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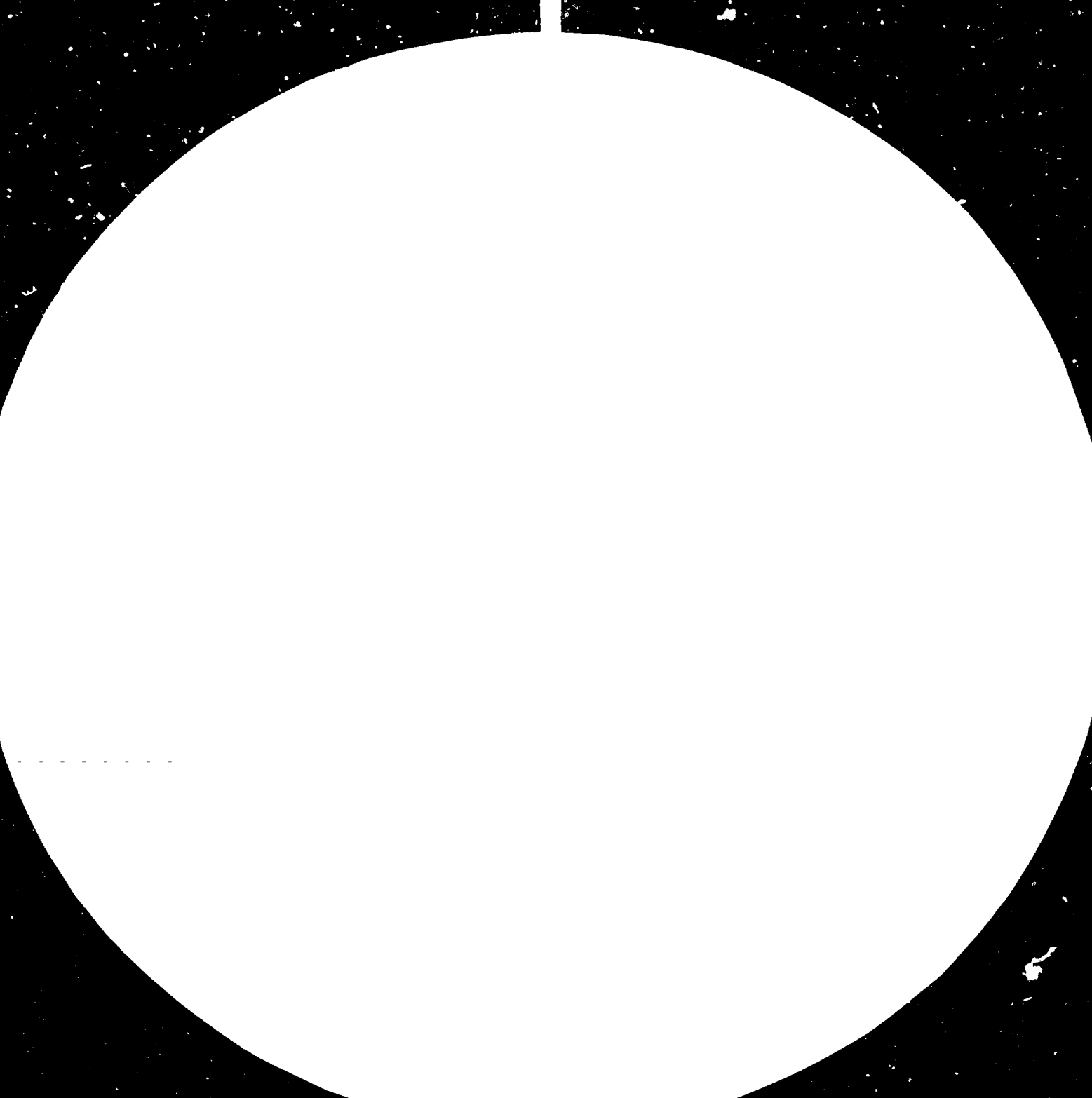
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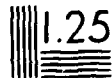
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INDUSTRIAL CO-OPERATIVES IN DEVELOPING COUNTRIES  
Arusha, Tanzania, 15 - 19 February 1982

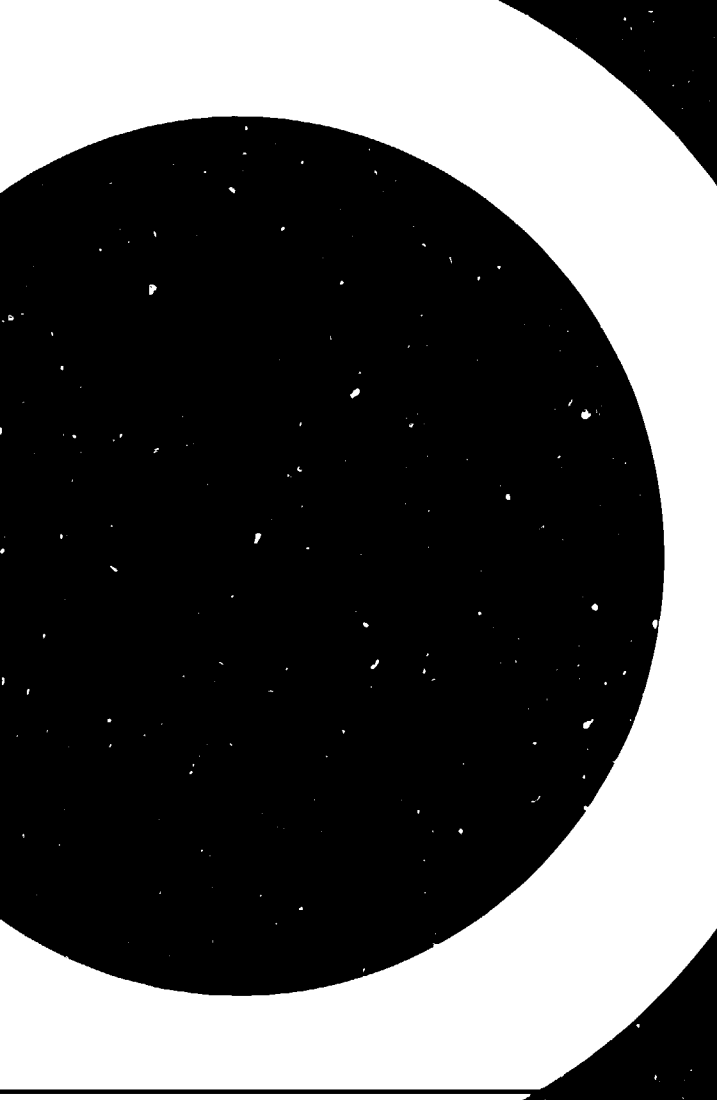
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OUTLINE OF THE REPORT OF CONFERENCE ON THE ECONOMIC AND SOCIAL  
 POTENTIAL OF INDUSTRIAL COOPERATIVES IN DEVELOPING COUNTRIES -  
 ARUSHA, TANZANIA, 15 - 19 FEBRUARY 1982

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## CHAPTER 1

### INTRODUCTORY

#### Objectives of the Conference:

The objectives of the Conference which was organized by UNIDO in co-operation with the International Cooperative Alliance's Regional Office for East & Central Africa in Moshi, Tanzania, were:

- to initiate a dialogue on ICA study by testing its findings against the experience of the representatives of the participating countries;
- to enable the representatives of those countries present a general picture of the conditions prevailing in their countries; and
- to give those representatives an opportunity for promoting industrial cooperative projects for their possible undertaking through international cooperation.

#### Opening:

The conference was inaugurated by Mr. B. Mramba, the Minister for Industries, Government of the United Republic of Tanzania. Welcoming the Minister, Mr. E. M. Anangisye, Regional Director of the ICA, referred to Tanzania's commitment in promoting and developing industrial cooperatives. It was partly for this reason that the conference was being held in Arusha. On behalf of the participants, he expressed gratefulness to the Government and people of Tanzania which had agreed to meet a large part of the local costs.

On behalf of UNIDO and its Executive Director, Mr. S. K. Henein, Senior Industrial Development Field Adviser, welcomed the conference. He referred to the excellent collaboration he had received from the Prime Minister's office and thanked the Minister for accepting to open the conference. The ICA office in London and its regional arm in Moshi had been most helpful. UNIDO is fully aware of the importance of industrial cooperatives in promoting the industrialization of developing countries. To help overcome constraints to industrialization, UNIDO is undertaking technical assistance and training programmes and providing other extension services, such as research, standardization, quality control, etc. In addition, UNIDO is also promoting contacts and providing opportunities for exchange of experience and this conference was an example in this regard. On behalf of the Director General of UNIDO, Mr. Henein wished the conference every success.

MINISTER'S REMARKS:

The Minister expressed his pleasure on being associated with the conference. He had a deep personal commitment to industrial cooperatives. Referring as to how industrial cooperatives fitted into the broad ideology of the party and the government of Tanzania, the Minister referred to the Arusha declaration on socialism and self-reliance adopted in 1967. An important component of Tanzania's industrial development policy was the encouragement of small and medium scale industries in both urban and rural locations. Small industries require relatively limited capital and are easier to disperse into the remote regions away from the main centres. Thus they inspire grass root initiative, provide employment to local people and utilize local markets and raw materials. However, while the development of small industries was an important element in Tanzanian industrial policy, it was not until after 1973 that progress could be recorded. Through the establishment of the Small Industries Development Organization, (SIDO), a comprehensive programme for the promotion and servicing of small scale industries is being implemented.

The origins of cooperative movement in Tanzania went back to 1932; in keeping with the egalitarian ethos of Tanzanian society, the cooperative form of organization reflects the social policy of Tanzania. Industrial cooperatives were seen as the preferred form of industry, especially in the small scale sector. At present there were about 171 registered industrial cooperatives in Tanzania scattered throughout the country. Principal problems experienced by these cooperatives, inter alia, were the inadequacies of:

- i) capital,
- ii) technical skills,
- iii) managerial competence,
- iv) markets, and
- v) raw materials and spares.

In order to overcome these difficulties, the Ministry of Industry has recently commissioned an in-depth study of industrial cooperatives in Tanzania. Experts from UNIDO and SIDO have been engaged in the study and he hoped that this exercise will be mentioned later on in the conference.

