

334
A265
1961

PN-ART-343

72167

RATIVES
DEMOCRATIC INSTITUTIONS
FOR
ECONOMIC AND SOCIAL DEVELOPMENT

Cooperatives, democratic institutions ...
334 Agency for International Development,
A265 Washington, D.C. Special Advisory
Committee on Cooperatives.
Cooperatives, democratic institutions for
economic and social development. 1961.
82 p.

1.Cooperative societies. I.Title.

**A report by the Special Advisory Committee
on Cooperatives
to the Administrator
of the
Agency for International Development**

A.I.D.
Reference Center
Room 1656 NS

NOVEMBER 1, 1961

"Our unfulfilled task is to demonstrate to the entire world that man's unsatisfied aspiration for economic progress and social justice can best be achieved by free men working within a framework of democratic institutions."

President John F. Kennedy

"I believe that encouragement and assistance in the development of cooperatives can play a major part in achieving the primary goal of our foreign aid programs. In these programs we seek to strengthen the ideals of freedom and the practice of democracy by offering to the great masses of the people opportunity to gain some of the benefits of modern society, and a chance to help themselves toward these gains through democratic institutions in which they themselves participate. Cooperatives offer tremendous opportunity in this regard."

Secretary of Agriculture,
Orville L. Freeman

"One of the best ways for workers to turn increased wages into increased standards of living is for them to purchase goods and services cooperatively. The experience in democratic practices which is provided through membership in free trade unions can be further strengthened through participation in cooperatives."

Secretary of Labor,
Arthur J. Goldberg

"We need a new democratic dimension to our foreign aid efforts. We must act quickly to extend economic assistance and expert advice which will directly improve the welfare of the people and which will get the people started on concrete programs to help themselves to economic and social progress.... Let us help them follow the path of democratically owned and operated cooperatives."

Senator Hubert H. Humphrey

TABLE OF CONTENTS

	<u>Page</u>
I Summary Findings	1 - 5
II The ICA Cooperative Review: scope, procedure, and participants	6 - 10
III The Role of Cooperatives in the Socio-Economic Development Process	11 - 18
IV Prerequisites, problems, and techniques in cooperative development	19 - 30
V Recommendations: The role of AID	31 - 41
A. Technical assistance	31 - 34
B. Financial assistance	35 - 38
C. Suggested programs	38 - 39
D. AID organization and administration	39 - 40
E. Coordination with other agencies, organizations and programs	40 - 41
VI The Challenge to Cooperatives	42 - 43
Appendices -	
A. Representative Programs of Cooperative Development and Assistance	
B. Suggested Projects	

SUMMARY FINDINGS

Recognizing the potential contribution of cooperatives to the economies and the welfare of the people of the developing countries, the Congress of the United States has declared - in the 1961 Act for International Development - that: "... it is declared to be the policy of the United States... to encourage the development and use of cooperatives, credit unions and savings and loan associations..."

The purpose of this report is to recommend policies and programs which will utilize the resources of the Agency for International Development and of all interested government and private agencies in programs for underdeveloped areas where cooperatives* can contribute effectively to the self-help objectives of this country's foreign aid efforts and to total country development plans.

Free and democratic cooperatives have an important role to play in this critical decade of development throughout the countries of the world. Almost without exception, U.S. Missions report that the governments of the developing countries are depending on cooperatives to make a substantial contribution to their economic growth.

* Types of cooperatives considered in this report include credit, marketing, processing, joint ownership of facilities, supply, production, industrial, consumer, housing, health, rural electrification and other services.

They see cooperatives as institutions that will not only increase productivity, income, and standards of living, but also provide an essential instrument for the implementation of sound agrarian reform programs, capital formation and an expanded ownership of capital, and an effective training ground in social and political democracy.

The prerequisites for the successful development of cooperatives are almost universally acknowledged:

- determination of adaptability and feasibility
- sound legislation
- membership understanding
- trained personnel
- adequate supervision
- adequate financing

The absence of these prerequisites is cited, in varying degree, as a serious impediment to the orderly development of cooperatives in most of the developing countries.

Successful assistance techniques to satisfy the prerequisites for successful cooperative programs must be flexible to meet a variety of conditions, and include:

- feasibility surveys
- pilot projects
- legislative counsel
- membership education programs
- management training programs
- "seed capital" financing

The Advisory Committee recommends that the role of AID should be to provide technical assistance and financial assistance essential to the development of democratic cooperatives and to strengthen existing cooperative institutions --- to help the people of the developing countries to help themselves to economic, social and political freedom.

The program should be flexible to meet the many and varied needs of the developing countries. But it would also establish priorities because of the magnitude of some problems. In very many instances, credit unions provide the essential base for strong cooperative development. Agricultural credit, marketing, processing and warehousing and activities related to agrarian reform programs have special significance in some critical areas. Rural electrification, housing and consumers' cooperatives make their claims in others.

Technical assistance should include:

- feasibility surveys
- evaluations of existing programs
- country studies
- training programs (in the U.S.; in third countries; in the host countries)
- pilot projects
- consultation to government and cooperative organizations

Financial assistance should include:

- loans and grants by AID, by other U.S. and multilateral agencies, by private investors (and combinations of these investment sources)
- utilization of local currencies, including P.L. 480 funds

AID Organization and Administration

To provide the most efficient and expeditious implementation for a program of cooperative development as anticipated by this report, AID should have a central office for coordination, regional specialists and personnel in appropriate country missions. Early steps should be taken to allocate funds to initiate projects.

Coordination of efforts

In all such efforts, AID should - first of all - seek to integrate cooperative programs in total planning and operations in the developing countries. AID should also coordinate its program with, and seek the fullest possible contribution of, other interested and experienced agencies and organizations:

---U.S. agencies such as the Departments of Agriculture, Labor, Health, Education and Welfare, Housing and Home Finance Agency, Peace Corps, Food for Peace.

---international organizations such as the International Labor Organization, the Food and Agriculture Organization, the Organization for Economic Cooperation and Development, the Organization of American States and the Inter-American Development Bank.

---non-government organizations of cooperatives, credit unions, labor, agriculture, savings and loan associations, and voluntary aid programs.

---host country governments, their agencies and national and local cooperative organizations.

The Challenge to Cooperatives

The U.S. cooperative movement, encouraged by the new interest of AID, pledges to continue and expand its concern and activities in international cooperative development programs.

THE ICA COOPERATIVE REVIEW -
SCOPE, PROCEDURE, AND PARTICIPANTS

On June 23, 1961, the Director of the International Cooperation Administration announced that "greater emphasis on development and assistance of cooperatives in underdeveloped countries will be among the major objectives of the administration's new foreign aid program."

To accomplish this objective, the Director initiated a review of ICA's cooperative assistance program "to evaluate ICA's cooperative activities of the past, to develop a policy statement for guidance to field missions regarding encouragement of the cooperative approach and outlining a specific action program for greater emphasis on cooperatives within the new AID program." The Office of the Special Assistant to the Director of ICA, Herbert J. Waters, was assigned responsibility for conducting the review.

"AID's expanded and coordinated cooperative development efforts", the ICA Director stated, "will seek to utilize its own and the experience and resources of all interested government and private agencies in programs for underdeveloped areas where the cooperative approach can contribute effectively to the self-help objectives of this country's foreign aid efforts."

The ICA Cooperative Review sought information and evaluation of past and present programs of assistance to and development of cooperatives, and recommendations for future policies and programs from:

--- all ICA overseas missions. Replies to a questionnaire cable (ICATO CIRC 37) to all USOMs were reviewed and evaluated by representatives of ICA technical and regional offices.

--- U.S. government agencies

Department of Agriculture
Department of Labor
Department of Health, Education and Welfare
Department of Commerce
Housing and Home Finance Agency
Small Business Administration
Peace Corps
Food for Peace
Farm Credit Administration

--- International Agencies

Organization of American States
Inter-American Development Bank
Food and Agriculture Organization
International Labor Organization
World Bank
Organization for Economic Cooperation and Development

--- Non-Government Organizations

Credit Union National Association
Cooperative League
American International Association for
Economic and Social Development
National Farmers Union
National Grange

American Farm Bureau Federation
National Council of Farmer Cooperatives
American Institute of Cooperation
National Rural Electric Cooperative Association
International Basic Economy Corporation
AFL-CIO
United Auto Workers
National Association of Mutual Savings Banks
National League of Insured Savings Associations
Church World Services, Inc.
American Jewish Joint Distribution Committee
Lutheran World Relief
Catholic Relief Service
CARE

The ICA Cooperative Review Working Group (representatives of technical and regional offices) met with representatives of all other agencies and organizations to discuss and formulate the scope and nature of the inquiry into experience and recommendations concerning the contribution of cooperatives, credit unions and savings and loan associations to the developing countries.

Statements of experience and recommendations from all ICA regional offices and from all contributing agencies and organizations have been assembled in the volume: "ICA Cooperative Review - Background Papers."

On August 25, 1961, the Director of ICA announced the appointment of a Special Advisory Committee on Cooperatives, a group of thirteen private citizens "to make recommendations to the AID Administrator on the utilization of cooperatives in the foreign aid program."

"The Committee's recommendations," the ICA Director said, "will be based on the judgment and individual experience of its members, together with the staff work which has been done by ICA's Cooperative Review Group, aided by a number of government and international agencies and non-government organizations."

The Special Advisory Committee met in Washington on September 13, 1961, to review and discuss the background papers prepared by the ICA Cooperative Review Group, and to suggest further data essential to their study and recommendations.

On October 26, the Committee again met in Washington, D.C. to complete its review and submit this report to the Administrator of AID.

SPECIAL ADVISORY COMMITTEE ON COOPERATIVES

John C. Satterfield of Jackson, Mississippi, President of the American Bar Association, senior member of the firm of Satterfield, Shell, Williams and Buford, Jackson and Yazoo City, Mississippi, and General Counsel of the Mississippi Chemical Corporation, Yazoo City.

Murray D. Lincoln, Columbus, Ohio, President, Cooperative League of the U.S.A., President of Nationwide Insurance Companies; with Jerry Voorhis, Chicago, Executive Director of Cooperative League, as alternate.

