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PROMOTIONAL MEETING ON INTERNATIONAL CO-OPERATION FOR
ESTABLISHING AND PROMOTING INDUSTRIAL CO-OPERATIVES
IN DEVELOPING COUNTRIES *

Warsaw, 28 November - 3 December 1977

CONCLUSIONS AND RECOMMENDATIONS

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Following the conclusions of the Second General Conference of the United Nations Industrial Development Organization on Industrial Development and Co-operation, and recognizing that productivity and industrial production are basic means for economic and social development, the Meeting agreed on the following note of conclusions and recommendations.

A. The Role of Industrial Co-operatives in the Industrialization Process of Developing Countries

1. Industrial or work co-operatives in developing countries have the potential to play a significant role in assisting and promoting the industrialization process, and the economic and social development.
2. Industrial co-operatives make man the focus of development.
3. Development needs industrial growth, and this includes developing secondary industries and services which can build upon local raw materials, local technological experience and existing community traditions.
4. Industrial co-operatives can play an important role in creating employment opportunities and in economic development of rural areas. Under-employment is the most costly form of waste and a work co-operative, being labour-intensive, reduces this waste and increases employment.
5. Industrial co-operatives assist in promotion of, and depend on, local technology; this enables them to avoid being constricted by the scarcity of foreign exchange, which is a grave handicap to economic development of developing countries.
6. Industrial productive co-operatives tend to concentrate on small-scale industries and those in which capital investment is on a moderate scale, and as such they are able to supplement the investment of large-scale industries.
7. Development of industrial productive co-operatives in developing countries must not necessarily follow the development of industrial co-operatives in the advanced countries, especially in the rigid sectoral divisions and the single-purpose societies which characterize the advanced countries.

8. Industrial co-operatives lead to a harmonious development by achieving a transition from a traditional to an industrial era. The creation of industrial co-operatives will stem the migration from rural to urban areas and in that sense will forestall a number of evils associated with excessive urbanization.

B. The Role of Governments in the Establishment and Development of Industrial Co-operatives

1. Governments should assist the establishment and promotion of industrial co-operatives by a favourable attitude on the part of governmental development agencies, financial institutions and public opinion.
2. Development of industrial co-operatives should be an object of government policy associated with the overall programme of industrial development.
3. There is need for legislation favouring the development of industrial co-operatives and for their inclusion in national plans and programmes of industrial development.
4. Industrial co-operatives may be assigned to particular sections of the economy, and therefore they should be an integral part of a clearly defined policy of industrial and economic development.
5. Government assistance could consist of: feasibility studies which give governments a more concrete basis on which to base their policies; provision of equipment (not necessarily the most sophisticated); creation of joint bodies; patronage of work co-operatives by placing orders for requirements of state.
6. Specialized finance agencies should be created by the state for industrial co-operatives, while at the same time emphasizing schemes of internal capitalization.
7. Provision of information, especially for policy-making, and government assistance in mobilization of people in rural areas.
8. Government help in education and training, which should start from the motivation of people at the base level. Special attention should be given to training of trainers.
9. The proportion of technical assistance allocated to industrial co-operatives from governmental and UN funds should be increased. For this purpose governments should include in their programmes of technical assistance to be provided by UNIDO and other UN agencies more requests for direct assistance to industrial co-operative organizations and their associations.