Referring to the uniqueness of the social and economic environment which deeply influences the development of cooperatives, the Minister advised against the wholesale acceptance of models from abroad. The Rochdale Principles of Cooperation were developed at a time in response to specific socio-economic conditions and obviously provided an

lesson; the Third World countries, however, must work out appropriate forms to suit their own peculiar political, social and economic conditions. Cooperation must be seen as a means to an end, to better the conditions of the broad masses in society through the democratization of economic activity and the elimination of economic exploitation. The promotion of industrial cooperatives had to be done with considerable care so that scarce resources of capital and skills were not wasted. A special organizational form was needed; specific skills, competence and a sense of commitment were required from members and leaders. There were cases of mismanagement and dishonesty, poor policy directives and poor leadership. Such cooperatives were specialized institutions and could not be governed by the same rules and regulations which existed for other kinds of cooperative organizations, such as marketing or retail cooperatives. In some types of cooperatives, for example, the number of members was important. However, the average small industry in Tanzania had only 5 members. It was, therefore, conceivable that industrial cooperatives had to be organized on bases different than other cooperatives. One is dealing with a dynamic phenomenon and one should not, therefore, be bound by rigid pre-conditions. The Minister hoped that it was in this spirit of open-mindedness that discussions of the conference will be carried out. Viable cooperatives had to be promoted if the rising expectations of the large masses of people were to be met. What was critical was often not so much capital as human organization and mobilization of a scientific and professional basis.

Paying a tribute to the contribution of the British Overseas Development Administration, the UNIDO, and the ICA Regional Office in Moshi, the Minister declared the conference open.

The conference was concluded by Mr. John Mhaviile, the Regional Commissioner for Arusha.

#### Field Visits:

The conference paid a visit to the following industrial producer cooperatives located at SIDO Industrial Estate:

- carpentry
- automobile repair workshop
- repair workshop (also producing fences and window bars)

Within the framework of the "Sister Industry Programme" sponsored by the Swedish Industrial Development Agency (SIDA), visit was paid to two enterprises pro-

ducing rivets and screws, as well as foundry moulds. Special attention was also devoted to the highly equipped Service Centre, which was established to support SIDO estate.

Special attention was also devoted to the research activities carried out at SIDO estate in the field of intermediate technology (bio-gas, windmills, solar heaters, etc.).

Principles, Definitions, Classifications:

All cooperative organizations throughout the world subscribe, more or less, to the following principles adopted by the ICA at its Congress in 1966:

1. Membership of a cooperative should be voluntary and available without artificial restriction or any social, political, racial or religious discrimination to all persons who can make use of its services and are willing to accept the responsibilities of membership.
2. Cooperative societies are democratic organizations. Their affairs should be administered by persons elected or appointed in a manner agreed by the members and accountable to them. Members of primary societies should enjoy equal rights of voting (one member one vote) and participate in decisions affecting their societies. In other than primary societies the administration should be conducted on democratic basis in a suitable form.
3. Share capital should only receive a strictly limited rate of interest, if any.
4. The economic results arising out of the operations of the society belong to the members of that society and should be distributed in such a manner as would avoid one member gaining at the expense of others. This may be done by decision of the members as follows:-
  - a) by provision for the development of the business of the cooperatives;
  - b) by provision of common services; or
  - c) by distribution among the members in proportion to their transactions with the society.
5. All cooperative societies should make provision for the education of their members, officers and employees, and of the general public, in the principles and techniques of cooperation, both economic and democratic.
6. All cooperative organizations, in order to best serve the interests of their members and their communities, should actively cooperate in every practical way

with other cooperatives at local, national and international levels.

Looking at the world situation, cooperatives can be distinguished as follows:

- i) Consumer Cooperatives:
- ii) Marketing and Buying Cooperatives; and
- iii) Producer Cooperatives (these may be in the industrial, service or agricultural sector).

It is this third type with which the conference was concerned.

Although there is no generally accepted definition of a producer cooperative, the central idea underlying their organization is one "whereby labour entrepreneurs, on the basis of one member one vote, form a democratic association or partnership then either hire or use their own capital to productive ends." The control within an industrial producer cooperative is not proportional to the capital contributed by an individual member, but in accordance with cooperative principles, derives from the membership in the society. Often the membership fee is set at a nominal level. Some members may be external to the cooperative in the sense that they do not find work within it, but this is generally looked with disfavour in cooperative circles. This rules out both external and non-member workers. Returns on capital, again according to cooperative principles, are limited and payments to member workers are related to the nature or intensity of work. A secondary market is not permitted in cooperative shares. If redeemable, the shares do not reflect the rise in asset value. Cooperatives in law are often obliged to save in collective funds. When the society winds up, assets are distributed according to the laws in each country; in some they go back to central cooperative funds, in other countries they are returned to members.

Cooperatives thus exhibit a wide variety of financial arrangements. Unlike a capitalistic enterprise, the rights of full ownership in cooperatives are not bestowed upon those who provide the capital.

The various ways in which capital and labour can be brought together are as follows:

- i) Pure Rental Co-operatives
- ii) Equity type Co-operatives
- iii) Capital/Labour partnership 'co-operatives'

These can be explained in a tabular form as follows:

TABLE I

## CO-OPERATIVE TYPES

	Private Capital	Socialised Capital
'Pure' Debt Co-operatives	Type I: Self Debt financed: self managed (full property rights with labour)	Collective savings
	Subtypes: Egalitarian Non-egalitarian ( <del>Type Ia</del> )	-
	Type II: External Debt financed; self managed (full property rights with labour)	Socialised Debt Capital (limited property rights to labour)
	Subtype: Mixed private and socialised External Debt Capital	
	Type III: Mixed self and external debt finance; self managed (full property rights with labour)	External Debt Capital socialised. Internal capital collective savings
Equity type co-operatives	Type IV: Self equity financed; self managed (full property rights with labour)	Collective savings
	Type V: External equity financed; self managed (full property rights with labour)	Socialised Equity type capital. (Limited property rights to labour)
	Type VI: Mixed self and external equity finance;	External equity capital Internal collective savings
Capital Labour Partnerships	Type VII: Capital and Labour voting shares; property rights shared between capital and labour	Socialised debt or equity type capital

## CHAPTER II

ICA RESEARCH STUDY: SOME FINDINGS

The findings of the pilot study undertaken by the International Cooperative Alliance were briefly reviewed by the Conference. Industrial producer cooperatives (IPCs), had been studied in four countries - India, Peru, Senegal and Indonesia, although only those examined in the first three were reported. The findings can be reported under the following seven heads:

- i) Reasons for Success and Failure;
- ii) Measure of Economic Success;
- iii) Consumption and Investment;
- iv) Democracy and Efficiency;
- v) Credit from External Sources;
- vi) Solidarity as an Element of Success;
- vii) Management.

Reasons for Success and Failure

Cooperatives are often supposed to possess a comparative advantage over other forms of enterprises; their members are working essentially for themselves. They are, thus, highly motivated, thereby enhancing, in comparative terms, their labour productivity. If this assumption is correct, how does one explain the historical record of IPCs which is inferior to other competing enterprises; why do IPCs have such a high failure rate; why are they so small and why do they tend to degenerate over a period of time into capitalist or quasi-capitalist forms?

A number of factors are advanced to explain these phenomena. First, it is argued that IPCs tend to underinvest as they rely upon internally-generated funds saved collectively. Historically, cooperatives have depended upon this form of financing although high rates of inflation are now forcing a change. The principle of limited return on capital to individuals tends to inhibit capital formation. Compared with their capitalist counterparts, IPCs thus tend to underinvest, be small and have low capital ratios.

Measurement of Economic Success

Profitability as the index of IPCs' success may be erroneous inasmuch as members of a cooperative can manipulate the surplus level downwards by paying themselves a

high part of the surplus. As a consequence, the residual profitability may not bear a close relationship to the underlying viability and performance of the enterprise. The study suggested that a value added emphasis was more appropriate to measuring the performance of IPCs.

A marked consumption preference can be explained by the fact that IPCs are usually formed by people of a lower socio-economic status. This leads to under-investment. The IPCs do not attract the best management and those who are attracted tend to be encumbered by the democratic principle. The principle of one member one vote tends to be in conflict with effective management. This causes poor management, indecisive decision-making, lack of clear lines of accountability, poor appraisal of market conditions and so on. Finally, IPCs are likely to fail because the socio-economic environment is often unsympathetic to the work and philosophy of IPCs. Often credit institutions are prejudiced against the IPCs although the latter's poor performance remains an important factor in causing this hesitation.

In a number of societies studied, loans from members and deposits had been received; and in times of distress the use made of member loans and deposits tended to be much more intensive than the averages would indicate. All co-operatives generated savings and investments through the issue of share capital; however, the direct dividend returns to share capital was negligible. In most co-operatives it was extremely difficult for members to redeem their shares or withdraw their investment. The study found that in one country, the average percentage of internally-generated capital in each cooperative was to some degree associated with its success but that this relationship did not exist in another country.

The tentative conclusions which emerged from the study appeared to be two-fold: first, the IPCs do seem to show a propensity to save either in general collective funds or quasi-collective funds, and second, there is no simple relationship between this propensity and the performance of the cooperatives.

Under most circumstances, it would appear that members will invest in their co-operatives even if there is little likelihood of a direct dividend. The principal motivating factor here seems to be that members wish to provide themselves with employment and their investment is explicable on these grounds, a perfectly rational behaviour in view of the high degree of unemployment and under-employment prevalent in many developing countries.



### Consumption & Investment

Did a disproportionate tendency exist in IPCs to consume at the expense of investment? The study, as on many other issues, was less than definitive. The unsuccessful cooperatives do not appear to consume on the average greater proportion of value added than the successful ones. Indeed if anything, the reverse seems to be the case, this presumably reflecting the former's success and their latitude for increased consumption while maintaining economic viability. The picture then seems to be not one of high consumption and low savings and cooperatives being starved of capital. If this reasoning is correct, then capital starvation does not appear to be a major factor contributing to the poor performance of cooperatives.

### Democracy & Efficiency

On the question whether there was a clash between democratic principle and efficient management, the study found no evidence to suggest that IPCs invariably suffer from this although some did, while several others were able to avoid serious conflicts. Perhaps the problem lay in unclear lines of control and there is thus some support for the contention that success goes with clear lines of command in production control. Although there is no comparative data for capitalist firms, it may well be that as the size of an IPC increases the problems are magnified.