Homer L. Brinkley, Washington, D.C., Executive Vice President of National Council of Farmer Cooperatives.

M. W. Thatcher, St. Paul, Minnesota, President, National Federation of Grain Cooperatives, General Manager, Farmers Union Grain Terminal Association; with Dwayne O. Andreas, President, Interoceanic Commodity Corporation, Chairman of Board, Interoceanic Industries, and Executive Vice President, G.T.A., as alternate.

Charles Shuman, Chicago, Illinois, President, American Farm Bureau Federation.

James Patton, Denver, Colorado, President, National Farmers Union.

Herschel Newsom, Washington, D.C., President, National Grange.

Walter Reuther, Detroit, Michigan, President, United Auto Workers, and Vice President, AFL-CIO.

R. C. Morgan of El Paso, Texas, President, Credit Union National Association, Inc., with H. Vance Austin of Madison, Wisconsin, Executive Director, as alternate.

Leon Keyserling, Economic Consultant, Washington, D.C., former member of President Truman's Council of Economic Advisors.

Gerrit Vander Ende, Tacoma, Washington, President, National League of Insured Savings Association, President, Pacific First Federal Savings and Loan Association, Tacoma.

Bishop Edward E. Swanstrom, New York, Chairman of Executive Committee of the American Council of Voluntary Agencies for Foreign Service.

Clyde T. Ellis, Washington, D.C., General Manager, National Rural Electric Cooperative Association.

THE ROLE OF COOPERATIVES IN THE
SOCIO-ECONOMIC DEVELOPMENT PROCESS

The goals of the United States foreign assistance program are peace, security, progress and freedom for the people of the newly developing countries - freedom from want, freedom from oppression, freedom from ignorance, and freedom from disease.

Essential to these goals is a dynamic increase in the general productivity and wealth of the economies of these nations, as well as a positive increase in the standards of living through a more equitable distribution of income and more widespread ownership and enjoyment of wealth.

Foreign aid programs should encourage people to help themselves and give them a stake in their countries' economic welfare.

Cooperatives can make a significant contribution to the attainment of these objectives in the developing countries. ¹

¹ "Cooperatives are an essential part of an effective, integrated rural development program and the largest and most important economic problems in developing countries are rural. It is possible and important to have an agricultural extension service, a rural credit system, research in and development and use of improved seeds, fertilizers and other agricultural services. However, unless there are strong cooperatives, all of these facilities will not reach enough people fast enough to do the job of agricultural development which is required today. Cooperatives can provide the basic self-help institutional pattern which will enable the developing countries to put improved services and new agricultural technology to use."
(Thomas B. Keehn, American International Association)

Farmers need credit cooperatives to finance ownership of land, and to help achieve increased and improved production, and supply cooperatives for the tools for planting, cultivating and harvesting of crops.

Equally important, they need processing and marketing cooperatives to prepare and bring their produce to the market efficiently and free of exploitation. ^{/2}

Cooperatives have played a major role in making U.S. agriculture the most efficient in the world. Approximately 10 per cent of the U.S. population produce more than adequate food and fiber for the total population.

The laborers and skilled craftsmen in cottage and small industry and the professionals -- all with their trade unions, crafts or professional groups to provide other services -- also need their industrial cooperatives to help produce and market the goods and services

^{/2} "Farmer cooperatives provide an effective mechanism through which individual agricultural producers can combine their economic resources so as to enhance their bargaining strength in the market place in which they sell their commodities and purchase their farm produce supplies." (Homer L. Brinkley, Executive Vice President of National Council of Farmer Cooperatives).

which their skills and labor help to create.^B

It is noteworthy that the Act for International Development calls for the strengthening of free labor unions as well as the development of cooperatives, credit unions and savings and loan associations. These two objectives are mutually supporting in that cooperatives can help workers, and the workers can provide a base for cooperatives.

All of these people -- including workers in larger mines, mills and plantations -- as consumers, need the distributive service cooperatives, credit cooperatives, savings banks, and savings and loan associations, to help them combat exploitation and monopoly practices, to get the most for their hard earned income in food, clothing, housing and other services, and to encourage thrift and aid them in their

^B "The combining of trade unions with cooperatives is a natural one; in fact, the whole history of consumer cooperatives has been intertwined with trade unions ever since the Cotton Weavers Union of Rochdale, England, set up the first cooperative store in 1844. Labor Parties throughout the world usually have two sides to their organization; trade unions and cooperatives."
(George L. P. Weaver, Assistant Secretary of Labor)

"Our own experience with cooperatives has led us to place the highest priority on their use in developing areas as instruments for improving the standard of life and for strengthening democratic institutions...In any community, what weighs the scales in favor of cooperatives is their utility, not simply as an economic device, but as democratic institutions which, like trade unions, help ordinary people acquire the democratic skills and maturity which are necessary for a representative, just and stable society." (Victor G. Reuther, United Auto Workers)

desire and need for home ownership and adequate housing.^{/4}

Mutual insurance societies will encourage thrift, but - more important - will enable their members to meet the exigencies of life and assure the continuity of their enterprises through the sharing of risk.

Successful cooperatives would also stimulate the capital formation that is so essential to economic growth. Aid channeled through cooperatives could assist in capital formation rapidly enough to have a significant effect on the economy and at the same time it could avoid the overtones of "colonialism" and exploitation which are too often in the minds of people in the emerging nations.

In the economic development process, cooperatives not only contribute with other enterprises to the acceleration in the growth of the national gross product and a higher standard of income, but in a

^{/4} "For large parts of the common people of the world, cooperative organizations offer the only means of getting out of debt, of getting fair prices for their agricultural products, fish or handicrafts, of getting supplies or household needs at reasonable prices, of ever acquiring a home. In some cases essential services such as health care, or irrigation water, or electricity, can be provided only by cooperative efforts and cooperative organizations."
(Jerry Voorhis, Executive Secretary, Cooperative League, U.S.A.)

very special way they maximize individual income and ownership as well. ¹⁵

Cooperatives often can provide a stimulus for the profit sector of the economy. For instance, the members of the electric cooperatives of the United States purchase annually more than one billion dollars of major electrical appliances -- a new and continuing market.

Cooperatives enhance and retain income through better prices and rational operation in marketing and industrial cooperatives, and through fair grading, selling prices and distribution of net gains as patronage dividends in the consumers' cooperatives. Even more important in the long run in both these forms of cooperative enterprise is the fact that ownership accumulates in the hands of the users. The individual patron builds direct member-ownership through the distribution of some of the gains in equity instruments such as common stock, and the common ownership of gains that go into any corporate reserves and surpluses.

¹⁵ "Cooperatives represent one of those seven-league-boot forward steps which the people of the developing countries can take into the twentieth century. They are like supermarkets, low-cost housing and mass communication media, all of which, if properly used, can bring economic and social advancement to countries where rapid growth is a prerequisite of democratic social order. By helping the developing countries establish the right kind of effective cooperatives, we in the developed countries of Europe and North America can perform a strategic service during the next decade." (Thomas B. Keehn, American International Association).

With the ownership of their own cooperative business, the organized producers and consumers of these emerging economies, besides enhancing their economic status and well being, create a new bargaining force in the market to induce competition. This competition will be another assurance of a free and just market. It will lessen the tendency toward monopoly, over-concentration of wealth and the ever present tendency toward statism in all of its forms.

Cooperatives also provide the foundation and framework for democratic social and political experience during the emergence of a new nation. This experience can be a most effective force in the support of free institutions. /6

In the first place, no political democracy enjoys a dependable environment without the base of a grass roots economic democracy. Cooperatives create that base through the distribution of net gains to the member in proportion to his patronage, plus the automatic building for him of the ownership of the instruments of production and distribution which he patronizes. This ownership gives the member a stake in the economy of community and country, a sense of belonging and participation. This in turn generates a sense of loyalty by

/6 "Cooperatives are by their very nature organizations of people through which could be developed democratic leadership among the citizens of the country involved, and such democratic leadership could be most effective politically in opposing the communist threat and in building strong, democratic friendly governments."
(Hon. Orville L. Freeman, U. S. Secretary of Agriculture)

the owner-citizen causing him to identify his self-interest with the free economy.

In the second place, cooperatives involve the citizen-patron not only as an owner but as a participant and a decision maker. ¹⁷ He has the right, in fact the obligation, to participate in general policy decisions directly on the local level and through elected representatives on the regional and national level. His "one vote per member" gives him equal vote with any and all members. Furthermore, if he is inclined and demonstrates that he has the leadership capacity and can gain the confidence of the constituency, he may be elected to the highest office in the cooperative system. This opportunity to participate in the affairs of the cooperative enterprise provides an excellent training ground for broader citizenship in the polity of the country at all its levels.

This, then, is the potential contribution of cooperatives to the social and economic growth of a developing nation. This contribution results from the inherent democratic nature of cooperatives.

¹⁷ "In many underdeveloped countries the low-income farmers have had little opportunity to participate in local Government and community affairs. For the most part, experience in management and other decision-making has been limited to minor matters. In the formation of a cooperative, each member has an opportunity to participate in business decisions affecting his income and farming operations. As a member he obtains training in the democratic process. This advantage applies, of course, to all types of cooperatives, including credit cooperatives." (Farm Credit Administration)

Cooperatives give to the rank and file members an acquaintance with, and experience in democratic values and procedures, as well as a share in ownership and a personal stake in economic growth under freedom.

But it should be recognized that there are general conditions which must prevail for successful cooperative development. As the Alliance for Progress program stresses, there must be a congenial social and political environment in which development efforts - including cooperatives - can flourish. This demands affirmative action by local governments on fiscal policy, education and social welfare programs, sound agrarian reform etc. There must also be a careful and complete integration of cooperative programs with overall development plans so that these efforts contribute to the whole. At the same time, cooperative development programs should be clearly identified and given priority because of the potential which they have for helping people to "help themselves to economic and social progress."

