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# Argentine President Supports Co-operative Meeting (1997)

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June, 1997  
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## Argentine President Supports Co-operative Meeting \*\*\*\*\*

The Co-operative Confederation of the Republic of Argentina (COOPERAR) and the ICA Project Office for the Southern Cone of Latin America held an international seminar on "Economic Growth with Social Development: The Co-operative Experience" from 17 - 18 June in Buenos Aires.

At the Seminar, several major agreements were signed between ICA And COOPERAR and the National Institute for Co-operative and Mutual Action (INACYM), as well as between COOPERAR and the Provincial Institute for Co-operative Action (IPAC). Plans were formalized to both develop training activities and to strengthen commercial intersectoral networks among co-operatives.

The Seminar, which was declared to be of national interest by the President's Office, was sponsored by INACYM, IPAC, the National Secretariat of Social Development, the Ministry of Production and Employment of the Province of Buenos Aires, and supported by Credicoop, Mayo Banks, and Previsol AFJP. It attracted over 400 Participants including ICA Vice-President for the Americas, Roberto Rodrigues and Alternate Vice-President Miguel Cardozo, Director-General Bruce Thordarson and Senior Project Advisor, Arsenio Invernizzi of ICA, Geneva.

The Seminar's four plenary sessions established a foundation for strengthening relations between Argentine co-operatives and those from other parts of the world. A new vision of the public role of the co-operative economy was also developed.

## Empowerment of Small-scale Farmers in Bolivia (1997)

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Empowerment of Small-scale Farmers in Bolivia

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The province of Chuquisaca outside the city of Sucre is one of the poorest regions of Bolivia, which itself is the second poorest country in Latin America. In this region, the ICA-FOPROPE project, Empowerment of Small-scale Farmers, began in September 1994. The programme is financially supported by the Finnish government and by community counterparts, such as the saving and credit co-operative COSAL, local authorities and local non-governmental organisations.

The president of Bolivia, Gonzalo Sanchez de Lozada, in a September 1996 speech to the presidents of Latin America, stressed that all Latin American countries "should make accessible to the poorest parts of the population small loans and appropriate technology... instruments that could allow these people to free themselves from poverty." ICA, in conjunction with the Finnish government, instituted their programme with objectives that encompassed those of the Bolivian president. The main goal of the project is to empower rural small-scale producers by providing small loans and technical assistance; other objectives include a general improvement of living conditions, combating migration to urban areas, and providing training and educational services to improve utilisation of scarce resources. The programme's most important aspect is the credit scheme; however, in order to overcome the technical and economic constraints of rural producers, the scheme is accompanied by training courses, information programmes and technical supervision at the grass-root level. The credit scheme involves giving loans to small-scale farmers, limited to UUS\$ 50 to 200, which are used for commercial production and subsistence farming. The annual interest rate is 24 per cent, the lowest market price for this type of loan in Bolivia. Loans are typically repeated several times to the same families, but new access is contingent upon the repayment of the previous loan. The credit scheme began in May 1995, when the first US\$ 170,000 was put into the credit and guarantee fund of COSAL. Little demand existed in the beginning of the project, with only 31 per cent of the money in the fund circulating. However, demand has grown steadily, and in August 1996, 100 per cent of the money was in circulation. The fund grew to US\$ 300,000 by the end of 1996, but due to requests by new communities to enter the credit programme, along with heavy demand from participating communities, the fund was unable to grant loans to all who applied. However, with the extension of the programme by the Finnish government through the year 2000, demand will be met and new communities will soon be able to participate.

ICA-FOPROPE and COSAL supply loans for a variety of different projects, but families mainly take loans to help with agricultural production. Agricultural loans are broken down into two categories in order to be better able to examine the results: loans in regions with irrigation and loans in areas of rain-fed irrigation. In areas with irrigation (all figures approximate), the production of families rose 35 per cent, the area of land under cultivation was extended by 30 per cent, and the average income increased 40 per cent. Food security remains the principal objective in regions of rain-fed agriculture, and the main function of loans is subsistence rather than commercial production. In all cases in these areas, the harvest value was slightly higher than the production costs, with the sales income covering all the financial inputs for production but covering only partially the labour costs. People in the participating communities have also taken the initiative to borrow money for projects other than agriculture. In two communities women took loans to purchase sewing materials for the commercial production of clothing. They earned a monthly net revenue of \$US 50 to 60, \$US 20 to 30 higher than what they would have earned in the city as servants; this therefore successfully combats migration to the cities and prevents the separation of families. Other groups took loans to buy cattle and dairy cows, both of which proved to be sound investments.

