

ECONOMIC AND SOCIAL
CONSULTATIVE ASSEMBLY

The cooperative, mutual and non-profit sector and its organizations in the European Community

*EUROPEAN
COMMUNITIES*

*ECONOMIC AND SOCIAL
COMMITTEE*

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Note

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A number of freelance researchers whose names are listed at the end of this publication, assisted the team set up by the Division to evaluate the very extensive literature and draft the descriptions of the cooperative, mutual and non-profit sector.

Publication of this handbook does not imply formal recognition by the Economic and Social Committee of the organizations covered.

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Preface

The European Community of Ten has a population of 272 million. Approximately 55 million are members of cooperatives, over 60 million are members of mutual benefit societies and several tens of millions are members of non-profit associations. At least half the population belongs to organizations based on solidarity rather than profit.

Given its scale and specific character, the cooperative, mutual and non-profit sector could not be ignored by the institutions of the European Communities. As early as 1978, a symposium was organized at the General Secretariat of the Economic and Social Committee of the European Communities on the place of non-profit organizations in the Europe of the eighties. In 1983, following a wide-ranging two-year debate, the European Parliament adopted a resolution recognizing the achievements of the cooperative movement in Europe and calling on the Commission to encourage Community action in this area.

One of the essential preconditions for the participation of the cooperative, mutual and non-profit sector in the development and implementation of relevant Community policies (development, aid, employment, regional development, industry and tourism, etc.) is an adequate knowledge of what the sector represents in terms of human resources, economic impact and innovative ability. Such knowledge would make it easier to bring together cooperative, mutual and non-profit organizations at Community level, and thus put the sector in a better position to make an effective contribution to the development of the Community.

It is the object of the present handbook to provide this information. It defines the cooperative, mutual and non-profit sector, highlights its fundamental characteristics and lists the main national and Community-level organizations.

I trust that this handbook will help persuade those in charge of these organizations of the need to join forces in order to play the active role which the Community institutions wish to assign to them.

ROGER LOUET
Secretary General
of the
Economic and Social Committee

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PART V

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SPAIN

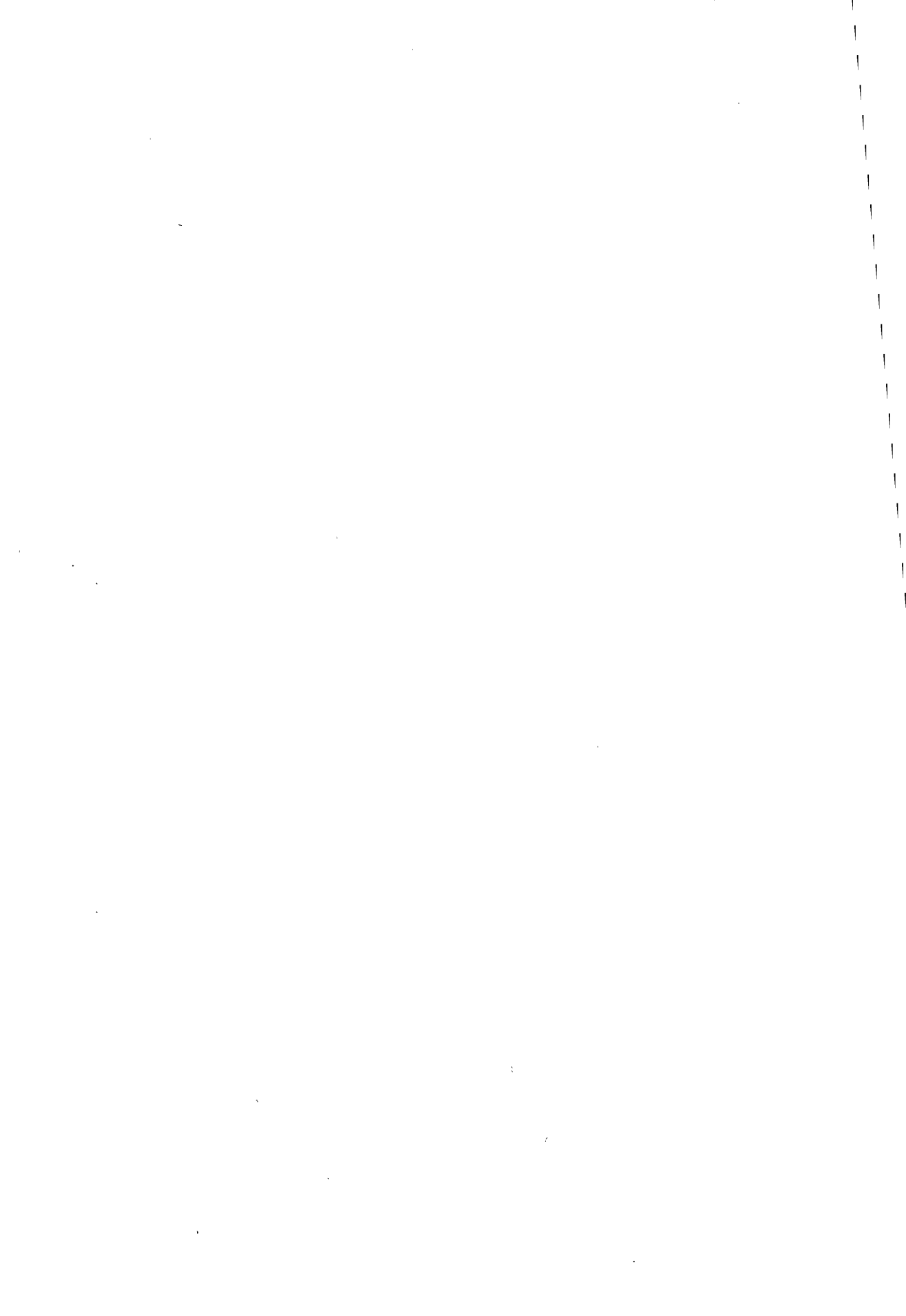
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PART I

GENERAL SURVEY



I. A stock-taking exercise

The decision to produce this handbook was prompted by the European Parliament's intensive two-year evaluation of the role of cooperatives in the European Community, which ended with the adoption in April 1983 of a resolution and a report on the cooperative movement in the European Community (Rapporteur, K.H. Mihr). It became apparent in the course of the debate that the absence of a comprehensive survey of cooperative, mutual and non-profit organizations in the Community made it virtually impossible to make firm statements about the structure and economic significance of this sector.

The Secretary-General of the Economic and Social Committee, Roger Louet, with the agreement of the then Chairman, Tomas Roseingrave, consequently instructed the Studies and Research Division of the ESC General Secretariat to survey the entire sector.

The aim of the work is to make a factual contribution to the debate on the role of the cooperative, mutual and non-profit organizations within the European Community. It describes Community-level organizations based in Brussels, and the national cooperative, mutual and non-profit organizations of the ten Member States. In addition, the handbook briefly describes the cooperative, mutual and non-profit organizations of the applicant States, Spain and Portugal.

Each section begins with a general survey.

The part dealing with Community-level organizations covers seven sectoral organizations, and includes a brief account of the multisectoral European Coordinating Committees, Ciriec (International Centre for Research and Information on Public and Cooperative Economy), and the new cooperative tourism organization Cecotos.

The part covering national organizations (Part III) consists of 100 sections each following a set pattern: 11 for Belgium, 6 for Denmark, 18 for the Federal Republic of Germany, 25 for France, 6 for Ireland, 6 for Italy, 3 for Luxembourg, 12 for the Netherlands, 11 for the United Kingdom and 2 for Greece. In Parts IV and V 12 Spanish and 15 Portuguese organizations are considered, plus 8 trade union associations and undertakings. All these sections concentrate on setting out structures, aims, economic activities and relationships with other cooperative organizations at national and Community level.

The national umbrella organizations for both sectoral and intersectoral organizations are covered. Full data could not be included in the sections on non-profit associations, except in the case of France, although some information was compiled in this area for Belgium, the United Kingdom and Ireland. In the other Community countries there are virtually no national-level non-profit organizations. The low degree of structuring and the diversity of the activity of non-profit organizations precluded a detailed treatment.

A further obstacle was the absence of any reliable basis for assessing the role and activity of Greek cooperatives, since it is not clear in what way the policies of the present government will be achieved and its legislative proposals cannot yet be fully analysed. Consequently the handbook only covers the relatively tightly structured agricultural cooperative association Paseges, and the consumer cooperative organization Katanalotis-Konsum.

The handbook can therefore in no way claim to be exhaustive.

This study is the sixth book in the series on economic and social interest groups in Europe, edited by the ESC's Studies and Research Division, the previous volumes being: *European Interest Groups and their Relationships with the Economic and Social Committee* (1980), *The Economic and Social Interest Groups of Greece* (1981), *The Economic and Social Interest Groups of Spain* (1983), *The Economic and Social Interest Groups of Portugal* (1984) and *Directory of European Agricultural Organizations* (1983).

The purpose of the handbook is to provide a source of information for discussions in the various Community bodies, especially the Commission and the European Parliament, on involving cooperative, mutual and non-profit organizations in the formulation of Community policies.

At the same time it is intended to furnish members of the cooperative, mutual and non-profit organizations, who are interested in closer cooperation within the European Community, with the factual information indispensable for bringing together the national and Community levels.

II. Working methods, layout and content of the text

1. Working methods

The information for this handbook was largely compiled over a two and a half year period (from March 1982 to October 1984). The associations' publications (rules, reports and published statements, etc.) were evaluated and 160 leading figures were interviewed. The associations were given the opportunity to comment on drafts and to make suggestions. The sections were as a rule drafted in the language in which background material was available — namely French, English, German or Italian. The papers on the Danish and Dutch associations were drafted in English, those on the Greek associations in French. The handbook has been published in English, French and German.

Because of the sheer volume of the material available, it was impossible to incorporate all organizational changes made after September 1984.

2. Layout and content of the text

The layout and the topics covered can be seen from the contexts. The standard layout for the sections is reproduced on the inner cover.

Part I, 'General Survey', gives the background to the structure, economic activities and role of cooperative, mutual and non-profit organizations in the Community, and discusses the complex concepts of 'cooperatives', 'the social economy' and 'the non-profit sector'. The tables provide a coherent Community-wide picture of the main structural and economic information on the cooperative movement.

Part II describes Community-level cooperative associations and intersectoral bodies and committees.

Part III contains a description of the cooperative movement in the individual Member States of the Community and the leading national cooperative, mutual and non-profit organizations.

Where necessary, those sectors which have not formed a Community-level cooperative federation are dealt with separately. Accordingly, the sections on each country cover the main organizations, a description of the sectors in which they are active, and also a diagram of the cooperative and related sectors. The sections are in the same order as the Community tables in Part I, except in the case of France, where the classification used within the French social economy sector is retained.

Part IV contains a description of the economic activities of the trade unions in individual Member States. Because many large national trade union confederations are not involved in economic activity, this section relates only to the Federal Republic of Germany, Denmark and the Netherlands. Links between the cooperatives and the trade unions are also discussed.

Part V is devoted to cooperative, mutual and related bodies in Spain and Portugal. It also includes an outline of the Basque cooperatives (Mondragon Group), which in some respects provide a model for cooperative groups in Europe, and of the independent cooperatives in the autonomous region of Catalonia.



III. Scope of the handbook — Methodology

As already stated, this handbook is mainly concerned with Community and national cooperative organizations. It also includes, however, all those related groupings which pursue an economic activity and take part in the market economy but are motivated by group solidarity and have a specific social goal. In addition to the cooperatives, this group includes the mutual benefit societies, and other non-profit and self-help organizations which meet the above criteria.

As regards France, the text deals with the sectors which come under the umbrella of the Comité national de liaison des activités mutualistes, coopératives et associatives — CNLAMCA (National Committee for the Liaison of the Activities of Mutual Benefit Societies, Cooperatives and Non-profit Associations).

As an empirical investigation, however, wishing to reflect the true situation in these economic sectors in *all* the Member States of the Community, the text avoids using the general term *économie sociale* (an approximate translation would be 'social economy'). The term is used for these three branches of economic activity in France, but is unknown in most other Community Member States, including the United Kingdom, the Federal Republic of Germany, the Netherlands, Denmark and Ireland, and therefore has no meaning for them.

In other countries, such as Belgium, the term is regarded as somewhat 'ideologically loaded', because it is used predominantly by the socialist cooperative movement (Febecoop), and as a result has hardly been used at all by non-socialist cooperatives.

Leaders of Italian cooperatives, such as LEGA,¹ and Italian Members of the European Parliament, including Mrs Baduel Glorioso² are making increasing use of the term 'social economy'. However, the term has not yet gained acceptance on a Community-wide basis notwithstanding its acceptance in France, to some extent in Belgium, Luxembourg and Italy.

¹ e.g., article by Walter Briganti 'Oggi, tiepida amicizia', in *Avanti*, July 1983.

² See opinion of the Committee on Social Affairs and Employment on the Mihr Report, doc. PE 74500/final, pages 54-55.

IV. Recognition of the role of cooperatives and related sectors by European Community bodies

European Parliament's debate and report (Mihl Report) on the role of the cooperatives in Europe and their importance in the context of various Community policies.

A. Parliament

On 13 April 1983, following two motions for a resolution, tabled in 1980 by Members from different groups,¹ and on the basis of a report by its Committee on Economic and Monetary Affairs (Rapporteur K.H. Mihl), the European Parliament adopted by a large majority a resolution which constitutes a milestone in the history of relations between the Community bodies and the European cooperative movement.

This resolution states that the European Parliament:

- '1. Takes the view that the European associations of cooperative organizations must be acknowledged by the institutions of the European Community as a permanent discussion partner on all economic and social subjects and should be consulted more frequently in future, and that the Commission should take the first step in this direction; the cooperative associations are themselves called upon to coordinate their views and put them forward collectively;
2. Considers that the social value of voluntary cooperative economic and business activities is undisputed and that it is therefore in the interests of the Community to encourage the cooperative form of organization where there is a prospect of its being successfully adapted to the objectives of Community policy and where it does not endanger healthy, effective and fair competition;
3. Recommends that the Commission should in addition investigate how the activities of manufacturing and craft workers' cooperatives are developing and should consider what measures taken by the Community might facilitate the new establishment of such cooperatives and the conversion into cooperatives of undertakings threatened by crises;
4. Requests the Commission to make use of the great range of experience of the cooperatives and their associations in the implementation of Community regional policy and development policy by including representatives of the cooperatives in the work in this connection and in the preparation of individual projects;
5. Urges the Commission also to investigate whether special programmes should be drawn up both for regions of the Community threatened by crises and for cooperative development plans in countries which are signatories to the Lomé Convention which promote the establishment of cooperatives in certain production and service sectors; in both these areas too, the Commission should draw on the experience of the cooperative movement;
6. Requests the Commission to investigate possibilities for granting cooperatives or their associations material and technical aid for their educational, training and promotional functions and in addition for making available funds for the development of small and medium-sized undertakings including those which take the form of cooperatives; in the meantime it should facilitate the access of cooperatives to existing Community funds and instruments, provided that cooperatives do not thereby enjoy privileged access as compared to other small and medium-sized undertakings;

¹ Motion for a resolution tabled by Mr Bonaccini and others of 18 July 1980 (Doc. 1-327/80) and Motion for a resolution tabled by Mr Filippi and others of 4 December 1980 (Doc. 1-669/80).

7. Requests the Commission to set in motion a study to investigate cooperative structures and the conditions for the existence and working conditions of cooperative organizations in the individual Member States of the Community and to report the results of its study to this Parliament;
8. Instructs its President to forward this resolution and the report of its committee to the Council and the Commission.¹

The following three proposals by the Rapporteur were not taken up by the Parliament in its resolution:

- '1. Creation of a cooperatives' liaison office within the Commission.
2. Establishment of a constitution for a European cooperative society.
3. Establishment of a European cooperative development fund.'

The report by the Committee on Economic and Monetary Affairs which accompanies the European Parliament resolution is divided up into the following headings: origins, concept and essence of cooperatives, existing organizational structures in the various cooperative fields, issues relating to the formulation of views by the cooperative movement, importance of the economic and social effects and potential of the activities of cooperatives, prospects and conclusions. Attached to the Report is a list of European Cooperative organizations and the texts of the opinions of the Legal Affairs Committee and the Committees on Social Affairs and Employment and on Agriculture.

When preparing its report, the Committee on Economic and Monetary Affairs held a hearing on 26/27 January 1982 with the participation of representatives of the European organizations of the agricultural cooperatives, consumer, production, insurance and pharmaceutical cooperatives, savings and credit institutions and the cooperative purchasing organizations in the food sector.

In the Parliamentary debate itself,² it became apparent that there was a broad consensus among the various political groupings on the general content of the report and on the important role of the cooperatives as small and medium-sized undertakings in a European economy shaken by crisis. The speakers not only acknowledged the role of the cooperatives within the Community, however, but emphasized in addition certain aspects of their activity which were of particular importance for the future development of the European economy.

Mr J. Moreau (Socialist), for example, observed that cooperatives could be a powerful force for innovation in manufacturing industry, the service industries and in underdeveloped regions, since they paved the way for the creation of a considerable number of jobs.

Mr Franz (EPP) emphasized that cooperatives felt that they were economic self-help organizations of a voluntary nature which aimed to promote the interests of their members.

Mr Vie (DEP) held up the cooperatives as an excellent example of free enterprise in that they brought together elements which were difficult to reconcile: freedom, responsibility and the human dimension, as well as curbing the assumption of responsibility by the State.

Mr Delorozoy (L) stressed that the cooperatives must be given the opportunity to carry on their business and develop according to all the rules of free competition, and express themselves in all their variety, whether they spoke for farmers, independent enterprises or individuals.

Mrs Baduel Glorioso (Com) placed special emphasis on the responsibility which members of cooperatives assumed in joining with others to manage their cooperative undertakings; these bodies were a happy example of self-management and co-management of economic activity by workers with different levels of qualifications.

Most speakers agreed that the cooperatives were withstanding the economic crisis very well, thanks to their capacity for innovation and their adaptability in the face of changing market conditions — a typical feature of small and medium-sized undertakings.

Although a number of the Rapporteur's proposals were not adopted (see above), a large majority of the European Parliament supported the view that the resolution based on the Mihr Report had many good points and therefore voted in favour of it.

¹ European Parliament Resolution on the cooperative movement in the European Community, OJ C 128/52 of 16 May 1983.

² European Parliament, 1983-84 Session, Report of Proceedings, Strasbourg, Wednesday, 13 April 1983, Supplement to OJ, pp. 112-125. The extracts reproduced here form only a very small part of the full debate.

It is highly significant that most of the political groupings — and especially the two largest groups, the Socialists and Social Democrats and the Christian Democrats — voted in favour of the report and thus were able to reach a consensus which was based on more than the lowest common denominator.

The Mihr Report should therefore create a firm basis for the recognition of the cooperative movement and its closer involvement in individual Community policies, such as employment, regional development and development aid.

B. Commission

The Commission of the European Communities, which has on many occasions demonstrated its interest in the cooperative movement — especially through studies on specific sectors of the cooperative system¹ — welcomed the Parliament report 'for the endorsement it brought to the cooperative principle and the way in which the development of certain types of cooperatives has been making a valuable contribution to job creation'. It also promised to look at 'ways in which Community institutions and resources can best be made available to cooperatives' and in general terms to 'act in the direction it (the Mihr Report) recommends in our forthcoming proposals.'²

The Commission had already indicated the importance or potential importance of the cooperative model for certain Community policies (employment,³ regional development, development aid).

C. Economic and Social Committee

The ESC has on several occasions referred to the importance of cooperatives,⁴ especially in the fight against unemployment, and this study provides further proof — if proof were needed — of its interest in the cooperative movement, mutual societies and related sectors in Europe.

The ESC Section for Environment, Public Health and Consumer Affairs, in the report of 4 October 1983 on Community Tourism,⁵ raised the point of possible joint action by cooperatives, mutual benefit societies and non-profit associations in future Community policies, via the financing of cooperative holiday schemes.

By supplying information on the individual associations in this sector within the Community, the ESC General Secretariat is giving these bodies the opportunity to get to know each other better and to become aware of their common interests; this should lead them — in the words of the Parliament — to coordinate and jointly defend their position.

D. Council of Ministers

The Council of Ministers, in its resolution on the contribution of local employment initiatives in combating unemployment, has stressed the role of cooperatives and undertakings of a collective nature, and has requested the Commission to complete its action by specific studies on subjects such as 'legal and fiscal incentives for setting up and developing enterprises including cooperatives and other forms of collective enterprise'⁶.

¹ See in particular:

- 'Das landwirtschaftliche Genossenschaftswesen in der EWG', *Kollektion Studien, Reihe Landwirtschaft Nr. 21*, Brussels, 1967.
- Various studies on production cooperatives in Europe, conducted between 1979 and 1982 by TEN, Coopérative de Conseils, on behalf of the Commission.

² Statements by Mr Burke, Member of the Commission, to the European Parliament, 1983-84 Session, Report of Proceedings, Strasbourg, Wednesday, 13 April 1983.

³ See in particular the talk given by Mr Degimbe, Director-General, to the Section for Social Questions of the ESC, on the employment situation and Community measures, Appendix to the Minutes of the 153rd meeting of the Section for Social Questions of the ESC held in Brussels on 13 May 1982 (p. 5).

⁴ See in particular the Economic and Social Committee Opinion on the social developments in the Community in 1982.

⁵ ESC Brochure: *Tourism*, 1984.

⁶ Council Resolution of 7 June 1984 on the contribution of local employment initiatives to combating unemployment, OJ C 161 of 21 June 1984, p. 3.

V. Recognition of the role of cooperatives and related groups outside the European Community — The Council of Europe

The May 1983 conference of Employment Ministers of the Member States of the Council of Europe stressed in the final communiqué the role of particular business and enterprise structures, such as cooperatives, self managed businesses and groups, voluntary public bodies and other local initiatives. All these help to combat unemployment and are vital in the creation of jobs within SMEs.

The Committee for Social Affairs and Health of the Council's Parliamentary Assembly, recently completed an extensive review (the Foschi report)¹ of the size, activities, employment related factors and the European dimension of cooperatives and related sectors.

The Committee proposes the drawing up of a European Charter for cooperatives, a European college for training managers of cooperatives, the conversion of limited companies into cooperatives and a catalogue of possible measures at national level in order to reduce existing disincentives.

The rapporteur also proposes a European cooperative conference, designed to develop the dialogue between the various national cooperative associations and between cooperatives and European cooperative associations.

¹ AS/SOC (36) 2, 8 June 1984.

VI. Clarification of concepts used

Before embarking on a general description of the three groupings typified by the solidarity of their members, it is first necessary to clarify precisely what is understood throughout Europe by the terms 'cooperative', 'mutual society', 'non-profit' and 'self-help' organizations based on solidarity.

1. Cooperative sector

The organization and activities of the cooperative movement, which emerged throughout Europe in the mid to late nineteenth century, are based on the cooperative principles developed first of all by the Rochdale pioneers; the most important of these in historical terms may be summarized as follows:¹

1. democratic development of objectives (ideally one person, one vote);
2. unrestricted membership;
3. sharing of profits among members on the basis of individual purchases and restriction of interest payments on capital;
4. promotion of the cooperative idea through training and development;
5. endowment of the cooperative's net assets for non-profit making purposes in the event of liquidation.

These characteristics of cooperatives were taken further by the International Cooperative Alliance² and the cooperative movement is now based on the following principles:

1. free access;
2. democratic development of objectives (in theory, one person, one vote);
3. limited interest payments;
4. use of profits for
 - (a) developing the cooperative,
 - (b) common services, e.g. social services,
 - (c) distribution among members according to their respective degree of participation in the cooperative's activities;
5. the setting up of a fund to provide information on the principles and working methods of the cooperative movement;
6. collaboration with other cooperatives at local, national and international level.

As regards the economic activities of cooperatives, the definitions contained in the European Parliament report (Mihl Report)³ may be adopted, which describe cooperatives as the following freely-formed groups:

- (a) those which take on, on behalf of households or on behalf of undertakings owned by the members, whilst maintaining the independence of the members' households or undertakings, domestic, economic or industrial management functions which the members do not wish to or cannot carry out for themselves alone (auxiliary cooperatives); or

¹ PAUL LAMBERT: *La doctrine coopérative*, Brussels 1964.

See also ARMIN PETER: *Rochdaler Prinzipien, Handwörterbuch des Genossenschaftswesens (HdG)*, Wiesbaden 1980.

² See GROUPEMENT NATIONAL DE LA COOPÉRATION: *Le mouvement coopératif en France*, CIEM Publications, Paris, pp. 9 and 10, chapter on 'Cooperative Principle'.

³ Report on the cooperative movement in the European Community, doc. PE 74/500 final.

(b) those which serve their members as the basis of their economic existence by the joint purchase of the means of subsistence (full cooperatives).

In their dealings with the outside world, however, the cooperatives compete in the market place and must act in accordance with the laws of the market. Purchasing cooperatives, for example, are bound to buy in as cheaply as possible in the interests of their members, while marketing cooperatives endeavour to obtain the best possible prices for producers (craftsmen, farmers, etc.).

According to their role in the market, therefore, they are subject to market laws either as suppliers/sellers or as consumers/purchasers.

This difference between the interests of the craftsmen, farmers and other tradesmen, on the one hand, and the consumers, who are themselves often working people, on the other, may in fact account for the fact that in some countries a degree of antagonism exists between the cooperative associations in these sectors.

The interests of production cooperatives which are an exception to this, lie in producing goods from raw materials purchased as cheaply as possible and marketing these goods at the most competitive price possible which will also guarantee their members' livelihood.

2. Mutual benefit societies¹

The characteristic feature of these societies is joint action to provide a service (e.g. payment against an insured risk), whereas in the case of cooperatives, members *may* take advantage of a service but are not obliged to do so.

In the case of mutual societies, the provision of services to non-members is not allowed, whereas cooperatives are as a rule quite at liberty to conduct business with non-members.

3. Non-profit and self-help organizations

Only those non-profit making and self-help organizations are considered in this study which, firstly, have an economic objective and, secondly, demonstrate group solidarity in working together towards a social, cultural or other objective by means of action in the economic sector.

To sum up, the common factor linking the three sectors described above is an internal solidarity directed either towards the attainment of a common goal or the improvement of the economic situation of members.

The external economic activity of these groupings is directed towards participation in the market economy, whether as supplier/sellers, consumer/purchasers or a combination of both (e.g. agricultural and production cooperatives); they may also provide economic services with a monetary value in order to achieve a common goal (e.g. insurance against a variety of risks, the supply of services for the group or for third parties).

4. The 'social economy' — 'économie sociale' — 'Sozialwirtschaft'

'Social economy' is a term which covers the individual and common features of these three types of groupings. It is a translation of the French *économie sociale* and, indeed, France is the only country in which the definition and precise application of this term has so far been clearly laid down.²

The completely inappropriate comparison of the term *économie sociale* with public benefit undertakings³ made by a number of participants at the European Parliament hearing and in the draft Mihr Report⁴ led to considerable confusion within the European Community and to a partial

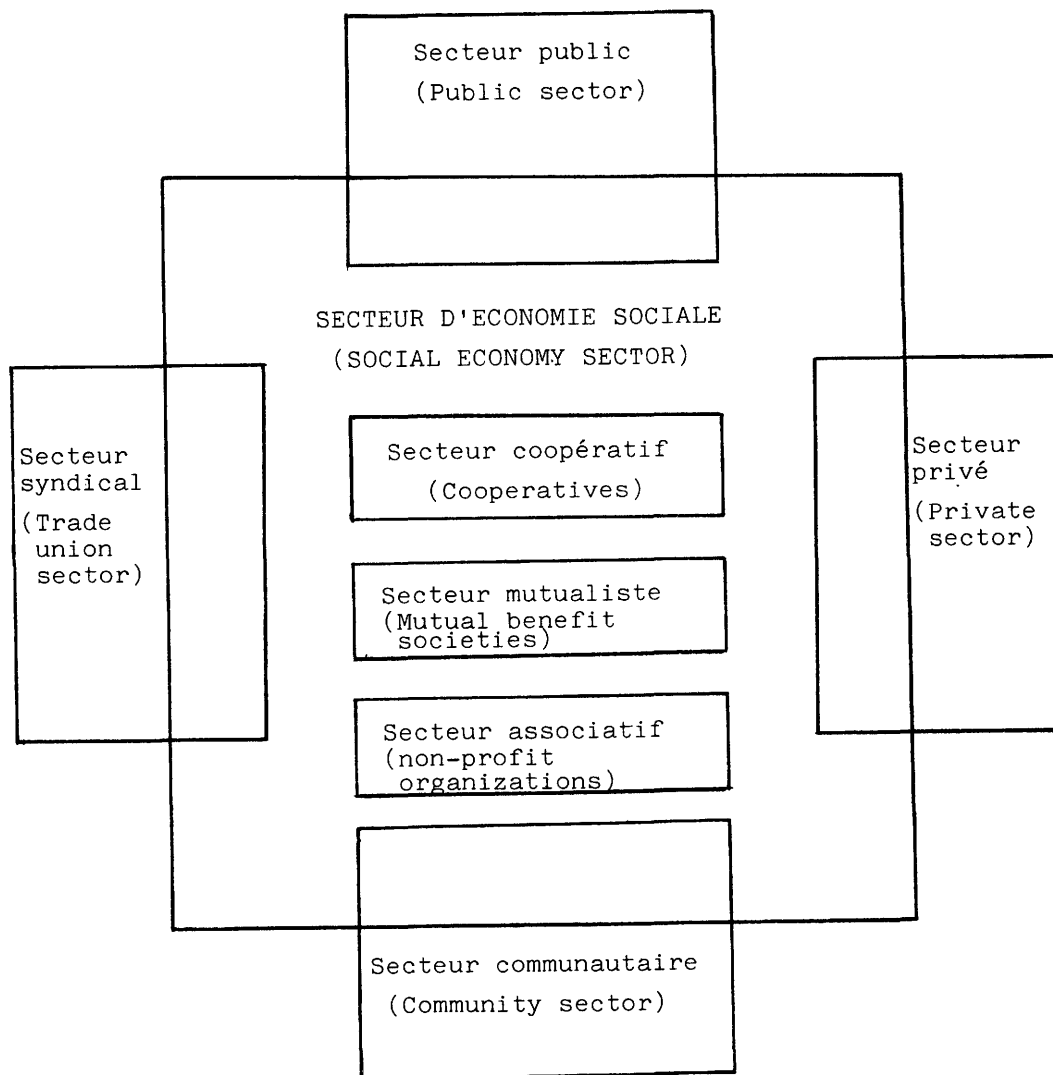
¹ These societies very frequently provide insurance against sickness and in the English version of this text are variously referred to as mutual benefit societies, mutual societies, sickness funds, provident associations, etc.

² According to Professor Desroches, the central element here is made up of the cooperatives, the mutual benefit societies and the non-profit associations; on the periphery, as it were, are the economic activities of the trade unions and the public sector. See introduction on the French social economy and the references provided.

³ The term 'public benefit sector' has been used to translate the German *Gemeinwirtschaft* — see 4 below.

⁴ Document No 1-849/82 of the European Parliament, 15 November 1982 point 15.

The French social economy (économie nationale)



Source: "Comité national de liaison des activités mutualistes, coopératives et associatives", Actes du pré-colloque de Bruxelles des 16 et 17 novembre 1980, Economie sociale - Débat européen, CIEM Publishing, p. 65.

polarization of cooperative associations with differing ideological orientations.¹ The time has now come to put the matter straight: *économie sociale* = social economy; *Gemeinwirtschaft* (*économie d'intérêt général*) = the public benefit sector.

In speaking of the concept of the social economy as it is currently understood and used in France, the following classification of the various groupings should be used.

The central groupings of the social economy are the associations of the cooperatives (*secteur coopératif*), the mutual benefit societies (*secteur mutualiste*) and the non-profit organizations (*secteur associatif*). The umbrella organization for these groupings in France is the National Committee for the Liaison of the Activities of Mutual Benefit Societies, Cooperatives and Non-profit Organizations (CNLAMCA — 'Comité national de liaison des activités mutualistes, coopératives et associatives') — see France, Introduction and Overview, point 3.

Secondary sub-groupings include the economic activities of the trade unions and the so-called 'community' sector, which acts in the Netherlands and to some extent in Belgium as a hybrid collaboration of non-profit organizations and local bodies.

In France, however, classification under the social economy is in practice limited essentially to the three sectors of cooperatives, mutual societies and non-profit organizations, although it can be extended to include the other sectors. The economic activity of the French cooperatives can be typified by the fact that, although internally priority is given to the interests and solidarity of members, in their outward dealings the cooperatives are market operators, and as such usually take the form of small and medium-sized enterprises.

In the view of the leaders of the social economy in France, the cooperatives are private undertakings organized on the basis of solidarity (*économie solidaire privée*),² which are exposed to competition within the market economy and are therefore in economic competition with other market operators. Their inclusion in the 'third sector' springs from their internal structure, whereby a cooperative is oriented not towards individual profit but the solidarity of the members.

5. The public benefit sector — 'économie d'intérêt général' — 'Gemeinwirtschaft'

The expression 'Gemeinwirtschaft', developed and still used in German-speaking countries, is applied mainly to describe the economic activities of the DGB trade unions³ (those affiliated to the German Trade Union Federation) through union-owned undertakings. Their self-appointed task is to improve the workers' situation in life in pluralist market economy conditions through competition for the public benefit; this task can only be accomplished if the undertaking is economically viable.

This means that the DGB unions take part in important markets for services by providing capital for banking, insurance, housing and food retailing businesses, thus increasing competition. Their aim is to promote consumer interests as a whole without granting special privileges to individual groups of consumers.

To do this, the DGB unions use the legal form of a company limited by shares, i.e. 'AG' or 'GmbH'.

The public benefit sector can therefore be said to be the participation of the trade unions in the economy in the form of companies limited by shares (public or private) for the benefit of all consumers and hence all workers.

The term 'public benefit sector' cannot therefore be equated with the French 'social economy', since according to Professor Desroches' definition, the social economy covers a very much broader field.

¹ See the article by Cross, Schramm and Klusmann, 'Genossenschaften sind keine Gemeinwirtschaften' in *Zeitschrift für das Genossenschaftswesen, Genossenschaftsforum* 5/8 and meeting of the Socialist Group of the European Parliament of June 1983, paper by Walter Briganti 'La tradizione socialiste nella cooperazione e la sua attualità', p. 8.

² Article by Jean-Bernard Gins, Secretary General of CNLAMCA and General Representative of the Association of French Cooperative Credit Institutions on the 'Économie collective privée et économie collective publique', Congress of the International Centre of Research and Information on Public and Cooperative Economy, Vienna, 25 May 1982, which points out the fundamental difference between the publicly-owned public benefit sector and privately organized 'social economy'.

³ For details, see Part IV, Chapter I, point 2.

Central to the social economy are the cooperatives, mutual benefit societies and non-profit organizations, which may, however, cooperate with 'peripheral' groups, such as the business enterprises belonging to the trade unions.

It is therefore erroneous and counter-productive from the point of view of possible cooperation between the sectors concerned to equate concepts of such radically different scope as social economy and the public benefit sector. The public benefit sector could be more accurately rendered in French by 'économie d'intérêt général', a term which is already being used within CNLAMCA. The three main sectors embraced in France under the social economy exist throughout the other Community countries as cooperatives, mutual societies and non-profit associations.

This mistaken equating¹ of two different concepts arose from the fact that in France the cooperative, mutual and non-profit organizations were able to combine successfully under the term 'social economy', whereas in other countries, such as the Federal Republic of Germany, no such grouping of the three sectors has been either sought or achieved. It is a matter of hypothesis whether the public benefit sector could be included in a future grouping as a fourth sector, something which Professor Desroches, for example, does not rule out in his structural model of the social economy.

On the other hand, the exclusive use of the concept of 'public benefit sector' to mean the economic activities of the trade unions in the Federal Republic of Germany (or elsewhere in Europe) permits an accurate description of a social phenomenon which is of real importance, primarily for the Federal Republic of Germany but also, to a very much lesser extent, for other countries of Western Europe. The phenomenon hardly exists in France, since direct involvement of the trade unions in the economy is not as a general rule allowed. A minor exception to this is the social work administered by the works committees of the major industrial undertakings, which includes purchasing organizations and activities in the insurance and tourism sectors.

It is thus clear that the term 'social economy' cannot really be used except when referring to a particular situation which exists only in France.

The term 'public benefit sector' similarly relates to a situation (where trade unions invest in business activity) which exists only in the Federal Republic of Germany, and also to a much lesser extent in the Netherlands and Denmark.

¹ Whereby 'économie sociale' and 'Gemeinwirtschaft', two terms which to some extent reflect *solely* a national situation, were wrongly linked, thus completing an inappropriate comparison in abstract and in substance.

VII. Basis of the cooperative, mutual and non-profit sector within the European Community

1. Legal framework

In considering the legal basis of cooperatives and related sectors within the European Community, it is necessary first of all to make a fundamental distinction between cooperatives, mutual societies and non-profit and other organizations, since each of these models for the activities of associations of individuals is constructed according to different legal principles.

Of course, in practice there are a great many structural elements to be found in the different Member States which have developed along identical lines, indicating that the cooperative and related sectors in the Community often base their activities on ideas which have grown up out of the same fundamental principles.

A. Cooperatives

LEGISLATIVE FRAMEWORK AND LEGAL FORM

Nine of the ten Member States have specific laws on cooperatives which include a definition and as a rule confer on them at the same time legal personality in the form of a corporation.

These laws always specify:

- (a) the internal structure of the cooperative as a company of individuals, and
- (b) its external relationships, i.e. the position of the cooperative as an economic undertaking.

Cooperatives are ordinarily defined as associations of individuals, with an unlimited number of members and an accordingly variable capital input, which serve to provide their members with goods, services or employment on favourable terms by means of cooperative economic activity.

In their external relationships, cooperatives participate as a rule in trade and commerce as a legal entity. In most cases they possess legal status in the commercial law of the various countries.

As regards the definition of cooperatives, it should be noted that in every country of the Community with the exception of Denmark, special cooperative laws confirm the legal recognition of cooperatives and grant them their own specific legal form in which to operate within the economy.

In Denmark, which has no cooperative law, the major cooperative associations (Central Cooperative Committee, DkF and FDB) have drafted model Rules for their member cooperatives, containing the basic cooperative principles and providing for both limited and unlimited liability of the cooperative's members.

Even in the nine countries in which the legal form of the cooperative as a legal entity is embodied in the law, there are nevertheless a number of considerable legal differences.

(a) 'Cooperatives can only operate in the legal form of a cooperative'

This is the case in the Federal Republic of Germany and, as far as one can tell, in Greece, where all cooperatives must apply for inclusion in the commercial register and consequently become liable to compulsory auditing by a cooperative auditing association. If a cooperative fails to prove obligatory membership of an auditing association within a set time, it is disbanded by the commercial court.

Because of these regulations, it is impossible for a cooperative to operate in a legal form other than that of a registered cooperative.

Germany's obligatory auditing associations (cf. § 53 *et seq.* of the Cooperatives Law), on the other hand, take the legal form of a registered society.

The legal form of 'cooperative' is therefore reserved solely for the economic activities of the cooperative. Another legal form is used for organizations representing the cooperatives' interests.

Table A: Legal Framework for Cooperative, Mutual and Non-Profit Organizations

	B	DK	D	GR	F	IRL
Cooperatives	<p><i>Legal form:</i></p> <ul style="list-style-type: none"> - Cooperative (1873 Laws) - Other admissible legal forms: limited company, plc, limited company, professional association, non-profit making associations etc. <p><i>Supervision:</i> Authorization by the Ministry for Economic Affairs</p> <p><i>Tax regime:</i> Minimal tax advantages</p>	<p><i>Legal form:</i></p> <ul style="list-style-type: none"> - Trading company - The law makes no provision for the legal form 'cooperative' <p><i>Supervision:</i> As for all other companies</p>	<p><i>Legal form:</i> Registered cooperative (law of 1889)</p> <p><i>Supervision:</i></p> <ul style="list-style-type: none"> a) internal: supervisory board b) external: auditing association <p><i>Tax regime:</i> Some types of cooperative enjoy tax relief or tax exemption</p>	<p><i>Legal form:</i></p> <ul style="list-style-type: none"> - Cooperative (law 602/1914 as amended by laws 921/1979 and 1257/1982 with regard to agricultural cooperatives) <p><i>Supervision:</i> by the state</p>	<p><i>Legal form:</i></p> <ul style="list-style-type: none"> - Cooperative (law of 1947) + special legal provision for different sectors of the cooperative movement - agricultural cooperative (1972 law) - other forms: any company under civil or commercial law <p><i>Supervision:</i> As for all other companies. Special regulations apply to certain sectors.</p> <p><i>Tax regime:</i> Minimal tax advantages</p>	<p><i>Legal form:</i></p> <ul style="list-style-type: none"> - Cooperative <p><i>Supervision:</i> Registration with the Registrar of Friendly Societies</p> <p><i>Tax regime:</i> Minimal tax relief</p>
Mutual societies	<p><i>Legal form:</i></p> <ul style="list-style-type: none"> - mutual insurance society - joint insurance fund <p><i>Supervision:</i></p> <ul style="list-style-type: none"> a) mutual insurance societies: insurance supervision authorities b) joint insurance funds: Social Welfare Ministry 	<p><i>Legal form:</i></p> <ul style="list-style-type: none"> - mutual insurance society <p><i>Supervision:</i> As for all other insurance companies</p>	<p><i>Legal form:</i></p> <ul style="list-style-type: none"> - mutual insurance society <p><i>Supervision:</i></p> <ul style="list-style-type: none"> a) internal: supervisory board (optional for smaller mutual insurance societies) b) external: Federal Supervisory Office for Insurance <p><i>Tax regime:</i> Smaller mutual insurance societies may, in certain circumstances, be exempted from corporation tax</p>	<p><i>Legal form:</i> Not dealt with in this text</p>	<p><i>Legal form:</i></p> <ul style="list-style-type: none"> a) - mutual assistance fund (mutual insurance code) - agricultural social insurance fund b) - mutual insurance society (insurance code) - agricultural mutual insurance fund 	<p><i>Legal form:</i></p> <ul style="list-style-type: none"> (1) Friendly Society (2) Company limited by shares, with special rules embodying mutual principles <p><i>Supervision:</i></p> <ul style="list-style-type: none"> (1) Registration with authorities as Friendly Society (2) As for other companies
Non-Profit organizations (Non-profit associations, building societies, etc.)	<p><i>Legal form:</i></p> <ul style="list-style-type: none"> - Non-profit making associations (1921 Law) 	<p><i>Legal form:</i></p> <ul style="list-style-type: none"> - institutions lending against 'real' security (1970 Law) 	<p><i>Legal form:</i></p> <ul style="list-style-type: none"> - registered association (not dealt with in this study) - Building Society (1927 Law) 	<p><i>Legal form:</i> Not dealt with in this text</p>	<p><i>Legal form:</i> Non-profit association (1901 Law)</p>	<p><i>Legal form:</i> Building Society (1976 and 1980 laws)</p> <p><i>Supervision:</i> Registration with the Registrar of Building Societies</p>

Sources: Papers and 'Prospects for workers' cooperatives in Europe'. CEC, Brussels, 1981

I	L	NL	UK	S	P
<p>Legal form: - Cooperative (1947 Law) + special legal provisions for each type of cooperative</p> <p>Supervision: Ministry of Labour and Social Welfare + various other <i>ad hoc</i> bodies</p> <p>Tax regime: Tax exemption or relief under certain circumstances</p>	<p>Legal form: - Cooperative (1915 Law)</p> <p>- agricultural association</p> <p>- other admissible forms: the six legal forms of trading company</p> <p>Supervision: internal: supervisory committee</p>	<p>Legal form: - Cooperative (1976 Law)</p> <p>Supervision: As for other companies</p> <p>Tax regime: Some minor special arrangements</p>	<p>Legal form: - Cooperative</p> <p>Supervision: Registration with Chief Registrar of Friendly Societies; certain cooperatives are registered under the laws on companies limited by guarantee</p> <p>Tax regime: Minor tax relief</p>	<p>Legal form: - Cooperative (Spanish Law 52/1974; Catalanian Law 4/83; Basque Law 1/82)</p> <p>Supervision: a) Internal: auditors b) External: Authorization by Ministry of Labour (Directorate-General for Cooperatives)</p> <p>Tax regime: Some tax exemptions or concessions</p>	<p>Legal form: Cooperative (law 454/80 as amended by law 238/81)</p> <p>Supervision: Cooperative Registry as required by Art. 86 of the laws on cooperatives.</p> <p>Registry authorities cover economic and financial supervision</p>
<p>Legal form: - Mutual assistance fund</p> <p>- Supplementary fund</p>	<p>Legal form: Mutual assistance fund (1961 Law)</p> <p>Supervision: Ministry of Social Security</p>	<p>Legal form: (1) Mutual Insurance Society</p> <p>(2) Health insurance fund</p> <p>Supervision: (1) As for other insurance companies</p> <p>(2) Health insurance council</p>	<p>Legal form: - Friendly Society (1947 Law)</p> <p>- Company limited by shares, with Rules based on mutual principles</p> <p>- Company limited by guarantee</p> <p>Supervision: Registration as Friendly Society. In the case of companies limited by shares <i>inter alia</i> corresponds to supervision over all other insurance companies</p>	<p>Legal form: - Mutual assoc. (under Social Welfare Act. 6.12.1941; Occupat. Accid. Act 30.5.1974, or Gen. Insur. Act 16.12.1954)</p> <p>Supervision: Mutual associat. set up under the soc. welfare of occupat. accidents legisl. are supervised by the Ministry of Labour (Directorate-Gen. for Social Welfare); those set up under the gen. insur. legisl. are supervised by the Ministry of Finance</p> <p>Tax regime: Some tax advant. Not dealt within this text</p>	<p>Legal form: Mutual prov. soc. (law 347/81 and regul. 58/81)</p> <p>Supervision: Mutual provident societies are subject to the supervision of the Ministry for Social Matters, Directorate General for Social Security</p> <p>Tax regime: Some tax advantages</p>
<p>Legal form: Not dealt with in this text</p>	<p>Legal form: Not dealt with in this text</p>	<p>Legal form: Housing Corporation (1901 law)</p>	<p>Legal form: Building Society (1962 law)</p> <p>Supervision: Registration with the Chief Registrar of Building Societies</p>	<p>Legal form: Not dealt with in this text</p>	<p>Legal form: Private social welfare institutions (law 119/1983)</p> <p>Supervision: Ministry for Social Matters, Directorate General for Social Security, Directorate for the maintenance of private social welfare institutions</p>

As a legal entity, however, any cooperative in Germany can hold shares in other legal persons or bodies subject to company law (AGs, GmbHs, KGs, etc.); exceptions to this exist in the agricultural and housing sectors.

(b) 'Within certain limits, cooperatives may determine for themselves the legal form in which they operate'

This applies to Belgium, France, Italy and Luxembourg. In these countries, cooperatives are not obliged to choose the legal form of a registered cooperative on the Commercial Register, although this is available as an option to cooperative members, but may also exercise their economic activity in another legal form.

However, different laws govern common aspects of the legislation on cooperatives.

This has meant that in these countries the legal form of such an association of individuals is less important than the fact that it is organized according to cooperative principles and is a member of a cooperative association.

(c) 'There is no specifically cooperative legal form'

Danish legislation chose not to develop a separate law on cooperatives, but to leave the cooperatives free to trade under another legal form.

Regarding the development of the legal form, the legislative framework and supervision of the cooperatives, the reader is referred to the table p. 22 and 23.

SUPERVISION AND CONTROL

There are three types of control:

- (a) Supervision by national Ministries; this may be exercised through the registration of cooperatives (Belgium) and consolidated by auditing annual statements of accounts (e.g. Italy).
- (b) Supervision of cooperatives by a specific national office with a relatively large degree of independence, such as the Registrars of Friendly Societies in Great Britain and in Ireland, whereby a special national agency monitors the activities of the cooperatives and provides the public with relevant information.
- (c) Finally, supervision may also be transferred to cooperative auditing associations by national framework legislation (as in the Federal Republic of Germany by the cooperative laws); in this case, membership of *one* of these associations is obligatory, although the choice of auditing association is left to the cooperative.

In addition, in almost all Community countries cooperatives are required to carry out their own internal auditing, a task which usually falls to the Management or Supervisory Board of the cooperative.

TAXATION

As regards the way in which cooperatives are treated for tax purposes, it is the case that, although a number of special tax arrangements continue to apply to agricultural, consumer and housing cooperatives in certain Member States, such as the Federal Republic of Germany, Italy, the United Kingdom, France and Belgium, there is however a general tendency to reduce special treatment for cooperatives in matters of taxation.

B. Mutual societies

In almost every Member State the 'mutual society' is a special legal form, which tends however to be confined to the insurance sector.

Supervision is generally similar to that for the cooperatives, with again the three types of auditing — national supervision by government department, supervision by a specialist office, auditing by cooperative auditing association.

C. *Non-profit organizations*

Most Member States possess the special legal form of 'registered society', which is often granted non-profit status.

D. *Summary*

There are thus differences in the basic conditions within which cooperatives, mutual societies and non-profit associations operate within the Community; cooperatives are not on the whole hindered in their development by legislation. The only exceptions are the non-authorization of cooperative pharmacies in some Community countries and the Luxembourg legislation which does not encourage the formation of cooperatives.

2. The economic, social and political context

The following remarks are based on the data contained in the sections on individual countries and organizations on the economic, social and political background against which the cooperatives and related sectors in the Member States of the European Community are formed, perform their economic activities and influence government policy.

FORMATION

As far as one can tell,¹ cooperatives, mutual societies and non-profit organizations may be freely established in all the Member States. There are, however, a number of exceptions to this principle of free formation and development of associations of individuals based on solidarity:

In Luxembourg, the formation of new consumer cooperatives was forbidden under a law of 1962. It did not, however, prevent existing cooperatives from continuing to operate. Although in 1975 a law was passed lifting this ban, it nevertheless included a clause prohibiting cooperatives from paying dividends to their members.

Some Member States, such as France, place restrictions on the free formation of cooperative and mutual pharmacies, while others, such as the Federal Republic of Germany, actually prohibit the setting-up of cooperative pharmacies, as this profession continues to be reserved exclusively for self-employed pharmacists.

The European Union of Social, Mutual and Cooperative Pharmacies has been directing its activities towards changing these laws which, in its opinion, run counter to the freedom of establishment embodied in the EEC Treaty which must apply equally to cooperatives formed by consumers.

CONDITIONS OF THE FREE MARKET ECONOMY

In those Member States where there are no restrictions on the formation of cooperatives and related organizations, these bodies, like any other operator within the free market economy, take up their role as supplier/sellers or consumer/purchasers and in this respect enjoy the same opportunities for expansion as other business enterprises.

This means that the necessary funds for the continued existence and further development of the cooperative must be earned in the market place itself and that losses which cannot be offset in the long term will mean the end of a cooperative in the same way as any other business undertaking.

In the non-profit sector, however, the situation is not quite so clear-cut. It not infrequently happens that the State leaves the running of hospitals, nursery schools, homes for the elderly, social services, emergency services, cultural activities such as adult education, etc., to this type of independent agency and provides the necessary resources from public funds. The free formation of these social institutions is therefore not in question, but their continued existence does depend on State subsidies. This cooperation between independent agencies and the State may take the place of basic services provided by the State, e.g. in the Federal Republic of Germany, Belgium and France.

¹ The situation of the cooperatives in Greece cannot at present be judged with any certainty, since it is not possible to obtain an overall picture of the various cooperative sectors because of the absence of national sectoral cooperative associations outside agriculture and retailing. Moreover, wide-ranging legislative measures on the reorganization of cooperatives are being planned in Greece — see also 'Die griechische Wirtschaft soll unter soziale Kontrolle', *Frankfurter Allgemeine Zeitung*, 22 August 1983.

PRACTICAL COOPERATION BETWEEN THE VARIOUS SECTORS

Financing of investments in the cooperative sector by cooperative-owned intersectoral banks

There have long been calls for those involved in the cooperative movement to display financial solidarity, not only towards their own cooperative members, but also towards other sectors of the cooperative movement.

However, these calls have met with only a very patchy response in the individual Member States of the Community.

(a) Federal Republic of Germany

In the Federal Republic of Germany, for example, there exists within the DGRV Group (German Cooperative and Raiffeisen Union), which includes agricultural and trading (trade and handicraft) cooperatives and the cooperative banking sector, a form of practical solidarity which is strengthened by the use made by the central associations of the facilities operated by this group.

Although the farmer, the craftsman, the retailer, as a member of a cooperative, is not obliged to meet his financial requirements through a People's Bank or Raiffeisen Bank, the omnipresence of the cooperative banking group (People's and Raiffeisen Banks) in rural areas and in small and medium-sized towns, together with advertising within the DGRV group, a good supply of information to the cooperatives' annual general meetings and the wide range of services offered — banking, insurance (R & V Insurance), saving through building societies (Schwäbisch-Hall), investment (Unifonds, etc.) and tourism — offered by every People's Bank and Raiffeisen Bank, has meant that cooperative members have taken up the offer of services made by the DGRV Group in very large numbers.

This attempt at joint action involving different cooperatives has been institutionalized in the law founding the Deutsche Genossenschaftsbank (German Cooperative Bank) which clearly makes this central institution *the* central bank of the cooperative system and gives all branches of the cooperative movement — including the consumer cooperatives — a seat and a vote on the board of this institution.

Things work out rather differently in practice, however. Although larger-scale financing for the industrial, agricultural and banking cooperatives is readily carried out through the DG-Bank (see the Bank's annual balance-sheet), consumer cooperatives, because of their different economic and social affinities, deal more often with the Bank für Gemeinwirtschaft.

(b) France

In 1983 the Government set up an Institute for the Development of the Social Economy (IDES). This is based on the idea that savings generated within cooperatives and mutual societies should preferably be re-used for investment in these sectors rather than other areas of the economy.

Currently at the centre of this debate is the question of financing the 'social economy' by means of capital represented by savings and reserves within the cooperative organizations and the mutual sector.

The issue revolves around making use of credit institutions in the sector, primarily the cooperative credit group (groupe de Crédit coopératif: Caisse centrale de Crédit coopératif, Banque française de crédit coopératif), but also the peoples' banks (Banques populaires) and the mutual credit associations (Crédit mutuel).

(c) Italy

In 1947 the Italian State set up a special department in the National Labour Bank (BNL) for financing the cooperative movement. The special structure of the Italian cooperative system (with four cooperative central organizations at the top, each with its own financing facility) also plays a major part in matters of financing.

The Italian cooperative confederation (Confederazione Cooperative Italiane — CCI) can participate in financing member cooperatives in the following ways:

1. through its own finance institution, IFICI, or
2. through the affiliated agricultural credit cooperatives which own the central institution, ICCREA.

The LEGA has its own financing instrument in the Fincooper.¹

(d) *Denmark*

In accordance with the division of the Danish cooperative movement into three large groupings, the financing of investment by the individual cooperatives is organized within these areas.

The agricultural cooperatives of the Andelsudvalget Group own two institutions in the savings and credit sector, i.e. Andelsbanken (Danish Cooperative Bank) and Foreningen Danske Andelskasser (Association of Danish Village Banks).

Andelsbanken, which was founded by the agricultural cooperatives, is used in part for financing the cooperative activities of the Andelsudvalget Cooperatives. Other banks may however be considered for these financing projects.

The Andelskasser are smaller savings banks for use by individual farmers.

The consumer cooperatives grouped together in the FDB make use of the entire credit sector to obtain financing for their projects:

They deal primarily with Den Danske Bank, although they also have business connections with Andelsbanken.

Financing operations have also been conducted with Privatbanken.

The DkF Group (production cooperatives and other cooperative activities), which has access to the AKF (Arbejderbevægelsens Kooperative Finansieringsfond) via the Labour Movement Economic Council, makes use of this fund for its investment operations, either via direct loans or the purchase of shares.

Also involved in the assessment of possible investments, besides the AKF, are the 'Arbejdernes Landesbank' (Workers' National Bank), and local banks.²

(e) *United Kingdom*

In 1978 a semi-governmental body, the Cooperative Development Agency, was established with the task of promoting and assisting the formation of cooperatives, especially production cooperatives.

The attitude of the traditional banks to the cooperative sector is not particularly positive; the Cooperative Bank, which is the only one of its kind, is willing to make available to certain 'viable' cooperatives 50% of the investment capital they require. Today over half of all cooperative undertakings are customers of this bank.

ICOF (Industrial Common Ownership Finance) has also provided loans for the cooperatives registered with ICOM (Industrial Common Ownership Movement), though the scale of this financing is fairly limited.

Local authorities enjoy greater scope as regards financing, based on specific legislation or on local taxation, some of which may be used as the authorities wish.³ Some local authorities use these opportunities to finance smaller production cooperatives.

(f) *Belgium*

The agricultural cooperatives, and the Socialist and Christian cooperative movement each have their own financing facilities (banks, savings banks, etc.). Thus the agricultural cooperative organizations of the Boerenbond finance their investments through the central institution of Raiffeisen credit cooperatives (CERA) for instance, while the cooperative savings and loan institution, Codep, acts as the financing instrument for the whole of the socialist cooperative movement.

The Christian cooperative movement, FNCC, on the other hand, concentrates its financing operations on the Belgian workers' bank (COB), which is one of the country's major savings banks.

¹ *Financer l'économie sociale*, 1982, pp. 176 (II.1.2.), 179 (end II.2.2. and II.3.1.), 181 (II.2.2.).

² Point IX below also refers to the economic activity of the Danish Trade Union Confederation.

³ 'Financer l'économie sociale', *op.cit.* pp. 194 (I.3.1.), 200, 201 (II.2.1.) and 202 (II.2.2.).

A State fund for the development of cooperatives, Soficatra, has also been set up, with a capital of BFR 100 million. This fund is administered jointly by cooperatives, trade unions and the government.

(g) *Netherlands*

The agricultural cooperatives rely on the Rabobank, one of the largest credit institutions in the country and a bank with a world-wide reputation.¹ The Rabobank at present holds 90-95% of the market in this sector of the cooperative movement.

The FNV and CNV trade unions have recently also agreed to provide limited finance for production cooperatives.

(h) *Ireland*

There are a number of ways in which investments by the agricultural cooperatives belonging to ICOS may be financed:

1. The first possibility is a share issue. This is sometimes used if cooperatives find themselves in financial difficulties.
2. The so-called 'revolving fund' is one of the main sources of investment capital for the agricultural cooperatives. It operates in this way: when the farmer delivers his milk the cooperative withholds a levy from the amount due to him which it then uses as an investment loan at several years' date.
3. Finance can also be forthcoming from the merger of cooperatives and from certain relatively high profit margins in the sale of unprocessed milk.
4. In cases where a bank loan is required, the agricultural cooperatives approach either the Agricultural Credit Corporation, a semi-governmental institution granting individual loans to farmers, or private and commercial banks.

(i) *Luxembourg*

Luxembourg does not have an intersectoral financing institution for the cooperative movement.

The Central Raiffeisenbank, which is part of the Centrale paysanne luxembourgeoise (CPL — Luxembourg Central Agricultural Association), is the main credit institution for agricultural cooperatives and the rural community.

Cooperatives loosely associated in the cooperative Entente (Luxembourg Consumer Cooperatives Association) do not operate a financing institution of their own.

In contrast to the Federal Republic of Germany and France, then, no moves have been made in Italy, Ireland, Luxembourg and the Netherlands towards the funding of various cooperative activities via common financing institutions. In some countries, therefore, there is no combined financing system for the whole cooperative movement covering all sectors of the economy; instead financing occurs within the existing major groups of associations, such Cooperative Union (Cooperative Bank), the Dutch National Cooperative Council (Rabobank) and the banking and insurance facilities of the Christian and Socialist cooperative movement in Belgium, all of which may have recourse to a credit section within their own associations.

Intersectoral financing of cooperatives' investment by cooperative credit institutions which look after their members' savings is not yet very widespread in Europe.

THE 'THIRD WAY' OR 'THIRD SECTOR'

Differences in the way in which the cooperatives and related sectors in the various Member States of the Community see themselves lead to different answers to the question of whether these sectors constitute a 'third way' or 'third sector' lying between the private and State economies.

¹ 'Financer l'économie sociale', *op.cit.*, p. 189 and information provided by Mr J. Lunshof, NCR, dated 24 November 1983.

(a) The 'third way'?

The idea of the development of strong cooperatives as a way of constituting an alternative to private 'capitalist' or state 'public' control of the economy — a type of economic system operating on self-management principles — enjoys very little support nowadays.

The vast majority of leaders of the cooperative movement and related sectors regard cooperatives as part of the free market economy system, in which private enterprise and individual economic operators, cooperatives and public enterprises compete in the market place (c.f. Part IV, section on the public benefit sector).

The cooperatives realize, therefore, that they form part of the market economy system of Western democracy and that, while there may be room for improvement and expansion, this type of system should not be replaced by a fundamentally different economic order. Even the theorists of the modern cooperative movement support a *pluralist* approach incorporating the cooperatives in an existing economic order, that of the free market economy.

Leaders of the French social economy point out the special nature of these associations of individuals based on solidarity, which can be classified as the *économie solidaire privée* (approximate translation: private economy based on solidarity).

(b) The 'third sector'? — or the 'third force'?

A different and very much more controversial question arises from the idea that perhaps the cooperatives and related sectors, because of their special nature, should be regarded as a 'third sector' of economic activity lying between the private sector (private firms and corporations) and the public sector (State, regional or municipal undertakings).

This view is supported in France, for example, by the representatives of the 'Délégation interministérielle de l'économie sociale' (DIES)¹ and by leaders of CNLAMCA (Comité national de liaison des activités mutualistes, coopératives et associatives),² whereas representatives of the DGRV Group³ in the Federal Republic of Germany categorically reject it.

Within the political arena, the concept of a third sector tends to be supported mainly by Socialists and Social Democrats, while Christian Democrat and Liberal authors reject this classification and call for the complete integration of the cooperative movement into the private sector.

If ideological extremes on both sides are disregarded it can be seen that *internally*, cooperatives and related bodies are characterized by internal solidarity, while *outwardly* they are obliged to assert themselves competitively in the marketplace (usually as small and medium-sized undertakings).

Attitudes to the third sector concept thus depend on whether one places greater emphasis on the solidarity which typifies cooperatives' internal structure or on their position as business undertakings subject to the rules of competition as reflected in their external relations.

This duality of purpose justifies the approach of both Democratic Socialists and Social Democrats, on the one hand, and the Social Christian and Liberal movements, on the other, in their theses regarding the economic classification of cooperatives and related sectors and affinity with their own political leanings. But it makes no additional contribution to the further consideration of cooperatives within the Member States of the European Community.

As a social phenomenon with its roots in the needs not only of the nineteenth century industrial labour movement but also of farmers, craftsmen and small traders and industrialists, and which continues to appeal to these social groups today, the cooperative movement can in political terms be claimed as their own by Liberal Democrats (Schulze-Delitzsch, Mazzini), Socialists and Social Democrats (Owen, Pfeiffer, etc.), Christian Democrats and Christian Socialists (Gide, Raiffeisen, Luzzati), Conservative (John Scott Vandaleur, etc.), and Communist (Italy) elements within the political spectrum of Western Europe.

¹ See speeches and statements by Michel Rocard, Minister responsible for the *économie sociale* until March 1983.

² See 'France. The economic, social and political context', point 1.

³ See papers on DGRV and Introduction 'Économie sociale' in France, point A.4.

The origins and present structure of the cooperative movement and related sectors are therefore drawn from several major political tendencies in Western Europe, and as a result this sector can be regarded as the common property of almost every social group of the pluralist democracies of Western Europe.

The cooperative movement can only succeed in uniting on a European scale if it is aware of this broad context, its origins and the form it now takes.

In practice this means that any attempt to unite the cooperative and related sectors within the European Community must endeavour from the outset to involve all the major cooperative associations, whether organized on sectoral lines or according to political affiliation.

Failure to do so could lead to a polarization of the various sectoral and ideological components which might, in the final analysis, stand in the way of further progress in the coordination of joint action at European level and thus deprive the Community institutions of the opportunity of proper consultation with representatives of the cooperatives.

CONFLICT OF INTEREST BETWEEN SUPPLIER AND CONSUMER COOPERATIVES

As mentioned above (Point V), there is a certain clash of interests between consumer cooperatives on the one hand and industrial and agricultural cooperatives on the other.

In some countries, such as France, Italy, Belgium and, to some extent, Denmark and the Netherlands, this conflict has been alleviated by the setting-up of coordinating bodies containing both types of cooperative.

In Belgium and Italy, but also in part in Denmark, the grouping of cooperatives into intersectoral umbrella organizations, set up according to political tendency, also reduces differences of opinion. In other countries, such as the Federal Republic of Germany and Great Britain, this conflict persists and has so far prevented even the setting up of an operational coordinating body to represent these groups as a whole.

PROFESSIONAL QUALIFICATIONS AND TRAINING

Cooperatives throughout the European Community place particular importance in their practical work on providing their members with professional qualifications. The large number of regional and national educational establishments bear witness to this.

IMPROVING LIVING STANDARDS FOR MEMBERS

All production cooperatives and many others, especially consumer cooperatives, consider it their duty to help improve their members' standards of living.

SELF-MANAGEMENT

The principle of self-management is central to all cooperatives. In Italy, France and Denmark, production cooperatives see in the running of their firms an opportunity to involve workers in new forms of self-management and co-management, and thus help reduce, if not alleviate, the conflict between capital and labour.

IMPROVING CONDITIONS AT EUROPEAN LEVEL

With the exception of the European Parliament Resolution on the cooperative movement in the European Community of April 1983, there are still no specific Community measures on cooperatives. In all probability, however, future Commission proposals will take up Parliament's suggestions regarding the role of cooperatives.¹

At *national level*, the basic conditions were created in almost all Member States by means of legislation to enable the cooperatives to compete on the open market without having to renounce their principles of group solidarity. The cooperatives and their special organizational form are also, however — as indicated by the history of the origins of the 1978 'Marcora' Law in Italy — bearers of

¹ In the introductory section of its 1982 report on the evolution of the social situation, the Commission mentioned its efforts to find new employment-growth sectors... mainly through the vehicle of small firms and cooperatives.

hope for companies in financial difficulties. It seems, moreover, that the cooperative principle of organization has in some Community countries enabled small and medium-sized undertakings to withstand the economic crisis relatively well in comparison with other legal forms of enterprise.

In addition to the constant improvements being made by governments to the conditions under which cooperatives and related sectors operate, in three countries (France, Italy and Belgium) cooperatives take part in government discussions on economic and social policy. In Belgium this occurs within the National Council for Cooperation, which in turn forms part of the Belgian Central Economic Affairs Council, while in Italy the same task is carried out by a Central Committee on the Cooperative Movement under the aegis of the Ministry of Labour and in which the four large national cooperative organizations take part on equal terms. France has a Supreme Council for Cooperation for the cooperative movement, a Supreme Council for Mutual Benefit Societies for the mutual sector, and a National Associations Council for the non-profit sector, plus an Advisory Committee for the Social Economy.

NATIONAL POLICY ON COOPERATIVES

(a) In the Member States of the European Community

Although in the Federal Republic of Germany and in most other countries the authorities make no attempt to introduce a 'cooperative policy' to promote this sector on a permanent basis by safeguarding the basic market economy conditions within which the cooperatives and related sectors operate, the present French government seems to be paving the way for very intensive support for cooperatives and related sectors, i.e. for the French 'social economy'.

This may, of course, be largely attributable to the realization that in certain areas the conditions for French cooperatives and related sectors compare unfavourably with those in other countries (e.g. Italy and Germany). It cannot be ruled out, however, that this support is indeed an expression of a political objective held by a considerable part of the French Socialist majority party to strengthen the social economy, and thus, from their point of view, to make the expansion of the public sector unnecessary. If this were so, the present active cooperative policy in France would be part of a process to strengthen the market economy based on competition and to restrain ambitions regarding the expansion of the publicly-owned sector.

Italy steers a middle course, pursuing in practice an active cooperative policy, based on a constitutional clause on the promotion of cooperatives, in three cooperative sectors:

in the agricultural sector, where cooperatives play a pilot role in promoting new agricultural production methods and providing vocational training for farmers;

in the housing sector, where the cooperatives are called upon to provide inexpensive housing for the less privileged population groups;

and, finally, in the formation of cooperatives of young skilled workers and craftsmen to combat unemployment.

On the whole, however, Italy's policy on assisting cooperatives does not seem to display the same dynamism as the development of the French social economy.

(b) At European Community level

The problem is less one of finding a policy to assist cooperatives throughout the 10 Member States, than of providing the Community institutions, primarily the Commission but also the Council, Parliament and Economic and Social Committee, as required, with discussion partners representing the cooperative movement, both sectoral and intersectoral. This could make it easier to include the special cooperative form of organization in the drafting and implementation of specific Community policies, such as employment, regional, development and tourism policies, such as advantage of the cooperatives' specialist knowledge and entrepreneurial spirit.

VIII. The national associations and the economic significance of cooperative, mutual and non-profit organizations in the European Community

A. THE NATIONAL ASSOCIATIONS

Forms of organization

(a) Classification principles

Presenting a comprehensive overview of characteristic forms of organization in cooperatives and related sectors is problematic since the organizational aspect has been tackled differently in the 10 Member States (see Table B).

A division into economic sectors is characteristic for France, the Federal Republic of Germany, the Netherlands, Great Britain, Ireland, Luxembourg and Greece. In Italy, Belgium and, to a certain extent, in Denmark, cooperatives and related sectors are largely based on political and ideological groupings.

(b) Central and coordinating bodies

Of those countries where cooperative associations are organized by sector, France and the Federal Republic of Germany have central organizations which cover all cooperative sectors. These are coordinating bodies which operate on a national level, such as the Free Committee of German Cooperative Associations in the Federal Republic of Germany and the National Cooperative Grouping (GNC) in France. In France there is also a coordinating body for all three sectors of the social economy, the National Committee for the Liaison of Activities of Mutual-Benefit Societies, Cooperative and Non-Profit Associations (CNLAMCA).

At governmental level, the Interministerial Delegation for Social Economy, DIES, promotes the interests of cooperatives and related sectors; it is headed by the Prime Minister.

In contrast to this, three of the other countries where the cooperative movement is organized by sector — Ireland, the Netherlands and Luxembourg — have no national coordinating associations, nor any State-run support bodies. Great Britain has an autonomous body, the Cooperative Development Agency, which was established by the government. Its aims are to improve the legal apparatus of all cooperatives and thus to contribute to the development of the entire movement.

Some countries where cooperatives are organized on the basis of political groupings have coordinating bodies set up as the result of State initiative. These include the National Cooperatives Council in Belgium and the Central Commission for the Cooperative Movement within the Italian Ministry of Labour.

The composition of the various coordinating bodies is explained in the 'Introduction and Overview' chapter of the sections dealing with the various Member States.

Here, it suffices to mention that the French coordinating body for the whole of the cooperative, mutual and non-profit sector, the CNLAMCA, includes: the National Cooperation Grouping (GNC), 11 central cooperative associations from nine sectors, two central associations of mutual benefit societies and also two central national organizations of associations and self-help organizations. The Fonda foundation is the only member which is not classified as an association.

CNLAMCA is the only central body within the European Community which attempts to unite the interests of all sectors: cooperatives, mutual-benefit societies and non-profit organizations. This committee, set up in 1970, is one of the mainstays of the French cooperative, mutual and non-profit sector, and receives particularly strong backing from the French government.

Table B:

Cooperative, Mutual and Non-Profit Organizations in the European Community Spain and Portugal

Notes

- ¹ Sectors not represented by a central organization
- ² Organizations whose activity in the sector is not their main activity
- ³ Body for informal discussions
- ⁴ Major regional organizations
- ⁵ Organizations not yet fully operational.
- [] Organizations not discussed in detail in the text

Areas of activity	EG	B	DK	D	F	IRL	I	L	NL	UK	GR	S	P				
I. Joint structures of the cooperative, mutual and non-profit sectors					Comité national de liaison des activités mutualistes, coopératives et associatives (CNLAMCA)												
II. Cooperative Sector																	
A Cooperative sector organizations	European Co-operative Coordination Committee (ECCC)	European Co-operative Liaison Committee (CLICE)		Freier Ausschuß der Deutschen Genossenschaftsverbände	Groupement national de la coopération (GNC)							Confederación española de cooperativas (CECOO)* Confederación de cooperativas de Cataluña*					
B Multisectoral																	
C Sectoral Organizations																	
1 agriculture	General Committee for Agricultural Co-operation in the EEC (COGECA)	Boerenbond belge (BB) Alliance agricole belge (AAB)	Fédération nationale des coopératives chrétiennes (FNCC) Fédération nationale des unions professionnelles agricoles (FN des UPA)	ANDELSUDVALGET ² Det kooperativ Fællesforbund (DkF) ²	Deutscher Genossenschafts- und Raiffeisenverband (DGRV) Deutscher Raiffeisenverband (DRV) BVR ²	Groupement national de la coopération (GNC)	ICOS ² Irish Cooperative Organization Society (ICOS)	Associazione generale cooperative italiane (AGCI) Confederazione cooperative italiane (CCI) (CONFCOOPERATIVE)	Legge nazionale delle cooperative e mutue (LEGA) ANCA	Unione nazionale cooperative italiane (UNCI) ANCAO	Federazione italiana dei consorzi agrari (FEDERCONSORZI)	Cooperative Union ²					
2 savings and credit	Association of Cooperative Banks of the EC	FEBECOOP ² (CODEP) ²	FNCC ² (COB)	ANDELSUDVALGET ² (DkF) ²	Bundesverband der deutschen Volksbanken und Raiffeisenbanken (BVR) DVR ²	Groupement national de la coopération (GNC)	Irish League of Credit Unions	CCI: Federcasse	LEGA: ANCO	UNCI	FEDERCONSORZI (*)	Coop Union ² Association of British Credit Unions	Union nacional de cooperativas de crédito Caja laboral popular de Mondragon (CLP)* Federación de cajas rurales de Cataluña*	Federação Nacional das Caixas de Crédito Agrícola Mutuo (FENACAM) Caixa Central de Crédito Agrícola Mutuo			
3 commerce																	
— retailing	Association of Retailer-Owned Wholesalers in Foodstuffs (UGAL)	[Independent retailers] ¹		[Independent retailers] ¹	Zentralverband der genossenschaftlichen Großhandels- und Dienstleistungsunternehmen (ZENTGENO) Mitgliedsverbände EDEKA Verband kaufm. Genossenschaften REWE-Prüfungsverband	Union fédérale des coopératives de commerçants (UFCC)		CCI: Federdettaglianti	LEGA: ANCD	UNCI	—	Independent retailers ¹	[Union detallistas de alimentación (UDA)]	Federação Nacional de Retailistas de Produtos Alimentares (UCREPA)			
— crafts					ZENTGENO	Fédération nationale des coopératives et groupements d'artisans (FNCGA)		CCI	LEGA	UNCI	—			[Federação Nacional das Cooperativas de Artesanato (FENACA)]			
— transport					ZENTGENO ² Prüfungsverband der deutschen Verkehrs-genossenschaften	Fédération des coopératives et groupements du transport (UNICOOPTRANS)		AGCI: ANCT	CCI: Federservizi	LEGA: Ass. naz. coop. trasporto (ANCS)	Cooperative Binnen-scheepvaart-Vereeniging (CBV)	Union nacional de cooperativas del mar*		Federação Nacional das Cooperativas de Pesca (FENACOOPESCAS)			
— fishing	COGECA ²			ANDELSUDVALGET ²	DRV ²	Confédération de la coopération, de la mutualité et du crédit maritimes (CCMCM)	ICOS ²	AGCI: ANCPA	CCI: Federpesca	LEGA: Associazione nazionale cooperative pesca	UNCI	FAC ²					
4 Consumer/Employee Cooperatives																	
— insurance	Association of European Cooperative Insurers (AECI)	FEBECOOP ²	FNCC ²	ANDELSUDVALGET ² (DkF) ²	BVR ²		ICOS ²		LEGA: (UNIPOL)			NCR ²	Cooperative Union ²				
— production	European Committee of Workers' Cooperative, Productive and Artisanal Societies (CECOP)	[New cooperatives]		ANDELSUDVALGET ² (DkF) ²	Production cooperatives ¹	Confédération générale des sociétés coopératives ouvrières de production (CGSCOP)	Cooperative Development Society	AGCI: ANCL	CCI: Federlavoro	LEGA: Associazione nazionale coop. prod. lav. (ANCPPL)	UNCI	Associação van Bedrijven op Cooperatieve Grondslag (ABC)	Industrial Common Ownership Movement (ICOM) Coop Union ²	Union nacional de cooperativas industriales* Federación de cooperativas de trabajo asociado de Cataluña*	Federação Nacional das Cooperativas de Produção Operária (FINCOOP)		
— housing				DkF ²	Gesamtverband gemeinnütziger Wohnungsunternehmen e.V. (GGW)	Fédération nationale des sociétés coopératives de mutualité (FNCS-HLM)	National Association of Building Cooperatives (NABCO)	AGCI: ANCAB	CCI: Federabitazione	LEGA: Ass. naz. coop. abitazione ANCAB	UNCI: ANCEA	National Federation of Housing Cooperatives	Association of Building Cooperatives	Union nacional de cooperativas de viviendas Federación de cooperativas de vivienda de Cataluña*	Federação Nacional das Cooperativas de Habitação Económica (FENACHE)		
— retailing	European Community of Consumer Cooperatives (EURO COOP)	FEBECOOP ²	FNCC ²	Fællesforeningen for Danmarks Brugsforeninger (FDB)	Bund deutscher Konsumgenossenschaften GmbH	Fédération nationale des coopératives de consommateurs (FNCC)		AGCI: ANCC	CCI: Federconsumo	LEGA: Ass. naz. coop. consumo (ANCC)	UNCI	Entente des coopératives luxembourgeoises ¹	Coop Holland	Cooperative Union	Katanalotis-Konsum	Union nacional de cooperativas de consumo de España Federación de cooperativas de consumo de Cataluña*	Federação Nacional das Cooperativas de Consumo (FENACOOOP)
— pharmacies	European Union of Social, Mutual and Co-operative Pharmacies (EUSMCP)	Office des pharmacies coopératives de Belgique (OPHACO) FEBECOOP ²	FNCC ²										Vereniging van Nederlandse Ziekenfondsen (VNZ) ⁽²⁾	Cooperative Union ²		Federação Nacional das Cooperativas de Produtores de Serviços (FECOOPSERV) Federação Nacional das Cooperativas de Arte e Cultura (ARTICULA) [Federação Nacional das Cooperativas de Ensino (FECOOPENSINO)] [Federação Nacional das Cooperativas de Educação e Reabilitação de Crianças Inadaptadas (CECIS)]	
5 others (tourism, culture, building, publishing, services, etc)	European Committee for Cooperative Tourism (CECOTOS)	FEBECOOP ²	FNCC ²	DkF ²	BVR ²	[Office central de la coopération à l'école (OCCE)]	ICOS ²	AGCI	CCI: Federturismo, Federcultura	LEGA: ANCT, ANCC	UNCI				Conf. de entidades de prevision social Agrupación nacional de mutuas de accidentes del trabajo (afiliada a UNESPA)**		
III. Mutual Benefit Societies																	
1 Mutual Assistance and Welfare Funds		[Mutual Societies] ²				Fédération nationale des sociétés d'assurance mutuelle (FNMF)	Friendly Societies ¹	AGCI	CCI: Federmutue	LEGA: Federazione italiana mutualità (FIM)	UNCI	Féd. nat. de la mutualité luxembourgeoise (FNML)	Vereniging van Nederlandse Ziekenfondsen (VNZ)	Friendly Societies Liaison Committee Provident Associations ¹	Agrupación nacional de mutuas de seguros generales (afiliada a UNESPA)	Federação Nacional das Associações de Socorros Mutuos (FNASM)	
2 Insurance		Union des associations d'assurance mutuelle (UJAM) [Mutual societies] ¹	Association des caisses communes d'assurance (ACCA)	Forening af Gensidige Forsikringselskaber	Arbeitsgem. Verband der Versicherungsvereine auf Gegenseitigkeit a G Deutscher Versicherungsverband Verband deutscher Versicherungsvereine auf Gegenseitigkeit a G	Groupement des sociétés d'assurances à caractère mutuel (GSACM)				LEGA ² (FIM)			NCR ² Other insurance organizations ¹	Mutual Insurance Companies Association			
IV. Non-profit Associations, self-help and other welfare organizations																	
		Confédération chrétienne des institutions sociales et de santé (CCI - francophone) Caritas-Confederatie van Instellingen (CCI-Flandres)	Association francophone des institutions de soins (AFIS)	Realkreditrådet	Gesamtverband gemeinnütziger Wohnungsunternehmen e.V. (GGW) Bundesarbeitsgemeinschaft der freien Wohlfahrtspflege e.V. (BAG)	Union nationale inter-fédérale des œuvres mutualistes et coopératives de l'éducation nationale (C.COMCEN)	Irish Building Societies Association Muintir Na Tire					Nationale Woningraad (NWR)	The Building Societies Association [National Federation of Housing Associations (NFHA)] Scottish Federation of Housing Associations North Ireland Federation of Housing Associations		* See introduction ** UNESPA — Spanish Union of Insurance, Reinsurance and Investment Companies	União das Misericórdias Portuguesas União das Instituições Particulares de Solidariedade social	

(c) The national umbrella organizations and coordinating bodies of the cooperative sector

A closer examination of the national coordinating organizations of the cooperatives reveals that this kind of body only exists in France and the Federal Republic of Germany. The French GNC is based on the strictly sectoral structure of the French central bodies and coordinates between these in order to represent their interests with government authorities (see Introduction and Overview: France). The German Free Committee of German Cooperative Associations has no rules or standing orders of its own, but provides an informal information and discussion forum for the following umbrella organizations: Deutscher Genossenschafts- und Raiffeisenverband (DGRV — German Cooperative and Raiffeisen Union — agriculture, savings and credit institutions, trades and crafts), the Gesamtverband gemeinnütziger Wohnungsunternehmen (GgW) (General Association of non-profit making housing associations) and the Revisionsverband deutscher Konsumgenossenschaften (RdK — Auditing Association of German Consumer Cooperatives). The Free Committee rarely engages in concerted action. The hearing on the subject of changes in the German Cooperatives Law was an exception to this rule.

The Italian Central Commission of Cooperatives which operates under the aegis of the Ministry of Labour is a forum for discussions between the four national and politically separate umbrella organizations of the cooperatives and the relevant government authorities; representatives of the AGCI (republican-social-democrat), the Confcooperative (christian-democrat), the LEGA (communist-socialist-republican) and the UNCI (Catholic) all participate with equal rights.

The Central Commission also furthers harmonization between the four central bodies who, by their participation, are forced to either hammer out a common standpoint or to coordinate diverging positions. The work here appears to be relatively successful: for some time now the cooperatives have been involved in consultations with the political, economic and social forces, for example, when the President has had to appoint a new government or when basic questions of economic and social policy have been discussed with the social partners at governmental level.

The Belgian Conseil national de la Coopération (National Cooperatives Council) which does the preliminary work for the Conseil central de l'Économie (National Committee for Economic Questions), was set up to involve cooperatives of economic significance in the dialogue between the social partners.

The national coordinating bodies mentioned so far include all the relevant national cooperative associations, i.e. they claim to be complete.

(d) Multisectoral national organizations of cooperatives

Below this level of general, national coordination of the cooperative movement, several countries also have important multisectoral umbrella organizations.

The Deutscher Genossenschafts- und Raiffeisenverband (DGRV — German Cooperative and Raiffeisen Union) covers agriculture, credit, trade, crafts and services and so represents around 85-90% of German cooperatives in terms of the number of cooperatives, their membership and their economic clout.

In the Netherlands, the National Cooperative Council for Agriculture and Horticulture embraces the rural cooperatives and their sectoral organizations, as well as the credit cooperatives of the Rabobank, mutual insurance societies and trade and craft cooperatives.

The Irish ICOS mainly represents the interests of the agricultural cooperatives. It also plays an active role in the fields of credit, insurance, the mass media, regional development, water supply and fishing.

The British Cooperative Union is also a multisectoral umbrella organization — it covers consumer cooperatives, wholesalers and retailers, insurances, banking and certain production cooperatives.

The Belgian associations, Febecoop (socialist) and FNCC (social-christian), which have a political slant are also multisectoral national associations: they cover nearly all the cooperative sectors except agriculture.

The Danish Andelsudvalget is also a multisectoral national organization, covering the agricultural cooperatives. As an autonomous body, it represents the interests of rural cooperatives and is developing quite a strong foothold in banking, fishing and insurance.

Table C: Associations of Cooperative, Mutual and Non-Profit Organizations in the Member States of the European Communities

	Central Bodies					
	Cooperatives, mutual-benefit and non-profit organizations and allied sectors		Cooperatives		Mutual-benefit organizations	Non-profit organizations and allied sectors
EUROPEAN COMMUNITY			European Cooperatives Inter-sectoral Liaison Committee (CLICE)	European Cooperatives Coordinating Committee		
BELGIUM			<i>Conseil national de la coopération</i>			
DENMARK						
FR			Freier Ausschuß der Deutschen Genossenschaftsverbände			
GERMANY						
GREECE						
FRANCE	Comité national de liaison des activités coopératives mutualistes et associatives (CNLAM-CA)	<i>Délégation interministérielle à l'économie sociale (DIES)</i> <i>Comité consultatif de l'économie sociale</i>	Groupe-ment national de la coopération (GNC)	<i>Conseil supérieur de la coopération</i>	<i>Conseil supérieur de la mutualité</i>	<i>Conseil national de la vie associative</i>
IRELAND						
ITALY			<i>Commissione centrale per le cooperative</i>			
LUXEMBOURG					<i>Conseil supérieur de la mutualité</i>	
NETHERLANDS						
UNITED KINGDOM			<i>Cooperative Development Agency</i>			

Bold: Organizations set up by the associations themselves.

Italic: Organizations set up as a result of Government initiatives

Contacts with national representatives of the cooperative system throughout the Community should, therefore, be channelled via coordinating bodies such as the GNC in France but the multisectoral national organizations should not be neglected. Significant forces at this level are, e.g.: for the Federal Republic of Germany, DGRV; for Denmark, Andelsudvalget and DkF; for Belgium, Febecoop and FNCC; for Italy, AGCI, Confcooperative and LEGA; for Ireland, ICOS and for the UK, the Cooperative Union. Such institutions are sometimes major focal points of discussion within the national cooperative network. The major sectoral cooperative organizations in the Member States are also important discussion partners.

(e) Overview of national organizations

Table B lists all the national cooperative associations, both umbrella and specialist national organizations, which have been covered by this study.

The table is divided into 12 sectors. Seven of these sectors and part of the food-retailing sector are linked up in eight European organizations in all (for details, see Table P in Chapter IX).

Out of these 12 sectors, agriculture is represented by organizations in all the Community countries.¹ The same applies to savings and credit societies and, generally speaking; to the consumer cooperatives — Ireland being the odd man out.

The production cooperatives are strongest in France, Italy, Denmark, the UK and the Netherlands. Luxembourg and the Federal Republic of Germany also have production cooperatives but they are not linked in an independent organization.

Other sectors such as insurance cooperatives and non-profit pharmacists' cooperatives are not organized on national lines in all the Member States. The same applies to the food-retailing business — here it is mainly a question of trading organizations which cooperate on a European level.

The following elucidates the footnotes in Table B:

Footnote 1 indicates those sectors which are not represented by a separate organization at national level but where there may nevertheless be areas with cooperative activity. The 27 production cooperatives in the Federal Republic of Germany — the remnants of a large group of cooperatives which were active at around the turn of the century — are a case in point. The independent retailers' cooperatives in Holland, Belgium, Denmark and Greece are another example.

Footnote 2 indicates certain organizations which are strongest in one particular sector but are developing activities in other sectors. It covers organizations active in several sectors and those which act as an umbrella organization for several sectors.

Footnote 3 indicates the location of information and discussion forums which operate without an administrative structure or working organ of their own as, for example, the Free Committee of German Cooperative Associations and, in Luxembourg, the Luxembourg Consumer Cooperatives Association.

Footnote 4 relates to the organizations of the autonomous regions in Spain.

Some countries have central organizations for promoting the cooperative movement and related sectors. These are either based on government initiative (as, for example, the Belgian National Cooperatives Council or the UK Cooperative Development Agency) or reflect the desire of the cooperatives to set up coordinating committees on their own initiative.

Table C provides a comprehensive survey of both kinds of organization.

The special structure of the Italian cooperative movement — divided as it is into four politically-orientated national umbrella organizations — means that about 35 minor sectoral organizations are all subsumed under the umbrella organizations. These are described in the sections on the particular umbrella organization or in the section 'Introduction and Overview — Italy'.

The mutual-benefit health insurances (insofar as they exist in this legal form in the Ten) are strongest in France: roughly 85% of statutory social security contributors are organized in the FNMF while the FNMT covers employees who belong to the CGT trade union. Luxembourg, the Netherlands and the United Kingdom also have important supplementary insurance societies.

¹ In many cases these organizations represent agriculture cooperatives, cooperative banks and mutual insurance societies, e.g. the French CNMCCA.

The mutual insurance companies in Belgium (UAAM and ACCA), Denmark, the Federal Republic of Germany, France (GSACM and ROAM) and the United Kingdom, have been listed in the survey in view of their importance for the sector. They are also discussed in the corresponding sections.

In this survey of the whole Community, the public-utility and non-profit organizations pose the major difficulty: the organizational structures and aims are so diverse that systematic tabulation is virtually impossible. As much of the text is inspired by the French social economy with its third sector of associations and non-profit organizations, it was possible to draw up sections on the major French national umbrella organizations.

France covers:

- (a) the two major national organizations for health and social institutions, UNIOPSS and CCOMCEN (the coordinating committee of the education trade unions) which belong to the coordinating committee CNLAMCA and
- (b) the organizations CNAJEP, Cecorel and CGTL, which do not belong to CNLAMCA.

The section on Belgium deals with the Flemish and the Walloon social welfare organizations run by the Catholic Church — the Flemish CCI and the Walloon CCI — and also the socialist association of social and nursing institutions (AFIS).

The spectrum for Belgium and France is quite comprehensive; for Ireland, Muintir Na Tire, the Irish community development association, has also been included in the light of its self-help nature.

Under this heading are also certain building societies which are organized on a self-help basis, such as certain British and Irish building societies, the Dutch National Housing Council and the Council of Danish Mortgage Credit Organizations. The German General Association of Non-Profit Housing Enterprises is also covered in this section since its members include not only cooperatives but also non-profit making organizations.

Self-help and non-profit associations have not been examined in detail in all EC Member States.

SURVEYS OF MEMBER STATES

The following national surveys (Tables D1-9) deal with the organizations in the three sectors: cooperatives;

mutual benefit societies;

non-profit and self-help organizations.

They also show how the various sectors are related to the umbrella organizations in those countries where umbrella organizations exist.

An analysis of these surveys provides the following picture:

Belgium

In Belgium, the cooperative movement is largely organized along political lines.

The socialist cooperative movement has formed a national association, Febecoop, while the Christian cooperative movement is organized in the national umbrella association, FNCC.

The most important subdivisions of these umbrella organizations are credit and insurance, publishing, retailing, pharmacies, tourism and other service industries.

The agricultural cooperative movement comprises three organizations: the Flemish Boerenbond (Belgian Farmers' Union) and the Walloon Alliance agricole belge (AAB — Belgian Agricultural Alliance), both of which have a christian-social ideology, while the Fédération nationale des unions professionnelles agricoles (FN UPA — National Federation of Professional Cooperatives) is non-aligned. The association of Belgian cooperative pharmacies is also politically non-aligned. Four of the six national umbrella organizations are thus ideologically motivated, while two can be described as apolitical and neutral.

The Belgian associations in the mutual-benefit sector are subdivided into the Association des caisses communes d'assurances (ACCA) — Association of Collective Insurance Funds (insurance against accidents at work) and the Union des associations d'assurance mutuelle (UAAM — Union of Mutual Insurance Associations). These organizations cover numerous areas of both personal and property insurance.

Table D1: Belgium

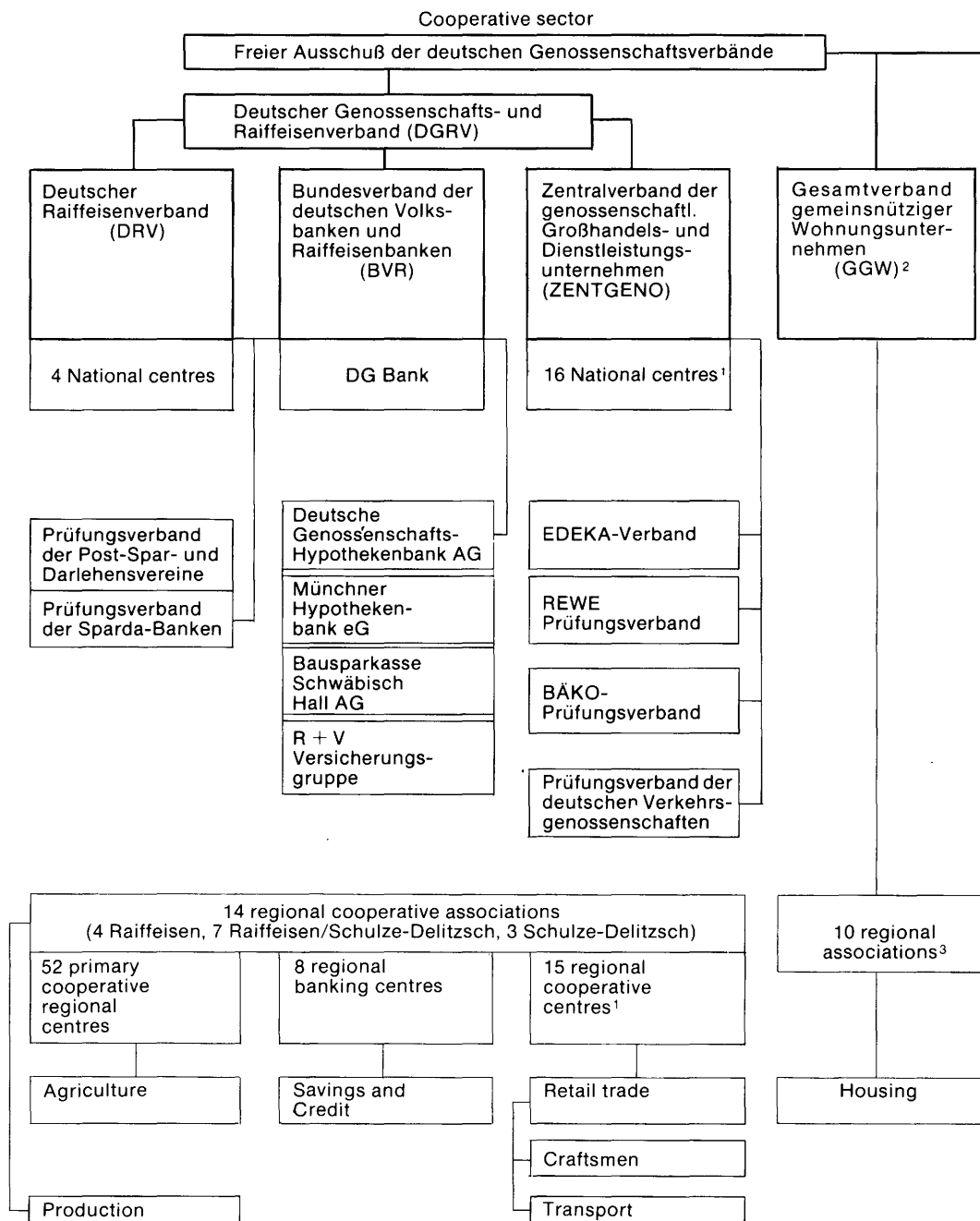
		Socialist Movement	Christian Movement	Neutral Movement
National Cooperative Council	Agriculture	Fédération Belge des Coopératives Fédération der Belgische Kooperaties (FEBECOOP)	Boerenbond (BB)	Fédération Nationale des Unions Professionelles Agricoles (FN des UPA)
	Consumers		Alliance Agricole Belge (AAB)	Office des Pharmacies Coopératives de Belgique Vereniging der Cooperatieve Apotheken van België (OPHACO) <i>La Fédérale</i> <i>Société coopérative Federa</i> <i>La Fédérale</i> <i>Solidarité des alternatives wallonnes (SAW)</i> <i>Les Nouvelles Coopératives</i> <i>Netwerk Zelfhulp Vlaanderen (NZV)</i> <i>(Réseau d'entraide de Flandre)</i>
	Production — distribution Services New cooperatives		Fédération Nationale des Coopératives Chrétiennes (FNCC) Landelijk Verbond der Christelijke Cooperatieven (LVCC) <i>Fondation André Oleffe</i>	
Mutual insurance			Union des Associations d'Assurance Mutuelle (UAAM) Verbond der Verenigingen van Onderlinge Verzekeringen (VVOV) Association des Caisses Communes d'Assurance (ACCA) Vereniging der Gemeenschappelijke Verzekerings- kassen (GVV)	
Non-profit sector	Association Franco- phone des Institutions de Soins (AFIS)	Confédération Chré- tienne des Institutions Sociales et de Santé (CCI-francophone) Caritas-Confederatie van Instellingen (CCI-Flanders)		

Note: This table shows organizations which are specifically cooperative, mutual or non-profit. Certain other organizations may not be affiliated to those shown or are a part of organizations in

other sectors. Thus, agricultural cooperative organizations include mutual and non-profit bodies, and certain cooperatives formed by retailers have no national organization

Table D2: Denmark

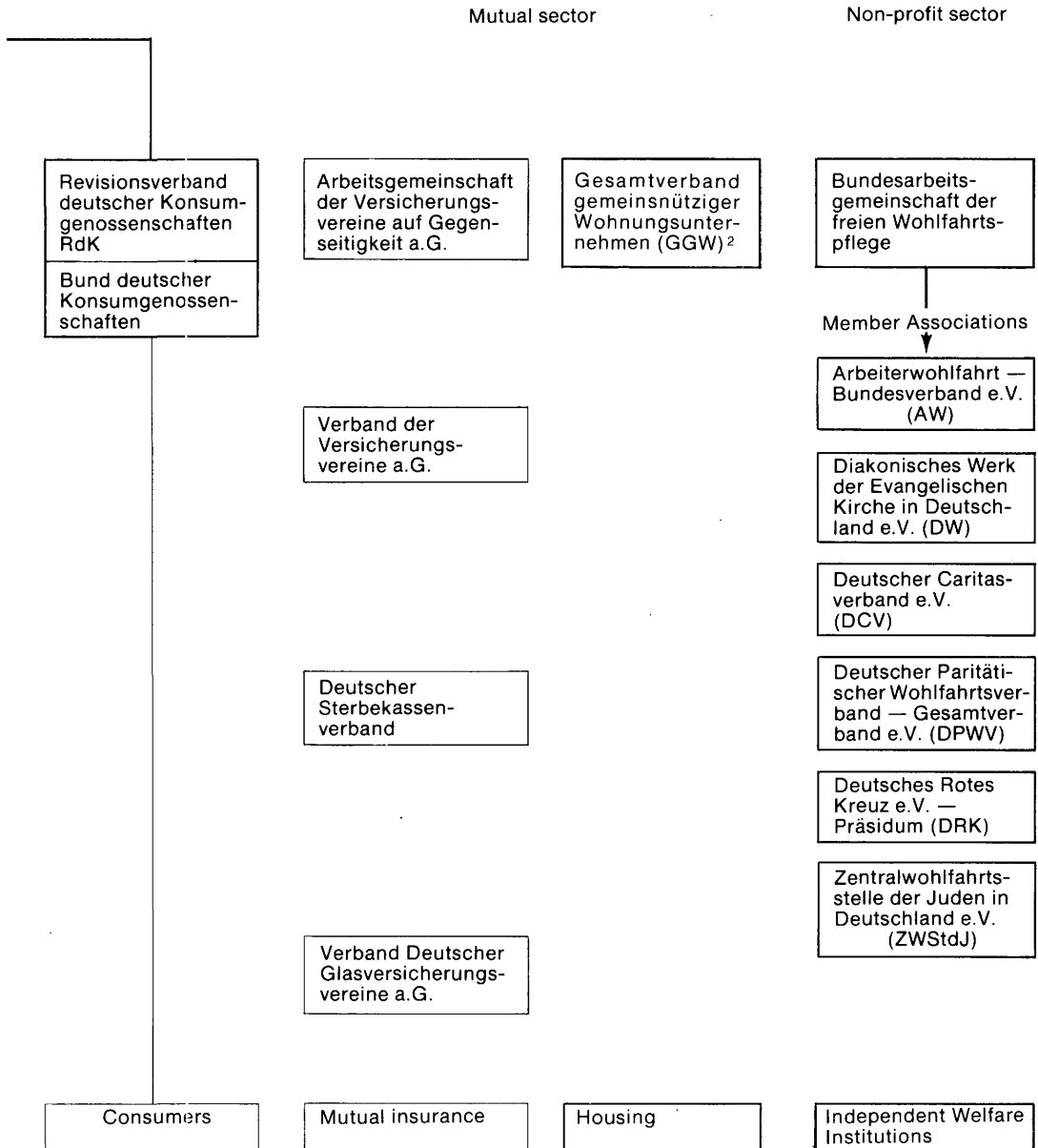
Sectors	Cooperative	Mutual	Others
Agriculture			
Savings and Credit	Andels-udvalget		Realkreditrådet
Insurance		Foreningen af gensidige Forsikringselskaber	
Production (building, bakeries, oil, canteens, printing)			
Housing			
Consumers	Fællesforeningen for Danmarks Brugsforeninger (FDB)		

Table D3: Federal Republic of Germany

¹ The chart does not always show the distinction between regional and national levels, in many cases cooperative centres activity extends beyond the region.

² 'Mixed' association with both cooperative and non-profit members.

³ One of these associations has a dual role and is also a member of DGRV



Amongst the non-profit organizations, the Flemish and Walloon associations of the social welfare institutions of the Catholic Church and the association of welfare institutions can broadly be described as 'socialist'.

Denmark

The Danish cooperative movement comprises agricultural production and consumer cooperatives. Each area has its own umbrella organization: *Andelsudvalget* for agriculture, *DkF* for production and *FDB* for consumers.

At least two of these areas are hybrid: although the organizations are divided by sectors, they also have their own particular political slant.

The origins of the *DkF* go back to the nineteenth century when a section of the Danish working-class decided to found production cooperatives in order to influence their working lives. *DkF* belongs to the *Arbejderbevægelsens Erhvervsråd*, (The Economic Council of the Labour Movement), a body including social-democrat politicians, trade-unionists and representatives of cooperatives.

The core of *DkF* consists of production cooperatives although the following economic sectors are also included: banks and insurance companies, the construction industry, service industries and publishing houses.

Andelsudvalget, which is the central committee of agricultural cooperatives, comprises not only purchasing and marketing cooperatives, but also the agricultural credit sector and agricultural insurance cooperatives.

In contrast, the third large cooperative organization, *FDB*, regards itself as an apolitical association for all Danish consumers. Historically however, this organization has links with the Danish working-class movement.

The *Realkreditrådet* is a politically non-aligned association of mutual-benefit mortgage societies. There is also an association of mutual insurance companies.

Federal Republic of Germany

Cooperative, mutual and non-profit organizations in the Federal Republic of Germany are organized by sector. There are three national umbrella organizations responsible for cooperatives.

The umbrella organization, *Deutscher Genossenschafts- und Raiffeisenverband*¹ (*DGRV* — German Cooperative and Raiffeisen Union) represents the interests of cooperatives in agriculture, banking and credit, the retail trade, crafts, transport and production.

Within this umbrella organization there are three, well-structured, specialist associations: *DRV* for agriculture, *BVR* for credit societies and cooperative insurance companies and *Zentgeno* for cooperative wholesale and service enterprises. *Zentgeno* can also be described as multisectoral, including as it does cooperatives in the wholesale and retail trade, the crafts sector, the self-employed and transport enterprises (associated).

The range of sector-related associations is rounded off by the *Gesamtverband gemeinnütziger Wohnungsunternehmen* (*GGW* — General Association of Non-Profit Housing Associations) a hybrid association comprising cooperatives, mutual-benefit societies and self-help organizations with a different legal status and, finally, the *Revisionsverband deutscher Konsumgenossenschaften* (*RdK* — Auditing Association of German Consumer Cooperatives).

Each of these three umbrella organizations is politically non-aligned. '*DGRV* and its member associations *BVR*, *DRV* and *Zentgeno* accept the basic principles of freedom and democracy and socially oriented enterprise and regulate their political activity accordingly'.² The *Bund Deutscher Konsumgenossenschaften* (*BdK* — Federation of German Consumer Cooperatives) is historically linked to the labour movement and the *DGB*. This is evident by the close commercial links with the union-owned *Coop AG* in the *Coop Group*.

The diverse composition of the *General Association of Non-Profit Housing Enterprises* (*GGW*) — local authority housing concerns, trade unions, churches, independent bodies — is an accurate

¹ The Regional sections of this central organization are responsible for supervising the production cooperatives.

² Information provided by the *BVR* Board members, Dr Weiser and Dr Grüger, on 14 December 1984.

reflection of the various social forces in a pluralistic democracy and is therefore impossible to slot into into any one political category, especially since it covers both cooperatives and non-profit organizations.

In the insurance sector, there are some cooperative enterprises and some organizations based on mutual-benefit. The coordinating bodies here are the cooperative umbrella organizations, for example, BVR, and also the national associations of the mutual-benefit sector.

In the Federal Republic of Germany there are four national associations for mutual-benefit organizations. Two of these organizations are concerned either exclusively or partly with life-insurance while the other two deal in general insurance.

The Bundesarbeitsgemeinschaft der freien Wohlfahrtspflege (BFWP — Federal Association of Independent Welfare Associations) is a joint body of six top voluntary welfare organizations of differing ideological backgrounds, operating on the principles of voluntarism, solidarity and self help.

France

In France, the cooperative, mutual and non-profit sectors are all part of the social economy.

The CNLAMCA is the umbrella association for the following members of the GNC (excluding the National Bank for Agricultural Credit): 11 national associations of cooperatives from nine sectors, two mutual-benefit associations and two national associations of non-profit organizations.

This makes France the one Member State of the European Community where:

- (a) the three main sectors have a single coordinating body, and
- (b) the cooperatives are clearly and systematically divided into sectors.

France is also the only country where almost the whole spectrum of cooperative activities is covered by one umbrella association whose task is to represent the common interests of the cooperatives with government and the general public.

The GNC links up almost the entire cooperative sector, while the agricultural cooperative association CNMCCA has also a major role to play as a national organization for the social economy within agriculture. This role was recognized as early as 1981 by the President of the Republic.

This tidy organization of cooperatives into sectors does not, of course, exclude the possibility of certain political affinities dominating in one particular association, affinities which can be deduced from the sociological structure of the membership. There are, however, no organic links between the political parties and the cooperatives.

In the mutual-benefit sector, two associations are members of the CNLAMCA: La Fédération nationale de la mutualité française (FNMF — National Federation of French Mutual Benefit Societies) and Le Groupement des sociétés d'assurances à caractère mutuel (GSACM — Association of Mutual-Type Insurance Societies). Not included in the CNLAMCA activities are La Réunion des organismes d'assurance mutuelle (ROAM — Union of Mutual Insurance Organization), Fédération nationale des mutuelles de travailleurs (FNMT — National Federation of Workers' Mutual Benefit Societies).

In the non-profit sector, the Union nationale interfédérale des œuvres et organismes privés, sanitaires et sociaux (UNIO PSS — National Union of Private Health and Social Welfare Institutions) and also the Comité de coordination des œuvres mutualistes et coopératives de l'éducation nationale (CCOMCEN — Coordinating Committee for State Education Mutual and Cooperative Bodies) are affiliated to the CNLAMCA, while the following three organizations are not members:

le Centre de coopération pour la réalisation d'équipements de loisirs (Cecorel — Cooperation Centre for the provision of Leisure Facilities);

le Comité national pour les relations nationales et internationales des associations de jeunesse et d'éducation populaire (CNAJEP — National Committee for National and International Relations of Youth and Workers' Educational Associations), and finally

la Confédération générale du temps libre (CGTL — General Confederation for Leisure), which has a socialist orientation.

In summary, it may be said that the cooperative and related sectors in France are characterized by a complete sectoral structure with umbrella organizations working together in the GNC (cooperatives) as well as in the three sectors which form the social economy (CNLAMCA).

Table D4: France

CNLAMCA (COMITÉ NATIONAL DE LIAISON DES ACTIVITÉS MUTUALISTES, COOPÉRATIVES ET ASSOCIATIVES)															
		Cooperative sector			Mutual sector		Non-profit sector								
GNC (Groupement national de la coopération)	Agriculture	CNMCCA (Confédération nationale de la mutualité, de la coopération et du crédit agricoles)	FNMA (Fédération nationale de la mutualité agricole)												
	Savings & Credit	CSBP (Chambre syndicale des banques populaires)								CFCA (Confédération française de la coopération agricole)					
	Savings & Credit	CNCM (Confédération nationale du crédit mutuel)								FNCA (Fédération nationale du crédit agricole)					
	Savings & Credit	CCCC (Caisse centrale du crédit coopératif)								CNOA (Confédération nationale des organisations agricoles)					
	Employees/users (production)	CGSCOP (Confédération générale des sociétés coopératives ouvrières de production)													
	Employees/users (consumers)	FNCC (Fédération nationale des coopératives de consommateurs)													
	Employees/users (housing)	FNSC/HLM (Fédération nationale des sociétés coopératives HLM)													
	Businesses (Fishing)	CCMCM (Confédération de la coopération, de la mutualité et du crédit maritimes)													
	Businesses (Craftsmen)	FNCGA (Fédération nationale des coopératives et groupements d'artisans)													
	Businesses (Transport)	UNICOOPTRANS (Union des coopératives de transporteurs)													
		OCCE (Office central de la coopération à l'école)													
Associations which are not members of CNLAMCA															
		UFCC (Union fédérale des coopératives de commerçants)													
		FCCMAR (Fédération centrale du crédit mutuel agricole et rural)	FNMT (Fédération nationale des mutuelles de travailleurs)		ROAM (Réunion des organisations d'assurance mutuelle)	CECOREL (Centre de coopération pour la réalisation d'équipements de loisirs)	CGTL (Confédération générale du temps libre)	CNAJEP (Comité national des associations de jeunesse et d'éducation populaire)							

N.B.: CNLAMCA is a liaison committee and GNC an association neither are federal bodies which determine the policies their members must follow.

Apart from the umbrella associations, the sectors have some further organizations in common and receive additional support from government institutions and parliamentary working-parties.

Some examples of organizations set up by and working with government are: the Supreme Council for Mutual Benefit Societies, the Supreme Council for Cooperation, the National Associations Council, the Foundation for the Social Economy (Fondes), the Institute for the Development of the Social Economy (IDES) and the Advisory Committee for the Social Economy.

Government bodies concerned to create a framework favourable to the development of the cooperative sector are the Interministerial Delegation for the Social Economy, headed by the Prime Minister, and the State Secretariat for the Social Economy. In addition there are bodies formed by the movement itself — the Foundation for the Social Economy (Fondes), the Foundation for the Non-Profit Movement (Fonda) and the Cooperative College.

The parliamentary working parties on the cooperative movement and mutual-benefit organizations group together politicians from all parties. They take a particular interest in the concerns of the cooperatives and related sectors. (For details, see 'Introduction and Overview — France').

Ireland

The Irish cooperative movement is dominated by the Irish Cooperative Organization (ICOS). Agricultural cooperatives make up the bulk of ICOS membership but it also comprises fishing and development cooperatives in the Irish-speaking areas, local radio cooperatives and water-supply cooperatives.

Ireland also has national associations for credit cooperatives, production cooperatives and building cooperatives.

The mutual-benefit sector also comprises a large number of 'friendly societies' which are not affiliated to any national association, despite their economic weight — membership totals around 150 000.

In the non-profit sector, the umbrella association of the Irish building societies should be mentioned.

Finally, there is the non-profit Irish community development association, Muintir na Tíre, which was set up to develop rural and under-privileged regions of Ireland. It receives limited financial support from the State.

Italy

One main feature of the Italian cooperative movement is the large number of cooperatives which are not affiliated to any national association. Out of a total of 130 000 cooperatives, only 45 000, i.e. approximately 30%, come under the large national umbrella organizations.

The special feature of the Italian cooperative movement is its arrangement in political groups. Italy is the only Member State where this principle is followed consistently in all sectors.

Thus Italy differs sharply from France and the Federal Republic of Germany in that cooperatives are affiliated to a national umbrella association with a particular political orientation which, in turn, has set up its own sectoral associations for the various areas.

The following four associations are involved here (see Table D6):

AGCI — Associazione Generale delle cooperative italiane (Central Association for Italian Cooperatives). The members of this association are republican social democrat, or liberal. It comprises six sectoral associations.

Confcooperative — Confederazione cooperative italiane (Confederation of Italian Cooperatives). This association has a Christian-democrat orientation and covers 11 areas of cooperatives as well as the mutual-benefit sector.

LEGA — Lega nazionale delle cooperative e mutue (National League of Cooperatives and Mutual Benefit Societies). LEGA has predominantly communist-socialist leanings. It is similar to Conf-cooperative in that it has sectoral associations in all areas except the credit sector.

UNCI — Unione nazionale cooperative italiane (National Union of Italian Cooperatives). UNCI is a cooperative umbrella association which explicitly aims to cover Roman Catholic cooperatives. The association has two affiliated sectoral associations and regional groups.

Table D5: Ireland

Sectors	Cooperative	Mutual	Non-profit
Agriculture and Fishing	Irish Cooperative Organization Society (ICOS)		
Insurance			
Craftsmen			
Services (radio)			
Savings and Credit	Irish League of Credit Unions		Irish Building Societies Association
Production	Cooperative Development Society		
Housing	National Association of Building Cooperatives (NABCo)		
Community development			Muintir na Tíre

Table D6: Italy

		POLITICAL AFFILIATION			
		Republican Social Democrat	Christian Democrat	Communist/ Socialist Republican ('new left')	Christian Democrat
		AGCI	Confcooperative	Lega	UNCI
Cooperative sector	Agriculture	Associazione nazionale cooperative agricole	Federagricole	Associazione nazionale cooperative agricole (ANCA)	Associazione nazionale cooperative agricole (ANCAO)
	Savings and Credit		Federkasse		
	Craftsmen				
	Production	Associazione nazionale cooperative Produzione lavoro	Federlavoro	Associazione nazionale cooperative Produzione e lavoro (ANCPL)	
	Consumers	Associazione nazionale cooperative consumo	Federconsumo	Associazione nazionale cooperative consumo (ANCC)	
	Housing	Associazione nazionale cooperative di abitazione	Federabitazione	Associazione nazionale cooperative abitazioni (ANCAB)	Associazione nazionale cooperative per l'edilizia abitativa (ANCEA)
	Commerce		Federdettaglianti	Associazione nazionale cooperative dettaglianti (ANCD)	
	Services	Associazione nazionale cooperative di trasporto	Federservizi	Associazione nazionale cooperative servizi (ANCS)	
	Fishing	Associazione nazionale cooperative della pesca	Federpesca	Associazione nazionale pescatori e affini (ANCPA)	
	Culture		Federcultura	Associazione nazionale della cooperazione culturale (ANdCC)	
	Tourism		Federturismo	Associazione nazionale cooperative turistiche (ANCT)	
Mutual sector		Federmutue	Federazione italiana della mutualità		

An interesting point here is that, out of these national umbrella associations, the two largest — the christian-democrat Confcooperative and the communist-socialist LEGA — both cover the mutual-benefit sector.

Thus, they can be regarded as hybrid umbrella associations for both the cooperative and the mutual-benefit sectors.

A central commission for the cooperative movement at the Ministry of Labour ensures the necessary coordination of the activities of the various cooperative umbrella associations (see above).

Luxembourg

The cooperative movement in Luxembourg is largely confined to agricultural and consumer cooperatives. The agricultural cooperatives are represented by the Centrale paysanne luxembourgeoise (CPL — Luxembourg Central Agricultural Association) which besides being the Chamber of Agriculture, also functions as a pressure group for agriculture. The consumer cooperatives exchange views regularly in an informal body, the Entente des coopératives luxembourgeoises (Luxembourg Consumer Cooperatives Association).

In the mutual-benefit sector, the mutual-benefit auxiliary funds are linked in the umbrella association, Fédération nationale de la mutualité luxembourgeoise (FLML — National Federation of Luxembourg Mutual Societies). They play an important role as supplementary insurance companies, providing cover for approximately 80% of Luxembourg's population.

There are also a number of individual cooperatives in the production, trade, craft and service industries. These are, however, not grouped together in national sectoral associations for the entire Grand Duchy.

The central Raiffeisen Bank is the main savings and credit society in the agricultural credit sector, which comprises 62 agricultural credit cooperatives. The Raiffeisen cooperatives work closely with Luxembourg's central association for agriculture.

Luxembourg has no national organization capable of representing the interests of all existing sectors.

Finally, it should be pointed out that in Luxembourg the associations for the cooperative and mutual-benefit sectors are organized by sector; they have not forged any organic links with political parties or trade unions.

The Netherlands

In the Netherlands, the cooperatives and related areas are organized into associations by sector.

Like most of the other EC Member States, the Netherlands has no umbrella association covering all three sectors of cooperative associations, mutual-benefit and non-profit organizations. Similarly, there is no national umbrella association for all cooperatives.

There are several independent national associations for certain sectors of the cooperative movement; these are as follows:

The consumer cooperatives	Coop Holland
The housing corporations (which do not have the legal form of cooperatives)	Nationale Woningraad (NWR — National Housing Council)
Inland waterway transport	Coöperatieve Binnenscheepvaart — Vereniging (CBV — Cooperative Inland Waterway Association)
The production cooperatives	Associatie van bedrijven op coöperatieve grondslag (ABC — Association of Worker's Productive Cooperative Societies)

In contrast to these sectoral associations, the Nationale Coöperatieve Raad voor Land- en Tuinbouw (NCR — National Cooperative Council for Agriculture and Horticulture) not only provides a national link for all the branch associations of agricultural cooperatives, it also embraces the network of credit cooperatives belonging to the Rabobank. These cooperatives were originally agricultural but now operate in all sectors.

Table D7: Luxembourg

Cooperative sector	Mutual sector
<p data-bbox="211 247 329 271"><i>Agriculture</i></p> <div data-bbox="211 281 681 384" style="border: 1px solid black; padding: 5px; text-align: center;">Centrale paysanne luxembourgeoise</div> <p data-bbox="211 455 329 479"><i>Consumers</i></p> <div data-bbox="211 489 681 592" style="border: 1px solid black; padding: 5px; text-align: center;">Ententé des Coopératives Luxembourgeoises</div>	<div data-bbox="948 384 1418 486" style="border: 1px solid black; padding: 5px; text-align: center;">Fédération Nationale de la Mutualité Luxembourgeoise (FNML)</div>

Table D8: The Netherlands

Sectors	Cooperative	Mutual	Others
Agriculture	Nationale Coöperatieve Raad voor Land- en Tuinbouw (NCR)		
Savings and Credit			
Insurance	FOV	Vereniging van Nederlandse Ziekenfondsen (VNZ)	
Transport		Coöperatieve Binnenscheepvaart-Vereniging (CBV)	
Production	Associatie van bedrijven op coöperatieve grondslag (ABC)		
Housing			Nationale Woningraad (NWR)
Consumers	Coop Holland		

The central association of Dutch mutual-benefit insurance companies (FOV) also belongs to the NCR. It originated as an association of fire-insurance societies but is now active in almost all branches of insurance.

The cooperative movement in the Netherlands is thus predominantly sectoral. NCR has, however, developed into an economically significant multisectoral umbrella association covering agricultural, credit, trade and service cooperatives, as well as mutual-benefit insurance companies. In this sense, the situation in the Netherlands is comparable to that of the cooperative movement in the Federal Republic of Germany where the DGRV-Group also covers agriculture, credit societies, trade and crafts.

The mutual-benefit sector has two main umbrella associations: mutual-benefit health insurance funds and health insurance funds with a different legal status (foundations, societies, etc.) are affiliated to the Vereniging van Nederlandse Ziekenfondsen (VNZ — Association of Dutch Sickness Funds), while mutual insurance companies are covered by FOV, which is affiliated to NCR.

In addition, the leading trade unions, the FNV and CNV, undertake economy activities, in some cases in conjunction with De Centrale — an insurance company linked with the working-class movement. The cooperatives and mutual-benefit organizations listed above are not directly linked with any political parties or trade unions.

United Kingdom

In the United Kingdom, the federations of cooperative and related sectors are organized on a sectoral basis.

Like most other EC States, the United Kingdom has no umbrella organization for all three sectors of cooperative, mutual-benefit and non-profit organizations. The cooperatives themselves also have no umbrella organization covering all sectors.

The Cooperative Development Agency is, however, trying to bring the representatives of the various cooperative sectors together for a regular exchange of views in the interests of closer cooperation.

The cooperative sector

The cooperative sector is split up into sectoral federations.

The agricultural cooperatives are linked in the umbrella association, the Federation of Agricultural Cooperatives (FAC), and independent credit cooperatives are organized in the Association of British Credit Unions.

There are three umbrella associations to protect the interests of non-profit housing associations one in England and Wales (NFHA), one in Northern Ireland and one in Scotland. The National Federation of Housing Cooperatives has been established recently to represent the interests of housing cooperatives.

Some production cooperatives, mainly those which have been set up in the last few years, are organized in the Industrial Common Ownership Movement (ICOM).