PREREQUISITES, PROBLEMS AND TECHNIQUES IN
COOPERATIVE DEVELOPMENT

Basic principles apply to successful cooperative programs in all countries, whether developed or emerging. If cooperatives are successful in developed countries, certain prerequisites may be assumed to exist. In developing countries, however, it may be assumed that these prerequisites are lacking in varying degree. Their concurrent development is a must in any cooperative program in a developing country. A strong foundation for a program that potentially affects the economic and social well being of a country is essential. The major foundation prerequisites to successful cooperatives are: (1) feasibility and adaptability of the proposed cooperative program; (2) sound cooperative legislation; (3) membership understanding; (4) trained management and personnel; (5) adequate supervision and (6) adequate financing.

Feasibility and Adaptability of the Cooperative Program:

Cooperatives are socio-economic organizations. Thus, their activities affect the lives of the members in their closest relationships. To most effectively serve them, the services of the cooperatives must be carefully tailored to the member's actual needs. Generalizations are not sufficient. The services must not only meet the needs of the people, but the people must realize that the services meet their needs. Therefore, the determination of a desirable cooperative program should be based on actual facts as to the need for the cooperative service and the opportunity for successfully providing it. Further, the method of extending the service

must be adapted to the culture, customs and feelings of the people and they must realize it.

Feasibility surveys

Feasibility surveys provide essential background information that can be used to determine a course of action in a specific situation. Such information is essential in the establishment of cooperative projects. In regard to the establishment of cooperatives, feasibility surveys could be used to provide information along the following lines:

- 1) The present credit system, if any?
 - a. The existing and recognized needs which the present system is unable to meet, if any, or meets under usurious conditions.
 - b. The social and political aspects of the present system.
 - c. The value system of the local culture, as it affects credit; i.e., What is wealth? How do the people view accumulation of wealth? What is the relationship between wealth, status and prestige?
 - d. Traditional and existing patterns of capital formation.
- 2) Land tenure -- land usage system.
- 3) Marketing facilities and patterns.
- 4) Communications facilities.
- 5) Legislation governing cooperatives.
- 6) Governmental policies and attitudes affecting commodities

Cooperative specialists making field surveys can call upon social scientists and others trained in the techniques of social investigation to aid in carrying out such surveys.

Surveys with clearly defined and limited objectives might be carried out in 20 - 25 countries with consultants from various government and non-government agencies for upwards of 60 day assignments.

Pilot Projects

Pilot demonstrations are an effective means of determining the applicability of a particular type of cooperative to a given local situation.

The pilot demonstration has the following advantage of operation:

- 1) It is small enough to be easily manageable.
- 2) Concentrated technical assistance can be given to the activity.
- 3) Changes in methods can be easily achieved to meet un-anticipated obstacles or side reactions to minimize conflict with existing social institutions.
- 4) It can be used to develop host country insights into the service to be provided.
- 5) It provides opportunity for analytical evaluation not possible in larger programs.
- 6) Repercussions of failure are minimized.

A note of caution..... it should be recognized that there are sometimes disadvantages in pilot projects when intensive governmental assistance is given only one small group of the population, giving rise to political or social frictions.

In the establishment of pilot demonstrations it is essential to select a site for operation which is easily accessible for observation purposes and where the people have identified a common problem and are looking for a means to solve the problem.

Depending on the results of the feasibility survey, the pilot project may not necessarily involve the establishment of cooperatives initially. The pilot project may be designed to attack an important economic or social problem. Or it may be an educational program on the value of cooperatives to the economic and social life of the people, or a leadership training program. Such activities as these in a pilot project may lead to the establishment of sound and effective cooperatives which will not only demonstrate what may be done to meet an important problem but how to achieve the best results.

How a pilot demonstration might be used to test the applicability of a cooperative to the solution of a pressing problem is demonstrated by the following example:

In San Salvador the market women borrow money from money lenders at rates of interest of 25% - 100% per day to buy their day's supply of produce from the local market. After their produce is sold they repay the loan, with interest, in the afternoon. After paying such high rates of interest their profit is negligible and they continue from day to day on starvation earnings. The need for reasonable credit is obvious and recognized by these small entrepreneurs. Breaking the vicious circle for one day will break it forever. A pilot credit cooperative, established with a small amount of seed capital, would meet this immediate need. However, to make these entrepreneurs more self reliant and self sustaining the pilot demonstration should attempt to simultaneously establish a credit union to encourage savings. Seed capital from the original credit society could then be transferred to another area and the procedure duplicated if found feasible.

Sound Legislation

As legal entities, cooperatives must have a sound basis on which to operate.

It is usually possible to build a cooperative structure within the framework of the general laws of a country or state. However, it is frequently more practical to adapt existing law. For maximum benefit, the national law may be of a broad, guideline, enabling type. The states can then enact specific laws to meet their particular needs. In any case, the legislation should be designed to fit the customs and general legal structure of the country.

In addition to legislation pointed directly at cooperatives as such, there are many types of statutes which directly affect the establishment and/or functioning of cooperatives, including codes and standards regulations (such as building, power, sanitary, trades practices); basic financial legislation (including regulations on interest and insurance rates and restrictions); investment guarantees and other forms of financial risk regulations; measures relating to inflation control.

In general, most if not all legislation contains some minimum standards and provisions concerning governmental authority, responsibility, or control. The degree, extent and nature of governmental or other outside authority and/or responsibility has varied extensively from one country to another, in accordance both with local conditions and political ideology. Basic permissive and enabling legislation should be as simple as feasible with a minimum of detail, and with provision for only the essentials in the way of federal or state government controls.

Further, it would appear that any detailed legislation must vary from one form or type of cooperative to another, and will inevitably vary

also with the local situation in each country (sometimes with variations in areas within a single country). For this reason, "model" legislation must be flexible. Useful "model" laws have been developed and used with success in cooperatives such as credit unions, electric cooperatives, savings institutions, mutual insurance funds, and farm credit cooperatives.

Membership Understanding

Increasing understanding by cooperative members is difficult, yet essential, in the developing countries. This is partially due to the low literacy rate that usually prevails. The same problem exists in developing their understanding of the responsibilities for citizenship.

While government or other outside assistance and control may be necessary in the beginning, the ultimate ownership and operating control of cooperatives should rest with the members. It is important when such assistance and control are required that from the inception of the effort to organize cooperatives, all concerned clearly understand that the assistance and control are to be withdrawn as soon as the cooperatives are able to take full responsibility. As cooperatives are economic democracies, they, like all democracies, thrive in direct proportion to the understanding of their constituents or members. Understanding that the cooperative is theirs, they must care for it and nurture it in the same way they look after their crops, land, animals, or shops. The pride of understanding ownership will assure their patronage as well as their support and participation in its managements and operations. This will assure the success of their cooperatives the same as it does success with their fields and crafts, or the same as informed educated citizens assure successful democratic government.

---Member Education

Informed, understanding members are the result of painstaking effort with carefully planned programs. Therefore, any cooperative development program should provide for membership education.

The program could begin with a seminar or workshop for national leaders. Here the leaders would become familiar with the importance of membership understanding and something about the methods of developing it. The leaders would then prepare or assist in preparing a member education program to fit their country.

The mechanics developed would necessarily have to fit the situation in the developing country. But with these adaptations the end product or action part of the program is still trained membership relations and education leaders to work with the cooperatives and their members in specific areas.

A special training course should be developed for training these leaders. In rare cases only will leaders be available who have this training. The methods will emphasize the informal rather than formal methods. This is necessary in order to attract the reserved members, gain their confidence and obtain their participation. Generally, the method will emphasize friendly, two-way communication centering on the felt needs of the people. It will involve free discussion, visual aids and learning by doing, and other informal devices.

With a corps of trained leaders at strategic places, an area program will be needed through which the leader may effectively reach the people. Such programs will involve many features, the most important being to work with cooperative leaders in improving democratic procedure at meetings,

and to organize local area workshops for training leading members and directors in their responsibilities and the techniques of participation. Through these leaders the program would reach the local members through community meetings and other local communication devices. On this broad base an understanding membership can be built.

Trained Management and Personnel:

There is nothing magic in the work cooperative as far as operating efficiency is concerned. The magic is in the opportunity it provides for small individual producers and consumers to jointly obtain services at rates unavailable to them as individuals but available to larger producers or consumers. Thus, it puts these small operators in a position to enjoy the benefits of large purchases, sales and services. But to obtain them the cooperative must exercise the same business efficiency that is practiced by other successful business. This requires management and other personnel of equal ability and training to that employed by such businesses. Usually, this efficient and trained personnel is not available to cooperatives in developing countries. Thus, the only alternative is to provide a training program for both management and operating personnel.

--- Training of Management

The development of managerial competence is as difficult in this field as it is in many other fields of activity, particularly with people who are working with cultures and mores that are so different from our own.

It is strongly recommended that, in addition to aiding training institutions in host countries, third countries and regional centers, aid should be given for in-service training of leaders of operating cooperatives

and government services related to cooperatives in the United States and other countries having well developed cooperatives of the type in which training is needed. The very best training for overseas technicians is to see the entire operation of a housing cooperative, for example, its organizational growing pains, its education programs for its members, the credit investigations, operation of credit committees, organization and management of meetings, and operations of governmental agencies related to housing. It is recommended that such training be given to groups of not less than three, since the individual receiving such training and returning to his country needs the support of associates who have undergone the same training to persuade his fellow-countrymen of the desirability of sound techniques.

---Dissemination of Technical Information

Dissemination of technical information is a basic and important phase of the potential assistance to cooperative development, and represents one of the most practical methods of making available to the newly-formed cooperatives the accumulated experience of many years (in some instances several generations) in the more developed countries.

Through the medium of effectively transferred technical information, the would-be or new cooperatives, their managers and leaders, local and government policy makers and administrators, and the members of potential members of the cooperatives may be given the basic, practical, and specific information which is essential to the success of the proposed or new cooperative.

The requisite information may be channeled and transmitted in a wide variety of forms and media:

- 1) Manuals, course outlines, leaders' guides, and reference materials for use in specific local training courses as deemed appropriate

for the local situation.

2) Specific and detailed, as well as comprehensive and general reference manuals, based on surveys of cooperatives in many lands, outlining causes of success and failures, sound techniques, pre-requisites, etc., for various types of cooperatives.

3) Answers to specific technical inquiries from individual localities or groups in regard to particular local problems, or outlining the elements in the local situation and requesting advice or guidance as to the possibilities and sound procedure based on past experience in other lands.