Another important aspect of the programme is the training courses. These courses are available not only to the loan recipients, but to all members of the community. Organisation of the courses began in April of 1996, and currently 42 courses are being offered in the communities participating in the credit scheme. In addition, there are 26 courses offered in communities not involved in the scheme. Courses are given on better production techniques, co-operative organisation and management, administration and book-keeping, and other relevant topics.

Although the impact of the training courses is hard to measure qualitatively, it is certain that they help to guarantee profitability of loan investments, as well as provide the families with better technical knowledge to improve production and raise

their quality of living.

The programme also incorporates feasibility studies to support the decentralisation of development resources in Bolivia. Studies are done on the micro-investments of municipalities, co-operatives and other institutions favourable to the communities. The goal of these studies is to create favourable developmental conditions in the villages and encourage the adoption of new technology. Another component of the project is support for trading and the commercialisation of handicrafts and agricultural products. Communities are given help in planning their production so as to maximize commercial profit.

In addition, the project supports rural co-operatives and works with co-operative organisers to help them maximize investments with the ultimate goal of self-sufficiency. There are also plans to support a women's service co-operative for the commercial production and sale of traditional textiles made in the communities.

It is unarguable that this project has had a very positive impact on the communities involved. Both ICA-FOPROPE and COSAL believe that what is needed to continue the success of the project is a sustainable credit scheme, not simply a short-term programme. At present, the credit scheme is not self-sustainable, as it does not cover the costs of credit distribution, of recovering loans, nor of the technical supervision necessary to help families maximize the productive capacity of their loans. The scheme is effective due to external financial support during the first two years of the project, covering the cost of technical assistance as well as 50 per cent of the credit fund.

With the extension of the project to the year 2000, self-sustainability may be reached with the implementation of other supplementary measures, such as an increase in credit co-operatives' total credit funds, more active and organised community representatives in the governing bodies of COSAL, and continued support at the grass-root level to supervise the loan destination and utilisation by the families. It is the hope of ICA-FOPROPE and COSAL that with the progressive implementation of these measures the credit scheme will one day be able to operate with no external assistance.

## World Overview (1997)

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June, 1997

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World Overview

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Canada : SWP Reports Landmark Year

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 Canada's largest co-operative, Saskatchewan Wheat Pool, increased its net earnings in 1996 by 48 percent to 48.4 million Canadian dollars. It also successfully completed its conversion into a "publicly-traded co-operative". Under its equity conversion programme, existing member share capital was converted into Class A (voting) and Class B (non-voting) shares. The Class B shares, listed on the Toronto Stock Exchange, increased in value during the year. Class A shares are held only by active farmer-members in order to maintain member control. Revenue-wise, SWP is now the 54th largest company in Canada.

(Source Saskatchewan Wheat Pool Annual Report, 1996)

India : News from The Link

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 The Central Registrar of Co-operative Societies has exempted the NCUI and its President from Sections 36 & 37 of the Multi State Co-operative Societies Act.

Kerala High Court stays a Government ordinance disbanding the Boards of 14 District Co-operative Banks in response to a petition filed by the affected Boards.

The Uttar Pradesh Government has enhanced the Registrar's powers while severely curbing co-operative autonomy.

Tamilnadu Government has announced intentions to amend the State Co-operative Act.

31 Gujarat co-ops are reported to be affected by the CRB scam.

GOA co-operators unanimously decry draft new Goa State Co-operative Societies Act and demand a public debate.

For the full story, please contact: Sudarshan Srinivas, Managing Editor, The Link, C.I.P. Secretariat, IRMA Campus, PB No 60, Anand 388 001, Gujarat, India. Fax: (02692) 40188; E-mail srini@fac.irm.ernet.in; website: <http://irma.irm.ernet.in/~cip/ciphome.html>

(Source The Link, June 1997)

Indonesia : Exhibition Celebrates Year of Co-ops

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 An Exhibition on International Co-operative and Small and Medium Enterprises (SMEs) took place in Jakarta in July 1997 as part of a series of events to mark the Year of Co-operatives declared by President Soeharto in commemoration of the 50th anniversary of the Indonesian Co-operative Movement. Over 500 co-ops and SMEs from 27 Indonesian provinces and 100 from 15 other countries participated in the exhibition which was officially opened by the President and supported by ICAROAP during the Ministerial Meeting in April 1997. For more details, visit the exhibition home page: <http://www.rekkamedia.com/cooperative97>.

(Source REKKA Media E-mail)

Japan : Quake Victims Link Hands

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 Although still struggling to recover from the earthquake which hit Kobe in 1995, Co-op Kobe mobilised its local volunteer centre and raised ,912,771 yen to help residents of Yunnan Province in mainland China which was struck by an earthquake on 3 February of 1996. This money was combined with contributions from the local NGO Liaison Committee for the Relief of Victims from the Kobe earthquake, the YMCA, the International Co-operation Centre and other groups to total of 22,230,000 yen, which was used for the reconstruction of five elementary schools destroyed in the quake. These are now consolidated into one complex which has been named the Li Jiang Friendship Centre Elementary School to commemorate the growing friendship between the two countries. The aid programme, as well as a series of cultural exchanges between schools in Japan and China have also strengthened ties.