If providing employment to members, where unemployment is endemic, remains an important objective of an IPC, then the problem of shedding labour, where workers happen to be shareholding members, is a matter of special concern to IPCs. The societies studied, however, did not reveal this to be a significant factor in explaining their failure. Sometimes this dilemma is avoided by the IPC employing non-member workers when seasonal demand reaches the peak.

### Credit from External Sources

All the IPCs studied were, at some stage in their career, able to obtain some form of external credit. Although not necessarily adequate in quantities or given on appropriate terms, it seemed clear that the IPCs studied were not entirely starved

in this respect. The study, therefore, came to the important conclusion that it was not the shortage of funds, internal or external, which is a problem for IPCs but their ability or rather inability to deploy the capital wisely, reflecting a lack of sound financial management. The study further shows that the reluctance of credit institutions to grant funds to IPCs should not be regarded as a prejudice but rather as normal commercial prudence. As long as IPCs reveal a low level of financial management, they are likely to experience such hesitation on the part of financial institutions.

#### Solidarity as an Element of Success

Although it is not possible to express in precise quantitative terms, a striking finding of the research was the coincidence of success and high solidarity among the members; in short high solidarity went with success, low solidarity with failure. This solidarity can sometimes be accounted for by factors extrinsic to the actual working of the cooperative. In Peru conflict with a previous employer drove a group of workers together; religious attachment was responsible for the high degree of solidarity in a weavers' cooperative in Senegal and, in the case of India, sociological aspects of the extended family were positive elements in reinforcing cohesion and solidarity. Looking at the reasons why solidarity should be significant to the success of IPCs, the study concluded that feelings of solidarity may enhance altruistic motives thus making members more committed to their cooperatives; moreover, such commitment may increase the time horizon over which the member sees himself associated with the cooperative. Solidarity and commitment go together and contribute to high motivation and thus to high productivity. Any factor generating feelings of solidarity is likely, other things being equal, to contribute to the success of IPCs. This is really taking the generally held belief that any sort of enterprise can benefit from high levels of member motivation. However, in the case of IPCs several comments can be made. Looking at the reverse of the coin, if internal conflict breaks out in an IPC it can have rapid harmful effects. Such conflict, especially in a cooperative organization can easily escalate and engulf the whole membership. However, high motivation is only one element in the overall efficiency and performance of an organization; unless accompanied by requisite skills it is not likely to bring better returns, and, therefore, managerial skills and entrepreneurship have an interactive function with the motivation of labour.

### Management

Deficiencies in cooperative management are seen to be a major factor in explaining the failure of IPCs and such poor management relates particularly, as pointed out earlier, to financial management which tends to be deficient in IPCs. This in fact is also the reason why the cooperative movement has always placed so much emphasis on education and training. The often asked question as to why IPCs do not do better than their capitalist enterprises given a higher degree of commitment and cohesion among the members is answered by the fact that such enthusiasm and motivation is more than offset by lack of managerial skills, partly in the use of capital.

The study concluded that in an economic system where there is a choice between IPCs and private firms, IPCs will normally attract only those with less entrepreneurial flair and limited managerial skills. Sometimes it has been suggested that what is needed is some dilution of the principle of limited returns to capital or the loss of control through democratic decision making which acts as a disincentive to establishing an IPC. Alternatives seem to be:

- a) improving the managerial standards of IPCs, thus improving their record and general effectiveness, or
- b) reserving a sector for IPCs only so that those wishing to operate in the sector are required to establish an IPC.

The Conference generally agreed with the findings of the study. However, the following remarks were made:

Cooperative principles, as reformulated by the International Cooperative Alliance, covered the whole gamut of cooperative enterprises. It was, therefore, not surprising that these were sometimes not relevant or conducive to the specific requirements of industrial cooperatives. There was a feeling that the principle, "limited return on capital", needed rethinking as an industrial cooperative, especially when it grew in size, needed larger inputs of capital than were perhaps required by some other kinds of cooperative organizations. Capital intensity was high in an IPC because of technological requirements. Limited return on capital caused a particularly acute problem

as non-member investors hardly existed in industrial cooperatives and the financial institutions were either prejudiced against cooperatives or viewed them with extra caution in view of their low management performance.

Some doubt was also cast if the principle of open membership served the best interests of industrial cooperatives. The organization of an industrial cooperative was perhaps more complex than other types and open membership increased the chances of inter-personal conflicts. Ultimately, however, entry into membership had to be decided by the annual general body which was the supreme organ of the cooperative. While there was partial agreement with the findings that it was lack of financial management capability rather than the lack of capital which was the problem of IPCs, a number of delegates felt that scarcity of capital to cooperatives did exist in many cases and did thwart their development. This was the case especially at the starting stage and when an IPC grew to a size where its capital requirements were substantial. Often private financial institutions were either hostile or ignorant.

A second comment related to the methodology of the research study and the countries covered by it. How were the countries chosen and, within countries, how were specific cooperatives selected? In the case of India, for example, the handloom sector which occupied a pride of place among industrial cooperatives had been entirely left out. In fact it would be worthwhile devoting an entire research project to the field of handloom cooperatives. There were other countries which could have been usefully added to the research frame and several African countries asked the reasons as to why they had been excluded from the scope of the study. The sample was rather small to give a comprehensive and accurate picture.

In reply, it was pointed out that the study was of a pilot nature, there were limitations of time and resources and there were rather small number of industrial cooperatives which limited the choice of countries. The study had to include countries from the three continents of Africa, Asia and Latin America, howsoever limited the number of countries covered.

The role of governments in influencing the progress of industrial cooperatives was most important. Unlike the advanced countries, the relationship of the cooperative movement and the government in developing countries was very close. The government's import-export policies had a direct bearing on the internal and external marketing possibilities of IPCs products. If the industrial policy frame of governments was biased against the development of a small scale industrial sector, the IPCs had a great limitation to contend with. In fact, industrial cooperatives succeeded when they operated within a favourable national ideology. Several examples were cited where the governments looked upon industrial cooperatives with favour. The role of trade unions in the promotion of IPCs was important, in the start-up stage and in fact in later stages of their evolution. Financial assistance of trade unions could also be an important factor in the growth of IPCs.

## CHAPTER III

SOME NATIONAL EXPERIENCES AND ASSISTING ORGANIZATIONS 1

Brief presentations were made of industrial cooperatives in different countries. A summary is given below:

BOTSWANA

In Botswana, as in many other African countries, industrial cooperatives have not developed spontaneously. However, a potential exists and an industrial cooperative development programme could play an important part in encouraging peoples' participation in industrial development and in ensuring a fair dispersal of benefits throughout the community.

Ooodi Weavers' is Botswana's only fully fledged producer cooperative. Although operating since 1973 as a training scheme supported by Swedish assistance, it was registered as a cooperative in 1978. It manufactures bedspreads, carpets, tapestries, shoulder bags and other items from wool which it spins and dyes itself. It started with 50 working members of whom the majority were women. Management responsibilities lie with the chairperson and the elected committee, specialized positions being very few in number. Members are paid a fixed monthly salary irrespective of the work they are involved in. At times of peak labour demand in agriculture, production in the cooperative falls off. A bonus system was once introduced to encourage enhanced productivity, but was dropped in view of the financial strains it placed on the cooperative.

There appears to be no systematic marketing approach and goods are sold to tourists and, intermittently, abroad. The local demand is not large and, in view of the rather high prices, is confined to hotels, government offices, etc. In 1978, the Swedish assistance was withdrawn and this had some adverse effect on the economy of the society. The cooperative, however, has been entirely self-managing with the Department of Cooperatives extending only limited support. Member participation in the affairs of the society has been high.

A more thorough-going and planned development of industrial cooperatives will require a coordinated strategy between the relevant government Ministries and the Movement's spokesman, the Cooperative Union, the creation of strong support services, provision of adequate financing and the development of an intensive and relevant education programme.

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1 - These summaries are very largely based on papers submitted to the Conference.

ETHIOPIA

The national democratic revolution programme can perhaps be best described as a programme of mixed economy with an emphasis on state-owned enterprises in the bigger establishments and producer cooperatives in both the agricultural and industrial/handicrafts sectors. Proclamation No. 138 (1978), provides for the establishment of cooperatives and Proclamation No. 124 (1977), has led to the establishment of a Handicrafts and Small Scale Industries Development Agency, Hasida. The handicraft cooperatives have been established under the auspices of a directive issued by the military government. Cooperatives are very much seen as an aspect of socialist economic organization and are, in fact, established to encourage collective ownership of the means of production.

Cooperatives are to be organized in order to:

1. develop self-reliance and to promote members' interests;
2. put the means of production under the control of cooperatives and to transform them generally into collective property;
3. increase production;
4. expand industries;
5. conduct political education;
6. eliminate reactionary culture and customs;
7. participate in the building up of a socialist economy; and
8. to accumulate capital and to mobilize human resources to sustain economic development.

The directive on craftsman producer cooperatives speaks of a guiding central plan and of the principle "from each according to his ability to each according to his work". Considerable emphasis is placed on the building up of indivisible capital in craftsmen cooperatives, and Article 33 of the Directive lays down specific allocations from the net income for productive work, reserve, social affairs and reward. However, as the payment to members is fixed by Hasida, there is hardly any latitude to consume high proportions of the value added. The legal framework within which producer cooperatives operate is very much slanted towards a collectivist ethic. At the end of 1981 there were 820 handicraft and industrial cooperatives with an average membership of 100. These are distributed in 17 different sectors and are spread throughout the country.

The cooperative section of Hasida acts as an apex organization, but this section is financed by the government and not by the primary societies. Hasida's role as a multi-purpose organization is to extend the following services:

1. bringing dispersed artisans into viable cooperative organizations and arranging for their relevant education;
2. acquiring raw materials, credit and undertaking market research;
3. making available improved machinery and tools; and
4. liaising with Government and outside agencies.

The handicraft cooperatives are to a large degree service-type cooperatives providing raw materials and marketing facilities to the members. There are 5 genuine industrial producer cooperatives with a membership of about 115 and these are in the fields of blacksmithy, tinsmithy, ceramics, garments and leisure goods production. The project is financed by the Industrial Cooperative Development Fund.

