of poverty.”

1. **Eradicate extreme poverty and hunger Target for 2015:** Halve the proportion of people living on less than a dollar a day and those who suffer from hunger. More than a billion people still live on less than US\$1 a day: sub-Saharan Africa, Latin America and the Caribbean, and parts of Europe and Central Asia are falling short of the poverty target.

2. **Achieve universal primary education Target for 2015:** Ensure that all boys and girls complete primary school. As many as 113 million children do not attend school, but the target is within reach. India, for example, should have 95 per cent of its children in school by 2005.

3. **Promote gender equality and empower women Targets for 2005 and 2015:** Eliminate gender disparities in primary and secondary education preferably by 2005, and at all levels by 2015. Two thirds of illiterates are women, and the rate of employment among women is two thirds that of men. The proportion of seats in parliaments held by women is increasing, reaching about one third in Argentina, Mozambique and South Africa.

4. **Reduce child mortality Target for 2015:** Reduce by two thirds the mortality rate among children under five. Every year nearly 11 million young children die before their fifth birthday, mainly from preventable illnesses, but that number is down from 15 million in 1980.

5. **Improve maternal health Target for 2015:** Reduce by three quarters the ratio of women dying in childbirth. In the developing world, the risk of dying in childbirth is one in 48, but virtually all countries now have safe motherhood programmes.

6. **Combat HIV/AIDS, malaria and other diseases Target for 2015:** Halt and begin to reverse the spread of HIV/AIDS and the incidence of malaria and other major diseases. Forty million people are living with HIV, including five million newly infected in 2001. Countries like Brazil, Senegal, Thailand and Uganda have shown that the spread of HIV can be stemmed.

7. **Ensure environmental sustainability**

Targets:

Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources.

By 2015, reduce by half the proportion of people without access to safe drinking water.

By 2020 achieve significant improvement in the lives of at least 100 million slum dwellers. More than one billion people lack access to safe drinking water and more than two billion lack

sanitation. During the 1990s, however, nearly one billion people gained access to safe water and the same number to sanitation.

8. Develop a global partnership for development

Targets:

Develop further an open trading and financial system that includes a commitment to good governance, development and poverty reduction – nationally and internationally.

Address the least developed countries' special needs, and the special needs of landlocked and small island developing States.

Deal comprehensively with developing countries' debt problems.

Develop decent and productive work for youth.

In co-operation with pharmaceutical companies, provide access to affordable essential drugs in developing countries.

In co-operation with the private sector, make available the benefits of new technologies – especially information and communications technologies.

(Source: United Nations Development Programme, www.undp.org, accessed 28 May 2004)

IBRD or the World Bank

The International Bank for Reconstruction and Development (IBRD) and International Monetary Fund (IMF) were established by delegates at the Bretton Woods conference in 1944 and became operational in 1946. The IBRD was established with the original mission of financing the reconstruction efforts of war-torn European nations following World War II, with goals shared by the later Marshall Plan. The Bank issued its inaugural loan of \$250 million (\$2.6 billion in 2012 dollars) to France in 1947 to finance infrastructure projects. The institution also established its first field offices in Paris, France, Copenhagen, Denmark, and Prague in the former Czechoslovakia. Throughout the remainder of the 1940s and 1950s, the Bank financed projects seeking to dam rivers, generate electricity, and improves access to water and sanitation. It also invested in France, Belgium, and Luxembourg's steel industry. Following the reconstruction of Europe, the Bank's mandate has transitioned to eradicating poverty around the world. In 1960, the International Development Association (IDA) was established to serve as the Bank's concessional lending arm and provide low and no-cost finance and grants to the poorest of the developing countries as measured by gross national income per capita.

Organization and Structure:

The organization of the bank consists of the Board of Governors, the Board of Executive Directors and the Advisory Committee, the Loan Committee and the president and other staff members. All the powers of the bank are vested in the Board of Governors which is the supreme policy making body of the bank.

The board consists of one Governor and one Alternative Governor appointed for five years by each member country. Each Governor has the voting power which is related to the financial contribution of the Government which he represents.

The Board of Executive Directors consists of 21 members, 6 of them are appointed by the six largest shareholders, namely the USA, the UK, West Germany, France, Japan and India. The rest of the 15 members are elected by the remaining countries.

Each Executive Director holds voting power in proportion to the shares held by his Government. The board of Executive Directors meets regularly once a month to carry on the routine working of the bank.

