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GROUP 5. CO-OPERATION

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All the participants of the group were connected with the co-operative movement in their respective countries and subscribed in general to a belief in its basic importance in economic development, especially in less fully developed countries.

The attitude of government and the degree of its willingness to help the movement varies between countries. Enthusiastic and concrete support by government for co-operative development is a requirement for adequate economic and social development in rural areas which can be achieved only by co-operation. This applies to the newly developing countries to a much greater extent than has generally been the case in developed countries where co-operatives have tended to be regulatory in nature.

Co-operatives should be able to perform their services as efficiently as non-co-operative business enterprises. In many under-developed countries the co-operatives are being supported by government as a chosen means of developing economic activities which are not otherwise being performed except in a rudimentary way. The relationship between the state and co-operatives is extremely important from the point of view of co-operative development and economic growth in general.

Financial and technical help from government is essential in the less-developed countries because of the absence or near absence of financial and technical resources available to the bulk of the farm people. Nevertheless, co-operation should develop as a free voluntary movement. Government assistance should be transitional, looking to the day when a developed movement would provide the financial and technical means for sustained growth from its own resources.



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Meanwhile the relationships between government and co-operatives pose problems for the development of a free voluntary movement. Different ways in which government can best provide incentives to co-operative development is a fruitful area for continuing examination.

Co-operative education, both in training of staff and of leaders, and for the general co-operative membership, is fundamental, especially for training local people in the running of their own co-operatives. Co-operation should be a feature of the curriculum of technical, vocational and college institutions. In this connexion the distinction between technical staff training and membership education is to be noted. The former is a proper function of either state or co-operative institutions. The latter, even though financially assisted by government, should be carried on exclusively by the co-operative movement itself.

Co-operative credit was discussed. Practices vary, but the need for credit as a loan from state institutions is general, and the central importance of credit to agricultural development and co-operation is recognized. Experience in most less-developed countries indicates that provision of credit is not successful unless integrated with the development of supply and marketing co-operatives.

No firm conclusion is possible on the question whether it is better to have integrated and multi-purpose co-operatives or co-operatives along single-purpose lines, though there is no doubt of the need for integration of co-operative services, especially supply and marketing.

Enthusiasm can lead to the establishment of co-operatives without adequate investigation, with a result that they are often too small, and overestimate the size of the economic potential which they are designed to realize. Adequate investigation should always precede the formation of co-operatives. Poor management is an important cause of failure.

There is an intimate relationship between agricultural co-operative development and agrarian reform. The changes in social and economic institutions accompanying land reform often make it desirable to develop co-operatives to meet the new needs.