The Cooperative Union is the major cooperative trading group. This Union is an umbrella association of consumer cooperatives which expanded by setting up (in collaboration with the Cooperative Wholesale Society) a whole network of retail companies, supermarkets, service companies, pharmacy cooperatives and the Cooperative Bank. The Cooperative Union also embraces production cooperatives, certain agricultural cooperatives and dairies.

The political arm of the Cooperative Union is the Cooperative Party which has for some time had an electoral alliance with the Labour Party. It has a number of MPs in the House of Commons.

The mutual-benefit sector

There are approximately 500 Friendly Societies which mainly provide insurance services for their members. The societies are organized into four branch associations which are, in turn, linked within the umbrella association, the Friendly Societies Liaison Committee.

Mutual health insurance and mutual life insurance companies have no national federation.

Table D9: United Kingdom

Sectors	Cooperative	Mutual	Others
Agriculture and Fishing	Federation of Agricultural Co-operatives (FAC)		
Savings and Credit	Cooperative Union	Friendly Societies Liaison Committee	The Buiding Societies Association
Insurance			
Consumers			
Production			Industrial Common Ownership Movement (ICOM)
Pharmacies			
Housing	National Federation of Housing Cooperatives		National Federation of Housing Associations Scottish Federation of Housing Associations N. Ireland Federation of Housing Associations

Non-profit organizations

This sector is dominated by the building societies.

The Building Societies Association represents the interests of a large number of building society members.

The John Lewis Partnership, which has similar aims to non-profit organizations, should also be mentioned here.

A peculiarity of the British system of cooperatives and related sectors is that the various sectors and branches are quite sharply isolated from each other. The only remedy for this is provided by the Cooperative Development Agency which is endeavouring to establish better contacts between the different cooperatives.

The other associations for cooperatives and related sectors are not politically involved to the same extent as the Cooperative Union.

Greece

Cooperative umbrella organizations only exist in certain sectors.

Paseges, the central association of Greek cooperative agricultural organizations, which represents the majority of family farms, may be compared as to size and role with the other principal cooperative agricultural organizations in the EC. Paseges is the largest Greek cooperative organization.

There is also a national central cooperative organization for consumer cooperatives, Katanalotis-Konsum, which acts both as wholesaler and interest group for the development of consumer cooperatives in Greece.

In addition there is the new Association of Greek Building Cooperatives, which organizes a few of the cooperatives in this sector at national level.

Cooperatives also operate as purchasing organizations for independent retailers, as insurance societies, in transport and crafts, without there being a national organization to group their interests.

(f) Basic structural data on the national associations of cooperative, mutual and non-profit organizations

Table E shows that the staffing levels in the national associations of the cooperative and related sectors vary considerably, with corresponding differences in their financial budgets.

A large number of staff can clearly not always be equated with effective representation of interests. As a rule though, an adequate number of staff and a sufficiently generous budget do indicate that effective representation is *possible*.

The figures in Table E are self-explanatory.

In a very general sense, it should be pointed out that in those countries where the cooperatives are organized by sector, representation is strongest within the large sectoral associations for agriculture, credit and consumer goods. This is true to a lesser extent, of independent businesses (trade, crafts, transport) and of production cooperatives.

In those countries where the cooperative and related sectors are organized politically, the main impetus for representing cooperative interests comes from the major central associations such as Concooperative and LEGA in Italy and FNCC and Febecoop in Belgium.

The mutual-benefit sector is dominated by the French health-insurance funds.

B. ECONOMIC SIGNIFICANCE**1. The role and economic significance of the cooperative and related sectors**

In order to draw conclusions about the economic significance of the cooperative and related sectors, it is necessary to reflect on their role in the economy of the Member States.

Cooperative and related organizations have the following key features:

they are founded on the *personal* involvement of their members (personal principle), and they act on behalf of their entire membership (solidarity principle), and

Table D10: Greece

Sectors	Cooperative	Mutual	Others
Agriculture and Fishing	Panhellenic Confederation of Agriculture Cooperative Organizations (PASEGES)		
Savings and Credit			
Commerce			
Craftsmen			
Transport			
Insurance			
Consumers	Katanalotis-Konsum		
Production			
Housing	Association of Building Cooperatives		
Pharmacies			

as economic operators they produce goods or provide services (cooperative manufacturing, trading or service undertakings).

The services provided by the cooperatives vary.

The range includes:

supplying all vital products to members of production cooperatives,

services for *craft industries, agriculture, trade and transport*, and

constant or occasional utilization of cooperatives by consumers (purchase of goods, consumption of services such as insurance, credit, low-price medicines).

The value of the cooperative for individual members is not primarily reflected in terms of high turnover or net profits; it is shown in the services and benefits to which the *individual* member has access. These may again vary considerably from one organization to another.

It is impossible to survey all aspects of the service function of cooperatives and map out the diversity of service which are expected from and provided by them.

Nevertheless, in order to give a first broad impression of the economic significance of cooperatives in all EC member countries, the following section attempts to analyse the three main features of cooperatives' activities as mentioned above.

Two main elements play a decisive role:

(a) the *social* basis, and

(b) the *economic* basis of cooperatives and related organizations.

(a) *The social basis*

It is impossible to calculate the economic impact of personal involvement in a cooperative, even though this personal element may be decisive and carry greater weight than the capital invested by the members when it comes to the expansion and development of the cooperative — a factor concomitant with the general cooperative principle of 'one person, one vote'.

What is far more important is the practical combination of personal commitment and a reasonable financial organization, for example in terms of shares in the cooperative or in the investment resources, which have been produced collectively. A cooperative must first be able to pay its way before it can distribute advantages to its members.

Since it is only possible to provide quantitative data here, a first impression can be gained from the *number* of cooperatives in a particular country's economy and the corresponding individual membership. A comparison of these two elements with other economic operators and with the *total number* of employees in any one country gives an initial insight into the importance of the cooperatives' role.

One further important element is the number of *cooperative workers* who are not cooperative members themselves. For example: an idea of the economic strength of production cooperatives can be gained by determining the number of members and non-members.

In other sectors too, for example in agriculture, credit and consumer goods, the total number of *employees* gives an indication of the production or servicing capacity of a cooperative.

(b) *The economic basis*

The social basis of the cooperative's organization is closely related to and to a certain extent a determinant of the economic basis. The following quantitative criteria are indicators of the economic basis of cooperatives' activities:

turnover: this applies to most cooperative sectors, for example, agriculture, consumer goods, manufacturing etc.,

assets and liabilities: in the banking and credit sectors,

premium income in the insurance sector.

In some sectors, further figures may be indicative, e.g. income from rent in the housing sector, or percentage shares of the market.

Net profits or reserves rarely play a role since cooperatives and other organizations which are based on solidarity deliberately aim not to hoard profits. The market advantages and profits are passed on to the cooperative's members as directly and quickly as possible. Ways of doing this include

Table E: National Associations of Cooperative, Mutual and Non-Profit Organizations

Organization	Sector	Based	Budget			No of staff	Publications ³
			in million	in million ¹	Year		
Belgium			BFR	ECU			
Boerenbond (BB)	Agriculture	Louvain	600 ²	13.200	1983	ca. 150	- 'De Boer', weekly - 'L'agriculteur' (weekly) - 'Der Bauer' (weekly) - 'Bij de haard' (monthly) - 'Levend land' (monthly) - 'Zuivelcooperatie' (monthly) - 'Raiffeisen Echo' (monthly) - 'Kijk uit' (monthly) - 'Fiscale en Sociale Gids' (Information periodical)
Fédération nationale des unions professionnelles agricoles (FN des UPA)	Agriculture	Brussels	50	1.100	1983	30 ⁴	- 'Journal des UPA' (weekly) - 'La voix des jeunes, (monthly)
Alliance agricole belge (AAB)	Agriculture	Brussels	30 ²	0.730	1983	28 ⁴	- 'L'alliance agricole' (weekly) - 'Jeunesse agricole' (monthly)
Fédération belge des coopératives (FEBECOOP)	Production/Consumption Services	Brussels	47	1.035	1983	21	- 'Coopération' (two-monthly)
Fédération nationale des coopératives chrétiennes (FNCC)	Production/ Consumer goods/ Services	Brussels	185	4.070	1983	36	- 'Coopération nouvelle' (quarterly)
Office des pharmacies coopératives de Belgique (OPHACO)	Consumer goods/ (Pharmacies)	Brussels	2.10	0.046	1984	5	
Union des associations d'assurance mutuelle (UAAM)	Mutual Insurance	Brussels	3 ²	0.066	1983	3 ²	
Association des caisses communes d'assurance (ACCA)	Mutual Insurance	Brussels	3 ²	0.066	1983	3 ²	

Denmark			DKR	ECU			
De samvirkende danske Andelselskaber/Andelsudvalget	Agriculture	Copenhagen	5.50	0.680	1983	10	- 'Andelsbladet' (fortnightly) - Statistiken
Det kooperative Fællesforbund (DKF)	Production	Copenhagen	8.50	1.049	1983	29	- 'Kooperationen' (10 editions per year) - Various pamphlets
Fællesforeningen for Danmarks Brugsforeninger (FDB)	Consumer goods	Albertslund	10 ²	1.230	1983	470 ⁶	- 'Brugsens Ugeavis' (weekly) - 'Samvirke' (fortnightly)
Forening af gensidige forsikringselskaber	Mutual Insurance	Copenhagen	0.30	0.037	1983	1 ⁵	- Various publications
Realkreditrådet	Mortgages	Copenhagen	7	0.864	1983	15	- Various publications at irregular intervals - Press releases
FR Germany			DM	ECU			
Freier Ausschuß der deutschen Genossenschaftsverbände	No institutional structure — informal meetings						
Deutscher Genossenschafts- und Raiffeisenverband (DGRV)	Agriculture, Credit, Industry	Bonn	5.50 ²	2.466	1984	31	- 'Genossenschaftsforum' - 'Raiffeisen-Rundschau' - 'Blätter für Genossenschaftswesen' - DGRV-Schriftenreihe Handwörterbuch des Genossenschaftswesens - Lang/Weidmüller/Metz. (Kommentar zum Genossenschaftsrecht)
Deutscher Raiffeisenverband (DRV)	Agriculture	Bonn	12 ²	5.381	1984	80	- Jahrbücher des DRV Raiffeisen-Schriftenreihe - Raiffeisen-Information - Warenbetriebliche Information - Joint publisher: Genossenschaftsforum

Table E (cont'd)

Organization	Sector	Based	Budget			No of staff	Publications ³
			in million	in million ¹	Year		
FR Germany (cont'd)							
Bundesverband der Deutschen Volksbanken und Raiffeisenbanken (BVR)	Banking/Credit	Bonn	10 ²	4.484	1984	64	- Bank-Information - BVR-Schriftenreihe - Kundenzeitschriften - Joint publisher: Genossenschaftsforum
DG-BANK — Deutsche Genossenschaftsbank	Banking/Credit	Frankfurt	106.50 ⁷	46.916	1983	1 300	- 'Die Genossenschaften in der Bundesrepublik Deutschland' (yearly) - Schriftenreihe
Zentralverband der genossenschaftlichen Großhandels- und Dienstleistungsunternehmen (ZENTGENO)	Industry	Bonn	2,50 ²	1,050	1982	10	Joint publisher: Genossenschaftsforum
- EDEKA Verband Kaufmännischer Genossenschaften ⁸	Commerce	Hamburg	20,90	9,370	1984	114 ⁸	- Edeka Handelsrundschau - Kluge Hausfrau - Kalender der klugen Hausfrau
- REWE-Prüfungsverband	Commerce	Cologne	3.30	1.450	1983	30	- REWE-Echo (fortnightly) - REWE-Post (weekly publication for customers)
- Prüfungsverband der Deutschen Verkehrs-genossenschaften	Transport	Hamburg	2.50	1.100	1983	25	- Schriftenreihe
Gesamtverband Gemeinnütziger Wohnungsunternehmen (GGW)	Housing	Cologne	7 ²	3.080	1983	40	- Wohnungswirtschaftliches Jahrbuch (two-yearly) - Gemeinnütziges Wohnungswesen (monthly) - Gut wohnen (monthly) Wohnungswirtschaftliche Informationen (weekly) and other publications and documentation

Bund deutscher Konsumgenossenschaften (BdK)/Revisionsverband deutscher Konsumgenossenschaften (RdK)	Consumer goods	Hamburg	4.5	1.980	1983	30	- Der Verbraucher (fortnightly)
Arbeitsgemeinschaft der Versicherungsvereine a. G.	Mutual Insurance	Hanover	0,04	0,017	1984	15	
Verband der Versicherungsvereine a. G.	Mutual Insurance	Kiel	0,05	0,022	1983	15	- Circulars
Deutscher Sterbekassenverband	Mutual Insurance	Bochum	0.10 ²	0.042	1982	15	- 'Die Sterbekasse'
Verband Deutscher Glasversicherungsvereine a. G.	Mutual Insurance	Darmstadt	0.02	0.009	1983	15	
France			FF	ECU			
Comité national de liaison des activités mutualistes, coopératives et associatives (CNLAMCA)	Multisectoral	Paris	0.07	0.010	1983	3 ⁵	
Groupement national de la coopération (GNC)	Multisectoral	Paris	2	0.298	1983	6	- 'Lettre du GNC'
Confédération nationale de la mutualité, de la coopération et du crédit agricoles (CNMCCA)	Agriculture	Paris	6.70	0.975	1984	ca. 10	
- Fédération nationale de la mutualité agricole (FNMA)	Agriculture/ Insurance	Paris	3	0.447	1983	15	
- Confédération française de la coopération agricole (CFCA)	Agriculture/ Cooperatives	Paris	8	1.244	1982	60	- 'Agriculture et Coopération' (monthly) - Bulletin juridique et fiscal

Table E (cont'd)

Organization	Sector	Based	Budget			No of staff	Publications ³
			in million	in million ¹	Year		
France (cont'd)							
- Fédération nationale du crédit agricole (FNCA)	Agriculture/Credit	Paris	63	9.400	1983	125	- 'L'administrateur du Crédit Agricole' (two-monthly) - Information bulletin
- Caisse nationale de crédit agricole ⁹ (CNCA)	Agriculture/Credit	Paris	1 400 ⁹	208.950	1983	3650 ⁹	- 'Economie et Finances agricoles' (monthly)
Fédération centrale du crédit mutuel agricole et rural (FCCMAR)	Agriculture/Credit	Paris	3.20	0.470	1983	ca. 10	- 'Parlons franc' (monthly)
Chambre syndicale des banques populaires (CSBP)	Banks/Credit	Paris	152	25.207	1981	500 ⁹	- 'Flash' (daily) - 'Actuel' - 'Réalités régionales' - 'Artisanat information' - 'Information entreprises'
Confédération nationale du crédit mutuel (CNCM)	Banks/Credit	Paris	55	8	1984		- 'Les cahiers du crédit mutuel'
Union nationale du crédit coopératif (UNCC)	Banks/Credit	Nanterre	1	0.149	1983	2	
Caisse centrale de crédit coopératif (CCCC)	Banks/Credit	Nanterre	276.70	41.198	1983	941 ¹⁰	- 'Le bulletin des sociétaires' - 'La revue des études coopératives' - 'La lettre du crédit coopératif'
Confédération générale des sociétés coopératives ouvrières de production (CGSCOP)	Production	Paris	36	5.370	1983	70	- 'La coopération de production' (monthly) - 'SCOP-hebdo' (weekly)

Fédération nationale des coopératives de consommation (FNCC)	Consumption	Boulogne	32.8	4.770	1983	136	- 'Le coopérateur de France' (two-weekly) - 'Liaisons coopératives' (monthly) - 'Coopération — Distribution — Consommation' (monthly) - 'Bulletin coopératif d'information' (weekly) - 'Point Coop' (weekly) - 'Revue des études coopératives' (quarterly)
Fédération nationale des sociétés coopératives HLM (FNCS-HLM)	Housing	Paris	1.70	0.253	1983	3	
Union fédérale des coopératives de commerçants (UFCC)	Retailers	Paris	1.30	0.189	1984	4	- 'Nouvelles en bref'
Confédération de la coopération, de la mutualité et du crédit maritimes (CCMCM)	Fisheries	Paris	2.50	0.373	1983	15	- 'Le coopérateur maritime'
Fédération nationale des coopératives et groupements d'artisans (FNCGA)	Craft industries	Paris	3	0.447	1983	10	- Regular bulletin - 'Coopération et entreprises'
Union des coopératives de transporteurs (UNICOOPTRANS)	Transport	Avignon	1.66	0.241	1984	5	- 'Info-cooptrans'
Fédération nationale de la mutualité française (FNMF)	Mutual Insurance	Paris	45	6.710	1983	380 ¹¹	- 'Revue de la Mutualité' (monthly) - 'Objectif et action mutualiste' (monthly)
Fédération nationale des mutuelles de travailleurs (FNMT)	Mutual Insurance	Paris	13	1.940	1983	20	- 'L'opinion mutualiste' (two-monthly) - 'La vie mutualiste' (monthly) - 'Prévenir' - 'La revue de l'économie sociale' (fortnightly)

Table E (cont'd)

Organization	Sector	Based	Budget			No of staff	Publications ³
			in million ¹	in million ¹	Year		
France (cont'd) Groupement des sociétés d'assurance à caractère mutuel (GSACM)	Mutual Insurance	Paris	2.50	0.373	1983	13	- Statistical Yearbook
Réunion des organismes d'assurance mutuelle (ROAM)	Mutual Insurance	Paris	1.30	0.194	1983	2 1/2	- 'L'assurance mutuelle' (quarterly)
Union nationale interfédérale des œuvres et organismes privés, sanitaires et sociaux (UNIOPSS)	Health and social welfare	Paris	5.90	0.858	1984	22	- 'Union sociale' (monthly)
Comité de coordination des œuvres mutualistes et coopératives de l'éducation nationale (C.COMCEN)	Multi-sectoral (Staff of state educational system)	Paris	1.20	0.179	1983	2	
Centre de coopération pour la réalisation d'équipements de loisirs (CECOREL)	Leisure activities and tourism	Nanterre	1.50	0.248	1981	3	- Many studies
Confédération générale du temps libre (CGTL)	Culture, Leisure activities, tourism	Paris	1.40	0.203	1984	3	- 'Regard de la CGTL' (monthly)
Comité national des associations de jeunesse et d'éducation populaire (CNAJEP)	Education for young people and the general public	Paris	0.80	0.125	1982	4	

Greece			DRA	ECU			
Panhellenic Confederation of Agricultural Cooperative Organizations (PASEGES)	Agriculture	Athens	278	3.560	1983	110	
Consumer Cooperative Society — Katanalotis Konsum	Consumers	Athens	8.50 ²	0.108	1983	5 ²	
Ireland			IRL	ECU			
Irish Cooperative Organization Society (ICOS)	Agriculture/Fisheries	Dublin	0.83	1.170	1983	35	- 'Co-op Ireland' (Joint publishers) - Various documents published at irregular intervals
Irish League of Credit Unions	Banking/Credit	Dublin	0.56	0.788	1983	25	- 'Credit Union Review' (two-monthly) - Various documents published at irregular intervals
Cooperative Development Society	Production	Dublin	—	—	—	1 ⁵	- Variety of brochures and manuals
National Association of Building Cooperatives (NABCO)	Housing	Dublin	0.02	0.033	1984	2	- Variety of brochures and other documents
Irish Building Societies Association	Building societies	Dublin	0.07	0.098	1983	1 ⁵	- Monthly commentary on housing statistics
Muintir na Tíre	Community development	Tipperary	0.05	0.070	1983	7	- Various brochures and other documents
Italy			LIT	ECU			
Confederazione Cooperative Italiane (Confcooperative)	Multi-sectoral	Rome	11 350	8.410	1983	140	- 'Italia cooperativa' (weekly with supplements every two months)
Lega Nazionale delle Cooperative e Mutue (LEGA)	Multi-sectoral	Rome	10 000	7.412	1983	193	- 'La cooperazione italiana' (monthly) - Daily newsheet

Table E (cont'd)

Organization	Sector	Based	Budget			No of staff	Publications ³
			in million	in million ¹	Year		
Italy (cont'd)							
- Federazione Italiana della Mutualità integrativa volontaria (FIM-LEGA)	Mutual insurance	Rome	173.75	0.128	1983	2	- 'Notizie FIM'
Associazione Generale Cooperative Italiane (AGCI)	Multi-sectoral	Rome	4 814	3.560	1983	45	- 'Libera cooperazione' (monthly) - Educational publication newssheet
Unione Nazionale Cooperative Italiane (UNCI)	Multi-sectoral	Rome	948	0.702	1983	26	- 'Nuova azione cooperativa' (monthly) - 'Cooperazione e sviluppo' (monthly) - 'Rassegna quindicinale' (fortnightly)
Federazione Italiana dei Consorzi Agrari (Federconsorzi) ¹²	Agriculture	Rome	13			1 800 ⁴	
Luxembourg			LF	ECU			
Centrale paysanne luxembourgeoise	Agriculture	Luxembourg	12	0.264	1983	10	- 'De Letzeburger Bauerekalenner' (annual) - 'De Letzeburger Bauer' (weekly)
Entente des Coopératives luxembourgeoises	Consumer goods	Luxembourg-Bonnevoie	14	—		1 ⁵	
Fédération nationale de la mutualité luxembourgeoise (FNML)	Mutual insurance	Esch/Alzette	2	0.044	1983	1 ⁽⁵⁾	- 'De Letzeburger Mutualist' (half-yearly)

Netherlands			HFL	ECU				
Nationale Coöperatieve Raad voor Land- en Tuinbouw (NCR)	Agriculture/Credit/Insurance	The Hague	1.50	0.597	1984	12	- 'Coöperatie' (two-monthly)	
Associatie van bedrijven op coöperatieve grondslag (ABC)	Production	Utrecht	0.05	0.020	1984	1 ⁵	- 'Zelfbestuur' (two-monthly) - Various brochures and other documents	
Coop Holland	Consumer goods	Utrecht	0.006	0.002	1984	1 ⁵		
Vereniging van Nederlandse Ziekenfondsen (VNZ)	Mutual insurance	Zeist	27	10.750	1984	215	- 'Welzijn' (five editions per year)	
Nationale Woningraad (NWR)	Housing	Almere	43	16.990	1983	550 ¹⁵	- 'Woningraad — Informatiekrant' (20 editions per year) - 'Van Huis Uit' (quarterly) (Joint publisher)	
United Kingdom			UKL	ECU				
Federation of Agricultural Cooperatives (UK)	Agriculture/Fisheries	London	0.33	0.568	1984	6	- 'News from Europe'	
Association of British Credit Unions	Credit	Skelmersdale	0.13	0.224	1983	11	- Variety of brochures and other documents	
Industrial Common Ownership Movement (ICOM)	Production	Leeds	0.05	0.086	1983	3	- 'Newsletter' (monthly) Circulars - Various other publications	
Cooperative Union	Consumer goods/ Wholesale trade/ Insurance and credit	Manchester	2.40	4.130	1983	200	- 'Cooperative Gazette' - Statistics - Various other publications	
National Federation of Housing Associations	Housing	London	0.80	1.380	1983	40	- 'Voluntary Housing' (monthly)	
Friendly Societies' Liaison Committee	Mutual insurance	London	No associational structure (Informal meetings)				- Variety of publications	

Table E (cont'd)

Organization	Sector	Based	Budget			No of staff	Publications ³
			in million	in million(!)	Year		
United Kingdom (cont'd)							
- Association of Collecting Friendly Societies	Life insurance	London	No associational structure (Informal meetings)				- Variety of publications
- Association of Deposit Societies	Sickness insurance + savings banks		These bodies have very few of their own facilities: secretariat tasks are mainly carried out by the affiliated organizations				
- National Union of Holloway Friendly Societies	Sickness insurance + savings						
National Conference of Friendly Societies	Sickness insurance, annuity insurance						
The Building Societies' Association	Building societies	London	2	3.630	1981	50	- 'Building Societies' Yearbook' (annual) - 'BSA-Bulletin' (monthly) - 'BSA European Bulletin'
Spain							
<i>Cooperative Associations</i>							
(a) Confederación española de cooperativas (CECOOP)	All sectors	Madrid	98	0.769	1984	50	- 'Mundo cooperativo' (monthly)
Unión nacional de Cooperativas del Campo (UNACO)	Agriculture	Madrid	81	0.637	1983	7	- 'Boletín de UNACO' (monthly newsheet)
Unión nacional de Cooperativas de Crédito	Banking/Credit	Madrid	14	0.109	1984	3	- 'Informativo de la Unión nacional de Cooperativas de crédito' (monthly newsheet)

(a) Unión nacional de Co-operativas del mar	Fisheries	Madrid	1.5 ²	0.014	1982	2	
(a) Unión nacional de Co-operativas industriales	Production Services	Madrid	5 ²	0.048	1982	2	- 'Informativo de la Unión de cooperativas industriales' (two-monthly newsheet)
Unión nacional de Cooperativas de viviendas	Housing	Madrid	30	0.235	1984	8	- 'Viviendas cooperativas' (monthly)
Unión nacional de Cooperativas de consumo de España	Consumer goods	Madrid	20	0.157	1984	8	- 'Informativo de la Unión nacional de cooperativas de consumo' (monthly newsletter)
<i>Main regional cooperatives</i>							
(b) Federación de cooperativas agrícolas de Cataluña	Agriculture	Barcelona	1 ²	0.008	1983	1	
(b) Federación de cajas rurales de Cataluña	Agriculture/Credit	Barcelona	2 ²	0.016	1983	3	
(b) Federación de cooperativas de trabajo asociado de Cataluña	Production	Barcelona	2 ²	0.016	1983	2	
(b) Federación de cooperativas de viviendas de Cataluña	Housing	Barcelona	2 ²	0.016	1983	2	
(b) Federación de cooperativas de consumo de Cataluña	Consumer goods	Barcelona	1 ²	0.008	1983	1	
<i>Mutual-benefit organizations</i>							
(a) Confederación de entidades de previsión social	Social insurance	Madrid	70	0.551	1984	6	
(a) Agrupación de mutuas de seguros generales (afiliadas a UNESPA)	General insurance	Madrid	6	0.050	1984	8	

Table E (cont'd)

Organization	Sector	Based	Budget			No of staff	Publications ³
			in million	in million ¹	Year		
Spain (cont'd)							
(a) Agrupación nacional de mutuas patronales de acci-dentes de trabajo (afiliadas a UNESPA)	Industrial accident insurance	Madrid	30	0.235	1984	8	
Portugal							
			ESC	ECU			
Federação Nacional das Adegas Cooperativas (FENADEGAS)	Agriculture	Lisbon	2	0.018	1984	1	- Information brochures
Federação Nacional das Uniões de Cooperativas de Leite e Laticínios (FENALAC)	Agriculture	Vila do Conde	8	0.072	1984	7	
Federação Nacional das Caixas de Crédito Agrícola Mútuo (FENACAM)	Credit	Lisbon	99.40	0.903	1984	43	
Caixa Central de Crédito Agrícola Mútuo	Agriculture	Lisbon	1.50	0.013	1984	46 ¹⁶	
Federação Nacional de Retailistas de Productos Alimentares (UCREPA)	Trade	Lisbon	3.20	0.029	1984	2	- Information brochures
Federação Nacional das Cooperativas de Pesca	Fisheries	Peniche	4	0.036	1984	4	
Federação Nacional das Cooperativas de Produção Operária (FINCOOP)	Manufacturing	Lisbon	6.30	0.057	1984	5	- 'Cooperação Operária' (monthly)

Federação Nacional das Cooperativas de Habitação Económica (FENACHE)	Building and Housing	Lisbon	6.50	0.059	1984	5	
Federação Nacional das Cooperativas de Consumo (FENACOOP)	Consumer goods	Lisbon	13.50	0.136	1984	7	- 'Acção Cooperativa' (fortnightly)
Federação das Cooperativas de Produtores de Serviços (FECOOPSERV)	Services	Lisbon	6	0.054	1984	7	
Federação Nacional das Cooperativas de Arte e Cultura (ARTICULA)	Culture	Porto	0.50	0.005	1984	6	
Federação Nacional das Cooperativas de Ensino (FECOOPENSINO)	Training	Porto	0.20	0.002	1984	7	
Federação Nacional das Associações de Socorros Mútuos (FNASM)	Mutual insurance	Coimbra	0.58	0.005	1984	1	
União das Misericórdias Portuguesas	Health care and social welfare	Lisbon	96	0.872	1984	7	- 'Boletim das Misericórdias'
União das Instituições Particulares de Solidariedade Social	Health care and social welfare	Porto	20	0.182	1984	9	- 'Boletim Mensal de Informação'
No information is available regarding the 4 cooperative associations formed recently. These are:							
Federação Nacional das Cooperativas de Artesenato	Craft industries	Porto					
Federação Nacional das Cooperativas agrícolas de produtores de batata de semente	Agriculture	Chaves					

Table E (cont'd)

Organization	Sector	Based	Budget			No of staff	Publications ³
			in million	in million ¹	Year		
Portugal (cont'd)							
Confederação Portuguesa das Cooperativas Agrícolas		(Still being formed)					
Federação Nacional das Cooperativas de Educação e Reabilitação de Crianças Inadaptadas	Education and Rehabilitation	Barriero					

¹ All ECU figures (except 1984) based on the average exchange rate for the year concerned

² Figure estimated by the Studies and Research Division of the ESC General Secretariat

³ Annual or periodical reports excluded

⁴ Head Office only.

⁵ Uses facilities of member organizations or voluntary staff

⁶ Is the trading arm of the Danish consumer cooperatives as well as an interest group.

⁷ Staff expenses: the DG Bank is the central credit institution of the People's and Raiffeisen Banks.

⁸ In addition to representing the interests of affiliated organizations and providing auditing facilities, the association also carries out administrative and management work for them

⁹ The central body of the group, hence the high figures for staff and budget

¹⁰ The high number of staff results from the role of CCCC as central organization and from the fact that all employees of the group are CCCC employees

¹¹ The Federation regularly makes available its staff to its affiliated bodies in exchange for reimbursement of wage costs

¹² The Federation is a marketing body which also acts as a representative association.

¹³ Turnover for 1983 ca LIT 6 350 Mio (central organization plus agricultural companies).

¹⁴ Small expenditure, such as the Eurocoop subscription, is met from levies from affiliated cooperatives

¹⁵ The association also provides its members with technical services on a fee-paying basis

¹⁶ Staff costs are met by FENACAM during the initial development phase

a See introduction

b See section 'Catalonia'

purchasing rebates for cooperative members, favourable sales facilities, cut-price services etc. and, of course, reasonable interest rates for shares in the cooperative.

To summarize, then, in order to evaluate the economic significance of the cooperative and related sectors, it is necessary to take into account statistics on the following five aspects of their operation. For the *social basis* these would be:

- (a) the number of cooperatives,
- (b) the number of individual members and
- (c) the number of employees.

As far as the *economic basis* is concerned, statistics on

- (d) either turnover, consolidated balances or premium income (dependent on sector of operation) and
- (e) the cooperative's market share (for its respective sector of operation) would be taken into account.

A statistical evaluation of these figures can also be used to establish trends over a number of years — for example, turnover trends, trends in the number of employees, membership and number of cooperatives. Although such figures would normally be necessary for an accurate evaluation, few figures on market shares or trend statistics are available (for details, see Table P which indicates cooperative penetration in certain market sectors. The percentages given here are based on estimates made by the secretariats of the various European federations).

2. Method for compiling and evaluating data

It was stated earlier that it was necessary to compile certain quantitative data which reflect the cooperatives' economic activities. However, comparing the individual Member States of the Community creates insurmountable problems. The reason is that there are no really comparable data available since the Statistical Offices in the Member States have compiled different kinds of data, using different statistical bases.

As a result, the Community Statistical Office has no relevant data either.

The text therefore often has to resort to partially contradictory sets of data which have been compiled under different research methods in the different Member States. This makes it impossible to provide a reasonable, precise overview. A further difficulty is presented by the fact that the reference periods are not always the same. It has nevertheless been possible to draw up tables which contain some precise data and some rough estimates. The quality of the data often differs sharply.

Subject to the above reservations, the data presented here has been drawn from three sources:

- (a) Where these exist, preference has been given to the *official statistics* of the Member States on the cooperative movement and related sectors. (This was possible in the case of Belgium (the National Council for the Cooperative Movement has compiled data for the Minister for Economic Affairs), Great Britain and Ireland (Registrars of Friendly Societies), France (INSEE) and Italy. For France and Italy data is available for certain sectors only.)
- (b) For the Federal Republic of Germany, we have virtually *complete data from the major national umbrella associations*. These are based on the careful research of the supervisory boards.
- (c) For the Netherlands, Luxembourg and France, and Italy in particular, the number and membership of cooperatives could only be estimated.¹ These estimates are made on the basis of statistics contained in sections of this text, which have been provided by the various sectors or associations concerned, and are as such difficult to compare.

The overall figures in Table F are as a consequence rough indications of the impact cooperatives have made on the economies of the Member States. They do not claim to be comprehensive or complete.

Where estimates were necessary they were checked against data provided by the European sectoral associations for cooperatives, but this was not always possible because of the wide differences in criteria for tabulating data. Table F data thus derives from the Statistics Offices, the statistics of the

¹ Neither the ESC Studies and Research Division nor the representatives of the associations referred to here accept responsibility for estimates.

Table F: The economic significance of Cooperative, Mutual and Non-Profit Organizations in Europe

I. COOPERATIVES

BASIC DATA	B		DK		D		F		UK		IRL	
a) Cooperatives	353 (5514 Branches)		2 269 ³		10 547		25 000*		6 053		903	
b) No of members ⁷	1 135 000		1 690 962 ¹⁰		13 800 000		15 000 000*		10 593 000		717 713	
c) No of employees	23 000		71 743		300 000		246 500		150 995		19 000	
d) Economic indices ¹²⁵⁶	BFR	ECU	DK	ECU	DM	ECU	FF	ECU	UKL	ECU	IRL	ECU
Turnover	± 120	2.6	± 101.12	12.43	166	73.12	± 300	50	7.35	13.36	2.8	4.11
Consolidated Balance sheet (Credit sector) ¹¹	320	7.08	35.17	4.32	494	217.62	1 100	164.17	1.063	1.932	0.18	0.27

* Partly estimated.

¹ ECU figures are annual average figures for 1983 except in the case of United Kingdom (1981) and Ireland and Greece (1982).

² Figures generally based on the 1981 financial year.

³ Member of a national umbrella organization.

⁴ In the case of Italy and Denmark, only cooperatives belonging to an association are included in the overall figures.

⁵ National currency ('000m)

⁶ ECU ('000m).

⁷ These overall figures frequently include block membership, especially in the case of the UK, Netherlands and Denmark and, to a lesser extent, France

I		L		NL		GR		Total EC ¹²	S		P		EC+ Spain + Portugal
45 000 ^{8,3}		125		1 853		6 983 ⁹		99 086 ⁴	19 500*		3 438		122 024
8 346 000 ⁸		31 000		2 767 234		822 000		54 902 909	3 700 000*		3 065 782		61 668 691
850 000		2 000		78 000		22 311		1 763 549	270 000*		95 045		2 128 594
LIT	ECU	LFR	ECU	HFL	ECU	DRA	ECU	ECU	PTA	ECU	ESC	ECU	ECU
40 640 (1983)	30.12	9.50	0.209	32	12.64	62.50	0.96	201.13	1143	9*	144	1.4	211.53
11 000 (1982)	8.31	19	0.41	118.28	46.75			450.87	1 081	10.5	42	0.42	461.79

⁸ Figures relating to AGCI, Confcooperative, LEGA and UNCI.

⁹ Figures from PASEGES and Katalonis-Konsum

¹⁰ Entries for FDB, Andelsudvalget and DkF do not include 1 900 000 insurance policies

¹¹ Figures refer to all cooperative banks, not just to those which are members of the grouping of cooperative banks.

¹² The total figures for the Community shown here do not correspond to those given by European cooperative organizations. Many cooperatives are affiliated at the same time to groupings of different sectors, and to simply add up the members of all cooperatives would result in double counting

Table G: Relationship between the total population, the working population and the membership of cooperatives in the Community, Spain and Portugal in 1983

	(A)	(B)	(C)	(C/A)	(C/B)
Country	Total Population ¹	Working Population ¹	Cooperative Members ²	Percentage of Total Population Members of Cooperatives	Membership of Cooperatives as percentage of Working Population
Belgium	9 856 000	4 182 000	1 135 000	11.5	27.1
Denmark	5 114 000	2 728 000	1 690 962	33.0	61.9
FR Germany	61 423 000	27 445 000	13 800 000	22.4	50.2
Greece	9 848 000	3 993 000	822 000	8.3	20.5
France	54 652 000	23 306 000	15 000 000	27.4	64.3
Ireland	3 508 000	1 309 000	717 713	20.4	54.8
Italy	56 836 000	23 406 000	8 346 000	14.6	35.6
Luxembourg	366 000	161 000	31 000	8.4	19.2
Netherlands	14 367 000	5 814 000	2 767 234	19.2	47.5
United Kingdom	56 377 000	26 776 000	10 593 000	18.7	39.5
European Community	272 347 000	119 120 000	54 902 909	20.1	46.0
Spain ³	38 228 000	13 248 000	3 700 000	9.6	27.9
Portugal	10 990 000	4 405 000	3 065 000	27.8	69.5
Europe of 12	321 565 000	136 773 000	61 668 691	19.1	45.0

¹ Statistics Office of the European Communities, provisional data for 1983

² In several countries, members of cooperatives can at the same time be members of more than one cooperative

³ 1982 figures

European sectoral associations, and the basic data tables which precede most of the sections of the text. The latter provide a starting point and are, on the whole, reliable since they have been checked by the organizations concerned.

As far as *cooperatives* are concerned, the data used is relatively comprehensive. However, although it was possible to draw up a general basic data table (Table F) and tables for cooperatives in the agriculture, credit, consumer goods and manufacturing sectors (Tables J-M) using relatively comprehensive statistics, the data is not complete for cooperatives in the insurance, retail, transport, fishing and pharmacy sectors. This is either because some Community countries have no cooperative or related organizations in these sectors or because no statistics are available.

For a number of reasons, it is impossible to make a complete assessment of the economic significance of the *mutual-benefit* sector. One reason is that only certain EC countries have mutual-benefit health insurance funds. These insurance schemes sometimes operate as self-help organizations, sometimes as mutual-benefit companies and sometimes as cooperatives. In consequence, it would be virtually impossible to tabulate the insurance companies of the mutual-benefit sector in the various Member States.

The statistics on the economic significance of *non-profit* organizations are incomplete in the sense that the text only covers this sector in certain countries and even then, not all the existing groupings could be included.

The tables are thus a first attempt to sketch the economic significance of cooperatives and related sectors in the European Community.

3. General overview of the cooperative sector

The figures in Table F permit the following very general statements:

In the European Community, 99-100 000 cooperatives are organized in federations for the various sectors. Of these, roughly 90%, i.e. about 90 000 cooperatives are at present economically active. There are approximately 100 000 other cooperatives which are generally smaller and not affiliated to any regional or national sectoral or umbrella association.

In Spain, roughly 20 000 cooperatives are organized in federations. The figure for Portugal is about 3 500.

The total membership of cooperatives in the European Community numbers around 55 to 56 million. This figure should be qualified though: as a result of dual membership, particularly in Denmark, Great Britain, the Netherlands and to a certain extent in France, the actual number of individuals belonging to one or more cooperatives, lies around 45-50 million.

In addition, there are about 3.7 million individual members of cooperatives in Spain and around 3.1 million in Portugal.

The total number of 61.5 to 64 million members in the cooperatives of the Twelve can be converted into a percentage of the whole population: around 19% of the Community's population or on average more than 45% of the work-force (for details, see Table G).

Cooperatives themselves employ more than 1.7 million in the Ten (these figures are quite reliable). Since the figure for Greece is incomplete and, since Italy and Belgium have a significant number of cooperatives whose employees are not included in these statistics, the actual number of cooperative employees in the European Community may lie around 2 to 2.2 million.

If the 270 000 Spanish and 95 000 Portuguese cooperative employees are included, the figure rises to between 2.1 and 2.7 million cooperative employees in the Twelve, taking account of the employees in the smaller cooperatives.

In those sectors of the cooperative movement where economic activity can be estimated from turnover figures (cooperatives for agriculture, crafts, trade, commerce, manufacture and consumer goods, etc.) the following picture emerges:

The Federal Republic of Germany and France alone account for over half of the EC total turnover of roughly 201 000 million ECU, i.e. 123 000 million ECU or 62%. The German cooperatives with their turnover of 73 100 million ECU (36.8%) are ahead of their French counterparts which have a turnover of 50 000 million ECU (25.2%).

The Italian cooperatives are in third position, with a turnover of 30 000 million ECU, followed by the British, Dutch, Danish and Belgian cooperatives. In the EC as a whole the total cooperative turnover amounts to some 8-9% of the total gross domestic product of 2 589 000 million ECU, corresponding to (excluding the banking sector) an added value of 1.5-2.5% in the economies of the Member States (GDP figures per *Principal Economic Indicators*, OECD, October 1984, p. 186).

Including Spain and Portugal, whose cooperatives have a turnover of 9 000 million and 2 000 million respectively, brings the total turnover in the cooperative sector in the Twelve up to 211 000 million ECU.

For the credit sector, *consolidated balances* are regarded as the economically significant figures. They total 450 870 million ECU for the European Community and 462 000 million ECU for the Twelve. Here again, Federal Republic of Germany heads the list with 217 000 million ECU (48.3%), followed by France with 164 000 million ECU (36.4%). The Netherlands take up third place with 46 750 million ECU. On the basis of population, however, the Dutch cooperative banks are ahead of those in the Federal Republic of Germany and France. Those three countries cover 95% of the financial power of the cooperative banks. In all other Member States, the credit sector is comparatively small.

Comparison with the statistics of the European Cooperative Associations

The detailed statistics supplied by the eight European cooperative associations could also be used to establish overall figures for the social and economic basis of cooperatives in Europe. This would, however, exclude important sectors, such as, housing, transport and fishing cooperatives since there are no European associations in these sectors.

A closer analysis of the documents of the European cooperative association, moreover, reveals that their figures are sometimes different from those compiled here from the national surveys of sectors and associations. This is due to the fact that the statistics used in this text have been collated according to different criteria than those used by the European sectoral associations.

A further factor is that the basis for individual membership in the same associations is the fact of being for example a 'farmer' or 'consumer', although both clearly have access through their federative association to cooperatives in insurance, retail trade enterprises and banks, so that we cannot speak, for example, of actual membership in insurance cooperatives. Membership of agricultural or consumer cooperatives is sufficient, since the national association for these cooperatives has contacts with central organizations like the Volksfürsorge and the R+V-Insurance and so can provide services to members.

Consequently, it would be meaningless to slot the approximately 10 million members of the British Cooperative Union (consumer sector), for example, into each of the four listed sectors; i.e. the consumer sector, the cooperative insurance sector (CIS Insurance), cooperative pharmacies and the Cooperative Bank. Similar considerations apply to the Federal Republic of Germany and other EC countries.

In fact, aggregating membership figures in this way for these four service sectors would give the unrealistic total of around 123 million cooperative members in the European Community.

The manpower level is the only figure where the statistics of the European Cooperative Associations tally with national data. Here again, however, close examination of the figures is necessary, as, for example, in the area of retail-trade purchasing cooperatives. It would appear that for some countries, both the employees of the purchasing cooperative section of the enterprise and the retail-trade employees have been included in the total. In the case of Edeka that would produce a figure of around 15 300 employees in the cooperative association, while the retail trade employs a total of 84 000.

The Eurocoop figures are similar in the sense that the manpower figure also includes employees of the public benefit Coop AG, so the figure given in the Eurocoop statistics is 53 000 employees, instead of the more realistic figure of approximately 27 000.

The same is true of the Association of European Cooperative Insurers, where the majority of policy-holders belong to the public benefit sector Volksfürsorge (described in Part IV) or the agricultural R+V cooperative group.

There is finally another reason for not adopting the figures of the European cooperative associations: they often list individual enterprises and not associations as members in, for example, the insurance

and purchasing cooperative sectors. These figures are thus liable to be fragmentary and do not reflect the total economic importance of the sectors mentioned above.

4. Overall survey of the mutual-benefit sector (see table H)

This sector (Table H) divides up clearly into two main blocks:

The first block consists of health and accident insurance societies which are organized on mutual-benefit lines and are administered by the insured themselves. However, similar organizations do not exist in all the Community countries. Federal German health insurance schemes within the State social security are run by both employers and employees. For this reason, the German health insurance societies have not been included in this study, especially since they regard themselves as public undertakings and not mutual-benefit societies.

The second block comprises mutual-benefit insurance companies which generally include life assurance and general insurance. The two blocks have organizational overlaps: the Danish supplementary health insurance fund is, for example, a member of the mutual-benefit insurance association (FGF) although the FGF also covers other branches of insurance.

An estimate of global figures for the two blocks produces the following picture:

Organizations

There are roughly 10 000 mutual-benefit health insurance funds. Approximately 7 500 of these belong to the French groups FNMF and FNMT. In the other Member States there are around 2 000 organizations, including 429 Friendly Societies in the United Kingdom.

In the mutual life and general insurance sector there are also 26 000 local branches of the French mutual-benefit agricultural insurance companies and just under 2 000 companies in the five other countries covered.

Individual members

In the whole Community, i.e. in the six countries discussed here, the mutual-benefit health insurance funds have around 34 million members. The majority of these are concentrated in the French health insurance funds MSA and AMA which together have approximately 16 million members and in the United Kingdom's Friendly Societies and Provident Associations which have approximately 8 million members.

Mutual-benefit life and general insurance companies have about 34 million members or policy-holders.

Employees

The workforce in the societies included may be much higher than the estimate of 197 000; a significant number of health insurance and mutual life and general insurance organizations do not belong to mutual associations and are consequently not included in our survey. Indeed, new figures from the French Statistics Office, INSEE, give a total number of 155 000 employees for France alone. This means that in the Community there may be as many as between 230 000 and 250 000 employees in the sector.

Key economic figures

It is extremely difficult to estimate contribution and premium income for this sector. The figure for the associations listed here probably amounts to between 43 000 to 45 000 million ECU. At least 21 000 million ECU arises to mutual-benefit health insurance funds and at least 23 000 million ECU to mutual life and general insurance companies.

The available statistics are incomplete and hence virtually impossible to compare. This global survey of the mutual benefit health insurance funds and life and general insurance companies merely indicates the social and economic significance of the sector, which is dominated by the French and Dutch health insurance funds, the British Friendly Societies and Provident Associations, as well as German mutual insurance societies (VVaG) and French mutual insurance companies.

5. Global survey of the non-profit sector (see Table I)

There are far fewer reliable statistics available on this sector than on the cooperative and mutual-benefit sectors. The data set out here is only the tip of an iceberg: the sector is in fact far more extensive

Table H: The economic significance of cooperative, mutual and non-profit organizations in Europe

MUTUAL-BENEFIT ORGANIZATIONS

	B		DK	D				F		
1. Mutual Sickness Funds			Fort-sæt-telses-syge-kassen					FNMF	FNMT	FNMA (MSA)
a) No of associations			1					7 500		1 ⁸
b) No of members			451 000					12.5 Mio ⁷		3 Mio
c) No of employees			125					45 000		15 000 ¹⁰
d) Income and grants			DKR 318 Mio =					FF 21 Mrd =		FF 87 Mrd =
			ECU 39.11 Mio					3.13 Mrd ECU		12.9 Mrd ECU
2. Mutual insurance societies	ACCA	UAAM	FGF ¹	VVaG**	large VVaG	Burial Funds	Glass insce	FNMA (AMA) ²	GSACM	ROAM
a) No of societies	9	49	120	119	70	1 231	33	1 ⁸	11	90
b) No of members					1.5 Mio	4 Mio		3 Mio	8.2 Mio	17.7 Mio
c) No of employees	1 000				58 000			15 000 ⁽¹⁰⁾	15 600	24 200
d) Income			DKR 4 865 Mio =	DM 23 2 Mio =	Total sum insured DM 23 Mrd =	Total sum insured DM 7.2 Mrd =		FF 8.4 Mrd =	FF 17 Mrd =	FF 34.5 Mrd =
			ECU 598 Mio	ECU 102.2 Mio	ECU 10.13 Mrd	ECU 2.88 Mrd		ECU 1.25 Mrd	ECU 2.53 Mrd	ECU 5.14 Mrd

* Estimate.

¹ 'Forsættelsesygekassen' belong to the FGF

² MSA and AMA are branches of FNMA

³ There is no association of mutual-benefit life assurance companies (see section on UK).

⁴ Including four national associations.

⁵ AMUPA = National Organization of Employers' Industrial Accident Funds (member of UNESPA)

⁶ This organization is a member of UNESPA

UK	IRL	I	L	NL	GR	EG 10	S	P	EG 12
Friend-ly Soc.	Provi- dent assoc.	FIM	FNML	VNZ			Conf. entidades prevision social et AMUPA ⁵	FNASM	
429 ⁴	3	1 500	61	54		(9 548) (6 states)	1 368	125	11 049 (8 states)
3.4 Mio	4.3 Mio	800 000	240 000	9.24 Mio		33.93 Mio 8 states	5.7 Mio	607 000	40.23 Mio (8 states)
9 225	2 475	4 000*	25	7 000		82 850 (6 states)	13 000*	4 532	100 382 (8 states)
UKL 1.4 Mrd (assets)	UKL 211 Mio		LFR 306 Mio = ECU 6.74 Mio			ECU 20.31 Mrd (4 states)	PTA 163 Mrd = ECU 1.29 Mrd	ESC 630 Mio = ECU 6,8 Mio	ECU 22,28 Mrd (6 states)
3				FOV 188		1 921 (27 921) ¹¹	Agrupacion nacional de mutuas de seguros generales ⁶ 145		2 066 or (28 066)
						(34.4 Mio)	5 Mio		39.4 Mio
						113 800	5 000		118 800
				HFL 2.19 Mrd = ECU 876 Mio		ECU 23.49 Mrd 4 Länder	PTA 51.2 Mrd = 499.34 Mio		ECU 23.98 Mrd (5 states)

⁷ The FNMF has 25 million policy-holders, the FNMT has 5 million.

⁸ FNMA operates through 10 000 local offices for the MSA (agricultural social insurance) and 28 000 local funds for the AMA branch (mutual-benefit agricultural insurance companies).

⁹ Associations in the mutual-benefit sector have not been dealt with in detail. As a result, the totals given for associations, membership, employees and income are probably lower than in reality.

¹⁰ The total number of employees is divided equally between MSA and the AMA branches.

¹¹ Including the 28 000 local offices of the AMA branch (French agricultural insurance companies).

Table I: The economic significance of cooperative, mutual and non-profit organizations in Europe

NON-PROFIT ORGANIZATIONS

a) No of non-profit organizations	B			DK	D			F				
	CCI French speaking	CCI Dutch speaking	AFIS	Real-kreditradet	BFWP	GGW	BHW	UNI-OPSS	CCO-MCEN	CECO-REL	CGTL	CNA-JEP
	Not available	Not available	63 Sanatoria	4 non-profit institutions	1 (58086) units	1 821	1	134 national organ. (6 500 local assoc.)	62 different organ.	26 establishments (200000 beds)	2 training centres	105 nat. associations
b) No of members/beneficiaries	Between 400 000 and 500 000	1.3 Mio Patients per year	4 500 beds for patients + 2500 other beds	3 Mio	2.2 Mio		3.92 Mio		450000 users	± 4 Mio	1 Mio	845.000 2.6 Mio users
c) No of employees	15 000	45 600	10 000	2 500	592 870	38 400	4 469	± 300 000	± 13 000	± 57 000	3 777 (+ 88 000 train.)	
d) Economic data	BFR 20 Mrd = ECU 0.44 Mrd	BFR 40 Mrd = ECU 0.88 Mrd	BFR 4 Mrd (san.) 4 Mrd (other) ECU (0.08 Mrd ECU)	DKR 26 Mrd (reserves) DKR 411Mrd (loans) = ECU 50.74 Mrd	—	47 800 dwellings	Assets DM 32 Mrd = ECU 14.09 Mrd	FF± 5 Mrd = ECU 0.74 Mrd	FF 4 Mrd = ECU 0.59 Mrd			

N.B.: Non-profit organizations are not dealt with in a comprehensive manner in this documentation. The table therefore does not give the total number of organizations, members etc. per Member State or for the whole of the EC

UK		IRL		I	L	NL	GR	EG 10	S	P	
Building Soc. Ass.	John Lewis Partnership	Irish Building Soc. Ass.	Muintir Na Tire			NWR				UMP	IPSSS
160	1	17				700		± 1 500 incomplete		367	1 520
26 Mio	26 000	805 000				1 Mio		± 46 Mio members			
61 156	26 000	1 200				5 600		1 176 572 incomplete		5 577	
Assets 85 Mrd UKL = ECU 158 Mrd	Turn-over UKL 1.07 Mrd = ECU 1.84 Mrd	Assets IRL 1.52 Mrd = ECU 2.15 Mrd				incomplete					

Table J: The economic significance of cooperative, mutual and non-profit organizations in Europe

COOPERATIVES — AGRICULTURE

	B*		DK		D		F		UK		IRL	
a) Cooperatives	800		ANDELS-UDVALGET		DRV		CNMCCA CFCA		FAC		ICOS	
			145 Member orgs.		6 784 ³		11 600		577		133	
b) Membership ¹	78 000		189 800 ³		1.525 Mio ⁴		2 Mio ³		321 477		193 235	
c) Employees	4 300		37 960		120 100		130 000		15 490		18 334	
d) Turnover ²	BFR 70 Mrd	ECU 1.54 Mrd	DKR 77.4 Mrd	ECU 9.52 Mrd	DM 83.7 Mrd	ECU 36.87 Mrd	FR 150 Mrd	ECU 22.3 Mrd	UKL 2.42 Mrd	ECU 4.17 Mrd	IRL 2.80 Mrd	ECU 3.94 Mrd

NB: The figures are generally based on the 1983 financial year.

* In some cases, estimates have been made.

¹ It is usual in some Community countries for farmers to be members of several cooperatives at the same time.

² Figures are expressed in 000 Millions, unless otherwise specified. ECU equivalents are calculated on the basis of an average exchange rate for 1983 used in 'Eurostatistics' — Data for Short Term Economic Analysis' No 4/84, p 70

³ Only those agricultural cooperatives involved in supply, processing and marketing have been taken into account those involved in credit and insurance have not.

⁴ The figure of 1.525 Million members accounts for 100% of agricultural cooperatives in the strict sense of the word (see note 3 above).

Italy (in detail)

	FEDER- CONSORZI	AGCI	CONF- COOPERATIVE	LEGA	UNCI
a) Cooperatives	75	586	6 020	2 824	429
b) Membership ¹	± 400 000	± 180 000*	800 000*	413 492	± 50 000*
c) Employees	15 170	± 35 000*	± 100 000	± 90 000	± 18 000
d) Turnover A = LIT B = ECU ²	5 230 Mrd LIT ECU 4.14 Mrd	1 000 Mrd LIT* ECU 791.65 Mio	4 975 Mrd LIT ECU 3.92 Mrd	2 731 Mrd LIT ECU 2.16 Mrd	250 Mrd LIT* ECU 197.91 Mio

* In some cases, estimates have been made.

I		L		NL		GR		EG 10	S		P		TOTAL OF 12
9 934		CENTRALE PAYSANNE		NCR		PASEGES							
		25 Coordinating Orgs.		1 484	6 974	38 456	6 112*	1 361	45 929				
1 843 492		4 800 Operations		1.3 Mio	806 000	8 261 804	1 460 000*	1.241 Mio	10 962 804				
258 170		1 500		75 000	14 769	675 333	30 000*	55 801	761 134				
LIT 14 186 Mrd	ECU 11.23 Mrd	LFR 8 Mrd	ECU 0.176 Mrd	HFL 30.8 Mrd	ECU 12.17 Mrd	DRA 60 Mrd*	ECU 0.92 Mrd	ECU 102.83 Mrd	PTA 892 Mrd	ECU 7 Mrd *	ESC 86 Mrd	ECU 1.1 Mrd	ECU 110.93 Mrd

Table K: The economic significance of cooperative, mutual and non-profit organizations in Europe

COOPERATIVES — CONSUMER*

	B	DK	D	F	UK	IRL
a) Cooperatives	FNCC	FDB	BDK	FNCC	COOP UNION*	
	540	948	50	224	130	
b) Members	415 000	966 267	650 000	2 Mio Families	8.7 Mio	
c) Employees	1 800	20 943	21 000 ¹	42 000	97 148	
d) Turnover A = Local Currency (m) B = ECU (m) ²	BFR 5.6 Mrd = ECU 123.34 Mio	DKR 22.2 Mrd = ECU 2.73 Mrd	DM 4.63 Mrd = ECU 2.03 Mrd	FF 30 Mrd = ECU 4.47 Mrd	UKL 4.44 Mrd = ECU 7.65 Mrd	

* Includes banks and pharmacies — Estimate.

¹ The previously independent German consumer cooperatives, now combined as Co op AG (a public benefit enterprise of the trade union DGB), showed the following figures for 1983: Employees. about 42 000; Retail Turnover: DM 9 380 m

² ECU exchange rate calculations based on the average rate for 1983, with the exception of the figures for Italy (1981) and Spain (1984).

³ See note 2 above.

	Italy (in detail)			
a) Cooperatives	AGCI	CONF-COOPERATIVE	LEGA	UNCI
	176	1 721	646	72
b) Members	± 150 000*	527 000	951 529	± 45 000*
c) Employees	± 1 500	4 500	12 500	500
d) Turnover A = LIT (m) B = ECU (m) ³	LIT 150 Mrd = ECU 118.74 Mio	LIT 437 Mrd = ECU 345.95 Mio	LIT 1 628.31 Mrd = ECU 1.18 Mrd	LIT ± 70 Mrd = ECU 134.58 Mio

(*) Estimate.

I	L	NL	GR	EG 10	S	P	TOTAL OF 12
	ENTENTE	COOP	Katanalotis-Konsum			FENACOOOP	
2 615	10	6	9	4 532	900	420	5 852
1 673 529	25 960	± 100 000 Customers	16 000	14 546 756	900 000*	437 500	15 884 256
19 000	287	2 700	311	205 189	4 000*	5 000	214 189
LIT 2 385.31 Mrd = ECU 1.88 Mrd	LFR 1.42 Mrd = ECU 31.27 Mio	HFL 511 Mio = ECU 204 Mio	DRA 2.5 Mio = ECU 32 Mio		PTA* 100 Mrd = ECU 785 Mio(*)	ESC 8.5 Mrd = ECU 86 Mio	
				ECU 19.15 Mrd			ECU 20.02 Mrd

Table L: The economic significance of cooperative, mutual and non-profit organizations in Europe

COOPERATIVES — PRODUCTION

	B	DK	D	F	UK	IRL	I				L	NL	GR	EG 10	S	P	TOTAL OF 12
a) No of cooperative		DKF		CGS-COOP		COOP DEV. SOC.	CONF. COOP.	LEGA	AGCI	UNCI						FIN-COOP	
	± 80	715	19	1 171	911	21	5 920 ⁵ (17 880) ⁵			109		400		9 346	4 500 ¹	330	14 176
b) No of members	5 634 ²	5 000 ¹	709	21 806	20 400	1 311	200 000 ¹⁴				2 100 ³		256 960	150 000 ₁	19 596	426 556	
c) No of employees	724 ²	9 800 ¹	860	15 223	9 000	1 000	± 27 000 ⁴				4 000 ³		67 607	150 000 ₁	13 614	231 221	
d) Turnover	BFR 385 Mio = ECU 0.009 Mrd	DKR 8 408 Mio = ECU 1.03 Mrd	DM 55 Mio = ECU 0.022 Mrd	FF 7.5 Mrd = ECU 1.17 Mrd	UKL 150 Mio = ECU 0.259 Mrd	IRL 4.20 Mio = ECU 0.006 Mrd	LIT 7 552 Mrd = ECU Mrd 5.97				HFL 250 Mio = ECU 0.098 Mrd		ECU 8.84 Mrd (6 states)	ECU 1.3 Mrd	ESC 7.4 Mrd = ECU 75 Mio	ECU 9.918 Mrd (8 states)	

¹ Estimate.

² Alternative Walloon Solidarity only

³ ABC only, 1982 figures.

⁴ Figures for cooperatives within AGCI, Confcooperative and LEGA (some 33% of all production cooperatives).

⁵ 5 920 cooperatives belong to AGCI, Confcooperative and LEGA There are 17 880 production

and diverse than is apparent from the figures used, which refer to important national umbrella organizations in France, to building societies in the United Kingdom and Ireland and to the National Housing Council in the Netherlands.

For the Federal Republic of Germany data is available on the General Association of Non-Profit Housing Enterprises, the BHW Building Society, which is a public-service self-help organization, and the Federal Association of Independent Welfare Institutions.

This means that approximately 1 500 non-profit and self-help organizations are covered here. These comprise roughly 46 million individual members or beneficiaries with a workforce of nearly 1,2 million. Obviously the complete figures would be much higher and the discrepancy even greater than in the mutual-benefit sector. The French Statistics Office (INSEE) estimates approximately 710 000 employees for France alone. Some 50% of these are listed in Table I as employees of the non-profit organizations covered by the table. The total figure for this sector in the Ten is more likely to lie around 2 or 3 million.

6. The economic significance of individual sectors in the cooperative movement

(a) Agriculture (see Table J)

Cogeca is the Community-level umbrella organization for the bulk of the agricultural cooperative sector. The Italian sectoral associations for agriculture, AGCI (ANCI) and LEGA (ANCA) have not joined Cogeca. Table J gives the most important figures for the social and economic basis of European agricultural cooperatives and supplements the Cogeca data by including the Italian cooperative associations mentioned above.

In the European Community there are probably 38 500 to 40 000 organized agricultural cooperatives with approximately 8 million members. They have roughly 680 000 to 700 000 employees and a turnover of 102 830 million ECU.

Some of the aggregate figures given here are accurate; some are only estimates, in particular those for Italy.

Agricultural cooperatives in the whole Community represent 39% of all European cooperatives — their membership accounts for around 15% of all European cooperative members. Agricultural cooperatives employ around 38% of all cooperative employees and turnover in this sector makes up around 51% of total quantifiable turnover (i.e. excluding credit and insurance).

Agricultural cooperatives are one of the most important sectors in the European cooperative movement, ranking before consumer, production and credit cooperatives. This is due to the fact that they are both labour and capital intensive (acquisition of plant for farmers, processing or marketing of agricultural products). The agricultural cooperatives have a central back-up function, particularly for smaller and medium-sized farms; they play a decisive role for the survival of family farms in the European Community.

(b) Consumer and retail cooperatives (see Table K)

The consumer cooperatives operate mainly in the retail trade, i.e. they concentrate on supplying consumer goods. They have higher membership levels than the agricultural cooperatives (around 14.5 million members in all) and account for 26% of total cooperative membership.

The consumer cooperatives have around 205 000 employees, i.e. just under 12% of all employees in the cooperative sector. They thus employ less labour than the agricultural cooperatives and their turnover of around 19 000 million ECU (roughly 10% of the total turnover in all EC cooperatives) is also significantly lower.

In some countries, the consumer cooperatives are facing financial difficulties and gradually losing ground in the market. One reason for this may be that the most economic structure for small and medium-sized consumer cooperatives, in Belgium and the United Kingdom, for example, has not yet been found. In Greece, on the other hand, consumer cooperatives continue to make headway.

(c) Production (see Table L)

The production cooperatives differ from the agricultural and consumer cooperatives in that they have mainly developed in southern European countries (particularly in Italy, France and Spain) and only

Table M: The economic significance of cooperative, mutual and non-profit organizations in Europe

COOPERATIVES — CREDIT

	B			DK	D	F					
	Boerenbond (CERA)	FEBE-COOP (CODEP) ¹	FNCC (COB)			BVR	CSBP	CNCM	UCC	Crédit agricole FNCA	FCCMAR	CCMCM
a) No of cooperatives (banks)	395 banks	1 Central office	1 Central office 400 branches	56	3 762	38	21 reg. assoc. (3 000 local banks)	30 reg. banks	3 060 local banks (94 reg.)	160 main banks (15 reg. banks)	13 reg. banks
b) No of members ²	1,3 Mio (ac-counts) = 175 000 mem-bers	70 Affil. organiz. = PS-Group ± 300 000 *	415 000	106 000	9.7 Mio	1.2 Mio	3 Mio	13 600	3.9 Mio	120 000	30 000
						8 263 600					
c) No of employees	3 000	5 500 PS-Group	1 865	4 100	98 500	28 500	17 800	940	72 000	1 200	667
		10 365				121 107					
d) Total assets:				DKR 35.137 Mrd = ECU 4.32 Mrd	DM 494 Mrd = ECU 217.6 Mrd	FF 170 Mrd = ECU 25.37 Mrd	FF 143 Mrd = ECU 21.34 Mrd	FF 16.3 Mrd = ECU 2.43 Mrd	FF 753 Mrd = ECU 112.38 Mrd	FF 12 Mrd = ECU 1.79 Mrd	FF 4.1 Mrd = ECU 0.61 Mrd
	BFR 320 Mrd = ECU 7.08 Mrd					± FF 1 100 Mrd = ± ECU 164.17 Mrd					

* Estimate.

¹ The savings and credit cooperative Codep finances the whole of the Socialist cooperative movement in Belgium.

UK	IRL	I	L	NL	GR	EC 10	S	P	TOTAL OF 12
COOP BANK	ILCU	FEDER-CASSE (CONF. COOP)	RAIFF-EISEN	NCR (RABO-BANK)		ACB		FENACAM	
75 (branches)	470	669	62 banks	955		13 118	152	207	13 477 (11 states)
850 000	495 439	300 000	8 100	880 000		21 493 139	868 300	105 000	22 466 439 (11 states)
3 638	200	9 000	164	28 536		275 610	10 000*	750	286 360 (11 states)
UKL 1.063 Mrd = ECU 1.93 Mrd	IRL 0.186 Mrd = ECU 0.273 Mrd	LIT 11 000 Mrd = ECU 8.31 Mrd	LFR 19 Mrd = ECU 0.41 Mrd	HFL 118.28 Mrd = ECU 46.75 Mrd		ECU 450.87 Mrd (9 states)	PTA 1 081 Mrd = ECU 10.5 Mrd	ESC 42 Mrd = ECU 0.42 Mrd	ECU 461.79 Mrd (11 states)

² Account-holders.

³ Deposits not included

NB: The figures generally refer to the 1981 financial year

sporadically in the north (Denmark). The approximately 10 000 cooperatives in this sector comprise around 10% of all organized cooperatives in Europe.

The 250 000 individual members make up just 0.5% of total cooperative membership. Production cooperatives have around 325 000 employees or 18% of employees working in cooperatives, major areas being Italy and France. In the Spanish regions of Catalonia and the Basque country, production cooperatives employ about 150 000 worker-members. The turnover figure of over 9 000 million ECU for the entire European Community represents about 4.5% of the turnover of all cooperative enterprises in Europe, excluding banking and insurance.

When Spain and Portugal join the European Community, the production cooperatives will grow considerably in significance — the number will rise to nearly 15 000 whilst the number of cooperative worker-members will rise to 660 000 and the number of employees will similarly rise to over 425 000. Total turnover should then be around 10 000 million ECU.

The three previous sections on agriculture, consumer goods and production are based on figures which in most cases cover the entire European Community. This is 100% true for the agricultural cooperatives, which exist in all EC countries. There are however no consumer cooperatives as such in Ireland, and as regards production cooperatives, only eight countries of the European Community are covered, because they are insignificant in Luxembourg and Greece.

(d) Credit cooperatives and cooperative banks (see Table M)

For the credit cooperatives the text relies on a relatively comprehensive body of data. There are however differences in calculation methods, and therefore the data should not be regarded as precise but as a collection of reasonably accurate indicators of the situation in the European Community.

Table M is based on the figures provided by the Association of Cooperative Banks of the European Community. Additional figures have been provided by those national groups which do not belong to the Association.

From these statistics a figure for total consolidated assets of 451 000 million ECU is obtained, which includes the deposits of the Belgian savings banks (these have a slightly different structure). Cooperative enterprises in the credit sector number around 13 000, making up 13% of all cooperatives in the European Community. Membership totals 21 million, making up around 39% of all registered members of cooperatives in the European Community. The workforce (around 270 000) comprise around 15% of all cooperative employees.

The consolidated balances do not permit comparisons with other sectors since they cannot be directly compared with turnover figures. However, credit cooperatives and cooperative banks must account for around 16% of all savings deposits in the banking and credit sector of the European Community.

(e) Separate data for the remaining sectors

The four sectors mentioned above account for around three-quarters of the total economic power of cooperatives in the European Community. However, there are some important cooperatives in the remaining sectors, such as housing and house-building cooperatives (Table N), craft cooperatives and finally cooperative pharmacists.

(f) Significance of the major cooperative sectors in Europe

Table O shows the significance of the four sectors of the cooperative movement which operate throughout the Community, by means of percentage figures for the number of cooperatives, for cooperative members and cooperative employees.

Since the available data is incomplete, this table is intended only as a guide to the economic significance of the cooperatives, rather than as an overall survey with comprehensive, detailed data.

Table N: The economic significance of cooperative, mutual and non-profit organizations in Europe

COOPERATIVES — HOUSING

	B	DK	D	F	UK	IRL	I				L	NL	GR	EC 10	S	P	TOTAL OF 12
a) No of cooperatives		DkF/BL	GGW	FNSC/HLM	Nat. Fed. Hous. Assoc.	NABCO	Independent	AGCI	LEGA	Conf-cooperative	UNCI		900 Societ.	23 229 (7 countries)	5 311	FENACHE 274	28 814
		490	1 196	231	3 854	± 100	51 323	2 073	4 954	7 824	1 607						
								16 458									
b) No of members		1 Mio	1.65 Mio	300 000	160 336	± 9 000			400 000	500 000			+ 1 Mio	5019336 (7 countries)	320 254	97 164	5 436 754 (9 countries)
c) No of employees		5 500	11 850	2 500	12 000							± 14 000	Incomplete	6 000*	1 285		
d) Economic data			Total rent DM 3.7 MRD Total assets DM 182 Mrd ECU 0.82 Mrd ECU	FF 1.608 Mrd = ECU 240 Mio	UKL 4.8 Mrd = ECU 8.27 Mrd				* LIT ± 1 500 Mrd = ECU 1.11 Mrd			1.35 Mio units	incomplete	30% total units built 793 715	ESC 4 Mrd = ECU 40.5 Mio		

* Estimated.

¹ These figures cannot be provided for Italy as the house-building cooperatives in that country use different time scales for their building projects.

N.B.: The figures generally refer to the 1983 financial year

Table O: Estimated percentage figures for cooperatives in certain economic sectors in the EC

- shown as a percentage of all cooperatives (A-C)
- shown as a percentage of all cooperatives except credit cooperatives (D)
- shown as a percentage of the total economic sector (E)

	Cooperative-societies A	Members B	Employees C	Turnover D	Market Share ¹ E
1. Agriculture	39%	15%	38%	51%	60% ²
2. Consumers	4.5%	26%	11.6%	9.5%	approx. 10% — food sector approx. 3% — retail distribution
3. Production	10%	0.5%	18% ⁵	4.5%	2—5%
4. Credit	13%	39%	15.6%	4	16% ³
Total sectors 1—4	66.5%	80.5%	83.2%	-	It is impossible to work out an average figure for the 4 sectors

¹ Estimates of Secretary-Generals of the following Europeans organizations:

Agriculture Mr H. Kellner (COGECA)

Consumption Mr E. Schone (EUROCOOP)

Credit: Mr G. Ravoet (ACB)

The market share of workers production cooperatives was estimated by Mr Foucart (CECOP)

² This figure relates to production, storage, processing and marketing of farm produce and to bought-in inputs such as machinery, seed and fertiliser.

³ The market shares of cooperative banks in the individual Member States are:

Belgium	9%
Denmark	6%
Federal Republic of Germany (Popular banks, Raiffeisen)	27%
France	26%
Italy	20%
Luxembourg	14%
Netherlands	40%
United Kingdom	3%

⁴ Banks' total assets are not comparable with turnover of other sectors

⁵ This figure is derived from the 324 567 persons working in production cooperatives, of which 256 960 are members of the cooperative and 67 607 non-members

IX. Structures and prospects for collaboration between the associations of cooperatives and related sectors at European level

Part II of this text lists the existing European cooperative associations separately and is prefaced by a detailed description of their structure, membership and economic activities.

This section is therefore limited to:

surveying those European associations which are organized by sector, reflecting on which sectors of the European cooperative associations could be expanded, and identifying the trends towards an interest group which would cover all cooperatives within the European Community.

1. The present sectoral European associations and their importance

At EC level, eight cooperative sectors are represented by specific European associations. These are:

- (a) the European Community of Consumer Cooperatives (Eurocoop) — for consumer cooperatives,
- (b) the General Committee of Agricultural Cooperation in the European Economic Community (Cogeca) — for agricultural cooperatives,
- (c) the Association of Cooperative Banks in the EC — for credit cooperatives,
- (d) the Association of Retailer-owned Wholesalers in Foodstuffs (UGAL) — for purchasing cooperatives.
- (e) the Association of European Insurance Cooperatives (AAEC) — for the cooperative insurance sector,
- (f) the European Committee of Workers Cooperation and Productive Artisanal Societies (Cecop) — for production cooperatives,
- (g) the European Union of Social, Mutual and Cooperative Pharmacies — for pharmacy cooperatives.
- (h) the European Committee for Cooperative Tourism.

The following sectors are not yet organized at a European level:

building and housing cooperatives,
independent craftsmens' cooperatives,
transport cooperatives.

The mutual-benefit societies and non-profit organizations with economic activities have not yet established a common European organizational structure.

2. The possibility of forming new sectoral European associations

The advantage of forming a European sectoral organization is that the EC would be interested in discussions with a group that could provide specialist knowledge helpful in planning and establishing new Community policies.

With regard to structure and organization, the housing sector is particularly suited to European level collaboration. Three Member States — France, the Federal Republic of Germany and the United Kingdom — have a large number of cooperatives linked up in efficient national associations. There is also a small Irish association and the Danish group of production cooperatives DkF is very active in the housing sector. It might also be possible to include the corresponding sectoral associations of the Italian umbrella organizations AGCI (ANCAB), Confcooperative (Federabitazione), LEGA (Ass. Naz. Coop. Abitazione).

Table P: Structural data for European Associations
in the cooperative, mutual and non-profit sector

Name of Association	Sector	Based	Budget ¹			Staff	Publications ³
			BFR in Mio	ECU in Mio	Year		
General Committee for Agricultural Cooperation in the European Economic Community (COGECA)	Agriculture	Brussels	75 (*)	1.640	1984	40 (*)	'Agricola', weekly
Association of Cooperative Banks of the EC (ACB)	Savings & Credit	Brussels	18.2	0.398	1984	11	
Association of Retailer-Owned Wholesalers in Foodstuffs (UGAL)	Independent Retailers	Brussels	4.6	0.100	1983	2	'circulaires d'information (ca. 100 per year)
Association of European Cooperative Insurers (AECI)	Insurance	Brussels	5	0.109	1983	3	Various
European Committee of Workers' Cooperative Productive and Artisanal Societies (CECOP)	Production	Brussels	6 ²	0.131	1983	4	Monthly bulletin
European Community of Consumer Cooperatives (EUROCOOP)	Consumers	Brussels	10.5	0.23	1983	6	Information bulletin
The European Union of the Social, Mutual and Cooperative Pharmacies (EUSMCP)	Pharmacies	Brussels	0.2 ¹	0.004	1983	1 ¹	—
European Committee for Cooperative Tourism (CECOTOS)	Tourism	Brussels	in course of formation ¹			1 ¹	—
European Cooperatives Coordination Committee (ECCC)	Agriculture Credit Retailers Production Consumers Insurance Pharmacies Tourism	Brussels	Not available			1 ¹	—
European Cooperatives Intersectoral Liaison Committee (CLICE)	Insurance Pharmacies plus 4 national cooperative inter-sectoral organizations (Italy 3 Belgium 1)	Brussels	Not available			1 ¹	—

* Joint secretariat with COPA

¹ Uses the facilities of one or more member organizations

² Estimated by the ESC Studies and Research Division

³ Annual reports are not included.

The potential association, which would cover at least five countries of the European Community, could make significant contributions to European cooperation in, for example, urban redevelopment and the introduction of European norms and standards in the building trade.

It would be more difficult to form a European association for the other sectors mentioned above. However, for the craft cooperative sector, a conceivable nucleus for an EC-wide association might be the relevant French association FNCGA, Zentgeno, the umbrella organization for trade cooperatives in the Federal Republic of Germany and the craft cooperatives of the four Italian umbrella organizations.

Future Community policies for tourism and leisure could include local and regional associations and cooperatives. In several Member States they already participate in the organization of cooperative tourism,¹ and have recently formed a European Coordinating Committee.

This Committee could establish contacts between:

- (a) the tourism cooperatives in the holiday countries, for example Italy, France and Greece, and
- (b) the consumer cooperatives in the Northern Member States, linking the 'selling' cooperatives of the 'southern' Member States with the already organized 'buying' consumer cooperatives of the 'northern' Member States of the European Community.

The Committee could also take part in negotiations with the Commission on new tourism policies.

The transport cooperatives also have enough well-organized national associations, for both road freight traffic and inland waterways, to make a European association feasible. In this case, the following national associations would be the most important components:

- the auditing association of the German Transport Cooperatives,
- the French association Unicooptrans,
- the local associations of the Italian umbrella associations for cooperatives,
- the Dutch cooperative association for inland waterways, CBV.

3. Trends towards a common representation of the interests of all cooperatives within the European Community

(a) The attitude of the national and European associations towards European integration

Analysis of the information provided and individual discussions with representatives of the cooperative movement and related sectors in the Member States show quite clearly that the vast majority supports European integration. The European sectoral associations broadly take the view that the basic question of agreeing or not to European integration was settled long ago: these associations are, after all, in practice operating at a European level by representing the interests of their members in the formulation and realization of Community policy.

(b) The need for a multi-sectoral European association for cooperative and related sectors with a view to the development of new and existing Community policies

In the past the sectoral European cooperative associations have worked together on an *ad hoc* basis, as, for example, in the debate on the need to introduce regulations for European cooperatives. In general though, the influence of these associations was limited to their own specific areas. No attempt was made before 1981 to link up the different sectoral European cooperative associations and, where they exist, the national umbrella associations, into a single European association embracing all sectors. The reason is simply that each association operates in its 'own territory'. This self-imposed restriction to sectoral policies was seriously questioned after 1981, when the Community institutions began to emphasize the role of the cooperatives in other and in some cases new Community policies (development, regional, industrial, employment and tourism policies). This multi-sectoral role could not easily be reconciled within European sectoral associations.²

¹ This idea is also implied in the report of the Economic and Social Committee's Section for Protection of the Environment, Public Health and Consumer Affairs of 18 October 1983 (Rapporteur: Mr Brassier) — CES 218/83 fin., S. 47, on *Initial considerations on Community tourism policies*, COM(82) 385.

² See also IV above — Recognition of the role of the cooperatives within the European Community.

In all these fields, the Community authorities need specialized knowledge from all cooperative sectors in order to plan their policies as the following examples show.

Community development policy concentrates on developing rural areas and infrastructures in the African, Caribbean and Pacific States.

It promotes the production of agricultural and craft products and the expansion of transport systems essential to distribution and marketing, which in turn calls for adequate financing of investment. This requires experience, know-how — and specialized knowledge of European agricultural, craft and manufacturing cooperatives and transport, trade, credit and consumer cooperatives. The Community authorities responsible for planning development policies could usefully tap the specialized knowledge of virtually all these cooperative sectors. Coordination through a single European cooperative association would also help.

Regional policy is a further area where closer collaboration between European cooperatives would be useful. As the Community is increasingly concentrating its relatively limited finances on integrated development programmes for specific areas (e.g. areas like Naples, Belfast, the Mediterranean area, and remote rural areas), it needs to be able to rely on the active cooperation of economic and social forces like cooperatives. In order to activate the endogenous potential of the economic forces of the particular regions, agricultural, manufacturing and credit cooperatives and cooperatives which provide services for small independent concerns in the various sectors should all participate in planning integrated development programmes. This is also true of consumer cooperatives, which can assist in the efficient distribution of products in local markets.

One European-level consultative body for all cooperatives would make it much easier to draw up the appropriate integrated programme.

When common industrial and employment policies which could improve conditions for small and middle-sized businesses are being formulated, the experience and specialist knowledge of the production, credit and service cooperatives in particular would be extremely useful.

Within the cooperatives themselves, the coordination of available potential for collaboration in these policies could be effectively channelled by a European cooperative umbrella association. The European Parliament debate on the role of the cooperatives in the European Community has alerted both the European sectoral associations and some major national associations to this potential.

The first concrete step was taken in mid-1982 when the three major Italian cooperative umbrella associations — Confcooperative, LEGA and AGCI — and the Belgian socialist cooperative umbrella association Febecoop, formed the European Cooperatives Intersectoral Liaison Committee (Clice) by linking up with the Association of European Cooperative Insurers (AECI) and the European Union of Social, Mutual and Cooperative Pharmacies.

The European Cooperatives Coordination Committee (ECCC) was established independently of Clice in November 1982. The three founder members — Cogeca (agriculture), the Association of Cooperative Banks of the EC and UGAL (retail trade) were joined subsequently by the other European Cooperative Associations. The ECCC has established contacts all over Europe with various national associations in sectors which have no representative body of their own, e.g. the housing cooperatives.

The two abovementioned committees illustrate two different approaches to the representation of the interests of all cooperatives in the European Community. Clice relates more closely to the national, cooperative umbrella associations which are organized into political groupings¹, whilst ECCC concentrates on linking up several European sectoral associations, and bases its activities on these sectors.

It is not proposed to go into further details about these attempts at full-scale European cooperative representation as neither of the two groupings has a clear organizational structure, and their role in Community policy-making has yet to be determined. It should however be said that, based on the reality of the sectoral associations and the national associations organized into political groupings, a serious attempt should be made to bring together *all* the relevant forces from the cooperative

¹ In some cases they were excluded from the European sectoral associations. e.g. LEGA and AGCI in the realm of Cogeca.

movement in the European Community in one overall representative body for all cooperatives, which would be responsible for coordinating cooperative interests whenever cooperatives are involved in the development of new and existing Community policies.

(c) Possible initiatives for the future organization of the cooperative and related sectors in Europe

The information provided in this text about the interest-groups that exist in nearly all the EC countries, will enable those responsible from the various groups to reflect whether and how national and European associations can cooperate within the European Community in future. The stage is thus set for strategic discussions between all the national and European associations, with the ultimate objective of establishing one single representative body for all European cooperatives.

In this context it should be pointed out that suggestions for a single European representative body for all cooperative sectors are not directed at those European sectoral associations which already exist; their activities should not be affected by the creation of a European umbrella association. They must continue to function and develop and, as in the past, retain their contacts and influence, in order to defend the interests of the cooperatives of their own sectors *vis-à-vis* the Community institutions, particularly the Commission, the European Parliament, and the Economic and Social Committee.

The holding of a conference organized by the principal organizations in the cooperative, mutual and non-profit sector could be the prelude to much wider multi-sectoral cooperation.

(d) European conference of cooperative, mutual and non-profit organizations

On 9 November 1984 a meeting was held between persons representing cooperative, mutual and non-profit organizations. On the basis of the provisional edition of this text it was possible to draw the first conclusions regarding closer cooperation among the sectors at European level.

Many speakers emphasized the need for closer cooperation, both between national and European sectoral associations and between the major national cooperative central organizations.

There was agreement on the proposal from the cooperative groups represented to hold a conference in 1985 in Brussels, under the auspices of the Economic and Social Committee. The theme of the conference will be 'Enterprise in the cooperative, mutual and non-profit sector — a response to the challenges in a changing European society', and it will attempt to discern in which areas lies the greatest potential for the involvement of these organizations in the formulation and development of Community policy.

The conference will also open up practical possibilities for cooperation between the organizations. This will permit them a better overview of Community policy in areas where it concerns them and give them the opportunity to take part in its development and translation into action.

X. Links between the cooperative movement and related sectors and the trade unions: Overview of the economic activities of the trade unions in the EC Member States

1. Introduction

The social reform movement in the late nineteenth and the twentieth century was decisively influenced by the European working class struggle to improve its working and living conditions. Important elements of the current economic and social structures of Western European pluralist democracies can be traced back to this struggle.

The leaders of the working-class movement who had, in general, reformist rather than revolutionary aims, launched a three-pronged campaign:

- (a) On the *political front*, large political parties were established to uphold working-class interests and which were capable of gaining a parliamentary majority. These were the precursors of the present social-democratic and socialist parties and in Italy and France to a certain extent, the communist parties. Nowadays they also include the influential working-class groups within the christian-social and christian-democratic parties of Western Europe.
- (b) *Direct action* aimed at improving working conditions and wages led to the establishment of powerful trade unions throughout Europe, with a mainly socialist or social-democratic but sometimes a christian-democratic outlook. In some cases the tendency was towards industry-wide unions. (In Italy and France there are significant communist groups in the major trade unions CGIL and CGT.)
The trade unions concentrated on the gradual extension of workers' rights, and at the same time achieved a corresponding improvement of wages.
- (c) Self-help was the third line of action pursued by the working-class movement, coinciding quite often with activities in the political and trade union spheres. Although the basic framework of existing economic systems was broadly accepted, the most was made of their market mechanisms through the formation of cooperatives and the practice of group solidarity as consumers and manufacturers, enabling workers to achieve further improvements in living conditions and a more effective representation of their interests as consumers.

There was a certain amount of friction between trade unionists and the cooperative pragmatists: while the trade unionists insisted in radical changes in the social structure, the cooperative pragmatists worked for substantial improvements in living standards within the existing social system. Targets here were the basic needs of the population (food, clothing and housing).

Bitter experiences with the early capitalist system had taught workers that as isolated consumers they had virtually no protection against the effectively organized forces of capital in markets which were not always run according to the rules of competition. They began to help themselves by purchasing food and other essentials on a cooperative basis and converted their market power into a force in the form of consumer cooperatives. By doing so, they gradually improved their living conditions.

With similar aims in mind, workers founded housing cooperatives at the turn of the century in an attempt to gradually improve the catastrophic housing conditions under which they were forced to live.

Similar action was taken in the insurance market which was dominated by large private companies who sometimes abused their market power (see section on *Volksfürsorge*). This led to the establishment of consumer cooperatives in the insurance and credit sectors.

All these developments proved highly effective when the political, trade union and cooperative activities of the working-class movement were linked up, thus strengthening its position and influence in modern Western European industrial society. These activities were, however, basically restricted to consumer services. It was only in some countries (France, Italy and Denmark), that large numbers of

workers took the initiative to form cooperatives following strikes, lockouts and subsequent unemployment.

At the end of the nineteenth century, organized labour became a part of the cooperative movement which was then rapidly gaining momentum but had somewhat different ideological roots. This gave the working-class movement its own machinery by which it could strive to improve its living and working conditions.

The main legal form then adopted by the consumer cooperatives, although having worked well for a long period underwent a crisis in some countries in the 1950s and 1960s. As the ideological motivation of the working-class slackened in the face of modern consumerist society and because of certain features of some consumer cooperatives (outdated system of discount stamps, etc.), cooperative activities began to wane. The leaders of the working class reviewed their attitude to the self-help principle.

This led to the involvement of certain trade unions in economic activity such as the formation of trading companies (as undertaken in the Federal Republic of Germany, where trade unions established public and private limited companies), or the acquisition of shares in existing companies and cooperatives (as undertaken by trade unions in the Netherlands and Denmark). Obviously, trade union business activity, with its origins in the earlier consumer, housing and other kinds of service cooperatives founded by the working class, has a place in this report.

The following country-by-country section reviews covers links between the trade unions and the cooperative movement and touches on the theme of economic activities of the trade unions. It starts with those countries where the links between the two groups is close and where trade unions run their own business enterprises, i.e. the Federal Republic of Germany, the Netherlands and Denmark. Attention then turns to those countries where the links are weaker — Belgium, France, the UK, Ireland, Italy and Luxembourg. Detailed discussion of the involvement of the trade unions in business activity is however reserved for Part IV of the text.

2. Federal Republic of Germany

(a) *The businesses of the DGB trade unions*

In the early 1970s, indecisiveness and mismanagement within the Dutch consumer cooperatives led to the collapse in 1972 of the cooperatives affiliated to Coop Nederland, which had been economically quite important. In the Federal Republic of Germany however, most of the consumer, credit, insurance and housing cooperatives had managed — in close collaboration with the DGB — to avert a similar catastrophe in the 1960s.

By mergers and switches to larger units and by founding limited companies owned by the DGB and its individual trade unions, the DGB set up a group of companies covering the major servicing sectors mentioned above. The DGB aims to stiffen competition in these sectors — an aim which should in theory ultimately be reflected in lower prices for consumers and workers.

The direct involvement of DGB trade unions in shareholding companies did however lead to the loss of the broad cooperative basis of millions of members which it is now hoped to re-establish by setting up consumer advisory boards within DGB concerns.

Most DGB business enterprises are flourishing, for example the Bank für Gemeinwirtschaft (the largest private bank), the Volksfürsorge (one of the largest insurance companies in the Federal Republic of Germany) and the Coop AG, a large supermarket chain. The important group of housing associations, the Neue Heimat, is however in the throes of a management crisis.

In general, the main characteristic of DGB business enterprises, which are affiliated to the umbrella association Beteiligungsgesellschaft für Gemeinwirtschaft (BGAG — a holding company for public benefit enterprises), is their public benefit¹ orientation involving greater competition and the maintenance and expansion of the economic performance. There are generally no special advantages for employees.

¹ Translator's note: these businesses are referred to in this text as 'public benefit' enterprises (*gemeinwirtschaftliche Unternehmen*).

The Federal Republic of Germany is the only EC country where business activity on such a direct and massive scale is run using management and capital provided by a national trade union confederation and its member unions.

The close cooperation between the Coop AG and the independent consumer cooperatives takes on various forms of business activity (e.g. collective purchasing, standardization of product ranges, etc.). This cooperation also shows that both cooperative and public benefit forms of business express the same basic attitude (i.e. the self-help concept for trade unionists).

Apart from the BGAG holding company, some other enterprises are run directly by the DGB. One example is the Automobil Club Europas (ACE) with 490 000 members; it is only open to members of the DGB unions.

(b) Other trade union enterprises

Apart from the Deutscher Beamtenbund, none of the other national trade unions are involved directly in business enterprises (see 1982 report of the Federal Monopoly Commission). The three trade unions, Deutscher Beamtenbund (DBB), the Deutsche Angestelltengewerkschaft (DAG) and the Christlicher Gewerkschaftsbund (CGB) do all have their own educational and social institutions which arrange cut-price rates for travel, insurance and cultural events. However, neither the DAG nor the CGB nor any other smaller trade unions own businesses which can compete on the market. The Deutscher Beamtenbund owns — together with the DGB — 50% of the Beamtenheimstättengewerk (BHW), a self-help organization for the public service, which is also the largest German building society, second only to the cooperative building society Schwäbisch Hall.

3. The Netherlands

The Dutch trade union movement has links with production cooperatives which can be traced back to the last decade of the nineteenth century. Diverging ideological viewpoints within the trade union movement and the Social Democrat Party led, however, to an ambivalent attitude towards cooperatives. Initially the business activity of the trade unions had social aims: insurance cover for members, provision of buildings for union activities, printing of union publications. This was the starting-point for ventures into banking, insurance and publishing (newspapers) etc.

Nowadays, both the trade union federation established by the Socialist and Catholic trade unions, the FNV (Federatie Nederlandse Vakbeweging), and the protestant umbrella trade union CNV (Christelijk Nationaal Vakverbond) are involved in public and private business companies in the insurance (life and non-life), credit and investment sectors.

Through cooperation with the large insurance company, De Centrale (which was founded by a philanthropist), the FNV trade unions can invest in various banking and investment companies and exert influence on the boards.

4. Denmark

There have always been close links between the Danish trade unions and the DkF (Danish Association of Workers' cooperatives). In fact many of the cooperatives set up in towns towards the end of the last century were established after strikes, in an effort to establish businesses of benefit to workers.

The present involvement of the Danish trade union federation LO should be seen in conjunction with the coordination of Danish working class activities in the 'Arbejderbevægelsens Erhvervsråd' (Industrial Council of the Working-class Movement) (cf. section on DkF). This council¹ is regarded by all concerned as the major coordinating body for the political (the Social-Democratic party) the trade union (the LO) and the cooperative (DkF) wings of the working-class movement.

Ever since the trade-union federation made the basic decision in 1953 to invest in the cooperative sector, the trade unions have exercised their influence over business enterprises through an investment fund for financing cooperatives (Arbejderbevægelsens Kooperative Finansieringsfond — AKF). The capital for this fund was raised by the joint founders, the trade union federation (LO) and the Danish Federation of Workers' Cooperatives DkF. As an 'investment bank' for trade-union related cooperatives in the DkF group, AKF is involved in the following sectors: credit, housing, retail-trade, publishing, oil (production and sales) and data-processing, but it only takes a share of the equity and does not seek to hold all the shares of the companies it invests in.

¹ It represents the LO, the DkF and the Social Democratic Party.

LO is directly involved in isolated areas only such as the trade-unions' own 'A-Press'. This is operated in conjunction with DkF. The trade unions' economic activities were reinforced when the Aktiv Erhvervsinvestering was set up recently. This is a limited company owned by LO with nominal capital of DKR 100 million. It is hoped to provide various sectors of the Danish economy with capital, thus promoting the setting-up of businesses in order to create new jobs.

5. Belgium

The Belgian trade unions as such have not established and do not own or, in general, manage any business enterprises; they are not directly involved in any other market-related business activities. Their only involvement in cooperatives, mutual-benefit health or social insurance funds is through liaison organizations whose representatives from cooperatives, trade-unions, associations of mutual-benefit funds and political parties come from a similar ideological background.

There are two large organizations of this kind: the Socialist Common Action Group (l'Action commune socialiste) has representatives from the Belgian Cooperative Federation (Febecoop), the Socialist Party, the Belgian General Trade Union Federation (FGTB) and the Socialist mutual benefit funds. The Christian Workers Movement (Mouvement ouvrier chrétien) comprises the National Federation of Christian Cooperatives (FNCC), the Christian Trade Union Federation (CSC), the Association of Christian mutual-benefit funds¹ and some social-educational organizations. The Christian Workers' movement is also a founder member of the Christian cooperatives.

The Agenda-Commissie should also be mentioned. This is an informal circle of representatives from all groupings connected with the CVP (Flemish Christian-Social Party) such as the Christian trade union (ACV), the Boerenbond, the Christian Workers' movement, etc.

The two Christian agricultural organizations, Boerenbond and the Belgian Agricultural Alliance have such close, regular contact with the CVP and PSC (French-speaking Christian-Social Party) that a member of the Boerenbond is frequently appointed as Agricultural Minister. The three agricultural organizations described in Part III represent not only cooperative unions, but also the interest of the cooperatives as well as those of individual farmers.

The socialist and christian trade unions have recently made tentative attempts to promote the setting-up of worker cooperatives ('new cooperatives'). Bodies such as the Oleffe Foundation (Christian-Social slant) and the Solidarity Committee of the Walloon Alternatives (socialist leanings) were created specifically with this objective in mind. It is too early as yet to assess the results of these efforts.

6. France

The French cooperatives, mutual-benefit funds and non-profit and other self-help organizations have emerged from sociological groups and business sectors independently of any particular political or ideological loyalties. The trade unions in France are by their very nature politicized and therefore only play a minor role in the French social economy, because of its political neutrality.

However, there are close links between the National Association of Workers' Mutual Benefit Societies (FNMT) and the General Trade Union Federation (CGT). Nevertheless, due to the fact that they share common political views, these connections have not been institutionalized.

The teachers' trade union, FEN, although it neither owns nor manages any business enterprises, is the dominant force within a vast network of cooperatives, mutual-benefit funds and non-profit and other self-help organizations. These have all linked up to form the coordinating committee for cooperatives and mutual-benefit organizations of the State education system.²

The trade unions also participate in the financing of certain social institutions run by works committees. These are in many cases leisure centres and the three major trade unions

the French Democratic Workers' Confederation (la Confédération française démocratique du travail — CFDT)

the General Trade Union Federation (Force Ouvrière — FO) and

¹ See Part III, 'Introduction and Overview'.

² See Section C. Comcen (Part III, France).

the Association of Trade Unions in the State education system (la Fédération de l'éducation nationale — FEN)

all contributed to the establishment of a Cooperation Centre for leisure facilities.¹

In conclusion, it is worthy of note that some trade unions are not very well disposed towards the cooperatives and mutual benefit organizations since they identify too openly with the market economy for the trade unions' taste.

7. United Kingdom

The close links between the trade unions and consumer cooperatives are put on a political basis by the election pact between the Labour Party and the Cooperative Party. Despite this fact, the trade unions in the United Kingdom have so far shown little interest in business activities. When the large British trade unions emerged in the nineteenth century, consumer cooperatives were already well developed. The trade unions wanted to avoid competition with another sector of the working-class movement and were also wary of any economic involvement, not simply because they rejected the principles of capitalism but also because they refused to represent both the interests of employers and employees.

Recently, however, this attitude appears to have changed somewhat. The TUC trade unions seem less reluctant to accept the principles of the market economy. Moves to found a trade union bank (with the support of the Cooperative Bank) are already under way, whilst other trade unions are investigating the possibilities of publishing a national newspaper in conjunction with the Labour Party, and a further group of trade unions are interested in buying a theatre. The *Financial Times* (13 October 1983) described these moves as a sign that the trade unions wish to be integrated into the market economy. It would, however, be premature to regard them as the first steps towards the development of a public benefit sector.

8. Ireland

It has already been stated that Irish Cooperatives were originally set up in the agricultural sector (farmers had quite different needs and interests from urban-based trade unionists). The main thrust of the cooperative movement in Ireland is still agricultural and the trade unions have not yet got involved in any business enterprises, mainly because they have to use their limited finances for other purposes. In general however, they do have a positive attitude to the cooperatives.

9. Luxembourg

The eleven consumer cooperatives in Luxembourg were set up by trade unions. Although they are officially independent, they still receive administrative back-up from the Luxembourg trade unions (National Federation, Luxembourg Workers' Association, Joint Association for Civil Servants). All three belong to Luxembourg's Confédération générale du travail — (CGT).

Like its counterparts in other Community countries, the agricultural trade organization La Centrale paysanne fulfils a number of different functions, including that of a farmers' confederation and a cooperative association.

Some businesses run by the German trade unions have established branches in Luxembourg or operate their themselves; the Bank für Gemeinwirtschaft and the Beamtenheimstättenwerk (BHW)² have, for example, concluded a cooperation agreement with the building society, l'Œuvre épargnement (OEL) of the General Confederation for the Public Service (CGFP).

10. Italy

There are no formal legal links between the trade unions and the cooperatives in Italy. The two movements have quite different structures and strictly demarcated areas of activity. The Italian trade unions have no businesses and have not established any cooperatives on their own initiative and the cooperative movement does not venture into the 'territory' of the trade unions. The role of the cooperatives is instead restricted to acting as negotiating partners (or opponents) of the trade unions in industrial relations concerning cooperative employees. However, at political level, various links do exist between the trade union and the cooperative movement.

¹ See Section Cecorel (Part III, France).

² See: Sections on the BHW and the Bank für Gemeinwirtschaft.

First of all, it should be pointed out that the trade unions respect the specific role of the cooperatives within the framework of the Italian economy and society; one consequence is that they provide for special collective wage agreements for the cooperative sector which take account of the particularities of cooperative business. For the trade unions, wage/tariff negotiations do not merely consist of discussions with public and private concerns; there is also a so-called third negotiating table where collective employment contracts are worked out with cooperative enterprises and negotiated separately. This is not intended to imply any kind of favouritism from the point of view of either party; it is simply an expression of the fact that the social role of the cooperatives and the specific problems which they face in industrial relations negotiations are fully recognized.

Some sectors of the Italian trade union movement have, on numerous occasions, advocated the conversion of ailing concerns into cooperatives. In such cases, the ensuing economic and social benefits have been stressed, particularly from the point of view of employment protection. Nevertheless, the role of the trade unions has been to provide political 'ideas' rather than to organize a business with a full legislative framework. However, the legal status of those cooperatives which have been established as a result of trade union pressure is no different from other cooperatives, and some of them are now affiliated to one of the four national central associations for cooperatives.

There are examples of joint trade-union/cooperative action: from time to time such action is taken spontaneously, as in the case of the joint committee of trade unions and cooperatives, which was set up to administer the relief funds for the victims of the earthquake which struck the Mezzogiorno in 1980. However, more permanent, long-term measures have also been taken, one example being the joint national consumer association which has now been operating in Italy for a number of years.

Unipol is one of the few existing examples of joint equity investment by the trade unions and the cooperatives: it is the ninth largest Italian insurance company and is jointly owned by LEGA, the three Italian trade union confederations (CGIL, CISL and UIL), Confcoltivatori and the German Trade Union Federation (DGB).

The cooperation between the trade unions and cooperatives in the administration of finances allotted by the European Social Fund is of particular interest. In this context reference should be made to some recently-established social institutions which are administered on a joint basis (Coopsind — jointly run by LEGA and the trade union CGIL — and Cooperazione e Lavoro — jointly run by Confcooperative and the trade union CISL). These specialize in vocational training in conjunction with the Community institutions.

11. Greece

There is no formal or organizational link between the trade unions and the cooperatives in Greece. Of those cooperative sectors with a national structure, the agricultural cooperatives (PASEGUES) have hardly any contacts with the Greek trade union movement and the GSEE (General Confederation of Greek Workers); the retail and consumer cooperatives (KATANALOTIS KONSUM) have relatively close contacts with the trade union movement via those trade union members who are also members of cooperatives.

KATANALOTIS KONSUM seeks constantly to bring to the attention of trade unionists the advantage of the cooperative model as a basis for self-help among workers. These efforts were made evident by the presence of executives of the GSEE (General Confederation of Greek Workers) at the 1st congress of the Greek cooperative movement on 6 February 1985.

XI. Cooperative, mutual and non-profit organizations in Spain and Portugal

A. STRUCTURE AND ACTIVITY OF THE SPANISH COOPERATIVE AND RELATED ORGANIZATIONS

1. Cooperative sector

The Spanish cooperative movement is at present undergoing a restructuring process. The organizational forms influenced by the Franco regime still exist side by side with new structures being tried out. The old structures are, however, gradually being changed, and the national associations which in the past developed considerable business activity now confine themselves to representing, coordinating and protecting their members.

The Cooperative Act which came into effect in 1974 and the 1978 implementing regulations¹ aimed to reintroduce the international principles of the cooperative movement and tighter self-discipline into the administration and running of the cooperatives. The driving force behind these aims is the Spanish Cooperative Union. The 1978 regulations make provision for the setting up of a National Commission for Coordinating between Cooperatives which is intended to act as an advisory and coordinating body for the public sector in all dealings with cooperatives.

The autonomous regions of Catalonia and the Basque Country have passed their own legislation on cooperatives by virtue of the powers devolved to the regions. These laws, which were brought into force as soon as the autonomy legislation permitted, indicate the momentum the cooperative movement has gathered in Catalonia and the Basque countries. They also illustrate the importance the governments and parliaments of these regions attach to the movement.

In the next few months, the Cortes will be debating a Cooperative Bill. Under current legislation, the activities of the cooperative movement are divided up into the following sectors: agriculture, fisheries, crafts, credit, housing, manufacture, consumer goods, services, education, trade, transport and special cooperatives.

2. Mutual benefit sector

The mutual benefit sector consists of three branches: social welfare, insurance against industrial accidents and mutual benefit insurance companies.

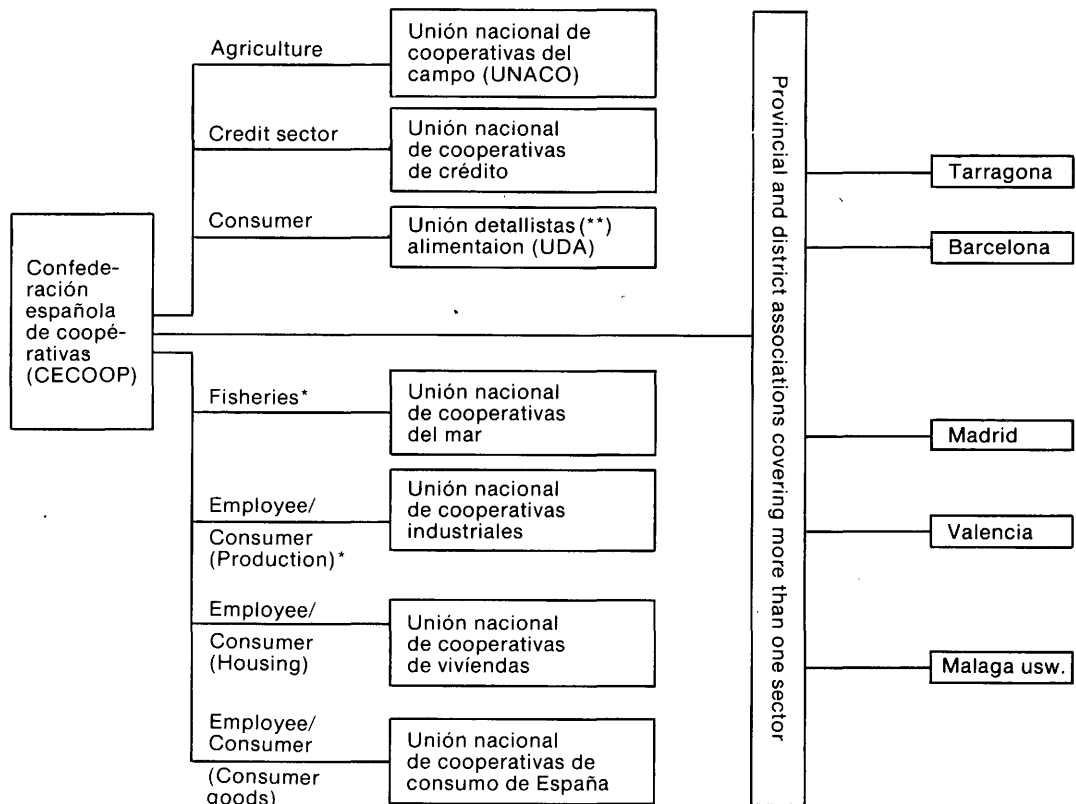
- (a) The mutual benefit social welfare funds are regulated by a law passed on 6 December 1941. Article 1 defines social welfare funds as 'Non-profit associations which provide social welfare benefits for the purpose of protecting members against unforeseeable risks'. They provide insurance against illness, temporary incapacity to work, death, etc.
- (b) The Industrial Accident funds ('Mutual patronales') are subject to the general law on social security which came into effect in 1974. This law stipulates that industrial accident insurance funds shall be non-profit-making. They provide employers with insurance cover against risks connected with industrial accidents or occupational illnesses contracted by their employees.

The above two branches of the mutual benefit sector are organized at a national level in the association of social welfare institutions and are subject to inspection by the Ministry of Labour.

¹ In Article 1 of the regulations for the cooperative movement, cooperative enterprises are defined as follows: 'Companies which, in line with the principles and specifications of the General Cooperative Act and according to a system of jointly-run administration, carry out any kind of statutory economic or social activity; such activity must be in the interests of the members and the general public'.

Table: Spain

COOPERATIVES (NATIONAL LEVEL)

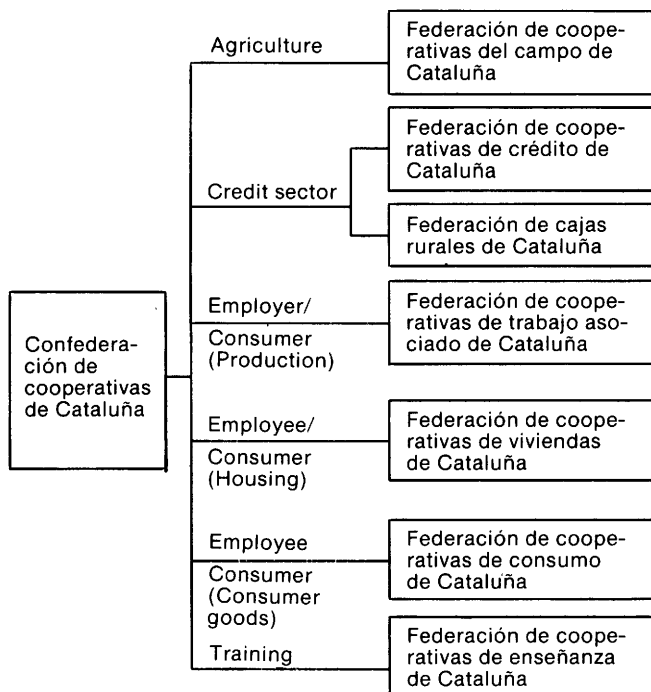


* See Part III, Spain, Chapter I

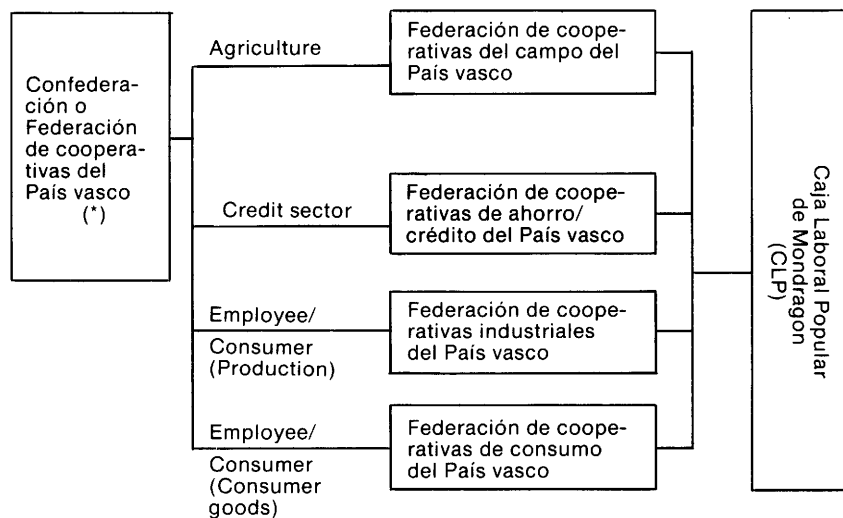
MUTUAL-BENEFIT ORGANIZATIONS



COOPERATIVE AND MUTUAL ORGANIZATIONS IN SPAIN
 COOPERATIVES — (AUTONOMOUS REGIONS)
 CATALONIA



BASQUE PROVINCES



* Planned regional association taking in several sectors.

- (c) Mutual benefit insurance associations are regulated by a law passed on 16 December 1954. At national level, these associations are linked up in the Insurance Associations department of the Spanish Association for Insurance, Reinsurance and Investment Companies (Unespa) and are subject to the control of the Ministry for Economic Affairs.

The mutual benefit sector is, like the cooperative sector, in the process of being restructured. A bill on social welfare funds has been submitted to the Cortes.

B. STRUCTURE AND ACTIVITY OF THE PORTUGUESE COOPERATIVE AND RELATED ORGANIZATIONS

1. Cooperative sector

The Portuguese cooperative sector has been undergoing reorganization since 1975; by 1984 this was virtually complete: 63% of the primary cooperatives are now coordinated in a pyramid-shaped organization.

The representative associations have no business activity of their own at national level: their role is to represent and defend the interests of members and to coordinate activities.

With regard to central bodies, the first constitutional government formed after the revolution of April 1974 set up a state body, the Antonio Sergio institute (Incoop), to promote the cooperative movement with the aim of supporting the further development of cooperative initiatives.

Although Incoop comes under the responsibility of the Prime Minister, for administrative purposes it does have a certain amount of autonomy. Its main purpose is to ensure constant dialogue and contact between the cooperatives and the government.

The activities of cooperatives divide up into the following eleven sectors which are recognized in Article 4 of the Portuguese cooperative Act:

consumer affairs,

trade,

agriculture,

credit,

building trade and housing,

manufacture,

crafts,

fisheries,

culture,

services,

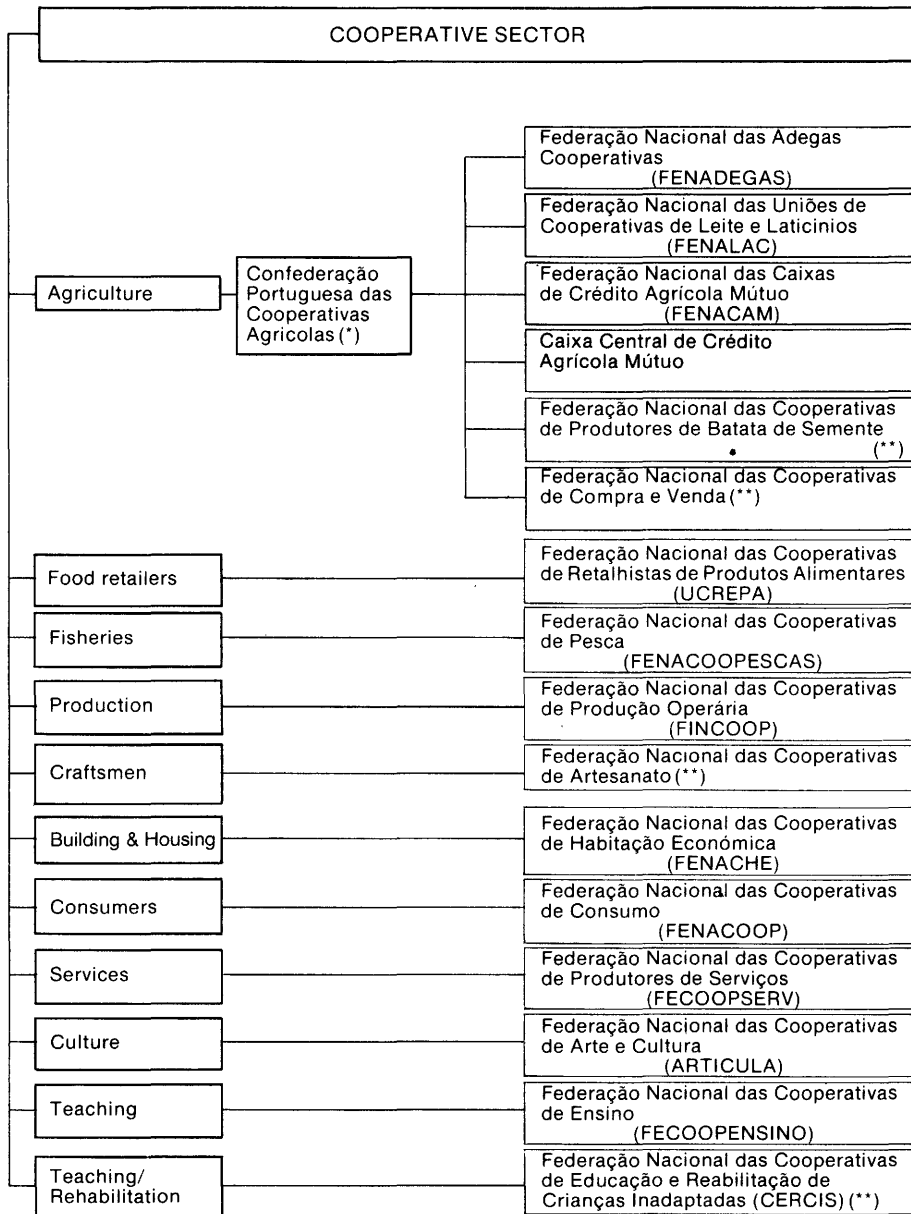
education.

Supplementary legislation governing the individual sectors provides for cooperatives covering more than one sector.

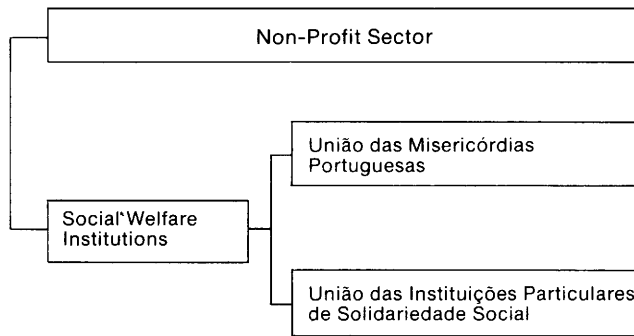
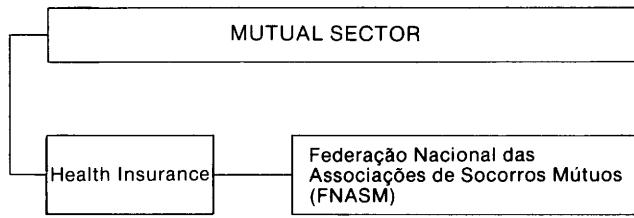
2. Non-profit sector

The private social welfare institutions (IPSS) are confessional non-profit associations. They are either owned privately or by the Roman Catholic Church. Under current legislation, their activity is regulated by a specific Act and their special legal status is clearly defined. The IPSS supplement the profit-making activity of the public and private sector in the fields of health care and social welfare.

Table: Portugal



(*) in process of being formed.
 (**) not dealt with in detail in this text.



ANNEX TO PART I

I. Names and addresses of associations of cooperatives and related sectors at European level

- A. EUROPEAN INTERSECTORAL LIAISON BODIES
- B. EUROPEAN SECTORAL ASSOCIATIONS
- C. RESEARCH CENTRES

	SECTOR	ORGANIZATION	PRESIDENT	SECRETARY-GENERAL/ DIRECTOR	ADDRESS	TELEPHONE
A.	8 Sectoral Organizations: Agriculture, banking, retailing, production, consumers, insurance, tourism, pharmacy	European Cooperatives Coordination Committee (ECCC)	P.J. Lardinois	Herbert Kellner (Chief Executive)	23-25 rue de la Science B 1040 BRUSSELS	(02) 230.39.45 TELEX 25 816 B
A.	Insurance/Pharmacies + 4 national multi- sectoral cooperative organizations	European Cooperatives Intersectoral Liaison Committee (CLICE)	Franco Foschi	Roger Ramaekers	28 rue Haute B 1000 BRUSSELS	(02) 513.28.60
B.	Agriculture	General Committee for Agricultural Cooper- ation in the European Community (COGECA)	H. Nouyrit	Herbert Kellner (Director General)	23-35 rue de la Science B 1040 BRUSSELS	(02) 230.39.45 TELEX 25.816 B
B.	Banking and Credit	Association of Cooper- ative Banks of the European Community	P.J. Lardinois	Guido Ravoet	23-25 rue de la Science B 1040 BRUSSELS	(02) 230.11.24 (02) 230.14.19
B.	Retailing	Association of re- tailer-owned Whole- salers in Foodstuffs (UGAL)	Helmut Stubbe	Denis Labatut	3 Avenue Louis Gribaumont B 1150 BRUSSELS	(02) 770.22.07 (02) 771.91.91 TELEX 64 192 B
B.	Insurance	Association of Euro- pean Cooperative Insurers (AECI)	J. Forest	Jeanine Devuyt (Secretary)	PS-Building 151 rue Royale B 1030 BRUSSELS	(02) 214.94.99 TELEX 23 566 B

	SECTOR	ORGANIZATION	PRESIDENT	SECRETARY-GENERAL/ DIRECTOR	ADDRESS	TELEPHONE
B.	Production	European Committee of Workers' Cooperative Productive and Artisanal Societies (CECOP)	Alvaro Bonistalli	Bruno Catalano	38b rue Vilain XIII B 1050 BRUSSELS	(02) 648.04.60 (02) 648.05.13
B.	Consumers	European Community of Consumer Cooperatives (EUROCOOP)	L.D. Wilkinson	Albrecht Schöne	17a rue Archimède Bte 2 B 1040 BRUSSELS	(02) 230.14.11 (02) 230.15.68
B.	Pharmacies	European Union of the Social, Mutual and Co-operative Pharmacies (EUSMCP)	Marcel Becquevort	Léon Verbeeck (Secretary)	602 Chaussée de Mons B 1070 BRUSSELS	(02) 522.56.90
B.	Tourism	European Committee for Cooperative Tourism (CECOTOS)	Jean-Paul Champeaux	Ida Ossi (Permanent Representative)	c/o LEGA 8 rue Joseph Stevens B 1000 BRUSSELS	(02) 513.66.13
C.	Research and Information	International Centre of Research and Information on Public and Cooperative Economy (CIRIEC)	Anton Rauter	Guy Quaden (Director)	Batiment B 31 Université de Liège au Sart Tilman B 4000 LIEGE	(041) 562.746

II. Names and addresses of national cooperative, mutual and non-profit organizations

- A. JOINT ORGANIZATIONS**
- B. GOVERNMENTAL OR QUASI-GOVERNMENTAL ORGANIZATIONS**
- C. COOPERATIVE ORGANIZATIONS**
- D. MUTUAL ORGANIZATIONS**
- E. NON-PROFIT ORGANIZATIONS**
- F. PUBLIC BENEFIT ORGANIZATIONS**

BELGIUM

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL/ DIRECTOR	ADDRESS	TELEPHONE
B.	Cooperatives	Conseil national de la coopération	André Devogel	Guy Hankenne	17-21 avenue de la Joyeuse Entrée 1040 BRUSSELS	(02) 233.89.32 (02) 233.88.11
C.	Agriculture	De Belgische Boerenbond (BB)	Jan Hinnekens	Maurice Beddegenoots	Minderbroedersstraat 8 3000 LEUVEN	(016) 24.21.11
	Agriculture	Fédération nationale des Unions profes- sionnelles agricoles (FN des UPA)	Louis Ernoux	Emile Scoumanne	94 rue Antoine Dansaert 1000 BRUSSELS	(02) 511.07.37
	Agriculture	Alliance agricole belge (AAB)	Georges Gillet	Henri Massaux	21 rue de la Science Boîte 2 1040 BRUSSELS	(02) 230.72.95
	Employees/Consumers (Production, Retailing/ Distribution, Services)	Fédération belge des coopératives (FEBECOOP)	Henri Lamaire	Roger Ramaekers	28 rue Haute 1000 BRUSSELS	(02) 513.28.60
	Employees/Consumers (Production, Retailing/ Distribution, Services)	Fédération nationale des coopératives chrétiennes (FNCC)	Willy D'Have	André Devogel	141 rue de la Loi 1040 BRUSSELS	(02) 233.34.11

BELGIUM - contd.