The president of the bank is pointed by the Board of Executive Directors. He is the Chief Executive of the Bank and he is responsible for the conduct of the day-to-day business of the bank. The Advisory committees appointed by the Board of Directors.

It consists of 7 members who are experts in different branches of banking. There is also another body known as the Loan Committee. This committee is consulted by the bank before any loan is extended to a member country.

Funding of World Bank

Although members contribute capital to the IBRD, the Bank acquires funds primarily by borrowing on international capital markets by issuing bonds. The Bank raised \$29 billion USD worth of capital in 2011 from bonds issued in 26 different currencies. The IBRD has enjoyed a triple-A credit rating since 1959, which allows it to borrow capital at favorable rates. Its funding strategy is aimed at achieving the best long-term value on a sustainable basis for borrowing members. Its ability to intermediate the funds it raises in international capital markets to developing member countries is important in helping to achieve its goals. IBRD's strategy has enabled it to borrow at favorable market terms and pass the savings on to its borrowing members.

Funds not immediately deployed for lending are held in IBRD's investment portfolio to provide liquidity for its operations.

It offers benchmark and global benchmark bonds, bonds denominated in non-hard currencies, structured notes with custom-tailored yields and currencies, discount notes in U.S. dollars and euro dollars. In 2011, the IBRD sought an additional \$86 billion USD (of which \$5.1 billion would be paid-in capital) as part of a general capital increase to increase its lending capacity to middle-income countries. The IBRD expressed in February 2012 its intent to sell kangaroo bonds (bonds denominated in Australian dollars issued by external firms) with maturities lasting until 2017 and 2022.

In fiscal 2016, IBRD raised U.S. dollar equivalent (USDeq) 63 billion by issuing bonds in 21 currencies.

IBRD's equity comprises primarily paid-in capital and reserves. Under the terms of the general and selective capital increase resolutions approved by the Board of Governors on March 16, 2011, subscribed capital is expected to increase by \$87.0 billion, \$5.1 billion of which will be paid in. The subscription periods for selective capital increase and general capital increase are expected to end in March 2017 and March 2018, respectively, following the approval by the Board of Executive Directors of extension requests by shareholders. As of June 30, 2016, the cumulative increase in subscribed capital totaled \$73 billion. Related paid-in amounts in connection with the capital increase were \$43 billion.

As a cooperative institution, IBRD seeks not to maximize profit but to earn enough income to ensure its financial strength and sustain its development activities. Of fiscal 2016 allocable net income, the Board of Executive Directors recommended to the Board of Governors the transfer of \$497 million to IDA and the allocation of \$96 million to the General Reserve.

Functions

World Bank is playing main role of providing loans for development works to member countries, especially to underdeveloped countries. The World Bank provides long-term loans for various development projects of 5 to 20 years duration.

The main functions can be explained with the help of the following points:

1. World Bank provides various technical services to the member countries. For this purpose, the Bank has established "The Economic Development Institute" and a Staff College in Washington.
2. Bank can grant loans to a member country up to 20% of its share in the paid-up capital.
3. The quantities of loans, interest rate and terms and conditions are determined by the Bank itself.
4. Generally, Bank grants loans for a particular project duly submitted to the Bank by the member country.

5. The debtor nation has to repay either in reserve currencies or in the currency in which the loan was sanctioned.
6. Bank also provides loan to private investors belonging to member countries on its own guarantee, but for this loan private investors have to seek prior permission from those countries where this amount will be collected.

World Assembly of Youth

The **World Assembly of Youth (WAY)** is the international coordinating body of national youth councils and national youth organisations. The full members of WAY are national youth councils. WAY currently has 120 member organisations from all continents. As the international coordinating body of national youth councils, WAY has consultative status 1 with the United Nations, the highest status possible for a non-governmental organization. WAY co-operates with the UN and many of its special agencies, particularly with UNAIDS, UNEP, ILO, UNESCO, UNFPA, UNICEF and WHO.

The World Assembly of Youth recognises the Universal Declaration of Human Rights as the basis of its action and services. WAY promotes the work of youth organisations in areas such as: democracy, environment, human rights, population, health, drugs, community development, leadership training, and cultural and religious tolerance. It provides opportunities for youth representatives from different countries to exchange ideas and experiences, to coordinate program plans, and to reach a better understanding of each other's problems due to differences in racial, religious and national backgrounds.