#### INDIA

Although the cooperative movement in India started in the early part of this century, it was not until after independence (1947) that the government adopted a planned approach to cooperative development. In its intention to establish an egalitarian society, the government's commitment to the cooperative form of organization became pronounced. In the field of industry this also meant the establishment and promotion of small and village industries as one of the corner-stones of the industrial policy of the country. As a result, a big boost was given to the formation of IPCs. Membership, the number of societies, production and sale in the handloom and the non-handloom sector went up remarkably. As every member of an industrial cooperative society is also a part owner of the enterprise, the IPC form of organization is seen as an important solution to the problem of the rural artisan. Many artisans commanded skills but no resources. The government, therefore, adopted a policy under which available skills could be pooled together, production could be centralized and joint provision of raw materials, finance and other facilities could ensure uninterrupted production. As a result, the handloom production in India has increased 6 times since 1947. The same may be said of handicrafts which have resulted in substantial increases as well as in the per capita earnings of individual artisans.



Cooperation is a subject dealt with by state governments. The Federal Government is responsible for:

1. the formulation of viable policies and programmes for the cooperative sector;
2. enactment of cooperative legislation and its execution;
3. co-ordination between the public sector undertakings and cooperatives, and for
4. financial assistance.

The National Federation of Industrial Cooperatives is the apex body for IPCs and is responsible for the promotion and development of industrial cooperatives and for marketing their products. In the field of handloom, there is the All-India Handloom Cooperative Marketing Federation which is responsible for marketing the products. There is the Khadi and Village Industries Commission for looking after the specific needs of certain types of village industries and production of Khadi cloth.

In several States, loans are advanced to industrial cooperatives under schemes for state aid to industries, by the district and provincial cooperative banks as well as other institutions including commercial banks, etc. Some states have special industrial cooperative banks. In addition, there are district and state federations of IPCs which in turn are affiliated to the National Federation of Industrial Cooperatives. Several of these federations have undertaken a large amount of work including provision of marketing outlets. Industrial cooperatives in India manufacture a wide variety of items which include woollen knitwears, engineering items, leather, coir goods, etc. On the whole, however, the IPCs' performance has not been satisfactory and the rate of dormancy among them is high. Reasons for this situation are as follows:

1. Too rapid expansion and, as a result, the existence of non-viable societies;
2. lack of legislative framework specifically geared to the needs of industrial cooperatives;
3. lack of management capability;
4. absence of an effective central agency capable of organizing production and marketing and extending other facilities to their affiliates;
5. poor efforts to improve technology and market intelligence in respect of products manufactured by industrial cooperatives; and
6. lack of full utilization of training facilities by cooperatives.

The following conclusions can be drawn from the Indian experience:

1. IPCs are suited to a situation where a set of individuals have skills but command no resources;
2. success of the cooperative organizations depends to a very large extent on the commitment and dedication of individual members;
3. competent management is extremely important especially as the size of the society grows;
4. emphasis needs to be shifted from the number of societies to viable units;
5. appreciation of the role of industrial cooperatives as a part of a socio-economic policy by the government is important;
6. emphasis on education and skill formation must be stressed;
7. where there is conflict between the interest of a member and the society, it is often the interest of the former that prevails;

International agencies, such as UNIDO, can assist by helping to:

- i) establish a machinery for exchange of information and experience;
- ii) make available expertise in the organization and management of IPCs;
- iii) arrange for the provision of consultancy services and the transfer of technology among developing countries;
- iv) provide intensive research studies on the specific problems of IPCs and the appropriate legislation needed for their growth; and finally by
- v) arranging for the creation of a central display centre in Western Europe where products of IPCs from developing countries could be exhibited.

#### KENYA

The policies of the Government of the Republic of Kenya are supportive of the cooperative movement and the development plan of 1979-83 carries a special section on cooperative development. The cooperative movement is to be regarded as an organizational tool for promoting rural development generally and for creating income-sharing opportunities in both rural and urban areas. However, the plan adds that cooperatives have still to prove themselves to be as competitive and comparable with other organizational forms in providing goods and services in order to justify the continued investment of resources in them.

The rural industrial development program was launched in 1971 with Kenya Industrial Estates as its main executive agent. Under the program, a series of industrial development centres have been established, each of which offer loans and provide premises to small scale entrepreneurs including cooperatives. In 1979, it was estimated there were some 8000 craft or small scale manufacturing units employing up to 25,000 individuals in rural areas. This is a very small proportion indeed. Within the rural industrial program, the Ministry of Cooperative Development is responsible for promoting the rural industrial cooperative sector, including agro-based cooperative industries. It is a policy of the government to allow privately owned and cooperative enterprises to compete with each other. The handicraft section which has its own union comprises some 15 units and is largely urban based. The other industrial cooperatives as have been established, excluding the building cooperatives, have largely been promoted and encouraged by outside agencies. For instance, Kiganjo stone casters in Nyeri district and Kavetan bricks in Kitui have been operative since 1978-79; they have survived heavy competition from privately owned firms though they have not grown significantly.

The handicraft cooperatives in the fields of wood, basketry and stone carvings have a total membership of some 3000. The picture concerning industrial cooperatives in Kenya does not appear to be promising though these are expected to play a greater role in the future in the rural areas. A detailed survey has been carried out by the Ministry of Cooperative Development to assess the potential areas of industrial cooperatives. Three major product groups and services have been identified: farm equipment/repairs, furnishings and household utensils and clothing/footwear. In 1978, the small scale sector had only a 10-15% market share in these areas. There is little tendency for any horizontal integration and technical upgrading of these activities as the space and capital requirements are beyond the reach of most craftsmen. There is no lack of skills in the countryside as the village politechniques and the youth development programme have provided opportunities for training and skills in masonry, carpentry, blacksmithy, tinsmithy, metal work, motor mechanics, welding, tailoring, etc. Studies by the rural industries development programme have shown that attempts to provide technical assistance and financial support to widely scattered household industries is administratively complex and costly; the Ministry has, therefore, adopted the cooperative approach whereby enterprises could be established in main marketing and training centres. Each cooperative would have about 10 members, the minimum number required in law. It is hoped that such workshops will offer members advantages in terms of regular supplies, access to markets, and an efficient use of scarce resources.

Agro processing cooperatives were to be organized in maize, cotton, oilseed and copra, forest industries, fish, sugar and horticultural products.

Major factors hindering the development of industrial producer cooperatives are: lack of managerial skills; over supervision by the government; lack of financial resources, thereby forcing societies' dependence on unscrupulous middlemen; absence of innovative product designs, etc.

### NIGERIA

Although the Third National Development Plan (1975-80) recognizes the existence of four broad types of cooperatives in Nigeria, including Cooperatives of Craftsmen and Artisans, such societies are not widespread. Many craftsmen are ripe for cooperativization. In 1975 there were 28 craftsmen's cooperatives in Kano state probably involved in bulk buying for their members.

The following areas appear to have potential for the development of IPCs: cocoa processing; processing of palm oil; manufacture of tomato paste; fish canning; and ground nut processing.

### PERU

The first general law of cooperatives No. 15260, was enacted on December 14, 1964. Article 7 of this law recognized the existence of cooperatives of production. Under this category two kinds of societies were organized; (i) cooperatives of production whose objectives was to develop economic and productive activities of members, and (ii) cooperatives of work which were organized to offer specialized services of a craft or profession through joint and coordinated work. The former kind of cooperatives can be found mainly in the manufacturing industries, wood and sugar industries, bricks, graphics, metallurgical industries, shoe industries; cooperatives of work, on the other hand, in hotels, factories, construction work. Under Decree Number 21584, enacted in 1976, most cooperatives of production and of work were formed out of private companies which had gone into bankruptcy or where the owners had left the industry. This meant that the industrial cooperative societies had a weak start and originated in an environment dominated by the psychology of failure. The new general law of cooperatives was

promulgated on May 29, 1981 and this law established the existence of industrial cooperatives. On the whole, the industrial cooperatives are weak and are beset with many problems. Some of the steps now envisaged for strengthening cooperatives generally, including industrial cooperatives, are as follows:

1. Creation of a National Institute of Cooperatives (INCOOP) as a state organ for the promotion, supervision and support to cooperative organizations.
2. The creation of a National Institute for Cooperative Financing as a public institution in order to promote and finance the cooperative movement.
3. Creation of secondary organizations which could provide the necessary support and protection to cooperative organizations. This will probably be done through the creation of a national apex organization.

#### TANZANIA

In Tanzania, large industries for exports are established and run by national para-statal organizations. Such industries are rather few. The ownership of medium scale industries rests in public corporations and their products cater for regional and district demands. In the third category, viz, the small scale sector, individual entrepreneurs play a very substantial role. These can be found throughout the country and normally cater for the demands of the immediate surrounding areas.

Before 1955 there was no record of the existence of an industrial cooperative but the government is now giving considerable thought to establishing producer co-operative societies. In order to obtain information on IPCs, their problems and the ways of overcoming them, an investigation was carried out during 1980 and 1981. The survey, which covered 125 of the 140 active societies, reported as follows:

- i) 93% of the societies visited were of the workers' cooperative form, that is, all members were workers and there were no workers who were not members.
- ii) Over 70% of the societies had started on their own initiative, the remainder having been persuaded by government to convert themselves into cooperatives; this did not seem to have much influence on the success or failure of societies;
- iii) Societies' main objective was to achieve a higher standard of living for their members;
- iv) The average membership of a workers' cooperative was only 22;

- v) Upon registration, the societies had adopted, without exception, the model by-laws issued by the cooperative department. However, these by-laws had not been specifically designed to meet the requirements of industrial cooperatives and therefore caused some problems. There was a feeling that existing model by-laws needed to be totally revised to suit the needs of workers' cooperatives.
- vi) The average investment per worker member was just over 3000 shillings. Only 6% of the capital investment was contributed by members and of the remainder, 58% was covered by loans and 36% by gifts. The record of repayment of loans was extremely good and members often paid themselves very little to ensure that the society got established in the formative period. The entrance non-returnable fee was 25 shillings and the average cost of one share was 274 shillings. It was felt that in order to ensure an adequate commitment by members in their own society a higher level of entrance fee was needed to be stipulated in the model by-laws.
- vii) The average over-all capacity utilization, on societies' own estimates, was just under 50% caused mainly by the shortage of raw materials and the insufficiency of funds with which to buy raw materials when available in the market.
- viii) Over 40% of societies had production problems caused by inadequate tools or machines, inadequate working space, lack of spares, other infra-structural facilities, etc.
- ix) Most societies had a financial problem of one sort or another. Books remained unaudited for long periods of time and financial management skills were low.