(Source Co-op Japan Information, June 1997)

Co-ops Help With Oil Spill Clean-up

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 The Japan Joint Committee of Co-operatives donated 2.6 million yen to the Conference Against the Oil Spill Disaster, a group established by ZENGYOREN, JCCU, ZENCHU and seven other societies,

to help local fishermen and residents remove oil following a Russian oil tanker spill off the Japanese coast in January 1996. Many co-ops established links with people in the affected areas and offered to help. For example, Co-op Sapporo in Hokkaido raised funds and collected relief supplies and sent 15 staff members to help with the clean-up operations. Co-op Yamanashi also sent volunteers, warm clothing and cleaning utensils and Fukui Co-op of Fukui Prefecture sent a volunteer to serve meals and provide relief supplies to those involved in the clean-up.

(Source Co-op Japan Information, June 1997)

#### Kazakhstan : Kazak Co-operators Visit Geneva

A delegation from co-operatives in Kazakhstan visited the ICA Secretariat in Geneva in July 1997 to discuss working methods in Western Europe, financial management and the promotion of membership. The visitors met with Bruce Thordanson, Director-General, to discuss the principle aims of the organisation, with Mats Ahnlund to discuss member services and with Alina Pawlowska, who presented the database project on statistics.

The visitors particularly appreciated a visit to Coop Geneva's Distribution centre and discussions with Mr. Lechaire, Director of Coop Geneva, on competition and development strategy.

Kazakhstan has developed a dynamic co-operative movement. The consumer co-operatives, which are to be found in rural areas, manage a huge network of stores and distribution centres, together with enterprises for the transformation of agricultural products and restaurants.

Owing to inflation and privatisation, the movement's market share dropped from 30% in 1990 to 6% in 1996. Its main priority is to overcome the crisis and to adapt to the environment where competition has become a keyword in order to provide the best service possible to its members.

#### Korea : NACF Training Courses

The National Agricultural Co-operative Federation (NACF) of Korea will organise a two-week international training course on agricultural marketing for 20 participants in late September. The course, which will be sponsored by NACF and the Korean Government, is part of an ongoing programme supported by the government. The last event under the programme was a training course on rural development and agricultural co-operative management held at the Agricultural Co-operative College in April and May this year, which included participants from Indonesia, Iran, Sri Lanka, Kazakhstan, Uzbekistan, Butan, Nepal, Mongolia, Senegal, Gabon and Honduras.

(Source NACF e-mail)

#### Moldavia : ICA Europe Visit to Moldova

Gabriella Sozanski, Secretary of the European Council, visited Moldova in June after the consumer movement requested ICA assistance in lobbying the government and parliament of Moldova in support of a newly proposed law on co-operatives. Ms. Sozanski met the Vice Prime Minister, Valerij Bulgaru, the deputy speaker of the Parliament, Dumitro Djakov and the chairman of the Parliamentary Commission in charge of co-operative legislation, Ion Curkanu. Visits were also arranged to the Co-operative Commercial University, Co-op hospital, as well as to various enterprises belonging to the movement. Co-op societies in Moldova are still restricted to the rural areas where they provide 64% of the population with consumer goods.

#### Philippines : MacPherson Meets Philippine Co-operators

Dr. Ian MacPherson, an internationally recognised authority on co-ops who led the ICA's latest review of co-operative principles, was the keynote speaker at the 20th general assembly of the Philippines' National Confederation of Co-operatives (NATCCO) held in May. The assembly in Tagaytay City, south of Manila, had the theme "Philippine Co-ops into the 21st Century." NATCCO is the country's biggest national federation of co-ops in terms of geographical reach, membership, financial base and array of services. It now has more than 1,700 affiliate co-ops with about a million people comprising the membership base.

(Source NATCCO e-mail)

#### Russia : Centrosoyus is First to Achieve Gender Balance

In 1995, the ICA General Assembly adopted a resolution, "Gender Equality in Co-operatives" which called for the improvement of Gender balance in co-operatives. The ICA Board in 1996 called on the ICA President to write to and to ask member organisations to formally plan to increase the representation of women at all levels.

The ICA Secretariat is happy to announce that Centrosoyus of Russia is the first ICA member organisation to register a gender-balanced delegation of representatives to the ICA General Assembly. Eight women and eight men will vote in the election of the ICA President, Vice-Presidents, Board Members and Audit and Control Committee. In this way, Centrosoyus has concretely contributed to increasing women's participation in ICA decision-making.