The regional structure of the National Youth Councils in all the continents, Asian Youth Council, European Youth Forum, Caribbean Youth Forum, Forum for the Integration of Asean Youth, Pacific Youth Council, Arab Youth Union, Pan-African Youth Union, African-Arab Youth Council, SADC Youth Movement, are consultative members.

The WAY Headquarters is located in World Youth Complex in Melaka, Malaysia having been previously established in London, Paris, Brussels, Copenhagen and Kuala Lumpur. The organization is financed from annual membership fees and voluntary contributions from its member organizations, and has three official languages: English, French, and Spanish

Members

The World Assembly of Youth currently has 140 member organisations. There are four membership status granted by the Executive Committee at each General Assembly. These status are: Full, Associate, Observer and Consultative. In accordance with Article IV and V of the WAY Charter, membership of WAY is granted as follows:

Full members of WAY are national youth councils which are representing a cross section of democratic, voluntary youth organisations in a country or territory, and which have ratified the Charter and are admitted by the Assembly by a vote of the majority of its members.

The Assembly has the power to admit national youth councils or national youth organisations, which are interested in regular co-operation with WAY, as associated members, provided that a member national youth councils of WAY does not already exist in the country in question.

Regional youth organisations with national youth councils as members may be provided consultative status. They shall be permanent invitees to the meetings of the Bureau and the Executive Committee without the right to vote.

The Executive Committee may admit international organisations, national youth councils and national youth organisations as observers, provided that a member national youth council does not exist in the country in question.

Benefits of being WAY member

1. Taking part in the effort of strengthening human rights locally, regionally and internationally.
2. Receiving outcome documents from all the events organised by WAY and the reports of WAY activities and administration.
3. Speaking and getting involved in the decision making at international level.
4. Contributing in the tackling of youth issues through campaign, dialogue or any other activities.
5. Subscribing WAY publication including press releases, bulletin and outcome documents from various activities.
6. Getting an invitation on all events organised and co-organised by WAY.
7. Getting an update on all activities, programmes, reports, surveys and news pertaining to young people and the issues they face.
8. Getting the sponsor or funding opportunity (if applicable) to attend events organised/co-organised by WAY.
9. Receiving reports on National Youth Councils , UN and its agencies on policies related to youth issues

Duties of being a WAY member

1. To submit annual report, publication and statistics on youth and relevant issues in their respective country and region.
2. To update contact details and send to WAY Headquarters.
3. To attend WAY events both national, regional and international level organised/co- organised by WAY.
4. To inform WAY about their events or activities organised/ co- organised by them.
5. To facilitate the collection of information about the needs and problems of youth in their country and region.

6. To collaborate with each other on the regional and international level through WAY platform for betterment of issues pertaining to young people worldwide.
7. To promote the interchange of ideas between member countries for the purpose of improving the well being of young people worldwide

Afro-Asian Rural Reconstruction Organization .

The formation of African-Asian Rural Development Organization (AARDO) [earlier known as Afro-Asian Rural Development Organization] in 1962 underscored the far-sightedness of the social and political leaders of Asia and Africa in recognising the need for cooperation among the countries in the field of agriculture and rural development. AARDO which is one of the earliest examples of South-South cooperation in rural development in the Afro-Asian region, is an autonomous inter-governmental Organization comprising country governments of Africa and Asia. The Organization was set up with a view to promote coordinated efforts, exchange of experiences and cooperative action for furthering the objectives of development of the rural areas. AARDO a non-political body enjoys observer status with various UN and other international organisations like Food and Agriculture Organization (FAO), International Fund for Agricultural Development (IFAD), United Nations Conference on Trade and Development (UNCTAD), United Nations Educational, Scientific and Cultural Organization (UNESCO), United Nations Development Programme (UNDP), International Cooperative Alliance (ICA), Centre on Integrated Rural Development for Asia and the Pacific (CIRDAP), etc. It also promotes collaboration with various international organisations for the economic and social welfare of the rural community.