4) The entire range of visual training materials, for use in training courses, conferences, individual instruction, and self-study --- ranging from technical movies to posters, flannelboards, flip charts, and photographs or schematic diagrams.

5) Direct person-to-person training, advice, and guidance from experts on the scene in the host country -- disseminating the specific technical information, advice, and guidance as is needed and possible in the local situation.

Adequate Supervision and Control

Some supervision and control of cooperatives by government is the usual rule and is frequently necessary in the developing countries. This is true for several reasons: the general tendency for stronger government control in the developing countries; the fact that, if unprotected, the high proportion of illiterate members may be victimized by unscrupulous minorities; the lack of trained and capable leaders during the early period of cooperative development.

These and other factors frequently make a relatively strong government role necessary. So it is not a question of "what": but a question of "when" and "how". Even at the outset of a program of cooperative development it is important to firmly establish the idea of complete independence from government when the cooperatives have achieved sufficient maturity. The question of "how" is very important. In some countries the strong hand of government, through detailed supervision, has held the cooperatives dependent over long periods. As a result the government hand remains as heavy as ever. In other countries, the sustaining, positive guidance of government has encouraged the development of leadership. With this development the government influence has gradually receded. Under one system the government outlines or gives detailed action orders, with the cooperative leadership on the sidelines with little or no positive responsibility. Naturally, the leadership remains undeveloped.

Under the other system, operating guidelines are set up with counsel and assistance from the government and with checks and audits to mark performance. But the responsibility for action decisions is with the cooperative leaders. With this practice and challenge they grow and develop. As it develops, the government influence can recede. It is such a relationship between government and cooperative that should be encouraged. ¹⁷ This goal is being achieved, for instance, by the rural electric and farm credit cooperatives in the United States which were originally government financed to varying degrees.

¹⁷ "A cooperative must always be a democratic service institution which meets the needs of independent farmers, artisans and consumers. It should not become a medium for collectivisation. The role of government may be large at the early stage of cooperative development in some of the younger countries, but it must be recognized in law and in practice that the role of government recedes as the cooperatives gain in strength and emerge as truly independent people's institutions." (American International Association)

Consultation to government agencies and cooperative organizations.

Frequently cooperative specialists can perform effective services for developing countries by acting as consultants to government agencies concerned with cooperatives and to established cooperative organizations. Such assistance may help in the formulation of specific requests for technical services or financial aid. Consultants can also help develop laws and practices which will move the cooperatives in the direction of greater independence.

Adequate Financing

Cooperatives are essentially self-financing institutions. In the developing countries, however, cooperatives will require financial assistance in their formative period. This assistance may be in the form of grants and loans to supplement the investment of cooperative members. But, if the cooperatives are to be healthy economic, social and democratic stabilizers, they must acquire economic and social strength of their own. So a financing program for cooperatives should have the objective of independence, a goal which should have emphasis from the inception of the program.

Financial aid to cooperatives should be regarded as a catalyst to create institutions that will facilitate and encourage capital accumulation. In the development of cooperatives, such financial aid can be provided in the form of "seed capital" loans to provide an initial reserve and operating capital. The value of such "seed capital" is frequently more psychological than financial.

RECOMMENDATIONS: THE ROLE OF AID

To accomplish the self-help objectives of this country's foreign aid program, to give greater emphasis to the development and assistance of cooperatives in country development plans and programs, the following policies are recommended:

A. Technical Assistance

A major emphasis in technical assistance to cooperatives will be in the area of training. The consensus among experienced observers is that trained management and membership are one of the greatest needs of cooperative programs, either new or established, in the developing countries. ^{/1} Technical assistance is also essential to determine the adaptability and feasibility of cooperatives in the context of varying economic and social conditions.

Finally, technical assistance can be utilized in the establishment of demonstration and pilot projects which may chart new directions for the development of cooperatives.

^{/1} "To find and prepare these people (future managers and leaders) is a fundamental problem, especially if the organized extension of cooperative activities is to keep pace with the requirements of planned development programs. Hence, it is indispensable to set up well-conceived and permanent schemes of cooperative training and education." (International Labour Office)

Therefore, among other measures, AID technical assistance programs should:

Initiate country studies of the need for cooperative programs.

--- "Country by country studies should be started on a selective basis... " (ICA Office of Africa-Europe).

Initiate evaluation studies of existing cooperative programs.

--- "In a number of countries where the cooperative movement is in an adolescent stage of growth or where it has stagnated, it may be essential to undertake a comprehensive evaluation study of the movement before initiating new activities." (American International Association for Economic and Social Development).

Initiate pilot projects.

--- "From an over-all point of view this office urges that pilot projects in a few carefully selected countries, where the Government is actively interested, be given adequate help through technical assistance, capital grants and loans, and training courses for government personnel, organizers, managers and members, in sufficient measure and over a long enough period to insure success." (ICA Office of Near East-South Asia).

Develop training programs.

... in the United States.

--- "International Cooperative Training Center in the United States - The membership of the Cooperative League of the U.S.A., nearly

a year ago, set in motion plans which are now maturing for such a center, affiliated with a land-grant agricultural university, staffed with competent personnel selected from the university's regular staff and supplemented by highly-trained cooperative experts with overseas experience."

(Cooperative League of the U.S.A.)

... in third countries.

--- "We think there is real merit in providing third country training in some cases... Where we have had successful experience in similar cultures involving similar problems, we should use it to train and inspire people. This has the added advantage of imparting the impression that we recognize that other people may have ways of solving problems which, although different from our own ways, are nonetheless valuable."

(Bureau of Federal Credit Unions, HEW)

--- "Sponsor cooperative leadership training programs in developing countries."

(National Council of Farmer Cooperatives.)

... in host countries.

--- "National training centers should be developed to meet the needs of the cooperatives (and the government's supervising personnel as well) such as the Cooperative Research and Training Center, maintained at Saigon, Vietnam, jointly by the Vietnamese government, the Cooperative League of the U.S.A., and the U.S. Operations Mission in Vietnam."

(Cooperative League).

--- "In view of the limited number of established training facilities, we highly recommend subsidizing and further encouraging present efforts to set up new cooperative training facilities.

Especially in Mexico and Peru, Ghana and the Philippines, extensive experience has already been obtained on the establishment of credit unions in rural areas which is providing the basis for the formation of leader training courses."

(Catholic Relief Services).

B. Financial Assistance

A common condition in the developing countries is the need for capital for the initial purchase of production, processing and marketing facilities. As in the case of the rural electrification program in the United States, financing - on reasonable terms - can enable the people of the developing countries to build the cooperatives that will enable them to help themselves to needed services -- whether in the field of agriculture production and marketing, consumer services, or industrial productivity.

Central cooperative banks in recipient countries, which can borrow funds from the AID and re-lend to cooperatives, will facilitate the extension of assistance by AID to cooperatives. In some countries lending institutions exist for the financing of cooperative projects. These institutions could be strengthened, and their lending programs expanded, by additional funds.

In other countries, no such institutions exist. In such cases, the lending agencies should be established.

In any event, AID should utilize the following lending techniques:

Encourage loans to cooperatives, credit unions and savings and loan associations.

...by AID

Capital construction projects undertaken by cooperatives will be eligible for dollar repayable development loans except perhaps in the very least developed countries. Examples would be an agricultural or industrial marketing cooperative constructing a warehouse, a shipping facility, or a processing plant; a marketing cooperative acquiring means

of transport; an electric cooperative, or group of cooperatives, building a generating plant and/or transmission lines; or a telephone cooperative installing new lines and equipment. An agricultural cooperative acquiring farm machinery might also qualify. In some countries, development grant funds can be used to help create the structures necessary for the organization and promotion of cooperatives.

Seed capital for credit cooperatives for relending to members can be provided either from development loan funds or development grant funds, depending on the country involved. Cooperatives in this category would include self-help housing cooperatives, savings and loan and other types of home-finance cooperatives, credit unions, small industrial cooperatives, and agricultural credit cooperatives providing loans to farmers for various purposes. Such purposes might include the purchase of seeds, fertilizer, or implements and credit to facilitate the orderly marketing of crops.

Assistance to agricultural marketing and credit cooperatives and to cooperatives among cottage and small industries might be of particular importance in a situation where a land reform or land settlement program was being undertaken. The establishment of such cooperatives, with the help of well-coordinated technical and capital assistance from the U.S., might well spell the difference between the success or failure of the land distribution program.

...by utilizing local currencies, including PL 480 funds.

Foreign currencies will be available to AID for use as either loans or grants. They will be derived from PL 480 funds, appropriations by Congress from surplus foreign currencies derived from economic

assistance programs, and the special authority provided in Section 614 of the new Act.

Loans of both dollar funds and local currencies may be required to strengthen the capacity of cooperatives to play a substantial role in development. For example, an electric cooperative might require machinery and equipment imported from the U.S. with a dollar loan and also local labor and material which could be paid for with local currency. An agricultural or small industry cooperative might need dollars to purchase American farm machinery plus local currency for loans to farmer-members to purchase materials and equipment. Some enterprises might require only dollar loans; some only local currency loans; some both. Both forms of financial assistance should be available.

2

..by private investors

-
- 2' "The pattern of financial assistance developed by the Cooperative League of the USA in Italy through an American-Italian institution known as IFCAI offers a potential example for other countries."
(American International Association)

- - -
"The National Association is interested in any effort to establish new savings banks. To this end it is ready to send savings bankers to the areas in which new savings banks are contemplated where they may provide technical assistance in setting up operating procedures, developing investment programs, and in planning thrift promotion efforts. It is possible that the National Association could even provide some modest form of financial assistance, calling upon its recently organized Central Industry Fund." (National Association of Mutual Savings Banks)

- - -
"The Development Loan Fund has already undertaken an admirable program of seed capital loans to central governmental Home Loan Bank Board type institutions. The U.S. Government lending institutions and the international lending institutions must continue loans to the federal and state home loan banks on a matching basis. In addition, the U.S. Government should encourage the development of certain key private associations who may already be prepared to finance demonstration projects by granting direct loans to such cooperative associations." (International Basic Economy Corp.)