#### On the Eve of the 3rd Millennium

The 5th General Assembly of the Russian Federation of Consumer Co-ops was held in Kirov 31 July - 1 August. The participants discussed the social and economic problems facing consumer co-operation and adopted the following appeal to Russian co-operators. Russian consumer co-operatives face decreasing retail turnover, procurement of agricultural products and raw materials, and production. Many co-operatives have lost assets and are in debt; two thirds finished last year with losses. A radical modernisation of corporate

governance and management control is necessary. A new Federal Law, on "consumer co-operation in the Russian Federation," passed in July 1997, states that consumer co-operation is recognised by and protected by the Russian State. The Law outlines reforms, including the promotion of the members' role in decision-making, modernisation of governance and control structures, and strengthening leaders' responsibilities and discipline. To conform with the law, Consumer societies will form new governing and executive bodies to increase membership, ensure strict control over the management of co-operative organisations and enterprises and improve the quality of leadership.

(Source Centrosoyus, Moscow, 6 August 1997)

Slovakia : Producer Co-op "Best Supplier" for IKEA

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The Slovak Producer Co-operative Society "KNK" in Lubietova has received the 1996 award as "Best Supplier for IKEA," accompanied by a prize of 100,000 Swedish Crowns. The 240-employee co-operative has been supplying furniture accessories to IKEA for eight years, with sales rising from 3 million to 12 million Swedish crowns during that period.

(Source: Slovak Co-operative News, issue no. 1, 1997)

Switzerland : Coop Switzerland and Organic Products

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Coop Switzerland has recently inaugurated a web site providing information on its product line - NaturaPlan - of organic and environmentally-friendly products. The product line has been a success with consumers in Switzerland and is being expanded. NaturaPlan products are expected to cover 15-20% market share by 1998, representing a turnover of CHF 400 million (approx. USD 250 million).

For information on Coop NaturaPlan, see the Co-op Switzerland web site: <http://www.coop.ch>

United Kingdom : Top Speakers for UKCC Forum

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Graham Melmoth, President of ICA and Chief Executive of CWS (UK) is to be a keynote speaker at the UK Co-operative Council's Annual Forum at the CIS Headquarters in Manchester on 21-22 November. Places can be reserved in writing from Peter Walker, Chief Executive, UKCC, c/o The Co-operative Bank plc, 1 Balloon Street, Manchester M60 4EP.

# ICA Europe Flood Appeal (1997)

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ICA Europe Flood Appeal  
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ICA Europe is launching an appeal for financial assistance on behalf of consumer co-operatives in Central and Eastern Europe following the severe floods which have claimed many lives and caused widespread material damage.

To give an example of the disastrous consequences of the flooding, a faxed letter from the Union of Czech and Moravian Consumer Co-operatives based in Prague reports:

"In this natural calamity, a lot of facilities belonging to the Union or respective co-operative organisations were either completely or partially damaged. A number of our newly-built supermarkets were flooded with water, and all stock and interior equipment including recently installed cold-storage technology were devastated. Some of the smaller retail shops were just swept away.

In Prague, at the Consumer Co-operative Union office, we have been collecting information on the scope of the damage in particular regions and we are trying to help in the worst cases, but our financial resources are rather limited."

Another appeal reached ICA from the National Co-operative Council of Poland requesting assistance in any possible form:

"Your help will be a token of the international solidarity of co-operators...Please remember that the Polish co-operative movement is only just in the process of reconstruction after years of planned economy and the later period of government hostility and now it has been stricken by natural disaster. We need your help - this is the moment to substantiate the international solidarity of co-operators."

ICA Europe is establishing a fund to enable ICA members and readers of the ICA News and Review to respond with financial aid for co-ops in the devastated area of Europe. By co-ordinating efforts with the Movement, it should be possible to raise a significant sum and ICA Europe will do everything possible to ensure that the money goes to those co-operatives in greatest need, both in the Czech Republic and elsewhere in the region.

Therefore, a special dollar account has been set up in Geneva. Please transfer donations in US dollars to:  
UBS Geneva Account Number 205 202 600; mark your transfer FLOOD APPEAL. Many thanks for your solidarity.

# ICA Calendar (1997)

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ICA CALENDAR  
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For all meetings related to the ICA General Assembly in Geneva  
in September 1997, please consult the schedule attached in the  
special issue for the General Assembly

3-5 October 1997  
ICA Research Conference  
Bertinoro, Italy

November 1997  
Regional Conference for the Americas  
Mexico City, Mexico

August 1998  
Regional Assembly for Africa  
Lusaka, Zambia

15-16 October 1998  
Regional Assembly for Europe  
Paris, France

October 1998  
Regional Assembly for Asia & the Pacific  
Paris, France

November 1998  
Regional Assembly for the Americas  
Montevideo, Uruguay