History

The majority of the African and Asian countries, after the end of Second World War, and during the 1950s demanded enormous tasks for development. This brought forward the need of these countries to come together, exchange experiences and ensure mutual help. Two leaders of their time, Dr Punjabrao S. Deshmukh, the then India's Union Minister of Agriculture and Dr Hiroshi Nasu, at one time Ambassador of Japan to India, conceived the idea to establish a forum for the Asian countries to jointly discuss their many common problems. As a follow up of these discussions, the first East Asian Rural Reconstruction Conference was held in Tokyo in August 1955 in which twelve countries, namely, Cambodia, R O China, India, Indonesia, Japan, Malaysia, Nepal, Pakistan, Philippines, Sri Lanka, Thailand and Vietnam participated. Representatives of FAO, International Federation of Agricultural Producers (IFAP), ICA and the Asian Foundation also attended the Conference. Discussion on the more important agricultural and rural problems was the main aim of the Conference. Another important objective was to develop a wider vision in the spirit of international cooperation among the farmers of Asia. The

success of the Tokyo Conference motivated the participants to meet again in about two years' time.

In 1960, Dr Hiroshi Nasu had a discussion with Dr Punjabrao S. Deshmukh. He proposed for another meeting during the beginning of 1961. The result was the convening of Afro-Asian Conference on Rural Reconstruction.

The first Afro-Asian Conference on Rural Reconstruction held its historic Session in New Delhi during 18-25 January 1961. The Conference was inaugurated by H E Dr Rajendra Prasad, the then President of the Republic of India. Twenty-three nations of Africa and Asia and five international organisations participated in the Conference. The participating countries and organisations were: Afghanistan, Egypt, Ghana, India, Indonesia, Iran, Japan, Jordan, Lebanon, Liberia, Malaysia, Morocco, Myanmar, Nepal, Pakistan, Philippines, Saudi Arabia, Sri Lanka, Sudan, Thailand, Tunisia, Turkey, Vietnam, FAO, IFAP, ICA, UNESCO and the Technical Cooperation Mission. The most important proposal that emanated from the deliberation of this Conference was to form an African-Asian Rural Reconstruction Organization which could provide continuity for such meetings. The Conference constituted an Executive Committee, with Dr Deshmukh as President to prepare draft of the Constitution of the Organization for consideration at its next session. The Conference also appointed an ad hoc Secretariat.

The Executive Committee met in Tehran during 8-9 May 1961 at the invitation of the Ministry of Agriculture, Government of Iran to discuss the draft of the Constitution prepared by the Secretariat. The draft Constitution after due discussion was presented before the Second Session of the African-Asian Conference on Rural Reconstruction held in Cairo during 19-31 March 1962. The Conference was inaugurated by H.E. Mr Kamal El-Din Hussain, the then Vice-President of Arab Republic of Egypt. It was in this Conference that the President of the Conference received a notice of acceptance of the Constitution from Egypt, India, Japan, Libya and Malaysia declaring that the Constitution of AARDO comes into force with effect from 31st March 1962. Thus was born Afro-Asian Rural Development Organization, initially with five (5) members and its headquarters provisionally located at New Delhi.

An Executive Committee was elected by the Conference comprising Egypt (President), Malaysia and Sudan (both Vice-Presidents) and India (outgoing President), Ghana, Indonesia, Japan, Lebanon, Libya, Morocco, Philippines, Tanzania, as members. Although there were many claimants in favour of locating the headquarters of AARDO in their countries, it was decided that permanent headquarters of AARDO be located in New Delhi. On 5th March 1966, a formal agreement between the Ministry of External Affairs of the Government of India and the Secretary General, AARDO was signed. To coincide with the event, 'AARDO Day' is thus celebrated on 5th March every year.

Goal

Keeping in view the socio-economic scenario of the developing countries of Afro-Asian region, AARDO is mandated to address both agriculture and rural development. AARDO should make **"Sustainable Agriculture and Rural Development"** of its member countries as its main goal. In line with this goal, the Organization should have its own Vision and Mission that would provide proper direction to the activities of the Organization and the results it can achieve. As a result, the Vision and Mission of AARDO should be as follows:

Vision

The Vision of AARDO is **"to improve the quality of life "** of the rural people in the Afro-Asian member countries of AARDO.

Mission

The Mission of AARDO is to catalyse efforts of the Afro-Asian countries, to help them **"restructure their rural societies and to reconstruct the economy of their rural people"**, by launching concerted, and wherever possible, cooperative action with determination, by the member countries of the Afro-Asian region.