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL/ DIRECTOR	ADDRESS	TELEPHONE
C.	Employees/Consumers (Chemists)	Office des pharmacies coopératives de Belgique (OPHACO)	Marcel Becquevort	Léon Verbeeck (Secretary)	602 chaussée de Mons 1070 BRUSSELS	(02) 522.56.90
D.	Mutual Insurance	Union des associations d'assurance mutuelle (UAAM)	Joseph Haverland	Yves Willemart	5 rue de Loxum 1000 BRUSSELS	(02) 511.99.12 (02) 511.99.30
	Mutual Insurance	Association des caisses communes d'assurance (ACCA)	Raymond Charles	Yves Willemart	5 rue de Loxum 1000 BRUSSELS	(02) 511.99.12 (02) 511.99.30
E.	Health and Social Security Organizations	Confédération chré- tienne des institu- tions sociales et de santé (CCI-francophone)	William Ancion	Pierre Huvelle	17 rue de l'Industrie 1000 BRUSSELS	(02) 230.39.27
	Health and Social Security Organizations	Caritas Confederatie van Instellingen (CCI-Vlaanderen)		J. Belmans	Guimardstraat 1 1040 BRUSSELS	(02) 511.47.58
	Health and Social Security Organizations	Association franco- phone d'institutions de soins (AFIS)	Robert Ledoux	André Villez	32-38 rue Saint-Jean 1000 BRUSSELS	(02) 511.04.54

DENMARK

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL/ DIRECTOR	ADDRESS	TELEPHONE
C.	Agriculture	De samvirkende danske Andelsselskaber/ Andelsudvalget	Martin Nielsen	H. Hasle Nielsen	Vester Farimagsgade 3 1606 COPENHAGEN V	(01) 12.14.19
	Banking	De samvirkende danske Andelsselskaber/ Andelsudvalget	Martin Nielsen	H. Hasle Nielsen	Vester Farimagsgade 3 1606 COPENHAGEN V	(01) 12.14.19
		Det kooperative Faellesforbund (DkF)	Torben Hjuler	Age Munk	Reventlowgade 14 1615 COPENHAGEN K	(01) 31.33.32 (01) 31.22.62
	Production	Det kooperative Faellesforbund (DkF)	Torben Hjuler	Age Munk	Reventlowgade 14 1615 COPENHAGEN K	(01) 31.33.32 (01) 31.33.32
	Consumers	Faellesforeningen for Danmarks Brugsforeninger (FDB)	Bjarne Møgelhøj	Bent Le Fèvre	Roskildevej 65 2620 ALBERTSLUND	(02) 64.88.11
	Housing	Det kooperative Faellesforbund (DkF)	Torben Hjuler	Age Munk	Reventlowgade 14 1615 COPENHAGEN K	(01) 31.33.32 (01) 31.22.62
	Trades (Building, Bakers, Fuel Distribution, Publishing)	Det kooperative Faellesforbund (DkF)	Torben Hjuler	Age Munk	Reventlowgade 14 1615 COPENHAGEN K	(01) 31.33.32 (01) 31.22.62
	Insurance	De samvirkende danske Andelsselskaber/ Andelsudvalget	Martin Nielsen	H. Hasle Nielsen	Vester Farimagsgade 3 1606 COPENHAGEN V	(01) 12.14.19
		Det kooperative Faellesforbund (DkF)	Torben Hjuler	Age Munk	Reventlowgade 14 1615 COPENHAGEN K	(01) 31.33.32 (01) 31.22.62
D.	Mutual Insurance	Forening af gensidige forsikringselskaber	B. Knie-Anderson	W. Elleboe	Amaliagade 10 1256 COPENHAGEN K	(01) 13.78.11
E.	Housing Finance	Realkreditrådet	Henning Axel Nielsen	T. Gjede	Vesterbrogade 4A 1620 COPENHAGEN K	(01) 12.48.11

FEDERAL REPUBLIC OF GERMANY

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL DIRECTOR	ADDRESSES	TELEPHONE
A.	Cooperatives	Freier Ausschuss der deutschen Genossenschaftsverbände	Renewable every three years (no permanent secretariat)			
	Cooperative banks, rural and craft trading and service cooperatives	Deutscher Genossenschafts- und Raiffeisenverband e.V. (DGRV)	Willi Croll (Chairman)	RA Egon Metz Detlef Wülker	Adenauer Allee 127 Postfach 19 01 41 5300 BONN 1	(0228) 10.61
C.	Agriculture	Deutscher Raiffeisenverband e.V. (DRV)	Willi Croll (President)	Hans-Jürgen Wick (Secretary-General)	Adenauer Allee 127 Postfach 19 01 41 5300 BONN 1	(0228) 10.61
	Banking and Credit	Bundesverband der Deutschen Volksbanken und Raiffeisenbanken e.V. (BVR)	Bernard Schramm	Klaus Weiser (Member of Board)	Heussallee 5 Postfach 12 04 40 5300 BONN 1	(0228) 50.91
	Banking and Credit	Deutsche Genossenschaftsbank	Helmut Guthardt	Jens H. Schmodde (Director, Press and External Relations)	Wiesenhüttenstr. 10 Postfach 26 28 6000 FRANKFURT/MAIN 1	(069) 26.801
	Wholesale and service business	Zentralverband der gewerkschaftlichen Großhandels- und Dienstleistungsunternehmen e.V. (ZENTGENO)	Hans-Jürgen Klusmann	Fritz Rintelmann (Executive Director)	Heussallee 5 Postfach 12 02 20 5300 BONN 1	(0228) 21.00.11

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL DIRECTOR	ADDRESS	TELEPHONE
C.	Trade	EDEKA-Verband	Helmut Stubbe (Director)	Klaus Bahde	New York Ring 6 Postfach 60 06 80 2000 HAMBURG 60	(040) 637.71
	Trade	REWE-Prüfungsverband e.V.	Hans Reischl Erwin Holzschuh		Domstrasse 20 Postfach 10 15 28 5000 COLOGNE 1	(0221) 16.55-1
	Crafts	BAKO-Prüfungsverband Dt. Bäcker- und Kondi- torengenossenschaften e.V.	Willibald Jacobs (Director)		Rhöndorfer Str. 87 Postfach 11 25 5340 BAD HONNEF	(02224) 50.56 (02224) 50.57
	Transport	Prüfungsverband der deutschen Verkehrsge- nossenschaften e.V.	Ulrich Schumacher (Director)		Schlosstr. 6 2000 HAMBURG 70	(040) 68.02.75 (040) 68.53.95
	Housing	Gesamtverband gemein- nütziger Wohnungsun- ternehmen e.V. (GGW)	Helmut Tepper (Director)		Bismarckstr. 7 5000 COLOGNE 1	(0221) 52.50.01
	Consumers	Bund deutscher Konsum- genossenschaften GmbH	Oswald Paulig (President)	Manfred Dabrunz	Adenauerallee 21 2000 HAMBURG 1	(040) 24.90.06-07
	Consumers	Revisionsverband deutscher Konsumge- nossenschaften e.V.	Oswald Paulig (Board) Helmut Pelster		Adenauerallee 21 2000 HAMBURG 1	(040) 24.00.02-04

FEDERAL REPUBLIC OF GERMANY - contd.

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL/ DIRECTOR	ADDRESS	TELEPHONE
D.	Mutual insurance (major organizations)	Arbeitsgemeinschaft der Versicherungsvereine auf Gegenseitigkeit e.V.	W. Henning		Agidientorplatz 2a Postfach 25 29 3000 HANNOVER 1	(0511) 80.071
	Mutual insurance (small organizations)	Deutscher Sterbekassenverband e.V.	Heinz Schlupmann	Johannes Smit	Alleestr. 119 Postfach 546 4630 BOCHUM 1	(0234) 12.030
	Mutual insurance (small organizations)	Verband der Versicherungsvereine a.G. e.V.	Heinz-Otto Reese	Jürgen Scheel	v.d. Goltz-Allee 93 2300 KIEL	(0431) 68.16.19
	Mutual insurance (small organizations)	Verband Deutscher Glasversicherungsvereine auf Gegenseitigkeit e.V.	Adolf Gonnermann	Adolf Gonnermann	Schuchardstr. 12 Postfach 11 03 68 6100 DARMSTADT 11	(06151) 20.851
E.	Housing	Gesamtverband gemeinnütziger Wohnungsunternehmen e.V.	See C.	See C.	See C.	See C.
	Housing finance	BHW - Gemeinnützige Bausparkasse für den öffentlichen Dienst		Louis Storck (Management Spokesman) Harald Schmid	Lubahnstr. 2 3250 HAMELN 1	(05151) 18.25.11

FEDERAL REPUBLIC OF GERMANY - contd.

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL/ DIRECTOR	ADDRESS	TELEPHONE
E.	Social Welfare	Bundesarbeitsgemein- schaft der Freien Wohlfahrtspflege		K.H. Thiel	Franz-Lohe-Strasse 17 5300 BONN 1	(0228) 22.61
	(links with SPD)	- Arbeiterwohlfahrt - Bundesverband e.V. (AW)			Marie-Juchacz-Haus Oppelner Strasse 130 5300 BONN 1	(0228) 66.850
	(protestant)	- Diakonisches Werk der Evangelischen Kirche in Deutsch- land e.V. (DW)			Stafflenbergstrasse 76 7000 STUTTGART 1	(0711) 21.591
	(catholic)	- Deutscher Caritas- verband - e.V. (DCV)			Karlstrasse 40 7800 FREIBURG 1. Br.	(0761) 20.01
	(non-confessional)	- Deutscher Pari- tätischer Wohl- fahrtsverband - Gesamtverband e.V. (DPW)			Heinrich-Hoffmann- Str. 3 6000 FRANKFURT/MAIN 71	(069) 67.061
	(neutral)	- Deutsches Rotes Kreuz e.V. - Präsidium (DRK)			Friedrich-Ebert- Allee 71 5300 BONN 1	(0228) 54.11
	(jewish)	- Zentralwohlfahrts- stelle der Juden in Deutschland e.V. (ZWStdJ)			Hebelstrasse 17/III FRANKFURT/MAIN	(069) 55.69.58

FEDERAL REPUBLIC OF GERMANY - contd.

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL/ DIRECTOR	ADDRESS	TELEPHONE
F.	Banking - credit - insurance - housing - retailing	Bundesverband Gemeinnütziger Unternehmen (BGU)	Alfons Lappas		Theaterplatz 2 6000 FRANKFURT/MAIN	(069) 258.50.32 (069) 25.81
	Holding company	Beteiligungsgesell- schaft für Gemein- wirtschaft AG (BGAG)	Ernst Breit	Alfons Lappas (Chairman)	Theaterplatz 2 6000 FRANKFURT/MAIN	(069) 258.50.32 (069) 25.81
	Banking and credit sector	Bank für Gemeinwirt- schaft	Ernst Breit	Thomas Wegscheider (Spokesman for the Board)	Theaterplatz 2 6000 FRANKFURT/MAIN	(069) 25.81
	Insurance	Volksfürsorge Lebensversicherung AG	Gustav Fehrenbach	Werner Schulz (Chairman)	An der Alster 57-63 2000 HAMBURG 1	(040) 24.82.30
	Housing and town development	Neue Heimat Gemeinnützige Woh- nungs- und Siedlungs- gesellschaft mbH (NH)	Ernst Breit	Diether Hoffmann (Chairman)	Lübecker Str. 1 2000 HAMBURG 76	(040) 25.79.11
	Housing and town development	Neue Heimat Städtebau GmbH (NHS)	Siegfried Bleicher	Diether Hoffmann (Chairman)	Lubecker Str. 1 2000 HAMBURG 76	(040) 25.79.11
	Retailing	Co op AG	Alfons Lappas	Bernd Otto (Chairman)	Hahnstr. 72 6000 FRANKFURT/MAIN 31	(069) 66.831

FRANCE

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL/ DIRECTOR	ADDRESS	TELEPHONE
A.	Social economy	Comité national de liaison des activités mutualistes, coopératives et associatives (CNLAMCA)	Georges Optat	Jean-Bernard Gins	Secrétariat administratif, c/o Fédération nationale de la mutualité Française 10 rue Desaix 75015 PARIS	(1) 724.89.93 (1) 273.12.20
	Social economy	Fondation de l'économie sociale (FONDES)	Michel Baroin	Jean-Paul Champeaux Dominique Besse (Chief Executive)	24 rue de Prony 75017 PARIS	(1) 766.51.14
	Social economy	Institut de développement de l'économie sociale (IDES)	Jacques Vandier	François Soulage (Director-General)	24 avenue Hoche 75008 PARIS	(1) 359.94.94
	Cooperatives	Groupement national de la coopération (GNC)	Jacque Moreau	Jean-Marie Roume	7 avenue Franco-Russe 75007 PARIS	(1) 705.30.60
	Non-profit organizations	Foundation pour la vie associative (FONDA)	Frédéric Pascal	Guy Raffi	18 rue de Varenne 75007 PARIS	(1) 549.06.58
	Social economy	Collège coopératif	Henri Desroche (Director)		7 avenue Franco-Russe 75007 PARIS	(1) 795.91.14
B.	Social economy	Délégation inter-ministérielle à l'économie sociale (DIES)	- (Secretary for the Social Economy)		55 rue de Varenne 75007 PARIS	(1) 222.06.44

FRANCE - contd.

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL/ DIRECTOR	ADDRESS	TELEPHONE
B.	Social economy	Comité consultatif à l'économie sociale	Jean Gatel (Secretary of State for the Social Economy)		55 rue de Varenne 75007 PARIS	(1) 222.06.44
	Coopératives	Conseil supérieur de la coopération	Jean Gatel (Secretary of State for the Social Economy)		55 rue de Varenne 75007 PARIS	(1) 222.06.44
	Mutual-benefit societies	Conseil supérieur de la mutualité	Georgina Dufoix (Minister for social affairs)			
	Non-profit organizations	Conseil national de la vie associative	Georges Davezac		Tour Olivier de Serres 78 rue Olivier de Serres 75015 PARIS	(1) 828.40.00
	1. Co-ops and Mutual Funds	Groupe de la coopération et de la mutualité	René Gaillard		Assemblée nationale 126 rue de l'Université 75007 PARIS	(1) 297.60.00
	2. Associations and non-profit organizations	Groupe d'étude sur la vie associative	Jean-Paul Fuchs			
	1. Co-ops and Mutual Funds	Groupe de la coopération et du mutualisme	Josy Moinet		Sénat 15 rue de Vaugirard 75006 PARIS	(1) 329.12.62
	2. Non-profit organizations	Groupe d'étude sur la vie associative	Josy Moinet			
C.	Agriculture	Confédération nationale de la mutualité, de la coopération et du crédit agricoles (CNMCCA)	André Laur	Marcel Deneux René Raimbault Raymond Sardet Jean Madec (Director)	129 boulevard Saint-Germain 75006 PARIS	(1) 329.93.31

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL DIRECTOR	ADDRESS	TELEPHONE
C.	Agriculture	Fédération nationale de la mutualité agricole (FNMA)	André Laur	Bernard Barrère (Secretary) André Mouly (Executive Director)	Head Office 129 boulevard Saint-Germain 75006 PARIS Trading Office 8-10 rue d'Astorg 75008 PARIS	(1) 329.93.31 (1) 296.77.77
	Agriculture	Confédération française de la coopération agricole (CFCA)	Albert Duchalais	René Raimbault Henri Nouyrit (Director)	18 rue des Pyramides 75001 PARIS	(1) 260.31.26
	Agriculture	Fédération nationale du crédit agricole (FNCA)	Yves Barsalou	Lucien Douroux Maurice Lepesant (Director General)	48 rue La Boétie 75008 PARIS	(1) 563.03.00
	Agriculture	Caisse nationale de crédit agricole (CNCA)	Marcel Deneux	Jean-Paul Huchon (Director General)	91-93 Boulevard Pasteur 75015 PARIS	(1) 323.52.02
	Agriculture	Fédération centrale du crédit mutuel agricole et rural (FCCMAR)	Elie Jonnart	P. Beaulier	21 boulevard Malesherbes 75008 PARIS	(1) 266.31.40
	Banking and Credit	Chambre syndicale des banques populaires (CSBP)	Jean Martineau	Alain Le Corre (Director-General)	131 avenue de Wagram 75017 PARIS	(1) 763.12.50
	Banking and Credit	Confédération nationale du crédit mutuel (CNCM)	Théo Braun	Michel Delahousse (Director-General)	88-90 rue Cardinet 75017 PARIS	(1) 766.01.51

FRANCE - contd.

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL DIRECTOR	ADDRESS	TELEPHONE
C.	Banking and Credit	Caisse centrale de crédit coopératif (CCCC)	Jacques Moreau	André Chomel Jean Claude Detilleux (Asst. Director Generals)	33 rue des Trois Fontanot 9200 NANTERRE	(1) 724.85.00
	Banking and Credit	Union nationale du crédit cooperatif (UNCC)	Jacques Moreau	Jean-Bernard Gins (Chief Executive)	33 rue des Trois- Fontanot 92000 NANTERRE	(1) 724.89.93
	Employees/ Consumers (Production)	Confédération générale des sociétés coopéra- tives ouvrières de production (CGSCOP)	Yves Régis	François Espagne	37 rue Jean-Leclair 75017 PARIS	(1) 627.89.58
	Employees/ Consumers (Retailing)	Fédération nationale des coopératives de consommateurs (FNCC)	Jean Lacroix	André Faucher Gilbert Pigenet	27-33 quai Le Gallo 92517 BOULOGNE- BILLANCOURT CEDEX	(1) 604.91.78
	Employees/ Consumers (Housing)	Fédération nationale des coopératives d'H.L.M. (FNHC/HLM)	Daniel Petreguin	Michèle Tixador (Director)	14 rue Lord-Byron 75008 PARIS	(1) 563.17.31
	Trades (Retailing)	Union fédérale des coopératives de commerçants (UFCC)	Jean-Claude Jaunait	Jean Salvanès (Managing Director)	77 rue de Lourmel 75015 PARIS	(1) 578.65.11
	Trades (Fishing)	Confédération de la coopération de la mutualité et du crédit maritimes (CCMCM)	Victorien Viaud	Jean-Luc de Feuardenet	74 rue Raynouard 75016 PARIS	(1) 527.10.04

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL/ DIRECTOR	ADDRESS	TELEPHONE
C.	Trades (Crafts)	Fédération nationale des coopératives et groupements d'Artisans (FNCGA)	Daniel Giron	Didier Arbouz	1 rue de Lille 75007 PARIS	(1) 296.10.80
	Trades (Transport)	Union des coopératives et groupements du transport (Unicooptrans)	Maurice Bouchet	Hubert Le Cesne	3 avenue de la Floriette Z.I. de Fontcouverte 84000 AVIGNON	(90) 88.39.86
D.	Mutual-benefit societies	Fédération nationale de la mutualité française (FNMF)	René Teulade	Edouard Brassier	10 rue Desaix 75015 PARIS	(1) 273.12.20
	Mutual-benefit societies	Fédération nationale des mutuelles de travailleurs (FNMT)	Louis Calisti	Daniel Le Scornet	62 bis avenue Parmentier 75011 PARIS	(1) 807.15.55
	Insurance	Groupement des sociétés d'assurance à caractère mutuel (GSACM)	Yves Thire	Michel Rémond	9 rue de Leningrad 75008 PARIS	(1) 387.45.89
	Insurance	Réunion des organismes d'assurance mutuelle (ROAM)	André Choimet	A. Tempelaere Pierre Bollaert (Executive Director)	114 rue La Boétie 75008 PARIS	(1) 223.65.53 (1) 225.84.86

FRANCE - contd.

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL/ DIRECTOR	ADDRESS	TELEPHONE
E.	Health and Social Security Organizations	Union nationale inter-fédérale des oeuvres et organismes privés, sanitaires et sociaux (UNIOOSS)	François Bloch-Lainé	Lucien Depays (Secretary to Board) Hugues Feltesse (Director General)	103 faubourg St. Honoré 75008 PARIS	(1) 225.16.76
	State Education	Comité de coordination des oeuvres mutualistes et coopératives de l'éducation nationale (CCOMCEN)	Guy Georges	Jean Germain	62 blvd. Garibaldi 75015 PARIS	(1) 306.29.21
	Leisure facilities	Centre de coopération pour la réalisation d'équipement de loisirs (CECOREL)	Micheline Figuerau	Pierre Canaguier (Executive Director)	33 rue des Trois-Fontanot 92000 NANTERRE	(1) 724.86.00
	Leisure	Confédération générale du temps libre (CGTL)	Michel Sainte Marie	Jocelyne Durban (Executive Director)	14 rue de Provence 75009 PARIS	(1) 246.42.84
	Youth	Comité national des associations de jeunesse et d'éducation populaire (CNAJEP)	Alain Barrau	Jean-Michel du Plaa Arnaud Jutier (Chief Executives)	15 rue Martell 75010 PARIS	(1) 770.71.31

IRELAND

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL/ DIRECTOR	ADDRESS	TELEPHONE
C.	Agriculture	Irish Cooperative Organization Society (ICOS)	J. Barry	J. Moloney (Director-General)	The Plunkett House 84, Merrion Square DUBLIN 2	(1) 76.47.83
	Credit	Irish League of Credit Unions	Michael P. Connolly	James Murphy	Castleside Drive Rathfarnham DUBLIN 4	(1) 90.89.11
	Production	The Cooperative Development Society	Brendan O'Cearbhaill	John O'Halloran (Secretary)	35 Lower Gardiner Street DUBLIN 1	(1) 37.64.65
	Housing	National Association of Building Cooper- atives	Edmund Penrose	Bernard Thompson (Secretary)	84 Merrion Square South DUBLIN 2	(01) 68.22.41 (01) 76.47.83
	Fishing	Irish Cooperative Organization Society (ICOS)	J. Barry	J. Moloney (Director-General)	The Plunkett House 84, Merrion Square DUBLIN 2	(01) 76.47.83
	Crafts	Irish Cooperative Organization Society (ICOS)	J. Barry	J. Moloney (Director-General)	The Plunkett House 84, Merrion Square DUBLIN 2	(01) 76.47.83
	Insurance	Irish Cooperative Organization Society (ICOS)	J. Barry	J. Moloney (Director-General)	The Plunkett House 84, Merrion House DUBLIN 2	(01) 76.47.83
E.	Community Development	Muintir Na Tire	Jim O'Brien	Tomas Roseingrave (Director)	Canon Hayes House TIPPERARY Co. Tipperary	(062) 511.60
	Housing Finance	Irish Building Societies Association	P. Fingleton	James Malone	19/20 Adelaide Road DUBLIN 2	(01) 78.48.32

ITALY

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL/ DIRECTOR	ADDRESS	TELEPHONE
C.	Multi-sectoral	Associazione Generale Cooperative Italiane (AGCI)	Renato Ascari Raccagni	Gino Marinoni	Viale Somalia, 164 00199 ROME	(06) 831.37.53 (06) 831.29.15
	Multi-sectoral	Confederazione Cooperative Italiane (CONFCOOPERATIVE)	Dario Mengozzi	Pietro Morselli (European Affairs)	Borgo S. Spirito, 78 00185 ROME	(06) 656.56.04 (06) 656.56.05
C. D.	Multi-sectoral	Lega Nazionale delle Cooperative e Mutue (LEGA)	Onelio Prandini	Walter Briganti (External Relations)	Via A. Guattani, 9 00161 ROME	(06) 84.13.71
C.	Multi-sectoral	Union Nazionale Cooperative Italiane (UNCI)	Luciano D'Ulizia		Via San Sotero, 32 00165 ROME	(06) 638.29.68
	Agriculture	Federazione Italiana dei C.A. (FEDERCONSORZI)	Ferdinandi Truzzi	Ferdinando Monti	Via Curtatone, 3 00100 ROME	(06) 46.64
D.	Mutual Benefit Societies	Federazione Italia della Mutualità integrativa volontaria (FIM)	Romualdo Schiavo		Via Appennini, 53 00198 ROME	(06) 844.07.45 (06) 844.09.41

LUXEMBOURG

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL/ DIRECTOR	ADDRESS	TELEPHONE ^{x)}
B.	Mutual-benefit societies	Conseil supérieur de la mutualité	Georges Wagner	Michel Schmitz (Secretary)	10 rue C.M. Spoo 2546 LUXEMBOURG	40.801
C.	Agriculture	Central Paysanne luxembourgeoise	Norbert Funck	Mathias Berns	16 boulevard d'Avranches 2980 LUXEMBOURG	48.81.61
	Consumers (Retailing)	Entente des coopératives luxembourgeoises		Pierre Conradt (Secretary)	c/o Fédération nationale des cheminots 63 rue de Bonnevoie 1260 LUXEMBOURG-BONNEVOIE	48.70.44 49.90.588
D.	Mutual-benefit societies	Fédération de la mutualité luxembourgeoise	Robert Poos	Leon Franssens	c/o Mr Robert Poos 12 rue de Cologne 4066 ESCH/ALZETTE	55.09.42

x) Luxembourg does not have city codes as such

NETHERLANDS

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL/ DIRECTOR	ADDRESS	TELEPHONE
C.	Agriculture	Nationale Coöperatieve Raad voor Land- en Tuinbouw (NCR)	D. Luteyn	G.J. ter Woorst	Duinweg 24 2585 JX THE HAGUE	(070) 54.17.00
	Credit	Nationale Coöperatieve Raad voor Land- en Tuinbouw (NCR)	D. Luteyn	G.J. ter Woorst	Duinweg 24 2585 JX THE HAGUE	(070) 54.17.00
	Employees/Consumers (Production)	Associatie van Bedrijven op Coöperatieve Grondslag (ABC)	C.L. Provily	H.A. Boldewijn	Nieuwegracht 5 3512 LB UTRECHT	(030) 33.13.31
	Employees/Consumers (Retailing)	Coop Holland	D. Brand	F.B.M. van de Leeuw	p/a Coop Marketing Postbus 9451 3506 GL UTRECHT	(030) 61.14.74
	Trades (Fishing)	Nationale Coöperatieve Raad voor Land- en Tuinbouw (NCR)	D. Luteyn	G.J. ter Woorst	Duinweg 24 2585 JX THE HAGUE	(070) 54.17.00

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL/ DIRECTOR	ADDRESS	TELEPHONE
C.	Trades (Crafts)	Associatie van Bedrijven op Coöperatieve Grondslag	G.L. Provily	H.A. Boldewijn	Nieuwegracht 5 3512 LB UTRECHT	(030) 33.13.31
	Trades (Transport)	Coöperatieve Binnenscheepvaartvereniging (CBV)	C.M. de Visser		Westewagenstraat 60 3001 AW ROTTERDAM	(010) 13.23.08
D.	Mutual Sickness Funds	Vereniging van Nederlandse Ziekenfondsen (VNZ)	H.J. Anbeek	J. de Vries	Driebergseweg 3 3708 JA ZEIST	(03404) 8.89.11
	Insurance	Nationale Coöperatieve Raad voor Land- en Tuinbouw (NCR)	D. Luteyn	G.J. ter Woorst	Duinweg 24 2585 JX THE HAGUE	(070) 54.17.00
E.	Housing	Nationale Woningraad (NWR)	J.A.M. Reijnen	B.G.A. Kempen	Markenlaan 1 Postbus 50051 1305 AB ALMERE	(03240) 9.19.11

UNITED KINGDOM

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL/ DIRECTOR	ADDRESS	TELEPHONE
B.	Cooperatives	Cooperative Development Agency	R. Woolf	G. Jones	Broadmead House 21 Panton Street LONDON SW1Y 4DR	(01) 839.29.85
C.	Agriculture	Federation of Agricultural Cooperatives (UK) Ltd. (FAC)	Viscount of Arbuthnot	W.E. Wilson	Agriculture House 25-31 Knightsbridge LONDON SW1X 7NJ	(01) 235.78.53
	Credit	Cooperative Union Ltd.	J. Mason	D.L. Wilkinson	Holyoake House Hanover Street MANCHESTER M60 0AS	(061) 832.43.00
	Credit	Association of British Credit Unions	C. Drayton	C. Bruce (Secretary)	Credit Union Centre PO Box 135 High Street Skelmersdale LANCASHIRE WN8 8AP	(0695) 32.423
	Insurance	Cooperative Union Ltd.	J. Mason	D.L. Wilkinson	Holyoake House Hanover Street MANCHESTER M60 0AS	(061) 832.43.00
	Employees/Consumers (Production)	Industrial Common Ownership Movement Ltd. (ICOM)	Manuela Sykes	Mike Campbell (Secretary)	7-8 The Corn Exchange LEEDS LS1 7 BP	(0532) 461.737

UNITED KINGDOM - contd.

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL/ DIRECTOR	ADDRESS	TELEPHONE
C.	Employees/Consumers (Production)	Cooperative Union Ltd.	J. Mason	D.L. Wilkinson	Holyoake House Hanover Street MANCHESTER M60 0AS	(061) 832.43.00
	Employees/Consumers (Retailing)	Cooperative Union Ltd.	J. Mason	D.L. Wilkinson	Holyoake House Hanover Street MANCHESTER M60 0AS	(061) 832.43.00
	Employees/Consumers (Housing)	National Federation of Housing Cooperatives	T. Goodwin	R. Godwin	34 Argyle Mansions Hammersmith Road LONDON W14 8QG	(01) 603.00.48
	Trades (Fishing)	Federation of Agricultural Cooper- atives (UK) Ltd. (FAC)	Viscount of Arbuthnot	W.E. Wilson	Agriculture House 25-31 Knightsbridge LONDON SW1X 7NJ	(01) 235.78.53
	Chemists	Cooperative Union Ltd.	J. Mason	D.L. Wilkinson	Holyoake House Hanover Street MANCHESTER M60 0AS	(061) 832.43.00
D.	Insurance	Friendly Societies Liaison Committee	P.M. Madders	J. Lambeth	Victoria House Southampton Row LONDON WC1B 4DB	(01) 405.43.77

UNITED KINGDOM - contd.

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL/ DIRECTOR	ADDRESS	TELEPHONE
D.	Insurance	Mutual Insurance Companies Association		S.E. Speer	21-25 Grosvenor Place LONDON SW1X 7JA	(01) 235.60.33
E.	Employees/Consumers (Housing)	National Federation of Housing Associations	Barry Natton	Valerie I. Clark	175 Grays Inn Road LONDON ZC1X 8UP	(01) 278.65.71
	Employees/Consumers (Housing)	Scottish Federation of Housing Associations	W.B. Law	Donald R. Maclellan (Director)	42 York Place EDINGBURGH EH1 3HU	(031) 556.15.35
	Employees/Consumers (Housing)	Nothern Ireland Federation of Housing Associations		Erskine Holmes	123 York Street BELFAST BT15 1AB	(232) 304.46
	Housing Finance	The Building Societies Association	Herbert R. Walden	Richard S. Weir	3 Savile Row LONDON W1X 1AF	(01) 437.06.55

GREECE

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL/ (DIRECTOR)	ADDRESS	TELEPHONE
C.	Agriculture	Panhellenic Confederation of Agricultural Cooperative Organizations (PASEGES)	Evangelos Skoulas	Aristotelis Samios	Sophocleous 41 ATHENS 10552	(01) 325.35.11-19
	Consumers	KATANALOTIS-KONSUM	Joseph Alexandropoulos	Costas Hormouziadis	1102 Kekropos Street TZITZIFIES ATHENS	(01) 94.27.762

SPAIN

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL/ DIRECTOR	ADDRESS	TELEPHONE
B.	Cooperatives	Dirección general de cooperativas, Ministerio del trabajo		Sebastian Reyna Fernandez (Director-General)	Ascona 53 MADRID	(01) 233.52.98
	Cooperatives	Dirección general de cooperacion Departamento del trabajo		Josep Castañó Colomer (Director-General)	Via Laletana 15 BARCELONA 3	(03) 315.14.12
	Cooperatives	Sección de cooperativas, Departamento del trabajo, Gobierno Vasco		Santiago Legorburu (Director-General)	Departamento del trabajo s/n VITORIA	24.60.00
		Comisión nacional de coordinación cooperativa (*)				
		Consejo superior de cooperación de Cataluña (*)				
		Consejo superior de cooperativas del País vasco	Humberto Cirarda de Arteriano		Duque de Wellington s/n VITORIA	

(*) Not yet fully operational.

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL/ DIRECTOR	ADDRESS	TELEPHONE
C.	Multi-sectoral	Confederación española de cooperativas (CECOOP)	Francisco de la Caballería García	Joaquín de Haro López	Valverde 13 MADRID	(01) 231.75.00
	Agriculture	Unión nacional de cooperativas del campo (UNACO)	Juan Gayá Rosello		Paseo de la Castellana 83 MADRID	(01) 456.60.02
	Agriculture	Federación de cooperativas Agrarias Cataluña	Antón Cassanovas	Feliciano Cot Cogul	Via Laietana 3 BARCELONA 3	(03) 319.20.23
	Credit	Federación de Cajas rurales de Cataluña	Joseph Bendicho Pinol	Paul Espona Jansana	Via Laietana 3 BARCELONA 3	(03) 319.86.66
		Caja laboral popular de Mondragon (CLP) (Basque Country)	Alfonso Corroño Goitia Gonzalez	Iñaki Malla Garhy Cortazar	Paseo Arizmendi-arrieta s/n MONDRAGON	(03) 79.10.14
	Employees/Consumers (Production)	Federación de cooperativas de trabajo asociado de Cataluña	Jaime Estrems Muniesa	Jan Min Morleon	Angli 11-13 BARCELONA 17	(03) 204.86.12
	Employees/Consumers (Production)	Federación de cooperativas de vivienda de Cataluña	Aduart Bobe	Pedro Marin Montes	Bruc 84 BARCELONA	(03) 317.09.23

SPAIN - contd.

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL/ DIRECTOR	ADDRESS	TELEPHONE
C.	Employees/Consumers (Retailing)	Federación de cooperativas de consumo de Cataluña	Andreu Cortinas Jaumot	Gabriel Quinantes	Aragon 281 BARCELONA 9	(03) 215.88.15
		EROSKI, sociedad cooperativa (Basque Country)	Pedro Arregui Arrieta	Anton Certazar Igarzu	Barrio Sn. Augustin s/n Elorrio, Vizcaya	(03) 658.24.11
	Services	Federación de cooperativas de services de Cataluña	Francisco Castellvi	Esperanza Sanz Rotllant	Diputación 216 BARCELONA 11	(03) 254.55.62
	Education	Federación de cooperativas de Enseñanza de Cataluña	Joseph Rasecas	Carlos Martinez	Bruc 84 BARCELONA 9	(03) 302.62.71
	Credit	Unión Nacional de cooperativas de crédito	Jose Manuel Turmo Aguilar	Joaquin de Haro López	Gran Via 88 MADRID	(01) 247.40.29
	Trades (Fishing)	Unión nacional de cooperativas del mar	Antonia Marzoa Dopico	Modesto Rivera Franco	General Oraa 70 2° MADRID	
	Employees/Consumers (Production)	Unión nacional de cooperativas industriales	Federico Aparicio Rico	Juan Barrero Cordero	Valverde 13, 4° MADRID	(01) 445.08.96

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL/ DIRECTOR	ADDRESS	TELEPHONE
C.	Employees/Consumers (Housing)	Unión Nacional de cooperativas de viviendas	Alfonso Vasques Fraile	Antonio Lago Gonzalez	Sn. Agustin 3 MADRID	(01) 429.86.76
	Employees/Consumers (Retailing)	Unión nacional de cooperativas de consumo de España	Francisco Ceballo Herrero	Mariano Gomez Sanchez	General Oraa 70 MADRID 6	(01) 262.17.23
D.	Mutual-benefit societies	Confederación de entidades de previsión social	Luis Alvarez Alvarez	Enrique Valenzuela de Quinta	Padilla 19 MADRID	(01) 431.55.95
	Insurance	Agrupación nacional de mutuas de seguros generales afiliadas a UNESPA (*)	Augustin Diaz Quintana	Francisco Morano Sanz	Núñez de Balboa 101 MADRID	(01) 262.47.30
E.	Multi Sectoral	Confederación de cooperativas de Cataluña	Antoni Casanovas		Diputació 216 BARCELONA 11	(03) 254.55.62

(*) UNESPA: Spanish Union of Insurance, Reinsurance and Investment Companies.

PORTUGAL

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL/ DIRECTOR	ADDRESS	TELEPHONE
B.	Cooperatives	Instituto António Sérgio do Sector cooperativo (INSCOOP)	Manuel Cassio		Rua D. Carlos de Mascarenhas, 46 1000 LISBON	(01) 65.81.11 (01) 65.81.12
	Mutual-benefit societies and non-profit associations	Direcção do Serviço de Apoio et Tutela às Instituições particulares de Solidariedade Social	Cícero Galvão (Director)		Av. da Republica, 47 - 8º 1000 LISBON	(01) 77.11.67 (01) 73.20.58
C.	Agriculture	Federação Nacional das Adegas Cooperativas (FENEDEGAS)	Asdrubal D. Cunha	Jacinto Augusto Pereira	Av. Infante Santo 4 - 1º Dt. 1300 LISBON	(01) 66.41.44
	Agriculture	Federação Nacional das Uniões de Cooperativas de leite e Laticínios (FENALAC) (*)	Fernando da Silva Mendonça	Telmo M. de Oliveira Pato	Rua de Restauracao 312 4000 PORTO	(02) 52.62.094
	Agriculture	Federação Nacional dos Produtores de Batata de Semente (*)			Caminho do Estadio 5400 CHAVES	
	Agriculture	Federação nacional das Cooperativas de Compra e Venda (*)				
	Credit	Federação Nacional das Caixas de Crédito Agrícola Mútuo (FENACAM)	José Bento Gonçalves		Rua Pascoal de Melo, 49 1000 LISBOA	(01) 55.87.97 (01) 55.86.61 (01) 55.88.91

(*) Not yet fully operational.

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL/ DIRECTOR	ADDRESS	TELEPHONE
C.	Credit	Caixa Central de Crédito Agrícola Múoto	Toao Martho Ramos		Rua Pascoa' de Melo, 49 1000 LISBOA	(01) 55.87.97 (01) 55.86.61
	Retail Trading	Federação Nacional de Retalhistas de Produtos Alimentares (UCREPA)	Joaquim P. Santa Bárbara		Rua Vale de Santo Antonio, 47 - 1º Esq. 1100 LISBON	(01) 84.39.27
	Crafts	Federação Nacional das Cooperativas de Artesanato (*)	Horácio Pinto		Rua Delfim Ferreira, 500-2 D 4100 PORTO	(02) 67.45.96
	Fishing	Federação Nacional das Cooperativas de Pesca (FENACOOPECAS)	Carlos N. Freitas Mota		Rua Marquês de Pombal, 18 - 2º 2520 PENICHE	(62) 72.759
	Production	Federação Nacional das Cooperativas de Produção Operária (FINCOOP)	João Aires Mendes	José Carlos Albino	Rua Neves Ferreira, 16 A - 1º 1100 LISBON	(01) 83.74.99
	Building and Housing	Federação Nacional das Cooperativas de Habitação Económica (FENACHE)	Carlos Alberto Da Silva	José Manuel R. Penafort Campos	Zona n/2 de Chelas Lote 223 - Loja 7 1900 LISBON	(01) 85.07.64
	Retail	Federação Nacional das Cooperativas de Consumo (FENACOOOP)	Albino Ramos dos Santos	Carlos Pereira	Rua da Cuiné, 8 r/c D. 1100 LISBON	(01) 84.69.69

(*) Not yet fully operational.

	SECTOR	ORGANIZATION	CHAIRMAN/ PRESIDENT	SECRETARY-GENERAL/ DIRECTOR	ADDRESS	TELEPHONE
C.	Services	Federação nacional das Cooperativas de Produtores de Serviços (FECOOPSERV)	Amarino Sabino		Av. Columbano Bordalo Pinheiro, 71 - 6° A 1000 LISBON	(01) 72.24.65
	Culture	Federação Nacional das Cooperativas de Arte e Cultura (ARTICULA)	Prof. Eduardo Calvet de Magalhães		Rue Delfim Ferreira, 500 - 2° D 4100 PORTO	(02) 67.34.66 (02) 67.45.96
	Education	Federação Nacional das Cooperativas de Ensino (FECOOPENSINO)	Prof. Eduardo Calvet de Magalhães		Rua Barbosa de Castro, 51 - 56 4000 PORTO	(02) 31.76.37
	Education and Rehabilitation	Federação Nacional das Cooperativas de Educação e Reabilitação de Crianças Inadaptadas (CERCIS) (*)			Bairro de Santa Barbara (ex-escola da CUF) 2830 BARREIRO	
D.	Mutual-benefit Societies	Federação Nacional das Associações de Socorros Mútuos	Horácio Pinto	Antonio Nunes da Costa	Rua Dr. Manuel Rodrigues, 1 - 1° 3000 COIMBRA	(039) 22.863
E.	Non-profit organizations	União das Misericórdias Portuguesas	Virgílio Lopez		Rua Luis Pastor Macedo Lote 4, 10° E 1700 LISBON	(01) 758.88.05
	Non-profit organizations	União das Instituições Particulares de Colidariiedade Social (IPSS)	Orlanda Mota e Costa	Francisco Cosme	Rua Oliveira Monteiro, 356 4000 PORTO	(02) 66.86.14

(*) Not discussed in detail in the text.

PART II

EUROPEAN ORGANIZATIONS OF COOPERATIVES AND RELATED SECTORS

I. Introduction and overview

One of the main aims of Part II is to examine how European cooperative organizations are structured and in what ways they seek to influence European Community policy. It analyses systematically the structures of eight European cooperative groups, an international research centre, and two liaison/coordination committees. An examination is also undertaken of the decision-making process, the channels European cooperative groups use in exerting influence, their policy priorities and the extent of collaboration between the respective cooperative sectors. Finally, the economic, social and cultural functions of each cooperative sector are assessed and, where possible, related to the European Community economy and society.

The data for the study on the cooperative organizations at European level were collected over a two-year period (1982-84). A thorough survey of publications, constitutions, annual reports and opinions, was accompanied by interviews with the secretary-generals or secretaries of these organizations.

In each case a draft was made available to the organization concerned and comments invited.

1. Development of European cooperative organizations

Since 1957, eight cooperative sectors have established umbrella associations at European and/or European Community level. As can be gleaned from Table I, the sectors of consumers, agriculture, pharmacy and retailer-owned wholesalers in foodstuffs established their respective organizations between 1957 and 1963. The banking sector followed in 1970 and the latest sectors to form European organizations were insurance (1978) production (1979) and cooperative tourism (1984).

The preparation of a report by the Committee on Economic Affairs in the European Parliament on the role of cooperatives in the European Communities accelerated prevailing trends for a closer collaboration among European umbrella organizations. These efforts resulted in an interim solution in 1982 with the formation of two committees, both designed to group together the organizations of the main cooperative sectors.

The European Cooperative Intersectoral Liaison Committee (Cllice) was founded on 18 June 1982 and comprises two European cooperative sectors (insurance, pharmacies), as well as some central national cooperative organizations such as Febecoop (Belgium) and AGCI, Confcooperative and LEGA (Italy). The European Cooperatives Coordination Committee (ECCC) was established in November 1982 and consists of eight European cooperative organizations from agriculture and fisheries (Cogeca), consumers (Eurocoop), retailer-owned wholesalers in foodstuffs (UGAL), banking and credit (ACB), production (Cecop), insurance (AECI), pharmacies (EUSMCP) and tourism (Cecotos).

2. Organizational features

(a) *Administrative bodies*

As can be seen from the table below, most European cooperative organizations use either a general assembly or a steering committee as their main administrative body. Two organizations differ from this practice.

(b) *Decision-making process*

Out of the eight European cooperative organizations, five normally adopt their decisions by unanimity. Two organizations decide by majority voting; one by simple and one by qualified majority.

STRUCTURAL DATA ON EUROPEAN COOPERATIVE ORGANIZATIONS

SECTOR AND NAME	DATE OF FORMATION	TYPE OF MEMBERSHIP AND NUMBER OF MEMBERS			ADMINISTRATIVE BODIES	DECISION MAKING PROCEDURE	CHANNELS OF INFLUENCE ON EC POLICY	ESC MEMBERS
		EC MEMBERS	ASSOCIATED MEMBERS					
			EC	NON-EC				
Agriculture and Fisheries COGECA	September 1959	10	4	-	Presidency Presidium General Economy Committee Working Parties Specialist Committees	Generally, Unanimity	1. Commission 2. European Parliament 3. Council 4. Economic and Social Committee	7
Savings and Credit ACB	1970	19	-	-	Board of Directors President Auditors Secretariat General	Generally, Qualified Majority	1. Commission 2. European Parliament 3. Economic and Social Committee 4. Council	1
Food retailers UGAL	22.11.63	11 (+ 7 outside EC)	4	-	General Assembly Board of Directors Secretariat Working Groups	Simple Majority	1. Commission European Parliament 2. Economic and Social Committee 3. Permanent Representatives	-
Insurance AECI	October 1978	13	2	11	Conference Executive Committee Secretariat	In principle Majority; in practice Unanimity	1. Commission European Parliament 2. Economic and Social Committee 3. Council	-
Production CECOP	Autumn 1979	18	-	2	General Assembly Presidency Executive Committee	Unanimity	1. Commission European Parliament 2. Economic and Social Committee 3. Council	-
Consumers EUROCOOP	1957	10	2	-	General Assembly Executive Committee/ Steering Committee General Secretariat Economic Secretariat Working Groups	Generally, Unanimity	1. Commission 2. European Parliament 3. Economic and Social Committee 4. Council	2
Pharmacies EUSHCP	1960	7	-	1	Steering Committee	Unanimity	1. Commission 2. European Parliament 3. Economic and Social Committee	-
Tourism CECOTOS	8.3.84	+ 30	-	-	General Assembly Presidency	In principle Majority; in practice Unanimity	1. Commission 2. European Parliament 3. Economic and Social Committee	-

(c) Secretariat and staffing

The size of the secretariat of European cooperative organizations varies substantially (see Table P, Part I). On the one end of the scale is Cogeca (agricultural cooperatives) with 40 members of staff and on the other end there are three organizations with either only provisional secretariats and/or one 'part-time' official. It should be stressed that Cogeca shares a joint secretariat with COPA (Committee of Professional Agricultural Organizations in the European Community) which involves sharing personnel and budget.

(d) Budget

Similar to the variations on the personnel side, there are variations with regard to the budget among European cooperative organizations.

3. Channels of influence on European Community legislation and on the Community institutions

All eight European cooperative organizations see the Commission as their number one target for exerting influence on EC legislation and/or action. Often, the second most important target is shared between the European Parliament and the Economic and Social Committee depending on circumstances (timing of opinion, reports or studies) of particular policy proposals. For the agricultural cooperative sector, however, the rank order (after the Commission) is European Parliament, Council of Ministers and then the Economic and Social Committee. This particular ranking is mostly influenced by the concerted action between COPA and Cogeca, undertaken between November and April, for the annual agricultural price campaign.

The cooperative (agriculture, consumers, and savings and credit) and related sectors have, via their national organizations, 12 members in the Economic and Social Committee.

4. Members of the Economic and Social Committee connected with the cooperative, mutual and non-profit sector

Country	Name	European organization	National
<i>A. Cooperative sector</i>			
BELGIUM	de Tavernier	Cogeca	Boerenbond
	Ramaekers	AAACE/ UEPSMC/ Eurocoop	Febecoop
FR OF GERMANY	Wick	Cogeca	DRV
FRANCE	Barsalou	Cogeca	CNMCCA
IRELAND	Kelly		ICMSA
ITALY	Briganti	Eurocoop	LEGA
		Cecop/ AAACE	
	Emo Capodilista Morselli	Cogeca Cogeca/ VSKG Eurocoop	Federconsorzi Confcooperative
LUXEMBOURG	Berns	Cogeca	Centrale paysanne luxembourgeoise
<i>B. Mutual sector</i>			
FRANCE	Brassier		FNMF
UNITED KINGDOM	Sir George Sharp		Municipal Mutual Insurance Co.
<i>C. Non-profit sector</i>			
IRELAND	Roseingrave		Muintir Na Tire

II. Organizations of various sectors

A. Agriculture

General Committee for Agricultural Cooperation in the European Economic Community (Cogeca)

President: N. NOUYRIT
Director: H. KELLNER
Address: 23-25 rue de la Science
1040 Brussels
Tel.: (02) 230 39 45
Telex: 25816 B

Basic data (1982)

Number of cooperative societies	40 000
Number of individual members	10 000 000
Number of employees	600 000
Turnover	150 000 Mio ECU

I. ORGANIZATION

1. Date of formation

The General Committee for Agricultural Cooperation in the EEC (Cogeca, from the French 'Comité général de la coopération agricole de la CEE') was formed in September 1959 and represents the Community's agricultural and fisheries cooperatives.

2. Size and structure

Cogeca is composed of 10 full member organizations from the 10 countries of the EC, and four associate member organizations from three of the EC countries (see below for a list of these organizations).

The current importance of agricultural cooperatives for the Community economy as a whole can be broadly summed up as follows.¹

There are approximately 40 000 agricultural and fisheries cooperatives in the Community of Ten today:

with over 10 million members (including those who are members of more than one cooperative);

¹ See Cogeca brochure *The Agricultural and Fisheries Cooperatives in the EEC*, Brussels, 1983.

their estimated turnover is more than 150 000 Mio ECU; and they employ some 600 000 people.

As market organizations for farmers, cooperatives: make it possible to supply farms with over 50% of the necessary inputs; collect, process and market over 60% of agricultural produce; and provide a wide range of services for their members.

As voluntary associations based on principles of self-help, self-responsibility and self-management, agricultural and fisheries cooperatives also play an important role in the preservation and development of rural areas and their populations by their contributions in the spheres of infrastructure and regional, employment and social policy.

Member organizations of Cogeca

Full members

BELGIUM

Belgische Boerenbond¹

DENMARK

De samvirkende Danske Andelskaber/Andelsudvalget

FRANCE

Confédération française de la coopération agricole (CFCA)

FEDERAL REPUBLIC OF GERMANY

Deutscher Raiffeisenverband eV

GREECE

Pan-Hellenic Confederation of Agricultural Cooperatives (Paseges)¹

Federation of Agricultural, Commercial and Industrial Cooperative Organizations

IRELAND

Irish Cooperative Organizations Society Ltd

ITALY

Federazione Italiana dei Consorzi Agrari¹

LUXEMBOURG

Centrale paysanne luxembourgeoise¹

NETHERLANDS

Nationale Cooperatieve Raad voor Land- en Tuinbouw

UNITED KINGDOM

Federation of Agricultural Cooperatives (UK) Ltd

Associate members

FRANCE

Confédération de la coopération, de la mutualité et du crédit maritimes.

ITALY

Giunta di Coordinamento Agricolo della Confederazione cooperative italiana

Unione Nazionale Oleifici Cooperativi (Unolcoop)

NETHERLANDS

Stichting van de Nederlandse Visserij

3. Administrative bodies

The organization plan (Diagram I below) gives a simplified picture of Cogeca's structure and method of operation.

The President, assisted by two Vice-Presidents, is elected for a two-year term and represents Cogeca *vis-à-vis* third parties, in particular the Community authorities and other organizations.

¹ Also member of COPA.

The Presidium of Cogeca examines and decides on all matters related to Cogeca's aims. It supervises the unified representation of the agricultural cooperative movement at Community level.

It has under it a number of general working parties and specialist committees, concerned with specific products and commodities, which carry out the essential detailed work, partly in conjunction with COPA.

The General Economy Committee directly supports the activities of the Presidium and prepares its meetings. Where necessary, it coordinates the work of Cogeca's working parties and specialist committees as well as that of the joint working parties with COPA.

The Brussels-based General Secretariat, which Cogeca and COPA have maintained jointly since 1962, is in permanent contact with the Community's institutions, other agricultural organizations and representatives of other economic sectors. It prepares a larger number of meetings, promotes cooperation between the agricultural cooperatives and the farming community and in this way ensures that the political and economic interests of farmers are effectively represented.

4. Decision-making procedure

The Presidium usually adopts its decisions by unanimous vote. If unanimity cannot be reached, both majority and minority positions are possible, but both must be declared as such. The decision to admit new full members is taken by the Presidium on a unanimous basis; applications for associate membership can be decided on by a majority vote.

5. Secretariat and staffing

Cogeca and COPA maintain a joint secretariat employing 40 people:

1 Secretary-General of the joint Secretariat of COPA and Cogeca;

1 Deputy Secretary-General, specifically responsible for Cogeca;

11 executives,

1 chief executive,

1 accountant;

10 interpreters/translators;

3 secretaries and 8 typists;

4 general office staff.

6. Budget size and contribution arrangements

Cogeca and COPA have a joint budget which in 1984 amounted to almost BFR 75 million. Contributions to this budget are made per country according to a set formula, the payments by Cogeca and COPA members being agreed between the organizations themselves at national level.

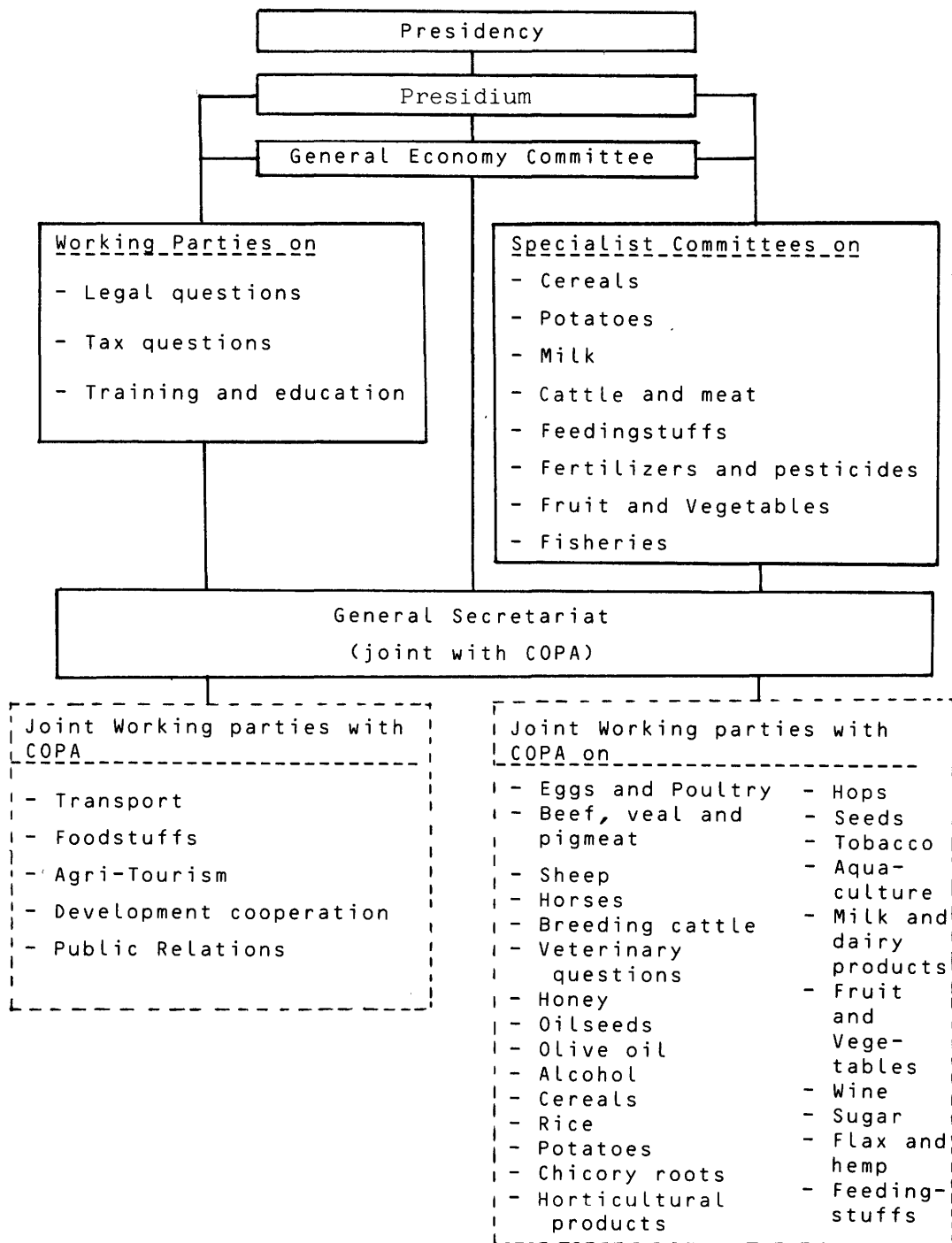
II. AIMS AND PRIORITY POLICIES

According to Article 2 of the revised 1983 version of its constitution, Cogeca's task is to:

- (a) represent the general and specific interests of the agricultural cooperative movement in discussions with EC institutions and other communities and bodies;
- (b) undertake legal, economic, financial, social or other studies of importance to agricultural cooperation, in particular those illustrating the particular nature of agricultural cooperatives (as compared with non-cooperative enterprises) to the Community authorities and public opinion, and thus contribute to the development of the cooperative movement in general;
- (c) promote contacts and liaison between agricultural cooperatives in EC countries, and to support and coordinate the activities of organizations working in the different spheres of agricultural cooperation in the EC by creating or affiliating specialist committees;
- (d) ensure liaison with the Committee of Professional Agricultural Organizations in the EEC (COPA) and any other organizations working in the agricultural or other economic or social fields, either at Community, European or world level.

III. ACTIVITIES

On the basis of this general outline of its tasks, Cogeca's activities can be summarized as follows.

Diagram I: Organization plan of Cogeca

From the beginning, Cogeca has played a guiding role in the development and successful implementation of EC market structures policy. Cogeca keeps a critical eye on all new farm policy developments which may affect the existing market structures and hence the cooperatives.

Cogeca assists COPA in the preparation and submission of positions on agricultural policy, e.g. in connection with the yearly farm price negotiations, and adopts positions of its own on all plans and decisions affecting the practical activities of the cooperatives.

In view of the decisive role played by cooperatives in enforcing the prices fixed, in particular for products which do not benefit from intervention guarantees, as well as in improving the organization of production, the impact of Cogeca as an important representative of the agricultural sector, on the implementation of the CAP and market management is quite considerable.

As regards the European Community's numerous activities in other sectors aimed at creating an efficient common market, which may be of special importance for cooperatives, Cogeca endeavours to ensure that due account is taken of its opinion.

As a representative of processing and marketing undertakings owned by farmers, Cogeca is in favour of an active external trade policy for farm products in line with the principles of the CAP and urges the competent authorities to improve the instruments which are necessary for this purpose.

As regards EC negotiations within GATT, Cogeca advocates the following measures:

- (a) worldwide agreements for certain products (e.g. cereals, milk, meat) in order to achieve a harmonious and balanced development of world trade;
- (b) strict observance of the fundamental principles of the CAP, especially Community preference;
- (c) the development of export outlets in non-Member States (especially the USA) to improve the Community's trade balance in agricultural and food products, and the abolition of various non-tariff barriers to trade (e.g. certain administrative and health regulations);¹
- (d) rejection of any consolidation measures which threaten the existing market organization; and
- (e) rejection of concessions on the part of the Community in respect of Mediterranean products, insofar as the existing market regimes for these products are revised in connection with the enlargement of the Community.

Cogeca welcomes the willingness of the European Commission to make use of the agricultural cooperatives' expertise and experience in connection with the EC's new approach to development policy ('food strategies'), both in drafting and in implementing development policy measures.

Cogeca considers that the experience of the agricultural cooperatives forms a practical basis for an improved food aid policy in line with both the requirements of the developing countries and the possibilities existing in the European Community.

Cogeca is also very active in the cooperative training and education sector which is of fundamental importance for the development of the cooperatives and their members.

Cogeca endeavours to foster economic and trade relations between the cooperatives of the various EC countries in the continuing process of Community integration. Favourable past experience forms a good basis for international cooperative collaboration capable of meeting the challenge of increasing concentration on the various world commodity markets.²

Cogeca is constantly striving towards collaboration with other organizations in the cooperative or agricultural sectors at European or international level. It also maintains appropriate contacts with interest groups representing other sectors at Community level.

In 1982, Cogeca joined forces with other cooperative associations operating at Community level to form a liaison committee.

As spokesman for the EC fishery cooperatives, especially the small scale fishermen, Cogeca follows up the application of the new common fisheries policy agreed on 25 January 1983.

¹ See the annual US/EC agricultural conference, held jointly by the US Chamber of Trade, COPA and Cogeca.

² In this context, Cogeca does everything in its power to encourage joint-ventures between cooperatives on both sides of the Atlantic. The US/EC cooperative conferences, held in May 1979 and September 1980, in which leading figures from the American and European cooperative movement took part, have provided the impetus for successful initiatives.

IV. CHANNELS FOR INFLUENCING EUROPEAN INSTITUTIONS

Depending on the importance or the complexity of the questions involved, Cogeca makes representations to the Community authorities (Commission, European Parliament, Economic and Social Committee and Council of Ministers) through its General Secretariat, the specialist committees and working parties, the Praesidium or the President. Such representations are made both during the preparation of a particular policy and, when the decisions have been taken, during the implementation phase. This is illustrated by Diagram II below.

V. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

Cogeca also assists COPA in the preparation and defence of policy positions. This takes the form of regular participation by the President of Cogeca or his deputy in the meetings of the Praesidium of COPA and of meetings of the Presidencies of both organizations in the joint liaison committee. Four national agricultural organizations are members of both Cogeca and COPA. Cogeca and COPA also engage in various joint activities in the individual production sectors. These activities are facilitated by the existence of joint working parties and specialist committees.

Cogeca has close ties with Cefpar and contributes to the preparation of the annual seminars organized by it.

Cogeca also has contacts with other EC cooperative associations and with EC interest groups for the food industry, commerce and other industries.

Furthermore, close contacts with IFAP and the cooperative division of CEA (European Confederation of Agriculture) Cogeca-COPA are maintained through regular joint working meetings.

The cooperatives' experts work together with representatives of the farmers' unions in a whole series of sectors and specialist areas.

The ICA (International Cooperative Alliance) in Geneva regularly invites Cogeca as an observer. Copac (the Committee for the Promotion of Aid to Cooperatives) in Rome does the same.

VI. LINKS WITH THE ECONOMIC AND SOCIAL COMMITTEE

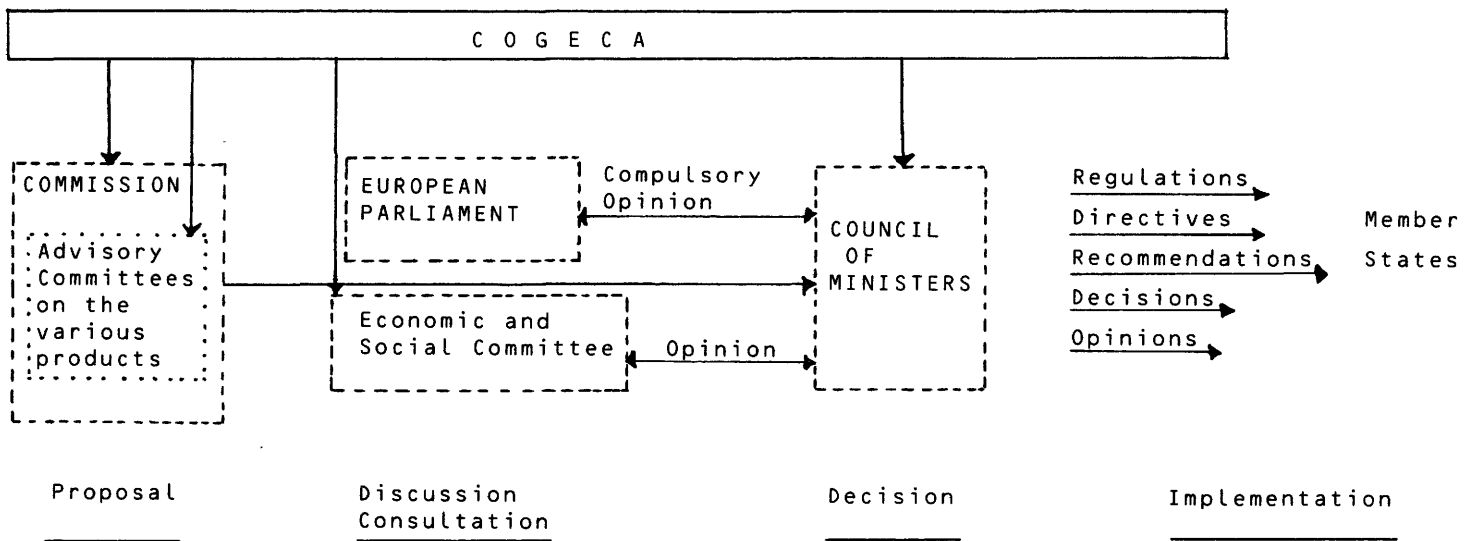
Cogeca regards the Economic and Social Committee as a useful forum for presenting its position, for ascertaining how other groups perceive the interests of Cogeca and for learning about the demands other groups advance to promote their interests. Cogeca representatives found the ESC study on the stock-taking of the common agricultural policy of considerable value, indicating as it did the pertinent issues and concerns of agricultural policy.

Since certain national agricultural organizations are members both of COPA and Cogeca, ESC members drawn from these organizations may be associated with both COPA and Cogeca. The ESC members for 1982-86 listed below come from member organizations which belong either to both COPA and Cogeca or to Cogeca alone.

Situation as at 1.12.1982

Name of ESC member	Country of origin	National/member organization of either COPA/Cogeca or Cogeca alone
Group I		
H.-J. WICK	FR of Germany	Deutscher Raiffeisenverband (German Raiffeisen Union)
Group III		
M. BERNS	Luxembourg	Centrale paysanne luxembourgeoise
U. EMO CAPODILISTA	Italy	Federconsorzi Confagricoltura
A. DE TAVERNIER	Belgium	Belgische Boerenbond
P. MORSELLI	Italy	Giunta di Coordinamento Agricolo della Confederazione Cooperative Italiane

Diagram II: How Cogeca influences the decision-making process at Community level



VII. INTERNAL COHESION

Cogeca as an organization has a relatively high degree of integration derived from and enhanced by the following factors:

1. Agriculture is the most highly integrated policy area of the EC and the protection and promotion of agricultural interests by national agricultural cooperatives requires a powerful European interest group;
2. Cogeca comprises exclusively agricultural and fishing cooperatives from EC countries, thus allowing effective pursuit of aims.

As a consequence, there is a coherent and effective relationship in Cogeca between its declared objectives and the policies it pursues.

Cogeca's unity and internal cohesion on policy should not obscure the fact that the agricultural and fishing cooperatives are natural competitors in selling their products on Community and world markets. Greater progress towards the creation of an efficient internal market and the development of other EC policies could further strengthen the cohesion, and hence the effectiveness, of Cogeca as a whole.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

As already stated in sections II and III, a large proportion of Cogeca's work is concerned with the policy and economic aspects of agriculture and is carried out in coordination with COPA. To this extent, the European scene is characterized partly by the agricultural policy commitment of the cooperative associations in some Member States, and partly by their purely economic responsibility in other Member States. A logical consequence of the close cooperation in the COPA/Cogeca specialist commodity committees is the united front the two organizations present to Community bodies; as a result of this unity, the success of their activities to promote the interests of the same farmers is also shared.

As regards the official or institutionalized consultations with the various professional or economic groups, the cooperative and farmers' associations hold half of all seats on the advisory committees of the Commission's Directorate-General for Agriculture, and their voice therefore carries considerable weight.

Frequent discussions also take place on a wide range of topics and on many different levels — involving members of the General Secretariat, Chairmen of the specialist committees, the Praesidiums or the Presidents and Vice-Presidents — between Cogeca and COPA and the relevant Commission departments or senior officials. When one further considers that, as the economic problems of agriculture increase, so the influence of agricultural policy interest groups tends to diminish, it is possible to appreciate the growing responsibility which devolves on farmers' economic organizations and thus on Cogeca. This applies not only to the many and varied technical and economic questions associated with the management of the individual agricultural markets but also to the overall EC commercial policy on agricultural products and foodstuffs.

As has already been pointed out, the importance and role of the cooperatives as a specific form of economic enterprise involves them in intensive working contacts with other Commission departments, covering many different areas of activity, e.g.:

matters affecting the food industry (DG III),
harmonization of laws on foodstuffs (DG III),
harmonization of company law (DG III),
trade questions (DG III),
small and medium-sized enterprises (DG III),
employment, social affairs and education (DG V),
transport (DG VII),
customs union service,
taxation (DG XV),
development (DG VIII),
fishing (DG XIV).

The 1983 agreement on a common fisheries policy will further add to Cogeca's responsibilities, it being the body representing the Community's fisheries cooperatives.

It remains to be seen how far the current discussions in the European Parliament on the importance and role of the cooperatives for the economy and the social order will make the Community institutions more ready to accept the cooperative associations as representing the various groups individually or jointly as partners in discussions. However, in recent years Cogeca's contacts with the European Parliament have greatly intensified, partly as a result of the greater number of joint submissions with COPA, on policy and economic aspects of agriculture.

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INTERVIEW

Dr Herbert Kellner, Deputy Secretary-General of the joint COPA/Cogeca General Secretariat, with responsibility for Cogeca, was interviewed by K. Schwaiger and E. Kirchner in December 1982. A further interview between Dr Kellner, Mr Guy Vernaev (Secretary of the Cogeca committee on fishing), K. Schwaiger and M. Lauwens was held in August 1984.

B. Savings and credit

Association of Cooperative Banks of the EC (ACB)

<i>President:</i>	P.J. LARDINOIS
<i>Secretary General:</i>	GUIDO RAVOET
<i>Address:</i>	23-25 rue de la Science - Bte 9 B-1040 Brussels
<i>Tel.:</i>	(02) 230 11 24 230 14 19

Basic data

Number of cooperative banks:	12 314
Banking points:	49 975
Total shareholder members:	29 825 260
Number of employees:	289 670
Consolidated balance-sheet:	358 984 Mio ECU

Foreword^[1]

Every country in the European Community can point to the existence of credit cooperatives, some of which have been active in business for over a century. The characteristics differentiating them nationally are the result of different historical developments within each country. The structure of credit cooperatives has thus been determined by history and by the wide range of functions they assumed when they were first formed.

Two of the essential features marking cooperative banks are a decentralized structure and a degree of autonomy in their dealings with governments.

All in all, cooperatively-structured banks come under the category of associations whose members are the shareholders who, by virtue of their admission to membership, qualify for the same rights and incur the same obligations. Democratic participation by the members is accepted whenever local cooperative banks need to take decisions of major importance.

Cooperative banks aim to cater for their members' financial requirements. Profit-maximization does not constitute an end in itself, but is the means for financing cooperative bank expansion and the continuous development of the service range offered to both members and customers.

Every operative bank is a legal person that subscribes to the following tenets: 'mutual assistance — autonomous management — mutual liability'.

I. ORGANIZATION

1. Date of formation

1970.

2. Size and structure

The Association of Cooperative Banks of the EC has a total of 19 member organizations representing every country in the Community except Greece (see Table 1).

The principal aim of the Association lies in representing its members' interests at European Community-level.

3. Administrative bodies

The *Board of Directors*, currently comprising 24 managers drawn from among the member banks, is the Association's supreme body. Its main task is policy formulation, for which purpose it convenes from two to four times per year.

Table 1: The Association at 31 December 1982*The Associations' member organizations*

BELGIUM

Centrale Raiffeisenkas — Centrale des caisses rurales

DENMARK

Andelsbanken-Danebank

Danske Andelskassers Bank NB

FEDERAL REPUBLIC OF GERMANY

Bundesverband der Deutschen Volksbanken und Raiffeisenbanken

DG BANK, Deutsche Genossenschaftsbank

FRANCE

Caisse centrale du crédit mutuel

Confédération nationale du crédit mutuel

Caisse nationale de crédit agricole

Fédération nationale du crédit agricole

Chambre syndicale des banques populaires

Fédération centrale du crédit mutuel agricole et rural

Union nationale du crédit coopératif

UNITED KINGDOM

Cooperative Bank plc

IRELAND

The Agricultural Credit Corporation Ltd

The Irish Sea Fisheries Board

ITALY

Federazione Italiana dei Consorzi Agrari

Istituto di Credito delle Casse Rurali ed Artigiane

LUXEMBOURG

Caisse Centrale Raiffeisen

THE NETHERLANDS

Rabobank Nederland

The *President*, assisted by Vice-Presidents, administers current business and represents the Association externally.

The *auditors* are two Board members entrusted with the audit of the Associations annual accounts.

The *Secretariat-General* acts as the standing administrative body whose responsibility it is to implement the policies formulated by the Board.

The Association currently has eight permanent *working parties* whose terms of reference include monitoring developments in various spheres of activity and exchanging views on matters of common concern. *Ad hoc* groups are also formed as and when requirements dictate. A liaison officer is

Table 2: Association of Cooperative Banks of the EC

Statistics showing the volume of economic activity (31.12.1982)

BANK	Banking Points	Shareholder-members	No. of People Employed	Deposits (ECU) Mio	Loans (ECU) Mio	Consolidated Balance Sheet (ECU) Mio
CERA Caisse centrale Raiffeisen (BELGIUM)	1,034	175,429	2,690	3,955	3,861	4,397
Andelsbanken (DENMARK)	241	104,131	2,763	1,325	1,148	2,169
Andelskasser (DENMARK)	99	20,400	246	157	121	196
Volksbanken und Raiffeisenbanken Group (GERMANY)	19,800	9,500,000	112,000	119,558	95,211	146,947
Crédit Agricole (FRANCE)	10,535	3,601,000	70,790	82,316	58,755	101,572
Crédit Mutuel (FRANCE)	4,081	3,400,000	16,000	14,198	8,134	17,511
Banques Populaires (FRANCE)	1,794	1,092,000	26,147	16,876	11,373	23,085
Crédit Coopératif (FRANCE)	-	4,500	840	1,549	1,686	2,039
Crédit Mutuel Agricole et Rural (FRANCE)	400	110,000	1,200	694	498	1,451
ACC Dublin (IRELAND)	51	1	625	343	328	423
Casse rurali ed artigiane (ITALY)	1,130	270,000	9,000	10,280	4,526	11,315
Federconsorzi Agrari (ITALY) (3)	3,283	375,978	15,365	2,074	-	3,485
Rabobank (THE NETHERLANDS)	3,051	910,000	23,020	41,305	30,500	43,272
Cooperative Bank Manchester (UNITED KINGDOM)	4,360	10,250,000	3,604	489	375	586
North Sea Fisheries Board (IRELAND) (2)	-	-	150	-	14	14.2
Caisse Centrale Raiffeisen (LUXEMBOURG) (2)	116	11,821	230	334	154	522
TOTAL	49,975	29,825,260	289,670	295,453	216,684	358,984

N.B. : (1) Amounts denominated in national currencies have been converted into ECU at their value on 31.12.82

(2) Correspondent member

(3) Statistics for 1981

appointed by each member organization to provide the Secretariat-General with information it may require.

4. Decision-making procedure

Board decisions are adopted by a three-quarters majority of the members present or represented. Decisions on the admission or expulsion of members or on any amendment to the constitution can only be taken if all members are present or represented (in the event of a vote being cast on the expulsion of any member organization, the delegates from that organization are not entitled to vote).

5. Secretariat and staffing

In addition to the Secretary-General, the Association's Secretariat-General is administered by a five-member team, namely, one legal adviser, one economic affairs adviser, one office manager and two secretary-translators.

6. Budget size and contribution arrangements

The Association's budget for 1984 totalled BFR 18 250 million, rates of contribution being determined on the basis of each member organization's financial strength.

II. AIMS AND PRIORITY POLICIES

Aims and objectives

The Association's dominant aim lies in promoting its members' common concerns. This aim is accomplished by:

- (a) representing and defending the interests of cooperative banks to European Community authorities;
- (b) briefing the Association's members on European issues;
- (c) conducting research into economic and financial issues arising from European economic integration, particularly when matters in this sphere might have an impact on cooperative bank operations;
- (d) submitting common statements of position;
- (e) promoting contact with various departments in the Community and other professional groupings, with special emphasis on those in the cooperative sector;
- (f) taking initiatives in legal, financial and economic matters which foster the achievement of the goals laid down in the Treaty of Rome.

Priority policies

One field of enquiry which the Association considers to be of particular relevance is the harmonization of banking legislation, an area that has now been brought into the limelight because of the Commission's resolve to accelerate the implementation of the first banking directive of 12 December 1977. Harmonization of banking law is concerned with the following:

1. the annual accounts of credit institutions and consolidated balance sheets;
2. calculating solvency, liquidity and profitability ratios;
3. the definition of the term 'own funds';
4. deposit protection schemes;
5. prudential returns, including a credit information exchange.

The Association also monitors such initiatives as the Commission may take to provide finance for small and medium-sized enterprises, agriculture and fisheries and for any other branch of the economy that may have a bearing on work to coordinate financial regulations such as those for capital markets.

The Association believes that the close ties that link cooperative banks to the local economy put them in a position to make a considerable contribution to the Community's regional policy. Indeed, the Mihr report published by the European Parliament spotlights the fact that Community institutions

have not fully exploited the experience cooperatives have acquired in this area and that the part they play in the European economy needs to be given wider recognition.

The Association's position on development aid may be summarized as follows:

'The new guidelines for the Community's development policy are being increasingly geared towards supporting small-to-medium sized businesses and forming cooperatively-structured mutual-aid institutions in developing countries. European cooperatives should take up the challenge. Credit cooperatives have already made some inroads into this segment of the economy. Seeing our funds are more than limited, any endeavours made have been of a rather minor order. We could certainly accomplish some worthwhile assignments in the future if our possibilities were combined with financial aid from the Community.'^[2]

The Association has recently stepped up its collaborative ventures with the Commission in the sphere of development aid and put its members' expertise in development aid activities at the Commission's disposal.

III. ACTIVITIES

Cooperative banks fulfil a core function in the local and regional economy in virtually every Community country. Each bank focuses its attention predominantly on its shareholder members and customers. The latter were once drawn primarily from trade, the small business sector, agriculture, the craft industries and liberal professions, but now encompass every socio-professional category.

Economic activities

The estimated 30 million strong membership base represents over 30% of Europe's working population. In other words, it means one citizen in nine in the Community has an account with a cooperative bank^[2]. Cooperative banks in several countries have been making great progress in recent years and have now become banks of the calibre that offer both members and customers the full range of modern banking facilities. However, cooperatives are still privately-controlled undertakings whose dominant objective lies in defending their members' financial interests.

Social and cultural activities

For the past 10 years, cooperative banks have successfully sponsored international youth competitions. Over 5 million children/teenagers in the 6-18 years old age bracket from Germany, Belgium, Finland, France, Italy, Luxembourg, the Netherlands, Austria, Canada and Japan have entered for this annual event. This is one method which the banks use to foster the European concept among the younger generation.

IV. CHANNELS FOR INFLUENCING EUROPEAN INSTITUTIONS

The Association has formed a close working relationship with all the Community's decision-making bodies, i.e. the Commission, the Council, the Economic and Social Committee and the European Parliament, the only exception being the Court of Justice. Contacts on an ongoing basis are maintained with the Commission through the majority of its directorates-general. Relations with the European Parliament are improving steadily, as illustrated by the opening by the Association of a liaison office in Strasbourg in 1981. Statements of position drafted by the Association are forwarded to the Commission, the European Parliament, the Economic and Social Committee and also on occasions to the Council.

The Association is represented on the Committee of Credit Associations of the EEC (CCA), the Advisory Committee on Questions of Agricultural Structure Policy and the Advisory Committee on Fisheries,^[3] the foundations of which were laid by the Commission.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

1. Transnational links inside the Community

The Association maintains a working relationship with every European cooperative organization and is a founder member of the European Cooperatives Coordinating Committee that was formed in November 1981. Likewise, contact is kept up permanently with the other European-level banking organizations such as the Savings Banks Group of the EC and the Banking Federation of the EC.

These ties that have been strengthened through formation by the Commission of the Committee of Credit Associations of the EC.

2. Bilateral/multilateral relations with other Community countries

The solid links promoted by leading figures in member banks have led to a number of international joint ventures. In fact the interaction evolved to such an extent that it resulted, *inter alia*, in the establishment of London and Continental Bankers Ltd (LCB), in London in 1973, the Unico Banking Group (Unico) in Amsterdam and the Bank Europäischer Genossenschaftsbanken (BEG) in Zurich in 1975.

The Association has been sponsoring annual interbank trainee exchange schemes since 1975, a policy which will encourage international cooperation and contribute to training staff in the complexities of banking worldwide.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The Association enjoys constructive working relationships with the European Confederation of Agriculture (CEA) in Brugg, the International Confederation of Agricultural Credit (CICA) in Zurich, the International Confederation of Popular Credit (CICP) in Paris, the International Raiffeisen Union (IRU) in Bonn and the World Council of Credit Unions (Woccu) in Wisconsin, USA.

VII. INTERNAL COHESION

The different origins of its component members have in no way hampered the presentation of a common policy front aimed at promoting and defending cooperative credit institutions' interests.

VIII. INFLUENCE ON COMMUNITY ACTION

Results of several of the requests and recommendations the Association put forward in spheres fundamental to its concern can be found in Community measures and regulations.

The Association's influence on banking legislation is illustrated by: the formation of the Committee of Credit Associations of the EEC, the definition of credit institutions' 'own funds', the calculation of bank ratios, the compilation of annual accounts, and consolidated supervision in credit institutions.

Proofs of that influence are also evident in the revised versions of socio-structural directives drafted to improve agricultural structures or the formulation of a common fisheries policy and the extension of the relevant socio-structural directives.

The association also made extensive contributions to the work of the Sponsorship and Steering Committees set up during the Year of Small and Medium-Sized Enterprises and Craft Industries.

Within the framework development aid in the Third World countries, the Commission has come to realize the part cooperative banking could play in pioneering deposit collection networks there. Such a system would encourage the founding of rural development. The Commission is now appealing to cooperative banks to participate in themes it has initiated and is co-financing.

IX. PUBLICATIONS AND SOURCES

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EMIL J. KIRCHNER and KONRAD SCHWAIGER: *The Role of Interest Groups in the European Community*, Saxon House, Farnborough 1981.

X. INTERVIEWS

Discussion with Mr J. Teichert, former Secretary-General of the Association of Cooperative Banks of the EC and Mr W. Baumann, Principal Administrator of the Association, on 26 May 1982. A round of talks with K. Schwaiger, ESC General Secretariat, Studies and Research Division and E. Kirchner (Essex University).

Consultations with Mr W. Baumann, acting Secretary-General, on 3 December 1982. Discussion with John Catling, ESC General Secretariat, Studies and Research Division.

Interview held on 13 August 1984 between Mr Guide Ravoet, Secretary General of the Association, Mr Guy Jourdan, finance member, and Maxime Lauwens, ESC General Secretariat, Studies and Research Division.

XI. REFERENCES

- [1] The description drafted in the historical perspective is drawn largely from the memorandum by the Association of Cooperative Banks of the EC on the essential features of cooperative banking in Europe, January 1982.
- [2] See address delivered by Mr P.J. Lardinois, President of the Association of Cooperative Banks of the EC, to the Economic and Monetary Affairs Committee on 26 January 1982.
- [3] See EMIL KIRCHNER and KONRAD SCHWAIGER: *The Role of Interest Groups in the European Community*, Saxon House, Farnborough 1981, p. 141.

C. Commerce

Association of retailer-owned Wholesalers in Foodstuffs (Union des groupements d'achat de l'alimentation) (UGAL)

<i>President:</i>	H. STUBBE
<i>Secretary General:</i>	D. LABATUT
<i>Address:</i>	Avenue Louis Gribaumont 3 1150 Brussels
<i>Tel.:</i>	(02) 770 22 07 771 91 91
<i>Telex:</i>	64 192

Basic data (1982)

	<i>Full Members</i>	<i>Associate Members</i>
Number of individual members from EC countries	47 541	151 877
Number of individual members from Spain and Portugal	12 834	—
Number of employees from EC countries ¹	141 441	260 123
Number of employees from Spain and Portugal ¹	150 020	—

Turnover²

Retail from EC countries	15	38.2
Wholesale from EC countries	8.69	18
Retail from Spain and Portugal	1.1	—
Wholesale from Spain and Portugal	0.63	—

I. ORGANIZATION

1. Date of formation

22 November 1963 (New rules were adopted in 1978).

2. Size and structure

In 1983 UGAL had 18 member organizations: 11 from EC countries (except Ireland and the United Kingdom; in Luxembourg, many of the independent retailer cooperatives work with the Belgian member organization), two from applicant countries (Spain and Portugal) and five from non-EC countries. There are also working agreements with four other organizations, one each in the Federal Republic of Germany, France, Greece, and an international organization.

UGAL is the European Association which brings together cooperative purchasing and service consortiums of different legal types, grouping independent retailers within the wholesale foodstuffs sector. Its main function is that of a lobby organization at European Community level. (For a presentation of UGAL's facts and figures, see following pages.)

¹ Includes wholesale and retail. Only those in the wholesale sector may be regarded as employees of cooperatives.

² Thousand million ECU, as at 1 July 1982.

Membership data 1982¹

ORGANIZATION	RETAIL TURNOVER (1)	WHOLESALE TURNOVER (1)	RETAILERS	RETAIL SHOPS	EMPLOYEES (6)
ATHINA	742	115	103	113	474
CODEC	74,048	39,126	1,247	1,521	14,000
CONAD	76,275	27,564	16,437	16,437	35,000
CRAI	33,780	9,127	4,800	5,064	15,060
EDEKA	410,000	287,523	17,400	19,700	85,000
HOKI	11,586	4,598	597	622	2,400 (5)
OCEKA	18,364	4,903	612	632	2,500 (5)
SIGMA	27,024	7,128	4,144	4,250	8,900 (5)
SPERWER	17,818	9,006	565	578	3,500
UNIKA	17,872	8,247	897	928	3,048
VAC	4,050	2,850	559	596	1,700 (5)
EC :	<u>691,559</u>	<u>400,187</u>	<u>47,541</u>	<u>50,441</u>	<u>171,582</u>
UDA	43,712	26,227	9,134	10,632	23,054
UCREPA	3,500	2,700	3,700	3,800	4,800
EC APPLICANTS:	<u>47,212</u>	<u>28,927</u>	<u>12,834</u>	<u>14,432</u>	<u>27,854</u>
ADEG	43,425	13,528	2,384	2,415	9,893
ICA	179,887	101,936	3,650	3,956	37,836
KESKO	166,011	143,079	3,228	4,102	35,800
KØFF	65,840	13,168	3,070	3,142	16,609
ISEGO	7,185	15,038	1,895	1,951	6,096
NON-EC	<u>455,881</u>	<u>286,749</u>	<u>14,257</u>	<u>15,566</u>	<u>106,234</u>
UFCC (2)	258,648	95,635	11,877	13,324	100,000 (5)
ZENTGENO (3)	1,500,000	733,957	140,000	153,300	312,000 (5)
ASSOCIATES	<u>1,758,648</u>	<u>829,592</u>	<u>151,877</u>	<u>166,624</u>	<u>412,000</u>
=====	=====	=====	=====	=====	=====
UGAL	<u>2,953,300</u>	<u>1,258,706</u>	<u>226,509</u>	<u>247,063</u>	<u>717,670</u>

(1) in BFR Mio

(2) without CODEC, with non-food sector

(3) without EDEKA, with non-food sector

(4) estimate on the basis of wholesale turnover + 50 %

(5) rough estimate

(6) wholesale and retail trade, including retailers

Source: UGAL

Membership data 1982²

<u>RETAILERS</u>	EC-countries	47,541
	Spain, Portugal	12,834
	Non-EC countries	14,257
	Associated members	151,877
		226,509

<u>RETAIL SHOPS</u>	EC-countries	50,441
	Spain, Portugal	14,432
	Non-EC countries	15,566
	Associated members	166,624
		247,063

TOTAL EMPLOYMENT UGAL¹(with associated members) about 7 17,000 persons

EC-countries	171,582
Spain, Portugal	27,854
Non-EC countries	106,234
Associated members	412,000

WHOLESALE TURNOVER (in thousand million ECU)

EC-countries	8.7
Spain, Portugal	0.6
Non-EC countries	6.2
Associated members	<u>18.0</u>
	33.5

RETAIL TURNOVER (in thousand million ECU)

EC-countries	15.0
Spain, Portugal	1.0
Non-EC countries	9.9
Associated members	<u>38.2</u>
	64.1

¹ including retailers

*UGAL member organizations***Situation: 31 December 1981****Full members — EC countries**

BELGIUM/LUXEMBOURG	VAC
FRANCE	Codec-Una
ITALY	Conad Crai
FEDERAL REPUBLIC OF GERMANY	Sigma Edeka-Verband
DENMARK	A/S HOKI A/S Oceka
NETHERLANDS	Sperwerverbond NV Unika
GREECE	Athina Market

Full members — EC applicant countries

PORTUGAL	Ucrepa
SPAIN	UDA

Full members — non-EC countries

FINLAND	Kesko oy
NORWAY	KØFF Gruppen A/L
AUSTRIA	ADEG
SWEDEN	ICA
SWITZERLAND	Usego

Organizations associated with UGAL via cooperation agreements

Common Market Committee of the International Federation of Grocers' Associations (IFGA)

Union fédérale des coopératives de commerçants commerciale (UFCCC)

Zentralverband der genossenschaftlichen Grosshandels- und Dienstleistungsunternehmen eV (Zentgeno)

Panhellenic Union of Grocers' Companies Cooperative Societies — Communities of Greece (Pepeske)

3. Administrative bodies

The *General Assembly* is the highest policy-making body of UGAL. It sets out the policy of the Association and elects the members of the Board of Directors.

The *Board of Directors* is comprised of a maximum of nine members: a President (who must be from an EC member organization), two Vice-Presidents, and six members. Its major task is to implement the decisions of the General Assembly, and work out guidelines for UGAL activities.

The *Secretariat* is headed by the Secretary-General who is responsible for running the Association.

Working groups can be set up: for instance, there are groups covering 'Law and Foodstuff Law', 'Taxation', and 'Imports and Market Regulation'. Their objective is to aid the work of the administrative bodies.

4. Decision-making procedure

Decisions of the General Assembly can be taken by simple majority except in such cases involving changes of the rules, admission of new members or dissolution of the organization. In practice, however, unanimity based on consensus is the rule.

5. Secretariat and staffing

The Secretariat has two members of staff: a Secretary-General and a Secretary.

6. Budget size and contribution arrangements

UGAL had a budget of BFR 4.6 million in 1983, 80% of the funds coming from member organizations in EC countries and 20% from the other member organizations.

II. AIMS AND PRIORITY POLICIES

Aims and objectives

Article 2 of the rules of UGAL sets out the following objectives:

1. To conduct studies and to collect and disseminate scientific information about economic and social affairs and about organizational problems, both at national and international level, especially in the European Community.
2. To represent the professional interests of its members with all international organizations and more particularly with the European Community.

UGAL draws attention to the distinction it makes on the one hand between the essential function of its member organizations — support for retailers and, on the other, the economic and social consequences which result from those activities for the rest of society. This is why UGAL does not accept that cooperatives which have the aim of defending the interests of their members are thereby creating an alternative between the public and private sectors. UGAL maintains that cooperatives follow the same objectives as the private sector and should therefore be recognized as a part of that sector.

Priority policies

1. Support for all initiatives and activities which work towards the framework required for the creation of an effective internal market, especially via the elimination of trading barriers.
2. Intervention with the Community institutions so that in harmonizing national legislation (especially as regards foodstuffs regulations) the Commission should concentrate on eliminating trade barriers resulting from national regulations which are either permitted under Article 36 of the EEC Treaty, or under those criteria laid-down by the Court of Justice in the 'Cassis de Dijon' case (*Rewe-Zentral AG v Bundesmonopolverwaltung für Branntwein*, Case 120/78).

For UGAL, the attainment of these two aims must go hand in hand with the protection of health and safety, the protection of the legitimate interests of consumers, and with respect for commercial transactions and the elimination of barriers to trading within the Community.

3. Amendment of the provisions and the operation of the common agricultural policy so that food supplies may be secured for consumers at reasonable prices.
4. Support for Community publicies in the areas of customs duty, competition, company law and taxation, designed to remove the obstacles which still stymie the work of UGAL member organizations and which frequently inhibit international cooperation.
5. Better recognition by the EC of the role that cooperatives — especially those of independent retailers — play in the economies of the EC countries and in society as a whole.
6. Firm opposition to all forms of discrimination against the cooperative movement or its members.
7. EC financial support for certain cooperative activities, e.g. training of independent retailers.
8. The harmonization of the different national cooperative laws in the EC as a long term goal. However, UGAL considers that there are other areas where harmonization is more urgent. At the present time, the legal and structural differences which exist between cooperatives are too great to achieve common European rules for cooperatives.

III. ACTIVITIES

1. Economic activities

The membership strength, turnover and number of employees of the cooperative wholesale purchasing groups constitute an important sector in the commercial structure of almost every EC country.

Because of their role in supplying consumer goods to the population, they influence retail prices and consumption patterns in the economy of European countries.

2. Social activities

Wholesale purchasing consortiums aid small and medium-sized businesses not only via wholesale purchasing but also by the provision of an extended range of services covering both sales and business promotion as well as staff development. These services include common brands, advertising, market studies, price policies and the modernization and enlargement of sales outlets. In addition there is joint training and development of retailers, their staff, special training courses and experience seminars. One of the major objectives of UGAL members is to balance out the inherent disadvantages of small and medium-sized businesses as against large undertakings with centralized distribution. UGAL members consider this as an essential link in the maintenance of free competition.

3. Cultural activities

Following their own spread of development from Northern to Southern Europe, the retailer-owned wholesalers of foodstuffs support attempts to bring about a closer understanding among all the countries of Europe. Those organizations of UGAL coming from EC countries see themselves as important components in the construction of the European Communities.

IV. CHANNELS FOR INFLUENCING EUROPEAN INSTITUTIONS

About 60% of all contacts with EC institutions are with the Commission and in particular with: DG III (Internal Market and Industrial Affairs) — this is the most important Directorate for UGAL; DG IV (Competition); DG VI (Agriculture); DG XV (Financial Institutions and Taxation).

Depending on either the need or the activities of the Commission, contacts are also made with a number of other directorates-general. It should be noted that on several policy matters especially social affairs (DG V), UGAL operates through the liaison committee of the European associations of retailers, where the objective is a joint position of all European retail organizations.

In the same way UGAL is indirectly represented on the Advisory Committee on Fruits and Vegetables, on Sheepmeat, on the Advisory Veterinary Committee and on the Advisory Committee for Customs Matters.

UGAL or its members is directly represented on the Advisory Committee on Foodstuffs and on Wine.

UGAL has always been active in the area of harmonizing food regulations and its members regard this work as vital. In 1981, therefore, the Secretary-General was given the task of coordinating the approach to this matter of the different European associations in the commercial sector within the consultative committee for foodstuffs.

UGAL is also directly represented on the Committee for Commerce and Distribution, DG III.

The other 40% of UGAL's contacts with EC institutions are with the European Parliament and the Economic and Social Committee, the emphasis being varied according to the matters concerned.

Generally speaking, contacts with the European Parliament have increased in the last few years and are expected to increase still further. The preparation of a report by the European Parliament on the cooperative movement in countries of the Community is seen as an additional reason for expanding contacts with this institution.

Certain Permanent Representatives are occasionally contacted by UGAL, concerning the follow-up of matters before the Committee of Permanent Representatives.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

1. Transnational interest group relations at Community level

UGAL has also contacts with the other European cooperative associations. *Ad hoc* relations are maintained with the Commission of Agriculture and Food Industries (CIAA) and many trade organizations.

UGAL is also a member of the European Association for Foodstuff Law and takes an active part in all its work which concerns matters relating to the development of food regulations and their harmonization at European level. It is also a member of the Liaison Committee for European Retail Trade Associations, which aims to represent joint interests with the European institutions.

2. Promotion of bilateral/multilateral cooperation within the Community

UGAL has encouraged the efforts of its member organizations to develop contacts and exchange experience in order to improve their market position in a number of ways. This has covered: joint purchasing of foodstuffs; common advertising and publicity campaigns; advice in the application of new technologies and equipment; and the training of executives with entrepreneurial and managerial skills for retailing businesses.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

UGAL is in close contact with the International Federation of Grocers' Associations (IFGA) via the Common Market Committee of the IFGA, which is an associated organization of UGAL. UGAL and IFGA exchange information and coordinate their activities to defend the position of independent retail grocers.

VII. INTERNAL COHESION

Because of the system of majority decision-making, UGAL does not in theory need to obtain the prior consent of all its members before a policy is adopted. It should however be noted that there are no major differences between UGAL member organizations and that in practice the search for consensus before a vote is taken means that there is generally a unanimous decision. This situation reflects the willingness of the members to drop individual interests in favour of a common European interest put to them by UGAL, an element which plays an important role in the cohesion of the association.

Another element adding to the cohesion of UGAL is the 'News Circular' in which the General Secretariat of UGAL informs the member organizations about all important developments (plans, decisions and legislation) emanating from the EC.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

It is not easy to make an accurate evaluation of UGAL's impact on Community activities because some of the opinions or demands of UGAL are expressed either via the Retailers' Liaison Committee of which UGAL is a member, or via the different consultative committees.

However, it may be noted that recent EC action and publications have reflected UGAL views. This is the case with the Council regulation concerning EC brands, a Decision of the Commission on minimum prices (UGAL/BNIC, OJ L 379/1982), the EP resolution of Lega Adonnino of 6 June 1983 on access to EC credit and finance for the commercial sector, the amendment of the proposal for the 12th VAT directive of February 1984 and the proceedings commenced by the Commission against a Member State as regards the packaging of beverages, following a complaint by UGAL (Case 241/83).

The Economic and Social Committee and particularly the European Parliament (Mihl Report) have called for a greater recognition of the important role played by cooperatives as represented by UGAL in the economy and society of EC countries (see EP resolution Deleau-Remilly, OJ C 184, 11 July 1983).

IX. PUBLICATIONS

UGAL issues regular 'News Circulars' (approximately 100 per year)

Annual Report

X. SOURCES

Publications of UGAL

Rules of UGAL, 16 March 1978.

Annual Report, 1983.

Letter of Mr H. Stubbe, president of UGAL, to the European Parliament, 13 January 1982.
UGAL General Assembly 1982, Hamburg, 2 March 1982.

Others

Report drawn up on behalf of the Committee on Economic and Monetary Affairs of the EP on the cooperative movement in the European Community (Rapporteur: Mr K.H. Mihr), European Parliament Working Documents 1982-83, Document 1-849/82, 15 November 1982.

EMIL J. KIRCHNER and KONRAD SCHWAIGER: *The Role of Interest Groups in the European Community*, Saxon House, Farnborough 1981.

XI. INTERVIEW

27 May 1982, Mr D. Labatut, Secretary General of UGAL. The interview was conducted by K. Schwaiger and E. Kirchner.

D. Insurance

Association of European Cooperative Insurers (AECI)

<i>President:</i>	J. FOREST
<i>Secretary:</i>	J. DEVUYST
<i>Address:</i>	PS-Building rue Royale, 151 B-1030 Brussels
<i>Tel.:</i>	(02) 214 94 99
<i>Telex:</i>	23 566

Basic data (1982)

Number of insurance groups	23
Number of policy holders	46 million (including group policies)
Number of employees	120 000
Net premium income	6 000 Mio ECU
Gross premium income	6 500 Mio ECU

I. ORGANIZATION

1. Date of formation

October 1978.

2. Size and structure

AECI is the European association of the International Cooperative Insurance Federation (ICIF) which is affiliated to the International Cooperative Alliance (ICA).

Membership is open to all European member organizations of the ICIF, of which there are 26: 15 within the EC
11 outside the EC.

Table I gives the member organizations of the AECI at 1 January 1984 with their net premium income on 31 December 1981 and 1982.

In Portugal all domestic insurance companies were nationalized after the revolution of April 1974. Parliament has approved an amendment of the insurance legislation allowing private and cooperative insurance companies to be formed. A market survey of the potential of the cooperative movement is being made.

3. Administrative bodies

The *Conference* is the highest decision-making body of the AECI and meets every two years. It determines the action programme of the AECI and elects the members of the executive committee.

The *Executive Committee* consists of six members including the president of the AECI, four members come from EC countries and two from non-EC countries. Besides other functions it prepares the action programme for the conference, establishes working groups, and has contacts with officials of EC institutions, with other sectoral European cooperative organizations as well as with other European interest groups.

The General Secretariat is headed by the Secretary who assists the Executive Committee in its functions, and who manages the finances and the daily affairs of the AECI.

Table 1: Association of European cooperative insurers

		Net premium income	
		1981 (3)	1982 (4)
		<u>ECU (5)</u>	<u>ECU (5)</u>
<u>EC-MEMBERS</u>			
BELGIUM	Assurances du Boerenbond Belge	169 450	182 524
	The PS-Group (1)	152 623	143 511
	Les Assurances Populaires	76 529	80 824
DENMARK	Alka Forsikring	28 293	32 216
	AP-Forsikring (*)	14 687	22 119
EIRE	Eccu Assurance Company Ltd	2 854	3 323
FRANCE	La Sauvegarde	18 364	11 033
GERMANY	R & V Group of Wiesbaden	481 115	514 376
	Volksfürsorge Group	1 344 622	1 532 992
GREECE	Syneteristiki Insurance Company	229	350
HOLLAND	De Centrale	80 480	109 664
	Dela	24 036	24 661
ITALY	The Unipol Group	105 684	151 004
	MAECI (*)	21 154	21 994
UNITED KINGDOM	C. I. S.	722 262	719 733
	Total EEC	<u>3 242 382</u>	<u>3 550 324</u>
<u>NON EC-MEMBERS</u>			
AUSTRIA	Wiener Städtische	377 191	405 748
FINLAND	Aura General Mutual Insurance (6)	67 783	...
	The Kansa Group	180 839	199 457
	Localinsurance (*)	7 652	7 988
	The Pohja Group (6)	161 825	...
	Tapiola Group	...	126 188
ICELAND	The Samvin Group	12 241	11 136
NORWAY	Samvirke Insurance Group	100 995	113 254
SPAIN	Seguros Lagun-Aro (2)	---	---
SWEDEN	The Folksam Group	702 223	616 198
	Kooperationens Pensionsanstalt	89 145	103 540
SWITZERLAND	Coop Leben	58 634	66 325
	Coop Rechtschutz	786	788
	Total Non-EEC	<u>1 759 314</u>	<u>1 650 622</u>
	T O T A L	<u>5 001 696</u>	<u>5 200 946</u>

(*) ICIF-Members who did not join the AECI

(1) PS-Group has branch offices in France and Luxembourg

(2) Member as from 1984

(3) ECU exchange rate at 30.12.81 (1 ECU = 0,567694 £)

(4) ECU exchange rate at 31.12.82 (1 ECU = 0,600289 £)

(5) '000 ECU

(6) Aura-Pohja : merged as from 1.1.84 to become Tapiola Group

4. Decision-making procedure

In principle decisions are taken by majority, but in practice unanimity is usually reached.

5. Secretariat and staffing

The Secretariat of the AECI has three full time members of staff, including an administrative secretary.

6. Budget size and contribution arrangements

The budget of the AECI totals BFR 5 million and is based on member contributions according to net premium income.

II. AIMS AND PRIORITY POLICIES

Aims and objectives

According to the constitution of the AECI the objectives are (i) the promotion of cooperation between its members in areas of common interest; and (ii) the coordination of views of insurance cooperatives with regard to problems arising from the development of the EC and the notification of these views to the competent EC authorities.

Priority policies

AECI's priorities include the following:¹

1. The cooperative movement should be considered a partner with full status at European level and the AECI should be recognized as a formal consultation partner by the Commission.
2. Because of the specific nature of cooperatives (enterprises created by economically weak groups, on a voluntary and open door basis, with democratic structures, assuming a social responsibility having a common purpose and acting in the general interest, using profits for social goals), a European fund for the development of cooperatives should be established to aid those cooperative enterprises whose only difficulties are the result of insufficient financial means.

Interventions could take the form of:

- (a) capital investment in the societies;
 - (b) loans;
 - (c) guarantee of repayment of loans; and
 - (d) technical assistance.
3. The Commission should collaborate with the cooperative movement in the field of development policy. In particular, the Commission should call on the experience and expertise of the cooperative insurance movement in its aid and development programme and also follow the recommendations made by the Insurance Division of Unctad on cooperative insurance in 1977.
 4. The specific nature of cooperatives should be taken into account, in order to avoid any discrimination against cooperatives in legislation. Harmonization of national cooperative laws should promote cooperative forms. A comparative study of national legislation should be made as a first step.
 5. The common market in insurance should be achieved in the interests of insurance consumers, and without distortion of competition.

This implies in particular:

- the creation of a Europe with social responsibility;
- harmonization of taxation;
- harmonization in the field of price policies;
- transparency of markets and consumer protection.

¹ The six priority policies mentioned, some quoted in full, are taken from the AECI ('Réponse au questionnaire en vue de l'audition au PE sur le mouvement coopératif' (26 and 27 January 1982).

Community policy should aim to encourage competition and thereby avoid the abuses of monopoly power.

European legislation should not oppose the interests of cooperative insurance societies.

6. The AECI aims to work with other cooperative sectors whenever Community policy has an intersectoral nature; this is the case in the following areas:
 - development aid at regional level and to Third World countries;
 - company laws;
 - fiscal policy;
 - social policy;
 - competition policy;
 - consumer and environmental protection.
7. A liaison office should be constituted with the European Commission in order to ensure better contacts and information among cooperative organizations, the Commission and the other Community institutions. This office should only intervene in sectoral matters where the sectors so request. The office should also ensure that the proposals made by the cooperative organizations are, as far as possible, implemented.

III. ACTIVITIES

1. Governing principles

Insurance cooperatives are societies consisting of members in support of the principles of the ICA.

The major characteristics are:

- open door principle;
- democratic structures;
- socialization of profits (non-profit principle);
- non-exploitation;
- direct relations with cooperative and other democratic popular movements;
- social responsibility and unity of purpose not only among the sectors of the cooperative movement, but also among people from different countries, irrespective of borders;
- aid to regional development and to the Third World countries and orientation to the fundamental needs of people there; the insurance cooperatives recognize the importance of mobilizing savings in developing countries and of having domestic insurance companies (help without interfering in their internal affairs: the local cooperatives should own and control their insurance operations).

2. Economic activities

AECI members have an annual premium income of 6 000 Mio ECU (4.5% of the European market). About 70% of this income originates from within the EC.

Amongst the members of AECI are some of the strongest organizations in their respective fields in the European market (R & V Group and Volksfürsorge Group in Germany, the Cooperative Insurance Society (CIS) in the United Kingdom, Folksam in Sweden).

The AECI has a portfolio of 46 million policies including collective policies which cover several millions of persons.

AECI members employ 120 000 people, including sales staff.

3. Social aims

Cooperative insurance societies aim to offer insurance protection which meets the requirements and specific interests of the consumer at the fairest price, taking into account the quality of the service. They see themselves as playing an important role in the fight against the abuse of monopoly power and against policies of unfair competition, i.e. they encourage competition because they consider it to be in the public interest. Furthermore, they aim to contribute to social development by providing adequate protection for their members and by mobilizing capital which is injected into the national

economy by productive investment (because of the non-profit principle). Profits are distributed directly to the insured or indirectly in the form of scientific research (e.g. cancer research), funding of housing projects, welfare institutions, cooperative tourism and the funding of research into the prevention of accidents. Profits can therefore be used to improve standards of living, working conditions, providing savings at the level of social security and insurance.

Finally, through a support scheme (cooperative development funds) the insurance cooperatives help people who do not have the necessary capital to take the initiative of creating new insurance business.

4. Other aims

As insurance cooperatives (like other cooperatives) function on a democratic decision-making basis (involving the membership) they can be seen as reinforcing democracy in the countries in which it is practised. It is also one of their goals to contribute to a better understanding of people transnationally.

IV. CHANNELS FOR INFLUENCING EUROPEAN INSTITUTIONS

The AECI is interested in early notification of and consultation on EC policy proposals. Since the Commission is empowered to initiate EC policies, it becomes the prime target for the AECI to lobby when relevant policy proposals are prepared. Depending on the subject under study or review the European Parliament and the Economic and Social Committee may both act as important channels of contact for the AECI. Frequent contacts are maintained between the secretariat of the AECI and the General Secretariat of the ESC.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

1. Transnational interest group relations at Community level

The AECI has regular contacts with the other European sectoral cooperative organizations.

As a founder member of the Intersectoral Liaison Committee of European Cooperation (Cliece) and as an applicant member to the European Cooperative Coordination Committee it strives for recognition of all cooperative organizations as permanent discussion partners of the EC on all economic and social subjects.

The AECI also has contacts with other European organizations such as the European Insurance Committee (CEA) (through the national insurance trade associations), the Savings Banks Group of the EC, the Consumers' Consultative Committee of the EC (through Eurocoop), the European Bureau of Consumers' Associations (BEUC), Eurofiet (European regional organization of the International Federation of commercial, clerical, professional and technical employees), European Trade Union Institution, International Centre of Research and Information on Public and Cooperative Economy (Ciriec).

2. Promotion of bilateral/multilateral cooperation within the Community

The AECI sees its main task as the promotion of collaboration and understanding between its member organizations in Europe.

The aim of the Treaty of Rome is to create a common market. As a consequence the AECI expects considerable changes towards this aim in the field of insurance. It is the object of AECI members to compete with the large multinational enterprises.

It thus acts as an intermediary and disseminator of information for member organizations on matters of common concern, risk sharing or reinsurance facilities. This task is facilitated by working groups on common market and technical matters.

Mention should be made of the cooperative EC cover which is an arrangement between AECI members in the EC under which each member is offered by the others an extra-capacity in the field of fire and allied perils insurance. This cover can be for co-insurance or optional reinsurances.

AECI's field of operation also covers areas such as training of personnel, product development, etc. Cooperative insurers also help developing countries to create their own cooperative insurance societies. Such societies have been set up in Africa, Asia, and Latin America.

The AECI is of the opinion that, in this policy field, there is much common ground between the Association and the Commission, and that a fruitful collaboration should be possible.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

Through ICIF, AECI is affiliated to the International Cooperative Alliance (ICA), as well as to the Union of International Associations. It has contacts with FIET.

VII. INTERNAL COHESION

In spite of imbalances between large and small member organizations and in spite of drawing members from both EC and non-EC countries, the AECI has no apparent fundamental policy differences to overcome. Its member organizations aim rather at achieving maximum cooperation and collaboration in the pursuance of joint goals.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

Though it is difficult to measure the impact of its actions, the AECI believes that it has had an influence on a number of issues dealt with by EC Institutions as regards doorstep selling, legal protection insurance, and third-party automobile insurance.

Furthermore, the AECI is satisfied with the results of its influence on activities in the Economic and Social Committee and is encouraged by the efforts made by in the European Parliament to appreciate the role and boost the image of the cooperative movement in the European Community.

IX. PUBLICATIONS

The AECI issues occasional publications (see below for examples).

X. SOURCES

Publications of the AECI

'Réponse au questionnaire en vue de l'audition au PE sur le mouvement coopératif' (26/27 January 1983).

'The Insurance Development Bureau of the International Cooperative Insurance Federation' (document), December 1982.

World-Wide Cooperative Reinsurance (pamphlet), November 1964.

'The International Cooperative Reinsurance Bureau' (document), October 1982.

Constitution of the AECI, 6 October 1980.

'European members of the ICIF' (three-page document), December 1982.

'Diagram of the organizational structure of the AECI'.

'What we are', document presented to the European Parliament in Strasbourg, on the occasion of the discussion of the Mihr report on the cooperative movement in the General Assembly (April 1983).

Article in *Notizie e opinioni*, review of Unipol, Italy, No 1/2, 1981, Special — International Cooperative Insurance Federation, pp. 28-31: 'AECI'.

Article in NTUC-edition, ICIF-Conference, Singapore, October 1982.

Article in *Coopération* No 26 of January/February 1983, pp. 8-9: 'Orienter le marché européen des assurances en respectant les usagers'.

Others

Report drawn up on behalf of the Committee of Economic and Monetary Affairs on the cooperative movement in the European Community (Rapporteur: Mr K.-H. Mihr) European Parliament Working Documents 1982-83, Document 1-849/82, 15 November 1982.

'Rapport intérimaire de la Commission au Parlement européen sur les activités de la Commission dans le domaine des petites et moyennes entreprises dans la Communauté', Commission of the EC, SEC (82) 1347 Bruxelles 20 August 1982.

'Summary Report of Independent Experts on the employment potential of cooperatives', 12/13 March 1981, Brussels (Brussels, 4 May 1981).

XI. INTERVIEWS

6 December 1982: Mrs J. Devuyt, Secretary and Treasurer of the AECI. The interview was conducted by E. Kirchner.

16 August 1984: Mr Chris Desomvier, AECI, was interviewed by Maxime Lauwens, ESC General Secretariat, Studies and Research Division.

E. Production

European Committee of Workers' Cooperative Productive and Artisanal Societies Cecop

President: ALVARO BONISTALLI
Secretary General: B. CATALANO
Address (Secretariat): rue Vilain XIII, 38 B
 1050 Brussels
Tel.: 648 04 60 / 448 05 18

Basic data (cooperatives associated with member organizations)

Number of member cooperatives:	13 000
Number of individual members:	385 000
Number of employees:	385 000
Turnover:	11 000 Mio ECU

Historical perspective and general description

In recent years there has been a considerable development of worker cooperatives. This development is especially significant in the light of the recent recession within the Community, i.e. workers trying to 'rescue' private industry by the foundation of workers' cooperative societies.

Although the European Parliament report on the cooperative movement concentrates on the European Communities, the development of worker cooperatives has taken place also in other European countries, e.g. Switzerland, Spain and Portugal. Indeed many 'Mediterranean' countries were at the forefront of worker cooperative development as distinct from the consumer cooperative which was developed in more northerly countries.

Full members of Cecop

BELGIUM

Wereldscholen

Febecoop

Solidarité des alternatives wallonnes

DENMARK

Byggefagenes Kooperative Landssammenslutning (DkF)

FRANCE

Confédération générale des sociétés coopératives ouvrières de production

Banque coopérative des sociétés ouvrières de production en France

Fédération nationale des SCOP du bâtiment, des travaux publics et des activités annexes

ITALY

Federlavoro della Confederazione cooperative italiane

ANCPL della Lega nazionale delle cooperative e mutue

ANCPL della Associazione generale delle cooperative italiane

Associazione nazionale cooperative trasporti e ausiliari

Federazione nazionale cooperative di servizi

NETHERLANDS

Associatie van Bedrijven op Cooperatieve Grondslag

UNITED KINGDOM

Cooperative Union Ltd

Industrial Common Ownership Movement

Scottish Cooperatives Development Committee

IRELAND

Cooperative Development Society Ltd

Associate members

SPAIN

Federacio de Cooperatives de Treball Associat de Catalunya

PORTUGAL

Federaçao Nacional das Cooperativas de Produçao Operavia

I. ORGANIZATION

1. Date of formation

Autumn 1979 when Cecop's constitution was approved by six founder members in Manchester.

2. Size and structure

Cecop has 18 full member organizations from Belgium, Denmark, France, Italy, the Netherlands, Ireland and the United Kingdom. Two associate members will become full members in the event of Spain and Portugal joining the European Community.

These countries where there are most production cooperatives are Italy, France and Denmark. They are followed by the United Kingdom, the Netherlands, Belgium, the Federal Republic of Germany and Ireland (see table).

The main function of Cecop is to adopt a policy aimed at emphasizing to the Community institutions the major importance of cooperative production for the economic and social development of the European Community.

3. Administrative bodies

Due to the recent establishment of Cecop, its organizational structures are still in a tentative or provisional state.

General Assembly: Usually meets annually in November and consists of delegates of member organizations. The first Assembly in 1979 approved Cecop's Constitution.

The *Presidency* consists of the President and Vice Presidents.

The *Executive Committee* has six members; there are proposals to make each member responsible for specific topics or aspects of organization.

The *Secretary-General's* main function is to liaise both within member organizations of Cecop and between Cecop and the various European Institutions. He drafts proposals for discussion by the Assembly and is responsible for the Brussels-based secretariat.

The *Audit Board* comprises three members of different nationalities, and audits the financial operations of the association.

Research into various topics is undertaken by 'working/expert groups' which are specially commissioned by Cecop.

4. Decision-making procedure

Although most decisions of the administrative bodies of Cecop are taken by unanimity, provisions are to be introduced making majority voting possible.

5. Secretariat and staffing

Secretary General and three staff: a legal adviser, an economic adviser and a secretary.

Table 1: EC production cooperatives basic data (1982-83)¹

MEMBER STATE	COOPERATIVES	MEMBERS	NON-MEMBER EMPLOYEES	TOTAL WORKFORCE	TOTAL TURNOVER (MIO ECU)
BELGIUM (2)	51	5,634	724	6,358	8.61
DENMARK	715	5,000	9,800	14,800	1.92
F.R. GERMANY	19	709	860	1,569	22
FRANCE	1,171	21,806	15,223	37,029	1170
IRELAND	21	1,311	+ 1,000	2,311	6.08
ITALY	17,880 (3)	+200,000 (4)	+27,000 (4)	+227,000 (4)	4080 (4)
NETHERLANDS	400	2,100	4,000	6,100	96 (5)
UNITED KINGDOM	911	20,400	9,000	29,400	258.6
TOTAL EC (6)	21,168	256,960	67,607	324,567	5,643

- (1) Incomplete figures: some production cooperatives are not included in national figures.
- (2) Only members of the "Solidarité des alternatives wallonnes".
- (3) Total cooperatives as per Ministry of Labour statistics. C.F. Confederazione cooperative italiane, Agenda delle cooperative, 1982, vol. 1, annuario, p. 26.
- (4) Only members of "ANCPL della Lega nazionale delle cooperative", "Federlavoro della Confederazione cooperative italiane" and "Federazione nazionale delle cooperative dei Servizi e Trasporti", i.e. some 33% of the total Ministry of Labour figure.
- (5) Only ABC members.
- (6) Total workforce and turnover may not tally with the number of cooperatives in column 1. See notes (3), (4) and (5).

6. Budget size and contribution arrangements

Between BFR 4.5 and 6 million.

II. AIMS AND PRIORITY POLICIES

Aims

The principal aim of Cecop is to promote the members' common interests, especially

- (a) to represent the workers' cooperative organizations' interests to the institutions of the European Community, and to maintain and develop contacts with these institutions;
- (b) to circulate information to member organizations on European level issues;
- (c) to research aspects of workers' cooperation that might prove beneficial to the present recession in the Community.

Priority policies

Because workers cooperatives can create employment, Cecop's immediate priority is the creation of jobs.

Together with the appropriate authorities, Cecop has the following priorities:

- (a) The Community should adopt rigorous definitions and selective criteria to determine what is a worker cooperative. The term 'cooperative society' should be protected by appropriate laws and its use should be restricted to those enterprises having the essential requirements.
- (b) The Community should establish a 'European Fund' for workers' cooperative societies aimed at supporting projects for the reconversion of business enterprises into cooperative societies.
- (c) The Community should help to initiate some pilot projects to show the efficiency of the cooperative model as a way of creating employment. This will involve the development of models employing highly skilled staff so that future development could proceed smoothly.
- (d) The Community should contribute to projects aimed at the professional education of managers of cooperatives.
- (e) It is necessary to establish a special liaison office at Community level with the purpose of coordinating the activities among the different cooperative sectors and the various Directorates General. This office should be a certain point of reference for the European cooperative system which, as a whole, should be represented by a 'Cooperative Liaison Committee'.
- (f) Worker cooperatives should be able to participate in some of the relevant EC Advisory or Consultative Committees (for instance on small and medium sized businesses).
- (g) The Community should apply the cooperative methods and practices established by the cooperative societies in Europe within the framework of the Lomé Convention. This could take the form of 'integrated projects' for cooperative promotion at, for example, rural level.
- (h) Efforts should be made to harmonize national laws relevant to the sectors of production and labour as well as to formulate Community guidelines which will put worker cooperatives in the various EC countries on an equal plane.
- (i) The Community should help to expand employment for women and young people and increase job opportunities through local initiatives.

III. ACTIVITIES

1. General activities

Due to its emphasis on the sociological aspects of work and production, the economic and social activities of the worker cooperative are highly interrelated. They are characterized by features typical of small sized firms providing for a direct participation of workers in decisions and the organization of their work. This entails an awareness of economic events and a personal and responsible participation in the field of productivity.

2. Economic activities

With approximately 21 000 individual societies, a turnover of 5 643 million ECU and 256 000 members, the worker cooperatives represent a growing sector in the economy of the European Community.

3. Social activities

Cecop feels that the practical implementation of fundamental democratic principles in the cooperatives affects the economic and social sectors in a positive way. In addition, cooperatives are often characterized by lower overheads, fewer strikes and short time working, lower absentee rates, lower industrial accident rates, reduction of 'shop floor' conflict and improved maintenance of equipment and facilities. Cooperatives also offer the possibility to some of their members to train as managers. Cecop organizes an annual seminar.