The "Investment Guaranties" provisions of the 1961 Act for International Development are designed to stimulate private investment in the developing countries, and appear to be directly applicable to investment in cooperatives, credit unions, and savings and loan associations.

Section 221 of the Act provides authorization for the issuing of specified investment guaranties "to facilitate and increase the participation of private enterprise in furthering the development of the economic resources and productive capacities of less developed friendly countries and areas..."

Paragraph 2 of Section 221(b) refers specifically to guaranties of investments that "emphasize economic development projects furthering social progress and the development of small independent business enterprises..."

The report of the Senate Foreign Relations Committee states with regard to Section 221(b)(2):

"The Committee, in approving this authority, expects that it will be used to encourage the development of small independent business enterprises, credit unions, cooperatives, low-cost housing projects and other similar activities."

AID should seek maximum utilization and advantage of these provisions of the Act.

C. Suggested Programs

The proposals listed in Appendix B have been suggested by ICA overseas missions and regional offices as responsive to country interests and needs and consistent with the objectives of the U.S. foreign

aid program. They indicate the nature and range of program opportunities in the developing countries. We urge that AID Regional Bureaus and Missions be instructed to give the most careful consideration to the contribution and relation of such projects to country development plans.

In addition, a number of project proposals have been submitted to AID, and others will be forthcoming, from cooperatives in the U.S. and abroad and from other organizations. We urge that procedures be established and responsibility fixed for prompt consideration of all such requests.

D. AID Organization and Administration

Cognizant of the emphasis in the new AID organization on the coordination of the basic tools of aid (money, personnel, material) to be applied to country development programs, we respectfully offer the following organization and administrative recommendations to accomplish the most efficient and expeditious implementation of a program of cooperative development and assistance:

---establishment of a central office of cooperative development and assistance in AID to provide coordinated resources, planning and programming services for world-wide programs and for regional bureaus and country missions.

---provision for a qualified and experienced cooperative specialist in each of the four regional bureaus to advise the bureau chief and his staff on programs of cooperative development and assistance.

---cooperative specialists in appropriate country missions to advise mission staff, host government and local cooperative personnel on AID programs and procedures.

---immediate allocation of available regional development loan funds

and grants to initiate priority cooperative programs.

---immediate allocation of available uncommitted funds to initiate priority world-wide cooperative programs.

---continuation of the Special Advisory Committee on Cooperatives to make available to the Administrator of AID the resources of non-government organizations involved in programs of cooperative development and assistance.

---a special report to the Congress at the close of Fiscal Year 1962 on the implementation of its mandate to "encourage the development and use of cooperatives, credit unions and savings and loan associations."

E. Coordination with other Agencies,
Organizations and Programs

In the implementation of programs of technical and financial assistance to cooperatives, credit unions and savings and loan associations, AID should utilize to the maximum extent practicable the resources of other government agencies, international and non-government organizations, and should make every effort to coordinate the programs of AID with those of other agencies and organizations. ³

³ "Because of the special nature of cooperatives, it is very important that to the greatest extent possible they should be promoted on a non-governmental basis in the developing countries. To help achieve this objective, AID should contract with cooperatives, foundations and universities in this country to assist in the planning and administration of programs in the developing countries." (American International Association)

"The lack of qualified personnel in ICA, and the availability of non-profit cooperative associations, suggests the feasibility and desirability of contracting with specialized cooperative associations for country studies in their various specialized fields, e.g., Cooperative League, USA, Foundation for Cooperative Housing, Bureau of Federal Credit Unions; etc." (ICA, Office of Africa/Europe Operations)

This review itself has been an impressive demonstration of the potential advantages of coordination among agencies of the U.S. government, international and private organizations. This is a good omen and should be continued in the execution of the program.

An immediate opportunity for effective and productive coordination of U.S. government-sponsored programs lies in proposed Food for Peace feed grain/producer and marketing cooperatives. Feed grains could be used as partial payment in the development of cooperative facilities. Cooperatives (with assistance from AID) could, in turn, provide processing, distributive and marketing facilities to multiply the benefits of the conversion of Food for Peace feed grains to protein foods.

AID should utilize and encourage the expansion of the training program resources and facilities of the land grant colleges and other non-government agencies.

But these are only examples of the potential of cooperative effort. The effectiveness of the AID program of development and assistance of cooperatives will be immeasurably strengthened to the extent it seeks the cooperation and experience of U.S. agencies such as the Departments of Agriculture, Labor, Health, Education and Welfare, the Peace Corps; international organizations such as the International Labour Office, Food and Agriculture Organization, Organization for European Cooperation and Development, Organization of American States; and the U.S. organizations of cooperatives, credit unions, savings institutions, labor unions, and other interested private and non-profit groups.

THE CHALLENGE TO COOPERATIVES

This fresh and positive emphasis on cooperatives represents a significant new opportunity for U.S. foreign economic policy. It can open doors to rapid growth and widespread advantages for millions of people in the developing countries. But in stressing this fact we are aware of the importance of the total development efforts which are and have been going on for a number of years. These programs have brought together the resources and energies of the developing countries, the United States, and many other constructive efforts - government, international and private. The cooperative program we envision cannot and should not stand apart from this main stream. But by becoming an identifiable and integral part of it, cooperative development can add a new and needed element and bring a greater success to our common effort to build a better world.

Our concluding word is a pledge. We are mindful of the solemn admonition which President Kennedy gave to all Americans in his historic inaugural address:

"Ask not what your country can do for you -- ask what you can do for your country."

Cooperatives have always been dedicated to the task of building a world of peace and plenty. And American cooperatives have - particularly in the years since World War II - been active participants in this job. Just a few points will recall this record.

U.S. cooperatives took the initiative in establishing CARE-- the Cooperative for Association for Relief Everywhere - which continues to perform a worldwide service of assistance and self-help.

CUNA - Credit Union National Association - has a World Extension Department which reaches out to far corners of the planet in its program to expand credit unions.

The Cooperative League of the U.S.A. through its Fund for International Cooperative Development has directed technical assistance and financial support to cooperative development in a number of developing areas.

Representatives of the National League of Insured Savings Association member organizations have participated in overseas missions and have undertaken special programs of their own in the developing countries. Member Associations have given in-service training in the United States to foreign nationals.

Religious organizations of all denomination, farm and labor organizations, cooperatives in every sector of the economy --- all have endeavored to respond to the critical needs of the developing countries.

And now - encouraged by the awakened interest of the U.S. government in cooperatives through the AID program - we pledge our efforts to do even more. We call upon our members, trained personnel, and friends to increase their efforts to support international cooperative programs. Cooperative organization will, we believe, make sacrificial efforts to release technical personnel for service abroad and to receive and assist trainees who will be coming to this country from far corners of the world.

Working together, U.S. cooperatives, private groups, international organizations and AID can make a major contribution to the decade of development.

APPENDIX A

REPRESENTATIVE PROGRAMS OF COOPERATIVE DEVELOPMENT AND ASSISTANCE

The following examples are representative of the scope and nature of programs of cooperative development and assistance programs which have been, or are being, conducted by host governments, ICA, other U.S. agencies, international agencies, and non-government organizations. They are selected from information furnished to the ICA Cooperative Review by the respective agencies and organizations.

HOST GOVERNMENTS

Virtually all governments in the developing countries endorse cooperatives as desirable and effective social and economic institutions. There is a wide range, however, in the nature of the endorsement. It ranges from the skeptical to positive supporting programs. Generally, the greatest degree of tangible government endorsement and assistance is in the older developing nations rather than in the newer emerging ones.

Regardless of the level of development, the governments usually play a strong role. In some countries, the government controls policy development. In others, the cooperatives are used as the vehicle for implementing government programs. This latter situation is usually found in countries where basic democracy is at a minimum.

Generally some specific government agency is responsible for the

cooperative program. In at least two countries, the cooperative office is attached to the President's office. Several countries have Ministries of Cooperation. The most general plan, however, is for cooperative programs to be administered as a Department of appropriate Ministries - Agriculture, Commerce, Social Welfare, or Community Development. Under this plan, several ministries may have a part of the cooperative program. In at least one country where cooperatives are largely a part of tribal relationships, cooperative programs are in the Interior Department.

The following examples illustrate government interest and activity in programs of cooperative development and assistance:

CAMEROUN

Sponsorship of cooperatives is in the Direction de la Cooperation et de la Mutualite. In 1955 there were 72 cooperatives registered; in 1961, 277 cooperatives in such fields as agriculture, production and marketing, mutual credit, plant projection, housing, fishing, skilled worker, animal husbandry, and merchandising. The Government is extremely interested in cooperatives and has moved the direction from the Ministry of National Economy to the Office of the Presidency.

TANGANYIKA

A Cooperative Development Division exists within the Ministry of Agriculture. The staff is adequate for supervision of existing cooperatives, but not for the promotion and expansion of a program. The

Division's three-year development plan, therefore, provides for an enlarged administrative budget and increased staff. It also provides for foreign advisers (two ILO experts in industrial cooperatives and one Israeli in farming), and the establishment of a cooperative college.

The government is interested in the establishment of a Cooperative Union which would promote cooperatives and absorb the supervisory functions of the Division.

JORDAN

The Government of Jordan encourages cooperatives and was instrumental in organizing the Central Cooperative Union. In 1960 the Union received J.D. 5,000 pounds from the King. Agricultural production credit cooperatives have been the most successful.

CEYLON

The Government of Ceylon encourages extension and increasing utilization of the cooperative movement at the village level. The current plan is to reorganize the single purpose village cooperatives and form them into multi-purpose associations to perform combined services. Ceylon cooperatives now have a total membership of $1\frac{1}{2}$ million people out of a total population of $9\frac{1}{2}$ million.

INDIA

The cooperative movement in India, largely government-organized and led, began in the early 1900's. It experienced only slow growth until independence in 1946. Between 1949 and 1959 the number of co-

operatives increased from 160,000 to 260,000, 80 percent of which are agricultural. Agricultural credit provided by the cooperatives has increased from 3.3% of the total of 15.0% in the past ten years.

ECUADOR

The Government of Ecuador has a favorable attitude toward cooperatives. In 1961 the Government established a National Directorate of Cooperatives which has the responsibility of promoting and supervising cooperatives.