Functions

As enshrined in the Constitution the Functions of AARDO are :

- To develop understanding among members for better appreciation of each other's problems and to explore opportunities for collaboration of efforts for **sustainable agricultural and rural development**;
- To collaborate with the appropriate international and regional organizations, including UN agencies, the national bodies, governmental or non-governmental, both in the developed and developing countries, for purposes of taking action to **accelerate agricultures and rural development** in the member countries;
- To hold international and regional conferences, seminars, workshops and meetings to facilitate **exchange of ideas and experiences** among the member countries and to identify new areas of collaboration;
- To organize and facilitate the conduct of international, regional and in-country training programmes to **strengthen the institutional capacity** of Afro-Asian member countries in sustainable agriculture and rural development and promote networking among these countries through exchange of views, experiences and good practices;
- To initiate research and action research studies of specific or common interest and **disseminate disaggregated data/statistics and information** to member countries;
- To provide **technical and financial support** to its member countries to undertake pilot projects for experimentation and replication;

- To serve as a clearinghouse and data bank for communication and information on agriculture and rural development and **promote dissemination of such information** through multi-media approach; and
- To pursue **environment and climatic changes** in the context of rural development.

Activities

Most of the countries in the African-Asian region have substantially improved their human resources during the last 2-3 decades. However, emergence of new fields such as Information Technology, WTO and Globalisation made these developments short of the requirements and the developing countries as such are still in need of technical/financial assistance to further strengthen their development programmes. AARDO supplements the efforts of its member countries and provides ample opportunities to the officials/experts from member countries to jointly discuss their problems, learn from the experiences of other countries, exchange views, ideas, information and develop understanding among them for exploring collectively opportunities for coordination of efforts towards promotion of rural and agriculture development. AARDO in collaboration with the esteemed Government of India celebrated its Golden Jubilee during 5-7 March 2012 in New Delhi. An important component of the Celebration was the organization of an International Seminar on 'Rural Development: Retrospect and Prospects'. The recommendations of the seminar were adopted as "AARDO Declaration on Rural Development". Some of the critical areas highlighted in the Declaration are:

- i) Reforms and Restructuring Rural Poverty, Society and Economy,
- ii) Eradication of Poverty, and Food and Nutritional Insecurity,
- iii) Women Empowerment, Education and Health Care,
- iv) Enhancing the Role of Private Sector, NGOs and Civil Society,
- v) Increasing International Trade in Farm Sector,
- vi) Encouraging Better Use of Appropriate Technologies and Data Generation and Management,
- vii) Collaboration in Research and Extension

Membership

The membership of AARDO consists of countries from African and Asian continents. There are, thirty two members; sixteen from Africa and fifteen from Asia as full members and one Associate Member. Every country of Africa and Asia which is full or an associate member of the United Nations system or any of its specialised agencies can join AARDO as its full member by filling the prescribed application form. Countries falling outside the Afro-Asian region, as well as organisations and foundations, can also join as associate members. The membership can be held by the government of a country or with the approval of the government, by a governmental or

non-governmental apex level organisation of farmers and other rural people interested in rural development. Members enjoy equal rights and are expected to fulfil their financial obligations. Associate members, however, do not have voting right.

Sources of Finance

Annual membership contribution from member countries is the major source of income for meeting AARDO's expenditures on various technical programmes. The quantum of contribution from each country is decided by AARDO Conference from time to time on the basis of a formula with reference to the contribution payable by a country to the Food and Agriculture Organization (FAO) of the United Nations.

Besides, the membership contribution, the country governments of the Bangladesh, Republic of China, Egypt, India, Malaysia, Nigeria, Pakistan, Republic of Korea, and Zambia have also been providing generous assistance in implementing the technical programmes i.e., trainings, workshops, seminars, deputation of experts, etc.

Regional Offices

The six Regional Offices of AARDO, namely, Regional Office for Middle East, Amman, Jordan; Regional Office for Far East, Seoul, R.O. Korea; Regional Office for South and Central Asia, Islamabad, Pakistan; Regional Office for West Africa, Accra, Ghana; Regional Office for Southern Africa, Lusaka, Zambia; and Regional Office for North and Central Africa, Cairo, Egypt have been functioning at varying degrees. The main objectives of establishing the Regional Offices are:

- i. Promotion of the interest of AARDO in the member countries of the region and other countries of the region.
- ii. Enrollment of new members of AARDO from among those countries of the region which have not yet joined.
- iii. Assisting in the execution of approved work programmes including organisation of seminars, workshops and conferences in the countries of the region.
- iv. Identifying the problem areas in the countries of the region and submitting recommendations to the Headquarters of AARDO for implementation of projects/conducting studies in the countries of the region.
- v. Representing AARDO at national and international meetings, seminars, conferences and workshops in the home country or the neighbouring countries as may be directed by the headquarters and
- vi. Functioning as data bank for information required by headquarters and disseminating information regarding AARDO's activities.