4. Cultural activities

Following its own spread of development from Southern to Northern Europe,¹ the worker cooperative movement supports attempts to bring about closer solidarity among people in the countries of Europe. Member organizations of Cecop see themselves therefore as important components and/or contributors in the construction of the European Communities.

IV. CHANNELS FOR INFLUENCING EUROPEAN INSTITUTIONS

Most of Cecop contacts with EC institutions are with the Commission and the European Parliament. Contacts also exist with the Economic and Social Committee.

Within the Commission, contacts are very frequent with:

the Directorate-General for Employment, Social Affairs and Education (DG V);

the Directorate-General for Internal Market and Industrial Affairs (DG III), particularly with Directorate F which houses the divisions of: small and medium-sized enterprises, crafts, Business Cooperation Centre and industrial cooperation.

Contact with the European Parliament have greatly increased with the preparation of a report on the cooperative movement in the European Community (Rapporteur: Mr K.-H. Mihr) in 1982. Cecop's relations with the Socialist Group and members thereof are particularly well developed.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

1. Transnational interest group relations at Community level

Cecop maintains close relations with the other main European cooperative groups such as the Association of European Cooperative Insurers, the EUSMCP, Cogeca, Eurocoop, UGAL, and the Association of Cooperative Banks of the EC. During 1982, the Secretaries of these organizations held numerous meetings aimed at achieving joint positions with regard to the preparation of the report by the European Parliament on the role of the cooperative movement in the Community. Efforts to promote relations among European cooperative groups have further been strengthened by the creation of the European Cooperative Intersectoral Liaison Committee (Clice) and by the European Cooperatives Coordination Committee. Cecop is a founder member of Clice and is a member of the Coordination Committee.

2. Promotion of bilateral/multilateral cooperation within the Community

Cecop has joined in efforts to promote and consolidate the establishment of worker cooperatives throughout the Community, where such cooperatives increased by 170% between 1970 and 1981. It has also contributed to attempts to obtain finance from the Commission for management training in cooperatives and for the promotion of such cooperatives generally.

¹ Development of the worker cooperative movement is the most recent of all cooperatives, and contrasts with that of its predecessors in other sectors such as agriculture or insurance, in that the worker cooperatives developed primarily in southern Europe and then spread to northern Europe rather than the other way around.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

Cecop is represented and takes part in the activities of the International Cooperative Alliance.

VII. INTERNAL COHESION

Considering the relatively short existence of Cecop (Since autumn 1979) and its subsequent tentative organizational structure, it is somewhat premature to make an assessment on the internal cohesion of this organization. In 1982 Cecop strengthened the organizational structure by establishing a permanent Secretariat in Brussels with the necessary staff and by publishing an information bulletin on a regular basis. Both these efforts have helped to integrate Cecop operations.

At present Cecop groups 90% of the organized worker and production cooperatives in the Member States and by restricting membership to EC countries is able to pursue its aims effectively.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

Although it is not yet possible to obtain an accurate picture of this recently-formed organization's influence on Community action, Cecop itself believes that the Commission, because of its concern with employment, has much appreciated Cecop's activity and advice in the employment sector. Moreover, the Commission's Directorate-General V has asked Cecop to prepare a study on worker cooperatives and employment and has fully acknowledged the contribution the worker cooperatives can offer to the employment problem. It has also granted financial assistance towards the promotion of the worker cooperative system throughout the Community.

Similarly, the Mihr (EP) report on cooperatives recommends that the cooperative model be used as a means to reduce unemployment.

Generally, Cecop is hopeful with regard to its influence on EC industrial policies and with regard to obtaining further EC training and promotion support for worker cooperatives.

IX. PUBLICATIONS

Cecop issues an information bulletin every two to three months.

X. SOURCES

Cecop sources

European Parliament hearing: Economic and Monetary Committee, 26-27 January 1982.

Report by the Secretary-General of Cecop, Brussels, 10-11 November 1982.

Cecop 'Document on Worker and Production Cooperatives and Employment' (in conjunction with the Community action programme for work and production cooperatives) Doc. 11/82 B1, letter to Walter Braun, 5 May 1981.

Others

European Parliament: Economic and Monetary Affairs Committee; 'Report on the cooperative movement in the European Community' (Rapporteur: K.H. Mihr — European Parliament Documentation, 1982/83, Doc. 1-849/82, 15 November 1982).

Commission of the EC: 'Interior report of the Commission to the European Parliament on the activities of the Commission in the field of small and medium sized enterprises in the Community', Brussels, 20 August 1982.

CLICE: *Réflexion pour une politique européenne de la coopération*, November 1982.

Various Cecop publications.

XI. INTERVIEW

With Mr A. Antoni, President, and Mr B. Catalano, Secretary General of Cecop, at the time of the annual meeting of Cecop at the Economic and Social Committee, Brussels, 10-11 November 1982, in which K. Schwaiger and J. Catling participated.

With Mr. P. Foucart of the Cecop Secretariat to update the information on Cecop, on 14 February 1984. Susanne Relvasschmidt and Konrad Schwaiger represented the Studies and Research Division of the ESC.

F. Consumers

European Community of Consumer Cooperatives (Eurocoop)

<i>President:</i>	L.D. WILKINSON
<i>Secretary General:</i>	ALBRECHT SCHÖNE
<i>Address:</i>	rue Archimède 17a - Bte 2 B-1040 Brussels
<i>Tel.:</i>	(02) 230 14 11 230 15 68

Basic data

Number of cooperative societies:	3 360
Number of individual members:	15 323 000
Number of employees:	239 089
Turnover:	23 700 Mio ECU

I. ORGANIZATION

1. Date of formation

1957.

2. Size and structure

Eurocoop has 12 member organizations from all European Community countries except Ireland. For a statistical review of all the member organizations of Eurocoop see Table I on the following pages.

3. Administrative bodies

The *General Assembly* is the highest policy making body of Eurocoop. It elects the members of the Executive Committee.

The *Executive Committee* consists of the President, two Vice-Presidents and nine members. Its major task is to implement the guidelines and decisions of the General Assembly.

The *Steering Committee* consists of one representative per country. The main function of this Committee is to prepare the meetings of the Executive Committee and to liaise closely with the Secretary-General of the organization.

The *General Secretariat* is headed by the Secretary-General who is responsible for the administration of the organization.

The *Economic Secretariat* is situated in Copenhagen in the framework of Intercoop and is responsible for promotion of economic cooperation.

Eight *working groups* have been established within the framework of the Economic Committee covering various food products.

*Member organizations of Eurocoop***Full members**

GERMANY

Bund deutscher Konsumgenossenschaften

DENMARK

Fællesforeningen for Danmarks Brugsforeninger

FRANCE

Fédération nationale des coopératives de consommateurs

UNITED KINGDOM

Cooperative Union Ltd

Cooperative Wholesale Society Ltd

ITALY

Associazione nazionale cooperative di consumo (ANCC)

Federconsumo

LUXEMBOURG

Entente des coopératives luxembourgeoises

GREECE

Union of Consumer Cooperative Societies of Greece 'Katanalotis-Konsum'

NETHERLANDS

COOP Holland

Associated members

BELGIUM

Fédération nationale des coopératives chrétiennes

Fédération belge des coopératives

4. Decision-making procedure

Although generally unanimity prevails in the administrative bodies of Eurocoop, majority decision making is possible and majority decisions have already been passed.

5. Secretariat and staffing

The Secretariat has six members of staff, including the Secretary-General.

6. Budget size and contribution arrangements

Eurocoop has a budget of BFR 10.5 million for 1983, drawn mostly from membership contributions.

II. AIMS AND PRIORITY POLICIES

Aims and objectives

Article 2 of the Eurocoop constitution of May 1975 stipulates the following objectives:

1. to represent officially the national consumer cooperative organizations at the institutions of the European Community and particularly at the Commission thereof and to defend the consumers' interests;
2. to contribute to the establishment of a European Community in accordance with the terms of the Treaty of Rome;
3. to promote and coordinate the common interests of the consumer cooperative organizations within the European Community.

Table 1: Statistical review of consumer cooperatives (31.12.1983)

Country	Societies	Members (in 1 000)	Employees	Shops	Sales space (1000 m ²)	Turnover (nat. curr. Mio)	% in- crease	% market share		Turn- over (ECU Mio)
								food	total	
Belgium	2	413	1 769	540	60	5 679	-			123
Denmark	949	966	20 943 ^{*)}	1 671	720,5 ^{*)}	22 590 ^{*)}	+ 7	27	20 ^{**)}	2 762
Germany	52	900	63 000	3 264	1 973	14 014	+ 2	10	3.2	6 201
France	297	2 000	40 500	6 400	1 044	29 640	+ 6.4	4.2	2.3	4 296
United Kingdom	130	8 700	90 400	6 400	2 619 (80)	4 400	+ 4.1	8.4	5.5	7 706
Italy										
- LEGA	579	1 306	13 302	1 455	373	2 700 021	+24.5	2.7	0.8	1 966
- FEDERCONSUMO	1 400	650	6 000	2 500	150	600 000	+28			437
Luxembourg	10	26	280	10	7	1 420	-		10	31
Netherlands	5	350	2 705	131	45.6	511	-		1.8	201
Greece	6	12	190	16	7.4	1 450	+20			18
Total	3 360	15 323	239 089	22 387	6 999.5					23 741

ECU = FB 46.1 DKR 8.18 DM 2.26 FF 6.9 £ 0.571 LIT 1 373.43 HFL 2.539 DR 81.75 (31.12.83)

*) Includes IRMA

***) Includes fuel sales

Priority policies

Eurocoop campaigns for:

1. better information and education for consumers;
2. the expression of the consumers' rights and the representation of their interests;
3. the protection of consumer health;
4. a realistic protection of the environment and against the waste of raw materials;
5. the strengthening of the cooperative sector in the European economy;
6. a major role for the cooperatives in the developing countries;
7. a clear separation between pricing policy and social policy within the CAP because it cannot fulfil two functions: to maintain a balance between demand and supply, and to guarantee an appropriate income for farmers;
8. the elimination of monetary compensatory amounts;
9. a reduction of the expenses of the EAGGF Guarantee Section in favour of the Guidance Section; retraining and other help to be provided to marginal farms which are to be maintained for social, regional or environmental reasons;
10. extension of important export contracts with countries outside the EC in order to arrive at more stable prices and supply conditions for the EC and the world, without however, affecting competition to the detriment of the consumers;
11. abolition of duty charged by EC member countries on wine as well as many other existing consumer taxes;
12. a gradual harmonization of the value-added tax rates between EC countries;
13. establishment of a European Consumer Institute, to be financed by the EC, but independent from it. This institute would establish a documentation centre, carry out comparative tests and issue its own magazine.

III. ACTIVITIES

1. General activities

The activities of the consumer cooperatives spread over a wide spectrum of interests with economic, social and cultural implications. Overall the consumer cooperatives try to demonstrate that they provide a viable alternative to some of the negative side-effects caused by either private industry or nationalized industry.

2. Economic activities

Through their membership strength, turnover, wide scope of service facilities and employees, consumer cooperatives in the European Community not only significantly affect retail prices but also the economy as a whole.

3. Social activities

By a variety of ways, such as product tests or product surveys, the consumer cooperatives perform an important function of informing and educating their members and the general public about price differentials and health and safety aspects of consumer products. By championing the interests of consumers, the cooperative movement helps to ensure that consumers in the EC have the right to be represented, to be educated and to express their opinion.

4. Cultural activities

By establishing Eurocoop in 1957, the founding year of the European Economic Community and Euratom, the consumer cooperatives demonstrated commitment and identification with the principles of the Treaties of Rome. These principles are as valid today as they were then.

IV. CHANNELS FOR INFLUENCING EUROPEAN INSTITUTIONS

With the exception of the Court of Justice Eurocoop maintains close contacts with all levels of decision-making in the EC involving the Commission, the Council of Ministers, the Economic and Social Committee and the European Parliament.

Most regular contacts exist with the Commission, particularly with the Directorates-General for: Consumer Protection; Agriculture; Internal Market and Industrial Affairs; Employment, Social Affairs and Education; Development; Competition; and Information. From time to time there are information conferences involving senior officials of the Commission and Eurocoop.

Contacts with the European Parliament are increasing steadily. Intensive relations have been established particularly with the Socialist Party Group. Eurocoop also participated in a hearing by a Standing Committee of the European Parliament on the role of cooperatives and was consulted by the drafter of the report (the MEP Mr K.-H. Mihr) on the same subject.

Eurocoop contacts with the Economic and Social Committee are primarily of a formal nature, i.e. representation and participation in the study groups, section meetings and plenary sessions. Affiliates of Eurocoop have two ESC members (as of September 1982). There are also well developed contacts between the Secretariat of Eurocoop and the Secretariat-General of the ESC.

Although there are occasional meetings between leading officials of Eurocoop and national ministers, including the Permanent Representatives to the EC (Coreper), contacts with the Council of Ministers are primarily via its Secretariat-General and especially with the Information Directorate.

Eurocoop is a member of the Consumers' Consultative Committee and takes an active part in its various working groups as well as in the running of this committee by virtue of its occasional chairmanship.

Eurocoop is also a member of the Advisory Committee on Customs Matters, and via the Consumers' Consultative Committee it is represented in

- (a) fourteen committees concerned with the organization of the Community's markets in agricultural and fishery products; and
- (b) the Advisory Committees on Foodstuffs, Feedingstuffs, and Veterinary Matters.

Eurocoop is also a member of the Committee for Trade and Distribution. Opinions, memoranda or press releases of Eurocoop are usually submitted to the Commission and the Economic and Social Committee and sometimes to the Committee of Permanent Representatives, the Secretariat General of the Council of Ministers and the European Parliament.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

1. Transnational interest group relations at Community level

Eurocoop maintains a number of contacts and relations with other organizations at Community level. This involves, firstly, the three organizations which, together with Eurocoop, are represented in the Consumers' Consultative Committee, namely BEUC, Coface and ETUC.

Good contacts also exist with other European cooperative organizations.

2. Promotion of bilateral/multilateral cooperation within the Community

Eurocoop has encouraged and reinforced attempts of its member organizations towards transnational cooperation to secure economies of scale that benefit consumers in the form of quality products at low prices. For example, consumer cooperatives were the pioneers in the establishment of the Eurocoop chocolate factory and biscuit factory.

Eurocoop has played an important role in promoting trade between consumer cooperatives in the European Community, especially on the exchange of know-how, joint buying from countries outside the EC, and reciprocal buying from nationally held 'own' production.

Eurocoop has also supported campaigns for coop product promotion and for a uniform coop symbol. It has been instrumental in the exchange of young workers between cooperatives of different countries.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

Besides its close contacts with Intercoop, Eurocoop has contacts with a subcommittee of the International Cooperative Alliance in Geneva dealing with consumer matters, and the Friedrich-Ebert-Stiftung in Germany and its Brussels office.

VII. INTERNAL COHESION

The development of consumer cooperatives has been different in the countries of the European Community, resulting in variations of economic strength and range of activities. There are also political and ideological differences between consumer cooperatives in Belgium and Italy.

By allowing majority decision-making, Eurocoop does not have to coordinate policies until all members consent — a situation described as the lowest common denominator. It signifies the willingness of its members to subordinate where necessary individual interests to the wider European interests proposed by Eurocoop, thus giving an important element of cohesion to the organization. The fact that all members of Eurocoop come from EC countries helps the organization to concentrate on EC activities and decisions.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

It is difficult to make a precise estimate of Eurocoop's impact on Community activities. Many opinions or demands of Eurocoop on EC activities are expressed via the Consumers' Consultative Committee in which BEUC, Coface and the ETUC are also represented.

Whilst a number of Council directives of interest to consumers have been passed such as that on labelling of foodstuffs, which is based on a Eurocoop study, it was primarily the adoption of the 'Preliminary programme for consumer protection and information policy' in 1975 which was of importance to consumer organizations such as Eurocoop. It was mainly because of this 'Preliminary programme' that a number of directives have either since been passed or are awaiting consideration by the Council of Ministers. Also significant is the fact that a second action programme for the consumers of the European Community was prepared by the Commission in 1979.

The Commission has helped to secure and promote consumer interests by

- (a) its work on competition policy;
- (b) the formation of special divisions and publication of consumer-oriented texts;
- (c) the holding of seminars and surveys on consumer education and the establishment of a number of advisory committees.

The establishment of the Consumers' Consultative Committee has been of particular importance to consumer organizations such as Eurocoop. Both the Economic and Social Committee and the European Parliament have for some time called for more action and legislation in the field of consumer matters at Community level.

IX. PUBLICATIONS

Eurocoop does not publish a regular newsletter, but issues a number of information bulletins throughout the year containing statistical material relating to the member organizations and its own activities.

X. SOURCES

Publications of Eurocoop

Information über Eurocoop (no date).

Press conference: 'The European Policy of consumers', 19 October 1982.

Press release: 'Eurocoop Improves Consumer Policy', 7 May 1981.

'Eurocoop Working Programme', 1982.

Constitution, 12 May 1975.

Others

Report drawn up on behalf of the Committee on Economic and Monetary Affairs of the EP on the cooperative movement in the European Community (Rapporteur: Mr K.H. Mihr), European Parliament Working Documents 1982-83, Document 1-849/82, 15 November 1982.

EMIL J. KIRCHNER and KONRAD SCHWAIGER, *The Role of Interest Groups in the European Community*, 1981.

MICHAEL SHANKS, *The Consumer in Europe*, European Cooperative Fund, Brussels 1979.

XI. INTERVIEW

In May 1982 Mr Albrecht Schöne, Secretary General of Eurocoop, was interviewed by Konrad Schwaiger and Emil J. Kirchner; on 3 August 1984 Mr Schöne was interviewed by Konrad Schwaiger and Maxime Lauwens, ESC General Secretariat, Studies and Research Division.

G. Pharmacies

The European Union of the Social, Mutual and Cooperative Pharmacies (EUSMCP)

<i>President:</i>	BECQUEVORT
<i>Secretary:</i>	L. VERBEECK
<i>Address:</i>	Chaussée de Mons 602 B-1070 Brussels
<i>Tel.:</i>	(02) 522 56 90

Basic data

Number of cooperative societies:	2 444
Number of individual members:	25 770 000
Number of employees:	(not available)
Turnover:	(not available)

I. ORGANIZATION

1. Date of formation

1960.

2. Size and structure

The European Union of the Social, Mutual and Cooperative Pharmacies (EUSMCP) has six member organizations: five from EC countries (Belgium, France, the United Kingdom, Italy and the Netherlands) and one from Switzerland (see below).

For a comparative review of the position of social pharmacies and private pharmacies in the member countries of the EUSMCP see Table I.

The EUSMCP's main function is to defend the basic interests of social pharmacies at EC level.

3. Administrative bodies

The Steering Committee is the highest decision-making body of the EUSMCP and consists of 12 members including a president, two vice-presidents and a secretary.

Member organizations of EUSMCP

BELGIUM

Office des pharmacies coopératives de Belgique (OPHACO)

FRANCE

Union nationale des organisations mutualistes pharmaceutiques

UNITED KINGDOM

The Cooperative Wholesale Society Ltd

Section for Cooperative Pharmacies

ITALY

Federazione italiana aziende municipalizzate centrale del latte, annonarie e farmaceutiche

Associazione nazionale cooperative italiane farmaceutiche

Table 1: Comparison of the position of social pharmacies and private pharmacies in the member countries of the European Union of Social, Mutual and Cooperative Pharmacies

MEMBER COUNTRIES of the EUSMCP (1)	Population	No. of citizens belonging to organizations affiliated to the EUSMCP	NO. OF DISPENSARIES OPEN TO THE PUBLIC				% of Social Pharmacies in the National Pharmaceutical Market	STATUTORY REGULATION OF GEOGRAPHICAL DISTRIBUTION OF PHARMACIES
			S E C T O R S			TOTAL		
			Private	Co-operative	Mutual			
BELGIUM	9,813,000	1,950,000	4,598	514	-	5,112	+ 22.0 %	YES
FRANCE	53,540,000	2,835,000	18,500	-	75	18,575	+ 2.5 %	YES
UNITED KINGDOM	55,962,000	10,655,000	10,403	450	-	10,853	+ 3.2 %	NO
ITALY	56,000,000	+ 10,000,000	13,700	1 340	12	15,040	+ 3.0 %	YES
NETHERLANDS	13,500,000	+ 150,000	873	-	8	887	+ 2.0 %	NO
SWITZERLAND	6,270,000	180,000	1,110	40	-	1,555	+ 10.0 %	NO
TOTAL	195,085,000	25,770,000	49,184	2 349	95	51,628		

Source: EUSMCP, 1984

NETHERLANDS

Algemeen Ziekenfonds de Volharding (AZIVO)
Ziekenzorg (Utrecht)

SWITZERLAND

Fédération suisse des pharmacies coopératives (FPC)

4. Decision-making procedure

Decisions are taken by simple majority vote.

5. Secretariat and staffing

The administration and organization of the EUSMCP is supervised by the President and Secretary. Secretarial duties are carried out by OPHACO.

6. Budget size and contribution arrangements

The EUSMCP has a budget of approximately BFR 200 000 drawn mostly from membership contributions. The cost of meetings as well as the participation of technical advisors is paid for or provided by the member organizations.

II. AIMS AND PRIORITY POLICIES

Aims and objectives

The EUSMCP lists the following aims:

1. to promote the development of cooperative and social pharmacies in the countries where they exist;
2. to promote the creation of such pharmacies and their related activities in countries where they do not exist;
3. to defend, within the framework of the EC, the prerogatives of its affiliated organizations against corporatism, as regards pharmacies: dispensing — distribution — production and as regards prostheses: optics — audiometry — surgical dressings;
4. to establish links with cooperative, mutual and other organizations involved in sickness and disablement insurance and in the public health sector of Community countries with a view to obtaining their support for the realization of EUSMCP's objectives;
5. to establish a reciprocal exchange of information between the members of the EUSMCP on all subjects concerning the survival of social pharmacies: legislation and EC studies.

Priority policies

The EUSMCP urges:

1. that contacts be made with the Public Health Ministers of the EC countries in order 1) to persuade them to reject the notion (often put forward by the private sector) that dispensaries must belong to the pharmacist and 2) to achieve recognition of the economic advantages of social pharmacies;
2. that the application of the Treaty of Rome, especially Article 57 of the EEC Treaty, may not be used as a pretext to prevent the enlargement of the network of social, mutual and cooperative pharmacies;
3. that a certain form of planning for the establishment of new pharmacies may sometimes be desirable provided that this planning is based on the need to ensure the chances of a fair degree of expansion in both spheres of pharmaceutical activity, that is to say, both pharmacies dispensing medicine under the national health system and those dispensing for private purposes;
4. the governments of the various Member States to remove without delay any obstacles placed in the way of the opening or expansion of social pharmacies;

5. the establishment of equal and real opportunities of expansion for social pharmacies irrespective of their legal form.

III. ACTIVITIES

1. General activities

Since they were first created in 1881, social, mutual and cooperative pharmacies have provided great service to their members and to the population in general from a public health and socio-economic point of view by dispensing quality medicines at rates favourable to the consumer.

2. Economic activities

Social pharmacies represent approximately 7% of the total of the combined pharmaceutical markets of Belgium, France, Italy, the Netherlands, the United Kingdom and Switzerland and thus make a not insignificant contribution to the economies of these countries.

3. Social activities

Since social pharmacies return profits from the sale of their products to their customers, they provide financial benefits to the population. In addition, they help to overcome inadequacies in the existing social security schemes, especially as far as the reimbursement of costs of medicine incurred by the insured person is concerned. Finally, with regard to newly qualified pharmacists who for financial reasons are unable to establish their own pharmacy, social pharmacies provide an alternative by enabling such a person to find a stable, well paid job as a manager of a new social pharmacy.

4. Cultural activities

EUSMCP feels that it plays an important role with regard to the aims of the Treaty of Rome, by helping to promote social progress from a material and cultural point of view.

The contribution of the affiliated organizations consists of:

- dispensing pharmaceutical products at a cost favourable to the consumer;
- maintaining and improving public health services on a regional level and in rural areas;
- enabling consumers to exercise their basic right of free choice between suppliers;
- providing young pharmacists with career prospects.

EUSMCP organizes publicity campaigns to make people aware of the right way to use medicines, how to avoid misuse and the harmful effects of an excessive consumption of tobacco, alcohol, etc. It also organizes campaigns to combat drug addiction.

The EUSMCP regards health education as a major public health requirement.

IV. CHANNELS FOR INFLUENCING EUROPEAN INSTITUTIONS

The main channel of influence used by the EUSMCP is the Commission. One of the main targets within the Commission is the Directorate-General III (Internal Market) which, among other things, deals with the freedom of establishment of professions such as pharmacists.

EUSMCP also maintains contacts with the Political Groups of the European Parliament in particular with the Socialist and Christian Democrat Groups and, where appropriate, with those rapporteurs dealing with matters relevant to EUSMCP — generally speaking these contacts have increased considerably since the EP has been concerning itself with the role of the cooperative movement in the EC.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

1. Transnational interest groups relations at Community level

EUSMCP maintains close working relations with the other European cooperative organizations.

EUSMCP supports plans for the establishment of a joint European Committee of cooperative organizations.

2. Promotion of unilateral/multilateral cooperation with the Community

EUSMCP encourages the efforts of its affiliated organizations to coordinate certain specific pharmaceutical activities.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The EUSMCP has contacts with the International Cooperative Alliance in London via OPHACO (Board of Cooperative Pharmacies in Belgium) which is represented on the Central Committee of the ICA.

VII. INTERNAL COHESION

There are no apparent fundamental differences among member organizations of EUSMCP. Members are ready to subordinate, where necessary, to the wider European interests proposed by EUSMCP, this giving an important element of cohesion to the organization.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

The impact of the EUSMCP on legislative and executive action of the EC is difficult to ascertain. Community legislation (especially regulations or directives) in the pharmaceutical sector is only slowly forthcoming. Nevertheless, certain EUSMCP views have been considered, especially as regards geographical distribution and ownership of pharmacies.

IX. PUBLICATIONS

The EUSMCP issues publications only occasionally.

X. SOURCES

Publications of the EUSMCP

Bref historique de la constitution et du rôle de l'union européenne de pharmacies sociales, mutualistes et coopératives, April 1980.

Composition de l'union européenne des pharmacies sociales, mutualistes et coopératives, 4 March 1982.

Other leaflets + pamphlets of the EUSMCP (12 September 1978).

Others

Report drawn up on behalf of the Committee on Economic and Monetary Affairs of the EP on the cooperative movement in the European Community. (Rapporteur: Mr K.-H. Mihr), European Parliament Working Documents 1982-83, document 1-849/82, 15 November 1982.

XI. INTERVIEW

On 28 May 1982 Mr L. Verbeeck, Secretary of the European Union of the Social, Mutual and Cooperative Pharmacies, was interviewed by K. Schwaiger and E. Kirchner. On 24 August 1984 Mr Marcel Becquevort, EUSMCP President, and Mr L. Verbeeck, were interviewed by Maxime Lauwens, ESC General Secretariat, Studies and Research Division.

H. Tourism

European Committee for Cooperative Tourism (Cooperatives, mutual societies, trade unions and non-profit associations)¹ (Cecotos)

<i>President:</i>	JEAN-PAUL CHAMPEAUX
<i>Secretaries:</i>	JACQUES DEBRY MICHEL THIERCELIN
<i>Permanent representative in Brussels:</i>	IDA OSSI
<i>Address</i>	c/o LEGA 8 rue Joseph Stevens 1000 Brussels
<i>Tel.:</i>	(02) 513 66 13

Basic data

As Cecotos is a new organization, it does not yet have any information regarding the number of sites (holiday centres, youth hostels, sports complexes, camping and caravan sites, holiday cottages), the number of members and the number of employees. The total turnover of the whole cooperative tourism sector is estimated to be in the region of ECU 3 000 Mio.

I. ORGANIZATION

1. Date of formation

The European Committee for Cooperative Tourism (cooperatives, mutual societies, trade unions and non-profit organizations) (Cecotos) is a European association formed on 8 March 1984 by the initiative of the International Bureau for Cooperative Tourism (BITS) and the International Union for Cooperative and Non-Profit Tourism (UITCA). The latter body is a member of ICA.

2. Size and structure

Cecotos members are those European organizations which are themselves members of BITS or UITCA and which have a trading activity. At 1 November 1984 there were some 30 member organizations.

3. Administrative bodies

The Committee meets at least twice per year. It draws up the programme of Cecotos activities and elects the members of the Bureau. The Bureau comprises the President, the Vice Presidents and the Secretaries. It meets at least once every four months.

4. Decision-making procedure

In principle, decisions are approved by a majority. In practice, they are generally unanimous.

5. Secretariat and staffing

Cecotos has no paid staff. Administrative work is carried out by member organizations.

6. Budget size and contribution arrangements

In 1984 the annual membership fee was BFR 1 500. Additional funds are made available to cover particular activities. Cecotos members share the organizational costs of meetings in Brussels.

¹ The term 'cooperative tourism' has been used in this text to translate the French 'tourisme social'.

II. AIMS AND PRIORITY POLICIES

The aims of Cecotos are:

to represent all interests of tourist bodies associated with cooperative, mutual, trade union and non-profit organizations *vis-à-vis* European Community institutions;

to pass information to members regarding EC initiatives in the tourism sector;

to help develop a Community policy on tourism, especially cooperative tourism;

to improve liaison with the order bodies representing cooperatives, mutual benefit societies, trade unions and non-profit organizations at European level;

to further the exchange of information, persons and services between member organizations and to promote all such joint actions as may be required.

Cecotos policy is to develop tourism so as to take account of the problems of less privileged groups in society, such as youth, the elderly and the handicapped.

III. ACTIVITIES

Since formation, Cecotos has made a number of proposals concerning cooperative tourism which have been passed to the appropriate EC bodies. These proposals concern the development of tourism between Member States, the development of European cooperative tourism, improvement of living conditions, the spread of holiday periods, regional development and the maintenance of the social and cultural heritage.

IV. CHANNELS FOR INFLUENCING EUROPEAN INSTITUTIONS

The Community has only recently added tourism to its objectives, and only now is a proper structure being developed in the EC institutions. Cecotos activity in the European Parliament, the Economic and Social Committee and the Commission has, however, ensured that cooperative tourism is among the priority objectives of a European tourism policy.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

Cecotos is anxious to develop regular contacts with the other sectoral cooperative organizations at European level, in order to promote joint projects between them for providing facilities for tourism at European level. With this in mind, it has applied for membership of the European Cooperatives Coordination Committee.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

Cecotos has close links with BITS and UITCA; the latter is a member of ICA.

VII. INTERNAL COHESION

The members are unanimous in their action for promotion and development of Community cooperative tourism.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

Cecotos has successfully lobbied for the formation of a Tourism Division at the Commission, which should be operational sometime in 1985. It hopes to develop close links with this Division, as well as with all other Community bodies concerned with cooperative tourism.

IX. PUBLICATIONS

None.

X. SOURCES

Information supplied by Mr Jean-Paul Champeaux, President of Cecotos, and by Mrs Ida Ossi, Cecotos representative in Brussels.

XI. INTERVIEW

Mrs Ida Ossi, Cecotos representative in Brussels, was interviewed by Konrad Schwaiger and Maxime Lauwens, ESC General Secretariat, Studies and Research Division, on 21 November 1984.

III. European Inter-Cooperative Organizations

A. European Cooperatives Coordination Committee (ECCC)

Spokesman: J.P. LARDINOIS (NL)
Coordinator: H. KELLNER (D)
Address: c/o Cogeca
23-25, rue de la Science
B-1040 Brussels
Tel.: (02) 230 39 45
Telex: 25 816

I. ORGANIZATION

1. Date of formation

November 1982.

2. Size and structure

The European Cooperatives Coordination Committee (ECCC) was founded by:

the General Committee of Agricultural Cooperation in the European Economic Community (Cogeca);

the Association of Cooperative Banks of the EC (ACBEC);

the Association of Retailer-Owned Wholesalers in Foodstuffs (UGAL).

In 1983 and 1984, these members were joined by Eurocoop and Cecop.

II. AIMS AND PRIORITY POLICIES

The discussion in the European Parliament concerning the role of cooperatives in the society was a main factor in the creation of ECCC. The three original member organizations had a common wish to cooperate in future in the framework of an EC representative body for cooperatives. A representative group of cooperative associations could, it was felt, provide assistance in the development of Community policies relating to cooperatives.

Membership is open to any European grouping representing a cooperative interest.

One main objective is to reinforce collaboration between all organizations, but especially members, to yield maximum benefit to the common interests of cooperatives at the EC level, while paying attention to the specific objectives and functions of the member organizations.

III. ACTIVITIES

Since its formation in 1982 ECCC has been recognized by Community institutions as the joint spokesman for the European cooperative organizations. It was particularly active at the time of the drawing of the Mihr report in 1982.

During discussions on this report in the EP and the vote on the resolution which followed, ECCC, working with the EP Press and Information service, organized a meeting of all the European cooperative associations, a number of meetings between MEPs and leading figures in cooperative organizations, a two-day seminar for the cooperative press, and a press conference followed by a reception.

In 1983, as part of the year of small and medium sized business, the ECCC stressed the role and importance of cooperative enterprises in this field.

In 1984 Commissioner Pisani, the then Commissioner responsible for development policy, accepted the ECCC offer to make some contribution to the formulation and execution of the Community's development policy. In 1984 there were also meetings between ECCC and economic and social groupings in the Community and the ACP countries.

SOURCES

Cogeca/GCEC/UGAL: 'Protocol of Agreement on the Collaboration of Cooperative Associations Represented at Community Level', November 1982.

ECCC: Press release, Brussels, 5 November 1982.

ECCC: Position of the Coordinating Committee on the Motion for a Resolution and the Content of the Report on the Cooperative Movement in the EC (Mihl Report, Doc. 1-849/82), Brussels, 12 April 1983.

ECCC: 'Facts and Figures on the Importance of the EC Cooperative Associations that belong to the Coordinating Committee', Brussels, April 1983.

ECCC: Press release, Strasbourg, 12 April 1983.

ECCC: 'Cooperatives as self-help organizations for improving socioeconomic conditions — an element in Community development policy?'

ECCC: 'Summary of the discussion between EC cooperative organizations and Commissioner Pisani', 29 May 1984, Brussels.

ECCC: 'European Cooperatives Coordination Committee', brochure, May 1984.

B. European Cooperatives Intersectoral Liaison Committee (Clice)

<i>President:</i>	FRANCO FOSCHI
<i>General-Secretary:</i>	ROGER RAMAEKERS
<i>Address:</i>	28, rue Haute B-1000 Brussels
<i>Tel.:</i>	(02) 513 28 60

I. ORGANIZATION

1. Date of formation

18 June 1982.

2. Size and structure

Clice consists of two European cooperative organizations, namely:

the Association of European Cooperative Insurers (AECI) and the European Union of the Social, Mutual and Cooperative Pharmacies (EUSMCP), and of several national cooperative organizations, such as:

Fédération belge des coopératives — Febecoop;

Lega nazionale delle cooperative e mutue — LEGA (National League of Cooperatives and mutual benefit societies);

Confederazione cooperative italiane — (Confcooperative) (Confederation of Italian Cooperatives);

Associazione generale cooperative italiane — AGCI (Central Association of Italian Cooperatives).

3. Administrative bodies

A provisional 'Bureau' has been established.

II. AIMS AND PRIORITY POLICIES

Clice seeks to act as:

- (a) an organization open to European cooperative organizations, from all sectors, where experience gained by liaison between the European cooperative movement and the larger, international movement, the International Cooperative Alliance, can be shared;
- (b) a focal point for gathering information on legislative problems, statutory requirements, and credit facilities (including making fuller use of existing financial bodies) and on setting up a financial body for cooperative development, not only to provide assistance, but also to provide support in cooperative economic policy, as well as employment, social and international development policy;
- (c) a centre for the European cooperative movement to promote debate and research, with a view to achieving a meaningful dialogue with trade unions, employers and European political parties, with associations, voluntary services, and with the representatives in Europe of people and countries outside the Community.

III. ACTIVITIES

Following the support manifested by several members for the European Cooperatives Coordination Committee, Clice's activities have been temporarily suspended. A new look at its structure and activities will be taken in 1985, taking account of two factors:

the growth of a 'social economy' sector in Europe;

the possible formation of a European regional office of the International Cooperative Alliance.

IV. SOURCES

CLICE: Letter (by Roger Ramaekers) 27 July 1982.

CLICE: 'Projet de programme d'activité', 10 November 1982.

CLICE: 'Réflexion pour une politique européenne de la coopération', 10 November 1982.

V. INTERVIEW

Mr Roger Ramaekers, Secretary-General of Clice, was interviewed on 10 August 1984 by Maxime Lauwens, ESC General Secretariat, Studies and Research Division.

ANNEX

International Centre of Research and Information on Public and Cooperative Economy (Ciriec)

President: ANTON RAUTER
Director: GUY QUADEN
Address: Bâtiment B 31
University of Liège at
Sart-Tilman
B-4000 Liège
Tel.: 041/56 27 46

I. ORGANIZATION

1. Date of formation

Ciriec was founded in Geneva in 1947; since 1957 its international headquarters have been in Liège.

2. Size and structure

Both individuals and institutions qualify as members of Ciriec. Any agency, enterprise or organization forming part of the public or cooperative sectors of the economy, and any institutions with an interest of a scientific or cultural nature in these problems may be a 'collective' member.

Ciriec endeavours to establish, in individual countries, national sections. The national sections of Ciriec are listed on the following page.

3. Administrative bodies

The General Assembly is the highest decision-making body of Ciriec.

The Council takes important decisions for Ciriec between meetings of General Assembly.

The Secretariat deals with the day-to-day business of the organization. It produces the publication of the 'Annals', an internal bulletin and research papers, represents Ciriec at various international congresses, such as those of the International Cooperative Alliance, and prepares international Congresses of public and cooperative economy.

The national sections of Ciriec

ARGENTINA

Instituto Argentino de Investigaciones e informacion sobre Economia Cooperativa y Publica
c/o AACMS
Av. de Mayo
1370 Buenos Aires

AUSTRIA

Arbeitsgemeinschaft der Österreichischen Gemeinwirtschaft
Stadionsgasse 6-8
1010 — Austria

BELGIUM

Section belge du Ciriec,
Université de Liège au Sart-Tilman, Bât. B 31
4000 Liège

CANADA

Centre québécois interuniversitaire de recherche et d'information sur l'économie coopérative
5780 avenue Decelles
Montreal, Quebec H35 2 C7

FRANCE

Section française du Ciriec
c/o FNCC
quai Alphonse Le Gallo 27/33
92517 Boulogne-Billancourt Cedex

FEDERAL REPUBLIC OF GERMANY

Gesellschaft für öffentliche Wirtschaft und Gemeinwirtschaft e.V.
Gotzkowskystrasse 8
1000 Berlin 21

GREECE

Centre hellénique du Ciriec
rue El Vénizelou 56
Athens 142

INDIA

Groupe indien du Ciriec
A-3 Pandara Road
New Delhi 11003

ISRAEL

Israeli Section of Ciriec
Arlosoroff Street 93
PO Box 303
Tel Aviv

ITALY

Centro italiano di ricerche e d'informazione sull'economia delle Imprese pubbliche e di pubblico interesse
Via Fratelli Gabba 6
20121 Milano

PORTUGAL

Centro de Estudos de Economia Publica e Social
c/o IPE
avenida Julio Dinis LL 11
1000 Lisboa

SWITZERLAND

Association suisse du Ciriec
Case postale 524
4002 Bâle

TURKEY

Iktisadi ve Ticari Llimler Akademisi Ogretim Uyesi
Ekin Sk. 37, BD 6, Yesilyurt
Istanbul

4. Decision-making procedure

Decisions are normally taken by unanimity but can also be adopted by majority vote.

5. Secretariat and staffing

Staff: 1 Administrative secretary (graduate), 2 secretary-editors (A2), 4 graduate researchers (variable number depending on research contracts in progress).

6. Budget size and contribution arrangements

Budget: BFR 8-10 000 000.

The budget is made up of member contributions, revenue from research contracts, subscriptions, sales of publications and government subsidies.

II. AIMS AND PRIORITY POLICIES

Aims and objectives

The objectives of Ciriec are as follows: ¹ to undertake on its own account or to promote, the collection of information, research of a scientific character and publications, on sectors of the economy involved in business activity serving the general interest, i.e. economic action by public authorities; national and regional planning; public enterprise; activities of municipal authorities; cooperation and self management; and the role of trade unions in the economic field.

III. ACTIVITIES

Ciriec is an international non-governmental organization pursuing objectives of a scientific character. It seeks to become a centre of information exchange, giving those involved in the public and cooperative economy the opportunity to learn from each other's experience.

It is the belief of Ciriec that 'public and cooperative enterprises are better able than any other types of enterprises to secure the participation of the different groups concerned — citizens and their representatives, workers and users — in the control of the management of enterprises and in the determination of the quality and quantity of the goods and services to be provided by the enterprises concerned'. ²

IV. CHANNELS FOR INFLUENCING EUROPEAN INSTITUTIONS

Ciriec maintains contacts with the Commission, the European Parliament, and the Economic and Social Committee of the European Community. Contacts are increasing in particular with the European Parliament as a consequence of the latter's endeavour to examine and promote the role of the cooperative movement in the European Community.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

1. Transnational interest group relations at Community level

Ciriec has very close relations with the seven sectorial cooperative organizations at European level.

2. Promotion of bilateral/multilateral cooperation within the Community

International congresses of public and cooperative economy are held, as a general rule, every two years. They are organized by Ciriec with the assistance of its national sections and are designed to encourage awareness and appreciation of the two sectors.

In addition, Ciriec, through its publications and information, makes a constructive contribution to the promotion of bilateral/multilateral cooperation among its member organizations. Mention should also be made in this context of the international symposium organized by Ciriec on 'Steel and the State in Europe', held in Liège on 18-20 September 1980.

¹ Taken from *the News of Ciriec*, special issue, May 1981.

² See *the News of Ciriec*, special issue, May 1981.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

Ciriec has close links with the International Cooperative Alliance; it appears on the ILO special list of non-government organizations.

VII. INTERNAL COHESION

Membership of Ciriec does not imply acceptance of any political, economic or social ideology. It only implies adherence to the constitution of the organization.

Through its various publications such as the 'Annals' and the 'News of the Ciriec', and the holding of international congresses of public and cooperative economy (usually every two years) a close link is maintained and promoted between Ciriec and its member organizations and national sections.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

No relevant information yet.

IX. PUBLICATIONS

Ciriec publishes quarterly the 'Annals' in three separate editions. The articles published relate to the different fields of concern to Ciriec; in addition, each issue contains a specialized bibliography of books and of articles published in current periodicals. The readership of the 'Annals' is spread over more than 60 countries.

In addition an internal bulletin entitled 'News of the Ciriec' is published from time to time for members.

X. SOURCES

Ciriec publications

News of the Ciriec, special issue, May 1981. 'L'Économie sociale', a paper given by Prof. Quaden, 18 January 1982.

Others

Report drawn up on behalf of the Committee on Economic and Monetary Affairs on the Cooperative Movement in the European Community. (Rapporteur: Mr K.-H. Mihr), European Parliament Working Documents 1982-83, Document 1-849/82, 15 November 1982.

PART III

NATIONAL ORGANIZATIONS OF THE COOPERATIVE, MUTUAL AND NON-PROFIT SECTOR IN THE EUROPEAN COMMUNITY MEMBER STATES

Belgium

CHAPTER I: Introduction and overview

A. OVERVIEW OF ORGANIZATIONS AND ENTERPRISES IN THE COOPERATIVE, MUTUAL AND NON-PROFIT SECTOR

1. Historical background

(a) Origins

The first Belgian cooperatives and mutual benefit societies were set up at the end of the nineteenth century, some were allied to the socialist movement, some were allied to the Christian movement and some were non-aligned.

The constitution of cooperative societies was recognized by law in 1873 and numerous non-aligned cooperatives were set up following this. The first socialist cooperatives, linked to the Belgian Workers' Party were set up in the 1880s. Christian cooperatives were set up in the 1890s.

The three movements developed side by side more or less continuously until the 1960s.

From the 1970s onwards, serious difficulties arose in the distribution and consumer cooperative sectors. Although the Christian movement partially succeeded in restructuring its distribution sector, non-aligned and socialist cooperatives disappeared one after the other. The economic importance of the non-aligned cooperative movement, which consisted mainly of consumer cooperatives, became insignificant.

On the fringe of the traditional movements, a growing number of new-style cooperatives have emerged in recent years. These 'new cooperatives' are either firms which have got into difficulties and have been turned into cooperatives by their workers, or small self-managing firms which have been created out of nothing in a variety of sectors, e.g. building distribution, services, ecology, etc.

Up to now the economic impact of these 'new cooperatives' has been negligible, mainly because they are isolated cases and their life-span is usually limited.

(b) The legal context

COOPERATIVES

Cooperatives are regulated by the 1873 Act setting up cooperatives and consolidated laws dating from 1935 on commercial companies. This very broad legislation applies equally to the different types of cooperative, i.e. manufacturing, consumer, services, agricultural.

Article 141 of the consolidated laws on commercial companies defines a cooperative society as being one which:

comprises any number of members who contribute different amounts. These contributions may be in cash or in kind;

shares cannot be ceded to third parties;

no other title, in whatsoever form, may be created in addition to these shares.

It is worth pointing out that most of the provisions which apply to cooperative societies were drawn up for companies limited by shares, whereas by definition cooperatives are more concerned with people. The rules, which are not strictly regulated, are the instrument which gives each cooperative its specific nature.

Cooperatives which want to join the National Cooperatives Council and benefit from certain concessions, particularly as regards taxation, must be approved by the Ministry of Economic Affairs. Approval is subject to the inclusion in the rules of a number of fixed conditions laid down by the Royal Decree of 8 January 1962, namely, voluntary membership, equality or limitation of voting rights, appointment of members of the board of directors and the college of commissioners by the general assembly, moderate rate of interest limited to the 'shares', discount for members.

In 1984, approval has been granted to some 353 cooperatives and cooperative groupings. This figure does not include societies which are dependent on particular affiliated societies. CERA (Central Raiffeisen Fund) for example is counted as a single unit although it actually embraces 395 cooperatives.

The inadequacy of the laws on cooperatives means that some cooperatives prefer to be governed by other rules, including those on public limited liability companies, private limited liability companies, professional associations, non-profit-making bodies etc.

MUTUAL SECTOR

The mutual sector in Belgium takes many forms.

First of all there are the *mutual societies*. Since 1945 they have played an important role in one of the branches of social security set up after the Second World War, namely sickness/disability insurance. They provide links between INAMI (National Institute for Sickness/Disability Insurance) and insured persons. Their main task is to collect contributions and to pay out benefits provided for by the Belgian social security scheme. They are recognized by the public authorities under the Law of 23 June 1894 and are grouped into national mutual associations. Their governing rules provide virtually no leeway for autonomy, either in their internal organization or in the collection of contributions or payment of benefits. Their operating methods have little in common with insurance in general. However, they are considered to be part of the sector by virtue of their activities in supplementary insurance and in the formation and management of various health and social organizations (health institutions, family associations, medical-social services, cooperative pharmacies, etc.).

Further, confusion usually results from the use of the term 'mutual' to cover not only mutual societies but also mutual insurance organizations and joint funds for insurance against industrial accidents. These latter bodies are completely independent and work along the lines of insurance companies.

Mutual insurance organizations are founded on the desire to pool risks and jointly shoulder the costs of individual claims. Members are in the dual role of insured party and insurer and the associations are non-profit making, they neither own nor remunerate capital and any surpluses are re-distributed to members after claims have been settled and reserves topped up. They were recognized by the Law of 11 June 1874.

Joint funds are mutual insurance associations, set up by heads of firms to insure against industrial accidents to the workforce. They meet the conditions of the Law of 10 April 1971 on industrial accidents.

NON-PROFIT ORGANIZATIONS

'Associations sans but lucratif' are non-profit organizations as defined by the Law of 1921.

2. Size of the cooperative, mutual and non-profit sector in the Belgian economy

COOPERATIVE SECTOR

The only general information available comes from a survey on associations and accredited groupings and their subsidiaries and branches undertaken by the National Cooperative Council.

The survey gave the following figures for 1980: 323 cooperatives and 15 accredited groupings totalling 5 514 branches, reception points or sales points, representing 1 135 000 cooperative workers, employing 18 800 persons, i.e. 0.5% of the workforce with a total turnover representing about 2% of GNP.

The following statistics compiled by the National Cooperatives Council illustrate how the major areas of the cooperative movement have developed between 1976 and 1980.

CONSUMER ORGANIZATIONS (123 affiliated associations) ¹

	1976	1980
Turnover (in BFR 1,000)		
- Distribution	10,147,347	12,435,118
Index (1976 = 100)	100.0	122.5
- of which : chemists	5,487,452	7,479,335
Index (1976 = 100)	100.0	136.3
- Manufacturing	603,426	465,834
Index (1976 = 100)	100.0	77.2
Number of members	957,953	1,044,787
Staff employed	5,452	4,848
Outlets (units)		
- Traditional shops	572	433
- Self-service	129	130
- Chemists	485	528
TOTAL	1,186	1,091

* 85 replies received

MANUFACTURING AND DISTRIBUTION (29 affiliated associations) ¹

	1976	1980
Turnover (BFR 1,000)		
- Manufacturing	307,699	457,100
Index (1976 = 100)	100.0	148.6
- Distribution	8,365,851	11,296,864
Index (1976 = 100)	100.0	135.0
Number of members	4,364	4,872
Staff employed	1,606	1,609
Outlets		
- traditional	293	271
- self-service	161	204
TOTAL	454	475

* 19 replies received

AGRICULTURE (127 affiliated associations)¹

	1976	1980
Turnover (BFR 1,000) General Index (1976 = 100)	37,416,535 100.0	47,989,952 128.3
Turnover (BFR 1,000) retail		
- Dairies Index (1976 = 100)	21,906,963 100.0	28,011,210 127.9
- Auctions (Fruit, vegetables, flowers) Index (1976 = 100)	8,262,626 100.0	10,043,238 121.6
- Marketing and supplies Index (1976 = 100)	7,103,374 100.0	9,809,321 138.1
- Services Index (1976 = 100)	29,887 100.0	33,502 112.1
Number of members	-	78,930
Staff employed (permanents and seasonal)	4,619	4,298

* 102 replies received

SERVICES

I. Insurance (5 affiliated associations)

	1976	1980
(In BFR 1,000)		
Premiums collected TOTAL :	4,137,072	6,055,332
Index (1976 = 100)	100.0	146.4
Life	1,571,249	2,098,006
Fire and other risks	944,085	1,549,832
Accidents	1,621,738	2,407,494
Staff employed (on/off premises)	3,825	3,766
Total investments (BFR 1,000)	19,155,500	26,412,400
Payments for claims		
TOTAL :	1,809,322	2,927,364
Life	684,390	1,090,818
Fire and other risks	398,696	669,171
Accidents	726,236	1,167,375

II. Social savings banks (7 affiliated associations)

	1976	1980
Number of credit accounts	2,098,862	2,615,476
Number of debit accounts	202,533	269,110
Credits (in BFR 1,000)		
Public authorities	69,565,000	98,695,000
Private sector	85,052,000	162,792,000
of which : mortgage	57,339,970	115,710,737
Deposits (BFR 1,000)	172,942,000	281,984,000
Staff employed	2,803	4,218
Reception points	3,846	3,795

III. Various services (31 affiliated associations)¹

	1976	1980
Turnover (BFR 1,000)	706,698	978,802
Index (1976 = 100)	100.0	138.5
Number of members	5,770	7,348
Staff employed	144	142
Number of outlets	28	31

*18 replies received

MUTUAL SECTOR

In 1983 INAMI paid out a total of BFR 200 000 million to the national mutual associations. This included State grants and social security contributions paid by employers, employed persons and self-employed persons.

The total premiums collected by the national mutual associations in the field of non-compulsory supplementary insurance — the only non-profit activity justifying their link to Belgium's 'social economy' — was some BFR 3 000 million in 1979.

Mutual insurance organizations and joint funds for insurance against industrial accidents account respectively for some 4-10% of the market in general insurance and 40% of the market in insurance against industrial accidents.

NON-PROFIT SECTOR

Amongst the approximately 40 000 non-profit associations listed in Belgium, many are not involved in business activity, while others are disguised commercial companies.

There is no information on the number and type of association which can be classified as being in the cooperative, mutual and non-profit sector, or on the extent of their activities.

3. Organization of the cooperative, mutual and non-profit sector in the Belgian economy

(a) Sectoral and intersectoral organizations

COOPERATIVES

Most cooperatives in Belgium are grouped according to political or philosophical inclinations.

The socialist cooperative organization is Febecoop — Belgian Federation of Socialist Cooperatives.

The Christian movement has three main groupings:

FNCC — National Federation of Christian Cooperatives;

BB — Belgian Farmers' Union;

AAB — Belgian Agricultural Alliance.

The two main non-aligned organizations are:

FN-UPA — National Federation of Professional Agricultural Unions;

Ophaco — Association of Belgian Cooperative Pharmacies.

There are various smaller organizations which are not dealt with separately in this study, e.g.

Belgian Federal Association, which groups non-aligned distribution cooperatives, but whose economic impact is negligible;

Federa, which groups wholesale pharmaceutical purchasing associations and whose members are pharmacists.

Other recent attempts to create back-up structures for the 'new cooperatives' should also be mentioned:

André Oleffe Foundation, (Christian);

Alternative Walloon Solidarity, which tries to assist various alternative companies;

New cooperatives, which promotes the cooperative network, backs up projects and runs training and information programmes;

'Self-help Network of Flanders', which is trying to create a united front of alternative and progressive movements in Flanders.

NATIONAL MUTUAL ASSOCIATIONS

Five national mutual associations are recognized by the public authorities:

National Alliance of Christian Mutual Associations;

National Union of Socialist Mutual Associations;

National Union of Non-Aligned Mutual Associations;
 National League of Liberal Mutual Associations;
 National Union of Professional Mutual Associations.

Mutual insurance organizations are represented by two organizations: UAAM (Union of Mutual Insurance Associations) and ACCA (Association of Joint Insurance Funds).

NON-PROFIT SECTOR

This sector is not as well organized as it is in France. The lack of detailed information restricts this text to a cursory and somewhat arbitrary description of some relatively important organizations:

CCI — French-speaking Christian Confederation of Social and Health Institutions;
 CARITAS — CCI — Flanders' Confederation of Institutions;
 AFIS — French-speaking Association of Care Institutions.

There are other organizations in this sector, but the lack of central structure makes it very difficult to number or study them.

(b) National Cooperative Council^[2]

The National Cooperative Council is the only political, intercooperative representative body in Belgium. It was set up as a consultative council to the Central Council for the Economy under the Law of 20 July 1955. It comprises five separate committees which respectively represent cooperatives in the consumer, agriculture, manufacturing and distribution^[1] and services sectors.

Each committee has its own Bureau and sends five members to the National Council.

The Chairman of the Council and the chairmen and advisers to the committees make up the Council's Bureau.

The Council has two roles. It has to:

- study and promote the cooperative ideal by all means possible;
- send the government, Central Council for the Economy and other bodies opinions and proposals concerning the work of the cooperative movement.

4. Economic, social and political context in which the cooperative, mutual and non-profit sector operates

With the exception of distribution cooperatives, Belgian cooperative and mutual societies are on a fairly sound basis. Their influence is steadily increasing and services to members are constantly being expanded and diversified.

Development of the 'new cooperatives' has already rescued some firms in difficulty and filled specific gaps. This obviously helps to improve the employment situation.

However, it is too early to determine the long-term viability of some 'new cooperatives'. Their main handicap is the lack of proper rules and bodies to consult on financial, technical and legal matters.

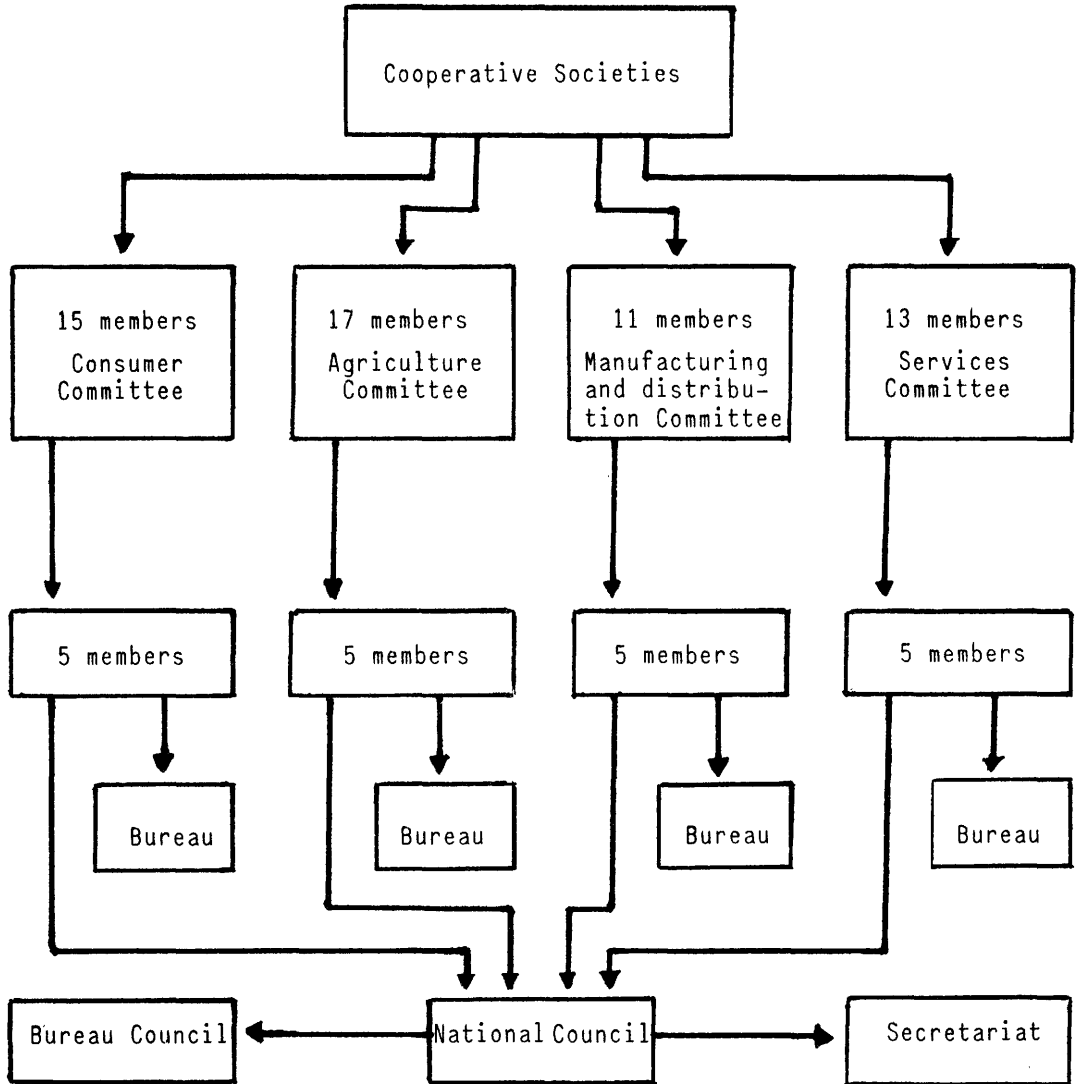
The government is aware that legislation on the cooperative sector is patchy. It has drawn up a bill amending the legislation on commercial companies and creating a new set of rules for cooperative societies. This bill was drafted in collaboration with the National Cooperative Council but has been shelved for the present.

5. Definition and special functions of the cooperative, mutual and non-profit sector as compared with the public and private sectors

The Belgian cooperative, mutual and non-profit sector in the main springs from the great principles of Rochdale:

- open membership,
- democratic management,
- independence from official authorities,
- absence of profit motive.

Structure of the National Cooperative Council



In practice, cooperatives and mutual benefit enterprises fall between the traditional private sector and the public sector. Like other private firms they are part of the market economy and are generally governed by the same principles regarding profitability and competitiveness. The distinguishing factor is that profitability and competitiveness are channelled to members for the purposes of converting traditional capitalist economic relations into tangible solidarity.

Some branches of the cooperative movement, particularly Ciriec (International Centre for Research and Information on the Public, Social and Cooperative Economy) use the term 'social economy' in Belgium whereas in France this term covers the cooperative, mutual and non-profit sector as a whole. The non-profit sector in Belgium is however, less well structured than in France, and receives scant coverage in publications dealing with the 'social economy' [3].

**B. THE SPECIFIC ROLE OF ORGANIZATIONS AND ENTERPRISES
IN THE COOPERATIVE, MUTUAL AND NON-PROFIT SECTOR**

Firms set up by the Belgian cooperative movement or mutual insurance bodies assist their members by offering them goods or services at a fair price.

This specific role fits into the overall vision of a society based on either Christian, socialist or neutral principles.

The cooperative sector includes consumer, manufacturing and distribution, services and agricultural cooperatives.

The mutual sector comprises essentially mutual insurance organizations and joint insurance funds.

**C. NATIONAL ORGANIZATIONS IN THE COOPERATIVE, MUTUAL
AND NON-PROFIT SECTOR AND THEIR MEMBERSHIP OF EUROPEAN GROUPINGS**

Belgian organizations	European groupings to which they are affiliated
BB (Boerenbond belge)	Copa (Committee of Agricultural Organizations in the European Community) Cogeca (General Committee for Agricultural Cooperation in the EEC)
AAB (Belgian Agricultural Alliance)	Copa (Committee of Agricultural Organizations in the European Community)
FN-UPA (National Federation of Professional Agricultural Unions)	Copa (Committee of Agricultural Organizations in the European Community)
Febecoop (Belgian Federation of Socialist Cooperatives)	Euro coop (European Community of Consumer Cooperatives) Cecop (European Committee of Workers' Manufacturing and Craft Cooperatives)
FNCC (National Federation of Christian Cooperatives)	Euro coop (European Community of Consumer Cooperatives)
Ophaco (Association of Belgian Cooperative Pharmacists)	EUSMCP (European Union of Social, Mutualist and Cooperative Pharmacies)
UAAM (Union of Mutual Insurance Associations)	
ACCA (Association of Joint Insurance Funds)	

The Belgian bodies are also indirectly linked to other European groupings in their own particular branch.

D. VIEWS OF THE COOPERATIVE, MUTUAL AND NON-PROFIT SECTOR WITH REGARD TO EUROPEAN INTEGRATION

All Belgian cooperatives and mutual benefit societies support European integration.

Some of them have already established links with cooperative and mutual benefit societies in other Community countries, either directly or through European groupings to which they are affiliated in their own particular sector.

Opinions differ as to the content and form of any dialogue which might take place at European level within the cooperative, mutual and non-profit sector.

E. SOURCES

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TEN, COOPERATIVE COUNCILS: *Cooperative Movement and Production Cooperatives in Belgium*, EEC Commission, study No 80/54(b) (1981).

F. INTERVIEWS

Mr Guy Hankenne, Secretary-General of the National Cooperative Council, was interviewed on 16 November 1982 by Maxime Lauwens, ESC General Secretariat for Studies and Research Division.

G. REFERENCES

[¹] Manufacturing and distribution cooperatives, as understood by the National Cooperative Council, are cooperatives which supply shops, chemists and small firms. Within these movements, the term 'distribution cooperatives' is also sometimes applied to consumer cooperatives involved in retail distribution and sometimes even manufacturing, but whose customers are individual consumers.

[²] Ministry of Economic Affairs, National Cooperatives Council, 17-21 avenue de la Joyeuse Entrée, 1040 Brussels. Secretary-General: Mr Guy Hankenne.

[³] Cf. E: Sources.

CHAPTER II: Cooperative, mutual and non-profit organizations in Belgium

A. Cooperatives

1. The cooperative and paracooperative sector formed by the Boerenbond (Belgian Farmers' Union)

1. Basic data (1982)

Central cooperative operations

1 purchasing/sales organization serving some 346 local cooperatives

1 517 employees, including 609 managers, 55 assistant managers

Turnover: BFR 19 000 million

395 Raiffeisen cooperative banks + 575 branches

1 300 000 accounts

Loans granted — BFR 96 000 million, of which BFR 36 000 million in the agricultural sector

3 000 employees

Consolidated balance sheet: BFR 199 000 million

1.2 million insurance contracts

1 202 employees

BFR 10 500 million receipts

1 travel agency

15 employees

Turnover: BFR 168 million

1 technical consultancy bureau

62 employees

Turnover: BFR 116 million

5 welfare sections

260 employees

Local or regional cooperatives

32 dairy cooperatives

Turnover: BFR 34 000 million

10 auction markets

Turnover: BFR 8 000 million

470 temporary replacement services and various service, marketing, produce cooperatives

2. Brief historical outline

The first truly 'Christian' farmers' guild was formed in 1887 by the Abbé Mellaerts. The aim of this and subsequent guilds was to improve the lot of farmers by organizing cooperation in all fields: cooperatives and mutual benefit societies, training, defence of interests, etc.

Table D1: Belgium

		Socialist Movement	Christian Movement	Neutral Movement
National Cooperative Council	Agriculture	Fédération Belge des Coopératives Fédération der Belgische Kooperaties (FEBECOOP)	Boerenbond (BB)	Fédération Nationale des Unions Professionelles Agricoles (FN des UPA)
	Consumers		Alliance Agricole Belge (AAB)	
	Production — distribution		Fédération Nationale des Coopératives Chrétiennes (FNCC) Landelijk Verbond der Christelijke Cooperatieven (LVCC) <i>Fondation André Oleffe</i>	Office des Pharmacies Coopératives de Belgique Vereniging der Cooperatieve Apotheken van België (OPHACO) <i>La Fédérale</i> <i>Société coopérative Federa</i> <i>La Fédérale</i> <i>Solidarité des alternatives wallonnes (SAW)</i> <i>Les Nouvelles Coopératives</i> <i>Netwerk Zelfhulp Vlaanderen (NZV)</i> <i>(Réseau d'entraide de Flandre)</i>
	Services			
	New cooperatives			
	Mutual insurance				Union des Associations d'Assurance Mutuelle (UAAM) Verbond der Verenigingen van Onderlinge Verzekeringen (VVOV) Association des Caisses Communes d'Assurance (ACCA) Vereniging der Gemeenschappelijke Verzekerings- kassen (VGV)
	Non-profit sector	Association Franco- phone des Institutions de Soins (AFIS)	Confédération Chrétienne des Institutions Sociales et de Santé (CCI-francophone) Caritas-Confederatie van, Instellingen (CCI-Flanders)	

Note. This table shows organizations which are specifically cooperative, mutual or non-profit. Certain other organizations may not be affiliated to those shown or are a part of organizations in

other sectors. Thus, agricultural cooperative organizations include mutual and non-profit bodies, and certain cooperatives formed by retailers have no national organization.

The Boerenbond, which literally means farmers' union, was set up on 20 July 1890 and brought together all of the agricultural guilds created since 1887. During the first quarter of this century, its influence grew steadily.

After the depression in the 1930s and the Second World War, the Boerenbond started expanding again, becoming the largest agricultural organization in Belgium, in terms of membership and the scope of its activities. It covers the whole of the Flemish part of the country, the Brabant Wallon area and the cantons in the east of Belgium.

3. Size and structure

Since 1972, there have been two types of guild: the rural guilds and the occupational guilds.

The rural guilds are mainly concerned with socio-cultural activities, which are divided between three main organizations:

- the Katholiek Vormingswerk voor Landelijke Vrouwen — KVLV, (Catholic Countrywomen's Educational Organization);
- the Katholieke Landelijke Jeugd — KLJ (Catholic Country Youth);
- the Vereniging voor Gezinshulp (Home-help association).

The occupational guilds exist for the various categories of farming activities: arable farming, cattle rearing, pig breeding, poultry farming, horticulture, etc. Their functions are basically occupation-oriented — representing their members, defending their interests, organizing training and re-training courses, helping members with tax, legal and commercial problems, organizing mutual aid services, etc.

These local guilds have given birth to a number of local or regional cooperative enterprises: purchasing/sales cooperatives, service, dairy and auction market cooperatives, etc.

In order to supplement and stimulate the guilds' economic activities, the farmers belonging to the Boerenbond have also organized a number of central cooperative services which are split up into economic and welfare sections.

(a) *Economic sections*

AAN-EN VERKOOPVENNOOTSCHAP (AVV) (PURCHASING AND SALES ORGANIZATION)

The AVV is a public limited company operating along cooperative lines which acts as a central purchasing and sales organization for local cooperative groupings and individual farms. Its extremely varied activities include the joint purchasing and selling of farm products or agricultural inputs, constructing and equipping buildings, supply of household goods, operating a cattle feedstuffs production line, a poultry slaughterhouse, plant breeding centres, etc.

The AVV cooperates closely with two sister companies — the Covavee cooperative society (pig marketing) and the Centravee public limited company (marketing of butchers meat, meat products and deep-frozen foods).

The profits are used to give discounts to members, for investments, for paying a limited return to shareholders and for the Boerenbond welfare sector.

RAIFFEISEN GROUP

The Raiffeisen group is the leading private savings bank in Belgium. The Centrale Raiffeisenkas (CERA) (Central Raiffeisen Bank) coordinates the operations of the local banks, which are all cooperative societies. The Raiffeisen group provides farmers and rural communities with the full range of banking services: deposit facilities, investments, loans, etc.

ASSURANTIE VAN DE BELGISCHE BOERENBOND (ABB) (BOERENBOND INSURANCE GROUP)

The ABB is a public limited company run on a cooperative basis which specializes in providing insurance cover for agricultural risks. It also offers all other forms of insurance — fire, accident, car, life, etc.

The ABB has also set up two reinsurance companies — Secura and a fire reinsurance company which basically acts as a reinsurer for about 50 mutual insurance and local cooperative societies.

AGRI-REIZEN

This is a recognized travel agency which seeks to promote travel and tourism in farming and rural communities.

TECHNISCH STUDIE EN ADVIESBUREAU VAN DE BELGISCHE BOERENBOND (STABO) (BOERENBOND TECHNICAL CONSULTANCY)

This is a service cooperative which carries out studies, on request, in various areas of direct or indirect relevance to agriculture: crop-growing techniques, design of installations and various farm buildings, dairies, auction markets, planning of the basic infrastructure for developing a region, etc.

(b) Welfare sections (S group)

SOCIALE VERZEKERINGSFONDS VOOR ZELFSTANDIGEN (SVZ) (SOCIAL INSURANCE FUND FOR THE SELF-EMPLOYED)

The SVZ collects members' contributions and pays out benefits in the form of pensions, sickness benefits and family allowances. It is the second largest social insurance fund in the country.

VERREKENKAS VOOR GEZINSVERGOEDINGEN (FAMILY ALLOWANCE FUND)

The fund distributes family allowances and certain other benefits to members' employees.

SECRETARIAAT VOOR FISCALITEIT EN BOEKHOUDING (SEFIBE) (BOERENBOND TAX AND ACCOUNTING SERVICE)

This is a service cooperative which helps members on tax and accounting matters.

SOCIAAL SECRETARIAAT (SS) (SOCIAL SECURITY SERVICE)

This is a non-profit-making association which helps members with the formalities employers must comply with in the areas of labour law and social security.

INFOS

This is a non-profit-making association whose purpose is to provide members with information on all welfare problems.

The umbrella organization for all these various cooperative and para-cooperative activities is the Boerenbond.

Belgian Farmers' Union (Belgische Boerenbond) (BB)

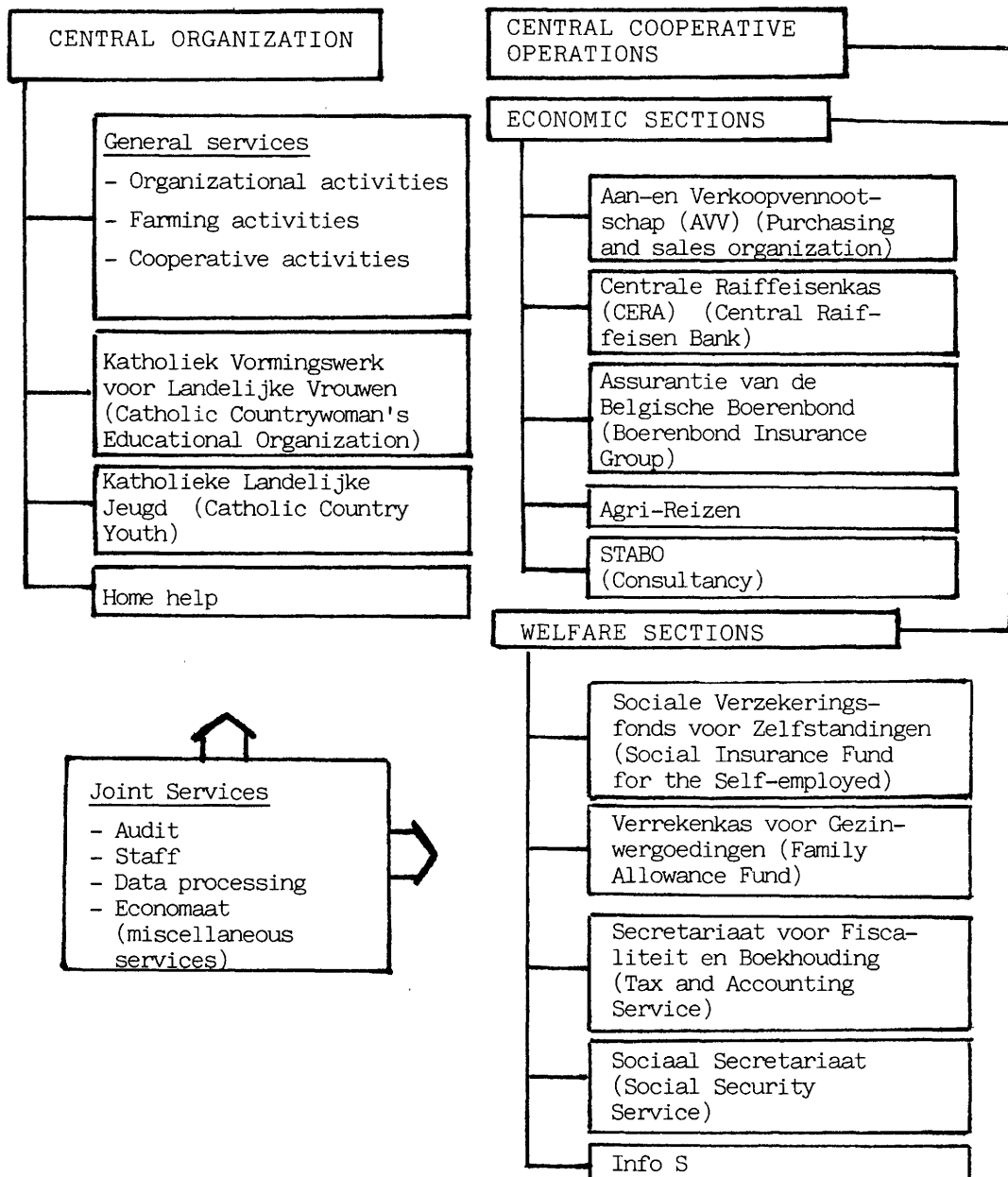
<i>President:</i>	JAN HINNEKENS
<i>Vice-Presidents:</i>	STANY DE SCHAATZEN ANDRÉ LAGAE
<i>Secretary-General:</i>	MAURICE BEDDEGENOOTS
<i>Address:</i>	8, Minderbroedersstraat 3000 Leuven
<i>Tel.:</i>	(016) 24 21 11

I. ORGANIZATION

1. Date of formation

The Boerenbond was set up on 20 July 1890 as a non-registered association.

4. Organigram of the Boerenbond



2. Size and structure

The Boerenbond comprises:

1 115 rural guilds with 84 000 members;

461 occupational guilds with 35 000 members;

1 200 sections of the Katholiek Vormingswerk voor Landelijke Vrouwen — KVLV (Catholic Countrywomen's Educational Organization) with 163 000 members;

999 sections of the Katholieke Landelijke Jeugd — KLJ (Catholic Country Youth) with 32 000 members;

a home-help association, serving approximately 8 000 families.

The local or regional cooperatives which are not members of the central cooperative organization are affiliated to the Boerenbond's cooperative department.

The various branches of the Boerenbond are organized into federations for each district and province, or into central occupational groupings.

3. Administrative bodies

The supreme decision-making bodies of the Boerenbond are:

Council (Bonderaad),

Management Committee (Hoofdbestuur),

Executive Committee (Dagelijks Bestuur),

Coordination Committee (Coördinatiecomité).

The Council is made up of delegates from the district federations, the members of the management committee, the national chaplains and delegates from the central occupational groupings, all of whom are elected for five years. It establishes the broad outlines of the organization's policy.

The Management Committee is composed of five farmers appointed by the Council, the general chaplain, the president or manager of each of the economic sections and the group of welfare institutions, together with a maximum of three coopted members. It is responsible for running the organization, subject to certain restrictions regarding the management of the economic sections and the administrative management of the welfare side of the Boerenbond.

The Executive Committee is responsible for the administrative management of the welfare side of the Boerenbond and the day-to-day running of the entire organization on behalf of the Management Committee. It is made up of the president, the vice-presidents, the general chaplain and those members of the Management Committee with permanent duties within the Boerenbond and the secretary-general.

The Coordination Committee is responsible for coordination between the central sections of the Boerenbond. It is made up of the president, the general chaplain, those members of the Management Committee with permanent duties within the Boerenbond but who do not represent an economic section, and the presidents or managers of the economic sections.

4. Decision-making procedure

Decisions are generally collegial and the results of any voting are not disclosed.

5. Secretariat and staffing

The various bodies of the Boerenbond employ some 5 500 people.

6. Budget size and contribution arrangements

Each organization, section, society or service of the Boerenbond forms a separate legal entity and has its own budget. There is no specific operational budget for the Boerenbond's central organization.

The Boerenbond is founded mainly by its members' contributions, the profits of the companies forming part of the organization and subsidies.

II. AIMS AND PRIORITY POLICIES

The Boerenbond is a Christian organization which seeks to:

- improve the social and economic circumstances of its members;
- enable country families to achieve self-fulfilment;
- help with the social and religious development of developing countries.

III. ACTIVITIES

Accordingly, the Boerenbond:

- encourages the setting-up of rural and occupational guilds;
- creates bodies at all levels to represent and defend the interests of farmers and rural communities;
- helps the bodies or groupings set up for the members of affiliated families;
- helps its members, the guilds and the various affiliated organizations and farms through its consultancy, information, training, organizational and aid services;
- sets up or helps set up social and economic services for farming and rural communities.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The Boerenbond has a political organization — the Centraal Comité voor Land- en Tuinbouwbelangen (Central Committee for Farming and Horticultural Interests). Many of its members are on the lists of the CVP (Christelijke Volkspartij) (Social Christian Party). The Boerenbond is frequently consulted by the members of Parliament originating from within its ranks.

The Boerenbond is a member of the National Cooperation Council and many other consultative bodies in the agricultural sphere.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The Boerenbond is represented on COPA and Cogeca as well as on the Economic and Social Committee.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The Boerenbond is a member of the European Confederation of Agriculture (CEA) and the International Federation of Agricultural Producers (IFAP).

VII. INTERNAL COHESION

The unity of the Boerenbond stems not only from its structure but also from the continuous interaction and cooperation at all levels between its various components.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

Influence is exercised mainly through COPA, Cogeca and the Economic and Social Committee.

IX. PUBLICATIONS

The Boerenbond produces many publications, the main ones being:

- De Boer* (weekly);
- L'agriculteur* (weekly);
- Der Bauer* (weekly);
- Bij de Haard* (monthly);
- Levend Land* (monthly);
- Zuivelcooperatie* (monthly);
- Raiffeisen Echo* (monthly);
- Fiscale en Sociale Gids* (information sheets);
- Kijk uit* (monthly).

X. SOURCES

BOERENBOND: *le Boerenbond belge.*

BOERENBOND: *Lijst van publikaties.*

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NV AAN- EN VERKOOPVENNOOTSCHAP VAN DE BELGISCHE BOERENBOND: *Jaarverslag 1983 van de AVV.*

CENTRALE RAIFFEISENKAS VAN DE BELGISCHE BOERENBOND: *Verlagen over het boekjaar 1981.*

ABB: *Jaarverslag 1983.*

XI. INTERVIEWS

Mr André Van Hulle, head of the Boerenbond cooperative services, was interviewed on 24 January 1983 and 29 August 1984 by Maxime Lauwens, ESC General Secretariat for Studies and Research Division.

2. The cooperative and paracooperative sector formed by the Farmers' Associations

1. Basic data (1983)

25 000 cooperative members or users of cooperative services^[1]

27 agricultural cooperatives

7 service cooperatives

11 services providing temporary replacement staff (SRA)

2 300 employees in the cooperative sector

Cooperative turnover: BFR 15 000 million

1 credit and guarantee cooperative:

8 000 members

85 agencies

200 agents (salaried and self-employed)

150 000 accounts (deposits and savings)

Credits granted: BFR 12 000 million

Savings: approx. BFR 8 000 million

Guarantees: BFR 2 000 million

2. Brief historical outline

The first farmers' associations (Unions professionnelles agricoles) were formed in Wallonia just after the First World War.

Their purpose has remained unchanged, viz. to defend and promote farmers' interests.

3. Size and structure

The members of the farmers' associations form about 80% of the agricultural land in Wallonia.

The farmers' associations have set up a series of cooperative or cooperative-type enterprises operating in Wallonia, the German-speaking cantons in the east and some bordering Flemish cantons.

In the dairy sector, three central cooperatives serving more than 20 000 producers have a turnover of BFR 4 000 million.

In the cereals, storage and supply sectors, some ten cooperative societies embracing 15 000 producers have a turnover of BFR 3 000 million.

One 'intercoopérative' and two cooperatives in the animal feedstuffs manufacturing sector serve approximately 15 000 farmers and achieve a turnover in excess of BFR 2 500 million.

Four local auction markets in the vegetable, fruit and flower sector have joined together within the EUROVEILING federation. These cooperatives cover more than 20 000 producers and generate a turnover in the region of BFR 3 200 million, much of which is derived from exports.

The cooperative movement is not much in evidence in the cattle and meat sector.

In the financial sphere, the ECUPA cooperative society provides its members with mutual guarantee, savings and credit services. ECUPA operates in close conjunction with the Institut national de crédit agricole (National Agricultural Credit Institute).

In the sphere of social security, the Securex group provides members of the farmers' associations with a whole range of services: insurance against accidents at work, a medical centre, a secretariat dealing with social security matters, a computer centre, a mutual insurance association covering various risks, a family allowance fund, a home-help service, etc.

In the insurance field, the SECDASS (Secrétariat des assurances) cooperative society acts as broker between the farmers and several insurance companies. The two largest companies (approved by the

Fédération nationale des Unions professionnelles agricoles (National Federation of Farmers' Associations)), are ABEILLE-PAIX and GAN (Groupe des assurances nationales) (National Insurance Group).

The Cogemo cooperative (Coopérative de gestion mécanographique et d'organisation) (Computer Management and Organization Cooperative) offers businesses in general and farmers in particular a whole range of data-processing services: management, studies, operation of data banks, etc.

These various cooperative and paracooperative activities all come under the Fédération nationale des Unions professionnelles agricoles and more particularly under the organization dealing with cooperatives: the Union professionnelle des coopératives agricoles (UPCA) (Association of Agricultural Cooperatives).

National Federation of Farmers' Associations (Fédération nationale des Unions professionnelles agricoles) (FN des UPA)

<i>President:</i>	LOUIS ERNOUX
<i>Secretary-General:</i>	EMILE SCOUMANNE
<i>Address:</i>	94-96, rue Antoine Dansaert 1000 Brussels
<i>Tel.:</i>	(02) 511 07 37

I. ORGANIZATION

1. Date of formation

The Fédération nationale des Unions Professionnelles Agricoles (National Federation of Farmers' Associations) was created in 1919 and became a non-profit-making association in 1951.

2. Size and structure

The following are members of the Federation:

- the Unions professionnelles agricoles (UPA) (Farmers' Associations), representing 19 000 farmers, including more than 10 000 deriving their sole income from farming;
- the Unions professionnelles agricoles féminines (UPAF) (Women Farmers' Associations), representing all women farmers and the wives of farmers affiliated to the Farmers' Associations;
- the Jeunes alliances paysannes (JAP) (Young Farmers' Alliances), representing more than 3 000 young people from farming or rural backgrounds.

More than 85% of the agricultural cooperatives in the south of the country are affiliated to UPCA (Union professionnelle des coopératives agricoles) (Association of Agricultural Cooperatives), the cooperative arm of the Federation.

3. Administrative bodies

- 1 General Council,
- 1 Steering Committee,
- 1 National Bureau,
- 1 National Congress.

The *General Council* is the Federation's supreme body. It is made up of cantonal delegates elected for one year and meets three or four times a year.

The *Steering Committee* implements the decisions of the General Council. Every month it brings together 20 or so delegates from all of the provinces. It sets up special committees with the task of studying specific questions. There is a special committee for cooperatives.

The *National Bureau* administers the Federation. It is made up of a president, elected for a three-year term of office by the General Council, and three vice-presidents elected each year from among the members of the Steering Committee.

The National Congress meets each year and comprises delegates representing the full, paid-up members of the Federation.

4. Decision-making procedure

Decisions are taken by a majority vote.

5. Secretariat and staffing

About 30 people work at the head office; to this can be added the staff of the external regional and local services and social security sections.

6. Budget size and contribution arrangements

The 1983 operating budget of the Federation totalled some BFR 50 million.

The main source of funds are the contributions paid by member farmers — which are determined according to farm size — and by affiliated societies and groups.

II. AIMS AND PRIORITY POLICIES

The aims of the Federation are to study, protect and defend the interests of farmers and, more generally, to engage in all kinds of activity conducive to the development of agriculture in the widest possible sense. The Federation is independent of all political parties and its activities are thus basically of a professional nature.

The UPCA has the more specific goal of promoting and defending the interests of cooperatives and their members.

III. ACTIVITIES

The Federation engages in all activities relevant to the farming community — technical, social, legal, insurance, loans, savings, training, information, press, etc.

In the area of agricultural cooperation, it:

- represents the Walloon agricultural cooperative movement in dealings with national and international bodies;
- organizes special services for cooperatives covering:
 - business management,
 - investment planning and financing,
 - the application of tax regulations to cooperatives,
 - help with the setting up of cooperative societies.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The Federation represents the farmers' associations, and UPCA in particular, in dealings with a wide range of bodies, including:

- all the departments of the Ministry of Agriculture,
- the Conseil central de l'économie (Central Economic Council),
- the Conseil national de la coopération (National Cooperation Council),
- the Conseil économique régional pour la Wallonie (Regional Economic Council for Wallonia),
- the Commission des prix (Price Commission),
- the Office national des débouchés agricoles et horticoles (National Office for Agricultural and Horticultural Markets).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The Federation is a member of the Committee of Agricultural Organizations in the EC (COPA).

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The Federation is approached from time to time by various international organizations, such as the ILO and Unicef.

VII. INTERNAL COHESION

The activities undertaken by the Federation in the sphere of agricultural cooperation are inseparably linked with its activities on behalf of farming interests in general.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

The Federation exerts its influence on Community activities mainly through COPA.

IX. PUBLICATIONS

Journal des UPA (weekly),

La voix des Jeunes (monthly).

X. SOURCES

ESC: *Directory of European Agricultural Organizations*, Office for Official Publications and Kogan Page (1984).

FNUPA: *Les UPA de 1919 à 1969* (1969).

UPA: *Les Fédérations des UPA, UPAF, JAP* (1982).

XI. INTERVIEWS

Mr Emile Pauwels, Federation director responsible for UPCA, was interviewed on 16 February 1983 and 2 August 1984 by Maxime Lauwens, ESC General Secretariat for Studies and Research Division.

XII. REFERENCE

[¹] It should be noted that a certain number of farmers who are members of professional agricultural organizations also use the services of the Belgian Agricultural Alliance and the Boerenbond.

3. The cooperative and paracooperative sector formed by the Alliance agricole belge (Belgian Agricultural Alliance)

1. Basic data (31.12.1982)

20 000 cooperative members or users of cooperative services

15 agricultural cooperatives^[1]

5 mutual aid associations

11 petroleum product purchasing associations

approximately 1 500 employees in the cooperative sector

Cooperative turnover: over BFR 5 000 million

64 agricultural banks and branch offices

approximately 65 000 deposit accounts

110 employees (managers and office staff)

Loans outstanding: BFR 8 500 million

Savings deposits: BFR 6 700 million

2. Brief historical outline

The first Christian farmers' associations appeared in Wallonia in the late nineteenth and early twentieth century.

These associations very quickly formed provincial groupings (or 'ligues') which in 1929 merged to form a single organization, the Alliance agricole belge (AAB — Belgian Agricultural Alliance).

3. Size and structure

The farmers who are members of the federations making up the Alliance agricole belge have set up a number of cooperative societies or organizations based on cooperative principles serving mainly the provinces of Hainaut, Liège, Luxembourg and Namur.

In the dairy sector, three central cooperative organizations, involving over 20 000 producers, have a turnover of BFR 4 000 million^[1].

Two cereal storage and marketing cooperatives and two fruit and vegetable production cooperatives together have a turnover of almost BFR 1 000 million and embrace over 400 producers.

Mention should also be made of eight cooperatives for the joint use of farm equipment, five mutual aid organizations offering services such as the provision of temporary replacement staff, and 11 agricultural purchasing associations.

In the financial field, 64 agricultural banks or branches provide farmers and the rural population with all banking services: deposit facilities, investment facilities, the granting of loans, etc. The Caisse centrale Raiffeisen (CERA — Central Raiffeisen Bank) acts as the central credit institution^[2].

The agricultural cooperatives and the agricultural banks are affiliated to two federations set up and controlled by the Alliance agricole belge, viz: the Fédération coopérative de l'AAB (Fecopal) — the AAB Cooperative Federation) and the Fédération des caisses rurales (Fedecar — Federation of Agricultural Banks) respectively.

Belgian Agricultural Alliance (L'Alliance agricole belge) (AAB)

President: GEORGES GILLET
Secretary-General: HENRI MASSAUX
Address: 21, rue de la Science
 Boîte 2
 1040 Brussels
Tel.: (02) 230 72 95

I. ORGANIZATION

1. Date of formation

De facto association founded on 18 December 1929.

2. Size and structure

The AAB has more than 18 000 members in its various sections.

It embraces not only farm operators but also the young male and female farmers' movements (SPJA: Service professionnel de la jeunesse agricole; SPJAF: Service professionnel de la jeunesse agricole féminine) and the Organization for Farmers' Wives (AAF: Alliance agricole féminine).

It has also set up a variety of non-profit-making organizations, viz: Fedecar (Fédération des caisses rurales coopératives — Federation of Cooperative Agricultural Banks), Fecopal (Fédération des coopératives agricoles de services et de commercialisation — Federation of Agricultural Service and Marketing Cooperatives) and FETOURAG (Fédération du tourisme agricole — Farm Holidays Federation).

3. Administrative bodies

Supreme Council,
 General Council,
 Alliance Bureau,
 National Congress,
 General Meeting,
 Steering Committee,
 Administrative Bureau.

The *Supreme Council* is made up of 50 members elected by 16 regional federations. It decides on the AAB's general policy. Its decisions are prepared by three sections dealing with crops, milk and meat and livestock respectively.

The *General Council* is made up of the Supreme Council, augmented by Fecopal, Fedecar and the other AAB national specialist movements. It meets in exceptional circumstances or to consider general problems affecting the whole farming community.

The *Alliance Bureau* consists of 9 persons elected by the Supreme Council from among its members. It implements the Council's decisions and draws up the agenda for the General Meeting and the National Congress.

The *National Congress* meets every 4 years and is made up of the members of the General Council, 6 to 10 delegates from each of the 16 regional federations, 60 delegates from the national movements, 10 to 15 representatives of young farm operators and about 10 experts. It defines the AAB's general objectives.

The *General Meeting* brings together all the members every two years. Its aim is to keep them informed and thus increase their participation.

The *Steering Committee* and the *Administrative Bureau* are appointed by the Supreme Council and constitute the management structure of the AAB. They are responsible for matters in the administrative, financial, structural and regulatory spheres.

4. Decision-making procedure

Decisions are taken by a majority.

5. Secretariat and staffing

Twenty-eight staff are employed at the AAB's central office, including 10 executives; to this can be added 16 permanent officials working in the regions and the regional federations' own staff.

6. Budget size and contribution arrangements

The size of the budget is not known.

The AAB's funds come mainly from members' subscriptions, which are determined in accordance with the size of the farm.

II. AIMS AND PRIORITY POLICIES

The fundamental aims of the AAB are to defend the farming profession and its economic, social and non-material interests and to work for the advancement of the entire farming community in every sphere.

Its thinking and actions are permanently inspired by a Christian view of Man and Society.

III. ACTIVITIES

The AAB offers its members a variety of services, including:

- the organization of cultural events;
- a research department;
- the AAB Training Centre;
- a farm accounting and farm management service;
- a welfare and tax consultancy service;
- the AAB social insurance fund;
- press department, etc.

Through Fedecar the AAB:

- helps affiliated agricultural banks to develop their activities, by means of publications, among other things;
- advises and represents the affiliated agricultural banks and promotes all their cooperative interests;
- encourages cooperation in the savings and credit sector.

Through Fecopal the AAB:

- studies problems connected with joint marketing and mutual aid in agriculture;
- studies, defends and promotes the professional, social and economic interests of the affiliated cooperative and mutual aid groupings;
- organizes services necessary or useful for the efficient operation of affiliated groupings.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The AAB has frequent meetings with the Minister for Agriculture and his staff.

It is represented on the Conseil central de l'économie (Central Economic Council) and on every national, regional, provincial and local body where the problems of farmers and their families are discussed.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The AAB is a member of COPA (Comité des organisations professionnelles agricoles — Committee of Agricultural Organizations in the EC) and CEJA (Conseil européen des jeunes agriculteurs — European Council of Young Farmers).

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The AAB is a member of the CEA (Confédération européenne de l'agriculture — European Confederation of Agriculture).

VII. INTERNAL COHESION

There are no major problems of internal cohesion in the AAB.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

The AAB exerts its influence mainly through COPA.

IX. PUBLICATIONS

L'Alliance agricole (weekly),

Jeunesse agricole (monthly).

X. SOURCES

L'Alliance Agricole, 1930-1980, special number of 18 January 1980,

AAB fact sheet.

XI. INTERVIEWS

Mr J. Havet, Administrative Director of the AAB, and Mr P. Kupper, Secretary of Fecopal, were interviewed on 9 March 1983 and 29 August 1984 by Maxime Lauwens, ESC General Secretariat for Studies and Research Division.

XII. REFERENCES

[¹] It should be noted that the central dairy cooperatives are also members of UPCA (Union professionnelle des coopératives agricoles — Union of Agricultural Cooperatives) which comes under the Fédération nationale des Unions professionnelles agricoles (National Federation of Farmers' Associations).

[²] See section on the cooperative and paracooperative sector formed by the Belgian Boerenbond.

4. Socialist cooperative movement (Le Mouvement coopératif socialiste)

1. Basic data (1983 figures)

Approximately 300 000 members' families

Pharmacy

9 companies

± 275 dispensaries

± 1 200 employees

Turnover: ± BFR 4 300 million

Insurance-savings

7 companies

1 700 000 insurance contracts

5 500 employees

Assets of BFR 55 000 million

Revenue of BFR 19 000 million

Printing — publishing

5 printing houses

4 press companies

1 publishing company

300 employees

Turnover: ± BFR 1 200 million

1 architectural cooperative

2 higher institutes of applied human sciences

1 organization for permanent education (Women's Cooperative Movement)

1 organization for occupational medicine (Health and Work)

1 cooperative for management assistance

1 cooperative for home care

Tourism

1 travel agency

Turnover: BFR 76 million

4 employees

2. Brief historical outline

The first consumer cooperative society linked to the Belgian socialist movement and to its political organizations, the POB (Parti ouvrier belge — Belgian Workers' Party), was set up in 1881 in Ghent.

Other cooperatives and socialist mutual benefit societies sprang up over the next few years, particularly in the food distribution, pharmacy, insurance and printing sectors.

In 1900, these societies merged into one federation. In 1907, in conjunction with the POB, they set up the Prévoyance Sociale (Social Provident) group, an insurance cooperative.

In 1914, there were more than 200 socialist cooperative societies in Belgium, most of which operated locally. The successive mergers which reduced the number of societies, replacing them with regional bodies, were part of a very slow process. There was a total of eight large regional cooperatives in existence between 1930 and 1975.

The socialist cooperative movement, and in particular the retail cooperatives, enjoyed a period of prosperity in the years just after the Second World War.

The first cracks appeared in the 1960s.

After numerous attempts to re-launch the cooperative retail movement, it became clear that it could no longer cope with the competition or fulfil its real role.

The socialist movement finally decided to pull out of this sector, although it has continued to sell pharmaceutical products.

3. Size and structure

The Belgian socialist cooperative societies have joined together to form the *Fédération belge des coopératives*, *Febecoop* (Belgian Federation of Cooperatives). Together with the *Parti socialiste*, the *Socialistische Partij* (Socialist Party), the *Fédération générale du travail de Belgique* (General Labour Federation of Belgium) and the *Mutuelles socialistes* (Socialist Mutual Benefit Societies), *Febecoop* forms part of the *Action commune socialiste* (Socialist Joint Action Group) whose aim is to promote a dialogue between the various parts of the Belgian Socialist movement in order to work out a coordinated joint policy.

Since 1983, the socialist cooperative movement has mainly operated in the pharmacy, insurance, savings and printing sectors.

Pharmacy

Nine pharmacy companies account for 13% of the Belgian pharmaceutical market.

Insurance-savings

This is the sector which boasts the jewel of the Belgian socialist cooperative movement — the *Prévoyance sociale* group, the *PS* (Social Provident Group).

The members of the societies belonging to the group are not individual entities, but rather the whole range of socialist institutions. The share capital of the companies in the group is held by some 70 cooperatives, unions, mutual benefit societies, etc.

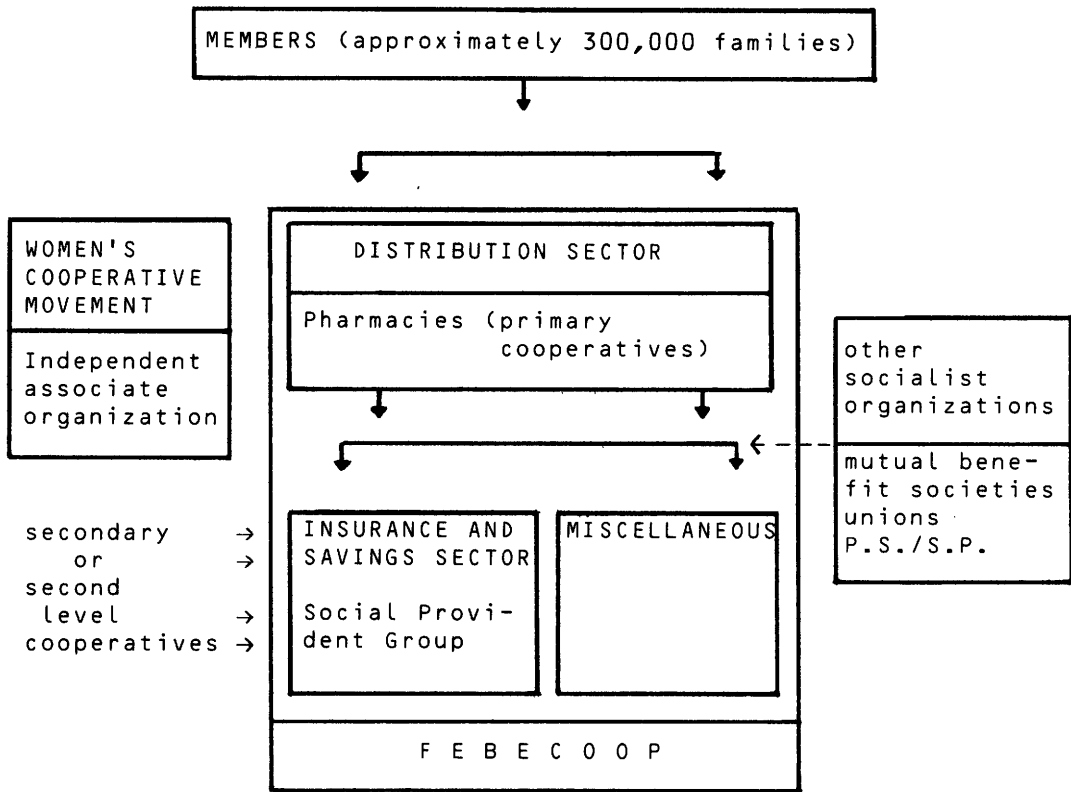
The seven companies making up the group are:

- the *PS-coopérative* (PS insurance cooperative) (fire insurance, cover for various types of risks, life insurance, accident insurance, insurance cover for foreign subsidiaries);
- the *PS-réassurance* (PS-reinsurance) cooperative (reinsurance transactions of all kinds throughout the whole world);
- the *PS-caisse commune* (PS-joint fund) cooperative (accidents at work);
- the *Caisse d'Assurances Sociales pour Travailleurs Indépendants de Belgique — CAS-TIB* (Social Insurance Fund for Belgian Self-employed Workers) (social security cover for the self-employed, traders, the professions);
- AMIP* (Mutual life insurance company for the self-employed);
- the *PS Association* (non-profit-making association) (financial management for the welfare schemes set up by the PS cooperative — i.e. four medico-psycho-pedagogical institutes, two hydro-therapy centres, a home for the elderly, a sanatorium, a clinic for asthmatic children and a home for children in care);
- the *Codep* savings cooperative (financial body for the whole of the Belgian socialist movement).

Printing — publishing

The companies in this sector produce four daily newspapers, a number of periodicals and school textbooks.

4. The structure of the socialist cooperative movement



It should be pointed out that, in addition to these main sectors, there are several smaller cooperative movements. The socialist cooperative movement has also set up an organization for permanent education, the women's cooperative movement, whose activities are largely centred on the socio-cultural sphere and are mainly directed towards promoting the cooperative movement and consumer and user services.

Belgian Cooperative Federation (Fédération belge des coopératives) (Federatie der Belgische Kooperaties) (Febecoop)

<i>President:</i>	HENRI LEMAIRE
<i>Secretary-General:</i>	ROGER RAMAEKERS
<i>Address:</i>	28, rue Haute 1000 Brussels
<i>Tel.:</i>	513 28 60

I. ORGANIZATION

1. Date of formation

A non-profit-making association set up on 26 november 1970.

2. Size and structure

The following belong to Febecoop:

- 9 cooperative societies in the pharmacy sector;
- 1 insurance cooperative: the *Prévoyance sociale*;
- 1 savings cooperative: the *Codep*;
- 10 printing or publishing companies;
- miscellaneous cooperatives (1 travel agency, 1 architectural cooperative, 2 educational institutes, 1 organization for occupational medicine, etc.).

3. Administrative bodies

General Assembly,
National Bureau,
Finance Committee.

The *General Assembly* is the supreme authority of the association. It comprises all the members and meets at least once per year.

The *National Bureau* comprises the Secretary-General and seven members chosen from the General Assembly, plus coopted members, and forms the executive arm of the association.

In addition to these administrative bodies, there is a *Finance Committee*, made up of officials from the Febecoop financial institutions. This Committee evaluates all the financial questions of interest to the movement as a whole.

4. Decision-making procedure

Decisions are reached on a majority basis.

5. Secretariat and staffing

Febecoop employs 21 people, including about 10 executive staff. The Secretariat has two main departments — the Political, Economic, Social and Cultural Department and the department providing aid and services to affiliated enterprises.

6. Budget size and contribution arrangements

The Febecoop budget for 1983 totalled some BFR 47 million (including the budget for the Women's Cooperative Movement).

Its funds are derived from the contributions paid by affiliated societies, in proportion to their turnover.

II. AIMS AND PRIORITY POLICIES

Febecoop is an economic and social movement whose aim is to embrace all forms of enterprises and activities which profess the cooperative ideal.

'Febecoop and its associates seek to replace the profit-motivated system by a cooperative system based on mutual help, democracy and service.' (Art. 3 of the rules).

III. ACTIVITIES

Febecoop:

- examines the aims of the cooperative movement and publicizes (publications, courses, films, organization of seminars, etc.);
- represents the socialist cooperative movement in national and international bodies;
- helps affiliated societies (legal, financial and commercial advice);
- arranges mutual assistance among its members (for example, financial aid from the *Prévoyance sociale* to new cooperatives);
- defends consumers' interests and works for the general good by pursuing changes in the economic and social order);
- promotes the concept of the social economy at national and international level.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

Febecoop sits on the following advisory bodies:

- the Conseil central de l'économie (Central Economic Council);
- Conseil de la consommation (Consumer Council);
- Conseil national de la coopération (National Cooperation Council);
- Commission des prix des spécialistes pharmaceutiques (Pharmaceutical Experts Price Committee);
- Commission pour la régulation des prix (Price Regulation Committee);
- Commission des assurances (Insurance Committee);
- Centre de recherche et d'information des organisations de consommateurs (Research and Information Centre for Consumer Organizations);
- Commission nationale de la distribution (National Distribution Committee);
- Comité belge de la distribution (Belgian Distribution Committee).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The Secretary-General of the Febecoop has been a member of the Economic and Social Committee since 1970.

Febecoop is a member of Eurocoop.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

Febecoop is a member of the International Cooperative Alliance and of the International Centre for Research on the Public Economy, the Social Economy and Cooperatives.

VII. INTERNAL COHESION

There is great degree of cohesion within the socialist cooperative movement because it is motivated by the two ideals of socialism and cooperatism.

In order to further cooperation, the Secretary-General of Febecoop has a seat on the executive bodies of the main affiliated societies.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

Influence is brought to bear on Community activities through the Opinions issued by the Economic and Social Committee.

IX. PUBLICATIONS

Coopération, a two-monthly review.

X. SOURCES

Statuts de la Fédération belge des coopératives (1984).

FEBECOOP: *Chiffres 1983*.

FEBECOOP: *De Federatie der Belgische kooperaties* (no date).

FEBECOOP: *De belgische socialistische kooperatieve beweging* (no date).

FEBECOOP: *Coopération, Nos 18, 19, 20, 22, 23* (October 1981 to June 1982).

XI. INTERVIEWS

On 12 October 1982 and 10 August 1984 between Mr Marc Goosens, attached to the study department, Mr Martin WILLEMS, head of the Febecoop 'Communications-Animation-Information' Department, Miss Catherine DIB, head of documentation and Maxime Lauwens, ESC General Secretariat for Studies and Research Division.

5. The Christian Cooperative Movement

1. Basic data (1983)

415 000 members
capital: BFR 1 000 million

Savings

400 branches
1 200 000 accounts
1 865 employees
Deposits: BFR 120 000 million

Insurance

738 000 contracts
563 employees + 100 agents
receipts: BFR 3 700 million

Distribution/consumer sector

2 enterprises
690 sales outlets (estimate)
70 dispensaries
1 780 employees
Turnover: BFR 5 500 million

Tourism

2 holiday centres
80 to 120 employees
Turnover: BFR 100 million
1 travel agency
49 employees
Turnover: BFR 470 million

Pharmacy

1 wholesale purchasing company
100 employees
Turnover: BFR 1 200 million

Printing/publishing

2 printing houses
4 newspapers
915 employees
Turnover: BFR 2 000 million

1 office equipment company

85 employees
Turnover: BFR 410 million

1 marketing + advertising company

15 employees
Turnover: BFR 246 million

2. Brief historical outline

The first Christian cooperative, *Les ouvriers réunis*, was founded in Charleroi in 1891. The first Christian cooperative in the Flemish part of the country, *Het volk*, was set up in Ghent in 1896. Others were quick to follow — bakeries, breweries, groceries, central purchasing organizations for clothing and footwear, mutual benefit societies and savings banks.

In 1921, the *Ligue des Travailleurs chrétiens* (League of Christian Workers) was entrusted with the task of coordinating the activities of the Christian cooperatives, mutual benefit societies and savings banks.

The Christian cooperative movement diversified after the Second World War and set up printing and publishing houses, a wholesale organization for social pharmacies, an advertising agency, fuel purchasing syndicates, central loan agencies for home improvements, a free legal assistance service, etc.

3. Size and structure

The non-agricultural Belgian Christian cooperative movement is divided into primary and secondary cooperatives.

The members of the primary cooperatives, which operate at regional level, are individuals who have subscribed at least one share^[1].

All of the regional primary cooperatives combine to form a national secondary cooperative — the *Fédération nationale des coopératives chrétiennes* (FNCC) (*Landelijke Verbond Christelijke Coöperatieven*) (National Federation of Christian Cooperatives).

The FNCC uses the capital gathered together by the regional cooperatives to finance enterprises which provide members with services whose general object is to improve social well-being. These enterprises are to be found in the following main sectors:

Savings

The *Caisse ouvrière belge* (COB) (Belgian Workers' Bank) cooperative society is one of the largest savings banks in the country. It offers members a full range of banking services.

Insurance

Les assurances populaires (People's Insurance Company) is a public limited company and the ninth largest insurance firm in the country. It handles all risks but is primarily engaged in family insurance.

Distribution/consumer sector

The two enterprises in this sector — the *Bien-être* public limited company and the *EPECE* cooperative society — have experienced some difficulties and are currently reorganizing.

In addition to its ordinary sales outlets, *EPECE* manages 70 dispensaries.

Tourism

The FNCC has two holiday homes, run on a non-profit-making basis, and a travel agency operating as a cooperative society.

Pharmacy

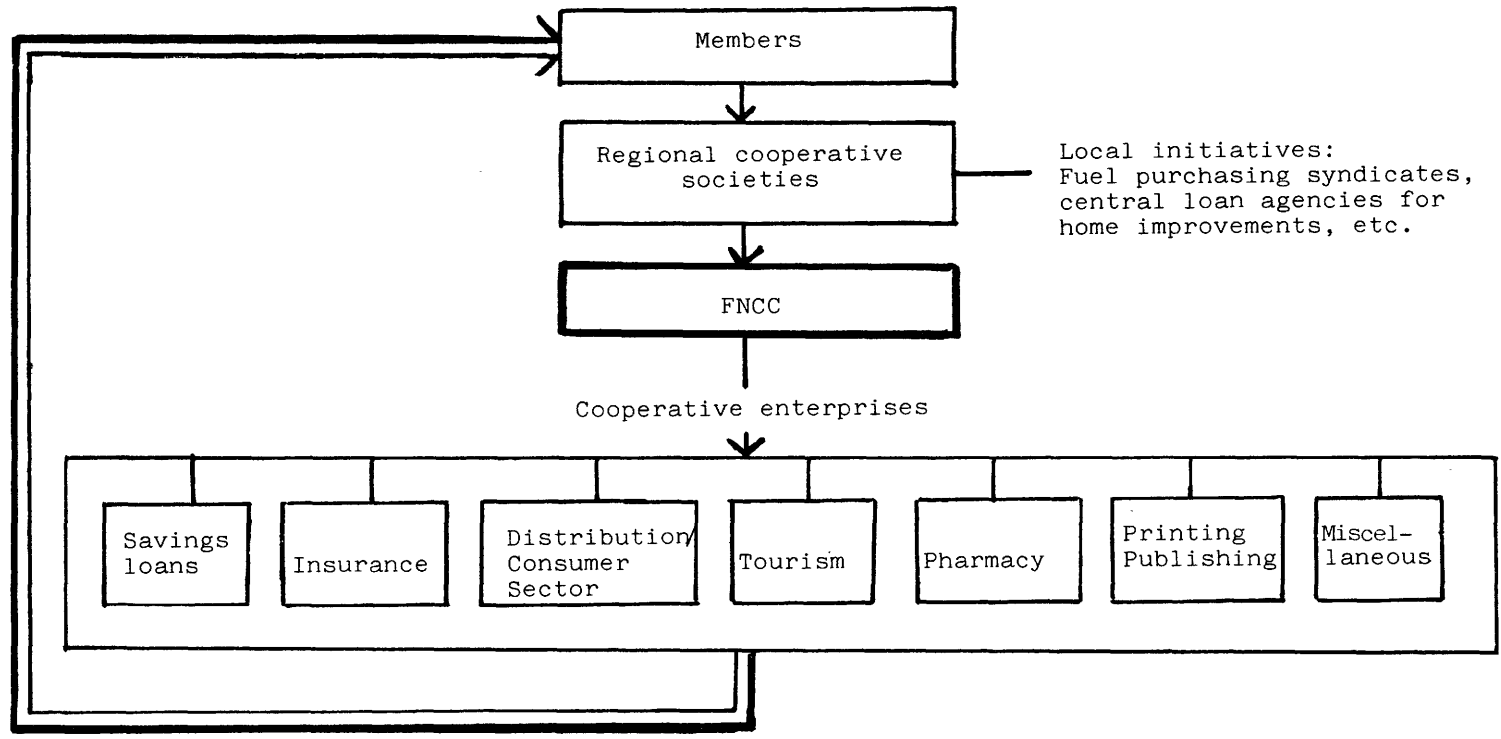
The FNCC has a stake in a joint purchasing cooperative for pharmaceuticals, *Escapo*, which supplies 88 pharmacies.

Printing — publishing

The FNCC has a stake in *Het volk*, a limited company engaged in publishing, and in *Sofadi*, a limited company carrying on a printing business.

Outside these main sectors, the FNCC owns/finances a cooperative society dealing in office equipment and another involved in marketing and advertising.

4. Structure of the Christian cooperative movement



National Federation of Christian Cooperatives
(Fédération nationale des coopératives chrétiennes)
(FNCC)
(Landelijke Verbond der Christelijke Cooperatieven)
(LVCC)

<i>President:</i>	WILLY D'HAVE
<i>Vice-Presidents:</i>	K. DE WITTE J. WYNANTS
<i>Secretary-General:</i>	ANDRÉ DEVOGEL
<i>Address:</i>	141, rue de la Loi 1040 Brussels
<i>Tel.:</i>	233 34 11

I. ORGANIZATION

1. Date of formation

The FNCC was set up as a cooperative society on 4 July 1935.

2. Size and structure

The following are members of the FNCC:

- 28 regional cooperatives;
- the Mouvement ouvrier chrétien (Christian Workers' Movement).

3. Administrative bodies

General Meeting,
 Board of Directors,
 Board of Auditors,
 General Council.

The *General Meeting* is made up of delegates from all the regional cooperatives and is convened at least once a year.

The *Board of Directors* is composed of at least three members appointed by the General Meeting for a maximum term of office of six years.

The *Board of Auditors* is made up of at least two members appointed by the General Meeting for a maximum term of office of six years. It has a supervisory function.

The *General Council* is made up of the members of the Board of Directors and the Board of Auditors.

4. Decision-making procedure

The rules stipulate that decisions are to be taken by a majority vote, but in practice consensus is the rule.

5. Secretariat and staffing

The FNCC employs 36 people, including 5 executive staff, at the Brussels head office and 11 agents in the regions.

6. Budget size and contribution arrangements

The Secretariat's operating budget for 1983 totalled some BFR 185 million.

A very small proportion of the FNCC's revenue is derived from its investment portfolio and the rest comes from the payments by enterprises for services rendered by the FNCC.

II. AIMS AND PRIORITY POLICIES

The aim of the FNCC is to engage in the following: all forms of commercial and industrial activities, particularly the purchasing and selling of food and clothing, household goods, furniture, etc., the manufacture of all these items; all forms of financial and banking transactions, acquiring shares in, or arranging mergers with, or takeovers of, any undertakings with similar aims, and organizing ancillary services, in particular, the raising of the capital required for achieving these aims.

III. ACTIVITIES

The FNCC engages in three types of activity:

as cooperative holding organization, it

- gathers together the cooperative capital through the regional cooperative societies;
- finances cooperative enterprises;
- represents members within these enterprises.

as cooperative movement, it

- promotes the cooperative ideal;
- informs and trains its employees, activists and members;
- represents the Christian cooperative movement *vis-à-vis* national and international bodies.

as consumer organization, it

- defends the interests of member consumers;
- informs consumers;
- provides its members with free legal assistance.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The FNCC sits on the following bodies:

- the Conseil national de la coopération (National Cooperation Council);
- the Conseil national de la consommation (National Consumer Council);
- the Conseil central de l'économie (Central Economic Council);
- the Commission consultative des denrées alimentaires (Consultative Committee on Foodstuffs);
- the Commission pour la régulation des prix (Price Regulation Committee);
- the Commission des prix des spécialités pharmaceutiques (Pharmaceuticals Committee).

In addition, the FNCC is a member organization of the Mouvement ouvrier chrétien, (MOC) (Christian Workers' Movement) on the same basis as the unions, the mutual benefit societies and the socio-educational organizations.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The FNCC has observer status with Eurocoop.

The Assurances populaires is a member of the Association des assureurs coopératifs européens (AACE) (Association of European Cooperative Insurers).

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The FNCC is a member of the International Cooperative Alliance.

VII. INTERNAL COHESION

The cohesion of the Christian cooperative movement stems from its adherence to the Christian and cooperative ideals.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

The FNCC influences Community through Eurocoop.

IX. PUBLICATIONS

Coopération nouvelle (quarterly).

X. SOURCES

FNCC: *Statuts* (1965).

FNCC: *Historique du mouvement*, internal document.

FNCC: *La Fédération nationale des coopératives chrétiennes*, internal document.

FNCC: *Rapport annuel 1981*.

GROEP C, CHRISTELIJKE COOPERATIE: *400 000 coopérateurs — 800 miljoen kapitaal*, (no date).

LES ASSURANCES POPULAIRES: *Rapport 1980*.

XI. INTERVIEW

Mr Eric Stevens, head of the FNCC research department on 27 October 1982 by Maxime Lauwens, ESC General Secretariat for Studies and Research Division. Text updated August 1984.

XII. REFERENCE

[¹] On 1 January 1983, the price of a cooperative share was BFR 2 500.

6. The cooperative pharmacies

1. Basic data (1983)

800 000 members

2 000 000 beneficiaries

514 pharmacies (10% of dispensaries open to the public)

10 warehouses

2 735 employees

Turnover (pharmacies): BFR 8 000 million (20% of sales on the national market)

2. Brief historical outline

The first Belgian cooperative pharmacies were established as early as 1881, in most cases by socialist or politically neutral mutual insurance societies and later by consumer cooperatives. The 'Christian' pharmacies only appeared much later, from the 1950s onwards.

Despite trials and tribulations, the number of cooperative pharmacies grew very rapidly and after the Second World War they became one of the most thriving branches of the cooperative/mutual/provident sector in Belgium.

3. Size and structure

The cooperative pharmacies belong either to specifically pharmaceutical cooperatives or to consumer cooperatives with a pharmacy section.

Pharmacies in the form of non-profit-making societies are also represented in the Office des pharmacies coopératives de Belgique (Association of Belgian Cooperative Pharmacies) through one of the cooperative societies of the Christian movement.

The object of all these pharmacies is to provide patients with high quality medicaments on the best possible terms, with due respect for the pharmacist's profession and public health requirements.

Surpluses are shared among members on the basis of the sums actually paid by them — either the total amount for the pharmaceuticals bought personally, without the involvement of the social security service, or the member's share of the cost of prescribed drugs qualifying for partial refund under the social security system.

For all the cooperative pharmacies, regardless of ideological outlook, there is a single professional association: the Office des pharmacies coopératives de Belgique (Ophaco — Association of Belgian Cooperative Pharmacies).

Association of Belgian Cooperative Pharmacies (Office des Pharmacies Coopératives de Belgique) (Ophaco) (Vereniging der Cooperatieve Apotheken van België)

President: MARCEL BECQUEVORT

Secretary: LÉON VERBEECK

Address: Chaussée de Mons, 602
1070 Brussels

Tel.: (02) 522 56 90

I. ORGANIZATION

1. Date of formation

Recognized professional association, established in 1946.

2. Size and structure

Ophaco is made up to 22 pharmacy cooperatives.

3. Administrative bodies

General Meeting,
Board of Directors.

The *General Meeting* is made up of all member organizations of Ophaco, each of which has one vote. A General Meeting is held at least once a year.

The *Board of Directors* has at least eight members appointed by the General Meeting, the term of office of half the board expires every two years. The Board implements the decisions taken by the General Meeting.

4. Decision-making procedure

Decisions are taken by a three-quarters majority.

5. Secretariat and staffing

The administrative work is carried out by the staff of one of the member organizations.

6. Budget size and contribution arrangements

In 1984, Ophaco's budget was BFR 2.1 million.

Its resources come mainly from membership subscriptions.

II. AIMS AND PRIORITY POLICIES

Ophaco's objectives are to study, protect and promote the professional interests of its members and to defend the general interest of the consumers in the satisfaction of their pharmaceutical needs.

III. ACTIVITIES

Ophaco engages in all activities, whether direct or indirect, or substantive or otherwise, which will enable it to achieve its aims.

It represents its members *vis-à-vis* the authorities and official institutions;

it maintains relations with organizations with similar goals in Belgium and abroad;

it ensures a regular flow of information to its member organizations and the pharmacists working with them;

it assists in setting up warehouses to supply the pharmacies;

it organizes services for fixing prices and invoicing the mutual insurance societies for the pharmaceuticals supplied to insured persons;

it contributes to the financing of the laboratory for quality control of proprietary medicinal products set up by the Belgian Pharmaceutical Association;

it organizes health education campaigns and takes part in the distribution of information produced in this field by other organizations.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

Ophaco has established itself as a body to be consulted by the authorities in its capacity as a national organization representing the pharmacy sector, in the same way as the national organization of private pharmacies. It sits on a considerable number of joint or consultative bodies in the pharmacy sector.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

Ophaco is a member of the European Union of Social, Mutual and Cooperative Pharmacies.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

Ophaco is a member of the International Cooperative Alliance (ICA) and the International Centre of Research and Information on Public and Cooperative Economy.