The government is making efforts to have the United States finance a trip by a team of U.S. specialists in cooperatives to Ecuador to help establish a national cooperative bank and a model credit cooperative.

INTERNATIONAL COOPERATION ADMINISTRATION

The past activities of ICA with cooperative programs are of three types: (1) technicians and consultants, (2) participant training; and (3) financial assistance.

Technicians work over a wide range, from specific activities such as a credit advisor to a cooperative bank, or as a cooperative advisor to a Ministry or government. Consultants frequently perform surveys and evaluations, or assist with regional seminars and workshops. At present, about 40 cooperative technicians are working in the area of agriculture and agricultural credit. In addition, during the past year six cooperative consultants have assisted with agriculture or agricultural credit programs. A number of nationals come to the U.S. to study cooperative programs. Also, some are sent to third countries where conditions and programs more nearly resemble those in the participants' country. ICA has financed much of the participant training offered by other U. S. agencies and non-government organizations.

AGRICULTURAL CREDIT AND COOPERATIVES

ICA has participated in the agricultural cooperative program in the Phillipines through participant training, technical assistance, capital, and commodities. A total of \$7,480,000 has been contributed. Of this, \$748,000 has been for technical assistance. The cooperative training program has involved 547 persons; of these 488 were trained

in the Phillipines, the remainder in the United States and Japan. While the cooperative program has made substantial progress, the ICA Mission points out that a limiting factor has been "too rapid expansion". Therefore, the Mission suggests "an enlarged training program which will require several years to be planned, carried out, and fully implemented".

The program in Thailand represents a consistent broad approach, with attention to strengthening weak points as they appear. Technical assistance to cooperatives has been maintained over a ten-year period. Approximately 100 participants have received training in the U. S. Loans and grants from dollar and counterpart funds have approximated \$2,000,000. As a result, the cooperatives have progressed. But the basic cooperative law revealed deficiencies. So a U. S. short-time legal cooperative consultant spent some months in Thailand studying their cooperative law and basic legal structure. With this background, he prepared an adapted cooperative law.

A Tunisian project involves joint activities between ICA and The Cooperative League of U.S.A. Under an arrangement with ICA, a consultant from the Cooperative League made a survey of the cooperatives and cooperative programs in Tunisia with resulting recommendations. In addition, ICA has sponsored participants to the U. S. and third countries and contributed \$2,500,000 from counterpart funds to a special revolving fund to the National Agricultural Bank. With this enlarged fund, the Bank is increasing its loans to agricultural cooperatives -- many of them in the field of marketing.

COOPERATIVE EDUCATION

The ICA program in India represents a change of pace. Begun in 1957, it has been completely devoted to developing a membership relations and education program that will actually reach the villagers. Only technical assistance and educational supplies have been provided. Through the National Cooperative Union, a program was developed for training district cooperative instructors. These instructors work with the cooperatives in their district on member and director training. A sufficient number of instructors have completed the two-month basic course to place one in each of the 338 districts of India and some to spare. This project involves many joint activities between ICA and the Cooperative League of the USA.

GENERAL INTERNATIONAL SEMINARS:

International seminars have been an important contribution. Here ICA, with the assistance of host governments and other agencies, sponsors gatherings of leaders in selected subject-matter fields. These leaders review the programs and problems of the area and by countries and develop recommendations for improvement. Usually, a short-term ICA consultant is selected to develop the program. In advance, he visits the countries concerned and consults leaders of both ICA and the countries as to subjects and program procedure. Against this background the program is developed.

Seminars have been held in the areas of rural cooperatives and credit cooperatives. Most have been in the field of credit. A seminar in agricultural and cooperative marketing was held in November 1959, at Kingston, Jamaica. The general field of marketing and general cooperatives was covered by participants from 16 Latin-American countries. A complete report, including agenda resource statements, recommendations, and resolutions, was prepared for this seminar. A similar report is prepared for all other seminars.

HOUSING

ICA activities in housing cooperatives are of recent date. The number of participants whose major interest and study has been in housing cooperatives approximate 6 per year and one U.S. consultant has been sent overseas in this field.

5/1'

This agency has had an important role in developing the idea of family self-help housing. This technique has been used extensively in providing housing under ICA direction in Puerto Rico, Taiwan, Chile, Nicaragua, Lebanon, Morocco, Algeria, Ghana and Southeast Asia.

OTHER U.S. AGENCIES

Other U.S. agencies make valuable contributions to AID programs both in this country and abroad. Their activities are chiefly in three areas: providing consultants; training participants; and supplying educational materials.

The "know how," both operational and technical, of these agencies is made available through short-term consultants. Generally these consultants, under contract to ICA, make surveys and evaluations, or assist with workshops and seminars. In cooperation with AID, the training programs for participants are developed and implemented by the appropriate agency. These agencies also supply publications to developing countries. In addition to regular materials, special, adapted publications are also supplied.

FARMER COOPERATIVE SERVICE (USDA)

Under Federal Statute the FCS conducts research, advisory service and educational activities to farmers in the United States in connection with their cooperatives engaged in marketing, purchasing farm supplies or providing business services. Major areas of service covered are management, organization, policies, merchandizing, transportation, financing and member and public relations.

The FCS performs a variety of services to programs and individuals in the field of foreign cooperatives.

- - - Training foreign participants. About 650 participants per year receive some assistance with their programs. The Service assists

63

with the program of a participant if any part of it relates to farmer cooperatives.

- - - Technical meetings dealing with cooperatives. Service representatives attend various international technical meetings dealing with cooperatives.

- - - Cooperative exhibits at International Fairs. Service representatives frequently have charge of the Cooperative Booth which is part of the U.S. agricultural exhibit at International Fairs.

- - - Cooperative consultants. The Service contributes short-term consultants to evaluate cooperative programs in other lands and make recommendations regarding them.

FARMERS' HOME ADMINISTRATION (USDA)

The Farmers' Home Administration assists foreign cooperative programs by two major activities: (1) assisting with the programs of foreign participants who come to the U.S. for training, and (2) the supplying of literature to these participants and other leaders. The participants assisted are chiefly those studying credit cooperatives. In developing countries, the supervision and program planning provided low income farmers by the Farmers' Home Administration are valuable guides. The literature found most helpful includes application forms, local committee certificates, farm plans and farm family record books. Approximately 350 participants are assisted each year and the number is increasing.

RURAL ELECTRIFICATION ADMINISTRATION (USDA)

In recent years REA has had about 50 visitors annually from other countries. About 50% came from Central and South America; a fraction over 2% came from countries of the British Commonwealth, and the remainder

from other parts of the world. In general, the predominant interest comes from countries such as India having relatively large areas of completely unelectrified areas.

Approximately 75% of the visitors were primarily interested in the rural electrification program. Of the remainder, about half were interested in general industrial development, and half in accounting and financial matters.

In most of the countries from which visitors came the utility industry is nationalized. The visitors may be said to be about as interested in the administrative aspects of a nation-wide rural electrification program as in the purely engineering aspects. Standardization of design and mass construction methods as a means of reducing costs is of particular interest.

FARM CREDIT ADMINISTRATION

The Cooperative Farm Credit system under the supervision of the Farm Credit Administration is composed of three groups of banks and associations. One - by the Federal Land Bank system which makes long-term loans on land. Two - the intermediate credit system which provides short and intermediate term loans to farmers. Three - the banks for cooperatives which make loans to farmer cooperative associations. The system now supplies about 17 percent of the credit used by individual farmers and 50 percent of the credit used by farmers' marketing, purchasing and business service cooperatives.

As a result of the "know how" acquired over the years, the FCA assists foreign cooperatives. This is chiefly in two ways - assisting with

55'

participant training, and supplying consultants. The participant training consists of both planning and conducting the programs. An upward trend is evident in the extent of this training. During 1960, 212 participants were assisted as compared to 179 in 1958. The system is also called upon frequently to supply consultants in agricultural credit to foreign countries.

FEDERAL HOUSING ADMINISTRATION

The U.S. agency which concerns itself with housing cooperatives is the Federal Housing Administration which guarantees mortgage loans made to housing cooperatives. Since it has had a limited experience in this field of activity, its contribution appears to be largely in the area of administrative know-how related to the functioning of a government agency.

BUREAU OF FEDERAL CREDIT UNIONS

The Bureau has provided advice and assistance in developing and improving by-laws and regulations for credit unions abroad. The Accounting Manual for Federal Credit Unions has been translated into Spanish and Japanese. Publications and articles have been published in cooperative magazines in Brazil, Indonesia, Venezuela, and Colombia.

Recently, special material on annual meetings for the credit unions in the Puno area of Peru was developed, as well as guideline material for the credit union supervisory authority of the Peruvian government. Material has also been prepared for the trusteeship Caroline Islands, and for credit unions in the Samoas.

The Bureau staff has counseled with credit unions in the

56

Dominican Republic, Jamaica, Panama and several Canadian Provinces. Five participants have been extensively trained by BFCU.

INTERNATIONAL AGENCIES

Many international agencies carry on extensive assistance programs throughout the world and often participate directly in the organization of cooperatives.

FOOD AND AGRICULTURE ORGANIZATION (UNITED NATIONS)

FAO's activities with rural cooperatives are directly related to the interests of its 88 member governments. Services are based on specific requests from members, and all assistance is channelled through the member governments.

Four major activities aid rural cooperatives. These are technical meetings, training services, technical assistance, and special studies.

Technical meetings. FAO has sponsored two international meetings and has assisted other agencies with five international meetings sponsored by them. Usually organized on a regional basis, the meetings are for government officials and other leaders engaged in cooperative programs.

Training. FAO sponsors and supports 13 regional and national training centers in 9 countries for intensive study of cooperative principles and practices. Within limits, fellowship grants are made for extended studies by individual leaders.

Technical assistance. Technical experts are frequently assigned to member countries for periods ranging from one to three years. In addition, short-term consultants are made available to individual groups for

assistance with specific problems. Twenty-one countries have been assisted in these measures.

Special studies. FAO collects and analyzes data from all countries on cooperative development. Such information is used by the member governments and for general reference. FAO issues digests of new cooperative legislation and timely publications to member governments and to field workers.

