

Priorities in Developing Countries?

by Dr. S.K. Saxena

This paper briefly presents the historical development of ICA's policy in the third world and refers to the two basic documents. The work of Regional Offices is discussed and at the risk of inviting criticism, the paper specifies some narrowly focused priorities for ICA to adopt in its future work in the third world. Some are already on ICA's program. Restrictions of space force generalisations.

Background

Two documents define ICA's policy on Co-operative movements in developing countries. These are comprehensive documents and cover many areas. The first is the *Long-Term Technical Assistance Program* adopted by the ICA Lausanne Congress of 1960. The components of the Program were: the continuation and completion of the Exploration of the Developing Regions; a program of intensive research; the promotion of education at all levels; collaboration with the United Nations and other Agencies; the promotion and expansion of trade between Co-operative organisations in developing countries and the highly developed movements in Western countries; and the promotion of Co-operative insurance societies and Co-operative banks or credit institutions.

The second document on *Co-operative Development Policy* was adopted by ICA's Central Committee in 1982. It emphasized the promotion and growth of independent, democratic and viable Co-operative societies in the third world in which men and women participate on equal terms, promotion of inter-Co-operative collaboration between different sectors and helping to create favourable public opinion for the movements' growth by enlisting the support of international organisations.

The Regional Offices

In the meantime and at different periods, ICA has created several Regional Offices which work in Asia, Africa, Central America and the Caribbean, South America and Europe. In fact, ICA's work in various parts of the world is carried out mainly through its Regional Offices. Of ICA's total 1993 budget, the expenditure on Co-operative development constituted 67%. More importantly, the ICA in going through a much needed process of regionalisation has made its control structure subject to the supervision of Co-operators of the areas which the Regional Offices serve. Until recently, these Offices were supervised by Regional Councils which

consisted of one member from each country; matters had to be cleared with the central authorities of the Alliance although, of course, once the policy was laid down, the day to day work could proceed without reference to the central bodies. Now the Regional Offices report to their own Regional Assemblies.

For many years, the Regional Offices concentrated on the promotion of education which was undertaken through a number of conferences, regional and national seminars and workshops. This was certainly true of the Office for S.E. Asia, and of the two for Africa, the three earlier Offices set up by the ICA. These activities had tended to become repetitive and were not relevant, in an immediate sense, to the efficient running of Co-operative institutions. There was, in other words, less emphasis on the formation of skills which would help the movements to operate efficiently. Education will have to continue, especially leadership and management education, although with a different focus. The concept of economic growth is now broader and includes aspects which had earlier been excluded. The Human Development Index is much more relevant to the Co-operative way of estimating human welfare. "The role of leaders", says the Economist (June 10, 1995), "is changing dramatically. Instead of imposing discipline, they need to release energies". The Regional Offices will have to continue to work in the field of education in developing countries, though, as said earlier, with an altered emphasis.

Some Suggested Priorities

At the risk of being too narrowly focused, we would suggest the following additional priorities for ICA's work in the near future:

- a) a continuing study of the new economic climate and the way it affects the movement's operations;
- b) the diminution in government's role will place enhanced responsibilities on the shoulders of the secondary level organisations; there will be an urgent need to strengthen them;
- c) co-operation between Co-operatives;
- d) wider replication of successful Co-operative developments;
- e) emphasizing Co-operatives' role in the protection and conservation of the environment.

These suggested areas of concentration can be broken down into many

sub-areas. We need not go into details and a brief discussion of the priority areas follows.

The New Economic Climate

The new economic climate throughout the world is characterized by liberalisation, privatisation and globalisation. The ramifications of these inter-linked processes are not our concern here. From the Co-operative point of view, however, the most important result is that liberalisation and privatisation will likely lead to the withdrawal of government control over Co-operative movements and present them with stiffer competition. In fact, this is already in evidence. For several decades, especially in South Asia, governments have played a rather oppressive role vis-a-vis Co-operative movements. This has emasculated democracy and people's initiative and stifled the growth of genuine Co-operatives; general assemblies have been superseded and Co-operatives have been less than responsive to members' needs. A whole army of bureaucracy has grown up in the government which intervenes in the day-to-day running of the movement.

The process of liberalisation has reached varying stages in different countries. In Tanzania, for instance, a recent Act considerably restricts the powers of the Commissioner; these do not now extend beyond registration and liquidation. In Sri Lanka, there are two clearly demarcated streams of the movement, one consisting of Multi-Purpose Co-operative Societies (MPCS) and the other composed of Thrift and Savings and commodity societies. The MPCS act more or less as the implementing agencies of government programs while the latter are relatively autonomous and responsive to member needs. Co-operators are aware and concerned about the changes in economic and political climate as evidenced by the recent seminar on the subject held in Kegalle in Sri Lanka.

In short, the net result of the liberalisation policy will be reduced government intervention in the movement.

Increased Responsibilities of the Secondary Organisations

As government support to the movements declines, increased responsibility will have to be assumed by the secondary and tertiary organisations for providing guidance and supervision to the primary societies. The principle of "subsidiarity" has already taken effect in some developing countries and some well-functioning societies are already providing such support. For instance, the Kaira Milk Producers' Federation (AMUL) in India provides operational guidance to a number of dairy Co-operatives throughout the country.