VII. INTERNAL COHESION

Despite the ideological and political rifts which mark the Belgian cooperative and mutual movement, the founders of Ophaco have succeeded in bringing together in a single pluralist organization all the pharmacy societies inspired by true cooperative principles.

VIII. INFLUENCE ON COMMUNITY ACTIVITY

Ophaco exerts its influence through the European Union of Social, Mutual and Cooperative Pharmacies.

IX. PUBLICATIONS

None.

X. SOURCES

OPHACO: *Rules, coordinated on 20 February 1962.*

OPHACO: *Bref historique de la constitution et du rôle des sociétés coopératives de pharmacie belges.*

OPHACO: *Quelques chiffres significatifs du secteur des pharmacies coopératives relevés au 1er mars 1982.*

XI. INTERVIEWS

Mr Léon Verbeeck, Secretary of Ophaco, was interviewed on 14 February 1983 by Konrad Schwaiger and Maxime Lauwens, ESC General Secretariat. Mr Marcel Becquevort, President of Ophaco, and Mr Léon Verbeeck were interviewed by Maxime Lauwens on 24 August 1984.

B. Mutual sector

Mutual insurance

1. Basic data (1983)

Mutual insurance associations

Civil liability (motor vehicles)	: 4 Belgian + 2 foreign
Miscellaneous risks	: 15 Belgian + 6 foreign
Life insurance	: 6 Belgian + 4 foreign
Mortgages (non-subsidized)	: 8 Belgian + 3 foreign

Depending on the sector, these mutual insurance associations account for between 4% and 10% of the market.

Collective occupational accident insurance funds (Caisses communes d'assurance)

9 funds	% of sector
Net receipts	39.88
No of policies	15.42
No of employees covered	35.83
Ratio of refunds to net contributions	4.87

2. Brief historical outline

The first Belgian mutual insurance associations were founded in the nineteenth century.

Though their existence was legally recognized in Article 2 of the Act of 11 June 1874, this provision — which is still the only one governing such associations — does not determine in any detail their legal status as corporate bodies.

It is an unfortunate fact that mutual insurance has not enjoyed the same momentum in Belgium as in other countries. Though such associations operate in the various fields of common law, they have secured only a very small share of the market, probably because of the absence of the detailed legal rules necessary to dispel any uncertainty as to the legal position of their members, the policy underwriters and even the validity of their operations.

They do, however, play a major role in the field of occupational accident insurance.

It is clear from the preparatory work on the Occupational Accidents Act of 24 October 1903 that the legislator wished to give every encouragement to mutual insurance.

The mutual insurance associations specially authorized for purposes of occupational accident compensation were named *caisse commune d'assurance* (collective joint insurance funds). This term was reproduced in the Occupational Accidents Act of 10 April 1971.

Mutual insurance associations are subject to the general watchdog provisions laid down in the Act of 9 July 1975. However, the collective funds are subject to specific rules and a special supervisory system in respect of operations covered by the Act of 10 April 1971.

3. Size and structure

(a) The collective funds

These are mutual insurance associations set up by employers in order to insure against industrial accidents incurred by their employees.

The collective fund is therefore a combination of a mutual insurance fund, welfare body and provident institution.

It is a provident institution in the sense that all collective funds authorized to date have set up accident prevention services; a welfare body, in that it is equipped to set up, own and run dispensaries and hospitals for the treatment of victims of occupational accidents; a mutual insurance fund since it is, after all, a mutual insurance association.

The collective fund derives its legal status from Article 54 of the Occupational Accidents Act of 10 April 1971. Such associations must be specially authorized for the purpose of insuring against damages in connection with occupational accidents occurring in (a) the private sector (this act lays down the rules for such compensation), (b) the public sector (here the rules governing compensation are laid down in the Law of 3 July 1967) or (c) the private sector, in respect of benefits corresponding fully or partially (depending on the relevant insurance contract) to that proportion of remuneration in excess of the ceiling specified in the Act of 10 April 1971 for the purposes of calculating industrial accident benefits and pensions.

For areas covered by the act, the Ministry of Social Welfare and the Occupational Accidents Fund act as watchdog for activities covered by the 1971 Act. The Office de contrôle des assurances is responsible for monitoring other operations.

The collective industrial accident insurance funds have formed the Association of Collective Insurance Funds (ACCA).

(b) Mutual insurance associations

The mutual insurance associations, set up with a view to pooling risks so that the burden of each member's losses can be collectively shared, (a) place members in the dual position of insurer and insured, (b) are totally non-profit making, (c) neither own nor remunerate share capital and (d) settling damages and topping up reserves, redistribute any surplus to their members after claims have been settled and reserves topped up.

The other two forms of private insurance authorized under Belgian law, (the joint-stock company and cooperative society) are both commercial undertakings.

A mutual insurance association may provide all types of insurance cover except occupational accident insurance, which is the preserve of the collective funds.

Article 2 of the Act of 11 June 1874 implicitly recognizes the legal status of mutual insurance associations by authorizing their directors to bring legal proceedings on their behalf.

Such associations are authorized for a particular branch, or group of branches, of insurance cover.

They are supervised by the Office de contrôle des assurances, which in turn comes under the authority of the Minister for Economic Affairs and is assisted by the Insurance Committee — a consultative committee whose task is to debate all matters referred to it by the Minister or the Office.

Just under 80% of all mutual insurance associations are members of the Union of Mutual Insurance Associations (UAMM).

Association of Collective Insurance Funds (Association des Caisses Communes d'Assurance) (ACCA)

Chairman: RAYMOND CHARLES

Managing director: YVES WILLEMART

Address: 5, rue de Lozum
1000 Bruxelles

Tel.: (02) 511 99 12

I. ORGANIZATION

1. Date of formation

Set up in 1905 under the name 'Comité directeur des caisses communes' (ACCA) took its current name, along with the status of non-profit association, in 1947.

2. Size and structure

ACCA encompasses the various collective occupational accident insurance funds (caisses communes).

3. Administrative bodies

General Assembly

Administrative Board

Director

Auditors

The *General Assembly* is composed of all member collective funds and meets at least once a year.

As far as possible, the number of members on the *Administrative Board* is equal to the number of affiliated funds, assisted by the director. The minimum membership is five.

Members of the administrative board are elected by the general assembly for four years.

The board meets whenever ACCA's interests so require.

Responsibility for routine management and representation in this connection is delegated to a director who, without prejudice to special powers, represents the ACCA in dealings with third parties.

The general assembly appoints one or more auditors with the task of checking, and reporting on, the accounts submitted by the administrative board. Auditors are appointed for four years.

4. Decision-making procedure

Except in special cases, decisions are taken by a majority of the votes cast by members present or represented.

5. Secretariat and staffing

The Director is assisted by three secretariats: administrative, legal, and technical.

No details of the number of staff paid from the ACCA budget are available.

6. Budget size and contribution criteria

ACCA derives the bulk of its resources from members' contributions. 50% of this contribution is calculated on the basis of the member's revenue less cancellations and rebates and 50% on the basis of the number of employees insured.

No details of ACCA's Budget are available.

II. AIMS AND PRIORITY POLICIES

ACCA aims to:

- group together collective insurance funds authorized for purposes of implementing the Occupational Accidents Act, and to foster cooperation between collective funds;
- study and promote all means of furthering occupational accident insurance, the prevention of such accidents, the physical and vocational rehabilitation of occupational accident victims;
- safeguard the interests of affiliated funds and their members;
- foster good relations between employers and employees in regard to occupational accident insurance;
- promote mutual insurance of occupational accidents in both principle and practice.

III. ACTIVITIES

ACCA is active in all areas relating to its social aims. In particular, it assists all Belgian and foreign groups pursuing similar objectives and keeps in touch with all similar activities being conducted by other institutions and authorities.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

ACCA is a member of the Belgian Business Federation (FEB), the conseil professionnel des assurances, the Belgian Standards Institute, various sub-committees of the Royal Commission responsible for codifying, aligning and simplifying social security legislation under the current comprehensive reform in this field, the national association for the prevention of occupational accidents, the emergency medical aid fund and Via Secura (the National Road Safety Council).

It is represented on the employers' delegations to the administrative board of the Occupational Accidents Fund, the Joint Committee of Insurance Companies and the National Labour Council. It is also represented on the general technical committee of the Occupational Accidents Fund.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

None.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE EUROPEAN COMMUNITY

None.

VII. INTERNAL COHESION

The setting up of the steering committee in 1905, followed by ACCA in 1947, reflected the wish of the collective fund directors to study and promote all means of furthering occupational accident insurance cover, the prevention of such accidents and the physical and vocational rehabilitation of victims. The aim was to safeguard the interests of affiliated funds and their members, namely employers, while promoting mutual insurance against occupational accidents in both principle and practice.

VIII. INFLUENCE ON COMMUNITY ACTION

The rules governing occupational accidents compensation in Belgium are specific to this country and there is no reason to attempt to influence Community action.

IX. PUBLICATIONS

No regular publications. However, the following booklets have been published:

L'assurance des accidents du travail par les caisses communes (Occupational accident insurance cover provided by the collective funds (1977)).

Droits et devoirs des victimes d'accidents du travail — ce que vous devez savoir concernant votre accident du travail (Rights and obligations of victims of occupational accidents — what you need to know about accidents at work (1980)).

ACCA awards a prize every two years to encourage initiative and to fund a study or project in one of the following fields:

(a) Traumatology or physical rehabilitation of victims of occupational accidents;

- (b) Prevention of occupational accidents;
- (c) Compensation for occupational accidents.

X. SOURCE

Paper by Mr Willemart, Managing Director of ACCA, on the mutual insurance sector in Belgium, 28 May 1983.

XI. INTERVIEWS

Mr Yves Willemart, Managing Director of ACCA, and Miss Bernadette De Jaegher, ACCA, were interviewed by Mr Maxime Lauwens, for the Studies and Research Division of the ESC General Secretariat on 22 March 1983.

Union of Mutual Insurance Associations (Union des Associations d'Assurance Mutuelle) (UAAM)

<i>Chairman:</i>	JOSEPH HAVERLAND
<i>Chief Executive</i>	
<i>General-Secretary:</i>	YVES WILLEMART
<i>Address:</i>	5, rue de Loxum 1000 Bruxelles
<i>Tel.:</i>	(02) 511 99 12

I. ORGANIZATION

1. Date of formation

Non-profit making association set up in 1971.

2. Size and structure

The UAAM encompasses roughly 70% of mutual insurance associations.

3. Administrative bodies

General Assembly
Administrative board
Director
Auditors

The *general assembly* is composed of all affiliated associations. It meets at least once a year.

As far as possible, the number of members on the *administrative board* is equal to the number of affiliated associations or groups of associations, assisted by the director. The minimum membership is five members.

These members are elected by the general assembly for four years.

The board meets whenever UAAM interests so require.

Routine management and representation in this connection are delegated to a director who, without prejudice to special powers, represents UAAM in dealings with third parties.

The general assembly appoints one or more auditors to check the accounts submitted by the administrative board. Auditors are appointed for four years.

4. Decision-making procedure

Except in special cases, decisions are taken by a majority of the votes cast by members present or represented.

5. Secretariat and staffing

A number of committees and working parties (e.g. legal, taxation, promotion and information) assist the director with the preparation of studies on technical matters of interest to the UAAM.

The secretariat works in close liaison with the ACCA secretariat.

No details of the number of staff members paid from the UAAM budget are available.

6. Budget size and contribution arrangements

UAAM derives the bulk of its resources from members' contributions which are geared to their revenue less cancellations and rebates.

Mutual associations affiliated to UAAM pay a flat-rate contribution.

No details of the UAAM budget are available.

II. AIMS AND PRIORITY POLICIES

UAAM's aim is to:

- (1) group together private institutions providing mutual insurance; foster and encourage cooperation among such bodies;
- (2) widely publicize this form of insurance; study appropriate means of stimulating its growth;
- (3) stimulate the exchange of information among affiliated associations;
- (4) safeguard members' rights and interests.

III. ACTIVITIES

UAAM is active in every sphere relating to its social aims. For instance it assists any Belgian or foreign association pursuing the same aims, it keeps in touch with all similar activities and represents affiliated associations in dealings with any institution or authority.

Realizing that the public is ill-acquainted with this particular form of insurance, UAAM has made every effort to remedy this situation by devising insurance policies for sports federations affiliated to the Belgian and Olympic Interfederal Committee (COIB).

With particular reference to mutual insurance associations, it has also helped to draft regulations requiring insurance companies to submit annual accounts.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

UAAM is represented on the Insurance Committee set up by the Insurance Companies Supervision Act of 9 July 1975. It is also represented on the Conseil professionnel des assurances.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

None.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

UAAM is very active on the international front and is involved in the work of the European Insurance Committees (CEA) and the International Association of Mutual Insurance Companies (Aisam).

VII. INTERNAL COHESION

UAAM is the expression of its founder members' wish to publicize the principles of mutual insurance and to study ways of stimulating its growth.

VIII. INFLUENCE ON COMMUNITY ACTION

UAAM influences Community action via the CEA and Aisam and through personal contacts.

IX. PUBLICATIONS

No regular publications.

X. SOURCE

Paper by Mr Willemart, Chief Executive/General-Secretary of UAAM, on the Mutual Insurance Sector in Belgium, 28 May 1983.

XI. INTERVIEWS

Mr Yves Willemart, Chief Executive/General-Secretary of UAAM, and Miss Bernadette De Jaegher, UAAM, were interviewed by Mr Maxime Lauwens for the Studies and Research Division of the ESC General Secretariat on 22 March 1983. Further information provided by telephone by Miss Bernadette De Jaegher in August 1984.

C. Non-profit sector

1. Catholic charities (Caritas Catholica)

The Belgian Caritas Catholica is a coordination body for Christian charities, operating under the aegis of the Belgian bishops.

It has independent sectors for the Flemish and Walloon areas, each with its own central organization: Confédération chrétienne des institutions sociales et de santé and Caritas-Confederatie van instellingen.

The two confederations cover 30-40% of Belgian social security and health institutions — up to 70% in certain sectors and regions.

Christian Confederation of Social and Health Institutions (Confédération Chrétienne des Institutions Sociales et de Santé) (CCI — Walloon)

<i>President:</i>	WILLIAM ANCION
<i>Secretary-General:</i>	PIERRE HUVELLE
<i>Address:</i>	17, rue de l'Industrie 1040 Brussels
<i>Tel.:</i>	230 39 27

1. Basic data

44 hospitals
79 old peoples' homes
189 youth institutions
55 crèches
34 medical-social centres
15 000 permanent staff
Budget: BFR 20 000 million (estimate)

2. Brief description

CCI-Walloon coordinates the work of the regional and federal bodies of the Christian medico-social institutions in the French-speaking part of the country. It covers:

- la Fédération des institutions médico-sociales,
- la Fédération des institutions spécialisées d'aide à la jeunesse,
- la Fédération des initiatives d'aide sociale,
- la Fédération des institutions hospitalières de Wallonie,
- la Coordination bruxelloise d'institutions sociales et de santé (CBI),
- le Bureau bruxellois des institutions et initiatives sociales et de santé (BBI),
- le Bureau régional wallon des institutions sociales et de santé.

CCI-Walloon defines itself as a Christian and democratic professional body.

The administrative board is made up of representatives of regional sections and federations.

3. Source

Mr Pierre Huvelle, Secretary-General of CCI-Walloon, was interviewed by Maxime Lauwens, ESC General Secretariat for Studies and Research Division, on 29 September 1983.

Caritas — Confederation of Institutions (Caritas — Confederatie van Instellingen) (CCI — Flanders)

President: J. LINDEMANS
Secretary-General: J. BELMANS
Address: Guimardstraat 1
1040 Brussels
Tel.: 511 47 58

1. Basic data

534 residential institutions (hospitals, homes)
institutions for youth, handicapped, etc.
187 semi-residential institutions (centres for handicapped, crèches)
245 non-residential institutions and services (rehabilitation, medico-social centres, voluntary organizations, etc.)
1.3 million patients/clients per annum
45 600 employees
Budget: BFR 40 000 million (estimate)

2. Brief description

CCI-Flanders coordinates the work of Christian medico-social institutions in the Flemish part of the country, and represents them in dealings with other Belgian and international bodies.

It covers four federations:

Verbond der Verzorgingsinstellingen,
Verbond der Medisch-Sociale Instellingen,
Verbond van Instellingen voor Gehandicapten en Bijzondere Jeugdzorg,
Verbond van Instellingen voor Welzijnswerk.

CCI-Flanders provides its affiliates with assistance in various fields: accountancy, information technology, tax, administration, training etc.

3. Sources

Caritas Catholica Belgica, 1932-82, leaflet.

Caritas-Confederatie van Instellingen, Vijfde jaarverslag (1982).

Caritas-Confederatie van Instellingen, *De cliënten populatie van de CCI-Instellingensectoren — Een kwantitatieve benadering* (March 1981).

2. Socialist health care institutions

For historical reasons (their establishment did not begin until the nineteenth century), there are far fewer socialist social and health institutions than catholic ones. They account for 10-15% of such institutions in the French-speaking part of the country.

There are hardly any in Flanders.

The social health-care institutions of the French-speaking part of Belgium belong to the Association francophone d'institutions de soins (AFIS).

Association of French-language Health-care Institutions (Association Francophone d'Institutions de Soins) (AFIS)

<i>President:</i>	ROBERT LEDOUX
<i>Managing Director:</i>	ANDRÉ VILLEZ
<i>Address:</i>	32-38, rue Saint-Jean 1000 Bruxelles
<i>Tel.:</i>	511 04 54

1. Basic data (1980)

63 health-care establishments
4 500 hospital beds
2 000 other beds
10 000 employees
Budget - hospital: BFR 4 000 million
other types of medical care: BFR 4 000 million

2. Brief description

The members of AFIS are: the Union nationale des mutualités socialistes and its federations; the health institutions covered by socialist mutual-benefit societies, by the Union nationale des mutualités socialistes or by another component of the socialist Common Action.

AFIS has the following tasks:

- to secure high-quality medical services and develop the various forms of organization in the medical sector (group practices, flat-rate medicine, etc.);
- defend the viability and functioning of affiliated institutions, and represent them in dealings with public and private bodies;
- organize and coordinate the work of affiliated institutions.

3. Source

Interview of Mr André Villez, AFIS General Director, by Maxime Lauwens, Studies and Research Division of the General Secretariat of the Economic and Social Committee, in October 1983.



Denmark

CHAPTER I: Introduction and overview

A. OVERVIEW OF ORGANIZATIONS AND ENTERPRISES IN THE COOPERATIVE, MUTUAL AND NON-PROFIT SECTOR

The cooperative movement in Denmark is dominated by three large umbrella organizations, Andelsudvalget (Central Cooperative Committee), FDB (Cooperative Wholesale Society) and DkF (Danish Federation of Workers' Cooperatives). The three organizations represent agricultural, consumer and production cooperatives, but in reality the divisions are not so sharp, it being often historical and political reasons that account for membership of one organization rather than another.

A number of cooperatives are not affiliated to the above umbrella organizations. These are mainly supply cooperatives (water, electricity and heating) and credit institutions, namely mortgage credit societies and savings banks. The latter two are regulated by special legislation and have in practice no connection with the rest of the cooperative movement. As part of the 'alternative movement', cooperatives have been set up to provide alternative energy, housing, everyday consumer goods, i.e. food and beverages, to groups of consumers often living in communes. Only brief reference will be made below to these sectors of the cooperative movement.

As regards mutual and provident organizations which are not cooperatives, there are a number of these in Denmark, particularly in the sectors of housing finance, and insurance. They have varying degrees of member control, and have their own organizations outside the framework of the cooperative movement.

1. Historical background

The Danish cooperative movement developed on two parallel courses, one in the country and the other in the towns. The cooperatives came into being in order to satisfy the needs of particular population groups, and often grew up quite independently of one another. It was, however, the same situation that led to the setting up of the first agricultural and production cooperatives: in the 1880s and early 1890s the world market price of grain dropped due to the increased production in the USA and Russia, together with improved and cheaper means of transport. Furthermore, for certain periods duties were imposed on livestock exported to Germany.

In order to be competitive, the Danish farmer turned to animal husbandry. For supplies, processing and marketing he joined forces with other farmers on a local basis, and thus the first cooperatives were started. In 1899 Andelsudvalget was established to bring together the interests of all cooperatives, but today its members operate mainly within agriculture or provide services to this sector.

As the falling grain prices did not result in cheaper bread, workers in the towns decided to set up their own bakeries, with the aim of providing cheap and good bread. Although this was an important step, it was not until 1899 that production cooperatives gained real significance — following a lock-out of more than 40 000 workers. Refusing to accept unemployment, workers — primarily in the building industry — started building and construction cooperatives. The cooperatives grew side by side with the trade unions and the Social Democratic Party, and although the latter were somewhat hesitant about the cooperative idea, the events following the lock-out led to their recognition of urban cooperatives as part of the labour movement. This unique relationship between trade unions and workers' cooperatives is reflected in the organizational structure of DkF, which was set up in 1922 as the umbrella organization of workers' cooperatives.

The first modern cooperative society in Denmark was a consumer cooperative, which was established in 1866 on the initiative of the workers of Thisted — a small town in Jutland. However, the consumer cooperatives did not really break through until the farmers had established dairies and slaughter-

houses on a cooperative basis. Thus, up to 1900, the consumer movement was characterized by local village associations, the members of which were farmers.

In 1896 the regional consumer cooperatives set up a joint purchase organization, FDB (Danish Wholesale Society) whose function it was to handle the interest of all the associated consumer cooperatives. The organization also took up production of certain goods. Today FDB is the largest retail and wholesale society in Denmark.

The lack of cooperative legislation has been very important for the development of the cooperative movement and for its independent position in relation to the authorities and public bodies. It has meant that each cooperative society could flexibly adjust its rules and entire activities according to need. As a result a stable administration of law developed, based on court judgments, and the lack of cooperative legislation is rarely felt^[1]. Proposals for a law governing cooperative activities have, however, been put forward on several occasions in parliament. In September 1981 a committee was set up to consider and make proposals on cooperative legislation. DkF, Andelsudvalget and FDB are all represented on this committee, the former being in favour, the latter two being against statutory regulation of cooperatives^[2].

Outside the strict cooperative sphere, mutual and other organizations can also trace their origins back to the nineteenth century and even earlier. The historical development of those sectors is shown in more detail in the subsequent sections.

Legal framework

In Denmark there is no cooperative legislation and hence there is no legal definition of 'cooperative'^[3]. Cooperatives do not need to register publicly, but in practice most are registered under company law.

The founders of a cooperative are free to draw up the rules by which the society should be run and consequently they — legally — present a motley picture. But having been inspired by the Rochdale pioneers, the fundamental principles have been maintained and it seems generally accepted that a cooperative should have at least the following characteristics:

- open membership;
- limited rate of interest on capital;
- profit sharing in proportion to turnover;
- democratic management by the members^[4].

Andelsudvalget, FDB and DkF have all drawn up sets of standard rules for their members^[5].

Cooperatives can have limited or unlimited liability for their members. Whereas in other European countries limited liability is permitted only for legally recognized bodies which are registered and fulfil certain legal requirements, in Denmark this is also possible for a legal body which is not regulated by law. Consequently, it depends on the articles of association of the company whether it has limited liability or not. Previously most cooperatives had unlimited liability. Today there is a tendency to opt for limited liability as a result of cooperatives having grown so large that it is difficult for the members to assess their financial risk.

Cooperatives can take different legal forms, such as partnerships, ordinary limited liability companies, private companies and others. Again, whether an organization is a cooperative can only be seen from its rules. One should therefore not judge from appearances — a cooperative with unlimited liability may very well be registered as a limited company (it is the case in banking for example), because of special legislation in the field in which it is operating.

Special laws apply in the case of insurance companies and mortgage credit institutions. Both mutual and non-mutual insurance companies come under the supervision of Forsikringstilsynet (Supervisory Board for Insurance).

2. Size of the cooperative, mutual and non-profit sector in the Danish economy

Because not all cooperatives are publicly registered or registered in another legal form it is virtually impossible to get an accurate picture of their number. Therefore the following figures refer to the cooperatives affiliated to the three umbrella organizations, FDB, DkF and Andelsudvalget, as these can be said to cover most of the consumer, production and agricultural sectors. The number of

business units registered for VAT settlement give an idea of the size of the cooperative sector in the Danish economy. In 1980 there were 392 465 registered units in total and of these 3 696 were cooperatives (compared with 7 049 out of 385 941 in 1975). Total registered sales amounted to DKR 749 569 million, the cooperatives accounting for DKR 95 030 million (compared with DKR 50 142 million out of DKR 440 171 million in 1975). These figures show that although the number of cooperatives has been decreasing, this has not affected their turnover [6].

(a) *Market share*

Andelsudvalget's members, primarily representing the agricultural sector, have obtained high market penetration. The cooperative dairies control 87% of milk production, 92% of butter production and 79% of cheese production. Sixteen slaughterhouses deal with 90% of pig production and 50% of cattle for slaughter. One nation-wide cooperative has a market share of nearly 70% of egg production, and poultry, seed, horticultural and farm-supply societies control around 50% of their markets, and only in farm machinery does the cooperative share fall as low as 15%.

Andelsudvalget's non-agricultural members include, among others, banking and insurance companies. The cooperative banks comprise 54 village banks, 'Andelskasserne', which had total assets of DKR 1 845 million in 1983 (DKR 803 million in 1976) and the nation-wide 'Andelsbanken', which is the fourth largest commercial bank in Denmark with total assets of DKR 26 371 million in 1983 (DKR 8 447 million in 1976). The banking, as well as the insurance companies, are regulated by special laws. The insurance companies affiliated to Andelsudvalget had a premium income of DKR 3 804 million in 1983 (DKR 1 190 Million in 1976) [7]. In total Andelsudvalget's primary and secondary members had a turnover of DKR 77 402 million in 1983 (32 678 in 1976) excluding the total assets of the banks [8].

As regards mutual insurance and mortgage credit, in 1982 there were 40 limited and 120 mutual general insurance companies, having 57% and 38% of the premiums, respectively, the remaining 5% being accounted for by foreign companies. Of the life assurance companies 17 were organized as limited companies, 4 as mutual, with a market share of 11-12%.

The market share of the mortgage credit institutions is very high indeed — but it should be noted that not all of these are mutual organizations.

The FDB consumer cooperatives make a better showing than the consumer cooperatives in many other European countries. Societies affiliated to and shops operated by FDB have 26% of the retail market for everyday consumer goods, i.e. non-durables, and they run 55% of all supermarkets in Denmark. The trend towards fewer and larger stores has meant a fall in the number of shops by 317 between 1977 and 1983, while at the same time increasing their turnover by DKR 7 947 million. This impressive growth rate was marred, however, by a substantial fall in profits.

In 1983 about 37% of all Danish households were members of a consumer cooperative. Furthermore it is estimated that about 25% of regular cooperative customers are non-members [9].

The cooperatives affiliated to DkF, which include the production cooperatives, play a minor role in comparison with the other two sectors. They hold a market share of some 3-4%. DkF has experienced a moderate expansion in some sectors, especially housing, where 44 new societies were created between 1975 and 1980, and a contraction in others. The number of bakeries fell from 19 to 5 between 1975 and 1984; the number of canteens rose from 52 to 62 in the same period. Overall DkF had more members in 1983 than in 1975. All the sectors showed a steadily increasing turnover over the seven years to 1982, when it amounted to DKR 15 675 million, of which DKR 5 100 million formed the rental income of housing societies and DKR 6 956 million the total assets of Arbejdernes Landsbank (Workers' National Bank).

(b) *Economic sectors*

Cooperatives can be found in many areas of economic activity. They provide consumers with non-durables (food and beverages), housing, fuel, services, supply goods to farmers and process and market farm produce and give jobs to workers in e.g. the construction and manufacturing industry. Public production and distribution activities in various fields are carried out by the government, the municipalities or by concessionary companies. This is true of public transport, post offices, the telephone and telegraph system and gas. Supply of water, electricity and heating is undertaken partly by public authorities, and partly by local cooperatives, which account for about 30-40% of the supply.

(c) Number of persons employed

The agricultural cooperatives had a total of 37 960 employees (1983), bacon factories accounting for 15 500 and dairies for 7 000. The insurance cooperatives had 2 000 employees and the cooperative banks 3 200.

The consumer cooperatives employed a total of 20 943 of which 6 351 worked in the retail cooperatives and 10 660 in the FDB outlets.

Workers' cooperatives employed 14 800 persons, most of them in the housing and building and construction industry.

In total the cooperative sector employed 73 703 persons.

Most mutual organizations, because of the sectors in which they are active, are highly capital-intensive but not highly labour-intensive. Total employees are in the region of some 10 000.

3. Structure of the cooperative, mutual and non-profit sector

The whole cooperative movement has undergone structural changes so that today there are fewer and larger units than just 10 years ago. This trend is due to the necessity for the cooperatives to be competitive with the privately-owned companies, as cooperatives get no preferential treatment or financial aid from the public authorities.

A distinction should be made between the primary and secondary cooperatives. In the primary cooperatives the members are individuals, whereas in the secondary cooperatives the members are the primary cooperatives, but also associations/organizations, such as consumer organizations, trade unions, public authorities or workers' cooperatives. The amalgamations of the smaller cooperative units have meant a change from unlimited to limited liability, and the introduction of representative democracy, where the executive bodies are not elected directly by the members but through representatives or delegates.

The cooperative movement does not include primary agricultural production itself on the individual farms, as is the case in several countries. With very few exceptions cooperative farming is unknown in Denmark, because it has not proved necessary and because it has been discouraged by the agricultural and property legislation.

The agricultural cooperatives present a varied picture, since they have grown out of local needs and there has been no legislation. In some sectors there is just one nation-wide cooperative company running the whole cooperative turnover and production in its sector, as is the case in the field-seed, laying- and table-poultry branches. In other branches a few very big companies — generally regional — work side by side with quite small ones, as do the dairy cooperatives and the farm supply societies. Nationally, the agricultural cooperatives are united in *Andelsudvalget*. *Andelsudvalget* elects members to the Agricultural Council.

Among their members *DkF* and *Andelsudvalget* have a number of companies providing services, or manufacturing processing or marketing various goods. Some of these companies, such as those engaged in insurance and banking, are subject to special laws governing their activities.

FDB is a nationwide consumer cooperative with a large network of retail shops, some of which are independent, but affiliated to FDB, and others are run by the FDB itself. The local units are organized as primary cooperatives and are divided into 62 districts, which in turn form the FDB.

DkF's members are primarily housing associations, building and construction companies, canteens, bakeries and oil and fuel societies. They are organized in sectoral associations which promote those particular cooperatives' interests, and in intersectoral joint councils, which on a local basis bring together workers' cooperatives, trade unions, consumer cooperatives, members of the Social Democratic Party and the Workers' Educational Association. On a nation-wide basis these sectoral and intersectoral associations make up *DkF*. Together with the trade unions *DkF* has set up *Arbejderbevægelsens Erhvervsråd* (Economic Council of the Labour Movement) to represent the whole labour movement in dealings with the government and public authorities and *Arbejderbevægelsens Kooperative Finansiering* (Labour Movement Cooperative Investment Fund) as a financial instrument for the cooperative sector.

4. Economic, social and political context in which cooperative, mutual and non-profit organizations operate

The agricultural and the production cooperatives are ideologically affiliated to two different parties, namely, Venstre (Liberal Party) and Socialdemokratiet (Social Democratic Party). Consequently they have different ideas about the role of cooperatives in society. Both accept the present market economy as a framework within which they should compete with privately-owned enterprises. But whereas the agricultural cooperatives exclusively aim at protecting the economic interests of their members and are deliberately neutral in politics, production cooperatives seek to improve living conditions for workers in their capacity as workers as well as consumers. They also try to promote the cooperative idea, in terms of economic democracy, envisaged as a system of co-ownership in which workers collectively control industry. This idea is looked upon with considerable scepticism by large parts of business and industry and a number of the political parties, and in the present political and economic situation it is highly unlikely that it will be realized in the near future^[9] ^[10].

Industrial democracy has been another live issue in the Danish labour movement and in politics as such. Under the Danish Companies Act, companies with over 50 employees must have at least two workers' representatives on the board of directors. Cooperatives affiliated to DkF must adhere to a set of standard rules which ensure that workers' and consumers' representatives hold at least one-third of the seats on the board.

FDB does not have any kind of party policy affiliations, but it has formulated a 'Consumer policy programme', first in 1978, with a follow-up in 1981. This programme, adopted by FDB's members, represents its official policy and is promoted on public bodies and *vis-à-vis* the public in general.

DkF also formulated a consumer policy in 1960 and this was revised in 1977. On consumer policy issues DkF and FDB collaborate closely. There has, however, been some tension between the two organizations over member democracy. Many think that member democracy has been seriously threatened by the extensive amalgamations that have taken place in the whole cooperative movement. DkF's members, many of which had formerly been major suppliers to FDB, felt that their interests had been overridden and that FDB had become increasingly non-political in its drive to meet the competition from the modern world of retailing^[11].

5. Definition and special functions of the cooperative, mutual and non-profit sector as compared with the public and private sectors

Cooperatives have developed in many areas of the Danish economy. A characteristic feature of cooperatives is that their purpose is to meet in a profitable manner, in competition with private concerns, the need for goods, services or work (in contrast to just yielding interest on capital). Those who own and manage the cooperative have a specific interest in the goods, services or work it provides. What distinguishes cooperatives from public enterprises is that the management of the latter is elected on political grounds, and must represent broad public interests.

Cooperatives are run at their members' expense and risk, and they do not receive any public financial aid. They do, however, enjoy minor privileges compared with other companies as regards taxation.

Mutual organizations operate within the private sector in competition with profit-based proprietary organizations, and the role of their members may vary considerably from one to another. They are not part of the cooperative movement and do not regard themselves as such.

B. DANISH NATIONAL ORGANIZATIONS IN THE COOPERATIVE, MUTUAL AND NON-PROFIT SECTOR AND THEIR MEMBERSHIP OF EUROPEAN GROUPINGS

Andelsudvalget is a member of Cogeca. FDB is a member of Eurocoop. Some of their members are affiliated individually to European interest organizations. This is the case with ALKA and TRYG, which are members of the Association of European Cooperative Insurers, Andelsbanken and Andelskasserne, which are members of the Association of Cooperative Banks of the EC, and one of DkF's members, namely Byggefagenes Kooperative Landssammenslutning, which is affiliated to Cecop. UGAL has two Danish members, A/S HOKI and A/S OCEKA, which are not represented on any of the three Danish umbrella organizations.

C. REFERENCES

- [1] *The Danish Cooperative Movement*, Det danske Selskab, (København 1977).
- [2] *Andelsudvalget's annual report, 1981*, p. 11.
- [3] A definition of cooperatives does, however, appear in two acts, namely, Aktieselskabsloven § 1, stk. 4 (specifying which kind of companies the law does not apply to) and Selskabsskatteoven § 1, stk. 1, nr. 3, 3a and 4 (defining the companies subject to taxation).
- [4] In the primary cooperatives this always means one vote for each member, while in the umbrella organizations and secondary societies this mostly means voting according to turnover.
- [5] Andelsudvalget's own rules are as reformulated by the ICA Commission on Principles, approved by the ICA Congress in Vienna in 1966.
- [6] BJARNE MØGELHØJ: *Det kooperative Særpræg*, Sydjysk Universitetsforlag (Esbjerg 1980).
- [7] See also 'Mutual insurance in Denmark during the last 20 years', in *Mutuality*, 1980/1 AISAM (Amsterdam 1980).
- [8] Information provided by Andelsudvalget.
- [9] MARIANNE RIGGE: 'Perspectives from Denmark', in *Prospects for Workers' Cooperatives in Europe*, Commission of the European Communities (1981).
- [10] JEPPE ALS: Jesper Clausen and Arne Oksen, *Arbejderkooperationen*, Handelshøjskolen i Aarhus (1979).
- [11] JØRGEN THYGESEN: 'The Workers' Cooperative Movement', and LEONORA STETTNER, 'Trade Unions and Cooperatives in Partnership: the Danish Example', articles published in the *ICA Review of International Cooperation* (1979).

CHAPTER II: Cooperative, mutual and non-profit organizations in Denmark

A. Cooperatives

1. The agricultural sector

1. Basic data (1983)

	<i>Cooperatives</i>	<i>Members</i>	<i>Employees</i>	<i>Turnover DKR mio</i>	<i>Market share %</i>
<i>Primary cooperatives</i>					
agricultural processing and marketing	145	136 000	21 900	36 619	80
Fishery	22	1 500	1 000	1 153	8
Horticulture	20	2 300	760	1 924	50
Farm supply	289	50 000	3 600	10 833	48
Insurance (premium income)	4	1 900 000	2 000	3 804	—
Banks (total assets)	55	120 000	3 200	23 345	10
<i>Secondary cooperatives</i>	15	—	5 500	23 069	—
Total	550	2 209 800	37 960		

2. Brief historical outline

The creation of agricultural cooperatives was directly stimulated by a sharp drop in the price of grain in the late 1870s and 1880s, which made Danish farmers turn to animal production, and by the introduction of new technological methods. Compulsory education (which had been introduced in 1814) together with the cultural enlightenment brought about by the Grundtvigian movement (which promoted high schools geared primarily to young people in rural areas) had prepared the Danish farmer for democratic involvement in business^[1].

The first dairy cooperative was set up in Jutland in 1882. It was soon followed by a bacon factory, and by the turn of the century by egg, seed and supply cooperatives. The essential areas of agricultural activity were covered by 1930 with the setting up of horticultural and farm machinery cooperatives. The market shares secured by cooperatives enabled them to control the market to a large extent.

In 1899 the agricultural cooperatives established the Federation of Danish Cooperative Societies, which was later reorganized, counting among its members a number of cooperatives that provide services to the rest of the cooperative movement (such as banking and insurance) and a couple of factories which supply the agricultural cooperatives with raw materials or undertake processing or packing of produce.

3. Size and structure

Agricultural cooperatives have undergone substantial changes in structure and mode of operation. In order to be competitive the farms have turned from mixed to specialized production, and the cooperative societies have been reduced in number through amalgamations, the vast majority today

Table D2: Denmark

Sectors	Cooperative	Mutual	Others
Agriculture	Andels-udvalget		
Savings and Credit			
Insurance			
Production (building, bakeries, oil, canteens, printing)			
Housing			
Consumers	Fællesforeningen for Danmarks Brugsforeninger (FDB)		

being regional or nationwide. With this there has been a tendency to move away from unlimited to limited liability for the members. As can be seen from the market shares (quoted in the introduction) agricultural cooperatives still have a strong position on the market, in some fields controlling up to 90% of production.

The agricultural sector is represented by three national organizations, the Danish Farmers' Union (De Danske Landboforeninger), the Family Farmers' Union (De danske Husmandsforeninger) and the cooperative umbrella organization, the Federation of Danish Cooperative Societies (De samvirkende danske Andelsselskaber) — referred to as Andelsudvalget, which is the name of its board of directors. Although having a strong agricultural flavour, Andelsudvalget is not an exclusively agricultural umbrella organization as 11 of its 33 members engage in non-agricultural activities.

References

[1] MARIANNE RIGGE: op. cit.

The Federation of Danish Cooperative Societies/ Central Cooperative Committee (De samvirkende danske Andelsselskaber/ Andelsudvalget)

<i>Chairman:</i>	MARTIN NIELSEN
<i>Head of secretariat:</i>	H. HASLE NIELSEN
<i>Address:</i>	Vester Farimagsgade 3 DK - 1606 København V
<i>Tel.:</i>	(01) 12 14 19

I. ORGANIZATION

1. Date of formation

Established in 1899. Reorganized in 1917 and 1966.

2. Size and structure

In 1983 Andelsudvalget had 33 members (see Annex I). It is not possible to state the number of their individual members, most farmers being members of several cooperatives providing them with various goods and services. According to an estimate from 1978 there were about 120 000 farms and the cooperative societies had a total of 2.08 million individual members (including insurance-policy holders). This relatively high figure reflects the fact that most Danish farmers are members of several cooperatives.

3. Administrative bodies

The following are the administrative bodies of Andelsudvalget:

The Central Cooperative Committee has 45 members, representing the member organizations. The Committee acts as the board of directors of the Federation of Danish Cooperative Societies. The Committee meets twice a year.

The Executive Committee has five members, including the chairman and two deputy chairmen.

A *meeting of delegates* may be arranged by the Central Cooperative Committee when matters of general concern to the cooperative movement arise. Such meetings normally take place every five to ten years.

4. Decision-making procedure

Generally, no vote is taken in decision-making by the administrative bodies. If a vote takes place it is by simple majority.

5. Secretariat and staffing

The secretariat consists of 10 employees: 1 head of the secretariat, 5 assistants, including the editor of the *Cooperative Journal*, and 4 technical assistants.

The size of the secretariat has increased substantially since 1945. The number of employees in the secretariat in 1945 was 4; in 1955, 8; in 1965, 10; in 1975, 9 and in 1980, 10.

6. Budget size and contribution arrangements

Total budget for 1975: DKR 2.4 million
 1981: DKR 3.9 million
 1983: DKR 5.5 million

Member organizations pay a fixed annual contribution according to their turnover and number of members.

II. AIMS AND PRIORITY POLICIES

Andelsudvalget's aims are to:

- promote knowledge of cooperative principles;
- strengthen contacts between the different branches of the movement, and mainly within agriculture;
- encourage the development of the cooperative movement;
- cooperate with foreign cooperative movements through international associations.

Andelsudvalget does not introduce annual programmes, but makes *ad hoc* statements on specific political issues. It only deals with problems of general interest to the cooperative societies, while specific matters are handled by the member organizations themselves.

III. ACTIVITIES

To realize its objectives, Andelsudvalget sets up committees to deal with issues of special interest to the cooperative movement; it is represented on a number of public bodies, and has contacts with the educational and research sectors; it works out common statistics and information material, arranges lectures and receives foreign cooperators and others interested in the cooperative movement. It also issues a fortnightly magazine, *Andelsudvalget*.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

On questions of agricultural economics or politics Andelsudvalget works closely with the Danish Farmers' Union and the Danish Family Farmers' Union. Most of this collaboration takes place in the joint top organization — the Agricultural Council (Landbrugsrådet) — to which Andelsudvalget elects 9 out of the total of 34 Council members.

Andelsudvalget is represented on approximately 10 public bodies (in 1975, 5). These are (among others): Det økonomiske Råd (the Economic Council), Monopolrådet (the Monopolies Council), Det rådgivende panel vedr. Selskabslovgivning (the Advisory Panel on Company Law), Landbrugs-

ministeriets Produktivitetsudvalg, (the Ministry of Agriculture's Productivity Committee), Statens jordbrugsøkonomiske Udvalg (the State Agro-economic Committee), Det danske FAO-udvalg (the Danish FAO Committee), Danida (Danida), Nordisk kooperativ samrådsgruppe for U-landsspørgsmål (the Nordic Cooperative Advisory Group for Aid to Developing Countries), Det danske Selskabs repræsentantskab (the Danish Institute's Committee of Representatives) and Industriministeriets andelslovudvalg (the Cooperative Law Committee of the Ministry for Industry).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

Andelsudvalget represents the Danish cooperative societies and the Danish cooperative movement in Cogeca and thereby in Cefpar.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

Andelsudvalget is a member of the International Federation of Agricultural Producers (IFAP), the International Cooperative Alliance (ICA), Nordens Bondeorganisationers Centralråd (NBC) and Nordisk Samrådsgruppe. The latter two organizations are forums for exchanging experience on cooperative issues^[1], Nordisk Samrådsgruppe having a specific consultative function on development aid given to — or in the form of — cooperatives. Furthermore it has close contact with ILO, offering educational services and expert knowledge for cooperative projects in developing countries.

VII. INTERNAL COHESION

Andelsudvalget furthers its members' interests by promoting unity, strengthening contacts and representing the movement in matters of interest to the cooperative movement as a whole. The real power lies in the member organizations; these promote their specific interests directly *vis-à-vis* the public authorities or other organizations and institutions.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

Matters concerning EC agricultural policy are jointly dealt with by the Danish agricultural organizations through the Agricultural Council.

IX. PUBLICATIONS

A fortnightly magazine *Andelsudvalget* (The Cooperative Journal) is published in 12 000 copies. Furthermore Andelsudvalget regularly publishes statistical reviews of the cooperative societies, and an annual report in English.

X. SOURCES

MARIANNE RIGGE: op. cit.

The Danish Cooperative Movement; op. cit.

ESC: Andelsudvalget, in *European Agriculture and its Organizations*, ESC (1982).

Andelsudvalget's *annual report* (1981).

XI. INTERVIEW

Hans Vedholm, editor of *Andelsbladet* on March 1982 and 29 May 1984 by John Catling, ESC General Secretariat.

XII. REFERENCES

- [¹] Such as, for instance, the legal regulation of cooperatives. Sweden has cooperative legislation, whereas this is not the case in Norway and Denmark.

ANNEX I

LIST OF MEMBERS

A. Primary cooperatives*(a) Agricultural processing and marketing cooperatives*

1. De danske Mejeriers Fællesorganisation
(Danish Dairy Federation)
2. Organisationen Danske Slagterier
(Federation of Danish Bacon Factories)
3. DALKO, Amba
(Cattle Sales)
4. Dansk Andels Æg
(Farmers' Cooperative Egg Association)
5. DANPO, Amba
(Poultry Slaughtering)
6. Dansk Pelsdyravlerforening
(Danish Fur-breeders' Association)
7. Danske Landboforeningers Frøforsyning
(Farmers' Cooperative Seed-growing Association)
8. Sukkerfabriken Nykøbing
(Cooperative Sugar Mill)

(b) Fisheries and horticulture

9. GASA Danmark, Amba
(Danish Gardeners' Sales Association, Ltd)
10. Nord Grønt
(Association of Fruit and Vegetable Producers)
11. De samvirkende danske Andels-fiskesalgforeninger
(Federation of Danish Cooperative Fish Sales Associations)

(c) Farm supply

12. Dansk Landbrugs Grovvarereselskab, Amba
(Danish Cooperative Farm Supply, Ltd)
13. Fyens Andels-Foderstofforretning
(Funen's Cooperative Feedingstuffs Society)
14. Ringkøbings Amts Indkøbsforening for Foderstoffer
(Cooperative Feedingstuffs Association for Ringkøbing County)
15. Landsforeningen af Andels-Grovvarereforeninger
(National Association of Cooperative Feedingstuffs Associations)
16. Andelsmaskiner Amba
(Cooperative Farm Machinery)

(d) Insurance cooperatives

17. Tryg Forsikring, Amba
(Tryg Insurance for farm buildings)
18. Alm. Brand af 1792
(General Insurance, Ltd)
19. AP Forsikring
(The Cooperative Pension Association)

(e) Banking Cooperatives

20. Andelsbanken
(Danish Cooperative Bank)
21. Foreningen Danske Andelskasser
(Association of Danish Village Banks)

B. Secondary cooperatives

22. Andelssmør, Amba
(Butterdane Ltd)
23. Dansk Ost, Amba
(Danish Cheese Ltd)
24. Danmælk, Amba
(Danish Milk Ltd)
25. Milco Export, Amba
(The Association of Factories for Canned Milk Products)
26. De danske Mejeriers Fællesindkøb og Maskinfabrik, Amba
(Danish Dairies' Joint Purchasing and Machinery Factory, Ltd)
27. Mejeribrugets Emballagefabrik, DANAPAK
(Danish Dairies Packaging Factories)
28. Slagteriernes Fællesindkøbsforening
(Joint Purchasing Association of the Bacon Factories)
29. Andelsselskabet Hudecentralen
(Hides and Skins Central Office)
30. Andelsslagteriernes Kødfoderfabrikker
(Meat and Bonemeal Factories of the Cooperative Bacon Factories)
31. Dansk Andels Cementfabrik
(Danish Cooperative Cement Factory)
32. Olieselskabet Danmark, Amba
(The Oil Company Denmark, Ltd)
33. Andelsforeningernes Sanatorieforening
(The Sanatorium Association of the Cooperative Societies)

2. Production cooperatives

1. Basic data (1982)

	<i>No</i>	<i>Employees</i>	<i>Turnover DKR mio</i>
Canteens	56	500	82
Bakeries	11	500	309
Housing cos (15% of total stock)	552	5 500	5 100
Building cos	70	5 000	1 500
Oil & fuel	4	200	325
Banks (total assets)	1	900	6 956
Insurance (premium income)	1	200	311
Others	30	2 000	1 092
Total	725	14 800	15 675

2. Brief historical outline

The first production cooperatives date back to the 1870s, when workers started their own bakeries as a reaction to the falling grain prices which did not result in a corresponding fall in the price of bread produced by the master bakers. The second impetus for production cooperatives came after the labour conflict in 1899, when over 40 000 workers were locked out. On that occasion workers, primarily in the building industry, set up several cooperatives which proved to be viable.

The cooperative idea soon spread in the trade union movement. The hesitation which had been expressed by the Social Democratic Congress in 1898 changed into a recognition of the importance of cooperatives as part of the labour movement. This unique relation between trade unions, the Social Democratic Party and the cooperative movement has been maintained since 1907. From the very beginning production cooperatives were seen as an instrument in the struggle against the power of capital and as a means of improving the standard of living of working-class people. The improvement was sought not simply, or even at all, through raising the wages of workers, but in lowering the prices of goods available to them in their capacity as consumers. It is important to bear this in mind in order to understand why the majority of the members of DkF are consumer rather than production cooperatives, even though the shares are predominantly held by trade unions and labour-movement organizations. Their purpose is to provide good-quality and reasonably-priced goods or services for working people. They are not, for the most part, companies that are owned and controlled by the people working in them.

Production cooperatives are to be found in the field of building and housing and fuel and oil supplying; there are a number of bakeries and canteens and some companies, mainly providing services to the whole cooperative movement.

3. Size and structure

The workers' cooperatives play a minor role compared with consumers and agricultural cooperatives.

There are three main types of cooperative in Denmark which broadly fit into the classification of production cooperatives:

The official production cooperatives, which belong to the DkF and are largely financed by the labour movement's Cooperative Investment Fund (AKF) and by individual trade unions. They include production cooperatives in which all the workers are members, with no outside members and control on the basis of one man one vote, and 'trade union' cooperatives in which ownership and control rest entirely with trade unions. The second type is the most numerous.

Employee-owned companies, many of which have been formed in the last decade in response to the threat of closure of traditional capitalist companies during the economic recession of the 1970s and early 1980s. These new types of cooperatives differ from the traditional cooperatives in

that they have no connection with the established working-class organizations and are not dependent on them.

Communes and collectives, which are also a fairly recent phenomenon and form part of the wider alternative movement, and as such have no connection with the trade unions.

The latter two categories make a very modest contribution to the Danish economy and will not be dealt with below.

The Danish Federation of Workers' Cooperatives (Det kooperative Fællesforbund) (DkF)

<i>Chairman:</i>	THORBJØRN HJULER
<i>Managing director:</i>	ÅGE MUNK
<i>Address:</i>	Reventlowsgade 14 DK - 1615 København K
<i>Tel.:</i>	(01) 31 22 62

I. ORGANIZATION

1. Date of formation

DkF was founded in 1922.

2. Size and structure

Production cooperatives play a relatively minor role in the Danish economy. They have a total market share of 3-30% according to sector, 14 800 employees and a turnover of DKR 15 675 million (including total assets of the bank). An overall organization plan is shown in Annex II.

3. Administrative bodies

The production cooperatives are organized in sectoral organizations, which in turn are members of DkF, and in joint councils, which function as small central unions with the same task as DkF, but on a local level. The highest authority of DkF is the biannual general meeting, where the delegates from the trade organizations, the companies, the trade unions and the Social Democratic Party elect a board of directors of 17 members, and its chairman. The board elects from among its members two vice-chairmen who, together with the chairman and the managing director (also appointed by the board) form the executive committee. DkF runs a secretariat jointly with Arbejderbevægelsens Erhvervsråd (the Economic Council of the Labour Movement) (See Annex I). Furthermore it performs secretarial functions for Arbejderbevægelsens kooperative Finansieringsfond (the Labour Movement's Cooperative Investment Fund), Kooperativt Marketenderiers Samvirke (the Association of Cooperative Canteens) and Kooperationens Hus ApS (a publishing house) [1].

4. Decision-making procedure

Decisions are taken by majority votes.

5. Secretariat and staffing

The secretariat has a staff of 29 composed as follows:

- 13 graduates,
- 10 secretarial and administrative staff,
- 1 librarian,

1 journalist, and
4 information officers.

6. Budget size and contribution arrangements

The total budget for 1983 was DKR 8.5 million. The contribution criteria are based on the turnover and number of employees of the member organization. A part of the wages of the DkF staff is paid by the State through a consultant service.

II. AIMS AND PRIORITY POLICIES

The aim of DkF is to promote the cooperative idea as well as the cooperative company structure as an alternative to private enterprise, and to strengthen the cooperative movement, nationally and internationally [2].

III. ACTIVITIES

To achieve its objectives DkF:

- represents the workers' cooperatives in dealings with the public authorities;
- undertakes information activities directed at the public in general;
- runs information and training courses for its members through the local joint councils;
- employs a number of consultants who are specialized in financial, legal and technical matters and who give their services free to the cooperatives [3].

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

In 1936 DkF and LO (the Federation of Trade Unions) established Arbejderbevægelsens Erhvervsråd (the Economic Council of the Labour Movement)[4] to function as umbrella organization for the whole labour movement in its dealings with the public authorities. It is among the organizations consulted on important matters connected with industrial relations.

Arbejderbevægelsens Kooperative Finansieringsfond (the Labour Movements' Cooperative Investment Fund) was started in 1953 by LO and DkF, as an instrument for developing the cooperative sector through investment of capital available for risk. It is funded and controlled by LO and DkF, with 60% and 40% respectively.

DkF has close contacts with the Social Democratic Party and the trade unions, with which it collaborates on shared objectives; they are represented on each others' decision-making bodies.

DkF is represented on a wide range of governmental bodies, including the Monopolies Commission and the Regional Aid Department. It also has a representative on the Danish International Development Agency, which handles Danish aid to the Third World.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

DkF itself is not a member of any Community organization. But some of its members are affiliated to their respective trade organizations.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE EUROPEAN COMMUNITY

DkF is a member of the International Cooperative Alliance.

VII. INTERNAL COHESION

As is the case with Andelsudvalget, DkF is the umbrella organization for a number of associations which differ very much among themselves. Therefore its task consists in representing its members *vis-à-vis* the public and — to a certain extent — in an international context, but the real power lies with the member organizations, which promote their specific interests directly *vis-à-vis* public authorities and institutions, and on a European level.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

Not being a member of any EC association, DkF itself does not exert direct influence on the EC institutions. But some of its members have joined forces with corresponding organizations in the other member countries. This is for instance the case with ALKA, which is affiliated to the Association of European Cooperative Insurers and BKL, which is a member of Cecop.

IX. PUBLICATIONS

Ten times a year DkF publishes *Kooperationen*. In between it publishes a number of booklets dealing with various aspects of the cooperative movement.

X. SOURCES

MARIANNE RIGGE: op. cit.

The Danish Cooperative Movement, op. cit.

JEPPE ALS, JESPER CLAUSEN and ARNE OKSEN: op. cit.

JØRGEN THYGESEN: op. cit.

XI. INTERVIEWS

Peter Mortensen, Secretary for Information, and Lars Kardrup, Librarian, were interviewed on 12 March 1982 and 25 May 1984 by John Catling, ESC General Secretariat.

XII. REFERENCES

[¹] On 1.1.1982 Byggefagenes Kooperative Landssammenslutning withdrew from this technical cooperation and set up its own secretariat.

[²] Article 3 of the DkF rules.

[³] Article 3 of the DkF rules.

[⁴] Article 4 of the DkF rules.

ANNEX I

Boligselskabernes Landsforening/BL (the National Association of Cooperative Housing Societies)

BL is the umbrella organization for the cooperative housing movement. Although affiliated to the workers' cooperative movement, the housing societies are actually consumer cooperatives whose only ware is housing. One million people — one fifth of Denmark's population — live in housing-society property. Operating on the principle of rents at cost price they administer over 340 000 flats, more than 3 000 shops and a wide range of shared facilities such as recreation and youth clubs, nursery

schools and grounds for ball games. They employ some 3 500 full-time and 2 000 part-time workers. A National Building Fund, administered by BL together with the National Association of Tenants and the Ministry for Housing, makes loans to finance building projects, rent reduction and resident share payments. Its funds are derived from compulsory rent increases and from State loans.

Byggefagenes Kooperative Landssammenslutning/BKL (the National Association of Building and Construction Cooperatives)

BKL has 70 constituent companies in the fields of brick-laying, contracting, water-ventilation-sanitation, painting, carpentry, joinery and electrical installations as well as two architect-engineer design companies which serve all of the housing and building cooperatives, and a complex of companies providing concrete components, kitchen units, etc. In all some 5 000 workers are employed in these cooperatives, which have a 3% share of the construction market.

The cooperative canteens were started after World War II by workers in large companies who wanted to control the delivery and pricing of goods in industrial canteens on a non-profit basis, and also to improve sanitation, safety and rest facilities. Most canteens purchase consumer durables at large discounts for sale to workers, as well as some goods for further processing. Some have bought holiday homes for their workers. The 53 member organizations employ 480 workers serving some 30 000 employees. The latter are members either directly or through local trade unions.

The bakeries have developed into a closely integrated industry with joint production in the 'Danish Bread Factories' (De Danske Brødfabrikker) which have 500 employees and a market share of around 30%. Their main customers are consumer cooperatives, especially FDB.

The four fuel companies aim to supply fuel at reasonable prices to consumers. The largest companies are Olieselskabet Danmark and OK Olie. They run some 600 outlets mainly attached to consumer cooperatives. They have a 10% share of the domestic fuel market and an 8% share of the petrol market.

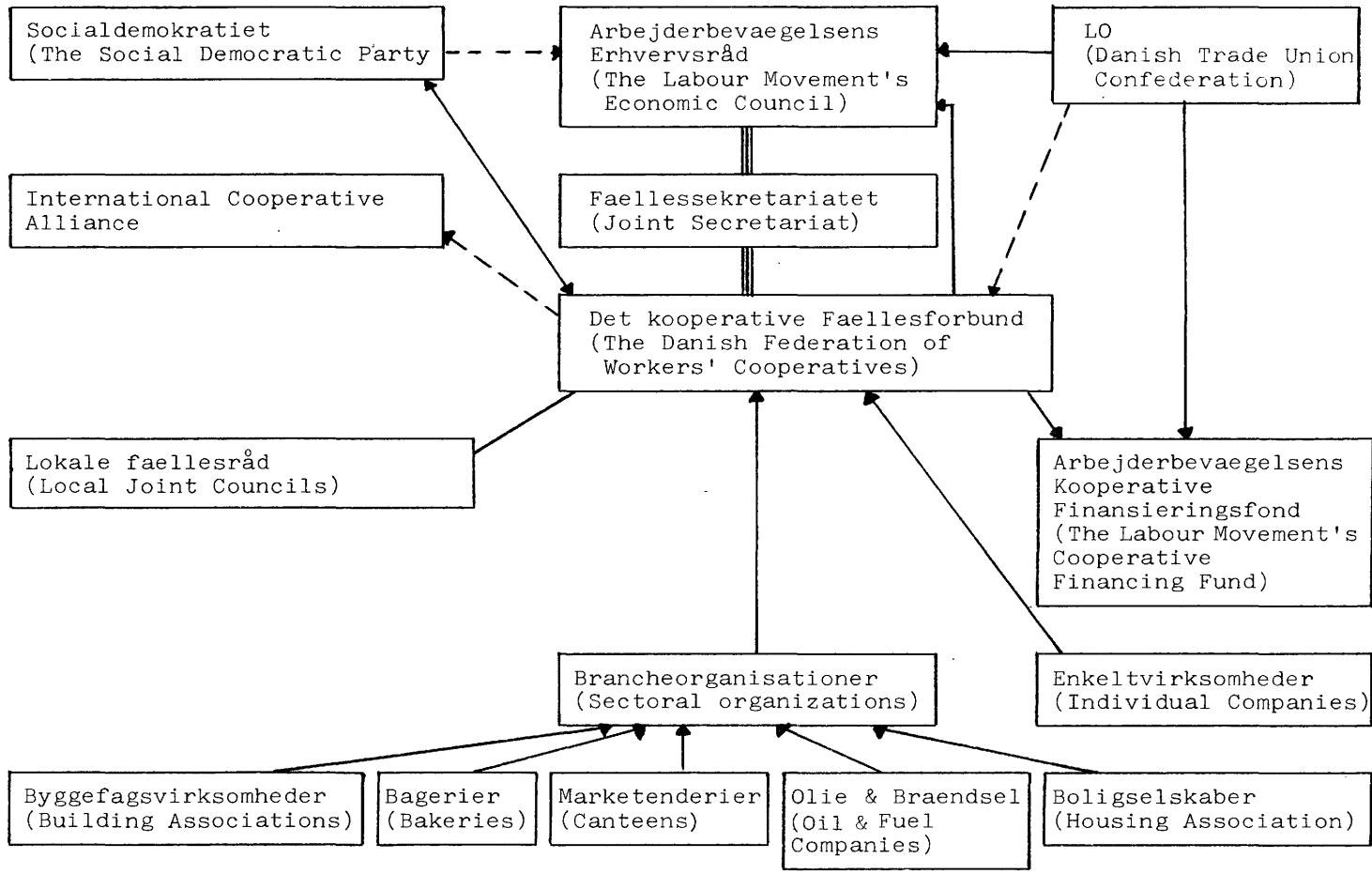
Arbejdernes Landsbank (the Workers' National Bank) was set up in 1919 by trade unions and the cooperative movement. With 43 branches and 900 employees it is the sixth largest bank in Denmark. Loans are made to DkF cooperatives at 1% less than the normal commercial rate of interest.

The ALKA insurance company was founded in 1944 and has specialized in group life assurance, where it holds 35% of the market share. ALKA has a staff of 200.

An important part of the labour movement's information activities is undertaken by A-Press, which publishes a number of major national newspapers (the national paper *Aktuelt* and two local papers *Ny Dag* and *Bornholmeren*). Besides these, A-Press prints a great number of magazines and it also has a printing, publishing and book-binding sector.

The other individual societies include auditing, data processing, cinemas, a few purchasing associations and a theatre.

ANNEX II
DKF's structure



3. Consumer cooperatives

1. Basic data (1983)

	<i>No of societies</i>	<i>No of shops</i>	<i>No of members</i>	<i>Turnover (DKR mio)</i>
Consumer cooperatives	948	1 019	469 267	9 009
FDB	1	460	497 000	9 280
Anva	—	4	—	306
Irma	—	188	—	3 648
Total	949	1 671	966 267	22 243

2. Brief historical outline

Consumer cooperatives in Denmark were started on a local basis, the aim being to offer an alternative to the high-cost goods of private trade and provide members with inexpensive high-quality goods. The first viable cooperative store was set up in Thisted in 1866, founded on Rochdale principles. Soon more followed and by 1900 there were almost 900. The pattern of development differed from that in other countries, the cooperative stores being set up mainly in the countryside, where small farmers had already discovered the benefits of agricultural cooperation. This development was favoured by a law which prohibited ordinary shops from being built in country areas within a certain radius of market towns. Cooperatives were not affected, because they were societies rather than shops, so they could operate virtually without competition. It was not until the 1930s that cooperatives spread to the towns.

3. Size and structure

The independent local units started establishing joint purchasing associations, which in 1896 formed FDB. Over the years FDB grew into the largest import and wholesale consumer cooperative in the country, extending its activities to manufacture and delivery and providing services for its members. FDB's retail business was significantly augmented in 1973, when it acquired a chain of 290 supermarkets and 11 furniture stores through a merger with Hovedstadens Brugsforeninger (HB). Today FDB has 26% of the retail market and with its two main subsidiaries Anva and Irma runs 55% of all the supermarkets.

On 1 April 1982 FDB acquired a large supermarket chain, Irma, operating in the eastern part of Denmark. The Irma concern has 3 500 employees and a turnover of DKR 3 468 million.

Over the years several changes have taken place in the cooperative movement's structure. There has been a tendency in the retail market towards fewer and larger stores. The size of FDB has demanded a change in decision-making, from direct to representative democracy. The growth of cooperatives has also affected members' liability. Whereas it was common to have unlimited liability in the local units, today 50% of FDB's members have chosen limited liability.

While FDB is the largest consumer cooperative in Denmark, it must be mentioned that a small number of purchasing cooperatives have been formed within the 'alternative movement' in recent years. Their size varies from 18 to 320 members and they provide their members with food and beverages on a fortnightly or monthly basis. Many of them have developed into information centres, community meeting places and education centres for food issues. They have a special position in the market due to the strong ideological backing they receive from their members and customers. Although an interesting phenomenon, they are not very important in economic terms and will not be dealt with below.

The Danish Wholesale Society (Fællesforeningen for Danmarks Brugsforeninger) (FDB)

<i>Chairman:</i>	BJARNE MØGELHØJ
<i>Managing director:</i>	BENT J. LE FÈVRE
<i>Address:</i>	Roskildevej 65 DK - 2620 Albertslund
<i>Tel.:</i>	(02) 64 88 11

I. ORGANIZATION

1. Date of formation

FDB was founded in 1896 by various regional groups of cooperative societies.

2. Size and structure

About 37% of all Danish households are members of a cooperative, and it is estimated that about 25% of regular cooperative customers are non-members. FDB has the bulk of its sales on the food and beverages market, but it also deals in clothing, hardware, furniture, fuel and fertilizers.

FDB has three classes of members:

- retail cooperatives ('brugsforeninger'), which in 1983 numbered 948 with a total of 469 267 members (A-members);
- individual members, who are consumers or organizations that register as members at any FDB retail outlet ('DB-butik'). In 1983 there were 497 000 such members (B-members);
- societies, companies or other bodies, particularly cooperatives engaged in various lines of business whose activities are compatible with FDB's objectives and who are admitted as non-voting members for the purpose of making wholesale purchases from FDB. In 1983 FDB had 95 such members (C-members).

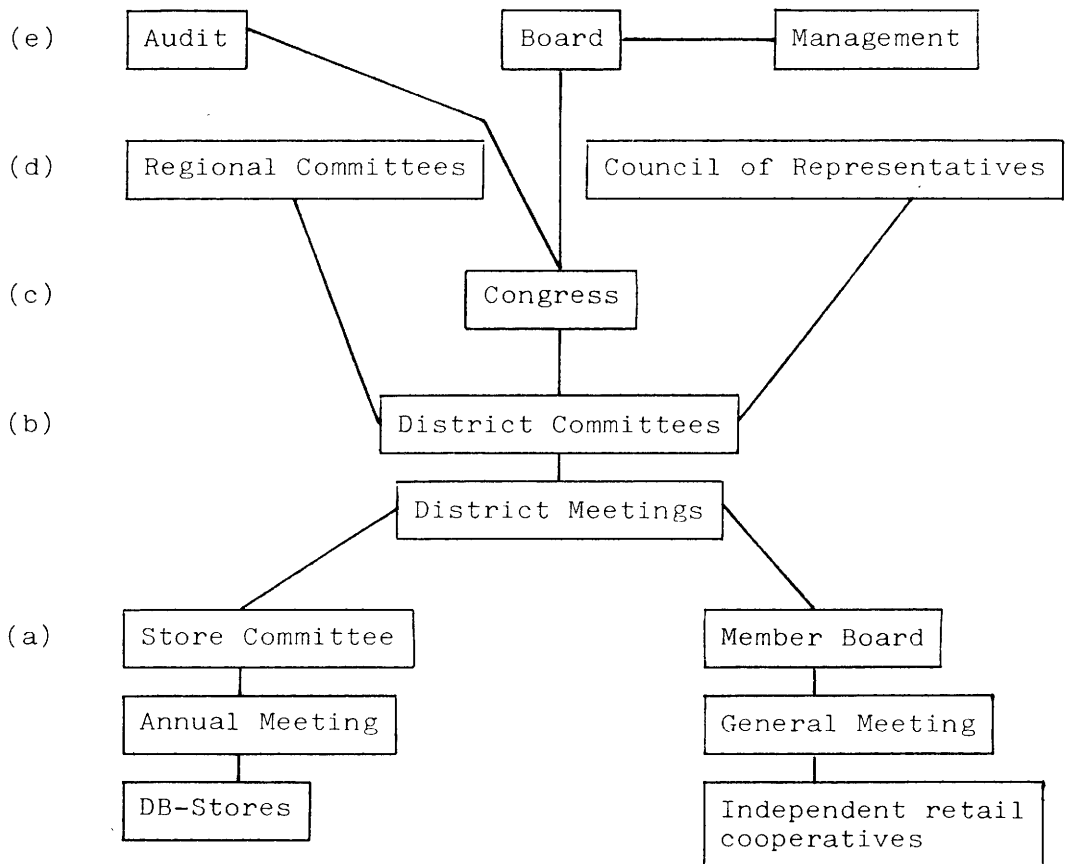
3. Administrative bodies

The members of a cooperative society own and manage their local society. This democratic system of management is adapted to the size of each individual society for practical reasons, but the basic principle remains unchanged. FDB has two kinds of retail cooperatives: independent retail cooperatives, affiliated to FDB, and DB-stores run by FDB itself.

The members of the independent retail cooperatives (A-members) elect a member board (a) at an annual general meeting. The board appoints a business manager, who is in charge of the day-to-day business. In the case of DB-stores the individual members (B-members) elect at an annual meeting a store committee to supervise the store concerned. The store committee has decisive influence on the engagement of a store manager. The store committees and member boards represent their members at the district meetings (b). The number of members elected to each district committee — 62 in all — is decided on the basis of the total district purchases in FDB. The members of the district committees meet at the congress (c), which is the highest authority in FDB and where each member (there are 432) has one vote. The chairmen of the district committees within each of the seven regions which the cooperatives are divided into, form the regional committee (d), whose task is to advise FDB on all policy matters regarding the region and to direct the member information programme of the region. Sixty-two of the local district chairmen form the council of representatives, which is to be consulted on issues of major importance and which discusses and makes recommendations on the budget to the congress.

The board (e) has 11 members. The chairman is elected for two years at a time by the congress; eight members are elected by the delegates and two members by the staff. The board meets once a month and deals with property matters and important new activities as well as all matters of a special

Organigramme



character. It controls the work and finances of the business and employs the managing director and leading officials.

4. Decision-making procedure

Decisions on amendments of the rules require a qualified majority; all other decisions are taken by simple majority vote.

5. Secretariat and staffing

Every retail store has its own management. At the headquarters of FDB there are 470 employees concerned with the central function.

6. Budget size and contribution arrangements

Retail turnover for 1983 was DKR 22 243 million. This represents all sales by member cooperatives and by FDB's own shops, plus Anva and Irma. The costs of operating FDB's head office are not detailed separately in the accounts.

II. AIMS AND PRIORITY POLICIES

The objective of FDB is to organize consumers to look after common interests. In order to achieve this objective FDB must as the wholesale society for Danish retail societies^[1]:

- (a) by purchases and productive activities, assist the societies in providing the best obtainable goods at the lowest possible prices;
- (b) by suitable measures, assist the societies in organizing the most effective distribution of goods to ensure the greatest possible advantage to the members, and in general, through competition on price and quality, further the interests of the consuming public at large;
- (c) by educational activities directed towards society members as well as the public in general, promote an appreciation of the work done by the societies in the interests of consumers;
- (d) further consumer education generally, and assert consumer views in public debate; and
- (e) represent the consumers' cooperative movement *vis-à-vis* the legislature and public institutions, both in inter-Scandinavian and international collaboration.

III. ACTIVITIES

The operations of FDB can be divided into several main areas:

- (a) Trade, production and distribution. About one-fifth of FDB supplies to the consumer cooperatives are produced by FDB's own factories, subsidiaries or affiliated companies, so that it is able to control prices and quality. This is part of its
- (b) *Consumer policy programme*, which was first formulated in 1978 by a committee appointed by the FDB congress and followed up in 1981. It emphasizes the need for providing high-quality products at the lowest prices possible. Quality control is applied to all products, for which purpose FDB has set up a test kitchen and a central laboratory.
- (c) The *service functions* include advising on shop matters, giving practical administrative aid (auditing) and training both shop staff and member representatives. These services are provided by management consultants and through the technical departments at the head office. Through its Press, Publicity and Education Department FDB disseminates consumer information to its members, as well as to the public in general.
- (d) FDB has set up a 'Cooperative Danish Support Fund', which gives support to projects in developing countries and to social and cultural activities in Denmark. In 1983 its aid amounted to DKR 500 000 and its assets were DKR 1.6 million. Support was granted for *inter alia* a film on the cooperative movement in Botswana and university research on cooperatives.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

At the beginning of 1973 FDB got official recognition as an umbrella consumer organization on the lines of the Federation of Danish Industries (Industrirådet) and the Chamber of Commerce (Grosserer Selskabet), for example. This was a formal recognition of the influence exerted by FDB for many years in consumer affairs.

FDB is represented on 20 public bodies^[2], where it promotes consumer interests on the basis of its consumer policy programme. Over the years FDB has taken part in the shaping of legislation on marketing, consumer protection against doubtful commercial practices, foodstuffs and business hours.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

International collaboration is part of FDB's consumer policy programme. FDB is a member of Eurocoop and thereby takes an active part in the forming of a European consumer policy.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE EUROPEAN COMMUNITY

FDB is a member of Nordisk Andelsforbund (the Nordic Cooperative Union), a joint purchasing organization for consumer cooperatives in Denmark, Finland, Norway, Sweden and Iceland, which have a combined membership of 4.7 million households.

The Scandinavian cooperatives run jointly-owned factories. In addition there is a considerable amount of trading among the Scandinavian consumer umbrella organizations in products from their own factories. A certain amount of the production is exported to various countries outside Scandinavia through Nordisk Andels-Export (Nordic Cooperative Exports), which like Nordisk Andelsforbund is a jointly-run trade organization.

Through Inter-Coop FDB participates in the joint purchasing of non-foods and the exchange of retail trade experience. FDB is also a member of ICA.

FDB follows cooperative work in developing countries by being represented on many of the bodies directing Danish technical assistance to them. It supports the removal of trade barriers especially in respect of developing countries, and only accepts restrictions for consumer protection purposes.

VII. INTERNAL COHESION

FDB, as an organization, has a rather complex structure. When local cooperative units formed FDB a representative democracy had to be introduced. FDB faced the dilemma of how to maintain local members' interest in the prosperity of their cooperative and at the same time meet keen competition from private retail trade and chainstores. With its complicated structure FDB has endeavoured to fulfil both needs. That this is not easy is shown by the fact that many small shops have had to close down or have been merged with others.

The number of members, however, has been increasing slightly, which may be interpreted as a successful reaction to FDB's campaign to propagate the cooperative idea and obtain new members, and its consumer policy has apparently met with general approval among Danish consumers.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

FDB promotes its interests in the consumer policy field through its membership of Eurocoop.

IX. PUBLICATIONS

The elected officers and the employees in the shops and in FDB receive material on current developments as well as the weekly journal *Brugsens Ugeavis*. Less specialized information on current

consumer issues is distributed to the member families through the fortnightly *Samvirke* (Cooperation), which is printed in 685 000 copies (1983). As part of its information and education and information policy FDB also publishes cookery books, children's books and books on consumer policy and cultural issues.

X. SOURCES

MARIANNE RIGGE: op. cit.

The Danish Cooperative Movement, op. cit.

FDB's own publications (*FDB Nyt*, statistical information, *Samvirke*).

JEPPE ALS: JESPER CLAUSEN, ARNE OKSEN, op. cit.

JEPPE ALS: *Danske virksomheder med kooperativt præg* Sydjysk Universitetsforlag (Esbjerg 1981).

XI. INTERVIEWS

Interviews with Anne Buch Jørgensen, Head of Division on 12 March 1982 and 29 May 1984 by John Catling, ESC General Secretariat, Studies and Research Division.

XII. REFERENCES

[¹] Article 3 of the FDB rules.

[²] e.g. the National Consumer Council (Forbrugerrådet) and the Commission on Company Taxation (Selskabsskattekommissionen).

B. Mutual sector

Mutual insurance

1. Basic data (1983)

General and life assurance:

120 mutual insurance companies

Total income: DKR 4 865 million

Total members: not known

Sickness insurance:

1 mutual insurance company

Total premiums: DKR 318 million

Total members: 548 000

2. Brief historical outline

The earliest mutual insurance companies in Denmark date from the eighteenth century. Most of these were concerned with fire insurance for buildings, and were principally in the towns. Other mutual companies grew up in the nineteenth century in country districts, and the law still distinguishes between the smaller, local mutuals and the larger, national companies.

In recent years the main areas of activity of mutual insurance have moved away from agriculture and into property insurance, motor insurance, etc. At the same time there has been a substantial reduction in the number of companies on the Danish market: the 483 companies in 1957 were reduced to 282 by 1977. Mutual insurance companies dropped from 273 to 136 in the same period. Mutual companies have also tried in recent years to improve relations with their members as consumers and to develop local structures.

The operation of all insurance companies in Denmark is subject to the control of a supervisory authority, the Forsikringstilsynet (Insurance Supervisory Authority).

3. Size and structure

(a) General and life assurance

Special laws apply to the operation of all insurance companies in Denmark, especially the Insurance Industry Act No 623 of 23 December 1980. Under this Act the Supervisory Authority is responsible for granting and withdrawing licences, checking solvency margins and guarantee funds, approving the articles of association of new companies, etc. In 1983 there were 40 proprietary insurance companies (shareholding companies), 120 mutual companies, plus 59 foreign companies. Mutual companies accounted for 38% of premium income in general business and 11-12% in life business. Certain of these mutual companies are associated with *Andelsudvalget*, but the ALKA company which is a member of DkF is not a mutual.

Because the Association of Mutual Insurance Companies has only very limited activities only a brief description of its work is given.

(b) Sickness insurance

Up to 1973 most people were insured for sickness with the Health Insurance Fund, which received large subsidies from the State. A small proportion of the population was however because of high income excluded from this scheme and was insured with some 13 different sickness funds. In 1973 all sickness funds were taken over by the State and a State scheme of sickness insurance was introduced. The 13 sickness funds merged into a single fund (*Fortsættelsesygekassen Danmark*) which is still the only fund to offer insurance to cover expenses not met from the State scheme. This fund is a mutual insurance company and a member of the Association of Mutual Insurance Companies.

4. Sources

Mutuality 1980/1, Association Internationale des Sociétés d'Assurance Mutuelle (Amsterdam 1980).
Review of Mutual Insurance in Denmark, *AISAM Lexicon 1983*, Association Internationale des Sociétés d'Assurance Mutuelle (Amsterdam 1983).

Danmark, note on Danish sickness insurance by Fortsættelsessygekassen Danmark.
Forsikringstilsynet, *Beretning fra Forsikringstilsynet*, (København 1982).

Danish Supplementary Sickness Fund (Fortsættelsessygekassen Danmark)

Directors: PREBEN HENTZEN
ERLAND MORTENSEN

Address: Palægade 7
DK - 1045 København K

Tel.: (01) 11 27 18

I. ORGANIZATION

1. Date of formation

Fortsættelsessygekassen Danmark ('the Fund') was set up in 1973.

2. Size and structure

When the Fund started in 1973 it had some 200 000 policy-holders. Today, it has over 548 000 members, and 16 local offices in different parts of Denmark. Members are encouraged to play an active part at local level. Foreign sickness insurance (i.e. of Danes living abroad) is undertaken by a subsidiary non-mutual company, International Health Insurance a/s (IHI a/s), which has some 13 167 members.

3. Administrative bodies

The highest authority in the Fund is the Council of Delegates (Delegeretforsamling). This consists of all the chairmen of the local executives and a deputy for each 5 000 members in the local section concerned. The Council of Delegates elects an Executive of eight members including a chairman, which has the task of setting the level of premiums, and dealing with other matters not reserved to the Council of Delegates. Day to day management is in the hands of a directorate of a maximum of 3 persons, appointed by the Council of Delegates on the proposal of the Executive.

4. Decision-making procedure

Normally by majority vote.

5. Secretariat and staffing

The Fund employs some 125 staff in 16 offices throughout Denmark. A further 20 staff are employed by IHI a/s.

6. Budget size and contribution arrangements

Total premiums received by the group for the year 1983 amounted to DKR 318 million.

II. AIMS AND PRIORITY POLICIES

The objective of the Fund is to use the mutual form of organization to render help to members in the event of accident or sickness. The Fund places great emphasis on its local organization and the full participation of members in decisions affecting them. This is particularly reflected in the meetings of members held locally each year.

III. ACTIVITIES

The Fund is essentially an insurance company rather than an association of companies or organizations. For that reason its activities are directly related to the insurance of its members. Its role can be compared with similar organizations in other countries (e.g. BUPA in the UK, or the so-called 'upper level' schemes in the Netherlands). The Fund does not operate its own clinics or hospitals.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The Fund has contacts with numerous organizations and government authorities.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The Fund is not a member of any European organization.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The Fund is a member of the International Federation of Voluntary Health Service Funds, the International Social Security Association, and the AIM.

VII. INTERNAL COHESION

The Fund stresses the role of local sections and the active participation of members. This ensures that it is very much a mutual organization despite the fact that it numbers over 548 000 members.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

This is organized via the Association of Mutual Insurance Companies or Assurandør Societet as appropriate.

IX. PUBLICATIONS

In addition to an annual report and other *ad hoc* publications, a monthly newsletter is also published.

X. SOURCES

Årsberetning 1983, Fortsættelsesygekassen Danmark, København 1983.

Vedtægter, Fortsættelsesygekassen Danmark (April 1982).

Association of Mutual Insurance Companies (Forening af gensidige forsikringselskaber)

<i>Director:</i>	B. KNIE-ANDERSEN
<i>General-Secretary:</i>	W. ELLEBOE
<i>Address:</i>	Amaliegade 10 DK - 1256 København K
<i>Tel.:</i>	(01) 13 78 11

The Association was set up in 1936 but was re-formed in 1973. It exists to support and represent the common interests of mutual insurance companies in Denmark. At the present time, some 75 out of 120 mutual companies registered are members of the Association.

The Association's budget amounts to about DKR 300 000 per annum, each member paying around DKR 2 500. Secretarial and other services are provided by member companies.

The activities of the Association are mainly concerned with information, especially information for the smaller mutual companies. It does not have any publications except a brief annual report, and does not represent the members in negotiations with the government or the Supervisory Authority. This activity is undertaken by Assurandør Societet, which represents all types of insurance company.

The Association is not a member of any European or international insurance organizations, since the mutual companies themselves are members of Aisam, etc.

C. Non-profit sector

Housing finance

1. Basic data (1983)

Number of loans: 3 216 million

Outstanding debt: DKR 411 601.4 million

Reserves: DKR 26 100 million

(as at 30 November 1983)

Members (four mutual mortgage credit institutions, two special institutions): not known

2. Brief historical outline

The existence in Denmark of institutions to provide mortgage credit for the purchase of property can be traced back to the late eighteenth century, but the origins are linked to developments which took place in the states of northern Germany a few decades earlier. The first such institution is thought to have been Die Schlesische Landschaft (the Silesian Country) which was set up with the support of Frederick II of Prussia in 1769. In the years following, similar institutions were established in other parts of Prussia and the idea spread to Denmark, where, in 1797, the first Danish mortgage credit institution was founded, primarily as a result of the need for finance to rebuild Copenhagen after the great fire of 1795. This organization, Kreditkassen for Huusejerne i Kjøbenhavn (Credit Bank for House-owners in Copenhagen), existed for 175 years and from the start had many of the characteristics of the mortgage credit institutions founded in the nineteenth century. Following the law of 20 June 1850 other mortgage credit institutions were founded to serve other parts of Denmark, and expanded their activities to cover the purchase of land as well as the purchase of property. By 1900 there were about 15 such institutions, but the first part of the twentieth century saw a number of mergers and amalgamations, while the commercial banks also entered the field by founding similar non-profit organizations. Today, there are six mortgage credit institutions in Denmark.

3. Size and structure

The six mortgage credit institutions are non-profit organizations, set up under the Law on Mortgage Credit Institutions of 10 June 1970, which exist to grant loans for the purchase of property in accordance with rules laid down by that legislation. Three of these are organized as associations of borrowers and one as an association of bond-holders, and as such are regarded by ALS^[1] as having a cooperative form: two have been set up on the basis of capital provided by other financial institutions, trade organizations, and the National Bank of Denmark. All six institutions procure their funds for lending through the issuing of bonds which are bearer securities quoted on the Copenhagen Stock Exchange, and are fully negotiable. Danish mortgage credit institutions do not take deposits, and the loans they grant are normally based wholly on the security given by the property mortgaged. The loan is then paid out in cash with money procured from the selling of bonds, but previously it was the custom to provide the mortgager with bonds which he had to sell on the market.

More than 50% of the loans granted by the institutions cover owner-occupied properties, the remainder covering farms, industrial property, investment property, etc. In 1983 the mortgage credit institutions granted 91.5% of the DKR 49 400 million loans for the purchase of property, the remainder being granted by banking institutions, insurance companies and pension funds, and by the vendors themselves. It should also be noted that the bonds issued by these institutions totalled DKR 417 000 million in 1983, exceeding the combined total of government and other bonds and shares quoted on the Copenhagen Stock Exchange.

Mortgage credit institutions are governed by the Law of 10 June 1970 (as amended), which sets out the limits for lending activity, time periods, amounts, audit provisions, etc.

The success of this area of non-profit credit can be seen in the fact that the margin between rates of interest for debtor and creditor is below 1%.

All mortgage credit institutions are members of the Realkreditrådet (the Council of Danish Mortgage Credit Institutions).

4. Reference

[1] ALS, J.: *Danske Virksomheder med Kooperativt præg*, Sydjysk Universitetsforlag (Esbjerg 1981).

The Council of Danish Mortgage Credit Institutions (Realkreditrådet)

<i>Chairman:</i>	HENNING AXEL NIELSEN
<i>Director:</i>	T. GJEDE
<i>Address:</i>	Vesterbrogade 4A DK - 1620 København V
<i>Tel.:</i>	(01) 12 48 11

I. ORGANIZATION

1. Date of formation

The Council of Danish Mortgage Credit Institutions ('the Council') was set up on 11 March 1972 as the coordinating and supervisory body for the six mortgage credit institutions.

2. Size and structure

Mortgage credit institutions play a major role in housing finance in Denmark. Three of the institutions are associations of mortgagers, one is an association of bond-holders, and the remaining two are specialized institutions which, like the others, operate on a non-profit basis but have been founded by financial institutions rather than by groups of individuals. A list of the member institutions is shown in Annex I.

3. Administrative bodies

The Council is controlled by an executive (bestyrelse) consisting of 12 members appointed by the member institutions, the largest appointing four members and the smallest one member. The institutions also appoint a chairman and a vice-chairman from the 12 members on a rota basis so that the larger institutions appoint the chairman more frequently. The chairman holds office for a two-year period.

The executive may delegate business to a management committee (forhandlingsudvalg) consisting of one person from each member institution and two persons from the Mortgage Credit Association Denmark, the largest institution. Other committees are set up as required.

An annual meeting is held each year in April. Votes at this meeting are allocated in the same way as for the members of the executive.

The members of the secretariat are appointed by the executive.

4. Decision-making procedure

Each member of the executive has one vote. Most decisions are taken on a majority basis, but the Council's rule provide for a two-thirds majority for a change in the rules, etc.

5. Secretariat and staffing

The Council employs some 15 staff. Around 2 500 persons are employed in the six credit institutions.

6. Budget size and contribution arrangements

The total budget for 1984 was in the region of DKR 7 million. This is split between the six credit institutions in proportion to the bonds sold by each in the preceding year.

II. AIMS AND PRIORITY POLICIES

The aim of the Council, as laid down in the rules, is to ensure that the work of providing credit is carried out in the interests of the community, to represent the interests of the institutions both by encouraging cooperation between them and representing them with government authorities, and to improve knowledge of the purpose and operation of the institutions.

III. ACTIVITIES

In the years since its formation the Council has come to occupy an important role in Danish finance. In addition to the general aims laid down in the rules the Council had until 1981 a number of supervisory functions over the mortgage credit institutions, but since 1981 these functions have been taken over by the Ministry of Housing. In addition to this the Council is active in watching over the law as regards mortgage credit and its influence on other financial institutions.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The Council is represented on a large number of committees relating to the building industry, capital markets, securities markets, the Danish Securities Centre and other bodies related to its activities. It is also in frequent contact with ministries on matters concerning mortgage credit.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The Council is a member of the European Community Mortgage Federation.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The International Union of Building Societies and Savings Associations and the Nordic Council of Mortgage Credit Institutions are organizations where the Council also sends representatives.

VII. INTERNAL COHESION

The relatively small number of mortgage credit institutions means that there is a close cohesion at Council level, despite the different background of certain of the institutions. The Council ensures that the member institutions play a role commensurate with their financial importance in the Danish economy.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

In view of the plans for harmonization of capital markets in the EC, the Council is watching closely Commission proposals for directives relating to mortgage credit and financial reporting. Its influence is exercised mainly through the European Community Mortgage Federation.

IX. PUBLICATIONS

Press releases are published from time to time, but other documents are published on an *ad hoc* basis.

X. SOURCES

Beretning og regnskab, Realkreditrådet (Copenhagen 1983).

Belåning af landbrug, Realkreditrådet (Copenhagen 1983).

Vedtægter, Realkreditrådet (Copenhagen 1981)

Mortgage Financing in Denmark, Realkreditrådet (Copenhagen, 1982).

BLÆDEL F.H.: *Træk af den organiserede realkredits historie*. (Copenhagen 1973).

XI. INTERVIEWS

Interviews with Mr Torben Gjede, Director, on 15 March 1983 and 28 May 1984 by John Catling, ESC General Secretariat.

ANNEX

Members of the Council of Danish Mortgage Credit Institutions:

<i>Associations of borrowers</i>	<i>Number of members on executive</i>
Kreditforeningen Danmark (Mortgage Credit Association of Denmark)	4
Forenede Kreditforeninger (United Mortgage Credit Institutions)	2
Jyllands Kreditforening (Jutland Mortgage Credit Association)	2
<i>Associations of bond-holders</i>	
Byggeriets Realkreditfond (Housing Mortgage Fund)	2
<i>Specialized institutions</i>	
Industriens Realkreditfond (Industrial Mortgage Credit Fund)	1
Dansk Landbrugs Realkreditfond (Danish Agricultural Mortgage Credit Fund)	1

Federal Republic of Germany

CHAPTER I: Introduction and overview

A. OVERVIEW OF ORGANIZATIONS AND ENTERPRISES IN THE COOPERATIVE, MUTUAL AND NON-PROFIT SECTOR IN THE FEDERAL REPUBLIC OF GERMANY

1. Historical outline of the development of the cooperative and mutual insurance movement in Germany

The forerunners of contemporary cooperatives and mutual insurance associations are to be found in those organizations which even in the earliest times were created by a group of people for the purpose of joint economic and social action.

In the eight and ninth centuries guilds and fraternities of travelling merchants were established. Over the centuries they provided insurance for their members against fire, shipwreck, hail and sickness; they also managed jointly-owned warehouses and wharves. The guilds set up by craftsmen from around the eleventh century onwards had a much wider sphere of action. Like modern cooperatives they regulated the production and marketing of goods and provided welfare and training facilities for their members; at the same time, however, membership was obligatory and they impinged on all aspects of the individual's religious, political and military life.

As bodies subject to public law, with mandatory membership and specific duties *vis-à-vis* not only their members but also the public, they may be compared with present day employers' liability insurance cooperatives in Germany, which are not covered by this survey.

The modern cooperative movement goes back almost entirely to the mid-nineteenth century, a time when the public was becoming increasingly aware of the adverse effects of the unbridled industrialization which had fostered the growth of large capitalist concerns and provoked a religious, social and political backlash.

Five figures stand out in the cooperative movement of that time: Hermann Schulze-Delitzsch, Friedrich-Wilhelm Raiffeisen, Victor Aimé Huber, Eduard Pfeiffer and Wilhelm Haas.

The liberal-democratic 'champion of the poor' Schulze-Delitzsch first developed, on the lines of the French 'associations', purchasing and credit cooperatives for craftsmen whose livelihood was threatened by more competitive large industrial concerns. The first joiners' and shoemakers' raw-materials associations (Rohstoffassoziationen) were established in 1849 in Delitzsch's home town. In 1850 a mutual loan society (Vorschussverein) was added, though this was still dependent on benefactors. A year later the principles of self-help and joint liability, which had demonstrated their success elsewhere (Eilenburg 1850 — Dr Bernhardt and Schneidermeister Bürman), were applied.

Schulze-Delitzsch's writings show that he also wanted to improve the lot of wage-earners by means of cooperative associations (1850, *Mitteilungen über gewerbliche und Arbeiterassoziationen*; 1853, *Assoziationsbuch für deutsche Handwerker und Arbeiter*). On this point, in particular by forging a logical link between the principles 'self-help, self-management, self-responsibility', he was in complete disagreement with Lassalle, who also took up the question of workers' associations.

The rapid growth of the cooperatives and in particular the mutual loan societies led in 1864 to the creation of the Allgemeiner Verband der auf Selbsthilfe beruhenden Deutschen Erwerbs- und Wirtschaftsgenossenschaften (General Federation of German Self-Help Commercial and Industrial Cooperatives), the nucleus of which already existed. Its membership comprised 337 mutual loan and credit societies, 40 raw materials, warehousing and production cooperatives and 15 consumer cooperatives. The latter had arisen separately, some on the initiative of Schulze-Delitzsch, in various German towns.

As early as 1865 a partnership limited by shares was founded to act as a central bank for the credit cooperatives inspired by Schulze-Delitzsch.

One of Schulze-Delitzsch's greatest achievements was the drawing up of the Prussian Cooperatives Law which came into force in 1867. As a member of the Prussian parliament he had introduced the bill in 1863.

The 1889 Reich Law on Commercial and Industrial Cooperatives was derived from this law.

In many parts of the world the name of the Christian conservative Landbürgermeister Raiffeisen from Hamm/Sieg is inseparably linked to the rural cooperative movement. Raiffeisen tried, first by means of charitable institutions, to improve the lot of a rural population exploited by usurers and threatened by famine (1847, Weyerbuscher Brotverein; 1849, Flammersfelder Hilfsverein for the assistance of impoverished farmers). In 1862, taking as his model Schulze-Delitzsch's Vorschussvereine, he founded the first Darlehnskassenvereine (loan association) based purely on self-help; borrowers automatically became members. That his aim was to redress social grievances not only in the countryside but also in the towns is shown by the title of his book *Die Darlehnskassenvereine als Mittel zur Abhilfe der Noth der ländlichen Bevölkerung sowie auch der Städtischen Handwerker und Arbeiter*.

Raiffeisen initiated the gradual development of the three-tier vertical structure still found in the cooperative movement which bears his stamp.

At regional level he believed in the need for central loan institutions (Zentraldarlehnskassen) as joint ventures between the local cooperatives and for lawyers' associations (Anwaltsverbände) to advise, look after and inspect the affiliated cooperatives.

The top tier of the three-tier structure was to be a head institution, a 'general bank', which was actually founded in 1874 by three regional Zentralkassen (Rhineland, Hesse and Westphalia). At the same time a mutual insurance cooperative was set up subordinate to this central bank to provide the latter with capital.

In 1847/48 Victor Aimé Huber helped to found a non-profit housing society which was one of the predecessors of the housing cooperatives; later he set up a loan society. Primarily he was an intellectual pioneer of the German cooperative movement whose main aim he believed should be to improve the situation of workers. In his paper 'Die Selbsthilfe der arbeitenden Klassen durch Wirtschaftsvereine und innere Ansiedlung' he called for economic and industrial associations. The economic associations should comprise credit, consumer and housing cooperatives, the latter two belonging closely together as distributive cooperatives. The industrial associations were seen as workers' production cooperatives.

Eduard Pfeiffer, who stood on the threshold between the founding era and the period of expansion of the cooperative movement, was an enduring influence on the development of consumer cooperatives. He saw the cooperative as a means of overcoming the gulf between the 'working classes' and the 'moneyed classes' and in 1863 began the — to him very important — process of educational reform by founding the Stuttgarter Arbeiter-Bildungsverein (Stuttgart Workers' Educational Society). A year later this gave birth to a consumer and savings society.

In his book *Über Genossenschaftswesen* he described the organization of consumer cooperatives as a prior stage to a wide-range of manufacturing operations controlled by production cooperatives modelled on foreign prototypes.

Pfeiffer was also the instigator of the Verband Deutscher Consum-Vereine (Federation of German Consumer Associations) founded in 1867 which was subsequently incorporated in Schulze-Delitzsch's 'General Federation' for a spell.

The administrative lawyer Wilhelm Haas from Darmstadt was a seminal influence on the development of the agricultural cooperative movement. He began by founding agricultural purchasing and marketing societies which organized the joint acquisition of farm equipment. In 1873 these societies formed a regional association. Further regional associations of specialized cooperatives founded on Haas's initiative (Association of Agricultural Mutual Loan Societies, Association of Dairy Cooperatives) were followed by the Verband der Hessischen Landwirtschaftlichen Genossenschaften (Association of Agricultural Cooperatives of Hesse) and finally in 1883 by the organization by Haas of the Vereinigung deutscher Landwirtschaftlicher Genossenschaften (Federation of German Agricultural cooperatives), which later became the Reichsverband (National Federation) and established international links. The structure of the cooperative federation was therefore essentially sketched out by Haas, who also encouraged the founding of specialized central cooperatives.

In the foundation and expansion phase of the cooperative movement (about 1850-65), which was so decisively influenced by a few individuals, various weaknesses and difficulties emerged which needed to be overcome if the movement was to flourish: above all the unlimited liability of members and economic deficiencies. Hence the need for supervision and checks on behalf of the members, especially in the case of small cooperatives which were often left to their own devices.

Two options came under discussion:

- (a) government supervision;
- (b) supervision within a legal framework, by self-governing bodies drawn from the cooperative movement, and meeting the needs of orderly growth and greater transparency.

Mandatory auditing by the auditing associations (Prüfungsverbände) and the limitation of liability were therefore key innovations which were embodied in the 1889 Amendment to the Cooperatives Law and made a decisive contribution to the subsequent expansion and solidity of cooperatives.

Alongside the spread of social theories and the call for local authority and government aid (e.g. local authority housing), cooperative policies were pursued energetically and effectively in the individual German *Länder*. Under the leadership of Heinrich Kaufmann, the consumer cooperative movement gained especially in importance among the many types of cooperative, as also did the housing cooperatives which were funded by the workers' invalidity and old-age insurance scheme set up in 1889. As a result this type of cooperative had attracted 300 million marks by 1914. In addition there was direct State aid. After the First World War, many local authorities set up well-funded housing cooperatives which were entitled to non-profit status. Hence in some areas the power of self-help was supplemented by government aid.

In 1896 a union of building cooperatives was founded at Merseburg. In 1897 the question of whether the building cooperatives should build dwellings destined for owner occupation (Prof. Albrecht) or dwellings for renting (Verband Blumenthal, Hanover) led to a split.

The consumer cooperatives linked to the workers' movement set up their *Grosseinkaufsgesellschaft* (CEG — Wholesale Purchasing Cooperative) in 1893 in Hamburg and after the turn of the century extended their operations to the production of bread, meat, confectionery, spirits, soap, etc. These cooperatives too found that their interests were no longer adequately represented in the 'General Federation'. In 1902, 98 workers' consumer cooperatives were forced out of this federation by the middle-class groups and, along with many others, founded the *Zentralverband der deutschen Konsumgenossenschaften* (Central Federation of German Consumer Cooperatives) in Hamburg. Although, like all other cooperatives, its rules described it as politically and religiously non-aligned, it maintained particularly good relations with the free social-democratic trade unions.

This led the Christian trade unions to encourage the development of consumer cooperatives of their leaning. In 1908 a *Verband westdeutscher Konsumgenossenschaften* (Federation of West German Consumer Cooperatives) was set up with 48 cooperatives from this part of the country and was soon operating throughout the whole country, taking the name *Reichsverband der deutschen Konsumvereine eV* (National Federation of German Consumer Associations) in 1913.

In 1901 a competitor to the 'General Federation' was created in the commercial sector, namely the *Hauptverband deutscher gewerblicher Genossenschaften* (Main Association of German Traders' Cooperatives), representing numerous craft cooperatives and their central organizations.

A major impulse for the further expansion of the cooperatives also came from technical progress (threshing machines, seed cleaning, electricity, etc). In the towns there were already economic groupings of food retailers in the 1880s: the association founded by these cooperatives in Leipzig in 1907 gave birth in 1921 to the permanent name *Edeka Verband deutscher kaufmännischer Genossenschaften eV* (Edeka Association of German Commercial Cooperatives). This was the first central specialized association with auditing rights within the 'General Federation' and still exists as part of the DGRV (cf. section on Edeka).

Despite the progress made by the cooperative movement as a whole, internal weaknesses still had to be overcome. For instance, the cooperatives headed by Wilhelm Haas had no central bank. The organizations of Schulze-Delitzsch and Raiffeisen, however, were not interested in participating because they had their own central banks. Thereupon the Prussian State stepped in and in 1895 set up the (State) *Preussische Central-Genossenschaftskasse* (Prussian Central Financial Institution for Cooperatives), a predecessor of the DG-Bank.

In 1905 Wilhelm Haas succeeded in uniting his Reichsverband with the Raiffeisenverband despite the strained relations between the two. After his death in 1913 the two factions drifted apart again for almost two decades. In 1904, as a result of the increasingly onerous task of supervising the cooperatives, Wilhelm Haas founded the first German agricultural cooperative school. It made a vital contribution to the overall development of the cooperative educational movement.

The cooperatives had to undergo a particularly severe test during the First World War caused by staffing problems and the general lack of goods resulting from rationing. The cooperatives were affected in very different ways by the war. The housing cooperatives, for instance, had to cease their building operations at a very early stage, while the credit cooperatives were heavily involved in placing war loans.

The problems of the war economy, taxation and charges brought the main federations of the cooperative movement together in 1916 to form the Freie Ausschuss der deutschen Genossenschaftsverbände (Free Committee of the German Cooperative Federations), a discussion and advisory body without fixed legal form, which is still involved today in providing clarification and information about legislation.

In April 1920 the two main associations in the commercial sector merged to form the Deutscher Genossenschaftsverband (German Cooperatives Federation). They were followed by others: on 19 July 1929 seven rural regional associations of cooperatives amalgamated to form one unified federation, the Reichsverband der deutschen landwirtschaftlichen Genossenschaften-Raiffeisen eV (National Federation of German Agricultural Cooperatives — Farmers' Credit Cooperatives). At the same time the central cooperatives were growing: in the crafts sector the Bäcker — Reichszentrale deutscher Bäcker und Konditorgenossenschaften eG (German National Association of Bakers' and Confectioners' Cooperatives) was founded in 1930 to cover the needs of 30 000 enterprises. The 'Rewe-Organisation' was formed in the foodstuffs retail trade. The development of the different types of cooperative is described in the separate sections of this report.

After the Second World War the reconstruction of the cooperative movement, following a period of enforced conformity under the National Socialists, was initially heavily influenced by the four occupation zones. In the Eastern Zone the cooperatives were subject to the constraints of its centrally-managed economy. In contrast the Western Allies helped to keep the cooperative movement functioning adequately in their sectors. The main federations were reconstituted; Zentralverband der Deutschen Konsumgenossenschaften (1948), Deutscher Raiffeisenverband (1948), Gesamtverband gemeinnütziger Wohnungsunternehmen (1949) and Deutscher Genossenschaftsverband (Schulze-Delitzsch) (1949). The Deutsche Genossenschaftskasse, now the DG-Bank was reborn as an institution under public law.

The main problems of the cooperatives in the post-war period were to reconstruct shattered economic structures and to link up with developments elsewhere in the world. Economic concentration had its inevitable consequences in the cooperative sector too, e.g. the merger of separate cooperatives to achieve a scale commensurate with the needs of the market.

In 1971 the two major cooperative federations, the Deutscher Raiffeisenverband eV and the Deutscher Genossenschaftsverband (Schulze-Delitzsch) eV decided to amalgamate. They founded an umbrella organization, the Deutscher Genossenschafts- und Raiffeisenverband eV (DGRV), grouping three main associations: the Deutscher Raiffeisenverband was responsible for representing the agricultural consumer, processing and services cooperatives; the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken eV (BVR) was responsible for the credit cooperatives, and the Zentralverband der genossenschaftlichen Grosshandels- und Dienstleistungsunternehmen eV (Zentgeno) was responsible for promoting enterprises with a membership comprising retailers, craftsmen and allied traders and members of the professions.

At the beginning of the 1970s most of the consumer cooperatives were transferred to the Co-op AG which brought together the hitherto independent cooperatives in a company limited by shares under the aegis of the DGB trade unions and initiated new social policy goals. Not all consumer cooperatives, however, joined the Co-op AG (cf. sections on Co-op-Gruppe and Co-op AG).

On the legislative front, work had been continuing since 1954 on the reform of the Cooperative Law. A bill was submitted in 1962 but was rejected as unsuitable by the cooperatives. Not until 1 January 1974 did the amendments drawn up after thorough consultation with the cooperative federations enter into force. The main points are: increase in the capital assets of cooperatives and emphasis on the managing board as the executive body of the cooperative. Cooperatives can now be set up without

the obligation for members to make supplementary payments in the event of losses or bankruptcy; cooperatives can now grant power of attorney in any form. Overall the amendments gave the cooperatives greater scope for incorporating special arrangements in their rules.

The modern structure of the *Versicherungsvereine auf Gegenseitigkeit* (mutual insurance societies) — whose forerunners were the fire and cattle guilds from the end of the sixteenth century — also dates from the nineteenth century. They first evolved from the needs of individual professions to protect against the most frequent hazards of their particular activity. As early as the last century the lack of a profit motive and the generally unpaid management enabled the insurance societies to compete with the joint-stock insurance companies through low premiums.

In the health insurance sector, those societies which provided cover on a cooperative basis for a particular group (firm, guild, etc.), may be regarded as the forerunners of the statutory insurance scheme. Although this scheme is a public-law institution, it operates according to the principle of self-management (employee-insured person/employer) and still divides up its membership geographically (local branches of State scheme), by enterprises (firms' own schemes) and by professions (guild, seafarers' and farmers' sickness insurance schemes).

From the mutual insurance societies also grew the private health insurance funds (*Ersatzkassen*) for both blue- and white-collar workers. They also likewise provide statutory sickness cover for persons for whom insurance is mandatory or who are entitled to insurance cover but who do not wish to join either a local branch of the State scheme or a company or guild scheme.

Even if the mutual sickness insurance societies are today active only in the voluntary (private) insurance sector — in contrast to other European countries such as Belgium — they were very important from the historical angle for the organization of social insurance.

1.1. Legal framework and taxation of cooperatives and mutual insurance societies

1.1.1. THE LEGAL FRAMEWORK GOVERNING THE ACTIVITIES OF COOPERATIVES

In Germany there are standard rules for all types of cooperative which are only recognized in the legal form of the 'eingetragene Genossenschaft' (registered cooperative). These rules concern their establishment, the legal relationship between cooperative members, representation and conduct of business, auditing and auditing associations, expulsion of individual members, dissolution and abolition of the cooperative, bankruptcy proceedings and liability of members. These have been laid down since 1889 in the *Gesetz betreffend die Erwerbs- und Wirtschaftsgenossenschaften* (GenG — Law on Commercial and Industrial Cooperatives), last amended on 9 October 1973.

Paragraph 1 of this law defines cooperatives as follows:

'Societies with open membership whose object is to promote the economic interests of their members by means of joint business operations (cooperatives), namely:

1. Loan and credit societies,
2. Raw material societies,
3. Societies for the joint sale of agricultural or industrial products (marketing cooperatives, storage societies),
4. Societies for the manufacture of goods and their sale for joint account (production cooperatives),
5. Societies for the joint wholesale purchase and retail sale of basic consumer goods (consumer cooperatives),
6. Societies for the procurement of agricultural or industrial equipment and their use for joint account,
7. Societies for the construction of housing,

shall acquire the rights of a "registered cooperative" in accordance with this law.'

By registering, the cooperative acquires the status of a legal entity. It is regarded as a trader within the meaning of the Commercial Code (HGB)¹ and is also subject to the provisions of this code.

¹ Translator's note: Under Article 1 of the HGB a 'Kaufmann' (trader) is an individual or body corporate conducting one of the nine business which are listed.

There must be at least seven members to found a cooperative. They give the cooperative its rules, which must cover *inter alia*:

- (a) the maximum contribution of individual members (share);
- (b) how much each member is obliged to contribute;
- (c) the proportion of annual net profit to be ploughed back into the reserves; and
- (d) whether, in the event of the cooperative's bankruptcy, the members have unlimited, limited or absolutely no liability for supplementary payments.

Individual members cannot be made directly liable for a cooperative's debts.

The rules may additionally stipulate that the members are allowed to, or must, have more than one share (mandatory participation).

Business activities may be extended to include non-members, in which case the rules should provide for this.

The bodies provided for in the GenG are:

- the general meeting (for cooperatives with more than 1 500 members it may consist of members' representatives, for those with more than 3 000 members it must consist of their representatives — 'representatives' meeting');
- the managing board;
- the supervisory board.

The general meeting decides — generally by a simple majority — on the approval of the annual financial statement, the profit or losses to be apportioned among members, and the discharge of the managing and supervisory boards.

At the general meeting each member has one vote ('one man, one vote') emphasizing that the cooperative is an association of individuals. Since the amendment of the GenG in 1973, however, a member who 'particularly assists the business of the cooperative' may be granted up to three votes (this multiple vote does not apply to decisions legally requiring a three-quarters majority).

The principle of 'one man, one vote' does not apply to central cooperatives, either regional or national, which are not associations of individuals but consist exclusively or predominantly of registered cooperatives. In this case voting rights may be geared to their actual share in the cooperative or to another criteria.

The managing board consists of at least two members, honorary or full-time¹ and is elected by the general meeting unless the rules stipulate otherwise. It represents the cooperative both in and out of court, i.e. it must manage the cooperative on its own responsibility and submit a balance sheet and profit and loss account (annual financial statement) and a report every year to the general meeting.

The supervisory board consists of at least three members elected from the general meeting and is responsible for supervising the managing board in its conduct of the cooperative's affairs.

It must check the annual accounts, the balance sheet and the proposals for distributing the profits and losses. It must also report back to the general meeting.

In the German cooperative movement a special role is played by the auditing associations which under the GenG are exclusively responsible for checking — every one or two years — (a) the financial position of the cooperative and (b) whether its business has been conducted properly. Every cooperative must belong to an auditing association but may choose which one. As the auditing associations are mostly organized on a regional basis (cf. Part 3 — 'The organization of the cooperative movement'), the individual cooperative generally chooses the association established in its region. Specialist cooperatives obviously choose the auditing association specializing in their field.

Section 63 of the GenG stipulates that the auditing association shall have the legal form of a 'registered association'. Subsection 4 ('The aim of the association must ... be to audit its members and it may also safeguard their common interests, in particular by maintaining reciprocal business relations') lays the foundation for the second task of the auditing associations, namely to represent the cooperative's interests which in practice means the following: safeguarding the general economic,

¹ The law provides for at least two paid administrators in the case of credit cooperatives.

legal and fiscal interests of the cooperative, advising its members on legal and tax questions, advice on administrative and organizational matters, advice on credit and goods, compiling statistics, maintaining training establishments and arranging publicity, safeguarding the interests of its members *vis-à-vis* the *Land* governments and other regional authorities.

The auditing associations may not be profit-making.

Under Section 64 of the GenG the auditing associations are subject to State supervision. The relevant supreme *Land* authorities, which also grant the association its auditing rights, are entitled to check whether it is fulfilling its duties.

1.1.2. TAXATION

In principle all cooperatives are liable to corporation tax (tax on the income of legal entities), trade tax (tax on trading profit and capital; cooperatives are subject to this tax on account of their legal form) and wealth tax.

However, there is complete exemption from these three types of tax for agricultural and forestry utilization, marketing (processing), services or contracting, and advisory cooperatives provided they restrict their business exclusively to transactions with their members. Tax-exempt agricultural or forestry cooperatives may participate in taxable enterprises (cooperatives or joint-stock companies) to only a very limited extent.

Almost all housing cooperatives are also exempt from corporation, trade and wealth taxes because they serve the public interest.

Agricultural and forestry cooperatives also qualify for tax-free allowances under the corporation and wealth tax laws in the first 10 years of their operations. They are also fully exempt from trade taxes. For a long time credit cooperatives benefited from a reduced rate of company tax, but this concession was withdrawn on 1 January 1981.

For wealth tax purposes, most types of cooperatives (machinery pools in the field of industry or trade, e.g. for EDP equipment; suppliers cooperatives in industry or trade; product cooperatives with limited business assets, e.g. purchasing and selling cooperatives in agriculture and in the trade and craft sectors and consumer cooperatives) are entitled to deduct their paid-up capital from their gross assets. This provision ceased to apply to credit cooperatives as of 1 January 1982.

1.1.3. THE LEGAL FRAMEWORK FOR THE ACTIVITIES OF MUTUAL INSURANCE SOCIETIES (VVG)

The 1931 Versicherungsaufsichtsgesetz (VAG — Insurance Supervision Law) covers both larger and smaller mutual insurance societies. The difference between the two is that the risks, regions or persons covered are limited in the case of the smaller societies.

The VVG (mutual insurance society) is an association with legal personality within the meaning of the German Civil Code. However, this Code's rules apply mainly to the smaller VVGs, since the larger VVGs are subject to numerous provisions from the German Commercial Code even though they are not regarded as traders.

A minimum of two persons is required to set up a VVG, and in the case of larger VVGs, the articles of association must be certified in a court of law or by a notary.

The constituent bodies of a VVG are:

- members' or delegates' assembly as the supreme body;
- board of management;
- supervisory board (optional in the case of the smaller VVG).

Permission to operate as a VVG, which depends *inter alia* on the submission of a corporate strategy, is granted by the Bundesaufsichtsamt für das Versicherungswesen (BAV — Federal Supervisory Office for Insurance Companies) or the individual *Land* supervisory authorities.

Membership of a VVG is granted automatically to insurance-policy holders: it involves a number of commitments which are laid down in the laws relating to insurance companies and cooperatives.

The profit-sharing scheme applicable to VVG is the equivalent of the cooperatives' system of reimbursements. Unlike the members of cooperatives, the members of a VVG are obliged to cover any extra claims. However, the articles of association frequently discharge them from this obligation. Deficits are covered by re-insurance.

Cooperatives and smaller VVaGs have the following features in common:

- private self-help bodies;
- associations of individuals;
- open membership;
- aim not to make a profit but to aid members;
- members' assembly supreme decision-making body;
- principle of 'one man, one vote'.

On the other hand, the following differences also exist:

- whereas members of cooperatives are free to shop elsewhere for the same goods or services, membership of a VVaG automatically involves insurance cover;
- whereas cooperatives' articles of association allow them to enter into transactions with non-members (except in the case of non-profit-making housing cooperatives), the VVaGs cannot insure non-members;
- whereas the activities of cooperatives are supervised by statutory self-governing bodies, the activities of VVaGs come under State supervision.

1.1.4. TAX TREATMENT OF MUTUAL INSURANCE SOCIETIES

Smaller VVaGs are exempt from corporation tax if:

- (a) their average annual revenue from contributions over the three preceding financial years did not exceed a certain ceiling (currently DM 300 000 for insurance against loss or damage and DM 1 million for life insurance);
- (b) their activities are limited to the insurance of burial costs and the societies are 'socially beneficial' according to their corporate strategies and the level of their payouts (the current ceiling on burial costs is DM 10 000).

The Pensions-Sicherungs-Verein VVaG (Pension Insurance Association) is also exempt if it confines its activities to those laid down in the Law on the Improvement of Occupational Pension Schemes (Gesetz zur Verbesserung der betrieblichen Altersversorgung) and its payments do not exceed a certain level.

2. Size of the cooperative, mutual and non-profit sector in the Federal German economy

General key DATA (as of the end of 1983)

Total number of cooperatives and central cooperative organizations: 10 547¹

Total membership: about 13.8 million

Total workforce: about 300 000

Total turnover: DM 494 000 million

(a) banking sector: DM 166 500 million

(b) housing sector: (i) gross investment in fixed capital: DM 2 400 million

(ii) income from rents: DM 3 700 million

¹ This figure has been calculated from data given in the individual sections, as based on information provided by the associations. Given the general trend towards larger corporate structures, a continued slow fall in the number of cooperatives can be assumed.

**Table 1: The cooperative movement in the
Federal Republic of Germany in figures**

Key data for the six main cooperative sectors

	Number of Cooperatives	Membership	Workforce	Turnover in DM 1000 Mio
Agricultural cooperatives	6,784(1)	4.6 mio(3)	146,600	83.7
Cooperative banks	3,787	9.7 mio	125,000	494 (total assets)
Cooperatives in industry and trade	895	250,000	50,000	77.8
Transport cooperatives	77	13,600	1,500	1.1
Consumer cooperatives	50(2)	650,000	21,000(4)	4.634(4)
Housing	1,196	1.65 mio	11,850	3.7 (rental income)

(1) Including 2,175 credit cooperatives which also engage in purchasing and selling.

(2) Including 2,176 credit cooperatives which also engage in purchasing and selling.

(3) Also partly includes credit cooperatives which also engage in purchasing and selling.

(4) Figures calculated on the basis of information on the co-op Group and the Co-op AG.

2.1. Market shares

2.1.1. COOPERATIVES

The information compiled is based on the figures contained in the sections following, information provided by the DG-Bank (German Cooperative Bank) and further information supplied by the organizations and businesses concerned.

The total number of cooperatives and central cooperative organizations in 1983 was 10 537¹ i.e. roughly 240 fewer than in 1982. This drop was due to mergers, with cooperatives gradually getting closer to their ideal size. (In 1960 there were more than 27 000 cooperatives.)

Membership in 1983 totalled 13.8 million (or slightly more than 22% of the total population).

General survey of cooperatives in the Federal Republic of Germany at the end of 1983

(cf. key data in Table 1)

Total number of cooperatives ²	10 547
Cooperative banks	3 797
<i>Credit cooperatives</i>	3 778
Popular Banks (Volksbanken) and Raiffeisen Banks	3 717
Civil servants' banks	4
Railway credit and savings banks ('Sparda' banks)	16
Post office savings and loans associations	21
Hire-purchase associations	16
Specialized cooperative institutes	4
<i>Central banks & German Cooperative Bank (DG-Bank)</i>	9
Agricultural central banks	2
Central banks in industry and trade	1
Community central banks	5
German Cooperative Bank (DG-Bank)	1
<i>Specialist institutions</i>	10
Agricultural cooperatives for goods, product marketing and services	6 784
<i>Primary cooperatives</i>	6 728
Credit cooperatives which engage in purchasing and selling	2 175
Purchasing and selling cooperatives	908
Dairy cooperatives	1 236
Wine cooperatives	329
Livestock cooperatives	245
Fruit and vegetable cooperatives	124
Cooperatives for other goods and services	1 711
<i>Regional organizations</i>	52
<i>Federal organizations</i>	4
Industrial and trade cooperatives for goods and services	818
<i>Primary cooperatives</i>	804
Purchasing cooperatives for food, drink and tobacco retailers	72
Purchasing cooperatives for non-food retailers	38
Purchasing cooperatives for food producers	226
Purchasing cooperatives for non-food producers	120
Producer and other cooperatives	348
<i>Central enterprises</i>	14

¹ cf. footnote 1 on page 308.

² Including the 10 institutions of the German Cooperative and Raiffeisen Association.

Transport Cooperatives	77
<i>Primary cooperatives</i>	75
Road-transport cooperatives	18
Taxi cooperatives	33
Inland-waterway cooperatives	10
Others	11
<i>Central cooperatives</i>	2
Housing cooperatives	1 196
Consumer cooperatives	50

These cooperatives' market shares, which do not always cover the same period, are as follows:

Agricultural cooperatives for goods, product marketing and services (Raiffeisen)

In 1983 the turnover of the Raiffeisen cooperatives (including central cooperatives and federal offices) totalled some DM 83 700 million i.e. more than half the total turnover of German agriculture.

However, the market shares vary considerably from sector to sector, the figures for 1982 being as follows:¹

Milk	79%
Fruit	32%
Cereals	55%
Vegetables	42%
Beef and veal	30%
Pigmeat	29%
Agricultural exports (% of total German agricultural exports)	approx. 20%

Cooperative banks

Cooperative banks, with their balance-sheet total of some DM 494 000 million, have broadly the following market shares in the general banking sector (which covers credit banks, savings banks and cooperative banks):²

Total assets	23%
Deposits	27%
Loans	24%

Industrial and trade cooperatives for goods and services

Only the market shares of the EDEKA and REWE groups could be determined.

The food retail outlets affiliated to the EDEKA cooperatives registered a turnover of DM 21 200 million in 1983, representing a 15.6% share of the market.

The turnover of the REWE retailing group as a whole in 1983 was DM 22 150 million. The market share was 16.3%. The turnover of the 4 030 independent-retailer members totalled DM 10 950 million.

Transport cooperatives

Cooperatives carried roughly 18.2% of the total tonnage carried on inland waterways in 1981.

Consumer cooperatives

The Co-op Group took a 10% share of the retail market in 1983 with its turnover of DM 14 014 million. Consumer cooperatives' share of the market was slightly below 3.4%.