INTERNATIONAL LABOR OFFICE (UNITED NATIONS)

ILO is concerned with all aspects of cooperation such as legislation, education, management, and inter-cooperative relations. Also, it is concerned with all types of cooperatives - consumer, housing, production, marketing, credit and welfare.

The assistance of ILO to cooperatives falls broadly into two classes - general and operational. The general includes the collection, analysis, and dissemination of information and organization of meetings. The operational activities assist member states in the promotion and development of cooperatives, or in finding solutions to particular problems.

Typical examples:

Preparation or revision of legislation.

Organization or reorganization of government departments.

Planning or implementing cooperative development programs.

Assisting in organizing or reorganizing cooperatives on the local, regional and national level - retail, wholesale and national bodies.

Granting of fellowships and scholarships.

Establishment of research and training institutes on cooperation and other planning and application of in-organization training courses for on-the-job training.

The work of the ILO has been extremely diversified as well as widespread throughout the world.

Tunisia: Surveys of cooperatives to develop base for improvement recommendations, reorganizing Cooperatives Department, evaluation of the feasibility of --- the establishment of needed new cooperatives.

Indonesia: Helped set up a railway workers' cooperative, together with cooperative wholesale and retail stores to service the cooperative.

Burma: Assisted in setting up a Cooperative Bank, and planning and establishing producers' cooperatives; aided in improvement of wholesale marketing and distribution activities of local cooperatives.

Philippines: Assisted in the federation of primary consumer societies into a cooperative wholesale organization; assisted in the establishment and operation of a development bank for industrial credit; trained in a number of more developed lands participants studying cooperative marketing, distribution, wholesale and retail stores.

THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

The International Bank for Reconstruction and Development has

made the following loans for financing cooperatives.

1. Loan of \$5.6 million made on April 1, 1960, to Rhodesia and Nyasaland for agricultural development (\$601,235 disbursed by end of March 1961)

2. Loan of \$5.6 million made on May 27, 1960, to Kenya for agriculture and roads (\$1,818,122 disbursed by end of March 1961)

Both of the above two loans made some allocations for financing marketing cooperatives for African farmers.

3. Loan of \$3 million made on September 18, 1956 to Banco Central de Costa Rica for agricultural development and light industry.

4. Loan of \$15 million made on August 25, 1955, to Instituto de Fomento Nacional de Nicaragua.

ORGANIZATION OF AMERICAN STATES

The objectives of assistance programs by the OAS are: leader training; pilot-projects; conferences and technical meetings; general development of cooperatives.

Leader training is usually done through basic courses of about one month in length. These courses may be general for several types of leaders, or they may be for specialists in agricultural cooperatives. A total of nine such courses have been held.

Pilot-projects are carried out by the Department of Social Affairs. The Department participates in both the planning and implementing of the projects. Such projects have been conducted in Costa Rica and Brazil.

Three technical seminars have been sponsored: One on rural electrification, one on agricultural cooperatives, and one on cooperative housing.

General development is done through correspondence, publications, and field assistance. Officials dealing with cooperatives are aided in such matters as organization, evaluation, legislation, and accounting.

Working with Credit Union National Association and country organizations, OAS has organized three annual credit union courses for 140 participants. Publications on credit union were prepared and published to provide technical guidance to cooperative leaders.

NON-GOVERNMENT ORGANIZATIONS

Many of the voluntary, non-government organizations carry on significant work in the development of cooperatives in the lesser-developed countries. In addition to furnishing consultants and technicians and training foreign participants, they have done outstanding work in developing pilot cooperative programs.

62'

CREDIT UNION NATIONAL ASSOCIATION

In 1954 CUNA established a World Extension Department to develop credit unions throughout the world.

Presently there are 3,000 credit unions in forty foreign countries with a total membership of 300,000, of which about 75% are rural people. The assets of these foreign credit unions average between four and five thousand American dollars.

The CUNA Extension division has conducted four regional conferences for training leaders in credit union techniques: Kingston, Jamaica, 1956. Out of this conference grew the West Indian Confederation of Credit Societies. San Jose, Costa Rica, 1958. Santiago, Chile, 1959. Caracas, Venezuela, 1960. The co-sponsors of these conferences were the OAS, and local universities in the host countries. Future conferences are scheduled in Manila and in Africa.

Representative country programs to which CUNA's World Extension Department has contributed are as follows:

Fiji Islands - Since 1955, 250 credit unions serving approximately 20,000 members have been organized. In addition the Fiji Islands development has spread to some of the near-by islands, particularly Western Samoa where there are now 14 credit unions.

Philippines

In cooperation with the Philippine Government, some 500 credit unions have been organized. In 1959, CUNA helped organize the Philippine Credit Union League bringing all these credit unions into a national association.

Peru

Since 1956, 206 credit unions have been organized. CUNA has helped organize the Peruvian Federation of Credit Unions, and has helped organize, with the assistance of the University of San Marcos, a training center for credit union leaders serving Peru and other South American countries.

Brazil

Substantial progress has been made in organizing credit unions among the industrial workers in Rio de Janeiro and Sao Paulo, and more recently in the state of Maranhao in Northern Brazil.

Venezuela

Presently the government of Venezuela is cooperating with CUNA in organizing credit unions throughout that country. Approximately thirty credit unions have been organized.

Caribbean Islands

Over the last decade about 500 credit unions have been organized in the West Indies Islands, joined together in the West Indian Confederation of Credit Societies. This central organization of credit unions is presently self-sustaining and is an active member of CUNA.

Australia

In recent years, 126 credit unions have been organized centering in Victoria and New South Wales. A central credit union has been organized in New South Wales.

64

AMERICAN INTERNATIONAL ASSOCIATION FOR ECONOMIC AND SOCIAL DEVELOPMENT

India

a. The major activity in India was a pilot project in fifteen villages near New Delhi, which integrated a program of supervised credit into the agricultural cooperative movement. The project utilized the experiences of the former Farm Security Administration in the United States and of a supervised credit system which AIA had helped to develop in Brazil. In India, the pilot project had the major objective of determining how these concepts and experiences could be used to achieve better results in agricultural production and, at the same time, provide stimulation to the cooperative movement in the country.

This project was initiated in 1956 and is still continuing. It was conducted by the Indian Cooperative Union with assistance from AID and the Cooperative League of the U.S.A. During recent months the project has been recognized and used to a considerable extent by the so-called Package Program sponsored by the Ford Foundation in India. The Package Program is attempting, on a large scale, to tackle the problem of increased food production in India through an integrated program which includes the essential elements of the pilot project.

b. For several years a research program was carried on in India which studies some of the basic problems confronting the cooperative movement. This program was also conducted by the Indian Cooperative Union.

c. For several years an effort was made to develop new techniques and materials which could be used in a program of cooperative education and training in India. The program was conducted by the All India Cooperative Union.

d. From time to time, on a very small scale, leaders of the cooperative movement were invited to undertake study tours in other countries.

The program in India, including these four types of activities, developed gradually from 1953 until the end of 1960. The maximum expenditure for activities in India was \$150,000.00 per year. Since January 1961 this program has been continued on a somewhat reduced basis by the Cooperative League of the U.S.A. following the termination of AIA's participation.

COOPERATIVE LEAGUE OF USA

Italy. Through initiative of the Cooperative League, a cooperative institution was set up to make loans to cooperatives. These cooperatives were at a disadvantage in obtaining credit in comparison with the communist-controlled cooperatives. According to the League report, "the balance has definitely turned against the communists -- with expanded sound cooperatives already evident."

South Vietnam. An education director was supplied to assist in establishing a training center for cooperative managers, accountants, and other personnel. Hundreds of trainees have been turned out by this center.

Caribbean Area. The League assisted in organizing the Caribbean Cooperative Confederation. The result has been the doubling of the number of training courses for cooperative personnel and leaders. In general, the sense of unity and grass roots democracy has increased in the area.

India. Cooperative League and American International Association program described in preceding AIA statement.

66.

CATHOLIC RELIEF SERVICES

Catholic Relief Services has sponsored and assisted cooperative programs in many countries. The following programs are illustrative of the work of CRS:

Korea. Supplied Agricultural Cooperative with pigs, chickens, sheep, and cattle; assisted 180 cooperatives with 17,000 families of refugees in reclaiming land for their own use; aided establishment of a weaving and wool-processing cooperative.

Formosa. Provided animals for a goat cooperative. Aided a cotton weaving cooperative.

Congo.

Organized 22 agricultural credit associations. Organized one producer cooperative with distributed savings of \$20,140.00 in 1960.

Ghana.

Organized corn grinding mill with 332 members.

Tanganyika.

Organized five producer and consumer cooperatives.

Upper Volta.

Organized rice growers cooperative.

Thailand.

Organized produce and marketing cooperatives.

India.

---Chota Nagpur: organized agricultural and marketing cooperatives.

---Ahabilam: agricultural cooperative, a land settlement project.

Uruguay.

Organized six resettlement cooperatives.

Peru.

CRS has sponsored the credit unions in 23 countries around the world, and numerous training courses for credit union leaders. A significant example of a successful program is the San Juan Parrish Credit Union in Peru.

Chile.

Rural Development Training Program. Through five training centers handling 45 trainees per quarter, leaders are taught for work with rural cooperatives and credit unions.

UNITED AUTO WORKERS

United Auto Workers has assisted in the organization of institutes and seminars, particularly for trade union members in France, Italy, Greece, Turkey and India in which the desirability of organizing cooperatives, especially credit unions, has been emphasized.

COOPERATIVE ASSOCIATION FOR RELIEF EVERYWHERE

In the more developed countries, with an established cooperative pattern, the national movements have often served as a partner to CARE in its program. Over the past 15 years over \$50,000,000 in CARE relief has been so handled.

In over-populated Malta, by working closely with British Agricultural Extension workers, three pilot equipment cooperatives provided small hand-operated tractors to small farmers. The idea caught on and the cooperatives expanded their services, first into supplies and then into marketing.

18

In Vietnam, CARE supplied rice for six months and tool kits for 4,000 relocated families. Out of the necessary mutual help activities, some permanent cooperatives emerged.