It was concluded by the survey that government support for industrial cooperative development could most effectively be supplemented by the formation of a special unit with SIDO with the following functions:

1. Creation of central records of industrial cooperatives which could provide a basis for on-going monitoring their performance and suggesting improvements;
2. development and initiation of a program of assistance to selected industrial cooperatives to help in solving their management, technical and financial problems;
3. identification of the training needs of members;

4. reviewing procedures for requests by industrial cooperatives for obtaining financial and other assistance;
5. reviewing cooperative law affecting industrial cooperatives as well as revision of model by-laws; and
6. preparation of a comprehensive guide for prospective industrial cooperatives.

The need for the creation of a Union of Industrial Cooperatives was specially highlighted and was emphasized in the findings of the survey.

#### ZAMBIA

Active labour and service cooperatives number 50 in Zambia. They are operational in the fields of building and construction, brickmaking, carpentry, sand supply, painting and decorating, charcoal burning, land clearing, refuse removal, coal loading and tin mining. Growth is slow and no new cooperatives have been established since 1978 except in carpentry, sand supply, painting and decorating and charcoal burning.

Although the most numerous, the Building Construction and Brickmaking Cooperatives have experienced continuing problems even if substantial financial support was extended to them by the Government through the Zambia Federation of Building Cooperative Societies. In 1978, only 17 out of 62 had been active. Cooperatives were excessively slow in meeting the deadlines for contracts; quality control measure had been less than stringent and rural cooperatives, especially, lacked continuous supply of building and construction work.

In 1973, the Federation of Building Cooperative Societies began to tender for large national contracts; by 1978 it found it difficult to compete in the open market, ran into serious financial and organizational difficulties and was liquidated in 1980.

The Brickmaking Cooperatives fared worse than the building cooperatives. The turnover of several cooperatives was reduced to a negligible point. Technological innovation had rendered the cooperative's product obsolete and a change-over was beyond its financial capacity.

The Sand Supply Cooperatives have been rather active although this particular sub-sector is dominated by one cooperative in the Southern Province which accounts for 50% of the membership in the entire sub-sector, 94% of its share capital, and 88% of

the turnover.

Institutional support bodies for industry and industrial cooperatives were: the Small Industries Development Organization (it became organizational in 1981), the Village Industry Service (1979), the Bank of Zambia and the Development Bank of Zambia.

### ZIMBABWE

There are at present very few industrial cooperatives in Zimbabwe although interest in them is growing and in course of time, they could well make a significant contribution to the implementation of the new government's policies for economic and social development. The cooperative movement in the country is well established and is growing but there has been no active promotion of industrial cooperatives either by the government or by the movement. The report of the Director of Marketing and Cooperative Services, 1980, does not list specifically any industrial cooperatives although they might be included under the heading "Other Cooperatives". However, it appears that there are just a few such cooperatives in the country and are in the fields of textiles and clothing (2), crafts and home industries (2), printing (1), metal (1), and building (1). Probably the majority exist for joint supply and marketing. Apart from audit and some advice, industrial cooperatives do not seem to have obtained any from the government.

Three industrial cooperatives which are active are as follows:

#### CANON PATERSON CRAFT CENTRE COOPERATIVE

This society was formed by sculptors and was initiated by Canon Paterson in 1975 in whose name it is registered. The principle idea was for individual artists to obtain economies of scale through joint action. With the death of Canon Paterson the cooperative was formally established with 37 members and the number of members has grown. The members are sculptors in soapstone and wood, practicing a traditional craft and producing both traditional and modern designs. Production is individual and members obtain on a bulk basis raw materials on credit, jointly rent premises as well as two shops in Salisbury and organize marketing and exhibitions. Stone is bought individually since the quantities involved are small. A small staff of three manage the



affairs of the society and sculptor members are self-employed. The society has received bulk orders from Europe and S. Africa; however, these are intermittent and do not provide a long term support to the cooperative organization. The nature of the product and the concomitant high cost of transport cause difficulties in marketing. The cooperative appears to be financially sound and is increasing its sales each year as well as experiencing real growth in assets. Members contribute a small monthly subscription and the rest of the income comes from the sale of stone and finished carvings. The Marketing and Cooperative Services section audits the account and this is an important service.

#### ZIMBABWE WELDING AND METAL WORK PRODUCERS COOPERATIVE

Although still in its infancy, this cooperative is perhaps indicative of the potential for the development of industrial cooperatives in Zimbabwe. During the independence struggle a number of skilled metal workers came together to overcome the difficulties experienced in obtaining supplies, etc. When the war was over, the government advised that help would be available to groups rather than to individuals. In their short period of existence, the members have managed to develop bulk buying, put a deposit on a municipally owned factory, but in production and marketing they have not made any progress. Working in three separate locations, they continue either as individuals or as partners and have employed apprentices who are not members of the cooperatives. They undertake small jobs including the manufacture of window and door frames, panel beating and welding and sell them from their workshop. Although membership is open to employees, the rather large initial share capital required effectively bars them joining the society. The share capital has been put to good use. The society is run entirely by its members and but for some legal assistance from outside there has been no external support. Request for a bank loan was refused on the ground that the cooperative could not offer any security. The rate of savings, however, is good and should enable, in the near future, the society to begin to plan joint production.

HARARE WEAVING CENTRE COOPERATIVE SOCIETY

This is a production cooperative in Zimbabwe. Although it has a ready market, its operations are at a low level because of organizational difficulties. The Society evolved in 1967 out of a women's training group which was established in order to strengthen their skills and procure for them employment, either on an individual or on a group basis. The Society has had a very limited turnover. The cooperative emphasizes training and combines it with manufacture; activities include spinning, weaving, carpet-making, dressmaking and other allied activities. The Society has been dependent for its finances, premises, equipment and training as well as for its management on a support organization. Unfortunately, the members had no previous business training or cooperative education and no understanding of the principles of cooperation. Relations between the support organization and the elected committee of the cooperative have been unclear and the distinction between advice and control has been blurred. Financial records have not been properly kept and the future of the cooperative is uncertain.

The picture which emerges from the above brief description can be summarized as follows:

Generally speaking, the development of IPCs has been patchy; their problems are serious and manifold and they require advice and help from their own governments, from a national support organization as well as from national and international assistance agencies. The conference then turned to these agencies for a brief description of their nature and activities.

NATIONAL & INTERNATIONAL ASSISTANCE AGENCIES

OVERSEAS DEVELOPMENT ADMINISTRATION (ODA), U.K.

For administrative purposes the ODA has two main divisions:

- 1) Africa - which also covers Latin America, and
- 2) Asia & Oceania.

Within these divisions, several departments are organized on a geographical basis. The assistance provided by ODA is mainly of a bilateral nature. Within the countries themselves there is a frame-work of aid; a sum of money is agreed between the British High Commission and the country concerned. Dealings are on a government to government basis although there are exceptions such as in the case of ICHDA, International Cooperative Housing Development Association, in Nairobi. Experience shows that it is sometimes difficult to establish direct relations with cooperatives in the Third World countries. It is sometimes said that cooperatives do not get priority in ODA operations. The chain is, first, the National Department of Cooperatives, then the Finance Ministry or Treasury, the U.K. High Commission, the ODA where it goes to the geographical desk and, finally, the cooperative advisers in the Administration. The priority is thus not assigned by the ODA but by the authorities in the country concerned and cooperatives have to compete with other areas in which requests are submitted.

There are various types of aid available for cooperative development. First, there is the capital aid which covers equipment, etc. Such aid has been extended, for instance, to the Cooperative College in Bamenda. Various cooperative unions have also been recipients and sometimes capital assistance is extended for onward on-lending. Secondly, there is technical assistance which covers areas such as the provision of personnel on a long term basis, management support, skilled artisans, etc.

Within the U.K., the ODA provides funds to the British Cooperative Union for the CLEAR unit (which maintains a registry of consultants) at Loughborough, and the Plunkett Foundation, Oxford. It supports facilities for training such as the ICTC (International Cooperative Training Centre) at Loughborough which organizes different kinds of training courses leading to diplomas, etc. In 1982-83, there will be a 10-12 week course on the

management of industrial cooperatives at the Cranfield School of Management. This will be under the general heading of small scale enterprise and ODA will assist with this course. Some recipients of minor support are: the Beechwood College in Leeds and the Industrial Common Ownership Movement. Occasionally, awards for Third World training are also made as well as there is some provision of funds for research as, for example, the IPC study in four countries which has provided the basis for the present conference. On the multi-lateral side there is support to UNIDO, for SIDO in Tanzania, the FAO, ILO and the World Bank.

#### CENTRAL UNION OF POLISH WORK COOPERATIVES

The first work cooperative in Poland, a printing establishment in Cracow, was set up in 1876. However, the number of IPCs remained small and did not make a significant contribution to the economy of the country. In the inter-war years, such organizations recorded more success. Nationalized industries were producing capital goods but, for everyday consumption, the work cooperatives were important. Their activities consisted of the production of various kinds of goods, provision of services and the undertaking of commercial activities such as wholesale, retail, foreign trade, etc. 11% of the total output of consumer goods was produced by work cooperatives; 56% of the services to the population were rendered by such organizations. The share of work cooperatives in the national economy was: industry 7%, employment 56%. There were special cooperatives for invalids. These are special service enterprises and work in the field of vocational rehabilitation.

Cepelia, the work cooperatives' marketing arm, encourages folk arts, undertakes research in new designs, promotes handicrafts, preserves traditional folk arts and generally encourages educational, sports, cultural and dance groups. In 1971, in collaboration with UNIDO and with ICA's support, the Polish Work Cooperatives organized in Gdansk a centre for the promotion of industrial cooperatives with a view to,

- 1) supporting industrial cooperatives in the Third World countries;
- 2) collecting and distributing material and facilitating contacts; and
- 3) encouraging collaboration in the field of industrial cooperatives with other cooperative and government organizations.

COPAC

Established in 1971, the present membership of the Joint Committee for the Promotion of Aid to Cooperatives, (COPAC) comprises of the following organizations: the FAO, ILO, UN Secretariat, ICA, International Federation of Agricultural Products (IFAP), International Federation of Plantation, Agriculture and Allied Workers (IFPAAW), and World Council of Credit Unions (WOCCU). COPAC seeks to promote systematic contacts between international organizations which provide aid to cooperatives in the Third World. It has a very small secretariat which is located in FAO premises in Rome. It works, as far as possible, through the member organizations; it maintains extensive contacts with bilateral organizations. It is a rather flexible body and has access to both governmental and non-governmental organizations. It covers all types of cooperatives.