¹ Source: Raiffeisen Jahrbuch 1983.

² These figures are based on information from BVR (9.7.1984, Mr Klaus Weiser). DG-Bank stressed, however (30.7.1984, Mr Schmudde), that the market shares cover only the primary level of the banks, savings banks and cooperative banks. They do not cover the secondary level (central banks or equivalent).

Housing cooperatives

In 1983 housing cooperatives constructed 12 300 dwellings (3.6% of all dwellings built in Germany that year). They also administered almost 7% of all rented accommodation.

Producer cooperatives

The 19 producer cooperatives' turnover of slightly more than DM 55 million (1981) is of no relevance to the economy as a whole.

2.1.2. MUTUAL INSURANCE SOCIETIES

These societies, which are in competition with joint-stock companies and, to a much lesser extent, with public-law institutions, held the following market shares in 1982:

Life assurance	22.9%
Pension and burial funds	71.9%
Insurance against loss or damage and accident insurance	18.6%
Medical insurance	53.3%

It should be noted that the figure for medical insurance refers only to the private insurance sector, whose gross receipts in 1982 totalled DM 11 900 million. By comparison, the statutory medical insurance provided by local, company, guild and private sickness funds (to which 92% of the population belongs) received DM 80 000 million in contributions in 1980.

2.2. *Comparison of the areas of activity of (a) the cooperative and mutual sector and (b) the public benefit sector*

Only those areas in which these types of enterprise compete with each other or are complementary, are shown:

Schwäbisch Hall, R+V Allgemeine Versicherung AG and various subsidiaries of the DG-BANK are joint-stock companies, while the R+V Lebensversicherung is a mutual insurance society. In addition, the public-benefit Volksfürsorge, which is the second largest life assurance company in Germany after the Allianz AG, was originally owned jointly by the trade unions and consumer cooperatives and not by the trade unions alone.

2.3. *The cooperative and mutual sector's workforce compared with that of the public benefit sector*

2.3.1. THE COOPERATIVE SECTOR

The total workforce in the cooperative sector in 1983 (excluding double counts — cf. the sections of cooperative banking and agriculture) was 300 000, or 1.37% of the country's working population.

Unpaid work still plays an important role in the cooperative sector, but precise figures could only be obtained for housing cooperatives, which in 1983 employed 11 850 full-time and 7 500 unpaid or part-time staff. Most of these unpaid posts are on boards of management.

2.3.2. THE MUTUAL SECTOR

The major mutual insurance societies employ some 600 000 persons.

No statistics are kept for smaller insurance companies, but there is no doubt that unpaid work plays a major role.

2.3.3. THE PUBLIC BENEFIT SECTOR

The enterprises affiliated to the Beteiligungsgesellschaft für Gemeinwirtschaft (BGAG — Public Benefit Holding Company) employ close on 61 500 staff, i.e. 0.31% of the country's workforce.

3. The organization of the cooperative and mutual sectors*3.1. The cooperative sector*

A theoretical distinction is drawn in Germany between Produktivgenossenschaften (producer or worker cooperatives), where the cooperative is owned by its workforce, and ergänzungswirtschaftliche (Förderungs) Genossenschaften (supplier or consumer cooperatives), where the members are consumers or suppliers.

Table 2

	Cooperatives	Mutual benefit societies/self-help institutions	Public benefit sector
a) Insurance sector (premium income in DM (1982))	R+V Versicherung	Small and large VVaGs	Volksfürsorge
Life assurance	1,250 mio (*) (legal form = VVaG)	7,700 mio (*) (including R+V)	3,500 mio
Property insurance	1,270 mio	7,900 mio	650 mio
Legal expenses insurance	Almost 1 mio	4.4 mio	50.8 mio
b) Credit sector (Balance-sheet total in DM 1983)	Credit cooperatives, excluding central organizations 364,600 mio		Bank für Gemeinwirtschaft 45,700 mio
c) Housing (1983 stock)	Housing cooperatives more than 1 mio		Neue Heimat Wohnungsbau 311,000
d) Building societies (total sums paid out in DM 1983)	Schwäbisch-Hall 171,200 mio	BHW (**) 161,900 mio	Volksfürsorge Bausparkasse 5,700 mio

(*) As mentioned on the following page, the cooperative insurance group of the Raiffeisen and Popular Banks (Volksbanken) has chosen the large VVaG as the legal form for its life assurance company.

(**) Self-help public sector institution owned on 50-50 basis by the BGAG (DGB) and BTA (DBB).

Producer cooperatives are on the decline for reasons listed elsewhere and therefore have not been able to build up an organizational structure of their own. The 19 primary cooperatives (1982) belong to the regionally-based auditing associations set up to supervise agricultural and industrial/trade cooperatives.

There are central associations for supplier/consumer cooperatives in the following five sectors:

- Agriculture (cooperatives for goods, product marketing and services);
- Credit (including cooperative insurance);
- Commerce (wholesale trade and services);
- Housing;
- Consumption.

The transport cooperatives are somewhat out on a limb. Their national association does not belong to any of these five groupings, though it does have links with the commercial cooperative sector.

The first three of the above sectors, which have the German Cooperative and Raiffeisen Union (DGRV) as their parent organization, constitute a horizontally and vertically-organized group of enterprises described as cooperative network (see Figure 1 below).

The horizontal network consists of a collection of equal and similar local primary cooperatives (first-level cooperatives), some of which are active in more than one area. Solidarity between these autonomous units in the credit cooperative sector, in which the network is very strongly represented, is ensured through a guarantee fund and a guarantee network.

The guarantee fund, in which all credit cooperatives and financial institutions participate, is financed from members' contributions, managed partly by the Federal Association of German People's Banks and Raiffeisen Banks (BVR) and partly by auditing associations which hold them in trust for the BVR.

Resources from this fund can be allocated to any member bank as securities and guarantees, interest-bearing or interest-free loans or cash grants in the event of economic difficulties.

The guarantee network is used to help balance accounts via securities or guarantees.

The vertical network between the primary cooperatives (first level), central cooperatives (second level)¹ and national-level 'centres' (third level)¹ is mainly concerned with the transfer of certain cooperative functions from the basic step to an economic unit of wider scope at a later stage of the process. Only in this way can the relatively small independent primary cooperatives remain competitive.

Some examples of efficient three-stage networks coming under the DGRV are:

the BÄKO organization (109 purchasing cooperatives in the bakery and confectionery trades with about 26 400 members, five regional (*Land*) central organizations, one national central organization and an auditing association of its own);

the cooperative dairy sector (about 1 236 dairy and milk-processing cooperatives, 12 regional dairy central organizations and one federal central organization (Deutsche Milchkontor GmbH);

the cooperative financial and credit sector (about 3 800 People's Banks and Raiffeisen Banks and other credit cooperatives, eight regional financial institutions, one main institution (the DG-Bank, with the status of a public-law corporation) and two specialist auditing associations for part-sectors (association of post-office savings and loans clubs and association of 'Sparda' Banks).

Where there are no specialized auditing associations, the network-related tasks of coordination, consultation, training, public work, etc. are undertaken by the 14 regional associations and the federal specialist associations DRV, BVR and Zentgeno. They have the role — not to be underestimated — of developing cooperative organizations within the economy.

¹ Second-level and third-level enterprises do not need to have the legal status of a registered cooperative ('eG').

In some cases the cooperative economic network has never been completely three-level (examples from the transport sector are: inland waterway cooperatives without second and third levels, road transport and taxi cooperatives each with a central cooperative operating across regional boundaries); in other cases the primary cooperative level has disappeared as a result of mergers into regional wholesale enterprises — made necessary by competition with larger units — so that today the independent cooperative members are regarded as first-level (e.g. Edeka and Rewe).

Sometimes the network organization of cooperatives seems to be regarded in the press as a conglomerate group of companies. This applies particularly to the financial and credit sector, which through 'the interconnection of cooperative holdings and the management interpenetration in the association, banking and specialist institutions (...) underscore the group structure'.¹

On the other hand, the leadership has expressed the view² that the formulation of aims is a process which goes upward from the base, and that the cooperative banking group is thus 'a group of companies turned on its head'.

Genuine group structure existed in the 1970s in the consumer cooperatives sector, where, as a result of the substantial share held by the German Trade Union Confederation (DGB) in the Co-op AG (founded 1974), many regional cooperatives were transformed into branches of the Co-op AG.

In the fifth sector of the cooperative movement — the housing cooperatives — there has traditionally been no economic network, but a network for defending interests (1 196 primary cooperatives, 10 regional associations, and a central association).

A special feature here is that the interests of the cooperatives are represented with the interests of other public-benefit enterprises in a common associational structure.

The following five sectoral associations represent the interests of all types of cooperative at the federal level (as shown in Figure 2):

- German Raiffeisen Union (DRV);
- Federal Association of German People's Banks and Raiffeisen Banks (BVR);
- Central Association of Cooperative Wholesale and Service Undertakings (Zentgeno);³ DGRV as parent association
- General Association of Non-Profit Housing Enterprises eV (GGW);
- Federation of German Consumer Cooperatives (BdK and RdK).⁴

The five abovementioned associations coordinate their actions, in cases of general cooperative interest *vis-à-vis* the public and the legislator, through a loose federation formed at the beginning of the century — the Free Committee of German Cooperative Associations (Freier Ausschuss der deutschen Genossenschaftsverbände). Its present members are the German Cooperative and Raiffeisen Union, the General Association of Non-Profit Housing Enterprises and the Auditing Association of German Consumer Cooperatives. The leadership rotates among these three associations on a three-yearly basis.

The 'Free Committee' has not yet drawn up articles of association or rules of procedure.

3.2. *The organization of the mutual insurance sector*

There are mutual insurance societies (VVaGs) for all branches of insurance in Germany. Unlike their Belgian counterparts, however, they are in no way responsible for statutory social security in terms of sickness, accident or pensions insurance; they offer their services to all those for whom the statutory social security scheme provides inadequate cover or no cover at all. In the case of pensions insurance, the mutual insurance societies (pension funds) are set up by enterprises which wish to provide their employees with a company pension.

¹ *Wirtschaftswoche* No 8 of 18.2.1983, p. 33.

² Bernard Schramm, President of the BVR, *op. cit.*

³ Loosely coordinated with Zentgeno is the Test Association of German Transport Cooperatives, which — without being a central association — represents this sector at the highest level.

⁴ BdK and RdK, which originated from a single association and have complementary functions, are treated here as a single unit.

Figure 1: Structure of associations in the agricultural and commercial cooperative movement

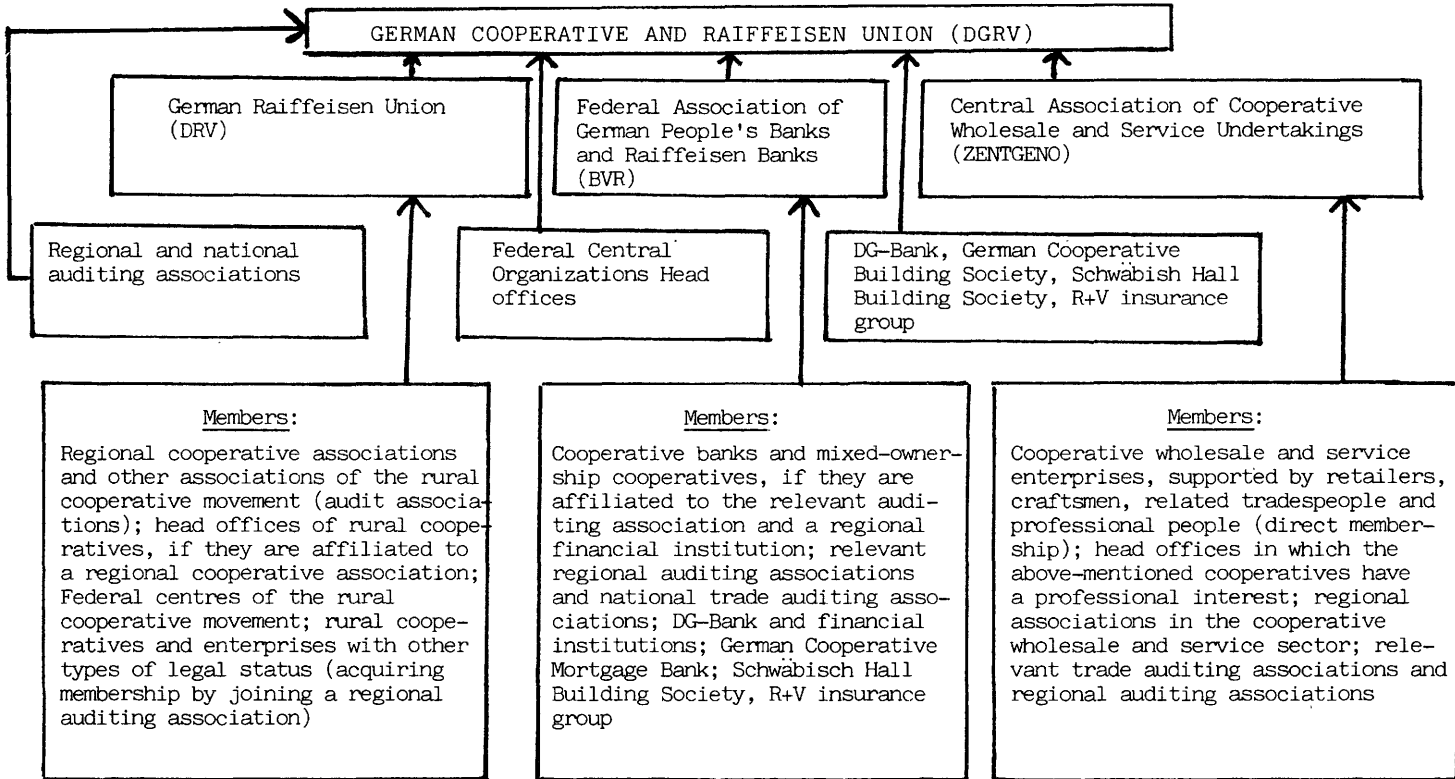
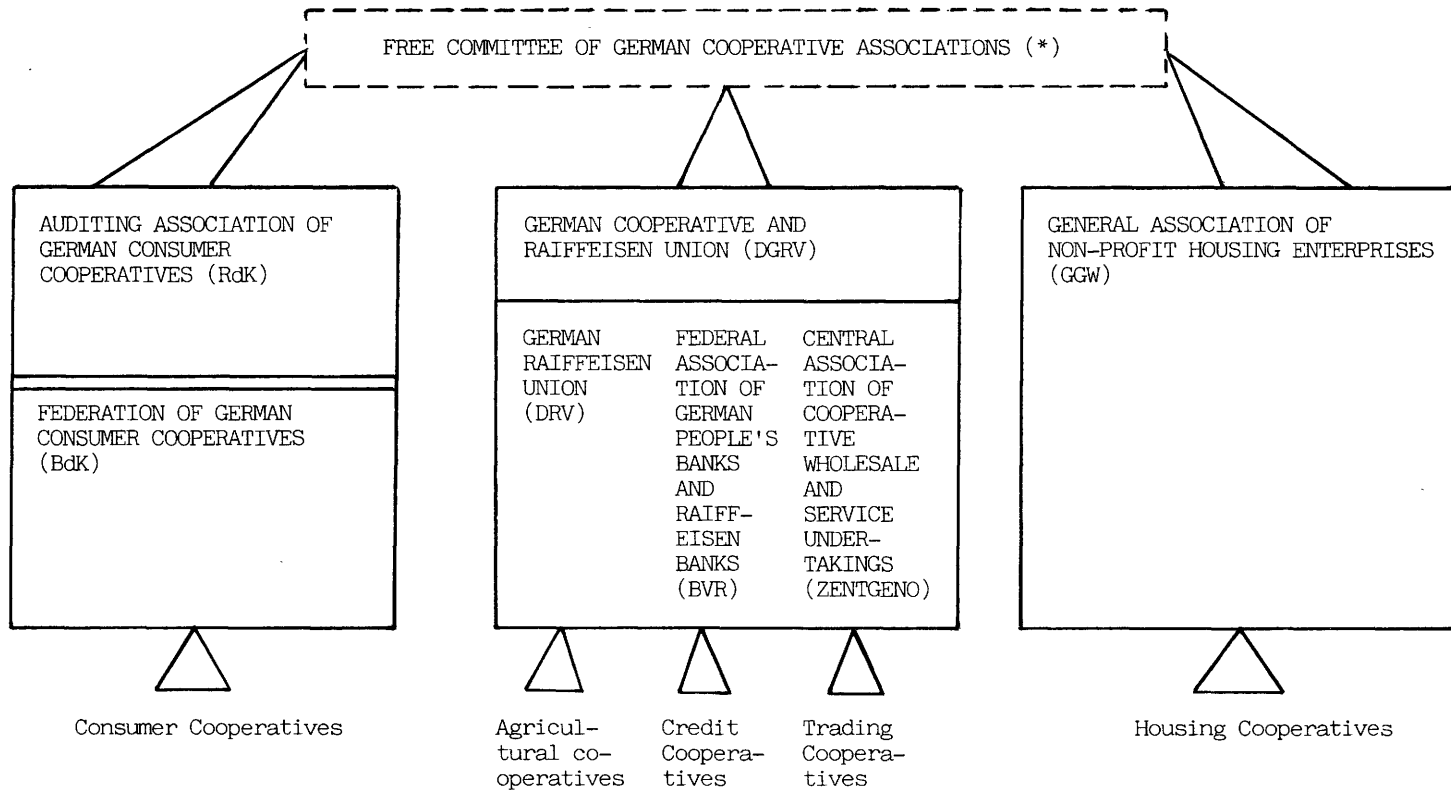


Figure 2: Central organizations of the Federal German cooperative movement



(*) a de facto association with no formal authority

The fact that the mutual insurance societies belong to the private insurance sector, in which they compete with one another and with enterprises having a different legal status, explains why these societies' interests are represented mainly by the General Federation of German Insurance Companies (Gesamtverband der deutschen Versicherungswirtschaft). Where specific problems arise from legal provisions, certain types of mutual insurance societies work together to some extent, although their confederations do not have all the characteristics of typical associative activity.

The confederations are:

Organization of Mutual Insurance Societies

Members: 67 large mutual insurance societies.

German Association of Burial Funds

Members: 346 burial funds.

Association of Mutual Insurance Societies

Members: 119 (smaller) specialized mutual insurance societies.

Union of German Mutual Glass Insurance Associations

Members: 33 (smaller) mutual insurance societies in the glass sector.

4. Economic, social and political context in which cooperative and mutual organizations operate

There is no trace today of the politically-explosive connotations which haunted the socio-economic phenomenon of cooperatives in the nineteenth century. This may be due to the fact that (a) in Germany the producer cooperative, which from the outset was seen as a challenge to social property and power structures, never developed for a number of reasons, and (b) the consumer cooperatives, which inspired hopes of economic and social reform, were unable to fulfil this overall expectation.

The more significant cooperatives today are those which regarded themselves from the start as a part of the market economy and had as their main aim, in the competitive conditions of that economy, to constitute a countervailing force in the face of existing dominance of the market. These are agricultural and small and medium-sized commercial cooperatives which see their primary task as ensuring the survival of independent businesses on an oligopolistic market through the pooling of the member businesses' needs.

Thus these cooperatives are viewed by their independent members as an integral part of the private sector, and for them a 'cooperative sector' as a third sector or third force between the private and public sectors does not exist.

Also ruled out — true to the principles laid down by Hermann Schulze-Delitzsch — is the idea of State aid through tax relief, or even of a public policy on cooperatives. This explains why in Germany — unlike other countries — there is only an overall law on cooperatives, which does not give preference to any one type of cooperative, and allows the cooperatives maximum freedom to determine their own organization. This also explains why there is no public body responsible for the cooperative movement — not even a purely advisory one.¹

As a result the political influence of the cooperatives is applied via the corresponding associations to government and parliament. Moreover, it might be difficult to fit the cooperatives as such into a party-political spectrum; if a preference for one or other party can be detected, it can be explained by the homogeneity of the social group concerned and traditional links with political parties, e.g. workers in consumer cooperatives tend to belong to the Social Democratic Party, or small and medium-sized business is linked to middle-class parties.

The independence of cooperatives from the State needs to be qualified: the independence of the non-profit housing cooperatives is limited by the fact that they are also involved in social housing schemes.

As to the mutual insurance societies, suffice it to say that they are part of the private insurance sector.

¹ There is, however, supervision by the *Länder* of the regional control bodies.

5. Definition and special functions of the cooperative and mutual sector as compared with the public and private sectors

(cf. Point 4.)

B. THE SPECIFIC ROLE OF ORGANIZATIONS AND ENTERPRISES IN THE COOPERATIVE, MUTUAL AND NON-PROFIT SECTOR

COOPERATIVE MOVEMENT

1. German Cooperative and Raiffeisen Union (DGRV)

The DGRV is an auditing association which does not engage in economic activity. According to the three principles of the founders, the DGRV coordinates the 'self-help', 'self-management' and 'self-responsibility' of the federal cooperative associations in relation to their regional associations, in which the primary cooperatives are linked. The DGRV takes action when the joint interests of the various cooperative sectors are involved, e.g. on cooperative tax questions. However, the DGRV has no right to issue instructions to the sectoral associations. It has special coordination tasks mainly in the training field (unified aims and syllabuses). At the European Community level the DGRV is represented by the three sectoral associations: the German Raiffeisen Union (DRV), the Federal Association of German People's Banks and Raiffeisen Banks (BVR) and the Central Association of Cooperative Wholesale and Service Undertakings (Zentgeno). These (with the DG-Bank) make up the group.

2. German Raiffeisen Union (DRV)

The DRV advises and assists the central offices at regional and federal level, and — through the regional associations — the primary cooperatives in the rural purchasing/selling, marketing and service sectors. These operate as economic enterprises, fulfilling the provisions on promotion of cooperatives. The main activities are supply of equipment and advice to farmers, services to facilitate work, marketing of produce, and supply of important goods to rural areas. The DRV has good relations with many other important organizations. It is a member of COGECA, the General Committee for Agricultural Cooperation in the European Community.

3. Federal Association of German People's Banks and Raiffeisen Banks (BVR)

The BVR represents its members' interests but does not itself engage in economic activity. It promotes, looks after and represents the economic policy and economic interests of the members and of institutions affiliated to them. Above all the BVR represents those interests which tie in with the general business policy of the People's and Raiffeisen Banks. At European level the BVR is a member of the Brussels-based Association of Cooperative Banks of the EC.

4. Central Association of Cooperative Wholesale and Service Undertakings (Zentgeno)

The aim of Zentgeno is to further the interests of wholesale and service sector enterprises with a cooperative structure. The association has no commercial aims, and is not an auditing association under the terms of the law on cooperatives. Zentgeno is an associate member of UGAL, which represents it at European level.

5. German Cooperative Bank (DG-Bank)

As a public-law corporation, the DG-Bank has no members; instead it has shareholders, which include the regional cooperatives and cooperative central institutions. The DG-Bank serves as a financial institution for the entire cooperative movement and the non-profit-making housing sector, but only in a subsidiary capacity. The regional cooperative purchasing/selling offices and medium-sized firms are looked after by the regional financial institutions. The DG-Bank's interests are represented by the BVR.

6. Federation of German Consumer Cooperatives (BdK)

The BdK, which acts as a common-interest association not only for the consumer cooperatives but also for the other enterprises of the Co-op Group, can be regarded as a link between the cooperative movement and the trade union public-benefit sector. In this context it works particularly to uphold democratic participation by shareholders in cooperative limited companies, which developed from consumer cooperatives, and articulates the interests of consumers. The BdK is not involved in the market, nor is it an auditing association. Auditing and legal fiscal counselling of consumer cooperatives fall to the Auditing Association of German Consumer Cooperative (RdK), which is a member of the Free Committee of German Cooperative Associations. The BdK is also involved in international consumer information as a member of Eurocoop, Brussels.

7. General Association of Non-Profit Housing Enterprises eV (GGW)

The GGW is not simply a cooperative association, but acts as a representative of the housing cooperatives and other firms which are not motivated by profit. It does not engage in economic activity. As well as looking after the interests of firms affiliated to its member associations, and the usual interest-representation tasks, it seeks to promote the further development of housing in the light of the social housing policy and the cooperative idea, encourages training and further training for workers in the housing sector, draws up guidelines for the cooperative auditing system and participates with public bodies in the development and promotion of non-profit housing in developing countries. The GGW has so far not affiliated to any European association, but cultivates close bilateral contacts with housing associations in other European countries.

MUTUAL SECTOR

8. Organization of Mutual Insurance Societies

This is an association of large mutual insurance societies active in the fields of third party, accident, motor vehicle, property and medical insurance and life assurance. It does not engage in all the activities of an association. The aim is rather to represent the specific interests of the mutual insurance societies arising out of their legal status, in the various associations of the German insurance sector. The organization is not affiliated to any European association, but is a member of AISAM (Association Internationale des Sociétés d'Assurance Mutuelle).

9. Association of Mutual Insurance Societies

This association, which represents only the smaller mutual property insurance societies, looks after and advises its members with the primary aim of ensuring their survival. Overall representation of interests is left to the German general association responsible for property insurance firms. No affiliation to European or international associations has yet been considered.

10. German Association of Burial Funds

This association, to which only a third of burial funds so far belong, also represents the interests of the German burial costs sector as a whole, the aim of which is to offer the less-privileged section of the population minor insurance services in return for modest premiums. Through its representatives and advisory functions and its commitment to simplifying administrative provisions and extension of the range of services offered, the association contributes to ensuring the survival of the burial funds and their social role.

The association is not affiliated to any European organization.

11. Union of German Mutual Glass Insurance Associations

The activity of this association covers only part of the mutual property insurance field, and is confined to information and advice for members (smaller mutual insurance societies), especially in relation to contacts with supervisory authorities.

The association is not affiliated to any European organization.

12. Federal Association of Independent Welfare Institutions

This association represents the general interests of the six top welfare institutions *vis-à-vis* the public and the State and gives advice regarding social policy and welfare legislation. It comprises the following associations of different religious and ideological backgrounds:

- Workers' Federal Welfare Association;
- Lay Order of the Evangelical Church in Germany;
- German Roman Catholic Charitable Association;
- German Joint Welfare Association;
- German Red Cross;
- Central Welfare Organization for Jews in Germany.

Notwithstanding their different aims and ideologies, these associations work closely together to represent their interests.

C. NATIONAL ASSOCIATIONS OF COOPERATIVE, MUTUAL AND NON-PROFIT ORGANIZATIONS, AND THEIR MEMBERSHIP OF EUROPEAN GROUPINGS

German associations and enterprises	European groupings to which these associations belong
<i>Cooperative sector</i>	
German Cooperative and Raiffeisen Union (DGRV)	—
German Raiffeisen Union (DRV)	CEA (European Confederation of Agriculture) Cogeca (General Committee for Agricultural Cooperation in the EC)
Federal Association of German People's Banks and Raiffeisen Banks (BVR)	ACB (Association of Cooperative Banks in the EC)
DG-Bank	—
R+V Insurance Group	AACE (European Union of Insurance Cooperatives)
Schwabisch Hall Building Society	European Building Societies Association
Central Association of Cooperative Wholesale and Service Undertakings (Zentgeno)	UGAL (Association of Retailer-Owned Wholesalers in Foodstuffs) (associate member)
Edeka Association	UGAL
Rewe	—
Auditing Association of German Transport Cooperatives	—
Federation of German Consumer Cooperatives (BdK)	Eurocoop (European Community of Consumer Cooperatives)
General Association of Non-Profit Housing Enterprises (GGW)	—
<i>Mutual sector</i>	
Organization of Mutual Insurance Societies	AISAM (Association Internationale des Sociétés d'Assurance mutuelle) (indirect: only individual membership)
Association of Mutual Insurance Societies	—
German Association of Burial Insurance Funds (Union of German Mutual Glass Insurance Associations)	—

D. ATTITUDE OF ASSOCIATIONS OF COOPERATIVES AND MUTUAL INSURANCE SOCIETIES TOWARDS EUROPEAN INTEGRATION

The fact that the associations in the DGRV group — the DRV, the BVR and Zentgeno — participate actively in the European cooperative associations for their respective sectors shows that the DGRV associations have a positive attitude towards European integration.

The cooperation between the BdK and RdK and their practical contact with the European association Eurocoop allows the same conclusion to be drawn in the field of consumer cooperatives.

The management of the GGW, which is increasingly striving for cooperation at the European level, has clearly stated that it seeks active cooperation by the housing cooperatives in the implementation of certain Community policies, e.g. development and employment policy.

The associations of mutual societies, which are active only in the insurance sector in the Federal Republic of Germany, have not yet appeared on the European scene — partly because of their size.

E. SOURCES

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FISCHER JOACHIM: 'Genossenschaftliches Prüfungswesen'.

HANSEN JOHANNES: 'Molkereigenossenschaften'.

HORLACHER HELLMUT: 'Genossenschaftlicher Verbund'.

JUNGINGER GEORG: 'Hermann Schulze-Delitzsch'.

LOHMAR GERD: 'Freier Ausschuss der deutschen Genossenschaftsverbände'.

MÄNDLE EDUARD: 'Marktwirtschaft und Genossenschaften',
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DG-BANK: *Die Genossenschaften in der Bundesrepublik Deutschland*.

BRENZEL JÜRGEN: *Der Versicherungsverein aG*, Karlsruhe 1975.

TÖNS HANS: *Der Bundesverband der Ortskrankenkassen* (Düsseldorf 1980).

In addition, some of the sources quoted in the sections below were consulted.

CHAPTER II: Cooperative, mutual and non-profit organizations in the Federal Republic of Germany

A. Cooperatives

1. The system of: cooperative banks; agricultural purchasing/selling, marketing and service cooperatives; industrial purchasing/selling and service cooperatives

1. Basic data (31 December 1983)

Number of primary cooperatives and central organizations (secondary organizations):

- 9 211 primary cooperatives
- 75 regional-level central organizations
- 32 national-level central organizations and specialized institutes

Cooperative associations:

- 14 regional associations
- 6 auditing associations
- 4 associations at national level (three national associations and an umbrella organization)

Individual members:

- 11.5 million, of which:
 - 9.7 million are in the credit cooperative sector
 - 4.6 million in the agricultural purchasing/selling, marketing and services cooperative sector
 - 0.3 million in the industrial purchasing/selling and service cooperative sector
- (the individual figures include people who are members of more than one category)

Employees:

- 268 000 (see below)

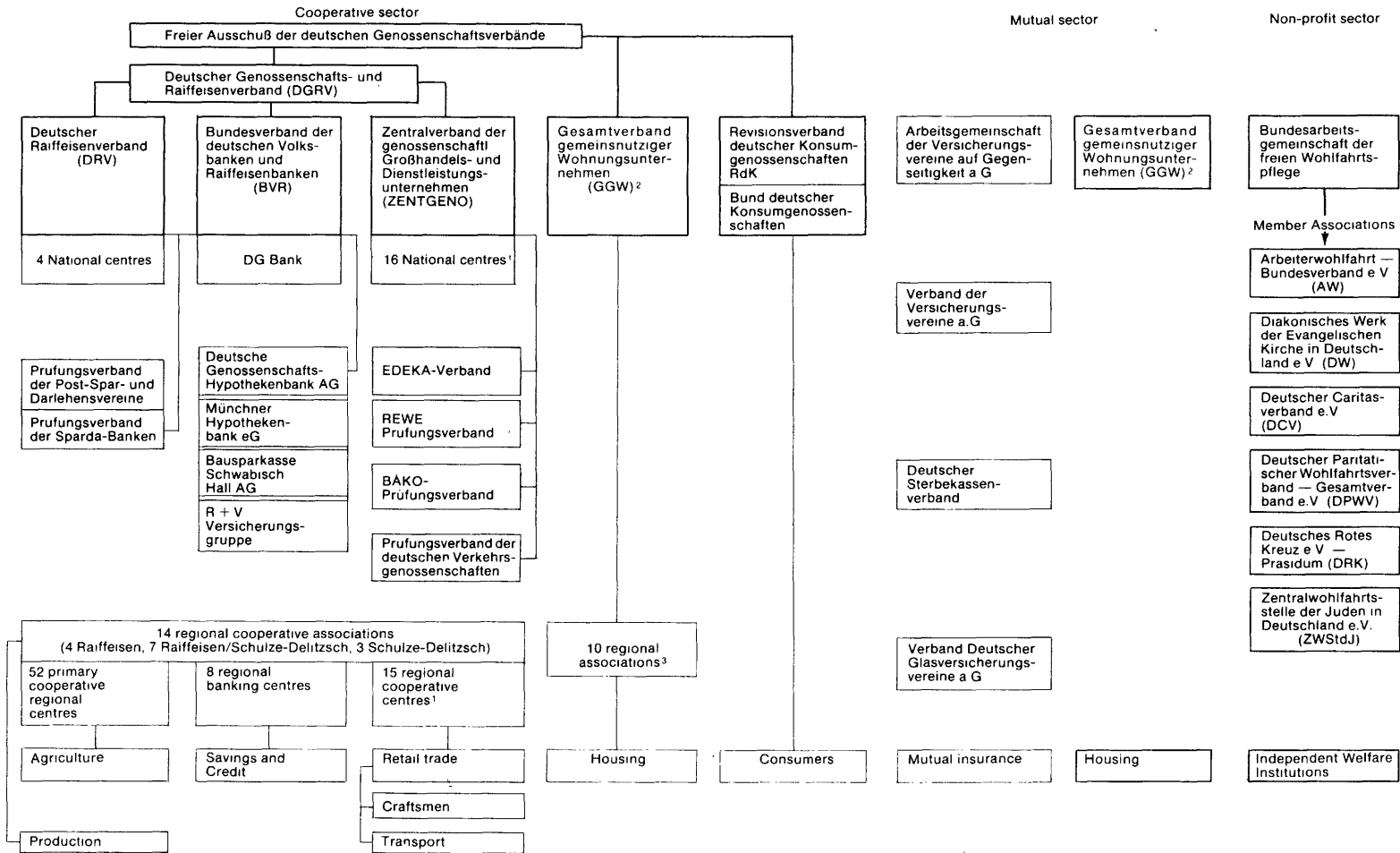
Position in the market

Balance sheet total of the credit cooperative sector:	DM 494 000 million
Turnover of agricultural cooperatives:	DM 83 700 million
Turnover of industrial cooperatives:	DM 77 800 million

The numbers given for employees in the sections on the Raiffeisen organization and the cooperative banking sector include in each case the total number of those employed in credit cooperatives engaging in purchasing/selling. Some 2 200 credit cooperatives out of a total of 3 800 also engage in purchasing/selling. Accordingly, the associations have included around 53 000 employees in this sector in the figures for both the credit and the agricultural cooperatives.

In the sections on the DRV (German Raiffeisen Union) and the BVR (Federal Association of German People's Banks and Raiffeisen Banks), allowance is made for double counting in the 'net' figure 26 500 lower given in brackets after the total number of employees in these two areas. This, together with the 50 000 people employed in the industrial purchasing/selling and service cooperatives, gives the correct total of 268 600 employees in the DGRV.

Table D3: Federal Republic of Germany



¹ The chart does not always show the distinction between regional and national levels, in many cases cooperative centres activity extends beyond the region

² Mixed² association with both cooperative and non-profit members

³ One of these associations has a dual role and is also a member of DGRV

Without double counting, the overall picture is as follows, if the 53 000 employees mentioned above are divided equally between the two areas of activity.

DGRV Group: Total number of employees 268 600 of which:

	<i>Gross</i>	<i>Net</i>
cooperative banks	125 000	98 500
agricultural cooperatives	146 600	120 100
industrial purchasing/selling and service cooperatives	—	50 000

2. Brief historical outline

The plight of the rural population and craftsmen during the crisis years of the mid-nineteenth century led Friedrich Wilhelm Raiffeisen and Hermann Schulze-Delitzsch, simultaneously but independently of each other, to establish self-help organizations to improve the economic situation of the farming community and craftsmen. In the years that followed, the two cooperative movements spread to the whole of Germany. The Raiffeisen cooperatives in many cases conducted their financial and goods transactions within a single institution, whereas in the Schulze-Delitzsch cooperatives these two areas were handled by separate organizations.

The cooperatives amalgamated at an early stage into central organizations and associations with a view to extending their role and providing proper counselling, assistance and auditing facilities. The law on cooperatives of 1869 dates back to Schulze-Delitzsch; basically this law still applies today to all types of cooperatives in the Federal Republic of Germany.

In the 1960s, the two cooperative movements came to the conclusion that, in view of their common ideals and similar legal structure, as well as the increased competition, the time had come to join forces. This led in 1971 to a restructuring of the cooperative organization at national level, with the DGRV (German Cooperative and Raiffeisen Union) as an umbrella organization and three national associations (BVR, DRV and Zentgeno). The regional structures have basically adapted to this reorganization.

3. Size and structure

In addition to the umbrella organization, the DGRV, the following bodies also exist at national level:

Bundesverband der Deutschen Volksbanken und Raiffeisenbanken (BVR) (Federal Association of German People's Banks and Raiffeisen Banks);

Deutscher Raiffeisenverband eV (DRV) (German Raiffeisen Union);

Zentralverband der genossenschaftlichen Grosshandels- und Dienstleistungsunternehmen eV (Zentgeno) (Central Association of Cooperative Wholesale and Service Undertakings).

- (a) As a cooperative banking organization, the BVR comprises at primary level 3 762 People's and Raiffeisen Banks and eight regional institutions with 46 branch offices. 2 176 credit cooperatives also engage in goods transactions with their 15 905 branch offices, the People's and Raiffeisen Banks have the densest bank office network in Europe — 19 667 offices. In 1983, the group (including regional institutions and the DG-Bank) had an overall balance-sheet total of DM 494 000 million, with approximately 118 000 employees; savings deposits totalled DM 183 000 million. The central institution is the DG-BANK (German Cooperative Bank).

The task of the BVR is to encourage cooperative banking and to promote the professional and specific economic, legal and fiscal interests of its members *vis-à-vis* the legislative authorities, ministries and other institutions, and the public. It also advises members on legal, fiscal and organizational matters, creates facilities to safeguard and promote credit cooperatives, and maintains and supports training facilities.

- (b) The DRV comprises 6 728 primary Raiffeisen purchasing/selling, marketing and service cooperatives (including 2 175 credit cooperatives engaging in goods transactions), 53 regional and five national-level central organizations. Their turnover in 1983 was in the region of DM 84 000 million.

The Raiffeisen cooperatives are active in the purchasing/selling, marketing and service sectors. With their 146 000 employees, they play an important part in supplying the agricultural community.

The role of the DRV is to promote the agricultural cooperative movement. It advises its members on technical, and especially economic and fiscal questions and fosters their interests *vis-à-vis* the legislative authorities and the general public.

- (c) Zentgeno represents at national level 880 industrial purchasing/selling and service cooperatives, with a turnover in 1983 of approximately DM 53 500 million. If the 15 central organizations are included, the industrial purchasing/selling and service cooperatives had a turnover of around DM 77 800 million in 1983. These cooperatives have a total of 250 000 members and 50 000 employees.

Zentgeno's task is to encourage an exchange of experience among its members and to represent its members *vis-à-vis* the outside world, i.e. promote the interests of the cooperatively-based wholesale trade and similarly organized service organizations embracing retailers, craftsmen, businessmen and members of the professions. Within this context, Zentgeno furthers the professional, economic, social and political interests of its members.

- (d) The regional cooperative associations (Genossenschaftsverbände) and auditing associations (Fachprüfungsverbände) advise and assist the cooperatives and cooperative organizations affiliated to them in the regions or the specialized groups, and set up and maintain training facilities for employees of these cooperatives. These associations are statutory auditing associations within the meaning of the law on cooperatives.

- (e) The cooperative organizations have access to the following supra-regional specialized institutions:

DG-BANK German Cooperative Bank:

Volume of business (total assets plus contingent items): DM 50 800 million; total assets DM 44 352 million.

Schwäbisch Hall Building Society:

Total savings contracts: DM 171 200 million.

R+V Versicherung (insurance):

Annual premium income: DM 3 000 million; total life policy value DM 48 200 million.

Deutsche Genossenschafts-Hypothekenbank AG (mortgage bank):

Balance sheet total: DM 26 400 million.

Münchener Hypothekenbank eG (mortgage bank):

Balance sheet total: DM 8 000 million.

Union-Investment-Gesellschaft mbH (investment company):

Total assets: DM 4 300 million.

Deutsche Immobilienfonds Aktiengesellschaft — DIFA (property company):

Total assets: DM 1 000 million.

Deutscher Genossenschafts-Verlag eG (publishing company):

Turnover: DM 152 million.

Raiffeisendruckerei GmbH (printing company):

Turnover: DM 130 million.

German Cooperative and Raiffeisen Union (Deutscher Genossenschafts- und Raiffeisenverband eV) (DGRV)

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I. ORGANIZATION

1. Date of formation:

1972.

2. Size and structure

The members are the three national associations (BVR, DRV and Zentgeno), the regional cooperative associations, the auditing associations, the regional-level and the national-level central organizations (secondary cooperative organizations) and specialist institutions, particularly in the banking, insurance and building society sectors, but also in the industrial and agricultural purchasing/selling sectors.

The DGRV is an auditing association at national level; it does not engage in economic activity and therefore does not itself play a role in the market.

3. Administrative bodies

The administrative bodies of the DGRV are the Managing Board and the Union Council. The Managing Board is made up in the main of unpaid members. The Union Council has 30 members. It decides the DGRV's policy and acts as an assembly of the DGRV's members. The BVR appoints 12 members to the Union Council, the DRV six members, Zentgeno six members and the auditing associations committee a further six members.

4. Decision-making procedure

Decisions are taken in the DGRV Managing Board by a majority of the votes cast, and in the Union Council by three-quarters of the votes cast.

5. Secretariat and staffing

The DGRV has five departments:

- (i) auditing;
- (ii) legal;
- (iii) taxation;
- (iv) foreign affairs;
- (v) business economics.

Together, the DGRV employs 31 persons.

6. Budget size and contribution arrangements

DGRV's activities are funded by means of annual contributions from the members. The size of these contributions is determined by the Union Council. The annual budget, which is not made public, is estimated by the ESC's Studies and Research Division at somewhere between DM 3.5 million and DM 5.5 million.

II. AIMS AND PRIORITY POLICIES

These can be summarized as follows:

- promotion and development of the cooperative movement and cooperative auditing;
- safeguarding common interests in the economic, legal and tax spheres;
- safeguarding interests in the field of education/training and coordinating cooperative educational/training activities;
- providing advice and assistance for members;
- auditing;

maintaining appropriate facilities for the training and further training of auditors;
 setting up and administering the fund for safeguarding and promoting cooperative institutions, except where this is the responsibility of the national associations;
 cultivation of relations with cooperative and other organizations and institutions at home and abroad, except where this is the responsibility of the national associations;
 participating in associations and institutions which serve the members' interests.

The DGRV distinguishes between cooperatives and 'public-benefit' undertakings (*gemeinwirtschaftliche Unternehmen*) as follows:

Cooperatives are run by people pursuing private interests and objectives; public-benefit undertakings on the other hand, are run by bodies seeking to further public interests and objectives.

The function of cooperatives is to promote the economic activity and earnings of their members, whereas the function of public-benefit undertakings is to promote the general good.

Cooperatives are self-help organizations; they pursue their own objectives. Public-benefit undertakings on the other hand, help others; they pursue objectives on behalf of others'¹.

III. ACTIVITIES

In keeping with the objectives mentioned above, the DGRV's role is mainly that of national-level coordinator.

It operates in areas where general cooperative interests are involved. Interests in specific spheres are looked after by the appropriate national-level associations.

The DGRV is concerned mainly with cooperative auditing and basic legal, tax and organizational matters.

In the educational/training sector, the DGRV ensures standardization of targets and syllabuses in the various cooperative training establishments. Employees of the cooperatives attend the regional associations' training and further training establishments; the cooperatives' executive staff attend the *Akademie Deutscher Genossenschaften* in Montabaur/Hohenheim.

The DGRV fosters cooperation with the cooperative studies institutes at the Universities of Marburg, Münster, Erlangen/Nürnberg, Stuttgart-Hohenheim, Giessen, Hamburg and Cologne. These institutes are supported by DGRV contributions.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

These are in accordance with the customary procedure for associations which engage in an exchange of views with the federal authorities, the parliament and other socio-economic groups. This takes the form of discussions with federal ministries and members of parliament, for example, and written submissions to Bundestag (lower house) and Bundesrat (upper house) committees.

The DGRV has no party-political allegiance. It is engaged in a dialogue with all democratic parties.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

Within the Community context the cooperatives' interests are fostered by the three national-level associations (BVR, DRV and Zentgeno) in the relevant European-level organizations.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The remarks made under Point V also apply here.

¹ Source: 'Genossenschaften sind keine Gemeinwirtschaften'. Croll, Schramm, Klusmann, in *Genossenschaftsforum*, 5/82.

VII. INTERNAL COHESION

This is characterized by the common basic ideals and common history of the Raiffeisen cooperatives and the Schulze-Delitzsch cooperatives.

Since their merger in 1972, the two organizations have grown together. This process is being given a substantial boost by a number of organizational measures, such as the setting-up of committees on which all the associations are represented.

The law on cooperatives, which applies to all cooperative bodies, the standardized auditing system derived from it, and the DGRV's advisory activities, provide a guarantee both of external cohesion and internal cohesion. In addition, the law requires each cooperative to belong to an auditing association.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

As already stated in Point V, the cooperative banks and the industrial and agricultural cooperatives are represented in the appropriate European organizations in Brussels by the relevant national-level associations.

IX. PUBLICATIONS

Genossenschafts-Forum (Raiffeisen-Rundschau und Blätter für Genossenschaftswesen); the DGRV is joint publisher with the three other cooperative associations in Bonn.

DGRV Schriftenreihe (a series of publications on different topics).

Handwörterbuch für das Genossenschaftswesen.

X. SOURCES

Rules, oral and written information.

XI. INTERVIEW

Mr Egon Metz, DGRV manager, was interviewed on 9 September 1982 in Bonn by Dr Elmar Stuhler, of the Technical University of Munich, and by Konrad Schwaiger, ESC General Secretariat, Studies and Research Division, on 9 July 1984.

2. The agricultural sector

1. Basic data (31.12.1983)

Number of cooperatives:	6 784 (including 52 regional-level and 4 national-level central organizations)
Turnover:	DM 83 705 million
Individual members:	DM 4.6 million
Employees:	DM 146 600 (120 000) (see note at beginning of Chapter II)
Annual investment:	over DM 1 500 million
Turnover:	Raiffeisen cooperatives account for more than 50% of agricultural turnover.

2. Brief historical outline

The development of the German Raiffeisen organization began with Friedrich Wilhelm Raiffeisen. In the 1846/47 crisis he founded the Weyerbüschler Brodverein, as a charitable and philanthropic organization. In 1864, as a result of Raiffeisen's efforts, the Heddesdorfer Darlehenskassenverein (Heddesdorf Loan Association) was established.

The Raiffeisen organization developed gradually as a result of practical work and the spread of the cooperative movement. Raiffeisen grouped the local cooperatives into 'Zentralen', which developed into cooperative institutions at regional and supra-regional level. The banking sector grew up in a similar way. Raiffeisen completed the three-tier organization in 1877 with the Anwaltsverband ländlicher Genossenschaften (Legal Advice Association for Agricultural Cooperatives).

Somewhat later than Raiffeisen, and independently of him, Wilhelm Haas was setting up his own large cooperative organization. The two associations amalgamated in 1930 to form the Reichsverband der deutschen landwirtschaftlichen Genossenschaften — Raiffeisen eV (Reich Association of German Agricultural Cooperatives — Raiffeisen).

In 1948, during the reconstruction period following the Second World War, the DRV (German Raiffeisen Union) was created to replace the Reichsverband.

In 1972 the cooperative organization was restructured at national level. The DGRV (German Cooperative and Raiffeisen Union) was established as umbrella organization. The credit cooperative sector was brought together in the BVR (Federal Association of German People's Banks and Raiffeisen Banks) and the industrial purchasing/selling and service cooperatives in Zentgeno. The role of the DRV is to represent the agricultural purchasing/selling, marketing and service cooperatives.

3. Size and structure

The Raiffeisen organization embraces cooperatives in the purchasing/selling, marketing and service sector. The organization's structure is set out below.

There are 4 national-level and 52 regional-level central organizations (secondary organizations). These bring together supply and demand from member cooperatives into larger units. They have modern storage, processing and marketing facilities, as well as joint brand programmes. The activities of the secondary and primary cooperatives play an important part in ensuring that farmers are provided with the necessary agricultural supplies and at the same time are able to market their produce efficiently.

The three-tier structure of the Raiffeisen organization (31.12.1983)

NATIONAL LEVEL

Deutscher Raiffeisenverband eV (German Raiffeisen Union)

4 national-level central organizations (secondary cooperatives)

LAND LEVEL

11 regional associations

52 regional-level central organizations (secondary cooperatives)

LOCAL LEVEL

6 728 local cooperatives, comprising:

5 329 purchasing/selling, marketing and service cooperatives, and

2 331 credit cooperatives engaging in goods transactions

1 399 services cooperatives

A number of important cooperative specialist undertakings are closely connected with the organization in that they work for the organization's members, e.g.:

DG-Bank (German Cooperative Bank);

R+V Insurance;

Schwäbisch Hall Building Society;

German Cooperative Mortgage Bank.

The Raiffeisen cooperatives' turnover has been rising continuously. In the 1950s their turnover was approximately DM 10 000 million. By 1980 this figure had reached DM 83 700 million, of which DM 44 200 million was accounted for by the primary cooperatives, DM 34 900 million by regional-level secondary cooperatives and DM 4 500 million by national-level secondary cooperatives. Agricultural supplies (purchasing) represented in 1983 about 40% of the Raiffeisen cooperatives' total turnover. Agricultural sales vary in importance according to the category of product. Thus, 79% of the milk delivered comes from cooperative dairies, whereas the cooperative share of fruit sales amounts to around 33%.

At the end of 1983, 32% of all Raiffeisen cooperatives were credit cooperatives also engaging in goods transactions, 47% were purely purchasing/selling or marketing cooperatives, 20% were service cooperatives and 1% were central buying and selling agencies.

The number of cooperatives has fallen from 21 300 in 1950 to just under 7 000. The number of members rose over the same period from 2.9 million to 4.6 million. The membership includes 3.7 million individuals, of whom 960 000 work in agriculture. Around 147 000 people are employed in the Raiffeisen cooperatives.

The Raiffeisen cooperatives' annual average level of investment is currently running at over DM 1 800 million. Since 1948 a total of DM 31 000 million has been invested.

German Raiffeisen Union (Deutscher Raiffeisenverband eV) (DRV)

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I. ORGANIZATION

1. Date of formation

The Deutscher Raiffeisenverband eV (DRV) (German Raiffeisen Union) was founded on 18 November 1948.

2. Size and structure

The importance of the DRV lies in the fact that it advises and assists the regional and national-level secondary cooperatives and, through them and the 11 regional associations, supports the work of the 6728 local cooperatives and thus reinforces the long-standing principles of self-help, self-management and self-responsibility.

The DRV is the national association for all agricultural purchasing/selling, marketing and service cooperatives in the Federal Republic.

The members of the DRV are:

- regional cooperative associations and other associations to which agricultural cooperatives belong (auditing associations);
- agricultural cooperatives, including those involved in banking, and agricultural secondary cooperatives, provided they are members of a regional cooperative association;
- other types of undertaking, provided they are members of an auditing association and are active in the agricultural or rural sector;
- national-level agricultural secondary cooperatives and other central institutions and marketing organizations, whose membership is in the DRV's interest.

Agricultural cooperatives and other undertakings (provided they are members of an auditing association) become members of the DRV through the accession of the auditing association to which they belong.

The DRV promotes the interests of its members; it does not, however, take part in the goods transactions of its members.

3. Administrative bodies

The bodies responsible for decision-making in the DRV are:

- the Management Board;
- the Board of Directors;
- the Members' Meeting (representative assembly).

The Management Board consists of:

- the DRV's President;
- up to three Vice-Presidents;
- the Manager (Secretary-General).

The President and the Vice-Presidents are elected by the Board of Directors for a five-year term (re-election is possible).

The Management Board conducts the DRV's business and represents it in and out of court.

The Board of Directors holds office for five years and is made up of:

- the DRV's President;
- one representative from each regional cooperative association;
- up to 10 representatives of the groups of undertakings in the various sectors of cooperative purchasing/selling;
- two representatives from the cooperative banking sector;
- up to four representatives from the national-level secondary cooperatives or other cooperative central institutions;
- the Manager (Secretary-General).

The Board of Directors deliberates and decides on all matters relating to the DRV as a whole or which concern all the specialist sectors.

In addition, it is responsible for laying down general guidelines for the DRV's activities, setting the level of membership subscriptions, examining the annual accounts and approving the annual budget. It also elects the President and the Vice-President.

The Members' Meeting is a representative assembly convening once a year. Resolutions may be passed regardless of the number of members present.

The Members' Meeting is responsible in particular for:

- the election of the Board of Directors;
- receiving the annual report and the report of the Finance and Accounts Committee as well as approving the annual accounts;
- granting discharge to the Board of Directors;
- changes in the constitution;
- disbanding the DRV.

To promote the development of cooperative activity there are advisory bodies such as the Gesamtausschuss für Agrarwirtschaft (Joint Agriculture Committee) and specialist committees for

- the cooperative buying and selling of goods;
- the cooperative milk sector;
- the cooperative cattle and meat sector;
- the cooperative fruit, vegetable and horticulture sector;
- vine-growers' cooperatives;
- the cooperative egg and poultry sector;
- monetary and banking aspects of the purchase and sale of agricultural produce;
- cooperative organizations and DRV affairs.

4. Decision-making procedure

Resolutions are passed in the DRV's bodies by a simple majority, except in the case of dissolution of the DRV or amendments to its constitution, when a majority of four-fifths and three-quarters respectively of the votes cast is required.

5. Secretariat and staffing

The DRV's headquarters has 18 departments (see Table 1) and employs a total of about 80 staff.

6. Budget size and contribution arrangements

The activities of the DRV are financed by annual subscriptions from the members. Members are assessed for subscriptions by the auditing association to which they belong. The Board of Directors decides the level of subscriptions.

The size of the annual budget is not made public; the ESC Studies and Research Division estimates it at between DM 9 million and DM 12 million a year.

II. AIMS AND PRIORITY POLICIES

The DRV's constitution defines its purpose as follows:

'The purpose of the Union is to promote, serve and represent the professional and specific economic interests of its members and their organizations, and to preserve and uphold the ideas and traditions of agricultural cooperatives.'

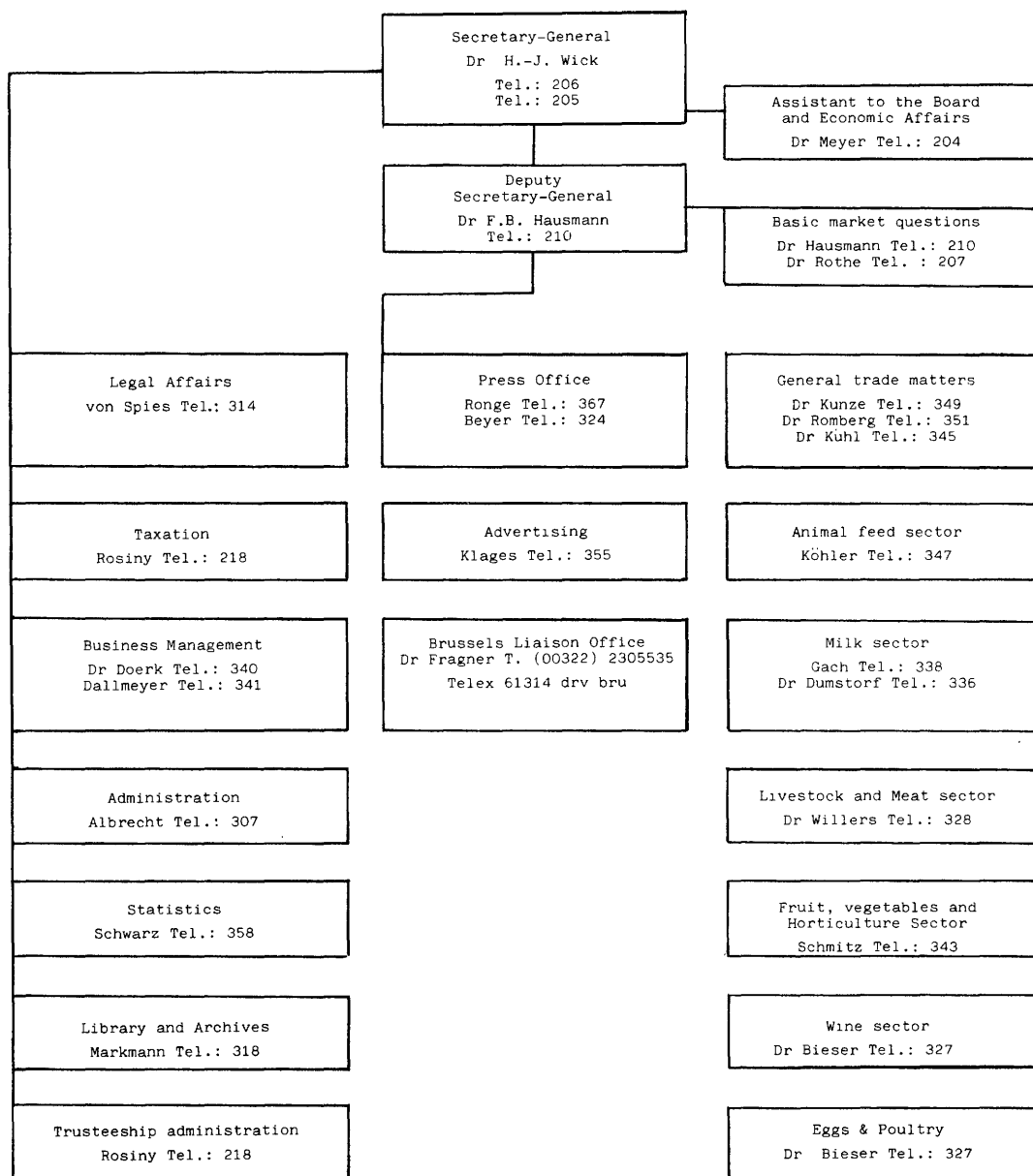
In practical terms, the DRV has the following tasks:

- promotion and development of the agricultural cooperative system;
- protection of the economic, legal and fiscal interests of its members;
- counselling and representation of members in the legal, fiscal and management spheres;
- coordination within the organization as a whole;
- foundation, maintenance and support of education/training facilities;
- maintaining relations with other organizations and institutions at home and abroad.

The DRV distinguishes between cooperatives and public-benefit undertakings (*gemeinwirtschaftlichen Unternehmen*) as follows:

'Cooperatives are run by people pursuing private interests and objectives; public-benefit undertakings, on the other hand, are run by bodies seeking to further public interests and objectives. The function of cooperatives is to promote the economic activity and earnings of their members, whereas the function of public-benefit undertakings is to promote the general good.'

Organization chart of DRV headquarters (1.1.1984)



Cooperatives are self-help organizations; they pursue their own objectives. Public-benefit undertakings, on the other hand, help others; they pursue objectives on behalf of others.¹

III. ACTIVITIES

The purchasing/selling, marketing and service cooperatives are active in a wide range of areas, including:

- providing farmers with agricultural supplies;
- advising and assisting farmers;
- collecting, processing and marketing agricultural produce;
- providing various services to facilitate and rationalize work;
- supplying rural areas with essential commodities (e.g. fuel, construction materials).

The activities of the DRV and the regional auditing associations are correspondingly varied.

Other activities of the associations include, for instance, responding to regular invitations from agricultural colleges to give lectures, run training courses and provide information in other ways about the cooperative sector. All in all, these and similar activities constitute a comprehensive and intensive public relations operation.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

DRV representatives acting in a paid full-time or honorary capacity defend members' interests on a variety of bodies. Of particular importance here are federal government and parliamentary bodies and the European Community bodies.

The DRV is a member of the DGRV (German Cooperative and Raiffeisen Union) to which the BVR and Zentgeno also belong.

The DRV has relations with a great many other organizations, but has particular ties with the Deutschen Bauernverband (German Farmers' Union) of which it is a member and on whose board it is represented.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The DRV is a member of COGECA, the General Committee for Agricultural Cooperation in the EC. This organization works very closely with COPA, the umbrella organization of European farmers' organizations. According to information gathered for the 1979 annual report, around 40 000 cooperatives with some 10 million members (including dual membership) belong to COGECA. It is through this organization that national representatives are nominated for the advisory committees of the EC Commission.

In addition, the DRV maintains a liaison office in Brussels.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The DRV is a member of the European Confederation of Agriculture (CEA) and of the International Raiffeisen Union (IRU).

VII. INTERNAL COHESION

The DRV's Board of Directors and the Members' Meeting ensure the necessary vertical and horizontal unity of the otherwise independent units of the DRV.

The specialist committees also play an important role in technical cooperation within the Raiffeisen organization.

A positive contribution to cooperation is provided by, among other things, the intensive educational and training work carried out in the many educational centres run by the regional associations and in the Akademie Deutscher Genossenschaften (German Cooperatives' Academy). In 1983, 7 112 people took part in courses lasting 1-2 days, 5 768 attended courses of 3-13 days and 475 attended courses of between 14 days and four months.

¹ Source: 'Genossenschaften sind keine Gemeinwirtschaften', Croll, Schramm, Klussmann, in *Genossenschaftsforum*, 5/82.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

In addition to its membership of Cogeca, the DRV's work at European level within the Economic and Social Committee is important. Through the Brussels liaison office it also maintains contacts with the Commission of the EC and the European Parliament. Another aspect of the DRV's activity is technical consultation with the appropriate officials and members of parliament at national and European level and the formulation of positions on specific issues.

IX. PUBLICATIONS

DRV yearbooks, *Raiffeisen Schriftenreihe*, *Raiffeisen-Information*, *Warenbetriebliche Information*, joint publisher Genossenschaftsforum.

X. SOURCES

DEUTSCHER RAIFFEISENVERBAND eV: various yearbooks.

DEUTSCHER RAIFFEISENVERBAND eV: *Satzung* (Bonn 1976).

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WICK, H.J.: Waren- und Dienstleistungsgenossenschaften, Ländliche, in *Handwörterbuch des Genossenschaftswesens* (Wiesbaden 1980), pp. 1655-1677.

WÜLKER, H.D.: Genossenschaftsverbände in der Bundesrepublik Deutschland, in *Handwörterbuch des Genossenschaftswesens* (Wiesbaden 1980), pp. 838-852.

DGRV BROCHURE: *Wahlen und Fakten* (1984).

XI. INTERVIEWS

Dr Hausmann, Deputy Secretary-General, and Dr Rothe, of the DRV, Bonn, were interviewed by Konrad Schwaiger, ESC General Secretariat and Dr Elmar Stuhler, Technical University, Munich, on 6 September 1982. The figures were updated by telephone call on 8 August 1984 between Dr Hans-Jürgen Wick, Secretary-General of DGRV, and Konrad Schwaiger.

3. The Cooperative banking sector

1. Basic data (31.12.1983)

Credit cooperatives:	3 762 ¹
Number of these engaging in trading transactions:	2 176
Bank offices:	19 667
Regional institutions:	8
Central institution DG-Bank (German Cooperative Bank):	1
Membership:	9.7 million
Employees of the group:	125 000 (78 500) ²
Balance-sheet total (incl. regional institutions and DG-Bank):	DM 494 000 million ³
Market share of the credit cooperatives (on the basis of the overall data for the three large German banking groups):	
in terms of balance-sheet total:	23%
in terms of deposits:	27%
in terms of credits:	24%

2. Brief historical outline

The cooperative banks developed in all German *Länder* in the second half of the last century. They were intended in particular to help small and medium-sized firms to maintain their position, despite the profound structural changes of the time, and to withstand the increased competition. At an early stage the founders of the cooperative banks, Hermann Schulze-Delitzsch and Friedrich Wilhelm Raiffeisen, recognized — each for his group — the need to establish a tighter organizational framework by creating central subsidiary institutions. They founded central associations and central financial institutions.

In 1972 the cooperative organization was restructured at national level. The Deutsche Genossenschafts- und Raiffeisen-verband (German Cooperative and Raiffeisen Union), was created as an umbrella organization. At the same time, a single national-level association was established for the cooperative banks to replace the hitherto separate associations of People's Banks, on the one hand, and Raiffeisen Banks, on the other, namely the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken (Federal Association of German People's Banks and Raiffeisen Banks).

3. Size and structure

The cooperative banks are one of the three large groups of German credit institutions; they are all-purpose banks, operating without restrictions or privileges.

The trend within the German cooperative movement since the 1960s has been marked by a process of integration. Between 1960 and 1983 the total number of cooperatives was halved.

The number of cooperative banks fell over the same period from approximately 11 600 to approximately 3 800. In contrast to this, however, the number of members rose from about 4 million to nearly 10 million (cf. Figure 1).

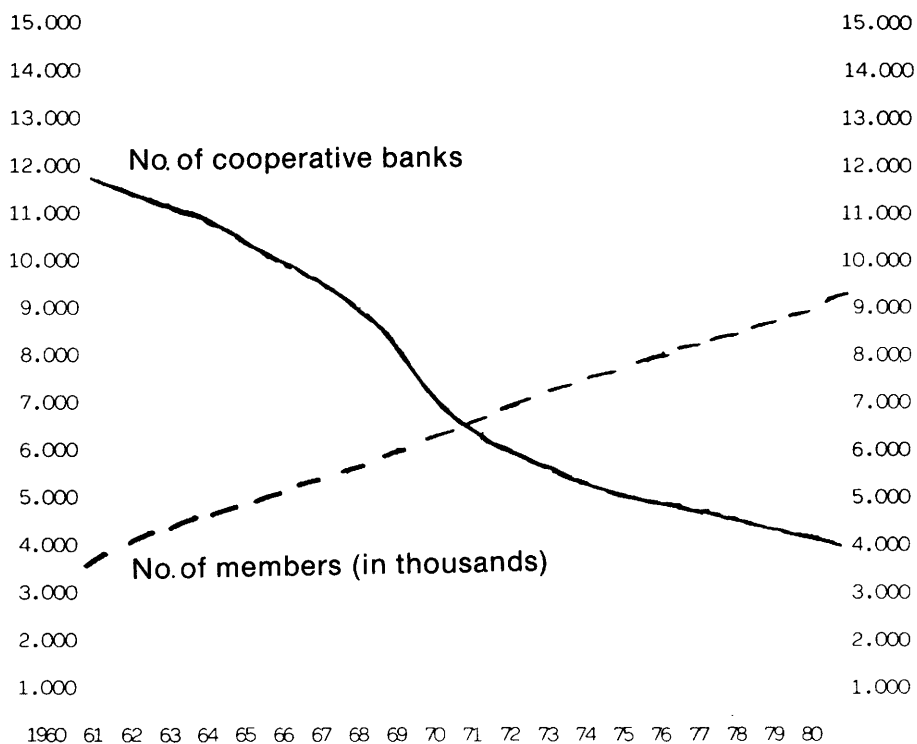
In addition to the People's Banks and Raiffeisen Banks (1983 balance-sheet total: DM 345 200 million), the Federal Republic of Germany has other credit cooperatives, including the Sparda-

¹ Not including the 16 cooperative type credit banks which do not form part of the BVR.

² See note at the beginning of Chapter II.

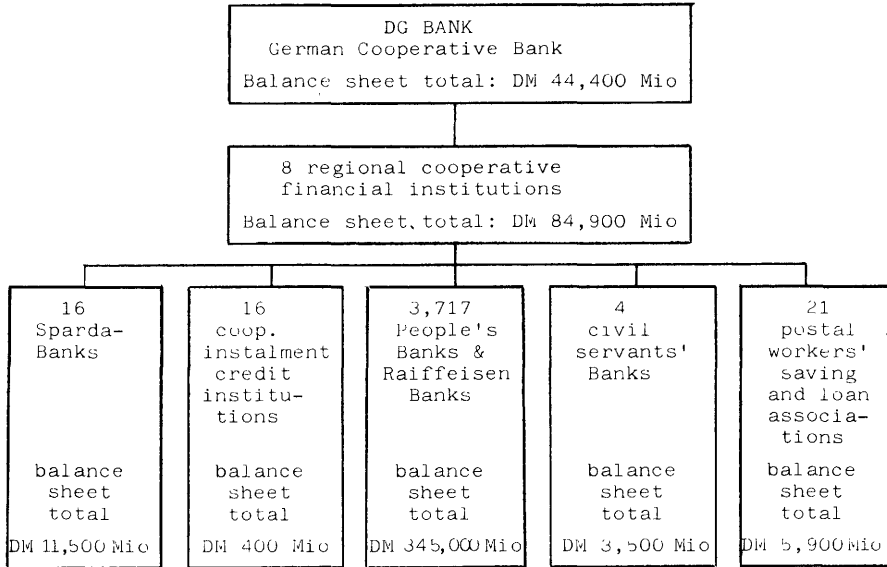
³ This figure represents the total non-consolidated assets of the BVR cooperative banks (DM 364 639 million), the eight central regional banks (DM 84 900 million) and the DG-Bank (DM 44 400 million). If DG-Bank subsidiaries and the Schwäbisch Hall Building Society are included, the total assets amount to DM 558 100 million and the consolidated balances to DM 443 200 million.

Figure 1: The development of the cooperative banks and their membership in the Federal Republic of Germany, 1960-80 (incl. West Berlin)



Source: *Die Genossenschaften in der BR Deutschland*, 1981, p. 21.

The cooperative banking system (end of 1983)



Source : Die Genossenschaften in der Bundesrepublik Deutschland
1983, plus information from DGRV for 1983

Banken (savings and loan banks) (balance-sheet total at the end of 1983: DM 11 050 million), the Post-Spar- und Darlehnsvereine (postal employees' saving and loan associations) (balance-sheet total at the end of 1983: DM 5 900 million), civil servants' banks, church credit cooperatives, cooperative instalment credit institutions, and other cooperative institutions (e.g. the Deutsche Apotheker- und òrztbank (German Pharmacists' and Physicians' Bank)). The activities of these credit cooperatives are focused mainly on their particular membership and customers (railway or postal workers, civil servants, etc.) or on specialist areas of banking (e.g. instalment credit institutions).

The balance-sheet total for the credit cooperatives as a whole amounted to DM 346 600 million at the end of 1981.

Eight cooperative financial institutions are active at regional level (balance-sheet total, end 1983: DM 84 900 million). These institutions serve the credit cooperatives. They act in particular as liquidity equalization agencies and sources of standby credit for the credit cooperatives. They also fulfil special functions in the securities and foreign business sectors.

The central institution of the cooperative banking group is the DG-Bank (German Cooperative Bank) (balance-sheet total at the end of 1983: around DM 44 400 million).

The overall balance sheet total of the cooperative banking sector (local credit cooperatives, regional institutions and the DG-Bank) was DM 494 000 million at the end of 1983. In relation to the balance-sheet total of all the German all-purpose banks, this represents a market share of about 23%. This market share has risen significantly in recent years and decades.

The three-tier structure of the cooperative banking system can be seen from the diagram on page 339.

The People's Banks and Raiffeisen Banks serve as cooperative credit institutions at local level. It is these local ties, this proximity to local trade and industry, and to members and customers which go to make up their strength and effectiveness. To be able to operate as decentralized and comparatively small all-purpose banks the People's Banks and Raiffeisen Banks have created the credit cooperative system. This embraces the DG-Bank (German Cooperative Bank), nine regional financial institutions, Schwäbisch Hall Building Society, R+V Insurance Group, German Cooperative Mortgage Bank, Munich Mortgage Bank, Union-Investment Company, and the German Property Fund.

Federal Association of German People's Banks and Raiffeisen Banks (Bundesverband der Deutschen Volksbanken und Raiffeisenbanken) (BVR)

Managing Board:

BERNHARD SCHRAMM, *President*
WOLFGANG GRÜGER
Dr KLAUS WEISER

Address:

Heussallee 5
D-5300 Bonn

Tel.:

(0228) 5091

Telex:

8 86 779

I. ORGANIZATION

1. Date of formation

1972.

2. Size and structure

The members of the BVR are credit cooperatives, regional associations, auditing associations, cooperative central financial institutions, DG-Bank (German Cooperative Mortgage, Munich

Mortgage Bank, Schwäbisch Hall Building Society, R+V Insurance Group, Union Investment Company, German Cooperative Publishers, Raiffeisen Printers.

The BVR assists its members and promotes their interests; it does not, however, operate on the market. Economic activity is carried on by the members.

3. Administrative bodies

These include the Managing Board, the Association Council, the Electoral Assembly and the Members' Meeting.

The *Managing Board* consists of five members. The President is elected by the Electoral Assembly and the remaining board members (two paid full-time members and two honorary or unpaid members) are elected by the Association Council. They hold office for five years. The Managing Board decides on policy and manages the affairs of the BVR, which it represents in and out of court. Board decisions require the participation of the President and one paid full-time board member; if the President is unable to be present, two paid full-time board members must participate in any decision. Board decisions are passed by a simple majority of the votes cast.

The *Association Council* has up to 54 members, who are elected by the Members' Meeting. They are representatives of the credit cooperatives, the regional auditing associations, and the central financial institutions, plus one representative each from:

- the DG-Bank German Cooperative Bank;
- the German Cooperative Mortgage Bank and the Munich Mortgage Bank in rotation;
- the Schwäbisch Hall Building Society;
- the R+V Insurance Group;
- the German Raiffeisen Union;
- the Central Association of Cooperative Wholesale and Service Undertakings (Zentgeno).

The principal tasks of the Association Council are to lay down general guidelines for the BVR's activities and to offer its views to the Managing Board on matters of fundamental importance.

The *Advisory Board* is formed out of the Association Council. It consists of 12 members (representatives of the credit cooperatives, auditing associations, central financial institutions and the Deutsche Genossenschaftsbank). The main role of the Advisory Board is to advise the Managing Board on basic questions affecting the BVR. The Association Council may assign to the Advisory Board other tasks not already specified in the constitution.

The *Electoral Assembly* is made up of the members of the Association Council and their personal representatives. It is exclusively responsible for the election and dismissal of the President; it may take decisions irrespective of the number of members present.

The *Members' Meeting* is a representative assembly, comprising 1 000 delegates and convening at least once a year; it is empowered to deal with all matters affecting the BVR, except where these have been entrusted to other bodies. The Members' Meeting can pass resolutions irrespective of the number of delegates present.

4. Decision-making procedure

Decisions are taken as follows: by simple majority of the votes cast in the Managing Board, by simple majority in the Association Council (except for the election or dismissal of the members of the board, when at least a two-thirds majority of votes cast is required), by a majority of at least two-thirds of votes cast in the electoral assembly and, in principle, by a simple majority of the votes cast in the Members' Meeting.

5. Secretariat and staffing

The BVR has 64 employees. There are 10 departmental heads and 18 experts. Nine of the staff are industrial employees.

The departments deal with the following areas: general business policy of the People's Banks and Raiffeisen Banks, marketing, business economics, money and credit, legal affairs and taxation,

economic affairs, press and information, relations with other bodies and international cooperation, and administration.

6. Budget size and contribution arrangements

The BVR's activities are funded by means of annual contributions from the members. The size of these contributions is determined by the Association Council.

The annual budget, which is not made public, is estimated by the ESC's Studies and Research Division at between DM 8 million and DM 10 million.

II. AIMS AND PRIORITY POLICIES

According to Section 4 of its constitution, the purpose of the BVR is to promote, serve and represent the professional and specific economic interests of its members and their organizations within the cooperative credit sector. This involves, in particular, the promotion and development of the cooperative credit system, the protection of members' interests, advisory activities, the setting-up and administration of facilities to secure and promote the credit cooperative, support for education and training, contacts with other institutions, participation in institutions promoting the cooperative credit system, publications, and the holding of Members' Meetings.

The BVR distinguishes between cooperatives and public-benefit undertakings (*gemeinschaftliche Unternehmen*) as follows:

'Cooperatives are run by people pursuing private interests and objectives; public-benefit undertakings, on the other hand, are run by bodies seeking to further public interests and objectives.

The function of cooperatives is to promote the economic activity and earnings of their members, whereas the function of public-benefit undertakings is to promote the general good.

Cooperatives are self-help organizations; they pursue their own objectives. Public-benefit undertakings, on the other hand, help others; they pursue objectives on behalf of others.'¹

III. ACTIVITIES

In principle, the BVR's main areas of activity — promoting members' interests, assisting members and representing them — are of equal importance. However, one or other of these areas may be given greater emphasis if circumstances so require.

Recently, the BVR's activities have been concentrated on, among other things, the following.

Up-dating of the Banking Law and the 'gentlemen's agreement' on consolidation, the taxation of credit cooperatives, liquidity in the credit cooperative system, issue of bonds, measures to combat the cut-back in State savings promotion, image of the People's Banks and Raiffeisen Banks, marketing aimed at young people, supraregional joint publicity, videotex and customer self-service, cooperative bank information system, press and public relations, vocational training, and international cooperation.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The BVR promotes the interests of its members *vis-à-vis* the legislative bodies and the government (and hence the federal ministries), the Deutsche Bundesbank, the Bundesaufsichtsamt für das Kreditwesen (Federal Banking Supervisory Office), the Bundeskartellamt (Federal Cartels Office) and other relevant national authorities. The BVR takes part in hearings on questions affecting the credit cooperative group, it submits written statements of its views and represents the cooperative banks in talks with relevant individuals.

The BVR takes part in the Zentraler Kreditausschuß (ZKA — Central Credit Committee), to which the other central associations of the German banking system also belong, and which promotes the common interests of the German credit institutions. The task of central coordination of the ZKA rotates every three years among the three most important associations.

¹ Source: 'Genossenschaften sind keine Gemeinwirtschaften', Croll, Schramm, Klusmann, in *Genossenschaftsforum*, 5/82.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The BVR is a member of the Association of Cooperative Banks of the EC in Brussels and thus indirectly of the European Cooperatives' Coordination Committee (CCCA) founded in November 1982.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The BVR is a member of the following organizations:

(i) International Confederation for Small-Scale Credit

This body was founded in 1949 and brings together 10 national banking associations and credit institutions. The aim of the confederation is to promote an international exchange of experience.

(ii) Confédération Internationale du Crédit Agricole — CICA

The members of this organization, founded in 1950, are national, central or regional agricultural credit institutions or associations of agricultural credit cooperatives. CICA represents its members at international level, carries out the studies necessary for this task and organizes international congresses and conferences.

(iii) World Council of Credit Unions (Woccu)

WOCCU is the world-wide organization of national and international associations of credit unions. Its main task is to promote the credit union organization, to further its development, and to propagate the idea of credit unions.

VII. INTERNAL COHESION

Internal cohesion is good.

As all members share the same overriding interests, the settling of occasional divergences of view at various levels has so far presented no major problems.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

The BVR's interests are promoted at Community level by the Association of Cooperative Banks of the EC, as the association which supports the interest of the European credit cooperatives. The Association of Cooperative Banks was founded in 1970 and represents over 58 000 bank offices.

Decisions taken in the Association are translated into the national sphere. When consultations are planned, a uniform position is worked out within the BVR, which is then voted on in the Association. On the whole, this procedure has so far been without problems.

IX. PUBLICATIONS

Bank-Information (Volksbanken Raiffeisenbanken).

Joint publisher: *Genossenschafts-Forum*.

BVR-Schriftenreihe (a series of publications on different topics).

Customer magazines.

BVR report and figures.

X. SOURCES

BVR reports 1980-83.

BVR rules.

Facts and figures from the cooperative banks, and the purchasing/selling, marketing and service cooperatives (DGRV), 1982.

XI. INTERVIEWS

Mr Peter Reimers, head of the board office, and Mr Karl-Hartmann Ludwig, manager, were interviewed on 6 September 1982 by Konrad Schwaiger, ESC General Secretariat, and Dr Elmar Stuhler, Technical University of Munich; Dr Klaus Weiser, BVR board member, was interviewed on 22 November 1982 and 9 July 1984 by Konrad Schwaiger, ESC General Secretariat, Studies and Research Division.

German Cooperative Bank (Deutsche Genossenschaftsbank — DG-Bank)

<i>Managing Board:</i>	HELMUT GUTHARDT, <i>President (Senior spokesman)</i>
<i>Address:</i>	Wiesenhüttenstrasse 10 Postfach 2628 D-6000 Frankfurt-am-Main 1
<i>Tel.:</i>	(069) 26801
<i>Telex:</i>	04 12291

I. ORGANIZATION

1. Date of formation

1895 (Preussenkasse) and 1949 (re-establishment in the Federal Republic of Germany).

2. Size and structure

The significance of the DG-Bank lies in its role as the central institution of the cooperative banks in the Federal Republic Germany and in its market operations, which are reflected in, among other things, its own consolidated balance-sheet figures.

The central institution's main subsidiaries are the German Cooperative Mortgage Bank AG, Hamburg/Berlin, the DG-Bank International SA, Luxembourg, the DG Capital Company Limited, Hong Kong, and the DG Diskontbank AG, Mainz. The DG-Bank group's consolidated balance sheet total at the end of 1983 amounted to about DM 77 700 million. This represented an 11.6% increase over the previous year.

The DG-Bank has 74 shareholders. Under the German Cooperative Bank Law, as amended on 22 December 1975, the Federal Government has a DM 1 million share in this institution. Other shareholders include cooperatives and cooperative central institutions, the *Länder* represented in the Bundesrat (upper house) and other legal persons (firms) which have economic links with the cooperative system.

The DG-Bank participates in the market but does not represent the cooperative banks; that is more the responsibility of the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken (BVR).

3. Administrative bodies

The bank's administrative bodies are the Managing Board, the Board of Directors and the General Meeting. Details are contained in the Law referred to in point I (1) and in the rules of the DG-Bank.

Managing Board

The Managing Board runs the bank on its own responsibility. The board members (minimum of three, currently seven) are appointed by the Board of Directors. Almost without exception, Managing Board members are people with many years' experience in the cooperative banking group, and especially in the regional institutions. Under the rules, Managing Board members are appointed for five years at the most; reappointment is permitted.

Board of Directors

This body consists of a maximum of 32 members, who must by law be representatives of the following institutions: the Federal Government (three members), the *Länder* represented in the Bundesrat (three members), the Deutsche Bundesbank (one member), the Kreditanstalt für Wiederaufbau (Reconstruction Loan Corporation) (one member), the Landwirtschaftliche Rentenbank (Agricultural Mortgage Bank) (one member), the BVR (one member), traders' and agricultural purchasing/selling and service institutions (two members from each), cooperative credit institutions and related cooperative undertakings (15 members), the cooperative or self-help housing sector (one member), consumer cooperatives (one member), Deutscher Bauernverband eV (German Farmers' Union) (one member). The term of office of the Board of Directors is five years. There are at least two plenary sessions a year. The Board of Directors can set up committees. Membership of the Board of Directors is on an honorary basis.

General Meeting

This body represents the shareholders. Every DM 5 000 carries one vote. The General Meeting is convened by the President of the Board of Directors or by the Managing Board.

4. Decision-making procedure

The Managing Board, the Board of Directors and the General Meeting all take decisions by a simple majority of the votes. In certain cases a qualified majority (a two-thirds or three-quarters majority) is required.

5. Secretariat and staffing

The DG-Bank employs some 1 300 people in about 60 departments. These are grouped into 14 main divisions, some with 'line' and some with 'staff' functions.

6. Budget size

Operating budget: DM 106.5 million (1983).

II. AIMS AND PRIORITY POLICIES

As central financial institution, the DG-Bank promotes the entire cooperative movement and helps to promote the self-help housing sector. The bank may conduct any type of business which serves its purposes either directly or indirectly.

Its task, as an all-purpose and international bank, is to ensure, together with the regional cooperative banks, that the People's Banks and Raiffeisen Banks are able to offer their members and customers all-round banking services that are competitive in every respect.

III. ACTIVITIES

The DG-Bank has six 'line' divisions (credit, foreign affairs, securities, investment, operations and dealings in the money market, foreign exchange and precious metals) and eight 'staff' divisions.

In 1983, the volume of group credit grew by 15.7% to almost DM 62 300 million, mainly as a result of domestic business. In its foreign dealings, the bank financed an increasing volume of exports, partly through its subsidiaries in Luxembourg and Hong Kong.

The DG-Bank places subsidiary services at the disposal of the cooperative banking group in every area of its all-round banking operations.

In addition, it maintains business relations with large non-cooperative customers in Germany and abroad.

Social and cultural activities are initiated and carried out either by the primary institutions and/or by the BVR.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The DG-Bank is a member of the BVR, which represents the cooperative banking group in economic policy matters and other spheres. If necessary, representatives of the cooperative banking group may address hearings. The DG-Bank participates directly in discussions with the Bundesbank and the Bundesaufsichtsamt (Federal Supervisory Office).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

In the 1970s the DG-Bank built up a network of foreign offices, in the form of branches or joint ventures. It also cooperates with a number of Western European institutions through the Unico banking group; these are the Danish Andelsbanken, the French Caisse Centrale de Crédit Agricole and the Rabobank Nederland (plus the Austrian GZB in Vienna and the Finnish Okobank).

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

Of particular importance in this connection are London and Continental Bankers Ltd. and the Bank Europäischer Genossenschaftsbanken (Bank for European Cooperative Banks) in Zurich. The DG-Bank's links with the foreign cooperative movement were also demonstrated by the acquisition of shares in cooperative institutions in North America and Malaysia.

VII. INTERNAL COHESION

On the basis of the Law on the German Cooperative Bank (promotional role, shareholders, composition and rights of administrative bodies), the DG-Bank is indissolubly bound up with the German cooperative system.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

When necessary, the DG-Bank expresses its views on Community activities through the BVR.

IX. PUBLICATIONS

Die Genossenschaften in der Bundesrepublik Deutschland (annual).

X. SOURCES

Die Genossenschaften in der Bundesrepublik Deutschland (annual).

DG-Bank — Annual reports 1980-83.

Bilder - Daten - Dokumente zur Geschichte der DG-Bank.

Deutsche Genossenschaftsbank: Gesetz und Satzung.

BERGSTRESSER, R.: 'Die Deutsche Genossenschaftsbank — Ein Unternehmensporträt', *ZögU*, Vol. 4, No 2, 1981, pp. 199-207.

XI. INTERVIEWS

Mr H. Schmodde, Head of the Public Relations Department of the Deutsche Genossenschaftsbank, was interviewed on 26 October 1982 by Dr Elmar Stuhler, of the Technical University of Munich, and on 23 July 1983 by Konrad Schwaiger, ESC General Secretariat, Studies and Research Division.

4. Traders' purchasing/selling and service cooperatives

1. Basic data (31.12.1983)

Total number of cooperatives	880
of which: cooperatives for wholesale purchasing	477
of which: other purchasing associations	316
of which: transport cooperatives	74
Central cooperatives	15
Number of members:	approx. 250 000
Employees:	approx. 50 000
Turnover (incl. central cooperatives):	approx. DM 77 800 million

2. Brief historical outline

The serious plight of the agricultural population and craftsmen during the crisis years of the mid-nineteenth century led Hermann Schulze-Delitzsch (independently of Friedrich-Wilhelm Raiffeisen) to establish self-help organizations to improve the economic situation of the craftsmen. Thus, in autumn 1848, the Rohstoffassoziation der Tischler und Schuhmacher (joiners' and shoemakers' raw material association) was created in Delitzsch. In the years that followed, the cooperative movement spread to the whole of Germany. In 1859 the Schulze-Delitzsch cooperatives founded their first association. The traders' cooperatives, together with the People's Banks, were members of the DGV (German Cooperative Union). Although the number of traders' cooperatives did not increase after 1930, particularly as a result of mergers which were already starting to occur, there was a major growth in turnover.

After 1945, EDEKA and REWE founded an association to promote members' interests *vis-à-vis* the authorities in the occupied zones. It dealt mostly with questions of food rationing. This association led to the formation of Zentgeno (Zentralverband der genossenschaftlichen Grosshandels- und Dienstleistungsunternehmen — Central Association of Cooperative Wholesale and Service Undertakings). From 1957, cooperatives from the non-food sector were also admitted.

Zentgeno developed, alongside the then Deutscher Genossenschaftsverband (German Cooperative Union), into an important institution. While the Deutsche Genossenschaftsverband was an auditing association representing the cooperative interests of its members, the economic and trade interests of the traders' purchasing/selling and service cooperatives were henceforth promoted by Zentgeno.

In the 1960s it was realized that, because of their common ideals and similar legal structure, the time had come to unite the agricultural and traders' cooperative organizations. This led, as from 1 January 1972, to a new cooperative organization at national level with the DGRV as umbrella organization and three national associations — the BVR, the DRV and Zentgeno. Zentgeno thus became the representative body for 'all traders' purchasing/selling and service cooperatives, even where these were organized exclusively in the DGV until 1971.

3. Size and structure

The traders' purchasing/selling and service cooperative sector comprises 880 undertakings and 15 central cooperatives. The most important primary cooperatives, with their size and turnover, can be seen from Table 1.

**Table 1: Traders' purchasing/selling and service cooperatives
(31.12.1983)**

Primary cooperatives	Number	Turnover (excl. VAT in DM million)
Purchasing cooperatives in the retail food, drink and tobacco trade (EDEKA, REWE, tobacco products)	72	21,634
Purchasing cooperatives in the non-food retail trade (e.g. household goods, shoes, pharmaceuticals, textiles)	38	14,648
Purchasing cooperatives in the small food traders' and processor's sector (bakers, butchers, etc.)	226	3,864
Purchasing cooperatives in other craft trades (e.g. building and related trades)	120	2,007
Purchasing cooperatives in other sectors	348	10,635
Transport cooperatives	76	755
TOTAL	880	53,543
Central cooperatives		
Commerce: 3; Craft trades: 11; Transport: 1	15	24,343
TOTAL	895	77,886

Source: Zahlen und Fakten der genossenschaftlichen Banken, Waren-, Verwertungs- und Dienstleistungsgenossenschaften (DGRV), 1984, p. 16.

Central Association of Cooperative Wholesale and Service Undertakings (Zentralverband der Genossenschaftlichen Grosshandels- und Dienstleistungsunternehmen eV) (Zentgeno)

Managing Board: HANS-JÜRGEN KLUSSMANN, *President*
Dr HELMUT BEHNKEN, *Vice-President*
HANS REISCHL, *Vice-President*
HEINZ WIECHMANN, *Vice-President*
(*all honorary Vice-Presidents*)

Management: FRITZ RINTELMANN (*Secretary-General*)
GÜNTHER SCHULTE
WOLFGANG SERVET

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I. ORGANIZATION

1. Date of formation

1948.

2. Size and structure

Zentgeno (Central Association of Cooperative Wholesale and Service Undertakings) represents cooperative wholesale and service undertakings at national level. Its constitution (paragraph 4) lists its members as:

- wholesale undertakings with a cooperative structure and similarly-organized service undertakings, embracing retailers, craftsmen, and people in other related trades or the professions;
- central cooperatives and similar undertakings in which the above-mentioned undertakings participate;

- Land*-level associations of cooperative wholesale undertakings and similarly-structured service undertakings;

- auditing associations whose membership includes members of Zentgeno;

- other institutions whose membership is in the interests of Zentgeno.

Since the reorganization of the cooperative associations in 1972, Zentgeno has also represented the other traders' cooperatives. These cooperatives cannot become direct members of Zentgeno, since it is designed primarily to serve the interests of the industrial wholesale and service cooperatives, which have as members retailers, craftsmen and other traders and members of the professions. Consequently, the aim of the cooperative undertakings belonging to Zentgeno is to establish, maintain and promote independent businesses in the retail and craft sectors.

On joining Zentgeno, cooperative undertakings simultaneously become members of the appropriate *Land*-level association which acts as regional body representing employers. Altogether, the undertakings belonging to the *Land* associations employ about 50 000 people. There are five of these associations:

- Landesverband des genossenschaftlichen Gross- und Aussenhandels Nordrhein-Westfalen eV (North-Rhine Westphalia Cooperative Wholesale and Foreign Trade Association).

- Landesverband Norddeutschland des genossenschaftlichen Gross- und Aussenhandels eV (North-German Cooperative Wholesale and Foreign Trade Association) (Hamburg, Schleswig-Holstein, Bremen).

Landesverband Mitte des genossenschaftlichen Gross- und Aussenhandels eV (Central-German Cooperative Wholesale and Foreign Trade Association) (Hesse, Rhineland Palatinate, Saarland).

Landesverband Bayern der genossenschaftlichen Grosshandels- und Dienstleistungsunternehmen eV (Bavarian Cooperative Wholesale and Service Undertakings' Association).

Landesverband des genossenschaftlichen Gross- und Aussenhandels in Baden-Württemberg eV (Cooperative Wholesale and Foreign Trade Association of Baden-Württemberg).

3. Administrative bodies

The Managing Board

The Managing Board is made up of members' representatives. It consists of a President, three Vice-Presidents and seven other members. The Managing Board runs the association. Its members hold office on an honorary basis and are representatives of Zentgeno's specialist departments. Managing Board decisions require prior consultation with the management.

Management

The management conducts Zentgeno's day-to-day business and represents the association. It prepares the material on which the Managing Board, the Board of Directors and the Members' Meeting base their decisions and implements these decisions.

The Board of Directors

This is made up of members' representatives elected by the Members' Meeting. Its principal task is to support and advise the Managing Board. It also elects and dismisses the Managing Board, and approves the annual accounts and the annual estimates.

The Members' Meeting

The meeting is made up of the authorized representatives of the members. Each member may send one representative with the right to vote. A Members' Meeting is held at least once every two years, at a place and time laid down by the Managing Board. The Members' Meeting may take decisions irrespective of the number taking part.

The specialist working parties

Under the terms of its constitution, Zentgeno can set up specialist working parties, consisting of groups of member undertakings in the same or related areas of activity or economic sectors, to hold internal discussions on their interests. These working parties must be consistent with the purpose and role of the association, however. The decision to set up specialist working parties is taken by the Board of Directors in agreement with the Managing Board and the management.

Specialist working parties cover the following areas:

- food, drink and tobacco;
- hardware and household goods;
- footwear;
- supraregional undertakings in the specialized retail trade;
- pharmaceuticals;
- building and related trades.

4. Decision-making procedure

Decisions are taken in all bodies by a simple majority. Changes in the constitution require a three-quarters majority.

Zentgeno employs 10 staff. The relatively small staff allows the maximum degree of team-work and makes a rigid division into departments unnecessary. The three managers and two experts are specialists in economic and technical matters; three of them are lawyers and two are economists.

6. Budget size and contribution arrangements

The size of the budget is not disclosed. Subscriptions are fixed by the Board of Directors on a proposal from the Managing Board and the management. The annual budget is estimated at between DM 1.5 million and 2.5 million.

II. AIMS AND PRIORITY POLICIES

The purpose of Zentgeno is to promote and represent the interests in the trade, economic, social and political spheres of cooperatively-based wholesale and similarly-organized service undertakings, embracing retailers, craftsmen, traders in related fields, and members of the professions. Within the limits of the task it has set itself, Zentgeno acts as an economic interest group, a service organization, a trade association and an employers' organization.

Zentgeno does not operate as a commercial enterprise; it has no political objectives and is not an auditing association within the meaning of the Law on Cooperatives.

Zentgeno distinguishes between cooperatives and public-benefit undertakings (*gemeinwirtschaftliche Unternehmen*) as follows:

'Cooperatives are run by people pursuing private interests and objectives; public-benefit undertakings, on the other hand, are run by bodies seeking to further public interests and objectives.

The function of cooperatives is to promote the economic activity and earnings of their members, whereas the function of public-benefit undertakings is to promote the general good.

Cooperatives are self-help organizations; they pursue their own objectives. Public-benefit undertakings, on the other hand, help others; they pursue objectives on behalf of others.'¹

III. ACTIVITIES

Zentgeno's activities arise out of its role referred to in Section II, of economic interest group, service organization, trade association and employers' organization.

- (a) As an economic interest group, Zentgeno informs its members on all matters of interest to them and encourages the joint formulation of policy. Policy-making on economic, competition and legal matters impinging on all sectors takes place within the Managing Board, which is made up of representatives of sectoral groups. Priority is given to problems and tasks facing all member undertakings, e.g. the safeguarding and maintenance of independent livelihoods in the retail and craft trades (promotion of structural improvements by means of model financing arrangements) and the creation of the economic conditions for new business start-ups.

In this context, Zentgeno promotes the interests of its members *vis-à-vis* the government, the EC Commission, the parliaments, the authorities and the public. Its activities include:

efforts to safeguard member undertakings' positions in discussions with the Federal Ministry for Economic Affairs, the anti-trust authorities and experts on how cooperatives are to be treated under the anti-trust provisions;

participation in pre-parliamentary procedures, not only with the legislature and the statutory instrument-issuing bodies in the drafting of legislation, especially in the areas of economic, competition, company taxation, agricultural and foodstuffs law, but also in the translation of EC directives into national law;

representation of members' interests *vis-à-vis* national authorities and other institutions;

exchange of views and cooperation with associations operating at national level, especially the German Trade Council (*Rat des Deutschen Handels*) and the representative bodies of the economic sectors upstream and downstream of Zentgeno's members;

¹ Source: 'Genossenschaften sind keine Gemeinwirtschaften', Croll, Schramm, Klussmann, in *Genossenschaftsforum*, 5/82.

advising and assisting cooperative undertakings on specific matters with implications extending beyond individual cases.

Zentgeno's guiding principle in furthering its members' interests is the safeguarding and improving of the basic conditions for cooperative activity on the basis of the social market economy, in which cooperative wholesale and service undertakings are participants.

Zentgeno is of the opinion that these basic conditions play a decisive role in enabling small and medium-sized undertakings to hold their own.

- (b) As a service organization, Zentgeno offers its member undertakings a wide range of specialist and non-specialist services, supplemented by an exchange of experience, encouraged by Zentgeno, in specialist committees and working parties.

The advice and information in the non-specialist area embraces among other things:

questions of economic and cooperative policy (e.g. macroeconomic development, questions of business structure, cooperation in the economy);

legal matters (especially in the fields of anti-trust law, competition law, taxation and commercial and company law);

labour and social welfare policy matters;

business economics (e.g. organization, business management, interfirm comparisons and statistics, new systems of communications);

education/training and further training (basic principles, seminars, etc.).

- (c) In its role as a trade association, Zentgeno maintains contacts with, among other organizations, industrial and wholesale associations and with retail and craft trade associations. The position adopted by Zentgeno on the matters discussed is based on guidelines worked out independently by the six specialist working parties (food, drink and tobacco, hardware and household goods, footwear, supraregional undertakings in the specialized retail trade, pharmaceuticals, building and related trades).

- (d) As an employers' organization, Zentgeno promotes the interests of its members in the area of labour relations and social welfare legislation. Its members are kept informed by the Arbeits- und Sozialrechtlicher Dienst (ASD — Labour and Social Legislation Service). Zentgeno is the central association for the *Land*-level associations, which conclude collective wage agreements with the trade unions.

Through its membership of the Bundesvereinigung der Deutschen Arbeitgeberverbände (BDA — Federal Union of German Employers' Associations), Zentgeno influences the solution of problems affecting all employers.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

Most important is the promotion of members' interests *vis-à-vis* the government and parliament, especially the Federal Ministries of Food, Agriculture and Forests, Economic Affairs, Justice, Finance, Labour and Social Security, and Health, and other economic and scientific institutions at home and abroad. Zentgeno plays a varied role in preliminary parliamentary work.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

Zentgeno, as an associate member of UGAL (Association of Retailer-Owned Wholesalers in Foodstuffs) does not maintain bilateral relations with other national associations in the European Community. Through UGAL, it is indirectly linked with the European Cooperatives' Liaison Committee, founded in November 1982.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

Zentgeno has links with a variety of international organizations.

VII. INTERNAL COHESION

Despite the fact that Zentgeno's members are in some cases in very keen competition with each other, internal cohesion within the association is good. This has primarily to do with the shared aim of all the cooperative wholesale and service undertakings to maintain and promote independent businesses and the resultant demands in the economic, competition and tax spheres.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

Zentgeno influences Community activities through UGAL (Association of Retailer-Owned Wholesalers in Foodstuffs), of which it is an associate member.

IX. PUBLICATIONS

Joint publisher: *Genossenschaftsforum*.

X. SOURCES

ZENTGENO: *Jahresberichte 1980-83*.

ZENTGENO: *Satzung*.

ZENTGENO: *Verbandsporträt 'Vier in Einem', Rationeller Handel, 4/81*.

XI. INTERVIEWS

Mr Fritz Rintelman, management spokesman, and Dr Günther Schulte, were interviewed on 6 September 1982 by Konrad Schwaiger, ESC General Secretariat, and Dr Elmar Stuhler of the Technical University of Munich. Mr Fritz Rintelman was also interviewed by Konrad Schwaiger on 9 July 1984.

Auditing Association, German Bakers' and Confectioners' Cooperatives (Bäko — Prüfungsverband Deutscher Bäcker- und Konditoren-genossenschaften eV)

Director: WILLIBALD JACOBS

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D-5340 Bad Honnef

Tel.: (02224) 5056/57

1. Date of formation and brief historical outline

The first bakers' purchasing cooperative was set up in the late nineteenth century, to some extent as a reaction to the milling industry cartel. Cooperative ideas quickly gained support among bakers. By 1914 there were 140 purchasing cooperatives with a total membership of 6 000, by 1917 there were 716 cooperatives with more than 34 000 members. Seven central cooperatives had been established by 1920. In 1950 a central organization was set up.

In 1965 the cooperative bakers' association changed its name to Bäko and became a bakers' and confectioners' association. The Bäko-Prüfungsverband was set up on 14 October 1965 to help with the transition from a purchasing to a full-service cooperative.

2. Size and structure

In 1983 there were 109 Bäko primary cooperatives, with 27 000 members and a turnover of DM 2 447 million, (1963: 195 cooperatives, 35 300 members). The five regional central organizations had a turnover of DM 1 781 million, the national central organization a turnover of DM 608 million.

In 1983, the Association had 70 members, including 60 primary cooperatives and 6 central organizations.

3. Aims and activities

In line with its constitution, the association administers examinations in accordance with the law on cooperatives and provides its members with advice and help on management, tax and business-law matters. It compiles statistics, advises on management issues (personnel, stocks, vehicles), accounting, finance, data processing, buildings, and provides information on changes in the law and tax regulations. The Bäko-Prüfungsverband is particularly interested in training matters, both as regards administrative staff and employees of cooperatives.

4. International activities

The Brussels-based international association of bakers' and confectioners' economic organizations (Bäko-Europa) was founded in 1965 at the initiative of the Bäko national central organization.

5. Sources

LEMCKE, HERBERT, 'BÄKO': in *Handwörterbuch des Genossenschaftswesens* (Wiesbaden 1980).

BÄKO: *Bundeszentrale Deutsche Bäcker- und Konditoren genossenschaften eG, Geschäftsbericht 1983*.

Updated on the basis of information provided by Mr Jacobs Willibald, director, on 17 July 1984.

5. Cooperation in the retail and wholesale food sector (EDEKA)

1. Basic data (1983)

Number of cooperatives (wholesale level):

EDEKA members: 32
 plus 1 EDEKA central organization
 1 EDEKA bank

Number of members:

16 600 independent retailers

Number of employees:

EDEKA group	15 300
of whom: (a) central organizations	2 300
(b) wholesale organizations	13 000
(employees of associated retailers:	84 000)

Turnover (or total assets):

EDEKA central organization	DM 10 260 million
Group wholesale turnover	DM 14 420 million
(average turnover per regional centre: DM 450)	
Retail trade of group	DM 21 200 million
EDEKA Bank total assets	DM 808 million

Market share

Mr Helmut Stubbe, spokesman of the Managing Board of EDEKA Union states the following in EDEKA *Handelsrundschau*, No 12, June 1984, p. 6: 'The EDEKA group uses the term "EDEKA turnover" in the retail trade to mean only those sales which pass through the regional wholesale businesses, i.e. those which relate to the bodies made up of independent EDEKA traders. The addition of retail sales from other trading partners is in our opinion an incorrect statistical method.'

2. Brief historical outline

In the last 30 years of the nineteenth century the retail food trade consisted almost exclusively of small shops. The introduction of freedom to carry on a trade in 1869 led to an increase in competition, and as a result the Görlitzer Wareneinkaufverein (Görlitz purchasing association) was founded in 1888. This was the first grocers' cooperative. The idea gained popularity not only in Germany, but overseas too. To improve the competition situation further, representatives of 13 purchasing associations set up the Verband deutscher kaufmännischer Genossenschaften eV (Association of German Traders' Cooperatives) on 21 October 1907. The present-day EDEKA Verband kaufmännischer Genossenschaften eV, Berlin/Hamburg, was recognized by the government as an auditing association for member undertakings on 24 November 1908. It was the first auditing association for cooperatives in a particular sector in Germany.

The EDEKA Verband was run as a non-trading association. It was therefore unable to make purchases for its member cooperatives. To enable joint purchases to be made, seven members founded the Zentraleinkaufsgenossenschaft der Verbandes deutscher kaufmännischer Genossenschaften GmbH (Central Purchasing Cooperative of the Association of German Traders' Cooperatives) on 25 November 1907. This is the present EDEKA Zentrale AG, Berlin/Hamburg.

At the same time, in the earliest years the organization was faced with the problem of providing capital for the grocery trade and the establishment of a central credit association side by side with the central purchasing cooperative. This led to the formation of the EDEKA Cooperative Bank — the present day EDEKA Bank — on 9 November 1914.

3. Size and structure

Food, drink and tobacco wholesale and retail trading plays an important part in the German economy. The total sales of retail trading in 1983 showed an increase over the previous year of 3.4%, reaching DM 448 600 million, representing a real increase of 1%.

EDEKA, with DM 21 200 million sales in all the member retail businesses, is one of the largest German groups in the food business. It has a cooperative structure, most decisions being taken on a decentralized basis. The group has a three-level structure:

Retailers (approx. 16 000)

Wholesale businesses (32)

Central organizations:

EDEKA Association;

EDEKA Central Organization Ltd;

EDEKA Bank Ltd.

The members of the EDEKA Association are the wholesale businesses, the Central Organization and the Bank. The Association's role is that of auditing accounts, supervising the management of the Edeka wholesale businesses and the development and promotion of these wholesale businesses and their retailer members (see below).

The EDEKA Central Organization takes responsibility for the goods purchased for the group, and in addition carries out a range of services for the wholesale and retail businesses. The shares of EDEKA Central Organization (a limited company) are held by the wholesale businesses and their members.

The EDEKA Bank acts as a central credit institution for the whole group. Apart from a full range of usual banking services, the main thrust concerns the promotion and development of money and credit transactions at all levels of the EDEKA group. The EDEKA wholesale businesses and the EDEKA Central Organization are among the shareholders of the EDEKA Bank.

EDEKA Association (EDEKA-Verband eV)

Managing Board:

HELMUT STUBBE

KLAUS BAHDE (*spokesman*)

Address:

Edeka verband kaufmännischer Genossenschaften eV

Postfach 600680

New-York-Ring 6

D-2000 Hamburg 60

Tel.:

(040) 63771

Telex:

02 193-0 ezo d

I. ORGANIZATION

1. Date of formation

21 October 1907.

2. Size and structure

The EDEKA Association is an auditing association within the meaning of the law on cooperatives. The members of the Association are the 32 cooperative wholesale businesses, the EDEKA Central Organization and the EDEKA Bank. The constitution of the Association provides that in addition to its role as auditor, the Association acts as adviser and promotor for the member wholesale businesses and their members (the independent retailers). In this way, the advisory and promotion services cover the wholesale and retail sectors of the group.

The Association is divided into the following sections:

- Audit and accountancy;
- Law and taxation;
- Wholesale business;
- Retail business.

In addition to these sections, which make up the Association itself, there are the following subsidiary or associated companies which provide services to the group: *Ausstattungs- und Baudienst GmbH* (fittings and buildings), *EDEKA Datenverarbeitung GmbH* (data processing), *EDEKA Verlag* (publishing).

The Association is a representative body, and acts to promote and develop the EDEKA cooperatives. It does not operate on the market.

The wholesale business level, i.e. the second level, consists of 32 wholesale businesses in the various regions of the Federal Republic, i.e. *EDEKA Hamburg*, *EDEKA Duisburg*, etc. Members of these wholesale businesses are retailers, averaging about 600 per business with a maximum of 1 500. The supreme decision-making body in the cooperative wholesale system is the General Meeting (there is also a Supervisory Board and a Managing Board). At this level trade in goods and all other activities are conducted independently. The second tier ensures the basic preconditions for the survival of retail traders in a competitive market. Originally this tier was purely a procurement body. Today it is a 'full-service' organization, not only buying goods for its members but also offering, for example, new site planning (site analysis) and training.

Around 1960 EDEKA had some 200 wholesale undertakings. Today there are just 32. From the logistical and technological point of view, a company must be of a certain minimum size if it is to remain competitive (average turnover per wholesale undertaking at wholesale prices — DM 450 million).

The most important tier is the retail sector. This comprises 16 000 or so independent retailers with some 18 700 shops, who have shares in the cooperative wholesale undertakings. At this level, turnover is around DM 21 200 million with a business area of over 1.84 million m². EDEKA outlets are found mainly in rural areas.

Following intensive negotiations between EDEKA Central Organization and *Horten AG*, the EDEKA group took a lease of 58 food departments in *Horten* department stores as from 1 June 1980, through the *Supermarkt bei Horten GmbH (SBH)*, the majority of whose capital is held by the EDEKA cooperatives and the EDEKA traders.

3. Administrative bodies

- (i) The supreme decision-making body of the EDEKA Association is the Association Congress (Members' Meeting), which meets once a year and is made up of delegates sent by the Association's members — EDEKA cooperatives and EDEKA trading companies.
- (ii) The Managing Board, which at the present time consists of two persons, is elected and supervised by the Association Committee. The Manager of the Association is the Managing Board's spokesman. He is responsible for Association business.
- (iii) The Association Committee is the supreme supervisory body; it is elected by the Association Congress. Its membership (14 at the most) is made up of half of independent EDEKA traders and half of managers of wholesale undertakings.
- (iv) The Management Advisory Board and the Retail Advisory Board have the right to nominate persons for election to the Association Committee. Both bodies have a consultative role.

4. Decision-making procedure

In accordance with the EDEKA Association's constitution, the Managing Board's decision-making procedure is laid down in the Rules of Procedure. The principle of one member one vote applies in the Association Congress.

5. Secretariat and staffing

The EDEKA Association, including subsidiary companies, employs 958 people, 114 of whom work in the Association itself.

6. Budget size and contribution arrangements

The members of the EDEKA Association pay contributions calculated according to a formula based on turnover; they play an important part in the financing of the Association. The Association also finances itself by the fees charged for the advice it gives. In 1984 the budget amounted to DM 20.9 million.

II. AIMS AND PRIORITY POLICIES

The Association's tasks are (Constitution, paragraph 3):

- (a) to review the facilities, financial situation and management of its members;
- (b) to advise and assist both the Association's member organizations and these organizations' members on cooperative, legal and business affairs, and to promote the exchange of experience;
- (c) to continuously promote forward-looking and responsible action by its member organizations;
- (d) to support efforts to maintain and strengthen the competitive position of independent undertakings, especially in the retail grocery sector;
- (e) to encourage the formation of cooperative self-help undertakings;
- (f) to set up and administer (on a trust basis) funds for the protection and assistance of Association members.

One of the Association's priorities is the redefinition of its assistance function (i.e. the future development of contractual partnerships with retailers for specific periods). EDEKA is not a retail chain and does not wish to become one, although as much as 18% of its turnover derives from its own shops (i.e. from wholesale-owned branches). Retail operations of this kind serve to retain the site until such time as it can pass into the hands of an independent EDEKA retailer.

III. ACTIVITIES

The special activities within the EDEKA group to strengthen the competitive position of the independent retailer are:

- assistance from the EDEKA Central Organization in opening up markets;
- assistance in the banking sphere from the EDEKA Bank;
- services that cannot be measured in money terms (training and further training for employers and staff);
- advice on the modernization, enlargement and acquisition of new outlets (shop sites);
- improving the quality and motivation of the workforce;
- auditing and counselling (wholesale and retail sectors).

Public relations work is carried out in the usual manner.

The 32 EDEKA wholesale businesses have the task of providing the associated trading partners, i.e. their members, with the full range of goods for sale.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

These are essentially the same as in the other associations — that is, submissions are made to appropriate national authorities, to parliament and to representatives of other institutions, and current problems are discussed. This occurs in cooperation between EDEKA and Zentgeno.

There is no direct participation in advisory committees and other consultative bodies.

The EDEKA Association collaborates on a permanent basis with the Hauptverband des Deutschen Lebensmittel-Einzelhandels eV (HVL — Central Association of German Food Retailers).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The EDEKA Association is a member of UGAL (Association of Retailer-Owned Wholesalers in Foodstuffs). The current Director of the Edeka Association, Mr H. Stubbe, is the President of UGAL.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE EUROPEAN COMMUNITY

The EDEKA Association cooperates with the International Federation of Grocers' Association. The problems dealt with include price discrimination and discrimination arising in competition in 'extras'.

VII. INTERNAL COHESION

The EDEKA Association's central organizations handle the primary interests of the whole EDEKA trading group. However, each of these organizations has a special function and is not a separate unity, so that they can hardly be regarded as a group in the strict sense.

The cooperative principles on which the whole organization is built ensure that the retail level (independent traders) can influence the next higher level (wholesale businesses and central organization) via e.g. the Retail Trade Council and the membership of the Council of the Association. EDEKA regards itself not just as an interest group but as a joint enterprise at all levels.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

Influence is exerted through UGAL, in Brussels.

IX. PUBLICATIONS

EDEKA Handelsrundschau, the EDEKA Association's official organ.

Kluge Hausfrau, a customer magazine for EDEKA traders.

Kluge Hausfrau Calendar.

X. SOURCES

'EDEKA Gruppe', offprint from *Zeitschrift für Organisation*, 47th year, No 5/78, pp. 244-256.

SCHEER, WERNER: 'Die Förderung der Mitglieder durch die Genossenschaft — dargestellt am Beispiel der EDEKA', offprint from *Genossenschaftsforum*, 1, 2, 3/82.

EDEKA Verband eV, *Jahresberichte* 1981-83.

IVLD, UIDA, IFGA, *Diskriminierungen bei der Belieferung und Konditionsgestaltung gegenüber dem Lebensmittelhandel*, series of publications by the International Federation of Grocers' Associations, Report No 11.

CROLL, WILLI; SCHRAMM, BERNHARD; KLUSSMANN, HANS-JÜRGEN: 'Genossenschaften sind keine Gemeinwirtschaften', offprint from *Genossenschaftsforum*, 5/82.

STUBBE, HELMUT: 'EDEKA', offprint from the *Handwörterbuch des Genossenschaftswesens*.

Constitution of the EDEKA Verband, 1978 edition.

EDEKA, *75 Jahre immer in Aktion, 1907-82*.

XI. INTERVIEW

Mr Helmut Stubbe, Manager of the Association, and Mr Baller, were interviewed in Hamburg on 8 September 1982 by Dr Elmar Stuhler, of the Technical University of Munich, and on 25 July 1984 by Konrad Schwaiger, ESC General Secretariat, Studies and Research Division.

The REWE Trading Group

1. Basic data (1983)

Total retail turnover for the Rewe trading group:	DM 22 150 million
Turnover of independent retailers:	DM 10 950 million
Turnover of national subsidiaries and department stores:	DM 11 200 million
Market share of the group (food retailing):	16.3%
Sales area of retail trade:	2.91 million m ²
Sales area of independent retailers:	1.58 million m ²
Number of retail outlets:	7 989
Number of outlets of independent retailers:	5 972
Turnover of the 24 wholesale businesses:	DM 5 583 million
Average turnover of wholesale businesses:	DM 244 million
Employees:	
Central organizations and wholesale trade:	5 972
Total retail trade:	75 000 approx.

2. Brief historical outline

The foundations of the REWE trading group were laid on 11 November 1926 with the formation of the REWE Zentrale (central organization) by district central organizations (secondary-level cooperative organizations) engaged in the food trade, whose member cooperatives belonged to the auditing association founded in 1921, which was later to become REWE. The amalgamation occurred against the background of a 'block on membership' by the already powerful EDEKA organization. Until shortly before the Second World War, REWE expanded rapidly; it attempted to overcome the subsequent stagnation in trade by building up its own production. Following the collapse in the war and the reconstruction of the system, which involved the creation of new cooperatives and the setting-up of the REWE-Zentrale-Import GmbH, the central organizations were restructured in 1972. The REWE-Zentrale's name was changed to REWE Zentralfinanz GmbH, and its role was restricted to that of credit cooperative; REWE-Zentral-Import became a limited company and, as REWE-Zentral-AG¹ was entrusted with, among other things, conducting the business in goods and providing central services. The administrative bodies of these two organizations and the REWE-Prüfungsverband eV (REWE auditing association) are made up practically of the same people.

3. Size and structure

The REWE trading group is the leading trading group in the Federal Republic, with a turnover of DM 22 150 million. The market share held by retailers organized in the REWE trading group rose comparatively sharply between 1970 and 1983 (from 7.4% to 16.3%). During this period REWE-Zentral AG decided, in consultation with the wholesale businesses, to acquire a 50% holding in the successful chainstore Leibbrand OHG through a subsidiary company. At that time the REWE Zentrale needed more substantial resources to enable it to fulfil its task of assisting retailers. Three further subsidiaries — ASKO aG, Stüssgen, and Kaiser and Kellermann were acquired in 1982-3. In

¹ Capital at that time: DM 4.8 million.

1983, the REWE-Handelsgesellschaft Leibbrand OHG, founded at the end of 1974, had a turnover of DM 9 500 million and thus constitutes one of the mainstays of the REWE group. The increase in the total turnover in the REWE retail business in 1983 (including the new subsidiaries) was 23% — well above the average for the sector.

The REWE trading group has a three-tier structure: at the base of the pyramid at present are 7 989 retail outlets, including 1 983 branches of Leibbrand OHG, in which the REWE Zentrale has a 50% holding. The middle level is made up of around 24 regional wholesale undertakings, which have developed largely as a result of mergers of local cooperatives. In a number of cases, these regional cooperatives, which continue to exist in the form of 'eingetragene Genossenschaft' (registered cooperative), have transferred the active business to a GmbH (private limited liability company), namely, the REWE Handelsgesellschaft, in which the central and wholesale tiers of the organization each have a 50% share. The apex consists of the three central organizations, REWE-Zentral-AG, REWE-Zentralfinanz eG and REWE-Prüfungsverband eV.

REWE Auditing Association (REWE-Prüfungsverband eV)

<i>Managing Board:</i>	ALFRED TORBECK, <i>Association Manager</i> HANS REISCHL ERWIN HOLZSCHUH
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<i>Tel.:</i>	(0221) 1655-1
<i>Telex:</i>	08 885 206 rzo d

I. ORGANIZATION

1. Date of formation

23 November 1921.

2. Size and structure

The members of the REWE-Prüfungsverband (auditing association) (48 in all) are the regional-level wholesale cooperatives and the trading companies set up by them, the other two REWE central organizations, the REWE Nachwuchsförderung eV (concerned with training), the REWE-Unterstützungsverein für Kaufleute eV (traders' provident association), the REWE-Verlag GmbH (publishing) and other companies in the REWE group.

The association does not operate on the market but, by virtue of an amendment to its rules in 1977, it is able to participate in undertakings with a supportive role. At the moment it is confining itself to an 80% holding in Pro data GmbH, a tax-consultancy firm which performs one of the association's service functions for members and affiliated retailers.

3. Administrative bodies

Association Congress (members' meeting);

Association Committee, elected by the Association Congress and identical in membership to the Supervisory Board of REWE-Zentralfinanz eG;

Managing Board, with a minimum of two members.

4. Decision-making procedure

Generally speaking, decisions are taken by a simple majority. A larger majority is required for decisions of the Association Congress in certain cases (amendments of the rules, amalgamation of the association with another auditing association, etc.).

5. Secretariat and staffing

The Rewe auditing association employs about 30 staff, assigned to auditing (wholesale, internal, regional, goods, etc.) and tax consultancy and legal affairs. The legal section serves the entire organization.

The staff occupy posts as, among other things, head of section, head of department, tax consultant and authorized representative of the Managing Board.

6. Budget size and contribution arrangements

The association's budget amounts to DM 3.3 million. The size of contributions is determined by members' turnover.

II. AIMS AND PRIORITY POLICIES

The association audits, advises and assists its members.

Auditing is carried out according to the provisions of the Cooperatives Law. The advisory and assistance functions are inherent in the overall aim of the REWE group to maintain and strengthen its position in the food sector, while safeguarding the independence of the retail undertakings. This gives rise to the following priorities as regards the general development of market structures:

at wholesale level, the creation of larger and more efficient 'full-service' units by means of mergers and/or expansion (medium-term objective: 10 wholesale businesses with a minimum turnover of DM 500 million);

at retail level, the safeguarding of sites and the stabilization of smaller outlets in the competitive market by adapting the sales area (objective: a minimum of 400 m²), the line of trade and the range of goods.

III. ACTIVITIES ARISING OUT OF THE SPECIFIC OBJECTIVES OF THE COOPERATIVELY-ORGANIZED GROUP

The role of the REWE auditing association within the REWE group is above all an integrating one; this is essential for the survival of the independent members, in view of the cut-throat competition on the foodstuffs market.

