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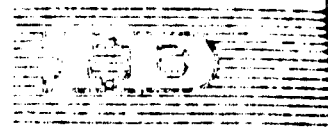
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Meeting on Self-Help Programmes for
Small-scale Industries in Developing Countries

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INDUSTRIAL CO-OPERATIVES
IN DEVELOPING COUNTRIES ^{1/}

Leonora Stettner
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Summary

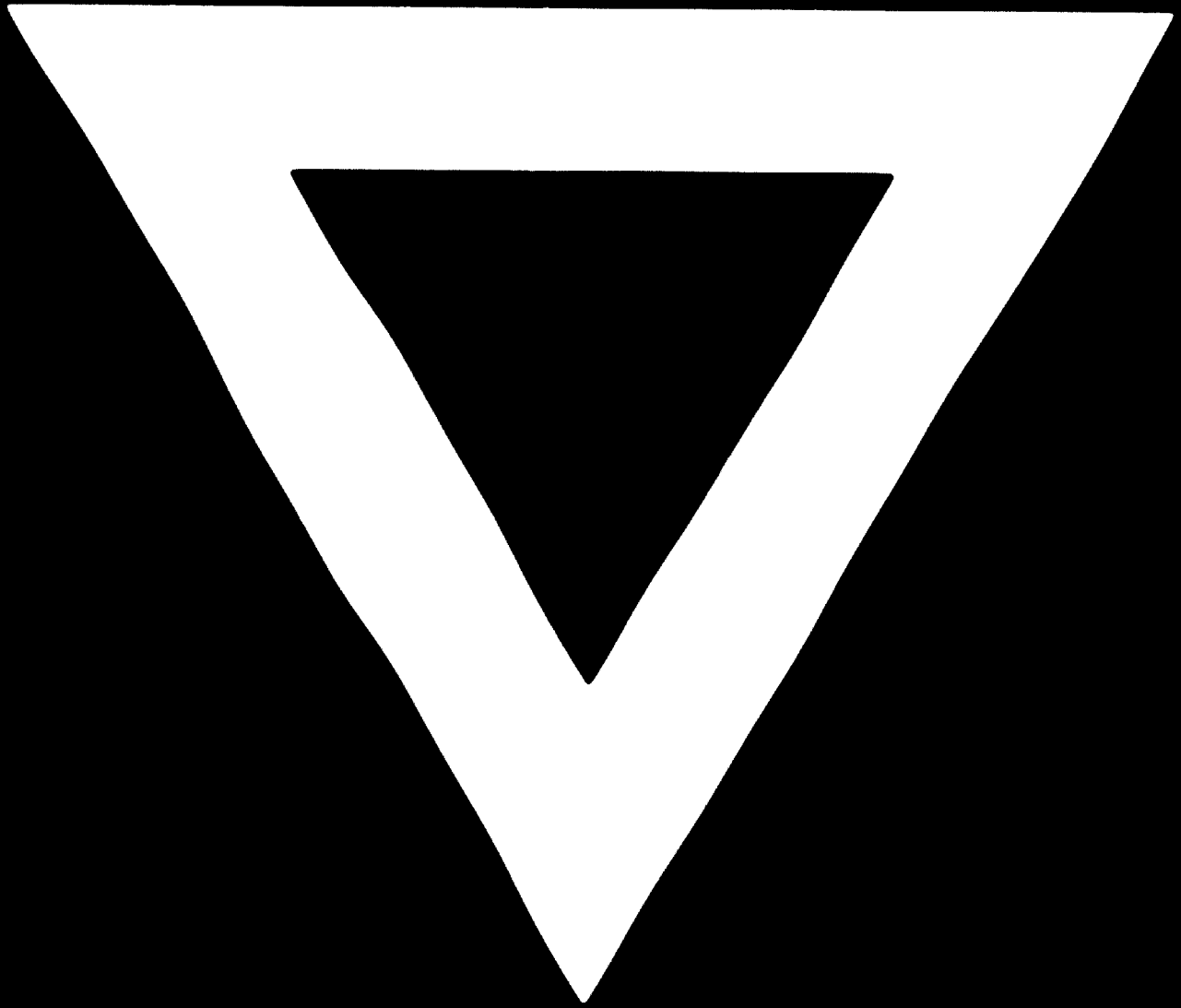
Part One, Data on Industrial Co-operatives in Developing Countries, defines industrial co-operatives ("any industrial enterprise which is legally registered as a co-operative or wholly controlled by an organization so registered"), and describes the two major types - "joint enterprise" co-operatives and "common facility" co-operatives. It indicates the most important areas of the Third World in which industrial co-operatives are active (particularly Argentina, Chile, Mexico, India, Bangladesh, Pakistan, Indonesia, Morocco, Philippines, Republic of Korea, Sri Lanka, Thailand, Tunisia and the Arab Republic of Egypt) and the types of products produced by them (primarily processed food and raw materials, handicrafts and light industries producing for local consumption, e.g. shoes, textiles, furniture, paper and printing, household utensils, construction materials and bicycles).

In Part Two, the factors which influence industrial co-operatives in developing countries are examined in an effort to determine why such co-operatives have been noticeably more successful in some countries than in others. It is made clear that their typical product pattern follows from the fact that they utilize locally available materials, manpower and skills as well as appropriate technologies. Moreover the particular contribution of industrial co-operatives to the development process in these countries stems from their capacity to build upon the initiative of numerous small-scale producers by making available to them the advantages of larger scale in terms of purchasing, processing, manufacture, marketing, technical services and finance. One consequence is that industrial co-operatives are capable of growing into large-scale operations as evidenced in a number of cases.

Three factors emerge as the major influences accounting for the more rapid development of industrial co-operatives in a few countries; these are training facilities, technical services and financial resources. To some extent these have been provided by co-operators themselves, but in the main it has been the governments of the countries concerned which have been the major source of such technical and financial assistance. Nevertheless, external help from non-governmental organizations in developing countries - co-operators, trade unions, church and other voluntary groups and even more from the ILO, FAO, UNIDO and the World Bank - has made an important contribution.

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