To enable its members to discuss emerging policy issues, it holds two meetings a year, lasting three days each, half day being devoted to discussing the current and prospective programs of member organizations. Opportunities for collaboration are identified. It issues several publications, e. g. a Bulletin, three times a year giving details of new projects, a Directory of Agencies offering aid to cooperatives (this is an occasional publication), Country Notes, describing cooperative situations in a particular country (6-7 Country Notes have been issued). The Secretariat has been asked to carry out specific tasks by the UNDP and ECOSOC, for instance, to provide drafts of Reports, asked for by ECOSOC.

THE SWEDISH COOPERATIVE CENTRE/THE SWEDISH INTERNATIONAL DEVELOPMENT  
AUTHORITY (SCC/SIDA)

The SCC was established in 1968, its beginnings going back to the Fund Without Boundaries which was raised by the Swedish Cooperative Movement on the occasion of ICA's Congress of the Swedish Cooperative Movement in Stockholm in 1957. It acts as the development wing of the Swedish Cooperative Movement and brings together the agricultural, consumer and other Cooperative Institutions. In that respect, SCC is unique since there is no apex organization of the Swedish cooperative movement.

Its principal activities are to:

- 1) organize international seminars;
- 2) support ICA's two regional offices in S.E. Asia & E. Africa; and
- 3) provide assistance to cooperative projects in Egypt, Latin America, Uganda, etc.

The SCC maintains a small permanent staff and works mainly through consultants.

The SIDA, a para-statal body, coordinates the entire Swedish aid to the Third World which is now providing over 1% of the gross national product; in 1982 it will top 1.1 billion U.S. dollars. In SCC's assistance, with 4 million U.S. dollars, the SIDA component is 80% and the remaining 20% is contributed by cooperative organizations. The SCC/SIDA relationship is very strong. Involvement in industrial cooperatives is rather recent because there are no industrial cooperatives in Sweden. In 1978, the Polish Central Union of Work Cooperatives approached the SCC for holding an industrial cooperative seminar and a similar seminar will be organized at the end of the present conference where 20 out of the 40 observers will be selected to proceed to Kenya, Mondragon, Italy and Sweden.

#### INTERNATIONAL COOPERATIVE ALLIANCE (ICA)

The ICA, one of the oldest non-governmental organizations, was established in 1895, has within its membership all types of cooperatives. Its objectives are to act, inter alia, as the universal representative of cooperative organizations, to propagate cooperative principles and methods throughout the world and to promote and safeguard cooperation in all countries.

At its Congress in Lausanne in 1960, the Alliance adopted a Long Term Programme of Technical Assistance and since then it has been very active in promoting cooperation in the Third World. It now operates Regional Offices in S. E. Asia (1960), East & Central Africa (1968) and West Africa (1981).

It has nine specialized committees and one of these deals with industrial cooperatives. The Workers Productive Committee based in Rome brings together industrial cooperative organizations in membership of the Alliance. In 1978, the Committee organized a World Conference on Industrial Cooperatives in Rome which led to active interaction with UNIDO. One of the Committee's active member organizations is the Polish Central Union of Work Cooperatives.

The two Regional Offices for S. E. Asia and E. and Central Africa have been involved in international seminars organized by the Swedish Cooperative Centre in the field of industrial cooperatives and in fact the South East Asian office has recently created a special organ which will concern itself with the development of industrial cooperation in the region. An international seminar was organized for Asian industrial cooperators by the SCC some years ago and a similar event for East African cooperators will follow after the present conference.

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (UNIDO)

UNIDO is fully aware that industrial cooperatives in developing countries have the potential to play a significant role in industrial development as a means of mobilizing the local human, natural and financial resources for the achievement of national objectives of economic growth and social development.

Surveys undertaken by UNIDO have, however, revealed that in a number of developing countries, the contribution of industrial cooperatives to industrial development is minimal due to various impediments such as:

- (a) the absence of well-organized industrial cooperative associations to provide support to industrial cooperatives;
- (b) lack of appropriate legal framework;
- (c) lack of adequate consideration of the managerial aspects of industrial cooperatives (such as marketing, production planning to suit particular markets, standardization and quality control, packaging, etc.);
- (d) lack of an efficient system of industrial services and support activities (applied industrial research, industrial design, standardization and quality control, advice on choice of technology, feasibility studies, financing), which is essential for the effective organization and operation of industrial cooperatives;
- (e) lack of qualifications on the part of the leading staff and of skilled personnel, as well as lack of facilities for managerial, economic and technical training.

In order to assist the developing countries in overcoming the above-mentioned bottlenecks, UNIDO has been undertaking various types of activities in the field of industrial cooperatives, namely operational, supporting and promotional activities:

(a) The operational activities include:

- provision of technical assistance on multilateral and bilateral bases (preparation of feasibility studies, expertise, consultancy, transfer of technology and know-how, selection of equipment, production programmes);
- organization of training programmes (at national, regional and international levels) for managers and skilled personnel of co-operative enterprises from developing countries;
- organization of extension services such as research, standardization, quality control, management, information services, for industrial co-operatives and their associations.

b) The supporting services are designed to support field operations which UNIDO is undertaking in developing countries. The majority of supporting activities are performed at UNIDO headquarters in Vienna and include surveys, research activities and specific industrial studies.

(c) The promotional activities are designed to: promote contacts and facilitate exchange of experiences between industrial cooperatives and cooperative organizations in developing countries; identify ways and means of international cooperation by strengthening existing and establishing new industrial cooperatives in developing countries.

In carrying out its promotional activities, UNIDO has been calling upon the assistance of cooperative organizations, such as the following:

- Cooperation with the Committee for the Promotion of Aid to Cooperatives (COPAC) UNIDO has initiated, through UNIDO SIDFAs (Senior Industrial Development Field Advisers) in some 15 developing countries, the identification of agro-industrial cooperative projects for which credits and/or small grants could possibly be obtained through COPAC.

A proposal for the creation of eight cooperative workshops and two consumer cooperatives in Haiti was submitted, as suggested by COPAC, to the Caisse Nationale de Credit Agricole (France).



- Cooperation with the Central Union of Work Cooperatives (Poland)

Within the framework of UNIDO/Central Union of Polish Work Cooperatives Joint Programme on industrial cooperatives, assistance was provided to the Government of Botswana for the establishment of a knitwear industry. A three-week mission jointly financed by UNIDO and the Polish Central Union was undertaken in November 1981, by a Polish expert in textile.

Preparatory work is being carried out for a seminar on the Promotion of Industrial Cooperatives in Selected Developing Countries, which will be organized, in close cooperation with the Central Union of Polish Work Cooperatives and Committee of Workers' Productive and Artisanal Societies (CICOPA), within the framework of the Second World Conference on Cooperatives to be held in Warsaw in September 1983.

- Cooperation with the International Cooperative Alliance (ICA)

Preparatory work has been undertaken, in close cooperation with the International Cooperative Alliance (ICA), ICA Regional Office in Moshi (Tanzania), and the Tanzania authorities, for organizing the present Conference.

## CHAPTER IV

SOME ISSUES

For the sake of convenience, a broad dichotomy can be made between problems which are (i) internal and those which are (ii) external to IPCs although this distinction should not be carried too far as many problems straddle both.

Among problems internal to IPCs, the conference identified the following:

- 1) The socio-economic background and situation of members of IPCs; cooperative principles and their implications;
- 2) Lack of education facilities and management deficiencies, especially in the financial field;
- 3) Lack of access to factors of production;
- 4) Absence of supporting organizations.

Among external problems could be listed the following:

- 1) absence of a positive government policy;
- 2) lack of legislation suitable to the needs of IPCs.

Internal Problems

(i) Socio-Economic background of members of IPCs and Cooperative Principles and Their Implications

It was the feeling of the conference that for reasons stemming perhaps from cooperative principles and practices, the entrepreneurial talent joining the IPCs was not of the highest quality. They were deterred from working in an environment in which they did not exercise supreme control because one member one vote did not allow a proportionately high degree of control to those who had a larger stake in the affairs of the society and because in IPCs the supply of capital was restricted because of the limited amount of incentive offered to those who were prepared to invest more share capital. If, for various reasons, good entrepreneurial skills were kept away from them, the IPCs tended to be burdened with managers of a level lower than the ones available to competing organizations. This resulted in a number of problems for IPCs.

What could then be done to ensure that the IPCs were able to secure the necessary skills at par with other organizations? The conference suggested three approaches. First, it was important that educational facilities were created which suited the especial needs of IPCs. Presentation of national situations revealed that in many countries there were no specific educational programmes available to those who worked with IPCs. IPCs have been latecomers on the national cooperative scene with the result that the curricula caters more for the requirements of those working in the traditional cooperative fields, such as credit, marketing and consumer sectors. Where courses are offered in industrial cooperation, these tend to be rather general and confined largely to theoretical and legal aspects and do not bring the practical field problems into the class room.

Secondly, as mentioned earlier, the conference doubted if each of the generally accepted cooperative principle subserved the interests of IPCs. Cooperative principles, as re-formulated by the ICA Commission on Cooperative Principles and accepted by the ICA Congress in 1966, were, essentially the re-formulation of Rochdale Pioneers thinking and covered the entire spectrum of cooperative activity, and did not necessarily suit the specific needs of IPCs. There were technological compulsions in the IPCs which made, for instance, the minimum number of members in a work cooperative different than those required in other types of cooperatives. Was "open membership" suitable for an IPC? Did it not open up the possibilities of inter-personal conflict within the organization which could seriously undermine the working of IPCs? Finally, the capital resources required by IPCs were perhaps more substantial than those needed by other kinds of cooperatives and any principle which worked against an adequate supply of capital to IPCs was a disadvantage.

Thirdly, IPCs should attract competent managers from the market although here again the philosophy governing an industrial cooperative may discourage competent people to come in.