Practical economic assistance for retailers belonging to the REWE group is provided by the REWE-Zentral-AG in conjunction with the wholesale undertakings. At present this involves the following:

the development of new marketing systems;

the planning of different lines of trade (e.g. conversion of smaller outlets to fresh produce);

site analysis and planning;

financing programmes for setting up and safeguarding businesses (e.g. REWE Starthilfe);

advice on business and sales matters;

construction and installation planning (the last two activities are being transferred more and more to the wholesale undertakings);

training, carried out in part by the REWE Nachwuchsförderung;

sales promotion and supraregional campaigns.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

Influence is exerted indirectly through membership of the following organizations:

DGRV (German Cooperative and Raiffeisen Union), Bonn;

Zentgeno (Central Association of Cooperative Wholesale and Service Undertakings);
Foreign Trade Association of the German Retail Sector;
Market Economy Trade Society;
Central Federation for Retail Trade.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

None.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The REWE auditing association is a member of the International Federation of Grocers' Associations in Berne.

VII. INTERNAL COHESION

Internal cohesion is ensured at top level by the fact that the membership of the Managing Boards and the Supervisory Boards (or Association Committee) of the central organizations is identical. Vertical cohesion, which, because of the independence of the members, can only be achieved by consensus, is based first and foremost on the powers of persuasion of the group management and on the discernment of the members.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

Resignation from UGAL in 1978 meant that it was no longer possible to influence Community activities via an accredited European trade organization.

IX. PUBLICATIONS

REWE-Echo (fortnightly house journal).
REWE-Post (weekly shoppers' magazine).

X. SOURCES

ALFRED TORBECK; 'REWE', in: *Handwörterbuch des Genossenschaftswesens* (Wiesbaden 1980).
HEEGER, DIETRICH, and MEIER, GERT: *Die Rewe-Gruppe – Auftrag der Gegenwart* (Cologne 1979).
RZO Annual Report (1981).
Rewe-Prüfungsverband eV, *Rules*.
Rewe-Prüfungsverband eV, *List of members*.

XI. INTERVIEW

Telephone conversations on 16 November and 16 December 1982 between Mrs Abels, of the Managing Board Secretariat and Susanne Schmidt-Relvas, ESC General Secretariat, for Studies and Research Division, and on 7 August 1984 between Mr Heeger and Susanne Schmidt-Relvas.

6. Transport cooperatives

1. Basic data (1983)¹

	<i>Number</i>	<i>Members</i>		<i>Turnover</i>
Primary cooperatives <i>of which:</i>	75	13 597	DM	1 107 000 million
- Road transport cooperatives	18	5 995	DM	644 million
- Taxi cooperatives	33	5 120	DM	85 million
- Inland shipping cooperatives	13	841	DM	207 million
- Other transport cooperatives	11	1 605	DM	167 million
Central cooperatives	2	36	DM	4 million
Affiliated undertakings	30			

Employees

	<i>approx.</i>
Primary cooperatives <i>of which:</i>	1 500
- Road transport cooperatives	704
- Taxi cooperatives	292
- Inland shipping cooperatives	222
- Other transport cooperatives	161
Central cooperatives	55
Affiliated undertakings	68

2. Brief historical outline

The inland shipping cooperatives active in Germany today have existed since the end of the nineteenth century. They are direct descendants of the boatmen's guilds of earlier centuries. Despite the change in the importance of the inland waterways for the economy, the traditions of boatmen's associations in inland navigation have never completely died out.

Cartage, the traditional form of land transport, on the other hand, suffered a sharp decline with the development of the railways in the nineteenth century. Only after the First World War did goods transport by road re-establish itself, now using lorries. In line with the transport requirements, the 1930s saw the emergence first of associations of short-distance hauliers and later of the Reichskraftfahrerverband (RKV — Reich Motor Vehicle Operators' Union); long-distance hauliers' cooperatives did not appear until after the Second World War.

Taxi cooperatives, too, as associations operating radio control centres, could logically only develop after the Second World War.

3. Size and structure

Transport cooperatives only exist in Germany in the form of cooperatives designed to promote the economic interests of their members, i.e. as associations of independent operators. They are to be found both in the inland shipping industry (A) and in the road transport sector (B).

A — In considering the 13 shipping cooperatives, which are concerned predominantly with inland navigation and have not organized themselves into an association either at regional or supraregional level, a distinction should be made between goods-shipping cooperatives 1 and passenger-shipping cooperatives 2.

¹ The basic data are derived from statistics supplied by the Prüfungsverband der deutschen Verkehrsgenossenschaften (Auditing Association of the German Transport Cooperatives). They do not provide a complete picture of the cooperative transport sector, since not all cooperative undertakings are members of the Association.

1. These are cooperatives which seek to promote the marketing of transport services. They perform the following tasks: acting as broker for the cargo space belonging to their members, agreeing and collecting charges, arranging insurance cover (participation in insurance associations and credit institutions), fitting out and repairing vessels, and maintaining an information service and individual advisory and registration facilities for its members.

In 1983 there were four fairly large inland goods-shipping cooperatives active in different river systems. The cooperatives' share of total German inland navigation tonnage amounted in 1981 to around 18.2%, while their share of total earnings was approximately 27%.¹

2. These cooperatives are exclusively 'means of production' associations, i.e. members' vessels are used solely by the cooperative, which bears the cost of operating them. The members collect the transport charges on behalf of the cooperative, which uses the proceeds to cover operating and administrative costs and distributes the remainder among its members as payment, reimbursement of expenses, and, where appropriate, as a dividend.

In 1983, there were seven cooperatives of this kind with few members, who regularly provide a passenger vessel.

Among the cooperatives in the shipping sector is a shipyard.

In 1983 the turnover of the 13 inland shipping cooperatives amounted to DM 207 million.

B — The road transport cooperatives can be divided into:

1. associations of hauliers and forwarding agents; and
2. associations of passenger transport undertakings.

1. A distinction should be made here between:

- (a) cooperatives whose members are independent long-distance and short-distance hauliers (road transport cooperatives in the stricter sense) and which fulfil the following functions: carrying out the checking of freights laid down by law, calculating and collecting charges, purchasing fuel and spares, setting up and operating vehicle parks providing *en-route* services for drivers and vehicles, training long-distance lorry drivers, acting as broker for load space, arranging finance and insurance cover (in some cases even running insurance and credit institutions, e.g. Kravag and Deutsche Transportbank GmbH), operating information services, computing centres and registration offices;
- (b) Güterkraftverkehrsunternehmen der Bundesbahn eG (goods traffic undertakings of the German Railways), whose members are tied to the Deutsche Bundesbahn (DB — German Railways) by individual contracts, and whose assistance is confined for the most part to improving basic conditions between members and the DB;
- (c) Freight forwarder cooperatives (e.g. collective consignment associations).

In 1983 there were 18 road transport cooperatives (in the stricter sense of the term) limiting their sphere of activity to a particular region, plus the Bundeszentralgenossenschaft Strassenverkehr (BZG — Federal Central Cooperative for Road Transport) in Frankfurt. Their turnover was DM 644 million in 1983.

2. The passenger transport cooperatives comprise:

- (a) Taxi cooperatives, which have the following tasks: operating a radio control centre, agreeing charges for group contracts, distribution of services and advertising, purchase of fuel, management of repair shops, etc.

In 1983 the Prüfungsverband der Deutschen Verkehrsgenossenschaften (Auditing Association of German Transport Cooperatives) included 33 taxi cooperatives² each with between 25 and 850 members and a total turnover of DM 85 million. Some of these are members of the Taxi-Zentral-Genossenschaft (TZG).

¹ Information provided by the Bundesverband der deutschen Binnenschifffahrt eV (Federal Association of the German Inland Shipping Industry). In calculating the share of earnings the total revenue of the cooperatives was compared with the German domestic freight revenue.

² No information was available on the number and size of the taxi cooperatives which are not members of the Auditing Association.

- (b) Associations of bus service operators (numerically insignificant). They arrange transport services and collect charges for their members, or they provide services using the members' own vehicles.

Indication of market shares for the road transport and taxi cooperatives is not considered meaningful by the Director of the Auditing Association, Mr Ulrich Schumacher, as both of these only provide services (checking of freights or radio control centre). In the case of the taxi cooperatives there is the added problem that it is not known to what extent the radio control centres are operated by undertakings with a different legal form.

Auditing Association of the German Transport Cooperatives (Prüfungsverband der Deutschen Verkehrsgenossenschaften eV)

Association Director: ULRICH SCHUMACHER
Address: Schlosstr. 6
D-2000 Hamburg 70
Tel.: (040) 68 02 75

I. ORGANIZATION

1. Date of formation

19 April 1929.

2. Size and structure

The Association embraces 64 road haulage and passenger road transport cooperatives, including the Bundeszentralgenossenschaft Strassenverkehr eG and the Taxi-Zentral-Genossenschaft eG, 13 shipping cooperatives and 30 affiliated undertakings with other legal forms. These undertakings operate mainly in the insurance/insurance brokerage sector, types of business requiring motor vehicles and in the supply of enroute services for drivers and vehicles.

The Association is not a trade association, but it does promote the specific interests of the cooperatively-organized transport sector. It does not operate on the market. Under its rules, it may participate in other associations and undertakings.

3. Administrative bodies

The Association Managing Board, consisting of the Association Director and two other (honorary, i.e. unpaid) members. One must be a member of a road transport cooperative, and the other a member of a shipping cooperative.

The Association Advisory Board, consisting of 10 members and elected by the Association Congress. The Association Congress (members' meeting).

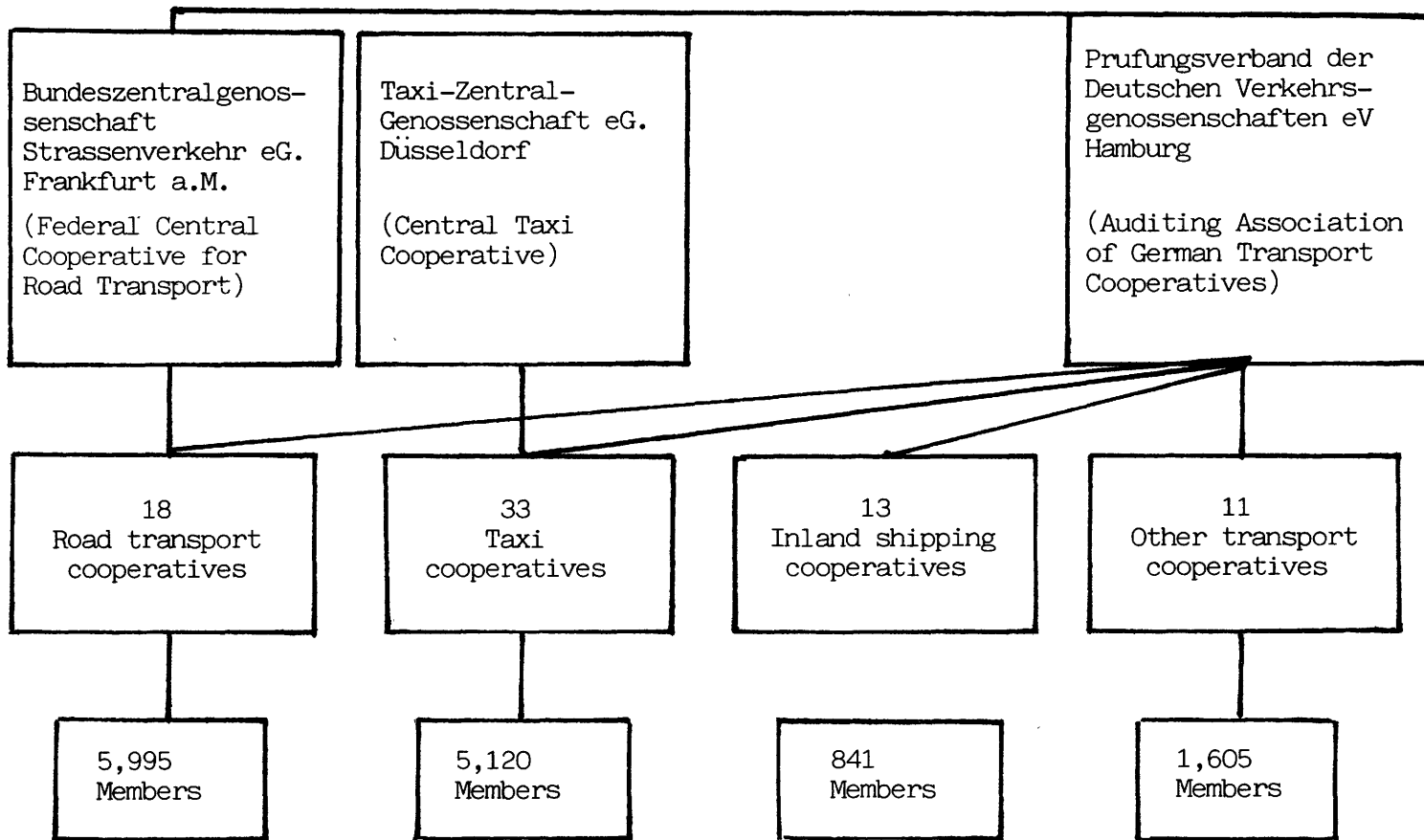
4. Decision-making procedure

Decisions are taken by majority vote.

5. Secretariat and staffing

The Association employs 25 people.

The cooperatively-organized transport sector in 1983



6. Budget size and contribution arrangements

The Association's budget in 1983 amounted to DM 2.5 million; members' contributions are determined according to their turnover and assets.

II. AIMS AND PRIORITY POLICIES

Under its rules, the Association's activities are directed towards the following goals:

- auditing of members;
- advising and informing members;
- promoting members' joint interests *vis-à-vis* third parties;
- arranging exchanges of experience among members, including procuring the necessary statistical and other information;
- promoting and disseminating cooperative principles;
- assisting in the setting up of cooperative undertakings.

III. ACTIVITIES

1. Particular activities resulting from the specific objectives of the organization

The Association's activities comprise obligatory auditing and optional auditing of annual accounts, advice to members on legal and fiscal matters, provision of information and legal representation.

2. Economic activities

As mentioned above, the Association, as an interest group, does not operate on the market.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

(a) *Direct*

Not applicable, as the Association does not act as a trade association.

(b) *Indirect*

The Association is a member of the Deutscher Genossenschafts- und Raiffeisenverband (DGRV — German Cooperative and Raiffeisen Union), in which it holds over 5% of the seats.

It is an associate member of the Zentralverband Genossenschaftlicher Grosshandels- und Dienstleistungsunternehmen (Zentgeno — Central Association of Cooperative Wholesale and Service Undertakings).

The primary cooperatives are direct or indirect members of Zentgeno in only a few isolated cases. Trade interests are promoted by associations for the individual transport sectors in which the primary cooperatives are active (federal associations for road haulage, inland shipping, passenger transport and taxis).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The Association is not a member of a European association.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE EUROPEAN COMMUNITY

The Association does not belong to any international trade association.

VII. INTERNAL COHESION

The Association confines itself to its specific tasks, applying (where appropriate) a division into categories of the very heterogeneous groupings of primary cooperatives.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

The Association has no influence on Community activities.

IX. PUBLICATIONS

Schriftenreihe des Prüfungsverbandes der Deutschen Verkehrsgenossenschaften eV.

X. SOURCES

Prüfungsverband:

Rules.

List of members.

Reply to the questionnaire compiled by the Studies and Research Division of the General Secretariat of the ESC.

SCHUMACHER, ULRICH: 'Verkehrsgenossenschaften', in: *Handwörterbuch des Genossenschaftswesens* (Wiesbaden 1980).

XI. INTERVIEW

Telephone conversations between Mr Ulrich Schumacher, Director of the Association and Susanne Schmidt-Relvas, ESC General Secretariat, were held on 22 October 1982, 8 December 1982, and 7 September 1984.

7. Production cooperatives

Basic data 1982

Main cooperatives: 19

Members: over 700

Staff: over 860

Total turnover: over DM 55 million

1. Brief historical outline

The genesis of the modern cooperative system is closely linked with the 'social question'. Victor Aimé Huber, who saw cooperatives as mainly a self-help instrument for workers, spread the idea of the workers' production cooperative ('industrial association'). Schulze-Delitzsch considered this type of cooperative to be the crowning achievement of the whole system, proceeding from the assumption that above all former independent workmen who had lost their independence through industrialization would join production associations. The principle of pure self-help, which Schulze-Delitzsch also supported in this connection, was heavily criticized by Lassalle. Lassalle called for State aid for production associations to enable workers to break through what he called the 'castiron wage law'. Marx too looked into the question of production cooperatives. He felt that they were a good thing, insofar as they break the separation of capital and labour, but in the end rejected them for their inability to lead to social revolution. In fact, production cooperatives did not develop as widely as other forms of cooperative. Between 1885 and 1890, around 150 production cooperatives were registered, though not all of these could be considered 'authentic'. The following categories were amongst those represented: joiners, cobblers, construction workers, clock-makers, metal-workers, weavers, printers and tailors.

After the First World War, there was a sharp rise in the number of production cooperatives (around 600 in 1922), due to the foundation of stonemasons' guilds and building production cooperatives on the initiative of the socialist and Christian-national trade union movements. Most of these production cooperatives were later merged in union-owned joint-stock companies.

After the Second World War, seriously disabled ex-servicemen and refugees were the main founders of production cooperatives. These societies did not usually last very long. In 1957, according to information from the German Cooperative Association, there were only 34 production cooperatives, with around 1 500 members and a total turnover of DM 25 million. (By comparison, the 467 cooperative purchasing societies in the retail trade, covering all occupational groups, had a total turnover in 1956 of DM 3 367 million.) They were operative *inter alia* in the building trade, the wood-processing trade, and jewellery manufacture. A survey showed that in 1979 the number of production cooperatives belonging to the DGRV (German Cooperatives and Raiffeisen Associations) had fallen to 12[¹].¹

According to a survey carried out by the Studies and Research Division of the ESC General Secretariat on the 14 regional auditing and inspecting associations (see annex), to which production cooperatives must belong under the cooperative law, there were at the end of 1982 19 production cooperatives with a total of over 700 members² and a total turnover of DM 55 million.² Two of these date back to the turn of the century and eight to the years immediately following the Second World War. Four companies were founded in 1982. The annex shows in which areas these cooperatives are active.

According to information from the seven auditing and inspecting associations in whose districts there are production cooperatives, the cooperatives are examined according to cooperative law, some being covered intensively. The auditing and inspecting companies do not have further duties, such as representation of interests or publicity.

The production cooperatives do not work together, even when they operate in the same place.

¹ Figures in brackets refer to the sources listed at the end of the text.

² No data available on two cooperatives.

2. Definition, size and problems of the production cooperatives

Production cooperatives are characterized by the identity of their representatives and employees. Members raise capital for the society and work exclusively for the joint enterprise. This enterprise has a bilateral relationship with the market, being an autonomous, and of necessity profit-oriented, competitive unit. Cooperative law defines the production cooperative as a 'society for the manufacture and sale of products for the joint account', and puts them on a par with the various types of aid cooperatives.¹

As the historical background shows, the production cooperatives in Germany today are only a marginal phenomenon^[4]. The few 'survivors' and recently founded ones are smaller societies, mainly in the skilled trades area, partly in building but also in the services sector. This type of organization has so far not appeared in agricultural production proper.

It is noteworthy that most production cooperatives employ a relatively large number of outside workers (hired workers). They thus largely avoid one of the basic problems facing production cooperatives (insufficient adaptability to market conditions). However, they lose their cooperative character, in that they in effect become private companies with several joint owners^[5].

Germany also has several other types of organization which should be grouped with production cooperatives. These include independent workers' companies with the legal form of foundation or joint stock company and limited liability company^[2].

Various authors feel that the special problems of German production cooperatives are mainly due to the following:

- (a) The capital basis is often too weak for a directly competing company, as members can usually acquire only a small share in the business.
- (b) Conflict can arise between the position of members as shareholders ('one man, one vote') and the position they hold as employees in the company hierarchy.
- (c) The principle of unrestricted membership, and the fact that, at least in 'authentic' production cooperatives, staff cuts cannot be forced through in periods of recession, lead to a lack of market flexibility.
- (d) The question of profit-sharing and payment of members, and the question of reserves, can lead to conflict and thus cause production cooperatives to disband voluntarily.
- (e) The economic success of production cooperatives can be adversely affected by the insufficient readiness on the part of their members to solve management problems.

At least two of these problems, (b) and (d), are closely linked to German legal conditions. In 1958, as part of the preparation for amendment of cooperative law, a commission of experts drew up a number of regulations specially tailored for production cooperatives. These included strengthening the position of the management board *vis-à-vis* the general meeting on decisions relating to management, the legal obligation to set up a certain amount of reserves, the introduction of a dividend according to the number of hours worked, and the introduction of a limited form of plural vote on the basis of shares and/or period of membership^[1]. Despite all this, basic conditions have not greatly improved. Change since 1973 — and this for all types of cooperative — is limited to the provision of a plural vote of up to three votes per member, and a more independent position for the management board.

A further reason for the fall in the number of production cooperatives is the development of the modern market economy² with its social legislation and the possibilities of worker participation and profit-sharing. It remains to be seen whether continuing high unemployment and the corresponding threat to social security will lead to renewed consideration for production cooperatives.

¹ Some authors^[2] see their goal as the manufacture of agricultural, industrial or craft articles. Villegas^[3] describes them as an undertaking in the production area, seeing 'production' as the provision of goods and services.

² Diederichs^[3], p. 370: 'In the early years of German production cooperatives, the dominant element can be seen as the desire to be an independent producer alongside other businesses. The development of the modern market economy and — more important — an ideological-legal superstructure have meant that production cooperatives today have only retained a rudimentary form.'

Sources

- [¹] MÜNKER, HANS-H.: 'The Position of Workers' Productive Co-operative Societies in the Federal Republic of Germany', in: *Review of International Cooperation*, Vol. 72, No 3 (1979).
- [²] DÜLFER, EBERHARD: Produktivgenossenschaften, in *Handwörterbuch des Genossenschaftswesens*, (1980).
- [³] VILLEGAS, R.V.: *Die Funktionsfähigkeit von Produktivgenossenschaften*, (1975).
- [⁴] *Prospects for Workers' Cooperatives in Europe*, BD. III TEN Coopérative de Conseils (Paris 1981).
- [⁵] DIEDERICHS, ERICH H.: Zur Lage der Produktivgenossenschaften in Deutschland, in: *Zur Reform des Genossenschaftsrechts III* (1959).

List of production cooperatives in Germany in 1982,
with main basic data¹

<u>Cooperative</u>	<u>Members</u>	<u>Staff</u>	<u>Turnover 1981</u> <u>(DM'000)</u>
1. Glaswerke Warmensteinach eG Warmensteinach	93	249	13,900
2. Tübinger Chronik Tübingen	75	116	13,675
3. Strassen- u. Tiefbaugenossen- schaft Bremen	28	95	6,731
4. Miraphone Graslitzer Musik- instrumentenerzeuger eG Waldkraiburg	62	90	4,822
5. DADEGO Dachdeckergenossen- schaft "Bremen" eG Bremen	28	43.5	4,444
6. Klempnereigenossenschaft eG Hamburg	110	49	3,557
7. Arbeitsgemeinschaft Stuttgarter Lohnschlächter eG Stuttgart	49	60	3,514 (net)
8. Klempnerei-, Installations- und Rohrleitungsbaugenossen- schaft eG Hamburg	12	19	1,513
9. Lohnschlächter-Vereinigung Recklinghausen eG Recklinghausen	15	-	900
10. "Südbadisches Blindenwerk" eingetragene gemeinnützige Genossenschaft zivilblinder Südbadens Freiburg	48	(blind) 41	809

11. Süddeutsche Kriegsblinden arbeitsgemeinschaft eingetragene Ein- und Verkaufsgenossenschaft Freiburg	39	30	521
12. Arbeitsbeschaffungsstelle für das Handwerk eG Bamberg	57	1	274
13. Münchner Werkstätten für Sport-, Sattler- und Lederwaren eG München	7	2 (part- time)	153
14. Rottweiler Verlags- und Druckereigenossenschaft Rottweil			
15. Medicon Chirurgie- und Dentalinstrumente Tuttlingen			
16. "Blätterwald" Vertrieb von umweltfreund- lichen Produkten eG Frankfurt am Main	41	9	Founded 1982
17. Selbsthilfegenossenschaft für Recycling eG Ludwigshafen am Rhein	20	7	Founded 1982
18. Lohnschlacter-Vereinigung Gelsenkirchen eG Gelsenkirchen	15	-	Founded 1982
19. "WIR" produktionsgemeinschaft für Garten- und Landschaftsbau, Land- wirtschaft, Dienstleistung und Handwerk Holzwickede	10	-	Founded 1982
	<u>TOTAL:</u>	<u>709</u>	<u>860</u> <u>54.813</u>

¹ This survey is based on information obtained from all the regional cooperative associations (Schulze-Delitzsch and Raiffeisen/Schulze-Delitzsch).

8. Housing cooperatives

Brief historical outline

Housing cooperatives have existed in Germany since the mid-nineteenth century, a period when solutions, including the formation of cooperative self-help organizations, were being sought to the 'social question'. One aspect of this question was the wretched housing conditions of workers in the conurbations which had sprung up as a result of industrialization. Greatly affected by this misery, which he had witnessed principally in English industrial towns, the social reformer Victor Aimé Huber (1800-69) — a doctor and philologist inspired by Christian principles, who today is regarded as one of the spiritual founders of the cooperative movement — developed his own ideas on the association of workers as a force for social change. He based his ideas on early cooperative ventures (building societies), which he had encountered in England. The Arbeiterkolonien (workers' settlements), a form of housing cooperative, called for by Huber were to be financed by the well-off and the State, as well as by the workers.

The first organization based on self-help principles was the Berliner Gemeinnützige Baugesellschaft, a public limited company founded in 1847/48 and financed mainly by philanthropists; Huber played an important part in this organization and also edited a magazine for it. The main features of this public limited company already pointed to the future development of the non-profit building associations and housing cooperatives: the construction of suitable, good quality housing for 'the little man', the limiting of dividends to 4%, the restriction of income from rents, and the possibility for the tenants, following repayment of the investment capital, to acquire the ownership of their home.

In 1862 the first housing-cooperative, the Häuserbau-Genossenschaft zu Hamburg was founded and, following the Prussian Cooperatives Law in 1867, more cooperatives were formed in increasing numbers. An important step in the history of building cooperatives was taken in Hanover in 1881 with the creation of the Spar- und Bauverein, which built houses exclusively for letting, and which were to remain permanently in the cooperative's possession.

The subsequent rapid development of housing cooperatives was largely the result of, firstly, the 1889 Reich Cooperatives Law, which provided for limited liability and the creation of cooperative auditing associations, and secondly, the Disability and Old-Age Pension Insurance Law of the same year, which allowed insurance companies to invest in land and mortgages.

The first auditing association was founded in Marseburg in 1896. The turn of the century saw something of a boom (the number of housing cooperatives rose from 50 in 1890, to 385 in 1900, 964 in 1910 and 1 342 in 1914), with 125 000 small dwellings being built by 1915.

After the First World War, the cooperative movement experienced a further upswing; 1924 saw the formation of the Hauptverband deutscher Baugenossenschaften (Central Association of German Building Cooperatives). The non-profit status of cooperatives was officially recognized in 1930 by the Non-Profit Organizations Order. The building cooperatives and the mutual-benefit building associations were amalgamated in the Nazi era (1934: Hauptverband deutscher Wohnungsunternehmen). In 1938, the provincial housing welfare associations (Heimstätten) were incorporated into this body, so that there was now only one central organization for the non-profit housing sector, the Reichsverband des deutschen gemeinnützigen Wohnungswesen. The legal bases for the activities of the non-profit housing sector were consolidated in 1940 by the Non-Profit Housing Law. After the Second World War the first priority was to restore the stock of cooperative housing, which had, of course, been very severely reduced, and generally to alleviate the housing shortage created by the war. A great many new cooperatives were formed, in which refugees played a prominent part. In 1949, the central association was re-formed as the Gesamtverband gemeinnütziger Wohnungsunternehmen (General Association of Non-Profit Housing Enterprises).

Size and structure

The 1 196 cooperatives today constitute the largest group, in numerical terms, in the non-profit housing sector. Their membership practically doubled between 1954 and 1983 — from 860 000 to over 1.65 million — while the total sum paid up on members' shares rose over the same period from DM 294.4 million to DM 2 030 million.

Unlike the agricultural and industrial development cooperatives, the housing cooperatives have not combined to form a three-tier system (primary cooperatives, regional and national associations), but in common with the other non-profit housing enterprises, they belong to regional auditing associations which form the Gesamtverband gemeinnütziger Wohnungsunternehmen.

Some 280 housing cooperatives have joined forces to form a supraregional housing service controlling over half a million dwellings. In the event of their having to move, the members of these cooperatives receive equivalent accommodation or may transfer in full their acquired rights as persons on the waiting list for housing.

The activities of the housing cooperatives are nowadays regulated by the Cooperatives Law and the Non-Profit Housing Law, which impose a number of conditions, including the use of assets for social purposes, the restriction of dividends to 4%, the obligation to build for broad sections of the population (small flats and houses), the raising of housing standards, letting or sale at cost price, and auditing by the appropriate auditing association. From this non-profit task arises the primary objective of helping the weaker members of society to find decent and well-equipped accommodation, whether through the provision of rented dwellings or through the construction of flats or houses for owner occupation.

After the Second World War the housing cooperatives built a total of 1.28 million flats and houses, made up of 774 000 cooperative-owned dwellings and 503 000 housing units for owner occupation. Today they manage and own more than a million dwellings, i.e. 7% of all rented accommodation in the Federal Republic. (The non-profit housing sector as a whole owns over 3.3 million dwellings, or about 23% of all rented accommodation. These include 2.4 million government-subsidized dwellings.

If the cooperatives are divided up according to the number of dwellings they manage, it can be seen that 55.5% administer fewer than 500 own housing units and 32.2% between 500 and 2 000. Only 26 cooperatives are among the 'big' non-profit housing enterprises owning and administering more than 5 000 dwellings.

In relation to the non-profit housing sector as a whole, the number of dwellings owned by the cooperatives has fallen over the last 30 years (despite the positive trend in membership figures and the amount paid up on members' shares) to its present level of just under 30% (in 1950 it was around 40%). The cooperatives' structural weakness in capital resources in the face of ever-increasing capital requirements may have contributed to this trend.

The number of completions per year is also declining (around 73 000 in 1953, around 25 000 in 1970 and just under 12 300 in 1983). The cooperatives' share of the total number of dwellings completed in the Federal Republic, which in 1953 was still 13.5%, was a mere 3.6% by 1983.

The cooperatives continue to be of considerable importance, however, in supplying the poorer sections of the population with well-equipped housing, as in recent years they have turned increasingly towards maintenance and modernization. In 1983, for example, they spent almost DM 745 million on maintenance work and nearly DM 552 million on modernization.

General Association of Non-Profit Housing Enterprises (Gesamtverband Gemeinnütziger Wohnungsunternehmen eV) (GGW)

*Association Director and Chairman of the
Managing Board:*

HELMUT TEPPER

Address:

Bismarckstrasse 7
D-5000 Cologne 1

Tel.:

0221/52.50.01

Telex:

881 842

Btx (video information network):

754

Basic data (1983)

Direct members:	10 associations from the housing sector (and one extraordinary member)
Indirect members:	1 821 housing enterprises including 1 196 cooperatives and 9 Heimstätten (regional development institutions)
Dwellings owned:	Non-profit sector as a whole: 3.4 million Cooperatives only: just over 1 million
Newly-built dwellings (completed 1981):	Non-profit sector as a whole (incl. Heimstätten): 47 800 (incl. 12 500 under a service arrangement) Cooperatives only: 12 300 (incl. 2 500 under a service arrangement)
Market share:	Existing housing: 23% of all rented accommodation Newly-built housing: 14% of all completions
Staff of the non-profit housing enterprises:	54 000 incl. 15 600 unpaid, especially in the cooperatives

I. ORGANIZATION**1. Date of formation**

31.3.1949.

2. Size and structure

The GGW (Gesamtverband Gemeinnützigen Wohnungsunternehmen eV — General Association of Non-Profit Housing Enterprises) is the central association of the non-profit housing sector and is, at the same time, a central association within the meaning of the Cooperatives Law. It does not seek to operate as a commercial enterprise. Its members are the 10 regional housing-sector auditing associations approved under the Non-Profit Housing Law and the Cooperatives Law, including the Saarländische Genossenschaftsverband (Saarland Cooperative Association) which occupies a special position as it is an auditing association for both the agricultural and industrial sector and is therefore a member of the DGRV as well.

The Bundesvereinigung Deutscher Heimstätten eV is an extraordinary member.

Through these member associations, the GGW has affiliated to it 1 821 housing enterprises, including 1 196 housing cooperatives, nine Heimstätten regional development institutions grouped together in the Bundesvereinigung Deutscher Heimstätten, and 27 other bodies closely associated with the house-building sector. These include the nine auditing association trust agencies, which provide business advice for their members, and a central building materials agency.

The non-cooperative housing enterprises are mostly limited companies (in AG and GmbH form) with local authorities as their major shareholders. Other sources of capital include business enterprises, trade unions, churches, the railways and the post office.

Forty-seven housing enterprises, including 43 cooperatives, have their own savings institution with total deposits exceeding DM 584 million.

3. Administrative bodies

The administrative bodies consist of the (general) Association Congress, the (general) Association Committee and the (general) Association Managing Board.

The Association Congress is the meeting of ordinary members and the 120 representatives of the member organizations affiliated to the members (delegates).

The Association Committee consists of a maximum of 28 members, elected by the delegates of the member organizations.

The Association Managing Board is made up of the Director, elected by the Association Congress, and 10 honorary members appointed by the ordinary members.

4. Decision-making procedure

Decisions are passed by majority vote.

5. Secretariat and staffing

The GGW headquarters is divided into 13 departments: (i) General affairs, (ii) Legal affairs, (iii) Taxes, charges, banking, auditing, (iv) Business management, (v) Cooperative affairs, economic affairs and statistics, ADP, (vi) Technology, (vii) Training, (viii) External relations, (ix) Housing development cooperation dept, (x) Public relations, (xi) Press, (xii) Library, documentation, record office, (xiii) Operational matters, and employs about 40 people.

6. Budget size and contribution arrangements

The size of the budget has not been disclosed. It is estimated at DM 6-7 million.

Members' contributions are determined according to their stock of dwellings and their annual building output, the number of dwellings being of prime importance.

II. AIMS AND PRIORITY POLICIES

The aims and activities of the GGW are set out in its rules. Its objectives are exclusively non-profit and its functions are as follows:

- to develop housing and the non-profit housing sector in all its forms, with due regard to government-subsidized house-building and the cooperative ideal;
- to promote the interests of its members and the non-profit housing enterprises;
- to promote and develop the management and organization of housing enterprises and other institutions, in particular by publishing standard agreements and printed forms, and to establish and administer investment protection funds;
- to encourage the training of housing sector employees, and to stimulate, carry out and evaluate research, documentation and statistical work;
- to foster relations with other countries and especially to assist in the setting up of non-profit housing and settlement activities in developing countries;
- to promote and further develop the auditing system by drawing up auditing guidelines, with the aim of providing the housing enterprises with comprehensive advice and assistance and safeguarding their economic efficiency;
- to inform public opinion on a permanent basis about the aims, role and achievements of the non-profit housing sector and to hold building association congresses;
- to safeguard other interests of the non-profit housing sector arising from laws or internal rules.

The GGW's priority at the moment is the amendment of the Non-Profit Housing Law to take account of the changed circumstances.

III. ACTIVITIES

1. General

The GGW's activities arise directly out of the aims and tasks set out in its rules. These activities are directed inwards, towards the organization, and outwards, towards the public in the broadest sense of the term. Activities related to the organization are concerned first and foremost with questions of business management and the organization of the housing enterprises, auditing by the auditing associations, staff training, and advice on legal and technical building matters. To assist the building enterprises, the GGW produces standard agreements and forms, lays down auditing guidelines and conducts training courses. Information is generally conveyed to members by means of circulars,

through meetings of the GGW's bodies, and via publications. The GGW promotes the interests of the non-profit housing sector *vis-à-vis* the outside world, as represented by government bodies, industrial organizations and the general public. It makes use of a wide range of media in this task, including its own publications, press conferences, public functions, exhibitions, etc. It maintains close contacts with other building and housing sector associations at national and international level and cooperates closely with scientific institutes, and especially those concerned with the promotion of the cooperative system.

2. Economic

As an interest group, the GGW does not operate on the market.

3. Social

The GGW pays particular attention to the training of employees of the non-profit housing enterprises. To this end, it joins with seven regional associations to run the *Ausbildungswerk der gemeinnützigen Wohnungswirtschaft* (training services for the non-profit housing sector), comprising the following:

- a private college for economic studies (housing sector and real estate credit) with about 40 students;
- a private vocational training school for the non-profit housing sector, with about 440 students;
- the housing enterprises' postal tuition institute, with over 500 students;
- a housing-sector college, offering specialist courses for about 1 000 managers and employees.

In addition, the GGW holds a two-week course each year for junior employees of the housing enterprises; this is financed out of the Julius Brecht Fund. Seminars, lasting several days, and aimed at managers and managing board members from housing cooperatives, are also held annually; their goal is to bring theoreticians and practitioners closer together. Particularly important — especially in view of the fact that all non-profit housing enterprises, irrespective of their legal form, are subject to obligatory auditing by the auditing associations — are the annual auditor conferences organized by the association, for the detailed discussion of questions of topical interest arising from the auditing system.

The GGW also encourages in a variety of ways all attempts to implement reformist ideas and aims in the housing sector. Thus it supports experimental building projects aimed at reducing construction costs, conserving energy and applying new technology, improving the living environment and developing special kinds of housing.

4. Other

In accordance with its rules, the GGW organizes at regular intervals the General German Building Association Congress, the largest congress for the house-building industry in the Federal Republic. It also holds annual conferences on energy and on present-day problems in the building and housing sectors, and in 1984 held the first Congress of German Building Cooperatives.

Other special activities arise from its role in assisting with the establishment and development of non-profit and, above all, cooperative housing and settlement activities in the developing countries (cf. Section VI).

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

As the GGW is required to promote the interests of non-profit housing enterprises in the narrower sense and of housing occupants in the broader sense, it is its task to formulate demands in the housing sphere and submit them to legislative and administrative bodies, especially at national level. In view of the many areas of law which affect the activities of the housing enterprises and the interests of occupants, a wide variety of channels exist for exerting influence. These include:

- petitions to the Federal Chancellor and appropriate ministers;
- petitions to parliamentary committees;
- participation in hearings by Bundestag (lower house) committees;

comments on draft laws and statutory instruments;
participation in committees and working groups laying down standards and guidelines;
participation in research projects in the construction and housing sectors;
conducting and participation in public functions concerned with matters of interest to the construction and housing sector.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The GGW is not a member of a European organization but does have bilateral links with the central organizations in the housing sector in some Member States of the European Community (France, Italy, the Netherlands and Denmark). It works closely with the European Cooperative Coordination Committee.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The GGW is a member of the International Cooperative Alliance (ICA), in Geneva, and the International Federation for Housing, and Planning in the Hague.

The GGW fills the post of Deputy Chairman of the ICA Housing Committee; this is coupled with the permanent representation on the Committee on Housing, Building and Planning of the UN Economic Commission for Europe in Geneva.

Within the ICA, the GGW gives particular support to the development and encouragement of cooperatives and self-help initiatives in the Third World; such measures are most likely to be able to help alleviate the housing shortage in the developing countries.

Low-cost housing projects in the Third World are supported, on a selective basis, by DESWOS, Deutsche Entwicklungshilfe für soziales Wohnungs- und Siedlungswesen eV (German Development Aid for Publicly-assisted Housing and Settlement). DESWOS is a non-governmental development aid organization, run by the GGW, the auditing associations and non-profit housing enterprises in the Federal Republic. It operates in close collaboration with the Federal Ministry for Economic Cooperation. DESWOS mobilizes donations and State subsidies for projects, advises self-help groups on financial, technical and organizational matters, and runs training courses for skilled workers in the Third World. A particularly effective form of aid is sponsorship of specific projects by non-profit housing enterprises, as in this way private donations and State subsidies are best able to complement each other.

VII. INTERNAL COHESION

The pluralist nature of the non-profit housing sector ensures that supply is in line with demand in the different areas of the housing market. The unifying force is adherence to the non-profit principle, which imposes special obligations on the non-profit housing enterprises and marks their social commitment. The democratic policy-making process in the organization takes place in the GGW congresses, attended by delegates from the various bodies, in the Association Committee and Managing Board, in the conferences of the housing cooperatives and the house-building associations, and the Managing Board's specialist committees. This active interplay between the central association, the auditing associations and the housing enterprises is essential if the GGW is to fulfil its task in optimum fashion.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

The GGW has no direct representation of its interests *vis-à-vis* the EC. It is represented indirectly via the Free Committee of German Cooperative Associations (Freier Ausschuss der deutschen Genossenschaftsverbände), which consists of the GGW, the German Cooperative and Raiffeisen Union and the Auditing Association of German Consumer Cooperatives. In the course of the preparatory work on the implementation of the eighth EEC directive on the harmonization of company law, for example, the Free Committee submitted to the Council a request that the cooperative auditing

associations (with their organizational structure governed by the regulations on associations) be included in the directive or that a guarantee be given that the present group of cooperative and non-profit auditing associations would remain intact.

IX. PUBLICATIONS

Wohnungswirtschaftliches Jahrbuch (two-yearly).

Tätigkeitsbericht (yearly).

Folding chart 'Wohnungsbau-Zahlenspiegel' (yearly).

Series of publications on recent surveys in the construction and housing sector, with reports on congresses and trade conferences.

Wissenschaft für die Praxis (documentation for managers' seminars) (yearly).

Documents, comments by the GGW on specific matters affecting the non-profit housing sector.

Periodicals:

Gemeinnütziges Wohnungswesen (monthly);

Gut Wohnen, tenants' magazine (monthly);

Wohnungswirtschaftliche Informationen - WI, including legislation on the housing sector (weekly).

Wohnungsbaugenossenschaften in der Bundesrepublik Deutschland.

Ring der Wohnungsbaugenossenschaften, membership list.

Wohnungswirtschaftliche Entwicklungshilfe.

DESWOS auf einen Blick (in four languages).

DESWOS-Brief (quarterly).

DESWOS-Tätigkeitsbericht (yearly).

X. SOURCES

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RIEBANDT-KORFMACHER, ALICE: 'Wohnungsbaugenossenschaften' in the *Handwörterbuch des Genossenschaftswesens* (Wiesbaden 1980).

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Jahrbuch der gemeinnützigen Wohnungswirtschaft 1953.

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Gemeinnützige Wohnungsunternehmen - soziale Verpflichtung und wirtschaftliche Verantwortung, Hamburg 1981. Report by PROF. GEISLER, pp. 135-154.

JENKIS, HELMUT W.: *Ursprung und Entwicklung der gemeinnützigen Wohnungswirtschaft* (Hamburg 1973).

XI. INTERVIEW

Mr Helmut Tepper, Association Director, and Mr K.-H. Nienhaus, responsible for cooperative and economic affairs and statistics were interviewed on 26 November 1982 by Konrad Schwaiger and Susanne Schmidt-Relvas, ESC General Secretariat. Text updated on the basis of a telephone conversation between Mr Nienhaus and Susanne Schmidt-Relvas in August 1984.

9. Co-op Group (Consumer cooperatives and consumer companies)

1. Basic data (1983)

1. Retail undertakings
(not including branches and subsidiaries): 52
2. Members of cooperatives and shareholders of consumer limited companies: 900 000 (cooperatives only: 650 000)
3. Sales outlets: 3 264
 - (a) Supermarkets (Co-op, etc.): 2 487
 - (b) Discount stores (Depot, Prix, etc.): 612
 - (c) 'Plaza SB' department stores: 54
 - (d) Others (DIY stores, etc.): 111
4. (a) Total retail turnover (1981) DM 14 014 million
 - (b) Turnover of the largest undertakings:

Co-op AG, Frankfurt	approx. DM 9 380 million (65%)
Co-op Dortmund eG	approx. DM 1 830 million (14%)
Co-op Schleswig-Holstein eG	approx. DM 1 050 million (8%)
Co-op Nordbayern eG	approx. DM 451 million (3%)
5. Total sales space: 1 973 million m²
— average sales space of sales outlets: approx. 600 m²
6. Share of the retail grocery market: over 10%
7. Employees: 63 000 (cooperatives only: 21 000)

2. Brief historical outline

Private households have been uniting to make joint, and therefore cheaper, purchases of consumer goods in Germany since the 1840s (1845: formation of the *Ermunterung Spar- und Konsumverein*) (savings and consumer society in Chemnitz). Although a number of such societies were set up in the 1850s along Schulze-Delitzsch lines, later years saw the appearance of large numbers of workers' self-help organizations with the aim of producing their own goods; these were influenced primarily by Eduard Pfeiffer (1835-1921), lawyer and member of the Württemberg Assembly. In 1864 Pfeiffer founded the *Consum- und Ersparnisverein des Arbeiter-Bildungsvereins* in Stuttgart (Consumer and Savings Society of the Workers' Education Association of Stuttgart). In 1894, 47 consumer cooperatives set up the *Grosseinkaufsgesellschaft deutscher Konsumvereine mbH zu Hamburg* (GEG — Wholesale Purchasing Association of German Consumer Associations of Hamburg), which made them more independent of private trade. In 1902 a number of consumer cooperatives were excluded from the Schulze-Delitzsch-based *Allgemeiner Verband deutscher Erwerbs- und Wirtschaftsgenossenschaften* (General Association of German Trading Cooperatives), which was dominated by small traders, and this led in 1903 to the foundation of the *Zentralverband deutscher Konsumvereine* (Central Association of German Consumer Societies), which had a membership of 666 consumer cooperatives and also accepted producer cooperatives as members. This centralization was followed by a rapid expansion: membership rose to two million families by 1913, and turnover increased to 600 million marks.

Parallel to these self-help organizations with Social Democratic sympathies, the period from 1902 onwards saw the formation of consumer cooperatives originating in the Christian trade-union movements and wishing to remain politically neutral. In 1912 they combined to form the *Reichsverband deutscher Konsumvereine* (Reich Association of German Consumer Organizations), which set up its own central wholesale purchasing organization (*Grosseinkaufszentrale Deutscher Konsumvereine mbH*) and by 1928 had a membership of 275 cooperatives comprising a quarter of a million consumers.

After the Second World War, the consumer cooperatives dissolved by the National Socialists were re-established. The central association was also re-formed as the sole umbrella organization. The cooperatives' first step was to win back most of their regular members. By 1961 they had a membership of 2.6 million and a turnover of DM 4 300 million. They held 11% of the market at that time.

By the 1960s, however, as a result of structural change in the retail grocery sector (introduction of self-service, increased sales space, concentration of firms, etc.), and the change in the Rebates Law in 1954, which allowed consumer cooperatives to conduct business with non-members but at the same time confirmed the restriction of refunds to 3% imposed in 1933, the relatively under-capitalized consumer cooperatives were labouring under serious competitive disadvantages. They found themselves forced into mergers, sometimes accompanied by conversion into limited companies. In 1967, to speed up this process and to direct the course of its development, the Bund deutscher Konsumgenossenschaften GmbH (BdK — Federation of German Consumer Cooperatives) was formed, which, together with the Revisionsverband deutscher Konsumgenossenschaften eV (RdK — Auditing Association of the German Consumer Cooperatives), replaced the old central association. In 1974 Co-op Zentrale AG was formed, in which the trade-union-owned BGAG (Public-Benefit Holding Company) today has a 48.75% holding. Joint ventures of consumer cooperatives and the trade unions had existed for some time (e.g. Volksfürsorge Lebensversicherung (life assurance) and Gemeinwirtschaftliche Hochseefischerei (deep-sea fishing)).

Little by little, in the years that followed, Co-op AG acquired majority holdings in nine regional cooperatives, which were transformed into branches of the central organization.

3. Size and structure

The undertakings which have their roots in the consumer cooperative movement and, irrespective of their legal form (eG or AG), have been trading under the Co-op symbol since 1969, consider themselves to be members of the Co-op 'cooperative-public benefit' group of companies.¹

Prominent in this group with an approximately 65% share of retail turnover is Co-op AG, which is regarded as one of the pillars of the trade union public-benefit sector (cf. sections on BGAG, Co-op AG, BfG, Volksfürsorge, Neue Heimat). Moreover, as most independent undertakings in the Co-op Group collaborate with it and as dividends (as an expression of cooperative assistance to the individual) are now only provided to a limited extent, there is a tendency in some literature to regard the entire group as belonging to the public-benefit sector (Gemeinwirtschaft).²

In practice the cooperative form of organization now seems to be holding its own within the Co-op Group. The largest cooperative, Co-op Dortmund eG (370 000 members), is increasing its membership every year by about 20 000 and also pays out a dividend which is usually just under 3%. Co-op Dortmund, like a great many other cooperatives, pays interest on paid-up capital in the form of a share dividend, which has become financially attractive since the amendment of the Corporation Tax Law in 1977.

¹ Source: Interview with Mr Dabrunz, authorized representative of the BdK.

² Achim von Loesch: *Die gemeinwirtschaftlichen Unternehmen der deutschen Gewerkschaften*, Cologne 1979, p. 173: 'It was only logical, therefore, for the consumer cooperatives to change their method of operation and convert themselves from the 1960s onwards from self-help organizations into altruistically-oriented undertakings which see consumer activities and market regulation in the interests of a broad spectrum of the community as their paramount public-benefit objective.' (Translation from the German.)
Hans-Erwin Burgbacher: 'Organisationsprobleme im Verhältnis Arbeit-Konsum', *WSI Mitteilungen*, 7/82, p. 436: 'At all events, the actual transformation of the consumer associations into normal suppliers of goods can only be explained in the light of the overall change in the consumer goods markets since the emergence of cooperatives (...). If the present-day Co-op supermarket evidently does not offer more attractive prices than its non-public benefit competition on grounds of principle, but is competing with him for a share of the market (...), this points rather to a very specific and no longer valid factor that prompted the organization of the cooperatives in the last century: the fragmentation (untypical of capitalism) of the retail trade — both in absolute terms and relative to the production sector.' (Translation from the German.)

In spite of the large number of mergers which have taken place in the last 20 years, quite a few of the smallest undertakings with fewer than 10 outlets still survive.¹

The Co-op retail trade has been constantly extending its range of goods. Co-op supermarkets sell between 3 000 and 5 000 different articles, the 'Depot' supermarkets between 1 500 and 2 000 and the 'Plaza SB' department stores up to 60 000 articles. Food, drink and tobacco still provide the mainstay, but the non-food trade (textiles, clothing, hardware, etc.) is also increasing proportionally.

The Co-op Group is branching out into the DIY and leisure markets, with specialist sport shops and, to a still relatively minor extent, travel agency activities.

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I. ORGANIZATION

1. Date of formation

In 1967, the Zentralverband deutscher Konsumgenossenschaften eV (Central Association of German Consumer Cooperatives) was split up into two organizations: the Bund deutscher Konsumgenossenschaften GmbH (BdK — Federation of German Consumer Cooperatives), as the controlling and coordinating body, and the Revisionsverband deutscher Konsumgenossenschaften eV (RdK — Auditing Association of German Consumer Cooperatives) as the auditing body.²

2. Size and structure

The BdK has a membership of 42 cooperative and cooperative/public-benefit undertakings. Co-op AG, as the largest business in the group has a majority of the shares: its branches and subsidiaries are not, however, represented.

The 42 Co-op Group undertakings mentioned above are also members of the RdK, which includes a number of other consumer cooperatives which are required by the Cooperatives Law to belong to an auditing association.

Neither the BdK nor the RdK is subdivided into regional associations.

¹ The development of the group can be shown by the following figures:

<i>Year</i>	<i>1962</i>	<i>1972</i>	<i>1982</i>
Consumer cooperatives/consumer companies	248	110	52
Sales outlets	9 112	4 418	3 319
Sales area	590 000	853 000	1 900 000
Sales area in m ² per shop	65	193	572
Turnover in DM '000 mio	3.5	6.1	13.8
Members	2 583 000	1 906 000	910 000
Employees	62 250	48 300	63 000

² Auditing associations, which perform only two functions of a cooperative central association (auditing and legal and tax advice), are referred to at a number of points in this text.

3. Administrative bodies

(a) *BdK*:

General Meeting;
Federal Advisory Board;
President/Management.

(b) *RdK*:

Association Congress (members' meeting);
Association Council (supervisory body);
Managing Board.

The Managing Board of the Auditing Association and the Management of the Federation consist partly of the same people.

4. Decision-making procedure

Decisions of the General Meeting are taken by majority vote. Unanimity is required in the Federal Advisory Board.

5. Budget size and contribution arrangements

The size of the *RdK*'s budget and the capital of the *BdK* were not disclosed.¹ The two organizations' personnel and other costs are estimated at DM 3.5-4.5 million. In the case of the *BdK*, the contributions are determined by the tasks to be performed and are fixed every two years according to a formula based on turnover.

6. Secretariat and staffing

The *BdK* employs about 10 people, the *RdK* 20.

II. AIMS AND PRIORITY POLICIES

The formation of the *BdK* in 1967 was the result of a discussion on reform, aimed at improving the economic efficiency of the consumer cooperative organization as a whole. The consumer cooperatives, which originally had holdings of more than 70% in this steering and advisory body, were to implement its guidelines, i.e. in the first instance, to amalgamate into larger, more competitive units. This arrangement was only partly successful. The aim of creating a unified image for the entire group was achieved in 1969, however, with the introduction of the Co-op symbol.

Following the transformation of the *Grosseinkaufsgesellschaft* (*GeG* — Wholesale Purchasing Association) into *Co-op Zentrale AG*, the forerunner of *Co-op Handels- und Produktions AG*, in 1972, the *BdK* concentrated on its role as an interest group with the following tasks:

- promoting and safeguarding the interests of the Co-op Group, as a consumer cooperative and public-benefit organization;
- encouragement of competition on a market controlled, in the public-benefit sector's view,² by oligopolies;
- consumer information at national and international level;
- promotion of cooperative democratic participation in those areas which no longer have the cooperative legal form;
- assisting members of consumer cooperatives or shareholders of Co-op companies.

¹ According to a press report reproduced in the 1979 *BdK* report, its capital was reduced from DM 45.5 million to DM 3 million at the end of 1979.

² Cf. footnote 3 in the section on Co-op AG.

III. ACTIVITIES

1. General

The Revisionsverband (RdK) audits member undertakings through its branch offices in accordance with the Cooperatives Law, and advises them on legal and tax matters.

2. Particular activities resulting from the specific objective of the organization

As the body promoting the interests of the Co-op Group, the BdK is in regular contact with ministries, public authorities and national and regional parliaments, with other trade associations and with the interested public. It concerns itself with draft legislation affecting the Co-op Group in the broadest sense, such as competition and agricultural regulations, packaging regulations, and requirements concerning places of work, and takes initiatives to improve the legal environment. Its rules also require it at the same time to further the interests of the consumer.

In this task it relies heavily on the work of the Co-op Verbraucherrat (Consumer Council), the central coordinating body for the local and regional Co-op consumer groups — some 8 000-10 000 active consumers working on an honorary, i.e. unpaid, basis. The Co-op Consumer Council, which meets twice yearly with the participation of delegates from the Co-op consumer groups, may act independently in its dealings with the outside world and is a member of the Arbeitsgemeinschaft der Verbraucher (Consumers' Association) in Bonn.

Among the matters it has been concerned with in recent years are food packaging and labelling, food and agricultural policy, and shareholder and cooperative problems.

The Co-op Group's magazine is called *Der Verbraucher* (The Consumer) and is produced fortnightly by the Co-op publishing company. Although the BdK has no shares in this publishing company (75% are owned by the RdK and 25% by Co-op AG) it acts as the RdK's representative.

The BdK's advisory activities are closely related to its role as an interest group: it conveys information obtained from the administrative and legislative bodies and helps in policy-making within the group with a view to promoting its interests to the outside world.

Individual advice is provided for a fee to small and medium-sized Co-op firms on assortment planning site selection, construction planning, business organization, etc., by subsidiaries of Co-op AG (e.g. Inform Gesellschaft für Organisation und Dataverarbeitung mbH, gesa GmbH Gesellschaft für Absatzberatung mbH, hageba), which offer their services to the whole group.

3. Economic activities

The BdK, as an interest group, does not operate on the market.

4. Social activities

The undertakings in the Co-op Group offer their employees supplementary old-age insurance (company pension). They are members of the Pensionskasse der deutschen Konsumgenossenschaften VVaG (German Consumer Cooperatives Pension Fund), to which employer and employee contributions are paid.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The BdK exerts its influence on public authorities, parliaments and governments by means of statements, participation in hearings and contacts with ministry officials. It has nine regional representatives accredited to the *Land* governments (cf. also monograph on Co-op AG).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

1. International at Community level

(a) Interest groups

The BdK is a member of the European Community of Consumer Cooperatives (Eurocoop) in Brussels, where it represents the German Co-op Group.

(b) *Economic groupings*

2. Bilateral or multilateral with other EC countries

(a) *Interest groups*

(b) *Economic groupings*

Economic cooperation is the domain of Co-op AG.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE EUROPEAN COMMUNITY

The BdK and Co-op AG are members of the International Cooperative Alliance (ICA).

VII. INTERNAL COHESION

The great majority of the cooperative and public-benefit undertakings in the Co-op Group cooperate closely with Co-op AG as regards trade in goods. In 1981, however, after Co-op AG had stopped working with them, two large independent companies (ASKO, Deutsche SB Kaufhaus Aktiengesellschaft, and AVA, Allgemeine Handelsgesellschaft der Verbraucher AG) entered into cooperation with REWE and EDEKA. The loss of sales has since been in part regained.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

Through Eurocoop, the BdK takes a very active part in the Consumers' Consultative Committee and in important agricultural advisory committees of the EC Commission. As a member of Eurocoop, it is also represented by a member of its advisory board on the EC Committee for Commerce and Distribution.

IX. PUBLICATIONS

Der Verbraucher, fortnightly.

X. SOURCES

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BURGBACHER, HANS-ERWIN: 'Organisationsprobleme im Verhältnis Arbeit-Konsum', *WSI Mitteilungen*, 7/82.

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Der Verbraucher, various numbers (1982).

XI. INTERVIEW

Mr Babrunz, authorized representative of the BdK, was interviewed on 5 November 1982 by Susanne Schmidt-Relvas, ESC General Secretariat, for Studies and Research Division. Updated by telephone on 7 August 1984.

B. Mutual insurance sector

Mutual insurance societies (Versicherungsvereine auf Gegenseitigkeit) (VVaG)

1. Basic data (1982)

VVaG under federal supervision: 380

VVaG under *Land* supervision: approx. 2 000 (estimate) including 1 134 burial funds

*VVaG by insurance branch*¹

<i>Insurance branch</i>	<i>No of VVaG²</i>	<i>Premium income in DM mio</i>	<i>% share of market</i>
Life insurance	26	7 726.0	22.9
Pension and burial funds	240	2 760.0	71.5
Sickness insurance (excl. statutory)	39	6 357.0	53.3
Damage and accident ins.	75	7 937.7	18.6

*Damage and accident insurance by branch*¹

<i>Insurance branch</i>	<i>No of VVaG³</i>	<i>Premium income in DM mio³</i>	<i>% share of market</i>
General accident ins.	16	448.0	12.8
General liability ins.	16	681.0	14.8
Motor vehicle ins. total	15	4 268.7	25.3
Legal expenses ins.	3	4.4	0.2
Fire insurance	7	320.8	7.9
Buildings insurance	11	135.2	7.8
Crop hail insurance	4	93.4	54.5
Glass insurance	11	34.0	10.2
Storm insurance	6	14.4	10.6
Contents insurance	12	245.7	11.6

No of employees (large VVaG): 60 000

2. Brief historical outline

Cooperative groups to assist members of a Community in need existed even in ancient times. Germanic northern Europe also had social security, including insurance societies. In the Middle Ages the members of a guild jointly covered the specific risks of their association.

After the waning of the medieval cooperative movement special 'guilds' sprang up here and there in the cities and rural communities of northern Germany for the purpose of mutual assistance in the event of fire. Although membership was not compulsory, they were generally dependent on a commune, a communal association or a cooperative (oldest still surviving fire guild: Schleswig-

¹ The figures come from the 1982 annual report of the Federal Supervisory Office for Insurance and from the Federal Association for Insurance and were supplied by the Association's Deputy Director, Mr V. Uckermann. The figures for damage and accident insurance were obtained by adding those for the individual mutual insurance societies, since the tables showing separate types of insurance do not differentiate between mutual and non-mutual societies.

² Federal supervision only.

³ Total for VVaG shown separately in BAV report.

Holsteinische Brandgilde of 1691). The burial funds also go back to the seventeenth century, a precursor of mutual life insurance.

In the eighteenth century fully independent mutual societies arose in various areas and regions, providing *inter alia* property, hail and livestock insurance (first independent mutual society for property insurance: 1726 in Württemberg; oldest mutual hail insurance: 1797 in Neubrandenburg); the Schleswig-Holstein and Mecklenburg 'cow guilds' (livestock insurance societies), comprised mostly of day labourers, are even older.

It was not until the nineteenth century that the private mutual cooperatives really spread. In 1820 the businessman and industrialist Ernst Wilhelm Arnoldi (1778-1841) founded the Feuerversicherungsbank für deutschen Handelstand (since 1902 the Gothaer Feuerversicherungsbank aG) in Gotha, followed by the Gothaer Lebensversicherungsbank (since 1902 the Gothaer Lebensversicherung aG) in 1827. Both mutual societies were open to anyone wishing to join throughout Germany. Many other insurance societies were set up on their model.

3. Size and structure of the mutual insurance societies (VVaG)

The VVaG is a 'social association' whose object is not to make a profit but to spread risks.¹ It operates on the cooperative self-help principle.² The legal definition ('An association to provide insurance for its members in accordance with the principle of mutuality ...') mentions the following in particular:

- (a) Those insured by a VVaG constitute its membership. Through the VVaG the insured members as a whole form a cooperative to spread risks.
- (b) The members themselves provide the funds to operate the insurance. Profit and loss are borne jointly (distribution of surplus, obligation to pay supplementary contributions).
- (c) In the highest body — directly at a members' meeting or indirectly at a meeting of members' representatives — the insured members exercise supervision over the management of the association and have the final say in the most important questions of business policy.³

By virtue of the Versicherungsaufsichtsgesetz (Insurance Supervision Law — VAG) the mutual insurance societies are today direct insurers and are part of the private insurance industry along with joint-stock and private companies.

The VAG distinguishes between large VVaG whose legal form is derived in part from the law on joint-stock companies and which are allowed by law to provide insurance for non-members against payment of a fixed premium, and small VVaG which are limited as to the risks, regions or persons covered and which come partly under the law on cooperatives.

Insurance undertakings are subject to government supervision either by the Bundesaufsichtsamt für das Versicherungswesen (Federal Supervisory Office for Insurance Companies — BAV) or the individual *Land* supervisory authorities. The criterion for determining whether supervision is by Federal or *Land* authorities is a contributions limit of DM 500 000 which applies uniformly to all insurance undertakings, including VVaG.

As far as the position of the VVaG on the private insurance market is concerned, they have not lost any ground to the joint-stock companies over the last few years. The branch with the largest share of its particular market (71.5% in 1982) is the Pensions- und Sterbekassen aG (pension and burial funds), which always confine their operations to one profession, one group of companies (or one firm), one sector of the economy, one association or one region. The VVaG also have a high market share (1982 approx. 54%) in the private sickness insurance branch which in Germany takes the form of additional insurance to supplement the statutory scheme, full insurance for employees whose income is above the national insurance limit, or insurance for certain self-employed persons.

The VVaG have a market share of 22.2% (1981) in the life insurance branch; irrespective of their legal form undertakings in this sector are subject to the BAV rule that at least 90% of their balance-sheet profits must be paid out to the insured persons. Their lowest market share (17.2%) is in loss, damage and accident insurance.

¹ Brenzel, Jürgen, *Der Versicherungsverein auf Gegenseitigkeit*, Karlsruhe 1975, p. 7.

² Loc. cit., p. 8.

³ Loc. cit., pp. 19 and 20.

It should further be emphasized that the VVaG have in part stopped using the advantages of their legal form in advertising material and that the democratic-cooperative principle of 'one man, one vote' can now only apply for fairly small insurance societies which have a sufficiently small membership to enable members to participate directly in the decision-making process (members' meeting).

Only in the smaller VVaGs do members have honorary or part-time posts.

A special position in the mutual insurance world is occupied by the Pensions-Sicherungsverein VVaG (Pension Insurance Association — PSVaG), which was founded in 1974; under the Law to Improve Occupational Pension Schemes, the object of this association is to insure the current pension contributions and inviolable pension rights of workers against the insolvency of their employer.

Because its aims are social, in the public interest, the PSVaG differs from the traditional VVaG in certain respects:

obligatory membership (for all employers who have subscribed directly or via a staff provident fund (Unterstützungskasse) to an occupational pension scheme);

monitoring of employers' contributions by means of extensive obligations to report and provide information to the PSVaG;

immediate enforcement on the basis of the contribution assessments of the PSVaG.

Contributions are assessed on the basis of the pension reserves of member firms (1981: DM 134 000 million); in the case of the Unterstützungskassen, eight times the permissible capital sum required as cover. The contributions of the just under 34 000 members amounted to DM 269 million in 1981. In 1982 contributions rose drastically, mainly as a result of the AEG settlement, to just over DM 1 000 million. This did not jeopardize the system of private self-help.

The interests of the VVaG in the Federal Republic are safeguarded mainly by the associations of insurance societies, primarily via the Gesamtverband der deutschen Versicherungswirtschaft (General Association of the German Insurance Industry). There are however a few associations of small VVaG in various branches (Verband der (Sach-) Versicherungsvereine aG, Kiel; Deutscher Sterbekassenverband, Bochum; Verband deutscher Glasversicherungsvereine aG, Darmstadt), which are described separately in short monographs. In addition a substantial number of the major VVaG have set up the association described briefly in the following pages.

4. Sources

BRENZEL, JÜRGEN: *Der Versicherungsverein auf Gegenseitigkeit*, (Karlsruhe 1975).

VON GIERKE, OTTO: *Das deutsche Genossenschaftsrecht Band I*, Darmstadt 1954 (reprint of the first edition of 1868).

Bundesaufsichtsamt für Versicherungswesen, *Geschäftsbericht* 1982.

Article in the *Frankfurter Allgemeinen Zeitung*, 10.8.1982.

Article in *Wirtschaftswoche* No 10, 4.3.1983.

Association of Mutual Insurance Societies (Arbeitsgemeinschaft der Versicherungsvereine auf Gegenseitigkeit eV)

Board of Management:

Dr W. HENNIG, *Chairman*
A.W. KLEIN, *Vice-Chairman*
H. FABER
H. KALWAR
J. LIST

Address:

Ägidientorplatz 2a
Postfach 2529
D-3000 Hannover 1

Tel.:

(0511) 80071

Basic data

Member societies: 67

Individual members (policy-holders): approx. 1.5 million

Number of persons employed by member societies: 55 000 — 60 000

Gross premium income: approx. DM 23 000 million

I. ORGANIZATION

1. Date of formation and historical background

In 1960 five large mutual insurance societies engaged in third party, accident and motor-vehicle insurance and/or property insurance formed an association in order to further the special interests of mutual insurance societies in cases where the insurance industry bodies were unable to perform this task. Initially this was a very loose grouping without rules, an elected management board or a budget.

After more and more mutual insurance societies, initially from the above-mentioned sectors but later also from the life and health branches, had joined the *Arbeitsgemeinschaft der Versicherungsvereine auf Gegenseitigkeit eV* was set up on 18 December 1980. As at the end of that year the association had 65 member societies.

2. Membership

The association embraces nearly all major mutual insurance societies subject to federal supervision (excluding Raiffeisen and Volksbank insurance operations in this legal form) which are engaged in the following lines of business:

life insurance;

third party, accident, motor vehicle and legal protection insurance;

private health insurance;

property insurance.

To qualify for membership of the association, a society must be a member of one of the umbrella organizations for these lines of business or a member of the Central Association of the German Insurance Industry (*Gesamtverband der Deutschen Versicherungswirtschaft*).

The members of the association include:

die alte Leipziger;

die Hannoversche Lebensversicherung aG;

die Gothaer Leben;

die Gothaer Versicherungsbank;

die DBK Krankenversicherung;

die LVM Münster;

die HUK Coburg;

der Haftpflichtverband der Deutschen Industrie;

die Iduna-Versicherung;

die Signal — Krankenversicherung.

The association is thus a special vehicle for the promotion of the interests of mutual insurance societies, over and above the general representation of interests by the Central Association of the German Insurance Industry.

The total gross premium income of the member societies in 1983 is estimated by the Chairman, Dr Hennig, to be around DM 23 000 million.

3. Administrative bodies

the Board of Management, which has five members drawn from the four lines of business specified in point 2. (at least one member each); it represents the association in its dealings with the outside world, executes the resolutions of the Members' Meeting and draws up the budget;

the Members' Meeting elects the members of the Board of Management, draws up the budget and is responsible for changes to the rules.

4. Decision-making procedure

Decisions are taken by a simple majority by both the Board of Management and the Members' Meeting.

5. Secretariat and staffing

Secretariat services for the association are provided by the secretariat of the Chairman of the Board of Management (at present Dr W. Henning, Chairman of the Board of Management of the Hannoversche Lebensversicherung aG).

6. Budget and contribution arrangements

The contribution is fixed as a percentage of the annual contribution payable by each member to the Central Association of the German Insurance Industry; it amounts to at least DM 300.

The 1984 budget amounts to about DM 40 000 to be spent almost exclusively on studies and opinions on matters of specific interest to the association.

II. AIMS AND PRIORITY POLICIES

The association is not geared to the conduct of business; it does not concern itself with the business activities of its members. Its object is to promote the specific interests of mutual insurance societies in the Central Association of the General Insurance Industry and the sectoral associations and in international mutual insurance associations.

III. ACTIVITIES

1. Particular activities resulting from the specific objectives of the organization

The association's main activity is furthering its members' interests arising out of their special legal form of mutual insurance society (above all legal questions in connection with sections 18-38 of the Law on Mutual Societies).

The matters involved embrace competition law equality with other legal forms for insurance activities, adequate own capital and in conjunction with this the expansion of insurance business.

The association comes into action when the specific interests of mutual insurance societies cannot be promoted by the Central Association of the General Insurance Industry; questions that concern the entire insurance business, including mutual insurance societies, are handled by the Central Association, which also deals with the appropriate authorities.

In the view of its Chairman, the association makes an important contribution to propagating the idea of group solidarity among policy-holders by pointing out the special advantages of the mutual insurance society. 'Mutual insurance societies make an important contribution to bringing about the social market economy by, on the one hand, stimulating competition with other insurance institutions and, on the other hand, distributing the bulk of their surpluses among their policy-holders or using their surpluses to improve policy conditions.'

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The general interests of mutual insurance societies are promoted by the Central Association and the sectoral associations of the German insurance industry; where necessary, the specific interests of mutual insurance societies are defended direct by the association *vis-à-vis* the federal and the *Land* governments and *vis-à-vis* the lower and upper chambers of the federal parliament.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The association does not at present have any links with other national or European organizations, but is basically interested in cooperation at European level.

There is, however, Community-oriented cooperation in the Common Market Working Group of the European Insurance Committee, which is facilitated by the fact that members, and in particular the Chairman, of the Board of Management have acquired experience in various Community advisory bodies.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE EUROPEAN COMMUNITY

About 40 member societies of the association are affiliated to the International Association of Mutual Insurance Companies (AISAM), Paris.

VII. INTERNAL COHESION

The association deliberately confines itself to promoting the specific interests of mutual insurance societies.

Equal participation of the four lines of business in the Board of Management is assured.

Taking account of these two factors, one can say that the internal cohesion is good.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

The association takes part in the working-out of proposals for translating Community directives into German law and in the preparation and revision of such directives.

This is done via the Common Market Working Group of the European Insurance Committee and the corresponding working group of the International Association of Mutual Insurance Companies (AISAM).

IX. PUBLICATIONS

The association does not issue any publications. It keeps its members informed by means of circulars where necessary.

X. SOURCES

Mutualité, Gegenseitigkeit, Mutualismo, Mutuality, No 23 1980/1 and No 26 1982/1, published by the International Association of Mutual Insurance Companies (AISAM).

'Die Stellung der Versicherungsvereine auf Gegenseitigkeit im System der Unternehmungsformen', opinion by Prof. Grossfeld, (Münster 1984) unpublished.

Bundesaufsichtsamt für Versicherungswesen, *Geschäftsbericht 1982*.

XI. INTERVIEW

Dr W. Henning, Chairman of the Board of Management of the association was interviewed by telephone on 25 October 1982 by Susanne Schmidt-Relvas, and in person in Hanover on 24 July 1984 by Konrad Schwaiger, both of the Studies and Research Division of the ESC General Secretariat.

Federation of Mutual Insurance Societies (Verband der Versicherungsvereine auf Gegenseitigkeit eV)

<i>Chairman:</i>	HEINZ-OTTO REESE
<i>Managing Director:</i>	JURGEN SCHEEL
<i>Address:</i>	v.d. Goltz-Allee 93 D-2300 Kiel
<i>Tel.:</i>	0431/68 16 19

I. ORGANIZATION

1. Date of formation

14.12.1967.

2. Size and structure

Membership of the Federation is open to all non-life insurance societies in Germany. The present membership comprises 119 small mutual insurance societies concentrated in Northern Germany (Schleswig-Holstein, Niedersachsen and Oldenburg). One member society is located in the Black Forest area. The societies deal mainly in agricultural fire insurance and the larger members also provide combined buildings/household contents insurance. At the beginning of 1984 the majority of these societies were showing annual premium income of between DM 50 000 and DM 300 000: 15 of them had income of DM 5-15 million. One society, with DM 145 million, was much larger than the remaining members. Total premium income for all the member societies amounted to DM 232 million.

The Federation's constitution empowers it to operate throughout the Federal Republic. The Federation is a lobby group and is not involved in commercial activity.

3. Administrative bodies

The General Assembly is the Federation's supreme organ. It appoints the honorary board members.

The Board, which consists of four honorary members (the Chairman, the Vice-Chairman and three other members), a full-time member and the Managing Director.

4. Decision-making process

Decisions at the annual general meeting are taken by a simple majority. The Board has sole responsibility for general management decisions; it attempts to reach unanimous decisions on fundamental issues.

5. Secretariat and staffing

The Managing Director is the only paid member of the Board. For secretarial services, the Federation relies on the Reinsurance Association which has been established by Schleswig-Holstein members.

6. Budget size and contribution arrangements

The budget totals approximately DM 50 000 and is drawn largely from a levy geared to total policy value. Consultation fees are another source of income.

II. OBJECTIVES AND PRIORITY POLICIES

The Federation's constitution requires it to represent, promote and protect the joint interests of its members in the area of non-life insurance.

In concrete terms, this means that the Federation is actively involved in upholding the long tradition of agricultural indemnity insurance (above all fire insurance) provided by the cooperative, democratic, non-profit societies. Its activity is therefore geared not to expanding the business activities of its member associations (this would hamper the process of democratic decision-making) but to maintaining the number of societies and securing their viability (e.g. by taking on further types of indemnity insurance).

III. ACTIVITIES

1. Special activities resulting from the specific objectives of the Federation

The Federation acts as a clearing house for the member societies and the Managing Director believes that it is crucial to their survival.

Its activity is largely but not exclusively internal. It covers the following aspects:

Pressure on members to take steps to secure their survival. This aspect is particularly important in view of the fact that the smaller associations lose 5% of their membership every year through death. To make the 'guilds' attractive for the rising generation, the Federation urges the executives to encourage the societies to undertake joint house/contents insurances.

Advice on audits or undertaking of annual audits for member associations for a fee. Advice on technical matters, such as settlement of claims, collection of premiums, etc.

Organization of annual regional conferences (a total of 15) to brief the executives on developments in the field of insurance, the scope for customer advertising (the Federation feels that advertising is necessary to counter the low level of public knowledge about insurance guilds), motivation of staff, etc.

The Federation cannot be described as a lobby group in the normal sense of the word. It advises its member associations in connection with individual approaches to the supervisory authorities, including the Federal Supervisory Office. The Federal Supervisory Office has jurisdiction over some smaller associations which have a high premium income despite the fact that they are run on a voluntary basis.

The Federation also liaises between its members and the Association of Non-Life Insurance Companies to which some of the larger members belong. The Federation itself is also a member of the Confederation of German Insurance and defends the specific interests of mutual insurance associations within the relevant sub-committee.

2. Economic activities

As stated above, the Federation is not directly involved in the insurance market.

3. Social activities

None.

4. Cultural activities

The Federation sees itself as the defender of part of Germany's cultural heritage since the guilds were founded several hundred years ago and in many cases are the last vestiges of a village community based on mutual support. This tradition still survives in the guild festivals in which the entire village takes part and which are funded entirely by the guilds.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

Via the Mutual Insurance Committee of the Confederation of Insurers.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

At the moment the Federation has no links with other national or European associations but is broadly interested in cooperation at EC level.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE EUROPEAN COMMUNITY

None.

VII. INTERNAL COHESION

Internal cohesion is excellent. There are close personal contacts between the management and the honorary members of the societies who are kept up to date about developments. The common interest in maintaining the guilds as part of Germany's cultural heritage helps to cement relations between the members.

The Schleswig-Holstein members keep in touch with each other via the Reinsurance Association.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

As stated above the Federation is represented on the Mutual Insurance Committee of the German Federation of Private Insurers which in turn belong to the European Committee on Insurance. The Federation is therefore involved in drafting proposals designed to incorporate EC directives into German Law. It is also involved in the drafting and revision of these directives. The member societies are affected in particular by the EC directive on company balances which will require an amendment in the German legislation on the accounting procedures of smaller societies.

IX. PUBLICATIONS

The Federation has no publications. Circulars are however issued regularly.

X. SOURCES

The Federation of Mutual Insurance Societies, Kiel:

Constitution;

Various circulars

cf. Sources for Sections 1 and 2.

XI. INTERVIEW

Mr Jurgen Scheel, Managing Director of the Association, was interviewed on 13 January 1983 by Susanne Schmidt-Relvas, ESC General Secretariat. Updated by telephone on 17 August 1984.

German Association of Burial Funds (Deutscher Sterbekassenverband eV)

<i>Chairman:</i>	HEINZ SCHLUPMANN
<i>Manager:</i>	JOHANNES SMIT
<i>Address:</i>	Aleestr. 119 Postfach 546 D-4630 Bochum 1
<i>Tel.:</i>	0234/120.30

General survey of burial funds in Germany

Burial funds were first established in Germany about 300 years ago. Their modern counterparts are small insurance companies within the meaning of Article 53 of the Insurance Supervision Law. They fall into three categories: (i) company funds (limited to staff); (ii) regional funds (territorial limitation); and (iii) companies which deal exclusively in burial fund insurance, (operational limitation). At the moment there are 1 231 funds subject to supervision under the insurance laws, including 97 which are subject to federal supervision. No statistics are available for the small funds which have been exempted from the supervision obligation.

The burial fund system has a total membership of around 4 million. In 1980, burial fund policies totalled 4 million, equivalent to an insured sum of DM 7 200 million. A comparison with the life assurance sector puts this into perspective. In 1978 5.8 million new life insurance policies, equivalent to an insured sum of DM 118 000 million, were taken out.

The Federal Supervisory Office for Insurance Companies and Building Societies fixes the ceiling for burial fund policies. The present ceiling is DM 10 000. The burial funds are therefore not in competition with life assurance companies. They see themselves as filling a gap in the insurance net by providing adequate insurance cover for the lower income bracket.

I. ORGANIZATION

1. Date of formation

9 September 1950.

2. Size and structure

As of 31 December 1982, 346 funds belonged to the Association, equivalent to 55% of the total number of burial funds in Germany. The Association has branches throughout the entire Federal Republic and West Berlin but the bulk of its membership (approximately 200 funds) is concentrated in Nordrhein-Westfalen.

The Association is the only pressure group in this sector. It has no commercial function.

3. Administrative bodies

The General Assembly consists of representatives of the member funds (each fund is entitled to one member with voting rights);

The Advisory Board comprises 15 representatives of the member funds elected for four years by the Assembly (each *Land* and West Berlin provides at least one board member);

The Management Board is elected from the membership of the Advisory Board and comprises the Chairman and the first and second Vice-Chairmen.

Advisory and Management Board members perform their duties without payment.

4. Decision-making procedure

Decisions are taken by a majority vote.

5. Secretariat and staffing

The Association has no salaried staff. All workers are voluntary.

6. Budget size and contribution arrangements

The contribution basis is fixed by the General Assembly. At the moment, member funds pay a levy of five Pfg per year for each insured member. The Association's budget is therefore estimated at less than DM 100 000.

II. AIMS AND PRIORITY POLICIES

The Association's constitution requires it to:

- defend the interests of its members;
- provide and exchange useful information;
- provide information, advice and assistance on legal, financial and organizational matters;
- provide legal assistance on fundamental issues insofar as the Management Board considers this to be consistent with the interests of the Association.

The Association is therefore devoted to securing the survival of the burial funds which 'are the forerunners of today's life insurance giants and are entitled to continue to operate and expand, particularly because they are and will continue to be the only institutions capable of providing the lower income bracket with modest insurance cover at appropriate premiums.'¹

The Association has set itself the following practical objectives — some of which have already been achieved — with a view to safeguarding its future:

- introduction of endowment benefits in affiliated companies so as to recruit more younger subscribers (agreement in principle from the Federal Supervisory Office for Insurance Companies and Building and Loan Associations (BAV) at the beginning of 1981);
- encouraging the smallest burial funds, which may exempt themselves from insurance control, to continue to accept in order to continue to give the best possible protection to individual subscribers;
- the establishment of larger funds in order to prevent closures or transfers to life assurance companies;
- setting up of joint administrative services which would carry out particular tasks (book-keeping, accounts, management of cover funds, etc.) on a central basis for affiliated funds;
- stronger support for the burial funds from the supervisory boards;
- simplification of various administrative provisions in order to ease the workload of the managers of the smaller burial funds who frequently work in an honorary capacity;
- the introduction of dynamic contribution and benefit plans following the example of life assurance companies.

III. ACTIVITIES

1. Particular activities resulting from the specific objectives of the Association

Services for affiliated funds:

- individual advisory service in matters relating to insurance calculations, making out balance sheets, electronic data processing, investment, interpretation of tax provisions, etc.;
- support for funds experiencing difficulties with the supervisory boards;
- practical administrative work, such as the preparation of printed forms;
- regional information meetings and conferences;
- issuing and processing of questionnaires on behalf of all burial funds;
- publication of a bulletin providing affiliated funds with comprehensive information on the latest developments with regard to the relevant legal provisions;
- stimulating affiliated funds into providing competitive terms.

Work carried out on behalf of affiliated funds with external bodies:

- ongoing personal contacts with all the responsible federal and state authorities and, in particular, a continuous dialogue with the BAV;
- lobbying of legislative bodies;
- contacts with other insurance associations.

¹ Excerpt from a speech by the Association's Manager, Mr Johannes Smit to the General Assembly on 20.5.1978.

2. Economic activity

The Association is not engaged in economic activities.

3. Social, cultural and other activities

Not applicable.

IV. CHANNELS OF INFLUENCE ON NATIONAL PUBLIC BODIES

The views of the Association are sought by both the federal and state authorities prior to the introduction of changes in laws and the introduction of regulations. The Association also lobbies on its own initiative by means of submissions to the federal and state parliaments, ministries and the supervisory boards.

V. LINKS WITH OTHER ASSOCIATIONS IN THE EEC AND IN OTHER STATES

The Association is not affiliated to any European or international associations.

VI. INFLUENCE ON COMMUNITY ACTIVITIES

Not applicable.

VII. PUBLICATIONS

Die Sterbekasse (The Burial Fund) (newsheet appearing at irregular intervals).

VIII. SOURCES

Replies to the questionnaires sent out by the Studies and Research Division of the the ESC General Secretariat.

German Burial Fund Association:

Statutes.

Volumes 52 to 56 of *Die Sterbekasse.*

cf. source material for Sections 1 and 2.

IX. INTERVIEW

None.

Union of German Mutual Glass Insurance Associations (Verband Deutscher Glasversicherungsvereine auf Gegenseitigkeit eV)

President and Managing Director: ADOLF GONNERMANN

Address: Schuchardstrasse 12
Postfach 11.03.68
D-6100 Darmstadt 11

Tel.: 06151/20851

I. ORGANIZATION

1. Date of formation

1933.

2. Size and structure

Membership of the Union is open to any glass insurance association in the Federal Republic which has been authorized by a supervisory authority and which provides its policy-holders with a right to claim for damages under its constitution. At the current time the Union has 33 members in various parts of the Federal Republic. The annual income from premiums of these associations varies from DM 20 000 to DM 400 000.

The affiliated associations are relatively small mutual insurance associations in view of the limited fields which they cover. Some of them restrict their operations to particular regions whereas others operate throughout the Federal Republic. Some also limit their operations to particular trades, such as the baking industry. The Federal Supervisory Office for Insurance Companies and Building and Loan Associations' (BAV) annual report for 1981 lists only one mutual glass insurance association as being subject to federal supervision.

The Union is engaged in economic activities.

3. Administrative bodies

The General Assembly elects the Management Board and the Advisory Board;

the Management Board comprises the President and the Vice-President;

the Advisory Board comprises the two members of the Management Board plus between two and five further members.

4. Decision-making procedure

Decisions are usually taken by a simple majority of the votes cast.

5. Secretariat and staffing

The President of the Union is also responsible for managing its affairs. The secretariat (comprising one employee) is shared with the Rhein-Mutual Glass Insurance Fund in Darmstadt.

6. Budget size and contribution arrangements

The Union's budget amounts to approximately DM 20 000. The annual subscription of each member association comprises 1% of its actual premium income, subject to a lower limit of DM 50 and an upper limit of DM 1 200.

II. AIMS AND PRIORITY POLICIES

Under the articles of the Union, its task is to protect and represent the interests of its members in the German economy as a whole.

III. ACTIVITIES

1. Particular activities resulting from the specific objectives of the Union

The main activity of the Union is to provide individual advisory services and other back-up facilities for affiliated associations, e.g. in cases where problems arise with inspections by the supervisory authorities or in disputes with subscribers.

Questions and problems relating to affiliated associations are also aired and suggestions are put forward on a more general level by means of circulars, meetings of members and working parties.

Affiliated associations are not allowed to engage in comparative advertising. The Union itself does not advertise on behalf of its members as a whole but encourages individual associations to carry out their own advertising campaigns.

The Union also provides affiliated associations with information on relevant legal provisions and decisions taken by the supervisory authorities. It also advises on the drawing up of accounts, the calculation of contributions, investment, etc.

2. Economic, social and other activities

Not applicable.

IV. CHANNELS OF INFLUENCE ON NATIONAL PUBLIC BODIES

The Union is not represented on any national advisory body. It exerts its influence in connection with the drafting of legal provisions via the Mutual Insurance Association Committee of the National Association of German Insurers.

V. LINKS WITH ASSOCIATIONS IN THE EUROPEAN COMMUNITY AND OTHER COUNTRIES

The Union is not affiliated to any EC or other international professional associations.

VI. PUBLICATIONS

The Union does not issue any publications. Members are kept informed by means of circulars.

VII. SOURCES

Replies to the questionnaire sent out by the Studies and Research Division of the ESC General Secretariat.

Articles of the Union of German Mutual Glass Insurance Associations.

VIII. INTERVIEW

Telephone conversation on 6 April 1983 between Mrs Schmidt, from the secretariat of the Union and Susanne Schmidt-Relvas, ESC General Secretariat.

C. Non-profit sector

1. BHW Building Society

(Beamtenheimstättenwerk — a non-profit building society for the public service)

<i>Management:</i>	Dr LOUIS STORCK, <i>Management Spokesman</i> KARL BREVES LOTHAR FIELZEK Dr BODO KUNSTLER Dr HARALD SCHMID, <i>European Community and foreign relations</i>
<i>Address:</i>	Lubahnstr. 2 D-3250 Hameln
<i>Tel.:</i>	(5151) 181
<i>Telex:</i>	092893

Basic data (31.12.1983)

Balance-sheet total:	DM 32 340 million
Employees (on 31.12.1981):	4 469
— of which:	
Head office:	3 335
Field workers:	1 134
Existing contracts:	3 920 000 contracts for a total sum of DM 161 900 m (deposits plus loans)
Building loans:	DM 30 100 million
Savings deposits:	DM 26 100 million
Receipts:	DM 8 300 million
Market share:	19.5% (existing contracts) 13.0% (new business)

I. ORGANIZATION

1. Date of formation and brief historical outline

The Beamtenheimstättenwerk (BHW) was formed on 3 April 1928 by the Deutscher Beamtenbund (German Public Servants' Federation), the Allgemeiner Deutscher Beamtenbund (General Federation of German Public Servants) and the Deutscher Beamtenwirtschaftsbund, (German Public Servants' Economic Federation), which at that time were the central bodies representing public servants.

The BHW was set up in response to the serious housing shortage in the conurbations, which particularly affected public servants, who, at that time, were still very poorly paid.

Since the turn of the century, Johannes Lubahn, a former postal worker who had been greatly influenced by the land reform and housing movement of Dr Adolf Damaschke, had been striving tirelessly to improve living conditions for German public servants. After the First World War the way was paved for the formation and development of an efficient self-help public service organization by the following measures:

The Public Servants' Housing Regulation of 11 February 1924, under which the Reich Government authorized the capitalization of part of the pension rights of retired officials for the purchase of a house and at the same time made low-interest loans available to public servants.

The law (of 30 June 1927) on the assignment of public servants' earnings for house-building purposes. This law provided the public servants' self-help organization with a sound and secure financial basis for the financing of building projects within the framework of building society savings contracts for the public service and thus laid the foundations for the continuing expansion of this type of asset formation.

The Insurance Supervision Law of 1931 provided for the official authorization of private building societies. They were subjected to auditing and supervision by the Reich Supervisory Office for Private Insurance. In 1932 there was a total of 29 private building societies, in addition to the 18 public-law building societies of the German Savings and Giro Association.

Even after the 'Gleichschaltung' under the Third Reich, which resulted in the departure of the founder members and the transfer of the BHW to the Reichsbund der Deutschen Beamten (Reich Federation of German Public Servants), the BHW continued its upward trend into the war years.

At the end of the Second World War, the BHW head office in Berlin-Charlottenburg was taken over first by the Soviet military authorities and later by the British military government.

After a difficult new beginning in the then three Western Zones and in Berlin, the BHW grew rapidly. The Hameln office soon became the new centre of the BHW's expansion. The BHW's rapid growth after the war was helped by the entry into force of the House-Building Premiums Law in 1952 and later of the 312-DM Law on asset formation. In 1952, the BHW was recognized as an 'instrument of national housing policy', as defined in §28 of the Law on Non-Profit Housing, and as a result was exempted from corporation tax, property tax and trade tax.

Benefiting from the favourable conditions, the BHW quickly became in the 1960s and 1970s one of the largest private building societies. Together with the Schwäbisch Hall Building Society, it now heads the list of the 18 private and 13 public building societies in the Federal Republic of Germany.

The following figures show the situation as at 31.12.1981:

	<i>New business</i> %	<i>Total contracts</i> %
BHW	13.0	19.5
Schwäbisch Hall	22.9	20.7
GdF Wüstenrot	12.1	14.3

2. Size and structure

The BHW, as the building society for the public service, operates in the legal form of a GmbH (private limited company). In 1983 it had a balance sheet total of DM 32 340 million, savings deposits of DM 26 100 million, a loans-granted total of DM 30 100 million, a total of 3 920 000 contracts (276 231 of them accounted for by new business for 1983), receipts of DM 8 300 million and allocations of DM 7 500 million per annum, making it joint leader, with the Schwäbisch Hall, of the German building-society market.

As a major company in the services sector, with some 4 469 employees, about 500 independent agents and a large number of representatives in national, regional and local authorities and undertakings, the BHW has an effective structure enabling it to provide a direct building-society service to public servants (officials, salaried employees and wage-earners).

Since 1962 officials and other servants of the European Communities have also been able to enter into savings contracts with the BHW. In the second half of the 1960s and in the 1970s this facility was also extended to a number of other European institutions, such as the Council of Europe and the European Space Agency.

For several years it has been possible, under a cooperation agreement with the Luxembourg Confédération générale de la fonction publique (General Public Service Confederation), for Luxembourg officials and salaried employees in the public service also to save with the BHW.

The BHW is therefore one of the pioneers of a future European building-society savings market.

The BHW's shareholders, each with a 50% holding, are the DGB (German Trade-Union Federation) and its member unions through BGAG (Public-Benefit Holding Company) in Frankfurt, and the Deutscher Beamtenbund (German Public Servants' Federation) through its BTA operating and investment company in Bonn.

As a large company in the services sector, employing about 4 500 people, the BHW is a co-determined undertaking as defined in the 1976 Co-Determination Law.

It regards itself as a public-service self-help organization in the building society sector. As a result of the budget structure law, which came into force on 1 January 1976, the BHW lost its status as an 'instrument of national housing policy' and therefore became liable to tax (corporation tax, property tax and trade tax). Only one section, the *Verwaltungsstelle für Wohnungsfürsorgemittel des Bundes und der Länder*, which is quite separate as regards operation and organization, still operates as an 'instrument of national housing policy'. Despite the loss of its 'instrument' status, the BHW continues to be a non-profit building society.

Because of its size, the BHW cooperates in the lending sector with all banks, credit cooperatives, savings banks, etc. It is anxious to maintain the favourable conditions applying to BHW savings contracts.

The BHW has business links with a number of building firms and large companies producing prefabricated housing. It also has a cooperation agreement with the *Quelle* mail order firm.

In recent years the BHW also acquired interests in a number of companies in the banking sector. In 1981 it acquired a majority holding (98%) in the *Allgemeine Beamtenbank AG*, of Hamburg, which now operates as the *BHW Bank AG* from the BHW head office in Hameln and has no branch offices. The BHW Bank prefinances building society savings contracts and is active in building finance. It accepts savings deposits, issues savings certificates and operates the BHW's special 'capital investor' programme. The range of services it offers is being gradually extended.

In addition, the BHW group owns 25% of the *Allgemeine Hypothekenbank* in Frankfurt-am-Main. The other shareholders are the *Deutsche Beamtenversicherung* (public servants' insurance company), the *Volksfürsorge* and the *Bank für Gemeinwirtschaft*, which also have 25% each.

The *BHW-Gesellschaft für Wohnungswirtschaft mbH* (BHW Housing Company Ltd.) serves the other enterprises in the group as a holding company for housing and building society interests.

Another company, *BHW Immobilien GmbH* (BHW Property Ltd.) extends the services of the group by estate agency activity on a national basis and other property transactions.

In 1982 the *Allgemeine Heimstättenwerk (AHW)* was set up as an associate of the BHW.

The shareholders of the BHW, namely the *Deutscher Beamtenbund* and the *DGB*, each have a 50% share in this undertaking through their holding companies.

The formation of the AHW enables savings contracts to be drawn up with savers outside the public service and to be administered independently of the BHW savings contracts. The AHW fills a need, therefore, by permitting the BHW Group to accept such outside applications for savings contracts. Shares are also held in the *Bank-Bauspar-Versicherungs-Service mbH (BVS)*, of Wiesbaden, and in the *Gemeinnützige Wohnungsbaugenossenschaft Nord*, e.g., in Schleswig.

3. Administrative bodies

The administrative bodies of the BHW are:

- General Meeting;
- Supervisory Board;
- Management;
- Advisory Board.

Management

The Management is made up of five managers with equal rights, who are responsible for the following areas of activity:

- spokesman, who represents the BHW, particularly *vis-à-vis* the outside world;
- marketing;
- lending and financing;
- accounting;
- administration — personnel — social services.

The Supervisory Board (with parity representation) consists of 20 members altogether, 10 of whom represent BHW employees and 10 the shareholders. On the basis of the shares held by the DGB through BGAG and by the Deutscher Beamtenbund through BTA, these two groups each provide five members of the Supervisory Board.

The Advisory Board has 22 members at present, including representatives of trade and industry, interest groups and politics.

4. Decision-making procedure

The five managers who make up the management work on the 'departmental' principle, i.e. each manages his own affairs on his own responsibility in accordance with a functional distribution plan. Decisions involving more than one area of activity are generally taken by agreement among the five managers; in the rare cases of disagreement a decision is taken by a majority vote.

Supervisory Board decisions are taken in accordance with the Co-Determination Law, i.e., normally by qualified majority.

5. Secretariat and staffing

Of the 4 469 staff employed by the BHW, 3 335 work at its head office in Hameln, while 1 134 work 'in the field' at BHW branches and advice centres. There are also about 500 independent agents.

Employees fall into 10 different wage brackets, including categories such as senior clerk, section leader, and senior section leader. Departmental heads, authorized representatives (with full power of attorney), departmental managers and directors have individual contracts.

6. Budget size

As GmbH (private limited company), the BHW had a balance-sheet total of DM 32 300 million on 31 December 1981.

Staff costs amount to approximately DM 287.4 million a year, including social security contributions and expenditure on retirement pension schemes.

II. AIMS AND PRIORITY POLICIES

The BHW's aim is to finance home-ownership by public servants by means of building loans on favourable terms. It pursues this aim by concluding a large number of building society savings contracts with public servants. Its priority policies are therefore aimed at maintaining and extending its building society business in the public service sector.

To this end it seeks to bring about favourable conditions for the propagation of saving for home ownership — conditions which involve, on the one hand, the maintenance and extension of government measures to assist building-society savers and, on the other, corresponding tax and credit-policy measures by the public authorities.

III. ACTIVITIES

As a private building society organized on self-help lines for public servants, the BHW directs its activities towards enabling as many savers as possible from this sector to acquire a home of their own on favourable terms.

1. Economic activities

The BHW's business, which has expanded enormously in the last 10 years, covers a wide spectrum of savings arrangements with options for bridging loans for savers wishing to build at short notice. It pays interest on credit balances on savings accounts and provides low-interest loans within the framework of savings contracts.

In addition to the head office, which coordinates the financial arrangements and the conclusion of savings contracts, the BHW is represented in some 380 centres in all parts of the Federal Republic (*Land* and regional offices, advice centres, branch offices and information centres), which provide extensive information to help potential savers in their decision to place their savings in the building society.

This nation-wide, closely-knit network offering services to potential savers, is complemented by cooperation with the large mail order firm, Quelle.

This range of services has been rounded off with the introduction of a computer link-up between the advice centres and the head office in Hameln which makes it possible to arrange financing very quickly and simply.

2. As a self-help organization for the public service

The BHW gives its savers a share in profits. In 1983, about DM 120 million were credited to savers with building loans, which in practice amounted to a reduction in the rate of interest on the loan. Profit-sharing has now been taking place for over 25 years. Moreover, the customary fee of 1% of the contract sum (deposits plus loan) is not levied until the saver obtains the loan.

As the BHW is responsible for the administration of public funds for housing assistance from local, regional and national authorities, this means that the entire financing of building projects for public servants can be more easily arranged and therefore becomes more attractive.

The financing of building projects is also made easier by the fact that the BHW's lending policy allows loans at up to 100% of the market value for established public servants and people equated with them.

3. Social and other activities (cultural, etc.)

Vocational training, specifically tailored to a career in the BHW, is carried out in the Training Division, which always has up to 250 people in training as bank employees.

In the cultural field, the BHW is financing the following projects:

- painting competitions in schools;

- an art competition 'Housing — dreams and hopes', with the magazine *Schöner Wohnen*;

- the 'Murrhardter Seminar', bringing together journalists working on BHW from the shareholders' publications in an annual conference.

An intensive public relations campaign is also directed towards economic and trade journalists.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

(Legislative and administrative)

In order to achieve the objectives referred to in Section II, the BHW engages in comprehensive publicity relations activities covering *inter alia* the national and regional legislative bodies and the appropriate *Land* and national ministries.

The five BHW managers, and the Management Spokesman in particular, are therefore in permanent and intensive contact with the leaders of the banking sector industry in general, and the political world. In recent years the BHW has particularly advocated selective measures by the State to give fresh impetus to saving through building societies, as the BHW feels that government intervention in the arrangements to encourage building-society saving since 1980 has had an adverse effect on the role of single-family and two-family houses as a stabilizing factor in the housing and building industry.

One of the BHW's demands, State subsidies for bridging loans for would-be builders until repayment through allocation of the loan under the savings contract, was taken up by the government which took office in October 1982 and is already being implemented as part of its immediate programme to revitalize the building industry.

As an influential member of the Verband der privaten Bausparkassen (Private Building Societies' Association) in Bonn, the BHW is able to promote the particular interests of building societies and the sector as a whole *vis-à-vis* parliaments and the executive.

The BHW is a member of the Deutscher Beamten-Wirtschaftsring in Düsseldorf, the Verband der privaten Bausparkassen eV in Bonn, the Deutsches Volksheimstättenwerk in Cologne, and the Institut für Städtebau, Wohnungswirtschaft und Bausparwesen in Bonn.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The BHW is a member of the European Federation of Savings and Loan Institutions for Construction, which has members from 11 countries, including six Community countries (Federal Republic of Germany, France, the UK, Denmark, Greece and Ireland), four other European countries (Norway, Sweden, Austria and Turkey) and Tunisia.

It has a bilateral cooperation agreement with the Luxembourg Confédération générale de la fonction publique (CGFP — General Public Servants' Confederation), which enables Luxembourg public servants to enter into savings contracts with the BHW.

VI. LINKS WITH INTERNATIONAL ORGANIZATIONS

The BHW is a member of the International Union of Building Societies and Savings Associations in Chicago.

VII. INTERNAL COHESION

The rapid rise of the BHW to become one of the major German building societies is an example of the way in which shareholders with very different fundamental outlooks are able to work together in a practical way in the common interests of their members.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

Insofar as Community-wide decisions are already being taken in the building society sector, the BHW exerts its influence firstly through the European Federation of Savings and Loan Institutions for Construction, and secondly through direct contacts with Commission members, MEPs and members of the Economic and Social Committee. Specific problems arising in connection with the BHW's role as a body authorized to conclude building-society savings contracts with European and Luxembourg public servants can be tackled in informal talks with the German members of the Commission and with representatives of the Luxembourg administration.

IX. PUBLICATIONS

Wohne im eigenen Heim (quarterly information sheet for BHW savers).

BHW. Information brochure for Germany's public service (occasional publication).

BHW-Kurier. House journal for BHW employees (12 times a year).

BHW-Aktivel. An information bulletin for BHW savers with the EC institutions (four languages, three times per year).

X. SOURCES

50 Jahre BHW – Vermögensbildung für Deutschlands öffentlichen Dienst (1928-1978).

BHW-Geschäftsberichte (1979, 1980, 1981)

BHW-Kurzbericht über das Geschäftsjahr 1981.

Answers to the questionnaire issued by the General Secretariat of the Economic and Social Committee. October 1982.

XI. INTERVIEW

Dr Harald Schmid (Manager, BHW), Mr Kurt Holland-Letz (Director, BHW), and Mr Matthias Schnabel (Press Department, BHW) were interviewed on 21 October 1982 by Konrad Schwaiger, ESC General Secretariat. Updated by Dr Harald Schmid, BHW Manager, July 1984.

2. Federal Association of Independent Welfare Institutions (Bundesarbeitsgemeinschaft der freien Wohlfahrtspflege) (BFWP)

Chief Executive: K.H. THIEL
Address: Franz-Lohe-Strasse 17
 D-5300 Bonn 1
Tel.: 0228/2261

Basic data (1.1.1981)

Institutions and services: 58 086
 Mutual and other groups: 16 538
 Number of places/beds: 2 181 506
 Employees: 592 870 (448 838 full time and 144 032 part time)
 Voluntary workers: approx. 1.5 million

1. Size and structure of the independent welfare institution movement

The independent welfare institutions in the Federal Republic comprise six large associations, all with different religious or ideological backgrounds:

- Workers' Federal Welfare Association;
- Lay Order of the Evangelical Church in Germany;
- German Roman Catholic Charitable Association;
- German Red Cross;
- Central Welfare Organization for Jews in Germany.

The specific nature and functions of the independent welfare institutions can be summarized as follows:

Based on the principle of voluntary service, they bring together a desire to help the underprivileged and an underlying unity of purpose, and allow these to develop via coordinated and specific work. Independent welfare institutions draw upon participative discussion and decision-making in manageable groups where practical democratic working together becomes possible. They avoid organizing social work in monolithic structures far removed from the needs of the average citizen.

The fact of there being several such organizations means that those anxious to undertake social work on a voluntary basis can do so in a group that corresponds to their ideological background and aims. At the same time those needing help can seek it with an organization they can trust.

The work of the independent welfare institutions tends to be more flexible than that of the State social welfare schemes. It is particularly noticeable in the training and development of social workers for new types of activity, which often stem from its initiatives.

2. Areas of activity covered by the independent welfare institutions

Independent welfare institutions play a vital role in the service sector of the economy. The range of services they provide broadly covers the following fields:

- (a) Hospitals (including rehabilitation centres, clinics and sanatoriums);
- (b) Caring for youth (including sanatoriums, children's and youth villages, country holiday centres, youth hostels, etc., day centres and homes for children and youth (kindergartens, child minding centres, youth advice centres and other services);

- (c) Caring for families (including homes, day centres, advice centres and other services);
- (d) Caring for old people (old people's homes, day centres, advice centres and other services);
- (e) Caring for the handicapped (homes, day centres, workshops, factories, training centres and schools, advice centres and other services);
- (f) Institutions and services for particular social groups, e.g. homes for ex-convicts, the homeless, immigrants, students, displaced persons, women, day centres, schools, advice and help centres (e.g. traveller's aid centres, advice centres for immigrants, refugees, drug addicts and displaced persons); health services and ambulance services;
- (g) Training centres for persons in social and health services;
- (h) Self-help groups and clubs outside the institutions themselves.

3. Size of the sector

There are nearly 600 000 employees, including some 450 000 full time employees, plus a further 1.5 million voluntary workers in this sector. It is their work which makes possible the maintenance of some 58 000 institutions and services, providing a total capacity of 2.2 million beds/places. They represent some 2% of the total number of employees in the Federal Republic.

The top welfare institutions which form the Federal Association of Independent Welfare Institutions have access to very substantial funds in order to achieve their aims. Their activity within the services sector is thus of substantial economic importance.

France

CHAPTER I: Introduction and overview

A. ORGANIZATIONS AND ENTERPRISES OF THE FRENCH SOCIAL ECONOMY

1. Brief history of the French social economy [1]

(a) *Origins*

The term 'social economy' has now come into general usage in France for the cooperative, mutual benefit and non-profit sector. It was introduced into the official language in December 1981, when it was used in the title of the new 'interministerial delegation for the social economy'.

The concept is, however, far from new. When the mediaeval guilds set up funds for those of their members who had accidents, and when country-folk helped one another at harvest time, they established an economic relationship based on interdependence rather than the exclusive quest for individual profit. That is the essence of the social economy, whose principles have been widely followed for centuries.

However in France, with the exception of a few isolated examples, it was not until the nineteenth century that the social economy as we understand it today began to appear and received its theoretical underpinning. Whilst philosophers such as Charles Fourier (1772-1837), Alexis de Tocqueville (1805-59) or Pierre Joseph Proudhon (1809-65) visualized a just society based on equality and solidarity, the practical men were setting up the first cooperative and mutual benefit associations.

This development was to continue throughout the whole of the nineteenth century, in spite of an initial clamp-down during the authoritarian period which marked the beginning of the Second Empire and a second following the short-lived experience of self-government of the Paris Commune.

It was during the second half of the nineteenth century and the first half of the twentieth century that the first laws governing agricultural cooperatives, credit cooperatives, workers' cooperatives, consumers' cooperatives and mutual benefit non-profit associations were adopted and that the first sectoral and national organizations were established.

In a work dating from 1905 and entitled *Économie sociale* (social economy), the economist Charles Gide set out a blueprint for a cooperative society still referred to by present-day theorists. In 1921, the same Charles Gide founded the *Revue des études coopératives* (Review of cooperative studies) which is still published today.

After the Second World War and the attempts by the Vichy Government to organize society along corporatist lines, the social economy came into its own again with the support of political circles and the unions. There were a number of milestones: 1945 saw the adoption of the code governing mutual benefit associations; in 1947, the Conseil supérieur de la coopération (Supreme Council for Cooperation), set up in 1918, was reorganized and a general statute for cooperative associations was published. In subsequent years, a whole series of specific measures was adopted to facilitate the development of the various mutual benefit and cooperative sectors. The Groupement national de coopération (National Cooperation Grouping) was set up in 1968.

Those in charge of the social economy began to realize what power they wielded and in 1971 set up a permanent vehicle for concerted action — the Comité national de liaison des activités mutualistes, coopératives et associatives (National Committee for the Liaison of the Activities of Mutual-Benefit Societies, Cooperatives and Non-Profit Associations).

In November 1981, this liaison committee was primarily responsible for the creation of a foundation whose purpose is to help promote new ventures in the social economy sector.

(b) The present situation

The coming to power of a left wing government in 1981 heralded a new awareness of the social economy and greater support for its various sectors. An interministerial delegation for the social economy was created on 15 December 1981. Its main aim is to encourage the development of non-profit enterprises, mainly by amending laws, regulations and administrative provisions. In July 1984, a State secretariat of social economy was formed.

The delegation for social economy prompted the French Government to adopt a certain number of measures. It is currently working on others:

amendment of the 1978 law establishing rules for workers' production cooperatives;

extending the opportunities offered by the current legislation as regards financing for enterprises in the social economy sector;

amendment of the 1971 law on housing associations^[2];

adoption of rules for craft cooperatives^[2];

adoption of a law establishing rules for cooperative societies in the banking sector in order to save the following three mutual banks from nationalization^[3]:

- la Banque française du crédit coopératif^[4] (French Cooperative Credit Bank)
- La Banque centrale des coopératives et des mutuelles^[5] (Central Bank for Cooperatives and Mutual-Benefit Associations),
- la Banque fédérative du crédit mutuel^[6] (Federative Mutual Credit Bank);

revision of the code governing mutual-benefit associations and texts applying to mutual-insurance schemes;

setting up of an institute for the development of the social economy;

launching a special transferable shareholding certificate for the social economy and nationalized sectors;

adoption of a law for promoting the non-profit sector;

adoption of a law concerning unions in the social economy sector.

(c) The legal framework

There is no such thing as a single set of rules for enterprises in the social economy sector. Each of the cooperative, mutual-benefit and non-profit sectors has a different general set of rules which applies concomitantly with company law and a series of individual rules.

It is the cooperative sector which has the most fragmented and complicated legal position.

Cooperatives can register as any type of civil or commercial company, e.g. a public limited liability company. Apart from the rules applicable to the kind of corporate structure which they choose to adopt, they are subject to the laws governing cooperatives. Some of these laws apply to all cooperatives whilst other apply only in certain cases or in certain sectors.

The basic legal instrument applying to the whole of the sector is the law of 10 September 1947 which establishes a general set of rules for cooperatives. Article 1 defines cooperative societies as those whose purpose is to:

- '1. Reduce the cost price and, where appropriate, the selling price of certain products or services to the benefit of their members and through the joint efforts of the latter, by assuming the role of an intermediary or entrepreneur whose remunerations would have a bearing on the cost price;
2. Improve the marketable quality of the products supplied to their members or supplied by the latter to consumers.'

The instrument most frequently used to supplement the 1947 law is the law of 24 July 1867 governing companies with variable capital. Article III contains several key provisions which apply to cooperatives and, in particular, the provision whereby the share capital may be increased by payments made by the members or by the admission of new members, or decreased by the total or partial withdrawal of payments made.

Apart from these general regulations, there are a series of specific rules for the various cooperative sectors, in particular, production cooperatives, consumer, retailer, housing, road transport and credit cooperatives.

Agricultural cooperatives are subject to separate rules[7].

The mutual-benefit sector is subject to general provisions governing companies constituted under civil law, but also to specific legislation covering mutual-benefit societies and mutual-insurance societies.

Article 1 of the code governing mutual-benefit societies, which was adopted in 1945 and amended in 1955, defines mutual-benefit societies as 'groups which use their members' contributions to organize family welfare schemes on the basis of interdependence and self-help, with the purpose of eliminating social risks, encouraging couples to have children, protecting children and the family unit and stimulating the moral development of their members'. The subsequent articles of the code lay down rules for the constitution, administration and activities of mutual-benefit societies.

Mutual-insurance societies are governed by the insurance code, which defines them as insurance companies 'managed by their members, who, at the same time as being members, are also the insured parties and insurers, independent of any profit-making aspect.'

Mutual-benefit societies and farmers' mutual-insurance schemes are covered by specific rules[7].

The 1901 law on contracts of association still forms the basic legal framework for non-profit associations. Article 1 of this law defines an association as 'an agreement whereby two or more persons pool their know-how or skills on a permanent basis for a purpose other than that of pecuniary gain'. The validity of this agreement is governed by the general legal principles applicable to contracts and commitments. The way in which non-profit associations are constituted, organized and run is governed by Article 2 and the subsequent articles of the law, which also contain provisions relating to the various kinds of associations (registered or unregistered associations, associations in the public interest, unions of associations).

The advantage of this straightforward and flexible framework arrangement is that it can be used in the most diverse of situations, ranging from the traditional association for the defence of moral or material interests to activities involving a commercial aspect.

2. The size of the French social economy

(a) *Share of the individual sectors of the economy*

The only relatively up-to-date, comprehensive information available comes from a study published on 1 April 1980 (and updated on 1 January 1984) by the Insee (Institut national des statistiques et études économiques — National Institute of Statistics and Economic Studies). However, even its authors admit that the study is far from exhaustive and that it contains inaccuracies. It had to take as its basis a list of enterprises and establishments which was intended as an administrative instrument for registering companies and not for statistical purposes.

The following are the main facts which emerge from the report. Though they are incomplete, they nevertheless give an approximate idea of the weight of the social economy and its main constituent parts within the French economy.

NUMBER OF ESTABLISHMENTS AND EMPLOYEES IN THE SOCIAL ECONOMY

The social economy has around:

1 200 000 employees, in other words, about 6.5% of the national total; and
200 000 establishments (i.e. 6%).

Of the total number of employees working in social economy:

non-profit associations employ 776 352, i.e. 65.2% of the total;
cooperatives employ 246 455 (i.e. 20.7%);
mutual-benefit societies employ 134 846 (i.e. 11.3%);

the other sectors (works' councils, unions and foundations) employ 33 138 (i.e. 3%).

DISTRIBUTION OF SALARIED STAFF ACCORDING TO TYPE OF ECONOMIC ACTIVITY UNDERTAKEN BY ENTERPRISES IN THE SOCIAL ECONOMY SECTOR

In terms of the number of salaried staff, the social economy is mainly concentrated in the services sector, with 43% in non-market services, (i.e. where goods or services are provided free of charge) and 31% in market services (i.e. where goods or services are paid for). Other activities where the social economy accounts for more than 2% as follows:

- distribution (6%);
- financial bodies (6%);
- food industries (4%);
- insurance (4%).

Sectors where the proportion accounted for by the social economy is higher than its national average (6.5%) are the following:

- insurance (35.5%);
- non-market services (22.9%);
- financial bodies (15.8%);
- agriculture (10.8%);
- commercial services (9.5%);
- food industries (8.1%).

The interministerial delegation for the social economy is aware that these figures are open to question and has consequently called on the government to use more reliable sources for drawing up the global accounts for the social economy in 1983. These new figures should give us a more accurate idea of the weight of the social economy in the production and services sectors in France.

(b) Areas in which the social economy enterprises operate^[8]

There are three main sectors in France in which the social economy is found: the cooperative, mutual-benefit and non-profit sectors. However, this subdivision is somewhat arbitrary insofar as the demarcation lines between the sectors are far from clear-cut. There are thus mutual-benefit societies established by cooperatives, cooperatives and mutual-benefit societies within organizations classified in the non-profit sector and non-profit-making associations in organizations in all three sectors.

Within the cooperative sector, the following subgroups are to be found:

- farmers' cooperatives;
- savings and credit cooperatives;
- employees and users' cooperatives;
- enterprise cooperatives.

Farmers' cooperatives came into being about a century ago and are of considerable economic and social importance. Not only do farmers run some 12 000 purchasing, marketing, processing and service cooperatives, but they also have access to approximately 3 000 agricultural credit banks together with their own mutual-benefit society and mutual-insurance schemes.

Considered as a whole, the savings and credit cooperatives constitute the largest banking unit in France with a balance sheet in excess of FF 1 000 000 million. They are split into three banking groups, each represented by a sectoral organization which belongs to the Groupe national de la coopération (National Cooperation Grouping):

- les Banques populaires (People's Banks);
- le Crédit mutuel (Mutual Credit Society);
- le Crédit coopératif (Cooperative Credit Organization).

Other groups or banks are represented by organizations from the agricultural, consumers and fisheries sector and organizations for the staff and users of the national education sector:

- le Crédit agricole (Agricultural Credit Organization);

la BCCM, la Banque centrale des coopératives et des mutuelles^[5] (Central Bank for Cooperatives and Mutual-Benefit Associations);

le Crédit maritime mutuel^[9] (Maritime Mutual Credit Organization);

la CASDEN-BP, la Caisse d'aide sociale de l'éducation nationale^[10] (State Education Social Aid Fund).

By extending the principle that standing surety is tantamount to lending, it is possible to include in the category of savings and credit cooperatives those mutual-security funds run along cooperative lines, whose aim is to facilitate the granting of loans on the most advantageous terms through the pooling of guarantee resources backed either by cash or reputation. Mutual-security funds are mainly to be found in the sphere of the People's Bank group, and in that of banks providing funds for equipment for small and medium-sized companies, people's banks and cooperative banks^[11].

The employees and users' cooperative bring together workers' production cooperatives, consumers' cooperatives and housing associations.

Enterprise cooperatives cover all the types of small and medium enterprises outside the agricultural sector: trader-retailers, fishermen, craftsmen, and carriers.

The mutual-benefit sector includes mutual-benefit societies governed by the code for mutual-benefit societies, which provide insurance cover for individuals, and mutual-insurance societies, governed by the insurance code, which provides cover for personal and professional belongings and for third party liability.

A dispute caused by differences in interpretation of policy for mutual-benefit societies has meant that the mutual-benefit sector has been represented by two federations since 1960: la Fédération nationale de la mutualité française (FNMF) (National Federation of French Mutual-Benefit Societies) and la Fédération nationale des mutuelles de travailleurs (FNMT) (National Federation of Workers' Mutual-Benefit Societies). In spite of the wishes of a great number of mutual groupings to put an end to this division, the discussions aimed at bringing about reunification, which have been going on for many years, have so far come to nothing. The FNMT would like to become a member of the FNMF as a national union, whilst the FNMF, fearing the FNMT's links with union organizations, particularly the Confédération générale du travail (CGT) (General Labour Confederation), would prefer the FNMT to be disbanded and unification brought about by each of the member groupings of the FNMT becoming members of the respective departmental and national unions of the FNMF. It should be pointed out that 70% of the members of the FNMT are already also members of the FNMF.

The mutual-insurance societies are also represented by two organizations: le Groupement des sociétés d'assurance à caractère mutuel (Association of Mutual-Type Insurance Societies), which brings together societies operating without paid insurance agents, and la Réunion des organismes d'assurance mutuelle (Group of Mutual-Insurance Organizations), some of whose members operate with paid insurance agents. Some people feel that using paid intermediaries gives the member societies of the Réunion des organismes d'assurance mutuelle a commercial slant which goes against the fundamental principles of the social economy. This opinion is, nevertheless, contested^[12].

For its part, the non-profit sector is by far the most heterogeneous and the least well-known. Amongst the most important non-profit associations producing goods or services are health and welfare charities, organizations for leisure activities and low-cost travel for the less privileged, youth education associations, and the staff welfare associations within the State education system.^[13]

Table 1: Areas in which social economy enterprises operate

Cooperatives

- A. Farmer's cooperatives;
- B. Savings and credit cooperatives;
- C. Employees' and users' cooperatives:
 - production;
 - consumption;
 - housing

- D. Enterprise cooperatives:
 traders;
 fishermen;
 craftsmen;
 carriers.

Mutual-benefit societies

- A. Mutual-benefit societies;
 B. Mutual-insurance societies.

Non-profit associations

- A. Management, administrative services;
 B. Pressure groups; } for the record
 C. Contact groups. }

3. The way in which the social economy sector is organized

(a) Sectoral organizations [14]

The main cooperatives, mutual-benefit and non-profit associations in each sector are grouped together in a pyramid structure whose format may vary but which is always headed by a national federative or coordinating organization. This is generally an association governed by the law of 1901. If the sector is very large or complex, the social economy enterprises may also be grouped together by category or on a geographical basis to form regional or departmental unions, or national sub-organizations bringing together certain more specific socio-professional categories.

The national organizations have a four-fold duty towards the sectors which they embrace:

- to coordinate their activities;
- to provide impetus;
- to represent them;
- to defend their interests.

For their own part, they engage in little or no economic activity. They are neither cooperatives, nor mutual-benefit societies nor non-profit associations producing goods or providing services. They are not social economy enterprises in the strict sense of the term, but rather organizations representing such enterprises.

(b) Joint bodies [15]

The various movements within the social economy are aware of belonging to an economic sector sharing the same basic philosophy and have accordingly set up joint bodies.