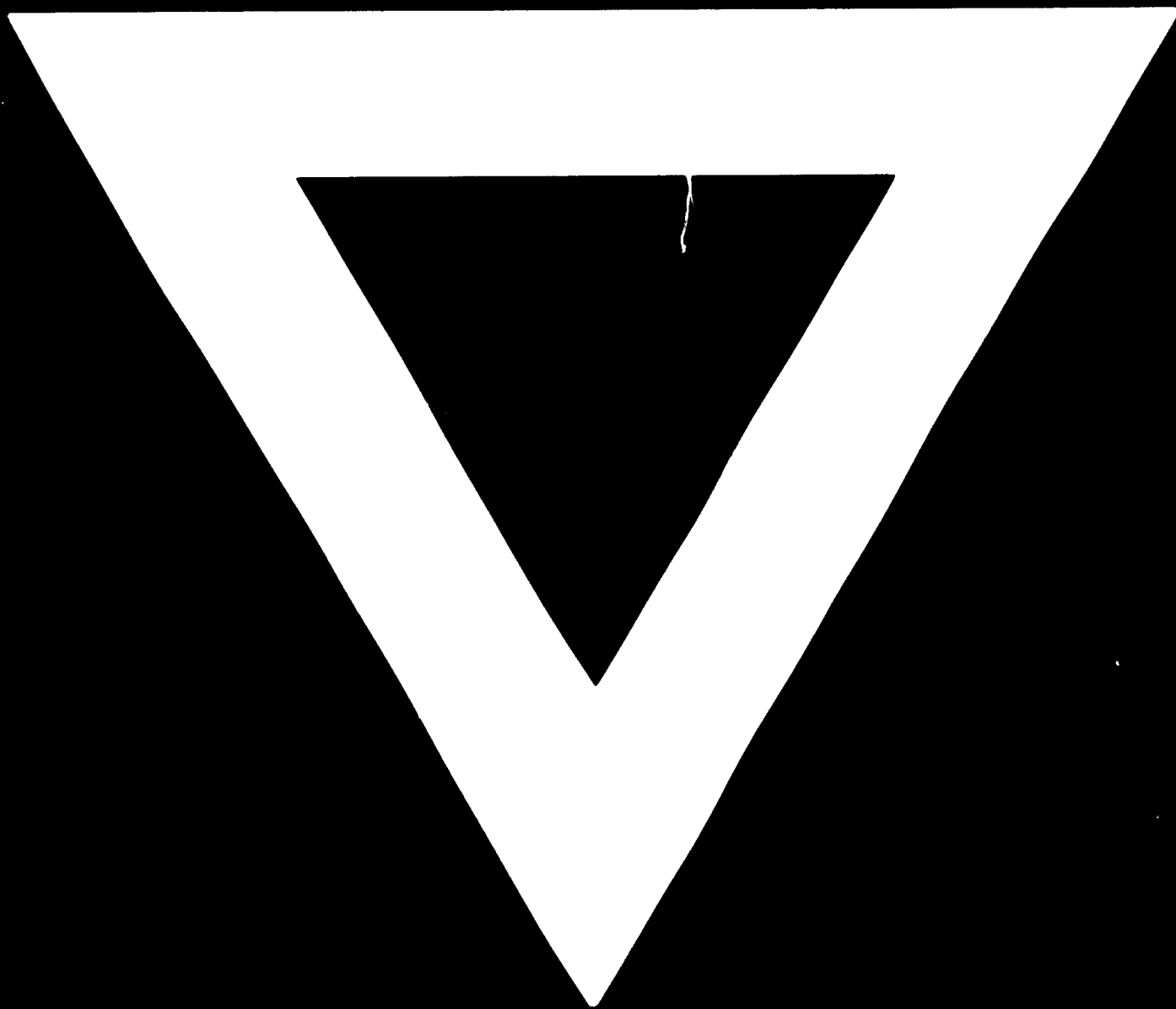
C. The Role of UNIDO, ICA and Co-operatives of developed countries in promoting international co-operation in the field of industrial co-operatives

1. UNIDO in co-operation with the International Co-operative Alliance and other UN agencies should provide maximum support to the promotion and establishment of industrial co-operatives in developing countries.
2. Assistance should be provided to the governments of developing countries - upon request - in establishing an adequate legal framework favouring the setting up of industrial co-operatives in rural areas and development and promotion of small-scale industries through industrial co-operative production forms.
3. UNIDO should include in its work programme, and especially in the programme of projects to be financed by the United Nations Industrial Development Fund, projects aimed to assist the establishment and promotion of industrial co-operatives in developing countries.
4. The identification of programmes and priorities in this area should be based on a preconceived strategy aimed at providing comprehensive integrated action in this field. This, inter alia, should include the following:
 - Promotional activities and joint consultations with developing countries on national and international levels, in order to identify ways and means of international co-operation in strengthening existing and establishing new industrial co-operatives in developing countries;
 - provision of technical assistance on multilateral and bilateral bases in preparing feasibility studies, expertise, consultancy, transfer of technology and know-how, selection of equipment and production programmes;
 - organization of training on national and international levels, with particular emphasis on establishment of training facilities in developing countries on national and regional levels;
 - organization of joint extension services such as research, marketing, management and information services for industrial co-operatives and their associations.
5. UNIDO and ICA in close collaboration with co-operative organizations from developed/developing countries should undertake identification surveys of the needs of industrial co-operatives in developing countries. Based on these needs, priority projects should be established and directed towards the elimination of duplication.
6. Considerable scope exists for co-operation between industrial co-operatives from industrialized and developing countries, and in addition among developing countries themselves. Therefore UNIDO and ICA should explore these possibilities of linking these co-operatives in order to promote bilateral co-operation, with special emphasis on programmes of technical assistance and co-operative trade.

7. Emphasizing the need for rural development and the role of industrial co-operatives in achieving national economic and social goals, the Meeting agreed to recommend this subject should be included and discussed in detail during the forthcoming UNIDO Third General Conference, which will be held in New Delhi, India.
8. The Meeting agreed to authorize one of the present delegation - a member of the Industrial Development Board - to present to the Industrial Development Board the findings and recommendations of this conference, which is expected to contribute to the implementation of proposals made as a result of this Meeting, and follow-up action to be taken by UNIDO.



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