### Lack of Education and Management Training

A reference has been made to the emphasis the cooperative movement attaches to education. This has generally been divided into (i) education for members; (ii) committee officials, and (iii) personnel. As early as the days of Rochdale Pioneers, a certain sum of money was set aside as "Education Fund". Education, in fact, is included in the principles of cooperation. However, educational and management programmes specially suited to the needs of IPCs are few and far between. Reasons for this have been mentioned earlier. There are indications lately that much more attention is being given now to giving a practical slant to cooperative education, such as the efforts included in ILO's MATCOM and ICA's CEMAS programmes.

The management deficiency is particularly marked in the field of finance. The research study had pointed to the policy implications of this phenomenon. In many Third World countries, government approach has been to provide cooperatives with concessionary finance since through cooperatives the weaker sections in society are assisted. If, as the study had revealed, the cooperatives studied had access to external resources (though not necessarily at appropriate terms and conditions), it was rather the lack of efficient deployment of funds than capital scarcity which was the central problem. If this analysis is correct, then concessionary funds are the medicine for the wrong disease. The conference was of the view, however, that while a less than optimum use of funds was often a problem, an equally serious problem was the lack of supply of capital to IPCs. The situation was often worsened by the built-in tendency in IPCs to under-invest the surplus and by the fact, revealed in several country situations, that where the interests of the individual and the organization were in conflict, there was a tendency for the former to prevail. The mode of operation of IPCs was not entirely familiar to the banks and financial institutions which, in a capitalist environment, were essentially used to dealing with profit-making rather than need-oriented institutions. It would, therefore, serve a useful purpose if in the cooperative banking structure, which at least in some countries is extensive, special attention was given to the needs of IPCs. Repeated references were made to the development in Mondragon where the role of the Caja Laboral Popular had been a central one in the development of the enterprise.

### Access to Other Facilities

Many national reports pointed to the fact that IPCs in their countries were weak organizations, were widely dispersed geographically and, in the absence of a secondary supporting organization, did not have access to market intelligence, raw materials, design improvement service, marketing outlets, etc. In the case of other types of cooperative organizations such as credit, agriculture, consumer, housing, etc. the movements have created, over the course of years, secondary or apex organizations. Primary societies have come into being as members have recognized the usefulness of establishing a joint organization to obtain the economies of scale; in turn, the primary societies have perceived the advantages of forming a secondary organization to satisfy jointly a number of primaries with their commonly felt needs. However, as was clear from national reports, such secondary supporting organizations, with some exceptions, do not exist. Perhaps this is not entirely unexpected either. Industrial cooperatives have been weak and the commodities they produce are not homogeneous since they may be related to industries as diverse as buildings and chemicals, handicrafts and industrial products. Only certain services, such as the supply of finances and marketing outlets can be commonly organized; the organization of these services, however, calls for skills which need a degree of management sophistication not easily found among the ranks of industrial cooperators. Where secondary bodies exist, they try to meet the needs of their heterogeneous primaries by organizing sections dealing with different commodities of interest to their affiliates. Where provision of finance and technical assistance are concerned, secondaries can be more helpful; operating, as they do, on pooled requirements of the primaries, they can employ skilled management and recruit people from the open market. Where the primaries are providing the same commodity, the apex can be effective in organizing market outlets. As the primaries, at least in theory, control the Apex, the latter is more sensitive to the needs of the former. There develops, in course of time, an interlocking relationship of mutual interest although in practice a number of problems beset such relationship.

Relations of the cooperative movement with the government obviously exercise a profound influence on the functioning of cooperative societies. In the industrialized countries, governments do not directly take an interest, positive or negative, in the affairs of the cooperative movement, although inevitably the wider framework of industrial policy, the place assigned to the small scale industries sector, fiscal structure, import-export policy, all affect the operations of the cooperative movement. In developing countries, cooperative movements and governments have very close relations.

The subject whether this relationship is good or bad has been debated extensively in cooperative literature. Governments have considerable stake in the success of cooperative movements since in many countries cooperatives are seen as instruments of equitable distribution of wealth and IPCs especially of making an attack on unemployment. Governments often maintain a Department of Cooperation which is responsible for the registration, dissolution and promotion of cooperatives. However, the feeling of the Conference was that it will be very difficult for IPCs to succeed unless they operated within the framework of a favourable government policy and the government was sympathetic to IPCs organization.

## CHAPTER V

PROJECT DISCUSSIONS

Some 25 industrial cooperative projects for which technical and financial assistance could be provided through international cooperation were brought to the attention of the conference by most of the participating countries, namely Tanzania (6 projects), India (2 projects), Ethiopia (5 projects), Kenya (9 projects) and Zambia (2 projects). These are given in the table following.

FOR TABLE SEE NEXT PAGE

Projects identified by the participating developing countries for their promotion by UNIDO in co-operation with:

The International Co-operative Alliance (ICA)  
 The Committee for Promotion of Aid to Co-operatives (COPAC)  
 The Overseas Development Agency (ODA)  
 The Central Union of Work Co-operatives, Poland  
 The Swedish Co-operative Centre

Country	Projects Identified	Information Available	Assistance Required
<u>Tanzania</u>	<p>Expansion of existing industrial co-operatives in the following fields:</p> <ol style="list-style-type: none"> <li>1. Leather shoes</li> <li>2. Lime burning</li> <li>3. Wood working industry</li> <li>4. General Engineering and repair</li> <li>5. Breaklining</li> <li>6. Tailoring</li> </ol>	<p>Summary table and short project descriptions available (see attachments I and II).</p> <p>Feasibility Studies for projects 1 to 6 with Small Industries Development Organization (SIDO, Dar-es-Salaam).</p>	<ul style="list-style-type: none"> <li>- Financing</li> <li>- Expertise</li> <li>- Training</li> </ul>
<u>Peru</u>	<p>Emphasis was put on the need for:</p> <ul style="list-style-type: none"> <li>- Training programmes in the field of agro-industrial co-operatives management, including training of potential local trainers;</li> <li>- training of industrial co-operative staff at Centres for intermediate technology in developed and/or developing countries;</li> <li>- establishment of savings and credit schemes in rural areas (feasibility study and training).</li> </ul> <p>As mentioned in the paper submitted by the Peruvian participant in the Conference (see attachment III), the assistance to be provided to industrial co-operatives should concentrate on:</p> <ul style="list-style-type: none"> <li>- creation of national financial institutions for industrial co-operatives;</li> <li>- technical assistance in terms of expertise;</li> <li>- training facilities at national and regional levels.</li> </ul>		



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<u>Country</u>	<u>Projects Identified</u>	<u>Information Available</u>	<u>Assistance Requested</u>
<u>India</u>	<p>Proposals were made as to the establishment of:</p> <ol style="list-style-type: none"> <li>1. National centre for Intermediate Technology Transfer.</li> <li>2. National display Centre for Industrial Co-operatives Products.</li> </ol>	<p>Short information included in Attachment IV, page 1.</p> <p>Short information included in Attachment IV, page 2.</p>	
<u>Ethiopia</u>	<p>Transformation of the following handicraft co-operatives into industrial co-operatives:</p> <ol style="list-style-type: none"> <li>1. Agricultural implements</li> <li>2. Basic household goods</li> <li>3. Garments</li> <li>4. Industrial ceramic goods</li> <li>5. Leather goods</li> </ol> <p>Emphasis was also put on the need for</p>	<p>Short information included in Attachment V.</p> <p>According to HASIDA* representative, detailed information on projects 1 to 5 were already submitted by HASIDA to UNIDO.</p>	<p>Financial assistance to:</p> <ul style="list-style-type: none"> <li>- carry out feasibility studies</li> <li>- cover the equipment component.</li> </ul>
	<p>Total Cost (projects 1 to 5) US\$ 10 million</p>	<p>* HASIDA - Handicrafts and Small Scale Industrial Development Agency, Addis Ababa.</p>	

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<u>Country</u>	<u>Projects Identified</u>	<u>Information Available</u>	<u>Assistance Requested</u>
<u>Kenya</u>	<ol style="list-style-type: none"> <li>1. Extension of the programme for small rural multi-purpose workshops.</li> <li>2. Linking building and construction co-operatives with housing co-operatives.</li> <li>3. Development of agro-based co-operative industries.</li> <li>4. Training of Ministry and apex level personnel in practical business.</li> <li>5. Cotton goods co-operatives.</li> <li>6. Office and domestic furniture co-operatives.</li> <li>7. Milk producing co-operatives</li> <li>8. Mobile factory producing concrete bricks for building.</li> <li>9. National Prototype Centre for Handicrafts to meet market needs, develop cost calculation systems, etc.</li> </ol>	<p>short information included in Attachment VI.</p> <p>see prefeasibility study (Attachment VII) and UNIDO Industrial Investment Project Questionnaire (Attachment VIII)</p> <p>Project questionnaires and pre-feasibility studies to be submitted to UNIDO through UNDP office, Nairobi.</p>	
<u>Nigeria</u>	<p>Assistance should be provided in terms of short-term consultancy in order to identify the steps to be taken to promote industrial co-operatives in Nigeria (critical assessment of existing industrial co-operatives, preparation of feasibility studies, establishment of training programmes, etc.).</p>		

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<u>Country</u>	<u>Projects Identified</u>	<u>Information Available</u>	<u>Assistance Requested</u>
<u>Zambia</u>	<ol style="list-style-type: none"> <li>1. Village Women Co-operatives: Village Industry Service.</li> <li>2. Industrial Co-operative Extension and support service.</li> </ol>	<p>Short information included in Attachment IX.</p> <p>Project questionnaires to be submitted to UNIDO through UNDP office in Lusaka.</p>	Assistance in carrying out prefeasibility studies.
<u>Botswana</u> <u>Zimbabwe</u>	<p>Emphasis was put on the potential for development of industrial co-operatives in Botswana and Zimbabwe, and recommendations were made accordingly (see Attachments X and XI).</p>		

The aforementioned projects were further discussed within the framework of person-to-person meetings between the representatives of UNIDO, ICA, the Swedish Cooperative Centre (SCC), the Overseas Development Agency (ODA), The Committee for the Promotion of Aid to Cooperatives (COPAC), and between the representatives of the participating developing countries themselves.

Most of the participating countries also expressed their needs in terms of training programmes and training facilities, establishment of credit and saving schemes, exchange of experiences between centres for intermediate technology, promotion of industrial goods and handicrafts, establishment of national support agencies, etc.