MODULE V

INTER CO-OPERATIVE RELATIONS

AMUL (Anand Milk Union Ltd)

The Kaira District Co-operative Milk Producers' Union Limited, [Anand](#) in the state of Gujarat, popularly known as “Amul Dairy” is a Dairy Cooperative with a turnover of more than Rs. 4825/- crore.

This Co-operative organization is created and owned by farmers and managed by professionals. It began its journey in 1946 and has inspired the nation in the Dairy Co-operative Movement to put India as the largest milk producing nation in the world.

The word “Amul” is derived from Sanskrit word ‘Amulya’ which means ‘priceless’ or precious’. AMUL is a brand managed by a cooperative body, the Gujarat Co-operative Milk Marketing Federation Ltd. (GCMMF). It aims to provide remunerative returns to the farmers and also serve the interest of consumers by providing quality products which are good value for money.

GCMMF is India's largest food products marketing organization. It is a state level apex body of milk cooperatives in Gujarat which aims to provide remunerative returns to the farmers and also serve the interest of consumers by providing quality products which are good value for money.

The Amul Model of dairy development is a three-tiered structure with the dairy cooperative societies at the village level federated under a milk union at the district level and a federation of member unions at the state level.

Amul-cooperative registered on 14 December 1946 as a response to the exploitation of marginal milk producers by traders or agents of the only existing dairy, the Polson dairy. The prices of milk were arbitrarily determined. Moreover, the

government had given monopoly rights to Polson to collect milk and supply it to Bombay city

Angered by the unfair trade practices, the farmers of Kaira approached Sardar Vallabhbhai Patel under the leadership of local farmer leader Tribhuvandas K. Patel. He advised them to form a cooperative and supply milk directly to the Bombay Milk Scheme instead of Polson. He sent Morarji Desai to organise the farmers. In 1946, the milk farmers of the area went on a strike which led to the setting up of the cooperative to collect and process milk.

Milk collection was decentralized, as most producers were marginal farmers who could deliver, at most, 1–2 litres of milk per day. Cooperatives were formed for each village.

Reason for success of AMUL

1. Robust Supply Chain
2. Low Cost Strategy
3. Diverse Product Mix
4. Strong Distribution Network
5. Technology and e-initiatives

INDIAN FARMERS FERTILIZERS COOPERATIVES (IFFCO)

Indian Farmers Fertiliser Cooperative Limited also known as IFFCO .Established in 1967 as multistate cooperative society. It is the world's largest fertilizer cooperative federation based in India. Indian Farmers Fertiliser Cooperative Limited produces and distributes fertilizers for farmers and member co-operatives in India. In addition, it provides general insurance services. The company distributes its products through a network of co-operative societies. Indian Farmers Fertiliser Cooperative Limited is based in New Delhi.

Till the mid 1960's, cooperatives in India had no production facility despite marketing nearly 70% of fertilisers. There was a need of setting up production facility. IFFCO was established as the farmers' own initiative in Cooperative Sector on 3rd Nov, 1967 with proposed plants at Kalol and

Kandla in Gujarat. With the enactment of Multi State Co-operative Societies Act 2002, IFFCO is registered as a Multi State Co-operative Society.

The marketing of IFFCO's products is channelled through cooperative societies and institutional agencies in over 29 states and union territories of India. The Marketing Division of IFFCO has the herculean task of providing fertilisers to the corners of India, reaching farmers who live in some of the most challenging terrains and locations in the world.