The task will not be easy and would require considerable strengthening of secondary organisations. A seminar organised by the ICA Office for Asia on "How to Increase the Effectiveness of National Co-operative Organisations" made a number of recommendations in this regard. The primaries will need support, possibly, in the fields of economic policy, membership involvement, maintenance of accounts and general management. Of course, such support will have to come at the request of primaries. We believe that ICA's concentration should be on measures to strengthen the secondary level organisations because the Alliance cannot work directly with the numerous primaries. The emergence of economic groups such as ASEAN (Association of South-East Asia Nations) and SAARC (South Asian Association for Regional Co-operation) and the relaxation of restrictions on entry into national markets will enable multinational corporations with vastly superior resources to work in overseas markets. In fact, this is already happening. Co-operatives will face intensified competition.

Wider Multiplication of Co-operative Successes

Most developing countries show some cases of Co-operative successes. These need to be multiplied after a careful consideration of the factors responsible for their success. An example can be cited from Co-operative legislation. Law has been an important factor in determining the growth of Co-operative movements in developing countries. Genuine Co-operators have voiced their criticism of restrictive legislation. Only recently, through the consistent efforts of what is known as the Co-operative Initiative Panel, a new law called Mutually Aided Co-operative Societies Act has been passed in May 1995 in the Andhra Pradesh Assembly, a State in South India. The importance of the law consists in its liberal nature which restores to the General Body its supreme decision making authority; moreover Co-operation in India is a State subject and the authorities for the country as a whole are concerned only with Co-operatives which work in several States. The content of the legislation and the long battle by Co-operators to have it passed by the Provincial Assembly do not concern us here. It is enough to mention that the new law satisfies the wishes of Co-operators who believe in the basic values of Co-operation.

It would be an important task for the ICA to examine how it could help in replicating, with suitable modifications, similar Acts in other parts of the third world. The climate seems to be ripe in view of the radical changes in thinking currently taking place.

Co-operation between Co-operatives

Collaboration between Co-operatives is another area which needs ICA's

urgent attention: in fact, it already figures on ICA's program. I have recently discussed this difficult principle in some detail in another context. The producer-consumer dichotomy and the political factors associated with agricultural and consumers' Co-operation have not allowed the sectors to work in a collaborative way. It is important, again in view of the intensified competition, that the various sectors join together their forces if they are to withstand the onslaught of competition. Although there are numerous cases of Co-operatives joining together - e.g., federations, the secondary sector - disunity still persists in the movement.

But unity within the movement cannot be forced; this will be counter to Co-operative thinking and practice. Perhaps three steps could be suggested to accelerate the process. First, it is important that information on forging economic relations between Co-operatives is made available to interested organisations. Second, broad-based Co-operative education programs would emphasise to the participants the existence and relevance of Co-operative sectors other than their own. Common roots of Co-operation will need to be underlined. Finally, more research has to be undertaken on 'Co-operation' in the sense in which the word is used in the movement and on 'co-operation' i.e. in the word's more general sense. Such research will, hopefully, identify the difficulties experienced in Co-operatives collaborating with other Co-operatives and the ways in which these could be overcome.

Co-operatives and the Environment

The last area for ICA emphasis in developing countries would be on the role of the movement in the protection and conservation of environment. Its spoliation in developing countries and the vast tracts of land which lie degraded are well documented. The ICA discussed the subject in Japan three years ago. What can Co-operatives do in this field? Some examples are available from the movements in Canada, Sweden, Japan, India and Sri Lanka and others.

In a forthcoming publication, I have suggested a five-pronged strategy for the engagement of the movements in this worth-while task whose neglect threatens to overtake us all. Briefly these are: awareness-raising and, because of the need for setting priorities caused by resource scarcity, concentration, in the short run, on the directors of societies; emphasis in movements' education programs on elements common to Co-operative ideology and the fight against degradation of environment; establishing contacts with technical organisations and with relevant government agencies; collaboration with like-minded organisations IFAP (International Federation of Agricultural Producers) and UNEP (United Nations Environmental

Programme) come to mind; and support to an Environment group at the international Co-operative level.

Summary

Against the background of two ICA policy papers on the promotion of Co-operation in developing countries, this paper has discussed the creation of ICA Regional Offices in various parts of the world. Control structure is now regionalised. Reference is made to the changing economic policy characterised by liberalisation, privatisation and globalisation. This process is likely to mean the gradual withdrawal of government interference in the Co-operative movement and a simultaneous increase in the responsibilities of the secondary sector for providing guidance to primary societies.

In addition to continuing leadership and management education but with a changing focus, the paper suggests five priorities for ICA work in the third world:

- (a) Continuing study of the new economic climate;
- (b) Strengthening the secondary or national level organisations;
- (c) Promotion of co-operation between Co-operatives;
- (d) Replication of successful Co-operative cases; an example has been cited from Co-operative law; and
- (e) Encouraging the role of Co-operatives in the protection and conservation of environment.

The Author

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