## CHAPTER VI

CONCLUSIONS AND RECOMMENDATIONS

The Conference unanimously adopted the following recommendations:

1. Financial and technical assistance in promoting industrial producer cooperatives in developing countries could be extended through international cooperation between:
  - International Organizations such as the International Cooperative Alliance (ICA), the Committee for the Promotion of Aid to Cooperatives (COPAC),
  - National Organizations such as the Swedish Cooperative Centre (SCC), the Overseas Development Agency (ODA), the Central Union of Work Cooperatives, Poland, etc.
  - United Nations Specialized Agencies (ILO, FAO, etc.), as well as subsidiary and related bodies (UNIDO, UNCTAD/GATT, etc.).

The industrial cooperative projects (see the table pp. 40-43) which were submitted to the Conference by the participating developing countries could serve as a basis for the extension of technical and financial assistance, as described above.

Further steps should be taken by COPAC and UNIDO in identifying new sources of financing industrial producer cooperative projects through cooperative banks and development aid agencies.

Moreover, priority should be given to the integration of women in the field of industrial producer cooperatives.

2. Emphasis should be put on the assistance to be provided to developing countries in organizing training programmes in the field of industrial cooperative management, in establishing training facilities at national and regional levels and in utilizing existing facilities at the international level.

3. In order to assist the cooperative movements in the participating Third World countries in developing self-reliance, special consideration should be given by the organizations mentioned under point 1, as well as by the governments concerned, to the setting-up of national support agencies which would progressively become responsible for providing:

- advice on technology, management, marketing, etc.,
- training facilities,
- financial assistance, etc.

In this connection, a study should be carried out in order to define the optimal form of such support agencies. The UNIDO/SIDO (Small Industrial Development Agency, Dar-es-Salaam), project for the creation of a new unit within SIDO whose overall purpose would be to provide assistance to national industrial producer co-operatives, could serve as an example.

4. Special attention should be devoted to the promotion of industrial goods produced by industrial cooperatives from developing countries through

- the establishment of display centres at national and/or regional levels
- the active participation by developing countries in international fairs and exhibitions oriented towards the promotion of handicrafts, as well as of industrial goods produced by small and medium enterprises and industrial producer co-operatives.

5. Cooperation between UNIDO and ICA should be strengthened through the establishment of a UNIDO/ICA Joint Committee, which would define the most efficient ways and means of meeting the needs expressed by the developing countries in the field of industrial producer cooperatives. The cooperation programme to be developed by the proposed UNIDO/ICA Joint Committee could concentrate on activities such as joint organization of promotional activities (conferences, seminars, etc.), cooperative projects, exchange of information, etc.

6. Special attention should be paid to the promotion of cooperation between research and development organizations from developed and developing countries, as well as between similar organizations in developing countries, in exchanging experiences, trainees, experts, information, etc.

7. Each government policy should clearly enunciate the place to be given to industrial producer cooperatives in the industrial development of the country.
8. More research is needed in industrial cooperatives. Such research should aim at collecting factually accurate information as well as studying the problems experienced by industrial cooperatives and the ways to overcome them. The handloom cooperatives in India, for example, could provide a useful area for investigation.





APPENDIX IProgrammeMonday, 15 February

- Session 1      Chairman: Mr. E.M. Anangisye, ICA Regional Director  
Welcome Address by Mr. B.P. Mramba, Minister for Industries.
- 09:45 hours    "Varieties of Industrial Co-operatives".  
Speaker: Dr. Nicholas Mahoney, Hackney Co-operative Development,  
London, United Kingdom.
- 10:30 hours    Open discussion
- 11:00 hours    "Viabilities of Industrial Producer Co-operatives"  
Speaker: Professor Peter Abell, Department of Sociology,  
University of Surrey, Guildford, United Kingdom.
- 11:30 hours    Open discussion

- Session 2      Chairman: Mr. E.M. Anangisye, ICA Regional Director
- 14:00 hours    "Description of ICA Research Study: findings and recommendations"  
Speaker: Professor Peter Abell
- 15:00 hours    Open discussion
- 15:30 hours    "A critical Analysis of Some Experiences and Problems: A Case Study  
from India and Peru"  
Speaker: Dr. Nicholas Mahoney
- 16:15 hours    Open discussion
- 17:00 hours    Close

Tuesday, 16 February

- Session 3      Chairman: Mr. T. Bottomley, ICA Chief, Education and Development
- 09:00 hours    Overview of activities carried out by UNIDO, ICA, the Overseas  
Development Administration (ODA), the Swedish Co-operative Centre (SCC),  
the Central Union of Work Co-operatives (Poland).
- 10:45 hours    Open discussion
-

Session 4      Chairman: Mr. S.K. Henein, UNIDO Senior Industrial Development Field Assistant.

14:00 hours      Presentation of country background papers.

<u>Country</u>	<u>Speakers</u>
Tanzania	Mr. O.M. Ngowi, Assistant Commissioner, Co-operative Development Department, Tanzania.
Peru	Mrs Beatriz Arenas-Montellanos, Instituto Nacional de Cooperativas (INCOOP), Lima.
India	Mr. Shreedhar Rao, National Federation of Industrial Co-operatives.

15:30 hours      Ethiopia )  
                   Kenya     )  
                   Nigeria )      Professor P. Abell

Ethiopia      Mr. Girna Hunde, Handicrafts and Small-Scale Industries Development Agency (HASIDA).

Kenya          Mr. Benson Kanzungu, General Manager, National Crafts Co-operative Union.

Nigeria        to be determined

17:00 hours      close

Wednesday, 17 February

Session 5      Chairman: Mr. O.M. Ngowi, Assistant Commissioner for Co-operative Development Department, Tanzania.

09:00 hours      Presentation of country background papers (continued)

<u>Country</u>	<u>Speakers</u>
Botswana ) Zambia    ) Zimbabwe )	Dr. H. Mahoney
Botswana	J. Gatsaloe, Commissioner for Co-operatives, Ministry of Agriculture.

10:30 hours      Zambia          R. Kankomba, Zambia Co-operative Federation

Zimbabwe        H. Zengeni, Marketing and Co-operatives Controller, Ministry of Lands, Resettlement and Rural Development.

Session 6

14:00 hours      Workshop on the subject "Promotion of and Support to Industrial Producer Co-operatives".

Leaders: Dr. N. Mahoney/Mr. D.M. Scott, UNIDO Project Manager.

15:45 hours      Report back on Workshop

17:00 hours      Close



APPENDIX II

<u>Countries/Co-operative Organizations</u>	<u>Name Representative</u>	<u>Title</u>
<u>Botswana</u>	John Gatsaloe	Commissioner for Co-operatives, Ministry of Agriculture.
	Bigboy Dabi	Ag. General Manager of Botswana Co-operative Union (Observer)
<u>Ethiopia</u>	Girna Hunde	Co-operative Section Handicrafts and Small-Scale Industries Dev. Agency (HASIDA)
<u>India</u>	Shreedhar Rao	Managing Director, National Federation of Industrial Co-operatives
<u>Kenya</u>	Benson Kazungu	General Manager, National Crafts Coop. Union
<u>Nigeria</u>	Thomas Ekundayo Adeyeri	Chief Executive, Lagos Co-operative Federation
	F.K.A. Adeyifa	Chief Registrar, Agric. Coop. Fed. Min. Eat. Plan.
<u>Peru</u>	Ms. Beatriz Arenas Montellanos	National Institute of Co-operatives, Director of Training.
<u>Zambia</u>	Rodwell Kankomba	Zambia Cooperative Fed.
<u>Zimbabwe</u>	Hector Zengeni	Marketing and Co-operative Controller, Dept. of Marketing and Co-operatives Ministry of Lands, Re-settlement and Rural Dev.
<u>United Republic of Tanzania</u>		
Prime Minister's Office	Onesmo Michael Ngowi	Asst. Commissioner Coop. Dev/Coop Department
	P.N. Tarimo	Coop Dev. Officer, Coop. Dept.
	S.L. Adel	Assistant Commissioner
	P.R. Haonga	Senior Economist
	M.U. Mtui	Senior Planning and Control Officer
	J.E. Mtuma	Planning and Control Officer
	F.A. Chambo	Senior Lecturer
	D.F. Masanja	Senior Project Management Officer

Union of Coop. Societies	F.K. Temu N.S.H. Masoli	Deputy Secretary General Village Dev. Officer
Small Industrial Dev. Organization (SIDO)	R.S. Kuringe J.S. Mlagala	Industrial Cooperatives Project Co-ordinator Director of Research and Planning
Ministry of Industries	H.H. Nyanugali	Co-ordinator of Small-Scale Industries
Ministry of Labour and Social Welfare	G.A. Namwambe	Economist
Ministry of Planning and Economic Affairs	I.M. Mukaruka	Economist
Ministry of Education	S. Rweyemamu	Industrial Training Officer
Union of Tanzania Workers (JUWATA)	H.S. Kipacha M. Bakari	Secretary, Workers Participation and Coops. Regional Secretary JUWATA, Zanzibar
Co-operative College at Moshi	S.A. Chambo	Registrar
National Bank of Commerce (NBC)	P.L. Kamuzora	General Manager, NBC
International Co-operative Alliance (ICA) - ICA Headquarters - Regional Office, Moshi	T. Bottomley E.M. Anangisye	Chief, Education and Dev. Regional Director
SCC - Swedish Coop. Centre	S. Inge Larsson	Leader, Swedish/African Seminar for Ind. Cooperatives
Central Union of Work Coops.	E. Starczewski	
Overseas Development Administration (ODA)	D. Heffer	Assistant Cooperatives Adviser
Committee for Promotion of Aid to Cooperatives (COPAC)	R. Hewlett	Executive Secretary

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**Experts:**

 Professor P. Abell }  
 Dr. N. Mahoney }

 Co-authors of ICA Study on  
 the Social and Economic  
 Potential of Small-Scale  
 Industrial Producer  
 Co-operatives in Developing  
 Countries.

UNIDO

S.K. enein

UNIDO Senior Industrial  
Development Field Adviser  
(UNDP) Tanzania

D.M. Scott

Project Manager, Industrial  
Co-operatives Project

Ms. J. Orlovski

Asst. Industrial  
Development Officer, Non-  
Governmental Organizations  
Section

Dr. S.K. Saxena

Former Director ICA;  
UNIDO Consultant

ICHDA

G. Alder

Observers

40 participants in the ICA  
Regional Seminar on  
Industrial/Handicrafts  
Co-operatives sponsored by  
the Swedish Cooperative  
Centre (SCC).

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