INTERNATIONAL COOPERATIVE ALLIANCE

The International Cooperative Alliance, the world federation of cooperative organizations in fifty nations, has carried forward a carefully conceived program of assistance and management of cooperatives in newly developing countries. It has a special fund for this purpose, from which grants have been made primarily for educational materials and equipment to many cooperatives in all parts of the world. Most important accomplishments to date have centered in South Asia.

In 1960, a regional office for cooperative development in that part of the world was established in New Delhi, India with U Nyi Nyi of Burma at its head. Several seminars and conferences for the training of cooperative leaders have been conducted by this office. Related to it is the Cooperative Educational Center for Southeast Asia, largely financed by the cooperatives of Sweden, but conducted as a function of the Alliance.

Member organizations of the Alliance, such as the Swiss and German Cooperative Unions and the Cooperative League of the USA, are carrying on programs of assistance to cooperatives in certain countries in collaboration with the Alliance.

APPENDIX B

Suggested Projects

Latin America - General

- Training of government officials having jurisdiction over cooperatives, and personnel to organize and develop cooperatives.
- Provide legal talent from the United States to develop and help enact cooperative legislation.
- Publish information provided by USOM and AID cooperative review in the Spanish language under a title such as "Cooperatives in Latin America".
- Survey the availability of grain storage, and build needed storage throughout Latin America.
- Establish adequate reserves of grain (from Pl-480) to meet present and potential emergency requirements.
- Establish cooperative facilities for milling and feed mixing in connection with storage facilities.
- Assist in developing local regional and national marketing facilities for agricultural crops.
- Provide for management contracts with expert cooperative organization in the United States and elsewhere to assist in the initial stages of organizing, managing and directing cooperatives in various South American countries.
- Provide competent cooperative organizers, educators, and technicians knowledgeable in the trade union field to concentrate on organizing cooperatives to help wage earners to buy more for their wages. Put special emphasis on credit unions, simple cooperative exchanges, and housing cooperatives.

Brazil

--- aid orderly development of existing cooperatives and cooperative credit programs.

Chile

--- develop agricultural marketing and producer cooperatives.

--- a central financial institution for deposits from and loans to Chilean cooperatives.

--- special financial assistance to housing cooperatives through the Central Savings and Loan Bank (Caja Central Ahorros y Prestamos).

Colombia

--- aid agricultural credit and cooperatives.

Costa Rica

--- technical assistance to cocoa growers cooperative.

--- loans through the National Bank for the expansion of the cocoa growers cooperative.

--- aid National Bank to set up industrial cooperatives.

Ecuador

--- establish a national cooperative bank and credit unions.

--- establish training center for leaders and officials in cooperatives.

--- aid National Directorate of Cooperatives in surveying the whole cooperative program in the country, including types, members, financial strength, etc.

--- revise cooperative laws.

--- explore feasibility of a livestock cooperative, cooperative packing plant.

El Salvador

--- emphasize supervised credit, producer and marketing cooperatives.

Haiti

--- emphasize rural credit, and cooperatives for processing, storing and marketing agricultural products.

--- training centers for technicians and cooperative leaders.

--- technical and financial help to establish industrial cooperatives, using native raw materials and fabrications.

Mexico

--- assistance in reorienting and modifying present cooperative law.

--- training of government officials to supervise and advise cooperatives both in the ministries and the banks.

--- organization of credit unions and cooperatives in the villages and rural communities.

--- give favorable consideration to a pending proposal to bring credit union consultants and trainees to Mexico, and to send local credit union personnel to other countries for on-the-job training.

Nicaragua

--- continue current rural electrification project.

--- assistance to establish cooperatives in resettled areas.

--- technical and financial assistance in converting informal, loosely organized local agricultural clubs into processing, marketing and supply cooperatives and simple exchanges.

British Honduras

--- help develop credit unions.

--- educational and technical assistance in developing producer and marketing cooperatives.

Paraguay

--- technical assistance to help Paraguayan Association of Holstein Breeders develop marketing cooperatives, and marketing cooperatives for the Paraguayan Fruit Producers.

Uruguay

--- a more adequate rural cooperative credit system.

--- use Uruguay as a training center for the personnel of other cooperatives.

Honduras

--- technical and financial assistance in setting up marketing cooperatives, and industrial cooperatives.

Argentina

--- technical and financial assistance in setting up production cooperatives, credit associations, home-loan savings associations, and assisting government agencies in expanding the agricultural extension service.

Surinam

--- establish training center for cooperative managers and technicians.

Guatemala

--- training center for leaders and technicians in cooperatives, credit unions, and marketing techniques. Organization of credit unions and simple cooperatives and exchanges, particularly in rural areas.

--- provide seed capital for agricultural credit organizations.

--- help develop and enact a broad cooperative law.

--- technical and financial aid in housing sanitation facilities in urban areas.

13

Jamaica

--- bolster technical and financial resources of the national Ministry.

--- technical aid in membership educational programs for cooperatives.

Peru

--- expansion of credit unions.

--- develop and enact a broad cooperative law.

--- emphasis on developing simple exchanges, multipurpose cooperatives and credit unions in the Indian communities of the Peruvian highlands.

--- leadership training centers.

Africa-Europe

Dahomey

--- assistance to existing agricultural producer cooperatives.

Cameroun

--- establish agricultural education services and farm cooperatives.

Congo

--- establish agricultural extension and rural development project for community cooperatives.

Gabon

--- initiate agricultural extension and rural development to aid community self-help building project.

Chad

--- establish agricultural extension and rural development to aid self-help housing and cooperative projects.

Central African Republic

--- establish agricultural extension and rural development project to aid self-help housing project, and encourage cooperative community development.

Tunisia

--- aid cooperative training institute by furnishing curriculum and training consultants.

--- sponsor training of trade union leaders in cooperatives, as requested by Tunisian Labor Organization.

--- assistance to the cooperative bank to provide revolving funds for small farmers.

75

Uganda

- provide agricultural cooperative advisor to Department of Cooperatives.
- development grants and loans to strengthen and expand existing cooperatives.

Ghana

- assistance in agricultural credit and cooperatives for agricultural extension projects and farm mechanization project.

Nigeria

- assistance to agricultural cooperative credit, marketing, storage, processing and distribution programs.
- aid to self-help low cost housing project.

Libya

- agricultural credit project.

Morocco

- continuation of initiation of specialized training for craft workers.
- initiation of agricultural credit and marketing programs.

Liberia

- adaptation of the cooperative approach in implementing a balanced program of rural area development in Obarnga District of the Central Province of Liberia. Mission proposes that, in connection with this program, a cooperatives specialist, experienced in working in primitive areas, be sent to Liberia to assess the potential of Liberia for cooperatives development.

Sierra Leone

--- furnish assistance to cooperatives through rural training institute, audio-visual aids and agricultural extension services.

Senegal

--- a significant program of aid in support of the Four Year Plan (with its emphasis on cooperative production and marketing) and to round out the aid which the country can expect to receive from other Western sources.

Guinea

--- scholarships and participant training for Guinean specialists or officials concerned with the development of cooperatives.

--- assistance in the industrial field where one or more small industrial enterprises might be established on a cooperative basis (viz, the proposal to establish a fruit cannery).

Mali

--- assistance in the form of participant training to provide technical advisors and operating personnel for the Government.

Spain

--- demonstration equipment for road maintenance in connection with the agricultural cooperatives. Also, local currency funds may be provided to increase the lending capacity of the Agriculture and Fishing credit services.

Somali

--- assistance for cooperative projects in housing, savings promotion credit, and marketing.

Malagasy

--- develop and enact cooperative legislation.

--- training center for technicians, leaders and government officials.

77

Tanganyika

--- assist government to set up a cooperative union.

Federation of Rhodesia and Nyasaland

--- establish cooperative training center.

--- technical and financial assistance in developing housing cooperatives, credit unions, and cooperative finance institutions.

Far East

Cambodia

--- initiate development of a complete rural cooperative system in one province, and an intensification of a multipurpose unit operation in several selected areas.

China

--- loans to a central agricultural credit fund to be available to the credit departments of Farmers Associations for loans to farmers, to unify and strengthen the Cooperative Agricultural Credit system of Taiwan.

Indonesia

--- survey of Indonesian cooperatives to be performed by American experts.

Korea

--- increased emphasis on sound planning and efficient implementation of the business activities of existing cooperatives. The development of precise loan budgets, closer supervision of credit grants and the negotiation of legally enforceable market agreements are proposed for immediate attention.

Laos

--- a survey of cooperatives and cooperative possibilities as soon as the political situation permits.

Philippines

--- technical assistance to set up a training program for management and office skills. Loans should be considered for agricultural cooperatives to import equipment and materials for cold storage facilities. Assistance in market surveys and research is needed.

79

Thailand

--- assist in the implementation of a cooperative agricultural credit program. Survey possibilities of a cooperative marketing and agricultural supply program.

Near East - South Asia.

Afghanistan

- exploration of the possibilities of obtaining basic enabling legislation.
- loan to finance a separate agricultural cooperative project under the Agricultural and Cottage Industry Bank.

Ceylon

- explore possibility of utilizing PL 480 funds for capital loans and training expenses.

Greece

- utilize PL 480 local currency loans for capital loans and training for cooperative managers.
- furnish cooperative marketing technician to expand marketing cooperatives in vegetable, livestock and general agricultural products.

Jordan

- explore possibilities in the East Ghor project area.
- continued assistance in meeting capitalization needs of production, marketing and credit cooperatives.

Nepal

- technical and financial assistance to initiate cooperative programs in the economy, starting with a few selected pilot areas and cooperatives.
- establish a separate agricultural cooperative credit bank.

Egypt

- encourage and increase participant training of cooperative technicians in the U.S.

- 91'

Turkey

- increase financial assistance through the Halk Bank to finance artisans' mutual assistance cooperatives, and small business cooperatives.
- develop and enact a more adequate cooperative law.
- make a comparative study of agricultural cooperatives in Turkey with other countries.

India

- financial aid for building the offices and training school of the All-India Cooperative Union.

Cyprus

- financial assistance to the Greek and Turkish cooperative banks.
- assistance in training participant leaders in cooperatives in both Turkish and Greek communities.
- regional cooperative training center in Cyprus to train technicians and leaders.

L 82'