OBJECTIVES

1. To provide to farmers high quality fertilizers in right time and in adequate quantities with an objective to increase crop productivity. Commitment to health, safety, environment and forestry development to enrich the quality of community life
2. Commitment to social responsibilities for a strong social fabric
3. To ensure growth in core and non-core sectors
4. Foster a culture of trust, openness and mutual concern to make working a stimulating and challenging experience for stake holders
5. Building a value driven organisation with an improved and responsive customer focus. A true commitment to transparency, accountability and integrity in principle and practice
6. Make cooperative societies economically and democratically strong
7. Ensure an empowered rural India through professionalised service to the farming community

VISION

The vision of IFFCO is to enable Indian farmers to prosper through timely supply of reliable, high quality agricultural inputs and services in an environmentally sustainable manner and to undertake other activities to improve their welfare

MISSION

IFFCO's mission is to enable Indian farmers to prosper through timely supply of reliable, high quality agricultural inputs and services in an environmentally sustainable manner and to undertake other activities to improve their welfare

MANAGEMENT

The Representative General Body (RGB) which is the General Body forms the supreme body that guides the various activities of IFFCO. The Board of Directors of IFFCO carry out all functions as specified under the Multi-state Cooperative Societies Act/Rules. The Board of Directors frame policies, direct the various activities of the Society, and undertake any other

activities conducive to overall growth and development of Societies. The Board is headed by the Chairman. The Managing Director is the Chief Executive of the organisation with responsibilities for general conduct, supervision and management of day to day business and affairs of IFFCO. These directors are assisted by Functional Directors & Senior Executives who are experts in various disciplines.

NCUI (National Cooperative Union of India)

The National Cooperative Union of India (NCUI) is an Apex Cooperative Organisation in India which represents all the segments of Indian Cooperative Movement. Its objectives are a) to promote and develop the cooperative movement in India, b) to educate, guide and assist the people in their efforts, c) to build up and expand the cooperative sector and serve as an exponent of cooperative opinion in accordance with cooperative principles.

The Cooperative Movement in India was formally introduced with the promulgation of Cooperative Societies Act in 1904. The National Cooperative Union of India (NCUI), the apex organisation of the Indian Cooperative Movement traced back its origin in 1929.

When All India Provincial Cooperative Institutes Association came into being with Shri Lallubhai Samal Das Mehta as its first President, having been reorganised as Indian Cooperative Union, it was renamed later as All India Cooperative Union in 1954 and re-christened as National Cooperative Union of India in 1961.

The National Cooperative Union of India has travelled a long way since then to now emerged as the sole representative of the Cooperative movement in the country. Being the apex organisation of the Indian cooperative movement in the country, the NCUI is committed to lend dynamism and vibrancy to the cooperative sector in the twenty first century. It is the supreme motto of NCUI to make the voice of cooperation as strong as ever.

The working of NCUI reflects the democratic yearnings of the cooperators and the cooperative institutions involved in cooperative development. The membership of NCUI is broad-based comprising of cooperative institutions at national level, state level and multi-state cooperative societies representing all sectors of the Indian cooperative movement.

At present, there are 207 institutions which are members of NCUI. The supreme authority of NCUI vests with its General Body which meets once in a year to decide the policy and programmes for cooperative development and also elects the Governing Council of

NCUI once for a period of five years. The Governing Council meets once in every quarter and functions through the Executive Committee and other functional committees. The President is the head of the organisation and is supported by the Chief Executive who operates through various functional divisions of the NCUI Secretariat.

Objectives

- express opinion on matters of cooperative policy and act as the accredited representative of the Indian Cooperative Movement in the national and international spheres;
- Organise cooperative education and training programmes and popularise the principles and practices of cooperation;
- organise, conduct, collaborate and assist in carrying out research, investigations of cooperative problems and formulation of projects for cooperative development;
- arrange for the production and publication of literature and audio-visual aids including films, filmstrips on cooperation and allied subjects;
- give publicity to the achievements of cooperatives through periodicals, journals, newspapers, pamphlets, brochures, books, films, broadcasts, T.V. and the like for creating favourable atmosphere for the development of the cooperative movement;
- maintain an information bureau and a library;
- convene and hold the National Cooperative Congress and Cooperative Seminars, Meetings, Conferences, Exhibitions etc.;
- select delegates, representative and observes on behalf of the Union for participation in the International, National and State Conferences;
- facilitate the promotion of cooperative institutions and assist the member societies in resolving their problems and difficulties and formulation of programmes and their implementation and preserve and safeguard the democratic character of the cooperative movement in the country;
- confer/honour on the eminent cooperators;
- promote international cooperative relations through active collaboration with ICA, UNO, FAO, ILO, UNDP, UNIDO and other international agencies involved in cooperative development;
- help, promote international marketing on cooperative to cooperative basis by documenting necessary information and to act as nodal agency for the benefit of Indian Cooperative Movement; and
- provide consultancy services to the cooperatives.

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