LE COMITÉ NATIONAL DE LIAISON DES ACTIVITÉS MUTUALISTES, COOPÉRATIVES ET ASSOCIATIVES (CNLAMCA)
 (NATIONAL COMMITTEE FOR THE LIAISON OF THE ACTIVITIES OF MUTUAL-BENEFIT SOCIETIES, COOPERATIVES AND NON-PROFIT ASSOCIATIONS)

The CNLAMCA is an unregistered association, which was set up on 11 June 1970. Its members are:

- Le Groupement national de la coopération (National Cooperation Grouping);
- la Fédération nationale de la mutualité française (National Federation of French Mutual-Benefit Societies);
- le Groupement des sociétés d'assurance à caractère mutuel (Association of Mutual-Type Insurance Societies);
- Fondation pour la vie associative (Foundation for the Non-Profit Movement);
- l'Union nationale interfédérale des œuvres et organismes privés sanitaires et sociaux (National Interfederal Union of Private Health and Welfare Charities and Bodies);

le Comité de coordination des œuvres mutualistes et coopératives de l'éducation nationale (Coordinating Committee for Mutual-Benefit and Cooperative Bodies in the State Education System).

The CNLAMCA thus brings together virtually all of the organizations representing enterprises from the social economy sector.

Its aim is to:

- provide a constant liaison between its members;
- study all common problems;
- implement any action deemed advisable;
- put forward the joint positions of its members.

In practice, the CNLAMCA has:

- helped secure the recognition of the public authorities for the social economy sector;
- spread the ideas and achievements of the social economy sector in higher education;
- fostered greater knowledge of the social economy, both inside and outside the sector, through the publication of articles in newspapers and systematic representation at all gatherings affecting the social economy;
- published a charter defining the fundamental principles of the social economy (published on 11 June 1980);
- been the driving force behind the Fondation de l'économie sociale (Foundation for the Social Economy);
- has declared itself in favour of the present inventory of cooperative, mutual-benefit societies and non-profit associations in the EC and in Spain and Portugal.

LA FONDATION DE L'ÉCONOMIE SOCIALE (FONDES) (FOUNDATION FOR THE SOCIAL ECONOMY)

The FONDES is a development of the CNLAMCA and was set up on 18 November 1981:

The founding members of the FONDES are:

- the Groupement national de la coopération;
- the Union du crédit coopératif;
- the Fédération nationale de la mutualité française;
- the Groupement des sociétés d'assurances à caractère mutuel;
- the Comité de coordination des œuvres mutualistes et coopératives de l'éducation nationale;
- the Union nationale interfédérale des œuvres et organismes privés sanitaires et sociaux;
- various eminent people who have rendered or are rendering outstanding services.

The FONDES also embraces various cooperative, mutual-benefit and non-profit associations which enjoy the status of associate members.

The aim of the FONDES is to provide help and assistance to any cooperative, mutual-benefit or non-profit movement already in existence or in the process of being created.

In practice, the FONDES is involved in the following activities:

- information;
- study, research and advice;
- support of projects aimed at starting or reviving activity in the social-economy sector.

L'INSTITUT DE DÉVELOPPEMENT DE L'ÉCONOMIE SOCIALE (IDES) (INSTITUTE FOR THE DEVELOPMENT OF THE SOCIAL ECONOMY)

The IDES is a limited company which was established on 10 March 1983. Its main shareholders are the State (holding around 20-25%), cooperative banks not in the agricultural sector (e.g. Cooperative

Credit, People's Banks, Mutual Credit, Central Bank for Cooperatives and Mutual-Benefit Associations) (holding around 40%) and insurance companies in the mutual sector (holding around 30%). It is possible that mutual-benefit societies will hold capital towards the end of 1984 or in 1985.

Its principal function is investment in capital or quasi-capital in order to encourage the formation or development of enterprises in the social economy sector. This is achieved by means of a new transferable share, created in January 1983: the participative bond. It is a share without voting rights, without right of repurchase. A dividend is paid which varies according to company results, but there is a guaranteed minimum.

The second function of the IDES is the administration of a guarantee fund for participative loans granted by all banks to enterprises in the social economy sector.

In June 1984, a venture capital company was formed under the auspices of the IDES. The *Crédit Agricole* and the *Mutualité Agricole* have substantial interests in this company. Its function is identical to that of the IDES, but its privileged fiscal status enables it to undertake operations involving a much greater risk (such as high technology enterprises or those of a highly innovative nature).

THE GROUPEMENT NATIONAL DE LA COOPÉRATION (GNC) (NATIONAL COOPERATION GROUPING)

The GNC is an association governed by the law of 1901 which was officially set up in November 1968. It is the outcome of a long process of development aimed at strengthening the links between cooperatives which began in 1945. However, it was not until 1973 that it gained recognition as a political body for mutual cooperation with its own resources for carrying out its task.

Since then, the GNC has been further strengthened by the gradual inclusion among its members of the majority of the structured national cooperative organizations. Its members are:

- la Confédération nationale de la mutualité, de la coopération et du crédit agricole (National Confederation of Mutual-Benefit, Cooperative and Credit Institutions in the Agricultural Sector) and its constituent organizations;
- la Chambre syndicale des banques populaires (Chamber of People's Bank);
- la Confédération nationale du crédit mutuel (National Mutual Credit Confederation);
- la Caisse centrale de crédit coopératif (National Bank for Cooperative Credit);
- la Confédération générale des sociétés coopératives ouvrières de production (General Confederation of Workers' Production Cooperatives);
- la Fédération nationale des coopératives de consommateurs (National Federation of Consumer Cooperatives);
- la Fédération nationale des sociétés coopératives HLM (National Federation of Moderate-Rent Housing Cooperatives);
- la Confédération de la coopération de la mutualité et du crédit maritime (Confederation of Cooperative, Mutual-Benefit and Credit Institutions in the Maritime Sector);
- la Fédération nationale des coopératives et groupements d'artisans (National Federation of Craftsmens' Cooperatives and Groupings);
- l'Union des coopératives de transporteurs — Unicooptrans (Union of Carriers' Cooperatives);
- l'Office central de la coopération à l'école^[14] (Central Office for School Cooperatives).

The CNCA is a member of the GNC for historical reasons, but its position as a public body gives it special status.

According to Article 2 of its rules, the GNC's aim is to 'defend and promote the fundamental principles of the cooperative movement as defined by the International Cooperative Alliance'.

In order to achieve this goal, the GNC follows two approaches:

- action to defend and promote the cooperative ideal (approaches to public authorities, symposia, public relations, press campaigns, etc.);

action to promote cooperation (exchanges of information between all of the cooperative organizations, discussion and consideration of the role and future of the cooperative movement in France).

Government bodies in general and the interministerial delegation for the social economy in particular consider the GNC as a valuable partner in discussions on all projects affecting the cooperative sector.

LA FONDATION POUR LA VIE ASSOCIATIVE (FONDA)
(FOUNDATION FOR THE NON-PROFIT MOVEMENT) [17]

The FONDA, established in 1981, is more of a structure for contact and the exchange of ideas within the non-profit sector rather than a confederation whose task is to represent the sector.

It is made up of full and associate members. The full members are activists and those in charge of associations who undertake joint action on behalf of the associations. The associate members are individual and legal entities than can help implement the aims of the foundation.

The goals of the FONDA are to:

- draw attention to the importance of the non-profit movement;
- encourage studies and analyses on the non-profit movement;
- act as a back-up for the associations, and pass on results from their meetings;
- set up a fund for developing the non-profit movement;
- make available to the media information on the non-profit movement;
- pass on to the associations any information which might have a bearing on the non-profit movement;
- take every initiative conducive to the development of the non-profit movement.

In order to attain its goals, the FONDA:

- creates standing committees;
- supports the setting up and activities of inter-association liaison committees at national, regional or local level whose task is to implement certain specific projects;
- acts as a link between French Government bodies, socio-professional organizations and international non-government organizations.

LE COLLÈGE COOPÉRATIF (COOPERATIVE COLLEGE)

The Cooperative College, which was set up in the 1960s, acts as an intermediary between the social economy movements and higher education establishments.

Its aim is to promote studies on and research into the social economy.

(c) *Government bodies* [15]

The ideas and developments which emerge from the joint contact and information exchange between the structures of the social economy movements are transmitted to the government by the following bodies:

LA DÉLÉGATION INTERMINISTÉRIELLE À L'ÉCONOMIE SOCIALE (DIES)
(INTERMINISTERIAL DELEGATION FOR THE SOCIAL ECONOMY)

The DIES was established by the decree of 15 December 1981. It is answerable to the prime minister. It is chaired by a delegate, who heads a fairly light structure comprising several advisers and a small secretariat.

The DIES is a kind of intermediary between the movements and the government. In this capacity, it maintains close links with all of the intersectoral and government bodies connected with the social economy.

Its aim is to help develop mutual-benefit and cooperative societies and non-profit associations engaged in similar activities. It acts as a focus for consultation, coordination and stimulus for these sectors and works in conjunction with the ministerial departments involved.

Although it was allocated a modest budget, most of which was spent on surveys of production cooperatives, the DIES has already proved very active. For example, it has:

- drawn up a number of draft laws and regulations^[18];

- helped draw up a large-scale project for consolidating the assets of the social economy and setting up a development institute for the social economy;

- injected new life into the existing structures within the social economy;

- carried out public relations operations;

- organized regional information meetings on government policy in the social economy sphere and on the social economy in the regions;

- appointed a 'correspondent' to act as a link between the delegation and the regional administrators and, where possible, a representative of the regional councils whose task is to follow developments in issues affecting the social economy on behalf of the region.

In the longer term, the DIES would like to:

- build up more information on the social economy in primary and secondary schools;

- help improve the training given to volunteers and those in charge of the social economy sector;

- implement aid and advisory programmes for sectors of the social economy in the developing countries.

LE COMITÉ CONSULTATIF À L'ÉCONOMIE SOCIALE (THE ADVISORY COMMITTEE FOR THE SOCIAL ECONOMY)

An Advisory Committee helps with the work of the interministerial delegation for the social economy. This committee, established by a decree of 26 March 1982, consists of 30 people appointed *intuito personae* who represent, in roughly equal proportions, the three main sectors of the social economy. It is chaired by the prime minister or by a minister appointed by him. The delegate for the social economy takes care of the secretariat duties and prepares the work.

In addition to its 30 members, the Advisory Committee brings together the representatives of the ministers and secretaries of state affected by the problems included on the agenda of its meetings.

The Advisory Committee sets up working parties on specific questions of interest to the social economy.

Its role is mainly to advise on prospective developments and to suggest how policy should be shaped.

LE CONSEIL SUPÉRIEUR DE LA COOPÉRATION (SUPREME COUNCIL FOR COOPERATION)

The Conseil supérieur de la coopération was set up in 1918, reorganized in 1947 and altered for a second time by the decree of 20 April 1976.

It is made up of eight representatives of the relevant administrations who are appointed by the prime minister, two members appointed by the National Assembly, two members appointed by the Senate and 18 representatives from the various branches of the cooperative movement appointed by the prime minister on the basis of proposals from the Groupement national de la coopération.

The Council is chaired by the prime minister or by a minister appointed by him. It has a bureau of eight members, including five representatives from the cooperative movement and three from the administrations, and is chaired by a member of the cooperative movement. The Délégation interministérielle à l'économie sociale provides the secretariat.

The Conseil supérieur de la coopération:

- studies and monitors the progress made on questions of interest to the cooperative movement;

- must deliver its opinion on drafts of laws or regulations submitted to it;

- proposes appropriate measures for fostering the development of the cooperative movement.

The Council meets twice a year and the bureau every two months.

LE CONSEIL SUPÉRIEUR DE LA MUTUALITÉ (SUPREME COUNCIL FOR MUTUAL-BENEFIT SOCIETIES)

The Conseil supérieur de la mutualité was set up in 1945.

It is composed of 33 representatives from the relevant administrations, two members appointed by the National Assembly, one member from the Conseil d'État (Council of State), a magistrate from the Cour des comptes (Court of Auditors) and 35 representatives from the various mutual-benefit organizations. Its chairman is the Minister for National Solidarity.

The Conseil supérieur de la mutualité:

- hears submissions from anyone with special qualifications in the fields it studies;
- passes on specific problems to be studied by committees set up internally;
- is informed of reports drawn up by the departmental coordinating committees of the mutual-benefit movement;
- manages the mutual-benefit national solidarity fund;
- delivers its opinion on any questions involving laws or regulations which affect the way in which mutual-benefit societies operate.

In practice, the Conseil supérieur de la mutualité plays only an incidental role in this sphere.

CONSEIL NATIONAL DE LA VIE ASSOCIATIVE (NATIONAL ASSOCIATIONS COUNCIL)

The Council was set up on 25 February 1983 under the aegis of the prime minister. Its tasks are:

- (i) to draw up an annual report on associations' activities;
- (ii) to make any proposals for reforms likely to improve the conditions under which associations operate; and
- (iii) to conduct any studies which it thinks useful on associations.

The Council is made up of 58 leading figures from associations who are either (a) designated by the principal committee for social leisure, popular education and open air activities, the principal committee for youth, sport and leisure or the principal committee for the environment, or (b) appointed by the prime minister.

Council members are appointed for a term of two years, which is renewable. The secretariat is provided by the Ministry for Leisure Time.

The Council meets at least twice a year.

(d) *Parliamentary groups*

Some 500 members of parliament of every political persuasion have set up a cooperative and mutual-benefit group in the National Assembly and another group in the Senate. As well as examining draft legislation affecting the social economy, the aims of these two groups are:

- to improve the level of cooperation between the parliament and the cooperative and mutual-benefit movements;
- to foster better knowledge of the social economy as a whole among members of parliament who are often specialists in just one sector;
- to reflect on ways in which the cooperative and mutual-benefit movements can offer solutions to the problems of our times.

There is a parliamentary study group dealing with non-profit associations in both the Senate and the National Assembly.

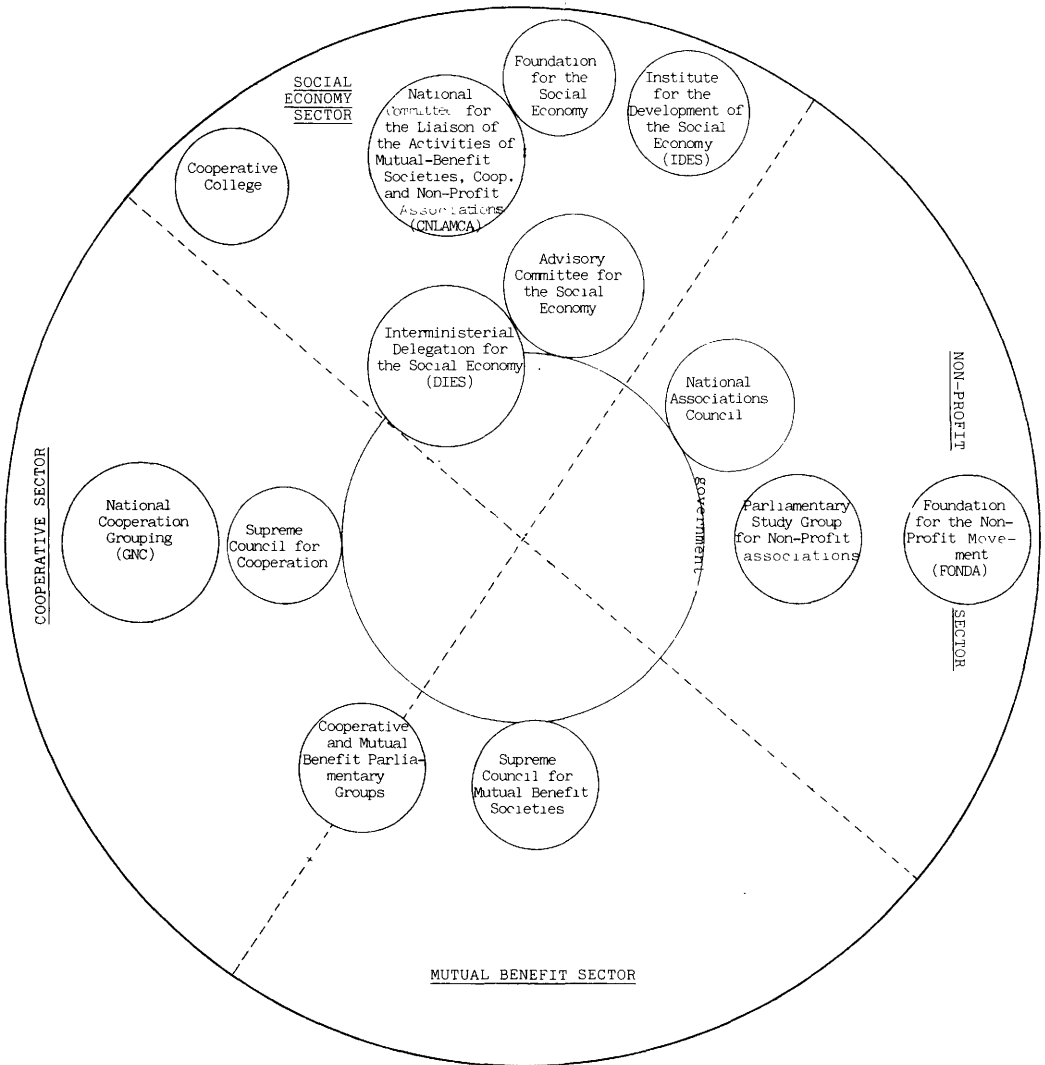
Members of the parliamentary groups sometimes take part in the working sessions with the Délégation interministérielle à l'économie sociale.

4. The economic, social and political context

The cooperative, mutual and non-profit sector in France is essentially an economic and social phenomenon. Those involved are generally members of the urban or rural middle classes who have decided to join forces in order to cope more effectively with the competition they face from ever-growing economic units.

Unlike the way things have developed in other countries, the social economy enterprises in France have gradually organized themselves in terms of sectors of activity rather than political leanings. If

Table 2: Joint bodies, governmental and semi-governmental bodies and parliamentary groups



certain opinions are prevalent in one sector or another, it is solely as a result of the common socio-professional origins of its members.

Opponents and supporters of the social economy are to be found both on the right and on the left of the political spectrum. Certain left-wingers are wary of these unclassifiable enterprises which eliminate the dichotomy between 'exploiting employers' and 'exploited workers', whilst still playing the 'capitalist' game. In the same way, an extreme group of the traditionally-minded employers frowns on this new type of competitor which pays neither dividends to its shareholders nor salaries to its board members.

Whilst the pre-1981 governments were not hostile to the social economy sector, the governments which followed have demonstrated, beyond all shadow of a doubt, their very special interest in the development of the sector. This has been reflected in the setting up of the *Délégation interministérielle à l'économie sociale*, and, in 1984, the establishment of a secretariat of state for the social economy.

As far as the government is concerned, the social economy represents a third force between the capitalist sector and the private sector, made up of self-managed enterprises serving the interests of their members, but striving to operate with the same criteria of efficiency and, in the case of cooperatives and mutual-insurance societies, with the same criteria of profitability and competitiveness, as private-sector enterprises. Thus in France the term 'social economy' really means 'private interdependent economy'. The difference is that this efficiency serves to further the cause of a social objective. [19].

The present government wishes to remove the legal and administrative obstacles that hinder the development of the social economy. It is banking on the fact that the dynamic force thus set in motion will bring a new form of responsible democracy into economic life, improve the competitive position of existing cooperatives, mutual-benefit societies and non-profit-making associations and encourage the formation of new enterprises in the social economy which will thus create new jobs.

It should be noted that the first measures to be implemented received the support of part of the opposition in both the Senate and the National Assembly.

5. Definition of the social economy; its specific function in relation to other sectors of the economy

The social economy is the cooperative sector in the widest sense. Its economic activities come under neither the traditional private sector, nor the public nationalized sector, which are both basically profit-motivated. This is why it is often referred to as the 'third sector' or the 'non-profit sector'.

All the enterprises within the social economy must comply with four basic criteria:

Unrestricted membership

Anyone may join a social economy enterprise providing they adhere to its rules. By the same token, a member of an enterprise in the social economy may leave it at any time.

Democratic management

All of the members of the enterprise are involved in its management, with the principle of 'one man, one vote' applying as far as possible.

Freedom of action

Enterprises in the social economy are independent *vis-à-vis* the authorities. The only way the State can influence their activities is through legislation.

No individual profit motivation

The main aim of the enterprises in the social economy is not to strive for profits or a return on capital, but to introduce the idea of interdependence into human relationships. This interdependence may also be of a financial nature and does not rule out the possibility of making a profit. However, any profits must be redeployed or, failing that, distributed among the members of the enterprise in accordance with the extent to which they use its services or participate in its activities, rather than in terms of their financial contribution.

The main elements of the social economy in France are:

- cooperatives;
- mutual-benefit societies;
- non-profit associations.

It is rather difficult to define the limits of the non-profit sector, which is particularly large and diverse. Only some of the non-profit associations may be considered as belonging to the social economy — i.e. those associations producing goods or providing services which comply with the four basic criteria mentioned above. However, associations connected with the public authorities, profit-seeking organizations which have adopted the terms of the 1901 law for reasons of convenience, and contact and pressure groups which do not offer any kind of economic service cannot be included in the sector.

According to Professor Desroches, who is the head of the Cooperative College and Principal of the International Cooperative University, the social economy is made up of three basic elements, plus four peripheral elements which to a greater or lesser extent, present characteristics of the social economy together with characteristics typical of the market or public economy:

The public sector

From time to time, local authorities are involved in initiatives of an economic or social nature — building accommodation for senior citizens, setting up health centres, taking over enterprises in difficulty, etc. Provided that these are run democratically and call for joint responsibility on the part of the beneficiaries, these undertakings have similarities with social-economy enterprises.

The community sector

This sector comprises those undertakings which are a cross between non-profit-making enterprises and local or regional commercial enterprises. Numerous examples of them are to be found in Quebec, but there are also some in Belgium.

The union sector

When they are not acting in defence of workers' rights and demands, but taking the initiative in 'public-benefit' businesses, unions become involved in the social economy. A prime example of this in France is the welfare work carried out by works' councils. This sector is of particular importance in the Federal Republic of Germany^[20].

The private sector

Private enterprises in which workers are involved in the decision-making processes and have a share in the profits may also be considered as hybrid forms of social economy.

Professor Desroches shows how the various elements of the social economy fit together in the diagrammatic form on page 425^[21].

In France, the importance of the four peripheral elements is nevertheless quite small and they mix to varying degrees with the traditional market economy or the public economy. Thus, although they are sometimes mentioned, they are not usually taken into consideration in the work or action involving the social economy.

B. THE SPECIFIC ROLE OF SOCIAL ECONOMY ORGANIZATIONS AND ENTERPRISES: DISTRIBUTION OF TASKS BETWEEN SECTORS

The specific role of the organizations and enterprises making up the French social economy and the distribution of tasks between the various sectors is described in Chapters 2b (areas in which the social economy enterprises are active) and 3 (the way in which the social economy sector is organized).

The fact that some French organizations are not directly members of European groupings does not mean that they are not represented at all in Brussels. Many of them are affiliated indirectly to one or more European groupings through their members. As the number of members involved is very large, it is not possible to give a systematic breakdown of such affiliations.

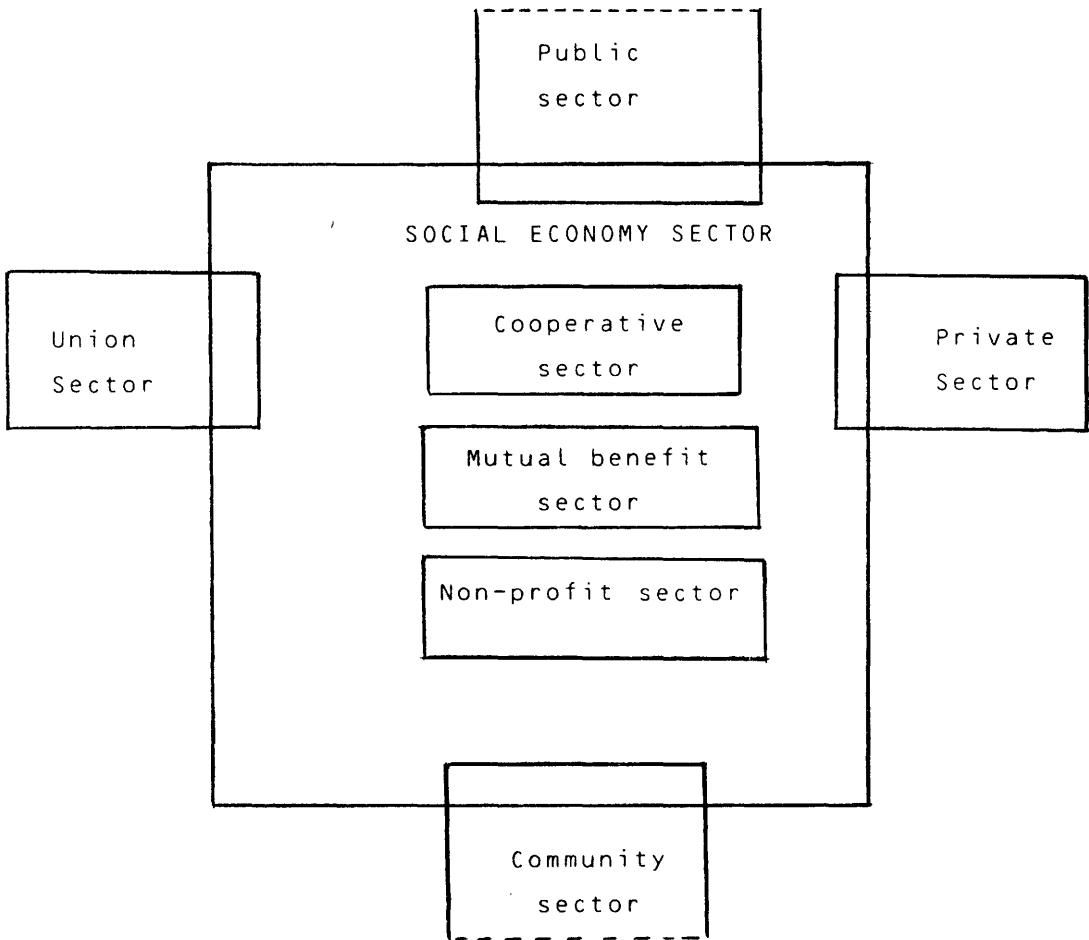


Table 3: C. French social economy organizations and their affiliation to European groupings

FRENCH ORGANIZATIONS	EUROPEAN GROUPINGS TO WHICH THEY ARE AFFILIATED
<p>Confédération nationale de la mutualité, de la coopération et du crédit agricoles (CNMCCA)</p> <ul style="list-style-type: none"> - Fédération nationale de la mutualité agricole (FNMA) - Confédération française de la coopération agricole (CFCA) - Fédération nationale du crédit agricole (FNCA) <p>Fédération centrale crédit agricole mutuel (FCCAM)</p> <p>Chambre syndicale des banques populaires (CSBP)</p> <p>Confédération nationale du crédit mutuel (CNCM)</p> <p>Caisse centrale de crédit coopératif (CCCC)</p> <p>Confédération générale des sociétés coopératives ouvrières de production (CGSCOP)</p> <p>Fédération nationale des coopératives de consommateurs (FNCC)</p> <p>Fédération nationale des sociétés coopératives HLM (FNSC/HLM)</p> <p>Union fédérale des coopératives de commerçants (UFCC)</p> <p>Confédération de la coopération, de la mutualité et du crédit maritimes (CCMCM)</p> <p>Fédération nationale des coopératives et groupements d'artisans (FNCGA)</p> <p>Union des coopératives de transporteurs (UNICOOPTRANS)</p>	<p>Committee of Agricultural Organizations in the EC (COPA)</p> <p>General Committee for Agricultural Cooperation in the EC (COGECA)</p> <p>Association of Cooperative Banks of the EC (ACB)</p> <p>Association of Cooperative Banks of the EC (ACB)</p> <p>Association of Cooperative Banks of the EC (ACB)</p> <p>Association of Cooperative Banks of the EC (ACB)</p> <p>European Confederation of Production Cooperatives (CECOP)</p> <p>European Community of Consumers Cooperatives (EUROCOOP)</p> <p>Association of Retailer-Owned Wholesalers in Foodstuffs (UGAL)</p> <p>Association of Cooperative Banks of the EC (ACB) General Committee for Agricultural Cooperation in the EC (COGECA)</p>
<p>Fédération nationale de la mutualité française (FNMF)</p> <p>Fédération nationale des mutuelles de travailleurs (FNMT)</p> <p>Groupeement des sociétés d'assurances a caractere mutuel (GSACM)</p> <p>Réunion des organismes d'assurance mutuelle (ROAM)</p>	
<p>Union nationale interfédérale des oeuvres et organismes privés, sanitaires et sociaux (UNIOPSS)</p> <p>Comité de coordination des oeuvres mutualistes et coopératives de l'éducation nationale (CCOMCEN)</p> <p>Centre de coopération pour la réalisation d'équipements de loisirs (CECOREL)</p> <p>Confédération générale du temps libre (CGTL)</p> <p>Comité national des associations de jeunesse et d'éducation populaire (CNAJEP)</p>	<p>Eurolink Age</p> <p>European Youth Forum</p>

D. POLICY OF SOCIAL ECONOMY ORGANIZATIONS ON EUROPEAN INTEGRATION

All the French social economy organizations are in favour of European integration. Many of them, such as those in agriculture, already have a long tradition of cooperation with organizations in other Member States and with European Community institutions.

The National Liaison Committee for the Activities of Mutual-Benefit Societies, Cooperatives and Non-Profit Associations is in contact with those responsible for the cooperative, mutual-benefit and general interest sectors in the FR of Germany, Italy and Belgium. The aim of these contacts is to initiate a dialogue with social economy organizations in other EC countries and, in the longer term, create a structure for meetings at European level.

These efforts are fully supported by the DIES, which keeps a close eye on what is happening in Brussels and in the other EC countries.

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INSEE, *L'économie sociale: entreprises, établissements, salariés par activité et par région, au 1^{er} avril 1980*.

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Ministère du plan et de l'aménagement du territoire, *Le Renforcement des fonds propres de l'économie sociale*, Extract of the report submitted to the Commission pour le développement et la protection de l'épargne, 16 March 1982.

Revue de la Mutualité, 'Économie sociale — Entre le capitalisme et l'étatisation', file compiled by Odile de Sinety, March 1982, pp. 17-36.

F. INTERVIEWS

Interviews were held with the following people between March and September 1982:

pour la Délégation à l'économie sociale

Mr Pierre Roussel, Delegate for the social economy attached to the prime minister (until October 1983),

Miss Scarlett Courvoisier, adviser

pour le Comité national de liaison des activités mutualistes, coopératives et associatives

Mr Jean-Bernard Gins, Secretary-General

pour la Fondation de l'économie sociale

Mr Jean-Paul Champeaux, Secretary-General

Mrs Dominique Besse, General Delegate

pour le Groupement national de la coopération

Mr Bernard Belleville, former Secretary-General

Mr Jean-Marie Roume, Secretary-General

Mr Patrich Delbac, Deputy Secretary-General

pour la Fondation pour la vie associative

Mrs Anne David, General Delegate.

These interviews were carried out by Konrad Schwaiger and Maxime Lauwens of the Studies and Research Division of the Economic and Social Committee.

G. REFERENCES

- [1] Further details may be obtained from the brief historical outlines introducing the papers on the sectoral organizations.
- [2] Law of 20 July 1983.
- [3] A decision by the Conseil constitutionnel (Constitutional Council) on 16 January 1982 ruled that these banks were not 'cooperatives' in the strict sense of the term and came within the scope of the law of December 1981 nationalizing banks which were not mutual benefit societies and had assets in excess of the threshold of FF 1 000 million on 1 January 1982. The law establishing a statute for cooperative societies in the banking sector was published on 18 May 1982.
- [4] Previously the BFCC enjoyed the status of a joint stock company. See paper on the Union de crédit coopératif.
- [5] Previously the BCCM enjoyed the status of a joint stock company. See paper on the Fédération nationale des coopératives de consommateurs.
- [6] As the federal mutual credit fund for the Alsace, Lorraine and Franche-Comté region, the BFCM previously enjoyed the specific status of mutual credit society. See paper on the Confédération nationale du crédit mutuel.
- [7] See section on farmers' mutual benefit, cooperative and credit societies.
- [8] See Table 1, p. 415.
- [9] See section on maritime cooperative, mutual benefit and credit societies.
- [10] See sections on the Chambre syndicale des banques populaires and the Comité de coordination des œuvres mutualistes et coopératives de l'éducation nationale.

- [¹¹] See sections on the group of People's Banks and the Cooperative Credit group. A certain number of mutual guarantee societies also belong to two specialist associations — l'Association nationale des Organismes de garantie mutuelle (Angam) (National Association of Mutual Guarantee Bodies), 126 rue de la Boétie, 75008 Paris and L'Association nationale de cautionnement mutuel (ANCM), 239 Bourse de Commerce, 75040 Paris.
- [¹²] In this respect, see the speech delivered by the Chairman of the meeting of mutual insurance bodies, Mr Choimet, in the 2 July 1982 edition of the *Argus* review, pp. 1557-1563.
- [¹³] There are other organizations in the non-profit-making sector, such as the CNOSF (Comité national olympique et sportif français) (French National Olympic and Sporting Committee), the UNAF (Union nationale des associations de tourisme et plein air) (National Union of Associations for Tourism and Outdoor Pursuits), the FFMJC (Fédération française des maisons de jeunes et de la culture) (French Federation of Youth and Cultural Centres), the UFCV (Union française des centres de vacances) (French Union of Holiday Centres), etc. We have had to be selective and choose only the most representative organizations covering sufficiently important economic activities.
- [¹⁴] See Table at the beginning of Chapter II.
- [¹⁵] See Table 2, p. 422.
- [¹⁶] School cooperatives are groups of students who manage their own affairs, with the help of their teachers, and who participate in joint activities. Since the activities of these cooperatives do not, strictly speaking, involve the production of goods or provision of services, the cooperatives do not fall within the scope of this study and have not been dealt with in a paper.
- [¹⁷] This organization, which is a member of the Comité national de liaison des activités mutualistes, coopératives et associatives is not a confederal body, but an association of individual and legal entities which undertake to promote the non-profit movement. This is why it was not dealt with in a separate paper, but was described in the introduction (pp. 21 and 22).
- [¹⁸] See pp. 411 and 412.
- [¹⁹] This viewpoint emerged particularly from the talks with Mr Pierre Roussel, Social Economy Delegate reporting to the prime minister and Mr Jean-Bernard Gins, Secretary-General of the Comité national de liaison des activités mutualistes, coopératives et associatives. It is also evident in numerous speeches delivered by Mr Michel Rocard, Minister for the Plan and for Regional Development till March 1983.
- [²⁰] See chapter on the Federal Republic of Germany.

H. NAMES AND ADDRESSES OF PRINCIPAL EXECUTIVES IN JOINT BODIES, GOVERNMENTAL AND SEMI-GOVERNMENTAL BODIES AND PARLIAMENTARY GROUPS

1. JOINT BODIES

Comité national de liaison des activités mutualistes, coopératives et associatives (CNLAMCA)
Secrétariat administratif c/o Fédération nationale de la mutualité française
10, rue Besaix
75015 PARIS
Tél.: (1) 2731220
Président: M. Georges OPIAT
Secrétaire général: M. Jean-Bernard GINS

Fondation de l'économie sociale (FONDES)
24, rue de Prony
75017 PARIS
Tél.: (1) 766.51.14
Président: M. Michel BARGIN
Délégué général: Mme Dominique BESSÉ

Institut de développement de l'économie sociale (IDES)
24, avenue Hoche
75008 PARIS
Tél.: (1) 3599494
Président: M. Jacques VANDIER
Directeur général: M. François SOULAGE

Groupement national de la coopération (GNC)
7, avenue Franco-Russe
75007 PARIS
Tél.: (1) 705.30.60
Président: M. Jacques MOREAL
Secrétaire général: M. Jean-Marie ROUME

Fondation pour la vie associative (FONDA)
16, rue de Varenne
75007 PARIS
Tél.: (1) 549.06.58
Président: M. Frédéric PASCAL
Secrétaire général: M. Guy RAFFI

Collège Coopératif
7, avenue Franco-Russe
75007 PARIS
Tél.: (1) 705.91.14
Directeur fondateur: Prof. Henri DESROCHE

2. GOVERNMENTAL AND SEMI-GOVERNMENTAL BODIES AND PARLIAMENTARY GROUPS

Secrétariat d'Etat à l'économie sociale
3, avenue Octave Gréard
75007 PARIS
Tél.: (1) 260.33.30
Secrétaire d'Etat: M. Jean GATEL

Conseil national de la vie associative (CNVA)
Tour Olivier de Serres
78, rue Olivier de Serres
75015 PARIS
Tél.: (1) 828.40.00
Président: M. Georges DAVEZAC

Délégation interministérielle à l'économie sociale (DIES)
55, rue de Varenne
75007 PARIS
Tél.: (1) 222.06.44

Groupe de la coopération et de la mutualité
Assemblée Nationale
126, rue de l'Université
75007 PARIS
Tél.: (1) 297.60.00
Président: M. René GAILLARD

Comité consultatif à l'économie sociale
55, rue de Varenne
75007 PARIS
Tél.: (1) 222.06.44
Président: M. Jean GATEL, secrétaire d'Etat à l'économie sociale

Groupe d'étude sur la vie associative
Assemblée Nationale
126, rue de l'Université
75007 PARIS
Tél.: 297.60.00
Président: M. Jean-Paul FUCHS

Conseil supérieur de la coopération
55, rue de Varenne
75007 PARIS
Tél.: (1) 222.06.44
Président: M. Jean GATEL, secrétaire d'Etat à l'économie sociale

Groupe de la coopération et du mutualisme
Sénat
15, rue de Vaugirard
75006 PARIS
Tél.: (1) 329.12.62
Président: M. Josy MOINET

Conseil supérieur de la mutualité

Président: Mme Georgina DUFOIX, ministre des affaires sociales et de la solidarité nationale

Groupe d'étude sur la vie associative
Sénat
15, rue de Vaugirard
75006 PARIS
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Président: M. Josy MOINET

CHAPTER II: Cooperative, mutual and non-profit organizations in France

A. Cooperatives

1. Mutual-benefit, cooperative and credit organizations in the agricultural sector

1. Basic data (1983)

Mutual-benefit organizations

ASSURANCES MUTUELLES AGRICOLES (AMA)

26 000 local banks
3 000 000 members
FF 8 400 million receipts

MUTUALITÉ SOCIALE AGRICOLE (MSA)

5 620 000 beneficiaries
12 800 old people's clubs
104 social centres
58 health care centres
social budget for 1983: FF 87 000 million
29 000 employees
2 800 Board members

Cooperative societies

4 000 industrial and commercial enterprises (purchasing, marketing and processing cooperatives)
7 600 service cooperatives
2 000 000 members
130 000 employees
Turnover: FF 150 000 million

CRÉDIT AGRICOLE

3 060 local banks
3 600 000 members
72 834 employees
Consolidated balance sheet: FF 753 000 million

CRÉDIT MUTUEL AGRICOLE ET RURAL

160 banks
475 agencies
120 000 members
230 000 depositors
Consolidated balance sheet: FF 12 000 million

Table D4: France

CNLAMCA (COMITÉ NATIONAL DE LIAISON DES ACTIVITÉS MUTUALISTES, COOPÉRATIVES ET ASSOCIATIVES)							
		Cooperative sector	Mutual sector		Non-profit sector		
GNC (Groupement national de la coopération)	Agriculture	CNMCCA (Confédération nationale de la mutualité, de la coopération et du crédit agricoles)	FNMA (Fédération nationale de la mutualité agricole)				
	Savings & Credit	CSBP (Chambre syndicale des banques populaires)	CFCA (Confédération française de la coopération agricole)				
	Savings & Credit	CNCM (Confédération nationale du crédit mutuel)	FNCA (Fédération nationale du crédit agricole)				
	Savings & Credit	CCCC (Caisse centrale du crédit coopératif)	CNOA (Confédération nationale des organisations agricoles)				
	Employees/users (production)	CGSCOP (Confédération générale des sociétés coopératives ouvrières de production)					
	Employees/users (consumers)	FNCC (Fédération nationale des coopératives de consommateurs)	FNMF (Fédération nationale de la mutualité française)	GSACM (Groupement des sociétés d'assurances à caractère mutuel)	UNIOPSS (Union nationale interfédérale des œuvres et organismes privés, sanitaires et sociaux)	CCOMCEN (Comité de coordination des œuvres mutualistes et coopératives de l'éducation nationale)	FONDA (Fondation pour la vie associative)
	Employees/users (housing)	FNSC/HLM (Fédération nationale des sociétés coopératives HLM)					
	Businesses (Fishing)	CCMCM (Confédération de la coopération, de la mutualité et du crédit maritimes)					
	Businesses (Craftsmen)	FNCGA (Fédération nationale des coopératives et groupements d'artisans)					
	Businesses (Transport)	UNICOOPTRANS (Union des coopératives de transporteurs)					
		OCCE (Office central de la coopération à l'école)					
	Associations which are not members of CNLAMCA						
		UFCC (Union fédérale des coopératives de commerçants)					
		FCCMAR (Fédération centrale du crédit mutuel agricole et rural)	FNMT (Fédération nationale des mutuelles de travailleurs)	ROAM (Réunion des organisations d'assurance mutuelle)	CECOREL (Centre de coopération pour la réalisation d'équipements de loisirs)	CGTL (Confédération générale du temps libre)	CNAJEP (Comité national des associations de jeunesse et d'éducation populaire)

N.B. CNLAMCA is a liaison committee and GNC an association neither are federal bodies which determine the policies their members must follow.

2. Historical background

Although the thirteenth century offers examples of pre-cooperative experiments, e.g. the Gruyère cheese dairies in the Jura, the cooperative and mutual-benefit movement in agriculture really only got under way towards the end of the nineteenth century. Faced with a fall in prices as a result of the increase in productivity and foreign competition, farmers banded together in the 1880s to set up the first 'joint-purchasing syndicates', precursors of the modern-day supply cooperatives. The success of these syndicates quickly led to the creation of other types of cooperative organization: joint-marketing syndicates, machinery pools, mutual loan banks ('caisses'), mutual insurance against cattle mortality, fire, hail, etc.

A law passed on 6 November 1884 provided the first mutual agricultural credit banks set up on a local basis with rules commensurate with their requirements. Regional mutual agricultural credit banks were set up under a law adopted in 1899 and brought under the umbrella of a national federation of mutual agricultural credit banks in 1908.

In 1900 the law conferred a special status on Assurances mutuelles agricoles (AMA) (farmers' mutual insurance societies) and this was the prelude to a considerable expansion of the movement, membership reaching 4 000 000 in 1905.

In 1910 mutual-benefit and cooperative societies set up a national organization, the Fédération nationale de la mutualité et de la coopération agricoles (National Federation of Mutual-Benefit and Cooperative Institutions in the Agricultural Sector).

The inter-war years saw the setting up of institutional and legal machinery which has remained a feature of the cooperative, mutual and non-profit movement in the agricultural sector until this very day. The principal milestone was the law of 5 August 1920 setting up an Office du crédit agricole (agricultural credit office) (the forerunner of the Caisse nationale de crédit agricole) (National Agricultural Credit Bank) and consolidating much of the legislation on agricultural cooperatives.

In the years immediately following the Second World War, widespread shortages caused farmers to make structural adjustments and change farming methods in order to increase productivity. It was at this time that the cooperative and mutual-benefit movement in agriculture really took off.

A new legal status was conferred on agricultural cooperation under an order of 12 October 1945. This was completed by a law enacted on 27 June 1972 recognizing the specific nature of agricultural cooperatives.

3. Size and structure

The Assurances mutuelles agricoles (AMA) and Mutualité sociale agricole (MSA) banks the mutual agricultural credit banks and the agricultural cooperatives are three different types of organization. But although their functions differ, they provide complementary and convergent services for farmers.

Mutual-benefit societies

The specific aim of mutual-benefit societies operating within the general context of farmers' associations is to provide the farming community with insurance protection. They are organized in two large, but complementary groups:

The Assurances mutuelles agricoles (AMA) (farmers' mutual insurance societies) cover risks of agriculture relating to persons and property insofar as such risks come within the purview of the insurance business. Operating as trade associations, AMAs compete as insurers on the insurance market.

The Mutualité sociale agricole (MSA) (mutual social insurance scheme for the agricultural sector), a private organization which administers a public service, i.e. the social security services for the farming community.

The two groups are organized as follows;

At local level: 26 000 local AMA banks and a network of more than 10 000 MSA agencies.

At regional and *département* level: 68 regional AMA banks, and 85 MSA banks covering one or more *départements*.

At national level: the central AMA bank whose main role is to reinsure the regional banks, coordinates with the three central MSA banks (which have a joint General Meeting and a single Board of Directors) the activities of the *département* MSA banks. The central banks also have a representative function with government bodies.

Apart from their insurance business proper, AMAs are also developing supplementary services, e.g. prevention with their 'Prévention rurale' service), and assistance (with their SOS/AMA service to members).

Through their Samda and Soravie subsidiaries, AMAs are developing other mutual-benefit services in farming and rural areas.

Finally, through Sorema, AMAs have entered the international reinsurance market and are even able to respond to approaches from foreign mutual-benefit societies.

MSA not only administers statutory social security services but is also active generally in the health and welfare spheres, with a view to improving living conditions in farming and rural areas and breathing new life into such areas.

The cooperative movement in the agricultural sector

Cooperative organizations are to be found throughout the country in all sectors of agriculture: harvesting, storage, processing, marketing, supply, joint use of equipment, soil maintenance, AI, etc. Their size varies according to the sector. They represent 30-40% of fresh fruit and vegetable marketing, 70% of cereal production, 30% of fruit and vegetable processing, 50% of the processing and marketing of dairy produce and wine, 40% of cattle slaughtering. As exporters they account for 50% of cereals, oil-seeds and proteins, 40% of dairy products and meat, and 25% of table wine. Today, cooperatives represent a major force in agri-business — 45% of their turnover derives from processing. Agricultural cooperatives and their subsidiaries control nearly one half of the industries processing agricultural products. Four out of five farmers belong to at least one cooperative.

Since 1972, all agricultural cooperatives form a special category of society distinct from a 'civil' or 'commercial' company. This autonomous constitution offers three options:

Economic: this option enables the cooperative to engage in transactions with third parties for up to 20% of its turnover.

Financial: this option allows a number of legal or natural persons specified by law (former cooperative members, workers, agricultural credit institutions) to be admitted as non-cooperator associates; it also makes it possible to adjust the nominal value of shares by incorporating certain reserves in the capital stock, though this can only be done to offset the effects of currency depreciation.

Internal administration: this option makes it possible for certain members of cooperatives to be given extra votes in the light of their financial commitments; the duties of the traditional board of directors may also be divided between a management board and a supervisory board, which watches over the management board.

The different types of agricultural cooperatives are grouped together in national and regional federations, and in unions of cooperatives. The national and regional federations, together with thirty or so cooperative organizations grouped together under the name of 'Promotion-Coopérative', form the Confédération française de la coopération agricole (French Confederation of Agricultural Cooperatives).

Agricultural credit institutions

In 1983 Crédit agricole was one of the top banking systems in France in terms of assets (more than FF 511 000 million). It has developed rapidly over the last 15 years, thanks mainly to a highly decentralized branch network, with more than 11 000 counter positions.

The mutual agricultural credit system comprises local and regional banks. The latter are 'civil' cooperative societies with varying capital and membership. Membership is restricted to depositors belonging to certain categories: farmers and farmworkers, agricultural cooperatives, institutions of general interest to the farming world, local authorities, craft enterprises, non-farming landowners, the professions, agro-food industries, etc.

The *Crédit agricole* group consists of a pyramid of 3 060 local banks grouped together in 94 regional banks. At national level the *Caisse nationale de crédit agricole* (National Agricultural Credit Bank) has, as the central body, supervisory power over the regional banks. The *Caisse nationale* itself is supervised by the Ministries of Agriculture and Finance.

The National Agricultural Credit Bank also ensures the provision of long-term resources needed to refinance medium and long-term loans, often made at favourable rates, which are granted by the regional banks in the system.

The national association representing the regional banks of the *crédit agricole* system is the *Fédération nationale du crédit agricole* (National Federation of Agricultural Credit Institutions).

The National Agricultural Credit Bank and the National Federation of Agricultural Credit Institutions represent the system at the French Association of Credit Institutions (*Association française des établissements de crédit*).

160 banks belonging to the *Crédit mutuel agricole et rural* movement (sometimes called the 'free' *Crédit agricole* movement) and with about 120 000 members, set up their own organization in 1946, the *Fédération centrale du crédit agricole mutuel* (Central Federation of Mutual Agricultural Credit Institutions^[1]), because they did not wish to be under the supervision of the National Agricultural Credit Bank.

By refusing public supervision, these banks also lost the right to obtain advances from the State. The function of central bank in their case is performed by the *Banque française de l'Agriculture* (French Agricultural Bank).

The *Fédération nationale de la mutualité agricole* (National Federation of Farmers' Mutual Societies), the *Confédération française de la coopération agricole* (French Agricultural Confederation), and the *Fédération nationale du crédit agricole* (National Federation of Agricultural Credit Institutions), are grouped together with the *Confédération nationale des organisations agricoles* (CNOA) (National Confederation of Agricultural Organizations) in the *Confédération nationale de la mutualité, de la coopération et du crédit agricoles* (CNMCCA) (National Confederation of Mutual-Benefit, Cooperative and Credit Institutions in the Agricultural Sector).

National Confederation of Mutual-Benefit, Cooperative and Credit Organizations in the Agricultural Sector (Confédération nationale de la mutualité, de la coopération et du crédit agricoles) (CNMCCA)

<i>President:</i>	ANDRÉ LAUR
<i>Vice-Presidents:</i>	YVES BARSALOU ALBERT DUCHALAIS LUCIEN CHASERANT ANDRÉ DE BRETTEVILLE
<i>Secretary-General/Treasurer:</i>	MARCEL DENEUX
<i>Secretaries-General:</i>	RENÉ RAIMBAULT RAYMOND SARDET
<i>Director:</i>	JEAN MADIC
<i>Address:</i>	129, boulevard Saint-Germain F-75009 Paris
<i>Tel.:</i>	329 93 31

I. ORGANIZATION

1. Date of formation

The Confédération Nationale de la Mutualité, de la Coopération et du Crédit Agricoles (CNMCCA) (National Confederation of Mutual-Benefit, Cooperative and Credit Organizations in the Agricultural Sector) was set up on 23 January 1953 as an association under the law of 1901. The CNMCCA is the successor to the Fédération nationale de la Mutualité et de la Coopération Agricoles (National Federation of Mutual-Benefit and Cooperative Institutions in the Agricultural Sector) formed in 1910.

2. Size and structure

The CNMCCA embraces:

the Fédération nationale de la mutualité agricole (FNMA) (National Federation of Farmers' Mutual Societies);

the Confédération française de la coopération agricole (CFCA) (French Agricultural Cooperation Confederation);

the Fédération nationale du crédit agricole (FNCA) (National Federation of Agricultural Credit Institutions);

the various agricultural organizations grouped together in the Confédération nationale des organisations agricoles (CNOA) (National Confederation of Agricultural Organizations).

3. Administrative bodies

Central Committee;

Bureau.

The *Central Committee* comprises 50 members, 15 from each of the CNMCCA's three main member organizations and five from the CNOA. The Central Committee meets at least four times a year.

The Bureau comprises the President, the four Vice-Presidents, the three Secretaries-General and five members. The President and the Secretaries-General are elected by the Central Committee for a three-year period. The post of President is rotated between the three main member organizations.

4. Decision-making procedure

The work is prepared by working parties chaired by a Secretary-General. It is then submitted to the Bureau, which decides whether it should be laid before the Central Committee for the adoption of an official stance.

The normal practice is to arrive at a consensus, though decisions are adopted by a majority vote if necessary.

5. Secretariat and staffing

The CNMCCA's structure resembles that of a headquarters or a minister's private office, and the elected officers play a decisive role. With about 10 full-time staff the CNMCCA, has much fewer permanent employees on its payroll than any of its member organizations. Most of these employees are executives or research staff and some are on secondment from the CNMCCA's member organizations.

6. Budget size and contribution arrangements

The CNMCCA and its member organizations perform complementary roles. Thus, while the CNMCCA's budget — some FF 6.7 million in 1984 — in itself is of no real significance, the combined budgets of the CNMCCA's member organizations make it possible to operate in the agricultural credit, mutual-benefit and cooperative sectors.

The CNMCCA is funded entirely by payments made by its member organizations.

II. AIMS AND PRIORITY POLICIES

The CNMCCA's aims are:

- to promote the development of mutual-benefit, cooperative and credit activities in the agriculture sector;
- to work with its member organizations in defending the general interests of the members of mutual-benefit and cooperative institutions;
- to liaise between its member organizations;
- to coordinate their activities;
- to study all questions of joint interest and promote solutions.

III. ACTIVITIES

The CNMCCA acts as a forum for reflection and as a stimulating and coordinating force.

Each year it holds an *annual congress* at the end of which it publishes three reports — one on a general agricultural topic, one on the current economic situation and the other describing the previous year's activities.

Confederal committees ('congress preparatory committee', 'liaison committee on training', etc.) enable activities to be coordinated and views to be exchanged on a very wide range of subjects (teaching, credit in the cooperative and mutual-benefit sectors, etc.).

Specialist committees are set up on an *ad hoc* basis (e.g. to discuss the common agricultural policy).

In each region, a *Regional Confederation of Mutual-Benefit, Cooperative and Credit Organizations in the Agricultural Sector (CRMCCA)* is responsible for coordination between mutual-benefit and cooperative organizations active in the agricultural sector; these Regional Confederations also collaborate in the preparation of the plan and, at a more general level, contribute towards joint action.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The CNMCCA is recognized by the public authorities as a general-purpose agricultural organization and works together with the authorities in the framing of agricultural and economic policy.

It also takes part in the work of numerous agricultural and non-agricultural technical bodies: the Conseil national de la statistique (National Statistics Council), the Comité national des prix (National Prices Committee), the Fonds d'orientation et de régulation des marchés agricoles (FORMA) (Agricultural Markets Guidance and Regulation Fund), the Commission des comptes de l'agriculture (Agricultural Audit Board), the Conseil supérieur des prestations agricoles (Supreme Council for Agricultural Payments), etc.

It is represented in its own right on the French Economic and Social Council, the National Cooperation Grouping and the Supreme Council for Cooperation.

In addition, it has numerous links with other trade organizations and cooperative movements.

All in all, it takes part in the work of around 60 bodies.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

Since 1958 the CNMCCA has devoted a very large part of its efforts to European matters.

It is represented on the Economic and Social Committee and on the Presidium of COPA.

It is likewise represented, through its member organizations, on a number of European bodies such as COGECA and the Association of Cooperative Banks of the EC.

Finally, the CNMCCA takes part indirectly, i.e. via the specialist agricultural cooperative federations, in the work of EC advisory committees.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE EUROPEAN COMMUNITY

The CNMCCA belongs to the International Cooperative Alliance (ICA), the International Federation of Agricultural Producers (IFAP) and other bodies such as the International Confederation for Agricultural Credit.

VII. INTERNAL COHESION

Being a coordinating body, the CNMCCA expresses the joint views of its member organizations and defends their interests. Setting out from the principles of the mutual-benefit and cooperative movement in agriculture, it seeks to strengthen the already close links between its members.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

The CNMCCA exercises its influence via the Economic and Social Committee, COPA and the organizations on which its members sit.

IX. PUBLICATIONS

Three annual reports.

X. SOURCES

CNMCCA: *Statuts*.

CNMCCA: *Histoire du mouvement mutualiste et coopératif agricole français* (1978).

CNMCCA: *L'activité confédérale, 1979-80, 1980-81 and 1981-82*.

XI. INTERVIEW

Interview between Mr Jean Madic, director; Mr Bentolila, assistant director, CNMCCA, and Maxime Lauwens, ESC General Secretariat, Studies and Research Division, on 20 August 1984.

XII. REFERENCES

[1] See following sections.

National Federation of Farmers' Mutual Societies (Fédération nationale de la mutualité agricole) (FNMA)

<i>President:</i>	ANDRÉ LAUR
<i>Vice-Presidents:</i>	HUBERT d'ANDIGNE LOUIS BORDEAUX-MONTRIEUX ANDRÉ de BRETTEVILLE
<i>Secretary:</i>	BERNARD BARRÈRE
<i>General Representative:</i>	ANDRÉ MOULY
<i>Address:</i>	129, boulevard St-Germain F-75006 Paris
<i>Tel.:</i>	329 93 31
<i>Offices:</i>	8-10, rue d'Astorg F-75008 Paris
<i>Tel.:</i>	296 77 77

I. ORGANIZATION

1. Date of formation

The Fédération nationale de la mutualité agricole (FNMA) (National Federation of Farmers' Mutual Societies) was set up in 1949 as an association under the law of 1901.

2. Size and structure

The FNMA is the umbrella organization of some 150 AMA and MSA central and *département* banks.

3. Administrative bodies

General Meeting;

Central Committee;

Bureau.

The *General Meeting*, which comprises the presidents of member organizations, comes together once a year to make major decisions and adopt the budget.

The *Central Committee* comprises about 30 members elected by the General Meeting for a four-year term. It meets at least twice a year.

The *Bureau* is appointed by the Central Committee and comprises the President, three Vice-Presidents, a Secretary and a Treasurer.

4. Decision-making procedure

The decisions of the General Meeting are taken by a majority vote of the members present.

The Central Committee normally tries to achieve a consensus and only votes on controversial issues.

5. Secretariat and staffing

The FNMA does not have its own secretariat. Routine work is done by the staff of member organizations.

6. Budget size and contribution arrangements

In 1983 the budget amounted to FF 3 000 000. These funds are used to pay subscriptions to organizations to which the FNMA belongs.

II. AIMS AND PRIORITY POLICIES

Under Article 4 of its rules, the FNMA's aims are: 'to liaise between member mutual-benefit societies, to coordinate individual efforts, to further the development of member societies as far as possible, to defend their common interests and to study all matters connected with farmers' mutual-benefit societies'.

III. ACTIVITIES

The FNMA represents agricultural mutual-benefit societies with all business and trade organizations, particularly the CNMCCA, of which it is a member.

It also acts as employers' federation *vis-à-vis* all staff working in the agricultural mutual-benefit organizations.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The political role of the FNMA is carried out in a variety of ways: it maintains permanent contact with the government for the discussion of social plans, it has meetings with the ministers concerned, it sits on 'plan' committees, etc.

The FNMA is represented on the French Economic and Social Council.

It plays an active part in the work of the Bureau agricole commun (Common Agricultural Bureau).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The FNMA is represented on COPA. A member of the FNMA also presides over the work of the International Social Security Association at European level. Through the CNMCCA, it is also represented on the Comité paritaire pour les problèmes sociaux en matière agricole (Joint Committee on Social Problems in Agriculture) and the Comité consultatif sur la protection sociale agricole (Advisory Committee on Social Protection in Agriculture).

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE EUROPEAN COMMUNITY

The FNMA is represented on the European Confederation of Agriculture and follows the activities of the International Association for Mutual Assistance.

VII. INTERNAL COHESION

The principle of institutional unity enables farmers' mutual-benefit societies to make their voices heard and play to the full their role as a sectoral organization for farmers defending their material and non-material interests.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

The FNMA exerts its influence through the various agricultural organizations represented in Brussels to which it or the CNMCCA belongs, and in particular through the Economic and Social Committee.

IX. PUBLICATIONS

Annual and financial reports and reports on staff matters after each General Meeting.

X. SOURCES

GROUPEMENT NATIONAL DE LA COOPÉRATION: *Le Mouvement coopératif en France*, 'Tiers Secteur' series, published by CIEM (no date).

ESC, Directory of European Agriculture Organizations, Office for Official Publications & Kogan Page (1984).

Annuaire de la coopération en France (1981).

Statuts de la FNMA.

Mr Bonjean's presidential report of 6 March 1980.

XI. INTERVIEW

See section on CNMCCA.

French Agricultural Cooperation Confederation (Confédération française de la coopération agricole) (CFCA)

<i>President:</i>	Mr ALBERT DUCHALAIS
<i>First Vice-President:</i>	Mr CHEVALIER
<i>Vice-Presidents:</i>	Mr CHAMBAUD Mr GAUDINAT Mr LEQUERTIER Mr VERDALE
<i>Secretary-General:</i>	Mr RENÉ RAIMBAULT
<i>Director:</i>	Mr HENRI NOUYRIT
<i>Address:</i>	18, rue des Pyramides F-75001 Paris
<i>Tel.:</i>	260 31 26

I. ORGANIZATION

1. Date of formation

The Confédération française de la Coopération agricole (CFCA) (French Agricultural Cooperation Confederation) was set on 3 February 1966 as an association under the law of 1901.

2. Size and structure

The following are members of the CFCA:

the national federations of agricultural cooperatives in each branch of agriculture; at present there are more than 20 such federations. Cooperatives operating in several different fields belong to a number of these federations;

regional federations of agricultural cooperatives;

member organizations of 'Promotion-Coopérative'; this third group consists of national and regional unions of cooperatives and major individual cooperatives.

3. Administrative bodies

General Meeting;

Board of Directors;

Bureau;

Technical Committee.

The *General Meeting* comprises the following delegates appointed by members:

300 delegates from the national federations;

3 delegates from each regional federation;

the member organizations of 'Promotion-Coopérative' have 120 votes divided between them in proportion to their contribution commitments, provided that they have at least five members.

The *Board of Directors* has from 27 to 44 members, at least two-thirds of whom are farmers with a seat on the board of the member organizations. Board members are elected for a three-year term by the General Meeting, nominations being made by each of the three constituent groups. Board meetings are held at least once every three months.

The *Bureau* is elected by the General Meeting for a three-year term. At least half of the members of the Bureau must be representatives of the 'national federation' group. The Bureau must also comprise one representative of the 'regional federation' group and representatives of the 'Promotion-Coopérative' group.

The rules of the CFCA also provide for the Bureau to be assisted by a *Technical Committee*. This Committee comprises directors of the national federations and undertakings belonging to the 'Promotion-Coopérative' group, elected by their peers.

4. Decision-making procedure

Under the CFCA's rules, decisions require a majority of the votes cast. In practice consensus is the normal rule.

There is no fixed procedure for taking decisions; the procedure varies in the light of the subject under discussion and the degree of urgency and importance which the subject has at that particular moment.

5. Secretariat and staffing

The CFCA employs some 60 staff, including 38 executives. Half the staff work outside Paris.

6. Budget and contribution arrangements

In 1982 the CFCA's budget totalled FF 8 million, the bulk of which came from contributions from members in proportion to the turnover of the cooperatives or other organizations which they represent.

II. AIMS AND PRIORITY POLICIES

The CFCA seeks:

- to represent and generally defend the professional, material and non-material interests of French agricultural cooperatives;
- to do everything possible to strengthen and promote cooperation;
- to facilitate the study and coordination of all joint agreements, collective labour and social-security agreements applicable to employees of agricultural cooperatives;
- to publish all information and disseminate all documentation relating to its aims.

III. ACTIVITIES

With the help of its field staff the CFCA maintains relations with the local cooperatives through a number of bodies:

département bodies; there are 179 such bodies, which are either specialized or operate in a number of fields;

regional bodies; these comprise the following:

- 24 regional federations of agricultural cooperatives (FRCA), which are members of the CFCA. These regional federations provide various services, such as development and training of executives and Board members, inspections (management audit, checking of accounts, etc.);
- 38 specialized federations bringing together *département* cooperatives and federations concerned with the same 'products'.

The main role of these two groups of bodies is (a) to liaise between cooperatives so as to avoid harmful competition and (b) to provide technical assistance.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The CFCA maintains close relations with a number of ministries, depending on the issues of the day (e.g. agriculture, external relations, economic affairs).

It has direct contacts with a number of MPs and parliamentary groups concerned with agricultural matters.

The CFCA has several representatives on the French Economic and Social Council. It is also represented on a variety of consultative organizations set up by the government as well as on other public bodies: Conseil Supérieur d'Orientation de l'Économie Agricole et Alimentaire (Agriculture and Food Guidance Council), Commission des Comptes de l'Agriculture (Agricultural Audit Commission), Commission du Plan (Planning Commission), Commission Nationale de Reconnaissance des Groupements de Producteurs (National Commission for Recognition of Producer Groups), Conseil Supérieur de la Coopération and Coopération Agricole (Cooperation Council and Agricultural Cooperation Council), plus national product offices.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The CFCA is a member of the Steering Committee of Cogeca (General Committee for Agricultural Cooperation in the EEC) and participates in the work of COPA through the CNMCCA (National Confederation of Mutual Benefit, Cooperative and Credit Organizations in the Agricultural Sector).

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The CFCA is a member of the European Confederation of Agriculture, the International Federation of Agricultural Producers and the International Cooperative Alliance.

VII. INTERNAL COHESION

The CFCA brings together cooperatives of all leanings in a spirit of common endeavour.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

The CFCA brings its influence to bear through the European organizations of which it is a member in its own right or via the CNMCCA.

IX. PUBLICATIONS

A legal and fiscal bulletin covering developments in the law and court decisions relating to cooperatives.

Agriculture et coopération (monthly).

X. SOURCES

Les coopératives agricoles en France (December 1980).

Statuts, as amended on 26.10. and 10.12.1975.

Règlement intérieur, as amended on 26.10.1972.

ESC, *Directory of European Agricultural Organizations*, Office for Official Publications & Kogan Page (1984).

XI. INTERVIEW

See section on CNMCCA.

National Federation of Agricultural Credit Institutions (Fédération Nationale du Crédit Agricole) (FNCA)

<i>President:</i>	YVES BARSALOU
<i>Vice-Presidents:</i>	DELAUNOY DENEUX WOLF
<i>Secretary-General:</i>	LUCIEN DOUROUX
<i>Director-General:</i>	MAURICE LEPESANT
<i>Address:</i>	48, rue La Boétie F-75008 Paris
<i>Tel.:</i>	563 03 00

I. ORGANIZATION

1. Date of formation

The FNCA (Fédération Nationale du Crédit Agricole — National Federation of Agricultural Credit Institutions) was set up on 17 May 1945 as an association under the law of 1901.

2. Size and structure

The FNCA, a professional organization for coordination, representation and research, comprises the 94 regional mutual credit banks entitled to receive advances from the Caisse Nationale de Crédit Agricole (National Agricultural Credit Bank). It handles their joint interests and forms the forum where the presidents and directors of the regional banks meet to establish joint policies.

3. Administrative bodies

General Meeting;

Central Committee;

Bureau.

The *General Meeting* comprises the president and director of each of the regional banks, i.e. 188 members.

The General Meeting elects a Central Committee, composed of 22 presidents and 14 managers of the regional banks by secret ballot. The term of office lasts for three years. As a rule the Central Committee meets every month.

From among its members the Central Committee elects a *Bureau*, whose 12 members are appointed for one year: six presidents and six directors, plus a chairman (who is president of a regional bank) and a secretary-general (who is director of a regional bank). Close contact with the regional banks is ensured by regular monthly meetings between the presidents and directors of the banks. These meetings use working groups to set out proposals for dealing with current problems.

4. Decision-making procedure

Majority decisions are the rule in the Federation's various bodies.

5. Secretariat and staffing

The FNCA employs about 125 staff (directors, executives and administrative staff). There are the following departments:

- Economic, Financial and Banking studies;
- Social Affairs;
- General Operations (technological development and marketing);
- Communication and Public Relations;
- Legal and Fiscal service.

6. Budget size and contribution arrangements

In 1983, the FNCA's budget amounted to approximately FF 63 million.

The bulk of the FNCA's revenue is provided by the regional banks in the form of contributions which are fixed on the basis of the total assets of each regional bank.

II. AIMS AND PRIORITY POLICIES

The FNCA act, with the CNCA (Caisse nationale de Crédit agricole) as a coordinating and representative organization for the 94 regional banks.

III. ACTIVITIES

The FNCA's activities are of both a political and a technical nature:

Political: representation of the regional banks *vis-à-vis* the public authorities, national, European and international farmers' organizations, and the banking and other sectors;

Technical: research, information and documentation for the regional banks;

Management: establishment of joint services, negotiations on behalf of the banks with the staff's trade union representatives;

Communication: the FNCA aids the development of communications with and between the regional banks and with national groupings. This is achieved via structures comprising the presidents of the regional banks, the executives, and the various specialists covering the main areas of banking activity.

The FNCA works with CNCA (Caisse Nationale de Crédit agricole) to provide training facilities for staff and executives at the training institute of the mutual agricultural credit institutions.

The FNCA can also advise the regional banks on different matters.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The FNCA liaises with the Caisse Nationale (national-level bank) in helping to frame an agricultural credit policy. The President and the Secretary-General of the FNCA are regularly received by the relevant Ministers (agriculture, economic affairs).

The FNCA is also consulted by government bodies on the outline for general agricultural policy.

The FNCA represents the regional banks in a number of agricultural organizations, especially the CNMCCA (National Confederation of Mutual Benefit, Cooperative and Credit organizations in the Agricultural Sector), and the CAF (French Agricultural Council).

The FNCA has two representatives at the Economic and Social Council: its President and its Secretary-General. It is also represented in the national Cooperation Council.

From January 1984, the new banking law means that the FNCA, together with the CNCA, represents the regional banks at the French Association of Credit Institutions, which covers the whole of the banking network and of which the FNCA is a founder member.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The FNCA is a member of COPA via the CNMCCA. It is also likewise represented on Cogeca. It is a member of the Association of Cooperative Banks of the EC.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The FNCA belongs to:

- the European Confederation of Agriculture;
- the International Confederation for Agricultural Credit;
- the International Federation of Agricultural Producers.

The FNCA maintains relations on a limited scale with the FAO.

Finally, the International Labour Office sometimes asks it for experts for work in the developing countries.

VII. INFLUENCE ON COMMUNITY ACTIVITIES

It is mainly through the intermediary of the Association of Cooperative Banks of the EC that the FNCA takes part in the preparation of Community legislation concerning agriculture and credit. It also makes its influence felt through the offices of the European Confederation of Agriculture, the International Confederation for Agricultural Credit and the International Federation of Agricultural Producers in Brussels.

VIII. PUBLICATIONS

L'administrateur du Crédit Agricole (bi-monthly).

A fortnightly information bulletin for the presidents and management staff of the regional banks.

IX. SOURCES

ESC: *Directory of European Agricultural Organizations*, Office for Official Publications and Kogan Page (1984).

Annuaire de la coopération en France (1981).

X. INTERVIEW

Telephone conversations between Mr Paul Bertrand, FNCA General Directorate, and Maxime Lauwens, ESC General Secretariat, September 1984.

National Bank for Agricultural Credit (Caisse nationale de crédit agricole) (CNCA)

<i>President:</i>	MARCEL DENEUX
<i>Director-General:</i>	JACQUES BONNOT
<i>Address:</i>	91-93, Boulevard Pasteur F-75015 Paris
<i>Tel.:</i>	323 52 02

I. ORGANIZATION

1. Date of formation

The National Office for Agricultural Credit was formed by law in 1920. In 1926 it became the National Bank for Agricultural Credit (Caisse nationale de crédit agricole — CNCA).

2. Size and structure

CNCA is a public body. It has a supervisory function as regards the pyramid of 3 060 local banks and 94 regional banks and also acts as a centre for promotion, coordination and development of the banking structure.

3. Administrative bodies

Three bodies supervise and direct CNCA's activities:

- (i) a Plenary Commission, to supervise management. This is made up of MPs, representatives of the regional banks and agricultural organizations and top government officials;
- (ii) a Management Board, with 15 members:
 - eight elected by the Plenary Commission from among its members;
 - four appointed by the government, including the Director-General;
 - three elected by the staff;
- (iii) a Directorate-General responsible for management.

4. Secretariat and staffing

CNCA and its subsidiary Sogequip employ 3 650 persons. 42% of staff are executives, 36% are other employees and 22% are technicians or specialists.

5. Budget size and contribution arrangements

The CNCA budget is in the region of FF 1 400 million of which some FF 800 million are accounted for by personnel and salary costs.

II. AIMS AND PRIORITY POLICIES

These are to promote, coordinate and supervise the banking and financial activities of the regional banks of the mutual agricultural credit institutions.

III. ACTIVITIES

CNCA's main activities are as follows:

1. Financial function

CNCA provides a centralized management of resources, ranging from interbank settlements to manpower planning.

Monetary assets are used primarily by the regional banks, with the CNCA providing settlement facilities via rediscounting or investing surpluses on the money market.

Investors' savings are handled centrally via bonds issued by CNCA. These assets furnish the means with which CNCA provides advances to the regional banks to refinance their short and medium-term credit operations.

2. Regulatory and supervisory function

CNCA takes part in the preparation and updating of laws and regulations relating to agricultural credit.

It fulfils a general function of control and supervision of the whole of the system. Election of presidents, vice-presidents and board members of regional banks have to be ratified by the CNCA Management Board, which also agrees the appointment of directors. Further, the Management Board sees that the regional banks observe the Code rural (the laws on agriculture) and other regulations: it sets out the rules for accounting procedures and the annual financial statements of the regional banks are submitted to it for approval.

The control function, which is specified under Chapter III of Book V of the Code rural, is carried out with the assistance of a body of inspectors.

3. Assistance function

CNCA also ensures that the various bodies in the Crédit Agricole system act in a coherent way. It provides assistance to the regional banks in a number of areas: data processing, commerce, financial analysis, management control, accountancy, law and taxation, information, etc.

CNCA also has an advisory role with the regional banks in all these matters.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

CNCA is a negotiating partner with government bodies in all areas relating to the financing of agriculture and the food industry, housing and regional economies. It is a member of the GNC (National Cooperation Grouping).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

CNCA is a member of the Association of Cooperative Banks of the EC.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

CNCA is a member of the European Confederation of Agriculture (CEA) and the International Confederation for Agricultural Credit (ICAC).

VII. INTERNAL COHESION

CNCA and FNCA have set up a joint coordination committee, an internal policy body whose counterpart at technical level is the mixed concertation committees comprising members of the FNCA regional banks and the CNCA: marketing guidance committee, technological development committee, etc.

The Professional Agricultural Committee, which meets at CNCA, has the task of ensuring a common policy approach between the Crédit Agricole system and the other professional agricultural bodies.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

This is achieved via the Association of Cooperative Banks of the EC.

IX. PUBLICATIONS

Économie et Finances Agricoles (monthly).

X. SOURCES

CNCA — Department for Studies and Information.

XI. INTERVIEW

Information provided by the National Cooperation Grouping (GNC) to Maxime Lauwens, ESC General Secretariat, Studies and Research Division, in August 1984.

Central Federation of Mutual Agricultural and Rural Credit Institutions (Fédération Centrale du Crédit Agricole et Rural Mutuel) (FCCMAR)

<i>President:</i>	ELIE JONNART
<i>Secretary-General:</i>	P. BEAULIER
<i>Address:</i>	21, Boulevard Malesherbes F-75008 Paris
<i>Tel.:</i>	266 31 40

I. ORGANIZATION

1. Date of formation

The Fédération Centrale du Crédit Agricole et Rural Mutuel (FCCMAR) (Central Federation of Mutual Agricultural Credit and Rural Institutions) was set up in 1946 as an association under the law of 1901.

The FCCMAR was formed as soon as it was known that Minister Tanguy-Prigent intended to put all mutual agricultural credit banks under the supervision of the Caisse Nationale de Crédit Agricole (National Agricultural Credit Bank). The aim of the FCCMAR was to group together and represent those who did not wish to lose their independence.

2. Size and structure

According to Article 1 of its rules, FCCMAR groups together 'mutual agricultural credit banks which do not receive any advances from the State'.

After encompassing almost all independent mutual agricultural credit banks, FCCMAR saw its membership decline through several withdrawals in 1948, 1962 and 1974.

FCCMAR now has 15 regional groups, some made up of local banks and a federal bank, and others consisting of one bank with a wide area of activity or without local sections.

These groups vary greatly as regards both the number of member banks and the total volume of deposits. (The largest administers FF 2 800 million and the smallest only FF 1 million.)

3. Administrative bodies

General Meeting;

Board of Directors.

The *General Meeting* is made up of the 15 presidents of the banks or unions of banks (or their representatives). It meets at least once a year.

The *Board of Directors* consists of 11 presidents of banks or unions of banks (or their representatives). One-third of the Board is appointed by the General Meeting every two years:

4. Decision-making procedure

Decisions are taken by a majority of the votes cast.

5. Secretariat and staffing

There are five executive functions, the principal sections being the Directorate-General, the Inspection Directorate and the Directorate for Studies.

6. Budget size and contribution arrangements

The FCCMAR budget, which was FF 3.2 million in 1983, is funded by contributions the banks pay in proportion to their deposits and their credits.

II. AIMS AND PRIORITY POLICIES

The aim of FCCMAR is to assure the survival and development of independent agricultural credit organizations.

III. ACTIVITIES

FCCMAR:

- represents the general interests of the 'free' agricultural banks in their dealings with the State, the Bank of France and agricultural organizations;

- centralizes documentation;

- studies the organization and functioning of the banks, their general lines of policy and ways in which improvements might be made; and

- defines the general policy of the 'free' agricultural credit institutions and looks after their general interests both internally (inspection, organization, information, studies, etc.) and externally (representation, claims, negotiations, etc.).

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

According to the Secretary-General of FCCMAR:

'The "free" agricultural credit system attracts hardly any attention from the public authorities because of its lack of electoral influence. Most of the time its requests meet with no response but sometimes it is consulted on planned reforms affecting the mutual agricultural credit sector.'

However, FCCMAR is a member of the Confédération Générale de l'Agriculture (General Agricultural Confederation).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

FCCMAR's only links with bodies in the Community are those which it has with the Association of Cooperative Banks of the EC.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

FCCMAR is a member of the International Confederation for Agricultural Credit, the International Federation of Agricultural Producers and the European Confederation of Agriculture. It has contacts with the International Raiffeisen Union.

VII. INTERNAL COHESION

The group has a common trading name: 'Crédit Mutuel Agricole et Rural' (CMAR) which all banks may use while at the same time retaining their own name.

Agreement is quite easy to obtain on basic issues (rules, taxation, bank operating conditions) but views differ fairly widely on others, because:

- the banks operate in different regional contexts;

the banks vary so greatly in size (in terms of deposits, the biggest is three hundred times the size of the smallest);

the attitudes of the banks vary depending on whether or not they have links with the Crédit Mutuel groups.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

This is exerted basically through the association of Cooperative Banks of the EC.

IX. PUBLICATION

Monthly bulletin: *Parlons franc.*

X. SOURCE

ESC: *Directory of European Agricultural Organizations*, Office for Official Publications and Kogan Page (1984).

XI. INTERVIEWS

Mr H. Roulet, the Secretary-General's attaché was interviewed by Brigitte Galpin on 29 October 1980.

Text updated in August 1984 by Maxime Lauwens, ESC General Secretariat, Studies and Research Division, with Mr H. Roulet, assistant to the Secretary-General, and Mr Patrick Ferrère, Director of Economic Studies, FCCMAR.

2. The Banques Populaires (People's Banks) Group

1. Basic data (1983)

1 223 000 members

500 Board members

28 500 employees

3 000 000 depositors

3 federal bodies

38 regional banks

1 national-level bank, the Casden-BP

1 810 agencies

Consolidated balance sheet: FF 170 000 million

2. Brief historical outline

The first People's Banks were set up at the end of the nineteenth century on the spontaneous initiative of craftsmen, small-scale manufacturers and traders, who decided to band together to lend each other money.

The law enacted on 13 March 1917 gave People's Banks a special legal status empowering them to make loans 'to small and medium-sized firms in commerce and industry'. This law also provided for the mutual guarantee societies which have developed side by side with the People's Banks, particularly as regards crafts, commerce and the professions.

The Caisse centrale des Banques Populaires (People's Banks Central Institution) was set up in 1921 and the Chambre syndicale des Banques Populaires (Chamber of People's Banks) came into existence in 1929.

In 1974 the Caisse d'aide sociale de l'Éducation nationale (Casden) (State Education Social Aid Fund), hitherto attached to the Crédit Mutuel (Mutual Credit Society), became a People's Bank under the name of Casden-BP.

Today, People's Banks are fully-fledged banks with cooperative status and fixed or variable capital subscribed by members.

Links with other institutions in the cooperative, mutual and non-profit sector, and especially the Fédération nationale de la mutualité française (National Federation of French Mutual Benefit Societies), have tended to grow stronger, particularly since the 1970s.

3. Size and structure

People's Banks attract deposits from craftsmen, professional people, tradesmen, SMEs (small and medium-sized enterprises) and — since the 1960s — private individuals. The deposits amount to about 6.5% of the market, in the case of individuals, but 17% in the case of people in the professions and tradesmen. One craftsman in three, one commercial SME in four, and one industrial SME in three, are customers of People's Banks.

Although the 38 People's Banks are guided by common objectives, they are nevertheless separate entities with a large measure of financial and legal autonomy. To make their presence felt at national level, however, they have set up a federal structure consisting of three central bodies:

The *Banque populaire fédérale de développement* (BPFC) (the Federal People's Banks for Development) provides for legal continuity of the former Crédit hôtelier, industriel et commercial, which in 1980 contributed some of its assets to the Crédit d'équipement aux PME (CEPME) (SME Equipment Credit Institution). The BPFD carries out general transactions on behalf of People's Banks especially in the business sector.

The *Caisse centrale des banques populaires* (People's Banks Central Institution) acts as clearing house for the transactions of People's Banks. It administers their cash surpluses and operates on the French and foreign money markets. It also backs up the credit policy of People's Banks and provides them

with a number of common services, such as international operations, financial facilities and services; financial participations, advice, etc. The Central Institution has holdings in a number of foreign banks (in Switzerland, Tunisia, Italy, Lebanon, the UK, the Federal Republic of Germany, Belgium). It also has representative offices in Frankfurt, London, Madrid and New York.

The *Chambre syndicale des banques populaires* (Chamber of People's Banks) is both the national association of People's Banks and their supervisory body.

Chamber of People's Banks (Chambre Syndicale des Banques Populaires) (CSBP)

<i>President:</i>	JEAN MARTINEAU
<i>Director-General:</i>	ALAIN LE CORRE
<i>Address:</i>	131 avenue de Wagram F-75017 Paris
<i>Tel.:</i>	763 12 50

I. ORGANIZATION

1. Date of formation

The CSBP was set up on 24 July 1929 as an association under the law of 1901.

2. Size and structure

The CSBP represents and acts as a federal body for:

- The Caisse centrale de banques populaires (Central Institution for People's Banks);
- The Banque populaire fédérale de développement (the Federal People's Bank for Development);
- 38 regional People's Banks;
- 1 national People's Bank (CASDEN-BP).

3. Administrative bodies

- General Meeting;
- Council;
- Council Steering Committee;
- Central Credit Board;
- Board of Auditors;
- Government Commissioner.

The General Meeting consists of the presidents and directors-general of the People's Banks. The presidents of the People's Banks may be represented by a member of their Board of Directors. A General Meeting is held once a year.

The Council comprises the President of the People's Banks Group, nine presidents of People's Banks (or members of their Board of Directors) and six directors-general. The members of the Council are elected for a period of three years, the term of office of one-third of the members expiring each year. The appointments are made by a double electoral college of the Presidents and Directors-General of the people's banks. The Director-General of the Caisse Centrale de Crédit Populaire is an ex-officio member of the Council. The same is true of the Director-General of the Banque populaire fédérale de développement (Federal People's Bank for Development). Every meeting is also attended by the Government Commissioner as well as the Director-General.

The Council, which meets once a month, has an overall management role:

It acts as the CSBP's board of directors;

It carries out administrative, technical and financial supervision of each bank;

It takes or proposes all the measures needed to ensure that the people's banks function smoothly.

In the period between meetings, the Council can delegate certain powers to a *Steering Committee* composed of seven of its members.

The Council has also set up a *Central Credit Board* to which the people's banks are required to submit certain proposed credits or overdrafts. The Central Credit Board also administers the Fonds collectif de garantie des Banques Populaires (People's Banks' Collective Guarantee Fund).

The Board of Auditors, which is made up of four members of the Council and the Government commissioner, examines the administrative accounts of the Chamber at the end of each financial year.

The Government Commissioner attached to Crédit populaire de France is the representative of the State. He attends all General Meetings and all meetings of the Council and the Central Credit Board as well as the meetings of the Board of Directors of the Central Institution and the Federal People's Bank for Development. His role is to see that laws and regulations are complied with. He is appointed by decree countersigned by the Ministers for Economic and Financial Affairs and by the Minister for Trade and Crafts.

4. Decision-making procedure

Decisions are generally taken by a majority vote of the members present or represented.

5. Secretariat and staffing

Since the chamber has a dual role of spokesman and supervisory body, it has a large secretariat consisting of about 500 people.

6. Budget size and contribution arrangements

In 1981 the CSBP's budget amounted to FF 152 million.

The CSBP derives its income from contributions by the People's Banks calculated on the basis of coefficients geared to average capital and profits.

II. AIMS AND PRIORITY POLICIES

The aims of the CSBP are:

the defence of the collective interests of People's Banks;

the administrative, technical and financial supervision of People's Banks and Mutual Guarantee Societies (Sociétés de cautions mutuelles) coming under the Law of 1917;

the study of useful measures or reforms;

the provision of all necessary back-up facilities.

III. ACTIVITIES

The CSBP has three main roles:

Supervision and control

This implies not just the management supervision of the People's Banks and the affiliated mutual guarantee societies, but also inspection by the CSBP to ensure the proper application of banking and accountancy regulations.

Representation

This is primarily the role of acting as official representative of the joint interests of the People's Banks with national and international bodies.

Advice

This covers the services of advisers to the People's Banks, especially as regards CSBP help and coordination in the areas of payment methods and data-processing planning.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The CSBP is a member of the following bodies:

- Association française des établissements de crédit (Association of French Credit Institutions);
- Groupement national de la coopération (National Cooperation Grouping);
- Conseil supérieur de la coopération (Supreme Council for Cooperation).

It has relations with:

- the Conseil national du Crédit (National Credit Council);
- the Banque de France.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The CSBP participates in the following European bodies: EC representative office of the International Confederation for Small-Scale Credit;

Association of Cooperative Banks of the EC.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The CSBP is a member of the following organizations:

- Banking Committee of the International Cooperative Alliance;
- International Confederation for Small-Scale Credit;
- European Financial Marketing Association.

The CSBP is also represented at the UN, having the status of a non-governmental organization.

VII. INFLUENCE ON COMMUNITY ACTIVITIES

Influence is exercised through the EC representative office of the International Confederation for Small-Scale Credit and the Association of Cooperative Banks of the EC.

VIII. PUBLICATIONS

Flash (daily press round-up).

Actuel.

Réalités régionales.

Artisanat information.

Information entreprises.

IX. SOURCES

CBSB: *Chronique 1929-1979.*

AGENCE ÉCONOMIQUE ET FINANCIÈRE: *Panorama du groupe des banques populaires en 1983* (July 1984).

Loi du 24 juillet 1929 portant modification de la loi du 13 mars 1917 ayant pour objet l'organisation du crédit au petit et moyen commerce, à la petite et moyenne industrie (Law of 24 July 1929 amending the law of 13 March 1917 concerning the provision of credit for small and medium-sized firms in commerce and industry, JO, 25 July 1929).

Décret du 21 décembre 1936 relatif à l'organisation du crédit au petit et moyen commerce, à la petite et à la moyenne industrie (Decree of 21 December 1936 on the provision of credit for small and medium-sized firms in commerce and industry, JO, 21-22 December 1936).

La vie des Banques Populaires, brochure (July 1984).

X. INTERVIEW

Mr P. Picard, CSBP delegate at the representative office of the International Confederation for Small-Scale Credit in Brussels, was interviewed by Maxime Lauwens, ESC General Secretariat, on 22 April 1982, and on 16 July 1984.

3. Mutual credit system

1. Basic data

3 000 000 members + 1 000 000 other customers

41 000 Board members

17 080 staff

3 053 local establishments

Consolidated balance sheet: FF 143 300 million

2. Brief historical outline

Encouraged by Raiffeisen's example in Germany, Ludovic de Besse and Louis Durand set up the first local *Crédit Mutuel* banks in France in 1880s. The aim of these banks was to combat usury through cooperation, to encourage private initiative through saving and to promote the development of rural areas. Each bank serves a limited area so that members know each other. *Crédit Mutuel* loans are restricted to members consisting mainly of private individuals and families, but deposits from non-members are accepted. Loans for business purposes are granted only under certain conditions.

Crédit Mutuel is now a bank with special legal status under an ordinance of 1958.

The amended Finance Law of 1975 provided that half of the funds deposited in special savings books 'blue books'¹ must be put to general interest uses. This has made *Crédit Mutuel* the main private-sector lender to local authorities and voluntary associations. *Crédit Mutuel* regards itself to some degree as a social institution serving the cooperative, mutual and non-profit sector^[2].

In 1979 *Crédit Mutuel* set up the *Société pour le développement, l'étude et la réalisation des équipements collectifs (Soderec)* (Society for the Development, Design and Construction of Communal Facilities), which has the task of providing local authorities with technical, administrative, economic and financial assistance in the planning and construction of Communal facilities.

3. Size and structure

In terms of deposits, *Crédit Mutuel* is the fifth largest French bank (over FF 111 000 million).

At present there are over 3 000 local banks (*Caisses Locales*), which are genuine banks with legal and financial autonomy. The local banks are grouped in 21 regional federations (associations) and form 21 federal banks (*Caisses Fédérales*).

The regional federations take any steps required for the smooth operation of the local banks and provide the latter with services such as technical assistance, commercial training and organization and advice on legal and management matters. They carry out administrative, technical and financial supervision of the local banks.

The federal banks are cooperative societies with variable capital whose task is to administer the common financial interests of the local banks and their members and to undertake transactions that cannot be effected by the local banks.

Coordination on a national scale is ensured by the Central Office (*Caisse Centrale*) and the National Mutual Credit Confederation (*Confédération Nationale du Crédit Mutuel*).

The *Central Office* is the national financial institution set up by the federal banks to administer their common interests and act as their representative *vis-à-vis* the monetary authorities. It is a reserve and guarantee fund. It manages the capital entrusted to it by the federal banks by operating on the money, mortgage and financial markets. It provides the federal banks with a wide range of services such as clearing, foreign exchange, travellers' cheques and Eurocheques. In 1983 the Central Office had a balance sheet total of FF 26 200 million.

The *Confédération Nationale de Crédit Mutuel* is *Crédit Mutuel*'s representative body.

National Mutual Credit Confederation (Confédération Nationale du Crédit Mutuel) (CNCM)

<i>President:</i>	THEO BRAUN
<i>'Vice-President Délégué':</i>	LOUIS LICHOU
<i>Director-General:</i>	MICHEL DELAHOUSSE
<i>Address:</i>	88-90 rue Cardinet F-75017 Paris
<i>Tel.:</i>	766 01 51

I. ORGANIZATION

1. Date of formation

The CNCM was set up on 14 April 1958 as an association under the law of 1901.

2. Size and structure

The CNCM is composed of:

- (i) the 21 regional federations of Crédit Mutuel banks;
- (ii) the Central Office of Crédit Mutuel.

3. Administrative bodies

General Meeting;

Board of Directors.

The *General Meeting* consists of all members of the CNCM. The regional federations each have 100 basic votes plus a number of supplementary votes calculated on the basis of their size (number of banks, aggregate deposits and loans). The Central Office has only one vote.

The *Board of Directors* has at least 10 and not more than 15 members; the majority of whom must at least be Board members in a regional federation. The President, the Vice-President and the members are elected by the General Meeting for a five-year term. The term of office of one-fifth of the members expires every year. The Board meets at least six times a year.

4. Decision-making procedure

Decisions are normally taken by a majority vote of the members present or represented.

5. Secretariat and staffing

The CNCM employs a staff of about 100, covering all categories.

6. Budget size and contribution arrangements

In 1983 the CNCM's budget totalled approximately FF 55 million.

It is funded by members' contributions and by a variety of fees and resources as well as any subsidies received. The method of calculating members' contribution is laid down in the CNCM's rules of procedure.

II. AIMS AND PRIORITY POLICIES

The CNCM seeks to:

- collectively represent Crédit Mutuel banks and further their common rights and interests;
- to carry out administrative, technical and financial supervision of the local banks;
- take any action required to ensure the smooth operation of the banks.

III. ACTIVITIES

The CNCM:

- promotes the development of Crédit Mutuel, in particular by encouraging the setting-up of new banks;
- takes any steps necessary for the creation of joint guarantee funds;
- ensures representation and coordination at both national and international levels.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The CNCM is a member of the following bodies:

- GNC (National Cooperation Grouping);
- Conseil supérieur de la coopération (Supreme Council for Cooperation);
- Conseil National du Crédit (National Credit Council);
- Commission du Financement du Plan (Commission for the Financing of the Plan).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The CNCM is a member of the following Community organizations:

- Association of Cooperative Banks of the EC;
- European Confederation of Agriculture (CEA), International Confederation for Agricultural Credit (CICA), Working Party (agriculture).

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The CNCM is a member of the following organizations:

- ICA;
- Centre International du Crédit Mutuel (International Centre for Mutual Credit);
- International Raiffeisen Union;
- International Liaison Committee on Cooperative Thrift and Credit.

Crédit Mutuel actively supports a number of African savings and credit movements which have recently been set up.

VII. INFLUENCE ON COMMUNITY ACTIVITIES

The CNCM exerts influence on Community activities through the Association of Cooperative Banks of the EC.

VIII. PUBLICATION

Les Cahiers du Crédit Mutuel.

IX. SOURCES

CNCM: *Crédit mutuel, un mouvement et une banque* (1983).

CNCM: *Les Cahiers du Crédit Mutuel*, No 28 of February 1981, No 31 of September 1981 and No 33 of January 1982.

CNCM, *Statuts* (January 1973).

X. INTERVIEW

Mr Jean Paul Rocquet, Director of Communication and Research at the CNCM, was interviewed by Maxime Lauwens, ESC General Secretariat, on 12 March 1982 and 17 July 1984.

XI. REFERENCES

The Special Crédit Mutuel Savings books offers the same advantages as the A-type savings bank book: up to a statutory limit the sums deposited are withdrawable at any time and interest is paid free of tax.

'Quelles perspectives pour le Crédit Mutuel', article published in *Les Cahiers du Crédit Mutuel*, No 33 (January 1982), p. 30.

4. The Cooperative Credit Group

1. Basic data (1983)

Approximately 13 600 members (principally organizations with legal status), including more than 3 000 in the CCCC.

941 employees

30 regional agencies

Consolidated total assets: FF 16 300 million.

2. Brief historical outline

The Cooperative Credit (Crédit coopératif) Group came into being on 17 June 1938, this being the date on which the decree-law setting up the Central Bank for Cooperative Credit (Caisse centrale de crédit coopératif) (CCCC) was adopted. The latter body is a financial institution with special legal status whose purpose is to provide funds for investments by workers' production cooperatives and consumers' cooperatives. Its sphere of activity has expanded gradually and, since the decree of 27 February 1982, it has covered all cooperatives, mutual-benefit societies, associations and other non-profit organizations in the non-agricultural sector.

The Union nationale de crédit coopératif was set up in 1964 and the Banque française de crédit coopératif in 1969.

3. Size and structure

The Cooperative Credit Group comprises:

- the Central Bank for Cooperative Credit, the central body provided under the banking legislation;

- the credit institutions affiliated to the Central Bank;

- the other bodies which supplement the work of the Central Bank and its affiliated credit institutions.

The Cooperative Credit Group has a special place within the French banking system because of its unique and specific role as banker for non-agricultural organizations in the social economy sector. Over 75% of its loans are advanced to organizations within the social economy.

The members of the group who make use of its credit facilities may be analysed as follows:

- The cooperative sector: workers' production cooperatives, consumer cooperatives, cooperatives of independent retailers, maritime cooperatives, housing and building cooperatives, and other cooperatives based on family businesses: crafts, transport, SMEs and the professions.

- The non-profit sector and related bodies: associations, foundations, company-based groups and trade unions, covering health, training, tourism and leisure.

- The mutual-benefit sector.

- Moderate-rent housing: building organizations (moderate-rent housing cooperatives, joint ventures between public and private enterprises, inter-professional housing committees, environmental protection groups, communal housing cooperatives, etc.).

- Public sector bodies: for those of their activities which touch on the social economy (moderate cost facilities for tourism, leisure and health).

The Cooperative Credit Group answers the financial needs of its members by providing a wide range of services.

All the members of the Central Bank for Cooperative Credit and its affiliated institutions are in turn members of the National Union for Cooperative Credit (UNCC)[¹] whose task is:

- to determine the broad policy objectives of the Central Bank for Cooperative Credit, and its principal operational methods;

- to make known its views with government and public;

- to find solutions to the common problems of the member bodies, and to bring together and inform all persons or organizations concerned with cooperatives.

The administrative bodies of UNCC are:

- (i) the National Council, made up of two sections. The first section comprises the representatives of organizations in the various sectors of the social economy which are members of CCCC or its affiliated institutions. The second section is made up of elected representatives of regional or, in some cases, local committees.

Representatives of the affiliated institutions have consultative status in the National Council.

Members of the National Council are appointed on an annual basis. The Council meets at least once per year and whenever it is convened by the President or, in his absence, by the Bureau.

The National Council's task is:

to watch over the management of the CCCC and its affiliated institutions and to provide such advice and recommendations as it may judge necessary, particularly as regards new policies on income and investments;

to give its views on the position of the group and on national and international economic and financial problems;

to give its views on the policies of CCCC within the framework of national and international cooperation between cooperatives.

- (ii) the Bureau, whose President is President of the UNCC. The President and the Chief Executive Officer represent the organization *vis-à-vis* third parties.

- (iii) Regional committees and, in certain cases, local committees. These comprise representatives of the social economy in each region. They meet to give their views on the activities of the CCCC and its affiliated institutions in the region, supporting and guiding the Regional Director.

There is also a Cooperative Credit Foundation, whose role is to promote and develop the social economy. It edits the *Revue des Études Coopératives* and confers the annual Cooperative Credit Award for the organization showing most innovation in the social economy.

Central Bank for Cooperative Credit (Caisse Centrale de Crédit Coopératif) (CCCC)

<i>President/Director-General:</i>	JACQUES MOREAU
<i>Deputy Directors-General:</i>	ANDRÉ CHOMEL JEAN-CLAUDE DETILLEUX
<i>Address:</i>	33 rue des Trois-Fontanot F-92000 Nanterre
<i>Tel.:</i>	724 85 00

I. ORGANIZATION

1. Date of formation

17 June 1938.

2. Size and structure

Following the adoption of the banking legislation of 24 January 1984 and the implementing decrees of 25 July 1984, the Central Bank for Cooperative Credit (CCCC) found itself entrusted with the role of a central organization for the Cooperative Credit Group. As a central organization, it became the

focal point for all those financial institutions affiliated to it, whether or not they are under its direct control.

The Central Bank's affiliated institutions are:

The BFCC (Banque Française de Crédit Coopératif) (French Cooperative Credit Bank) has been a cooperative banking organization since 17 May 1982. The majority of its capital comes from non-agricultural cooperative, mutual and non-profit bodies, which are also the recipients of 80% of loans granted by it.

The BFCC provides a full range of the traditional banking services to all the group members except consumer cooperatives and cooperatives in the maritime sector, which have their own banking services.

Its network of 30 agencies, which is based on the regional committees, ensures the representation in the regions of all the institutions in the group and provides members with a comprehensive range of banking services and short, medium and long-term loans.

Habitat Credit provides finance and guarantees for the provision of moderate rent housing (housing and building cooperatives, other construction organizations and purchasers of subsidized housing, etc).

UCEL provides finance and guarantees for organizations concerned with leisure and tourism activities (leisure organizations, investment in tourism or sports equipment, etc.).

CEC provides loans for the purchase of equipment by cooperatives of family enterprises and by the self-employed (craftsmen, haulage contractors, the professions, etc.).

COOPAMAT: an equipment leasing institution.

INTERCOOP: a real-estate leasing institution.

SICOMI COOP: real-estate leasing.

SOCOREC: finance and guarantees for the retail trade.

SIEM: intersectoral institution responsible for loans to the fish trade.

SCCR: cooperative finance institution providing guarantees for Renault agents.

SOMUDIMEC: financial cooperative for SMEs in the region Rhône-Alpes.

CRÉDIT MÉTALLURGIQUE: financial cooperative for SMEs in the region Nord Pas-de-Calais.

SOFINEL: financial cooperative for SMEs in the Loiret in conjunction with the region.

SCR PACA: regional cooperative society in Provence-Alpes-Côte d'Azur for enterprises in the social economy.

SODREES: financial cooperative for enterprises in the social economy of Languedoc-Roussillon, in conjunction with the region.

3. Administrative bodies

General Assembly;

Administrative Council;

Inspectors;

Auditors;

Government representative.

The *General Assembly* represents the entire membership. It is the supreme organ of the CCCC.

The *Administrative Council* consists of 7-12 members elected by the General Assembly for a period of six years. It is responsible for the administration of the CCCC.

During the period between meetings of the General Assembly, inspectors are elected from amongst the members. They take part in the discussions of the Administrative Council in a consultative capacity.

One or several auditors are appointed during a General Assembly. They execute their control as stipulated in the law.

The government representative acts on behalf of the State.

4. Decision-making procedure

Decisions are taken by majority vote.

5. Secretariat and staffing

In 1983, CCCC and BFCC employed together 941 staff.

6. Budget size and contribution arrangements

In 1983, the general costs of CCCC amounted to FF 276.7 million.

II. AIMS AND PRIORITY POLICIES

The CCCC has the following objectives:

With regard to the granting of loans:

- to undertake any banking activities which are to the advantage of its members, or of any organization or institution entitled to receive its support;
- to provide financial guarantees.

More generally:

- to execute any activities delegated to it by government authorities;
- to undertake any commercial or financial operations, dealing both in capital and real estate, which correspond to its objectives and which serve both its best interests and those of its affiliated organizations.

In its capacity as a central organization:

(By virtue of Article 20 of the law of 20 January 1984)

- to declare the affiliation of credit institutions and to approve their rules;
- to represent collectively the credit institutions affiliated to it and if necessary to provide support in law for their rights and common interests;
- to exercise administrative, technical and financial control over the organization and management of each affiliated institution;
- to take or propose any measures or decisions it considers necessary to ensure the coordinated development of the activities of the affiliated institutions and to enable their smooth operation;
- to ratify the election of administrators in the organization and to approve the appointment of managers. Where necessary, such approval may be withdrawn.

III. ACTIVITIES

The CCCC is the finance centre of the group, providing medium and long-term loans. It has a cooperative structure, its capital being held by the users of its services (direct borrowers and affiliated institutions), and it provides finance to all organizations of importance in the non-agricultural sector of the social economy, and also to public bodies, insofar as they are active in the social economy.

A semi-public institution with a special legal status, the CCCC is authorized to grant loans at subsidized interest rates and participative loans.

Further, it acts as the central organization for the Maritime Mutual Credit Bank.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The CCCC, in its capacity as central organization, represents the Cooperative Credit Group in the following institutions:

- Supreme Council for Cooperation;
- National Cooperative Grouping;
- Cooperative and Mutual-Benefit Parliamentary Group.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The CCCC, as central organization of the Cooperative Credit Group, represents it in the Association of Cooperative Banks of the EC.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The CCCC is a member of:

the International Cooperative Alliance;

CLICEC (Comité de liaison international des coopératives d'épargne et de crédit) (International Liaison Committee of Cooperative Banks), which coordinates its action with that of the Banking Committee of the ICA;

International Raiffeisen Union.

VII. INFLUENCE ON COMMUNITY ACTIVITIES

Influence on Community activities is exercised via the Association of Cooperative Banks of the EC.

VIII. PUBLICATIONS

La Lettre du Crédit Coopératif (Cooperative credit letter), quarterly.

Le Bulletin des Sociétaires (Members' bulletin), monthly.

La Revue des Études Coopératives (Cooperative study review), quarterly.

IX. SOURCES

Official Journal of the French Republic, decree of 27 February 1982 relating to the organization and functioning of the Central Cooperative Credit Bank, 11 March 1982, p. 814.

UNCC: *Rules*, 1984 (18 September 1984).

CCCC: *Rules*, 1984 (18 September 1984).

Declaration of Principles, 1984 (18 September 1984).

Crédit Coopératif, 1983 (Cooperative Credit 1983).

X. INTERVIEWS

Interviews between Mr Jean-Bernard Gins, general delegate of the CCCC, Mrs Roy of the CCCC and Maxime Lauwens of the Studies and Research Division of the General Secretariat of the ESC, on 22 March 1982 and on 4 December 1984.

5. Production cooperatives

1. Basic data (31.5.1984)

1 300 production cooperatives:

471 production cooperatives in building and public works

400 production cooperatives in services

150 production cooperatives in mechanical engineering and metal-working

116 production cooperatives in the book trade and graphic arts

163 production cooperatives in over 30 other fields

40 250 employees, including 24 577 members

Turnover: FF 10 000 million (estimate)

2. Brief historical outline

'Workers associations' started to appear in France in the 1830s. They were a reaction to the machine-based industrial concentrations and mainly comprised workers in the same trade.

After various ups and downs, these first workers' cooperatives joined together in 1884 to form the *Chambre consultative des associations ouvrières de production* (Consultative Chamber of Workers' Production Associations), replaced in 1937 by the present *Confédération Générale des Sociétés Coopératives Ouvrières de Production* (General Confederation of Workers' Production Cooperatives).

On 19 July 1978, a law was promulgated laying down rules for workers' production cooperatives. Since the passing of this law, workers' cooperatives may also take the name '*Société Coopérative Ouvrière de Travailleurs*' (SCOT) (Workers' Cooperative), in order to cover cooperatives providing services, including those of an intellectual nature.

3. Size and structure

Workers' cooperatives have mushroomed over the last few years. In 1982 alone, 299 new cooperatives were set up, representing 4 897 jobs. When a firm is in difficulties, it is becoming increasingly common for staff to decide to take over the running of it themselves in order to avoid a shutdown. A law of 22 December 1980 encourages such initiatives by authorizing the immediate payment of six months' unemployment benefit to unemployed people who decide to set up their own business. Together with the various other types of public, private or cooperative aid, this provides workers who want to start a cooperative with an appreciable initial capital.

Since 1978, production cooperatives (or workers' cooperatives) can choose between the legal form of '*société anonyme*' (public limited liability company) or '*Sàrl*' (private limited liability company). As well as being subject to the provisions of their specific 1978 law, they are covered by the general provisions of the 1966 law on commercial companies, the 1867 laws on companies with variable capital, and the 1947 law laying down general rules for cooperatives.

Geographically, production cooperatives are grouped in 11 regional unions. Production cooperatives may set up industry federations, as the three largest sectors have done: building and public works, metal-working and allied industries, and the book trade and graphic arts. There are also various information and exchange groupings in the commercial and technical spheres.

Nationally, the production cooperatives' central representative body is the *Confédération Générale des Sociétés Coopératives Ouvrières de Production* (General Confederation of Workers' Production Cooperatives).

General Confederation of Workers' Production Cooperatives (Confédération Générale des Sociétés Coopératives Ouvrières de Production) (CGSCOP)

<i>President:</i>	YVES REGIS
<i>Vice-Presidents:</i>	JEAN-MARIE COURTOIS RAYMOND JACQUET GEORGES RINO
<i>Secretary-General:</i>	FRANÇOIS ESPAGNE
<i>Address:</i>	37 rue Jean Leclair F-75017 Paris
<i>Tel.:</i>	627 89 58

I. ORGANIZATION

1. Date of formation

CGSCOP was set up in 1937 as an association under the 1901 law.

2. Size and structure

1 300 workers' production cooperatives belong to CGSCOP. They are also grouped into:

- 11 regional unions;
- 3 industry federations.

3. Administrative bodies

Congress;
National Council;
Bureau;
Arbitration Board;
Board of Auditors.

The Congress brings together the delegations of all production cooperatives in a general meeting every three years. Each delegation is made up of one or more delegates, according to the size of the production cooperative represented, and each delegate has one vote.

The National Council has 61 members elected for three years by the Congress, the representation of each regional union being in proportion to its size. The National Council plays the role of a board of directors. It meets every six months, and also appoints the Secretary-General.

The Bureau consists of a President, three Vice-Presidents, and 12 members appointed by the National Council.

The Arbitration Board is appointed by Congress, its members being chosen from the members of production cooperatives. It arbitrates on disputes arising within a cooperative or between CGSCOP members.

The Board of Auditors is appointed by Congress. It audits the accounts, and checks receipts and expenditure.

4. Decision-making procedure

Decisions are generally taken by a majority vote of the members present or represented.

5. Secretariat and staffing

CGSCOP has a staff of around 70 people, 45 of whom work in its regional offices.

6. Budget size and contribution arrangements

CGSCOP's 1983 budget was around FF 36 million.

CGSCOP is funded by contributions, which are calculated in proportion to turnover, and by subsidies received from central and local government.

II. AIMS AND PRIORITY POLICIES

CGSCOP's aims are to encourage:

- an improvement in the lot of workers through cooperation;
- workers to assume responsibility for firms and manage them.

III. ACTIVITIES

CGSCOP:

- represents production cooperatives;
- organizes solidarity among its members in the regional unions and industry federations;
- furtheres the development of production cooperatives by the following means:
 - assessment of the results of production cooperatives by annual centralization of their financial and cooperative balance-sheets,
 - temporary or sustained management support,
 - training and information activities,
 - direct financing through a special fund,
 - solution of cooperatives' legal and tax problems;
- encourages the setting-up of new production cooperatives.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

CGSCOP is represented on the following bodies:

- Conseil économique et social (Economic and Social Council);
- Centre d'étude des revenus et des coûts (Centre for the Study of Income and Costs);
- Conseil supérieur de la coopération (Supreme Council for Cooperation).

It belongs to the Groupement National de la Coopération (GNC) (National Cooperation Grouping).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

CGSCOP is a member of the Confédération européenne des coopératives ouvrières de production (Cecop) (European Confederation of Workers' Production Cooperatives).

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

CGSCOP belongs to the ICA (International Cooperative Alliance) (Cicopa) and Comité international des coopératives ouvrières de production et artisanales (International Committee of Workers' Production and Craft-based Cooperatives).

VII. INTERNAL COHESION

The principle of cooperative solidarity also applies between cooperatives, the strongest supporting the weakest. An internal finance body, Socoden-FEC, uses one-third of the confederation subscriptions to fund new projects or the development of existing business of production cooperatives.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

CGSCOP exerts its influence via Cecop.

IX. PUBLICATIONS

La coopération de production (monthly).

SCOP-hebdo (weekly).

X. SOURCES

CGSCOP: *Statuts* (1982).

CGSCOP: *Quelques chiffres au 31.5.1984*.

CGSCOP: *Missions et organisation de la Confédération générale des SCOP et de ses Unions régionales* (1979).

CGSCOP: *Rapport d'orientation du 26ème Congrès national de la Coopération ouvrière* (1981).

ANTONI, ANTOINE: *La Vie dans une SCOP*, CGSCOP (1978).

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Study by TEN (Research and Advisory Services Cooperative) for the EEC Commission entitled, *Le développement des coopératives ouvrières de production dans le secteur de l'économie sociale* (1981).

Le Figaro: Trois mille emplois sauvés grâce aux coopératives (23 March 1982).

CHATAIGNIER, A., LEFILLEUL, M., FABIAN, M.: *Portraits de SCOP*, Ten-Syros (Paris 1984).

XI. INTERVIEW

Mr Lahitte and Mr Jean Gauthier, CGSCOP, were interviewed by Maxime Lauwens, ESC General Secretariat, on 22 March 1982 and 18 July 1984.

6. Consumer cooperatives

1. Basic data (1983)

2 000 000 families
 3 500 Board members
 42 000 employees
 6 400 points of sale (all types)
 224 member societies
 45 hypermarkets
 386 supermarkets
 1 102 mini-supermarkets
 2 359 self-service stores
 1 648 traditional shops
 32 non-food shops
 53 cafeterias
 175 petrol stations
 82 cooperatives of post office staff
 3 mail-order networks
 13 Coop factories
 3 leisure organizations
 Total turnover: FF 29 600 million

2. Brief historical outline

The first consumer cooperatives were created in the nineteenth century by citizens who wanted to sell and exchange at lower prices 'all the consumer goods supplied in short measure, under false pretences and at exorbitant prices in a situation of mercantile anarchy' [1].

The Fédération nationale des coopératives de consommation (National Federation of Consumer Cooperatives) was founded in 1912, when a pact of unity was signed by consumer organizations.

Special legislation adopted in 1917 made consumer cooperatives into companies with variable capital and membership based on the Rochdale principles.

In 1974 the National Federation of Consumer Cooperatives became the first national consumer association allowed to bring a civil action in a court of law.

3. Size and structure

Today a vast industrial and commercial network representing 4.0% of the food sector and 0.7% of the non-food sector is run democratically by two million families.

Several specialist bodies or companies have been set up by the consumer cooperative movement to provide regional or local cooperatives with back up:

Société générale des coopératives de consommation (SGCC) (General Association of Consumer Cooperatives)

This is a central body with a threefold mission:

- centralization of purchases and imports on behalf of cooperatives;
- production of goods (mainly foodstuffs);
- provision of services for cooperatives (publicity, market surveys, marketing assistance).

The SGCC also has holdings in other companies (FNAC, la Maison de Valérie, OK Pétrole, Coopentreprises, Coopentreprises Restauration).

Banque centrale des coopératives et des mutuelles (BCCM)
(Central Bank for Cooperatives and Mutual-Benefit Associations)

This bank, which handles the deposits of cooperatives and their members, associations, trade unions, mutual-benefit organizations and the public in general, has 23 branches. In addition, the Garantie mutuelle des fonctionnaires (GMF) (Civil Servants' Mutual Guarantee Fund), which holds one third of the bank's capital, has a number of offices. Total assets in 1983 were FF 5 600 million.

L'Union coopérative de crédit ménager (UCM) (Cooperative Household Credit Union)

This institution grants loans to members for the purchase of household appliances and leisure equipment.

La Sauvegarde

This is an insurance company covering all kinds of risks. Some of its capital is held by the GMF.

Three leisure organizations

Entraide coopérative (Mutual-Aid Cooperative) comprising 10 children's holiday centres, two health centres, three holiday villages and one camping and caravan site;

Comité national des loisirs (National Leisure Committee) — holidays for the young and old-age pensioners, federation of regional leisure clubs;

Arc-en-ciel (travel agents).

La Coopérative des adhérents à la Mutuelle des Instituteurs de France (CAMIF)
(Cooperative for Members of the French Teachers' Mutual Insurance Fund)

Mail-order sales for members of MAIF (French Teachers' Mutual Insurance Fund).

The Cooperative Laboratory

Carries out tests on consumer products and notifies consumers of the results. Its investigations carry weight with consumer associations, private individuals and the public authorities.

La Société coopérative de gestion (Cooperative Management Society)

Assists cooperatives in commercial, financial and general organizational matters.

L'Union coopérative de supermarchés (Cooperative Union of Supermarkets)

Oversees the setting-up, layout and running of supermarkets.

La Fédération nationale des coopératives de consommateurs
(National Federation of Consumer Cooperatives)

The central organization and manifestation of the unity of the consumer cooperative movement.

National Federation of Consumer Cooperatives (Fédération Nationale des Coopératives de Consommation) (FNCC)

President: JEAN LACROIX

Vice-President: JEAN GRAVE

Secretary-General: GILBERT PIGENET

Address: 27-33, quai Le Gallo
F-92517 Boulogne-Billancourt CEDEX

Tel.: 604 91 78

I. ORGANIZATION

1. Date of formation

The FNCC was created on 1 November 1912 as an association under the law of 1901.

2. Size and structure

The FNCC embraces:

19 regional cooperative societies;

205 local and specialist cooperative societies;

the Union coopérative de supermarchés (Cooperative Union of Supermarkets);

the CAMIF (Cooperative for Members of the French Teachers' Mutual Insurance Fund).

3. Administrative bodies

National Congress;

Central Board of Directors;

Executive Committee;

National Committee;

Association for the Auditing and Supervision of Cooperatives (ARCC);

Board of Auditors.

The *National Congress* is the general meeting of the societies, unions and institutions belonging to the FNCC, and meets every two years.

The *Central Board of Directors* is composed of 12-18 members who are elected for a six-year term by Congress. The term of office of one-third of the Board expires every two years. The Board's members must belong to an FNCC member organization and be active as a local Board member, militant or executive in the consumer cooperative movement. Meetings of the Board are held at least six times a year. The presidents of the National Committee and the ARCC attend these meetings and are entitled to vote.

The *Executive Committee* is constituted in the framework of the Central Board of Directors of the FNCC. Its role is an administrative one.

The *National Committee* consists of members appointed for a four-year term by Congress or, in the case of five of the members, by the Central Board of Directors. It is consulted by the Central Board of Directors on the implementation of National Congress decisions.

The *Association for the Auditing and Supervision of Cooperatives* (ARCC) is responsible for the financial supervision and auditing of cooperative societies and specialist organizations. Its methods of operation and resources are laid down in its own rules.

The *Board of Auditors* consists of three auditors appointed by Congress for a six-year term. The term of office of one of the auditors expires every two years. The Board of Auditors reports directly to Congress and, in the intervals between Congress meetings, it may call upon the services of the Association for the Auditing and Supervision of Cooperatives.

4. Decision-making procedure

Efforts are made in all bodies to go beyond strict application of the majority vote rule and obtain a consensus.

5. Secretariat and staffing

The FNCC has 136 persons on its payroll in all categories.

6. Budget size and contribution arrangements

The FNCC's budget totalled FF 32.8 million in 1983.

Its funds come mainly from members' contributions, which are determined by the size of their turnover.

II. AIMS AND PRIORITY POLICIES

The FNCC's aims are:

- the gradual collective acquisition of the means of exchange and production by member consumers, who will thereby retain for themselves the wealth which they create;
- the replacement of the competitive capitalist system by a system in which production is organized for the benefit of all consumers and not with a view to making a profit;
- the penetration and expansion of cooperative activities into areas where consumers' material and non-material interests are involved;
- the representation and defence of families which are members of cooperative societies and, more generally, of consumers as a whole;
- the development and encouragement of cooperative activities in the education, mutual aid, provident, leisure and consumer protection spheres.

III. ACTIVITIES

The FNCC:

- represents the cooperative movement;
- informs and educates consumers with the help of the following services:
 - cooperative press,
 - consumer education centre,
 - consumer information service,
 - surveys service;
- informs, assists and advises cooperative societies through its specialist services (legal, fiscal, social information, etc.) or specialist associations (ARCC, Cooperative Technical School, Training Insurance Fund).

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The FNCC takes part in the work of a very large number of bodies, for example:

Official bodies:

- Conseil économique et social (Economic and Social Council);
- Conseil supérieur de la coopération (Supreme Council for Cooperation);
- Conseil national de la consommation (CNC) (National Consumers' Council);
 - Institut national de la consommation (INC) (National Consumers' Institute);
 - Commission nationale de planification (National Planning Commission);
 - Commission de la concurrence (Competition Commission).

Cooperative bodies (inter-cooperation):

- Groupement national de la coopération (National Cooperation Grouping);
- Institut français de la coopération (French Institute for Cooperation);
- Collège coopératif (Cooperative College);
- Caisse centrale de crédit coopératif (Central Cooperative Credit Bank).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The FNCC is a member of Eurocoop.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The FNCC is a member of the ICA (International Cooperative Alliance) and of Intercoop.

The French cooperative movement contributes towards programmes for the development of cooperatives in several West African countries.

The FNCC also maintains friendly relations with numerous foreign cooperative movements in Asia, America and Europe.

VII. INFLUENCE ON COMMUNITY ACTIVITIES

The FNCC is represented on the following Community bodies, through Eurocoop:

- EC Consumers' Consultative Committee;
- Advisory Committee on Beef and Veal;
- Advisory Committee on Wine.

VIII. PUBLICATIONS

COOP-Info (monthly).

Bulletin coopératif d'information (weekly).

IX. SOURCES

FNCC: *Statuts et règlement intérieur* (1983).

FNCC: *La Fédération nationale des coopératives de consommateurs*.

FNCC: *De la production à la consommation: les coopératives dans la filière agro-alimentaire française* (1980).

FNCC: *Consommation-Consommateurs-Consumérisme, leur évolution depuis un an* (April 1982).

FNCC: *Les coopératives de consommateurs en France* (brochure).

FNCC: *Les coopératives de consommateurs: chiffres clés d'activité en 1983*.

X. INTERVIEW

Mr Jacques Semler-Collery, FNCC Manager, was interviewed by Maxime Lauwens, ESC General Secretariat, on 24 March 1982 and on 17 July 1984.

XI. REFERENCE

- [¹] Pierre-Joseph Proudhon (1809-65). Translation of an excerpt from *Liaisons coopératives*, No 39, '125 ans d'histoire coopérative', p. 18.

7. Moderate-rent housing cooperatives

1. Basic data

231 cooperatives:

138 instalment-purchase societies;

93 production societies.

300 000 members

400 000 dwellings built since 1945

Turnover: FF 1 608 million.

2. Brief historical outline

The Société coopérative des ouvriers de Paris (Paris Workers' Cooperative Society), which was founded in 1867 at the instigation of Napoléon III, may be considered as the forerunner of the moderate-rent housing cooperatives, known as HLM cooperatives (*habitation à loyer modéré*). But the latter only really started to develop from 1950 onwards, particularly after the experiment of the 'self-build cooperatives' made up of heads of households helping each other to build their own houses.

The legal foundations of the moderate-rent housing cooperatives were laid in 1965 through the adoption of a decree dividing such societies into instalment-purchase societies and cooperative-letting societies. The growth which resulted was stopped dead by the laws of 1971, which abolished cooperative letting and prevented the pursuit of activities in the field of instalment-purchase cooperatives. The law of 20 July 1983 relating to the development of certain activities in the social economy sector restored wide powers to the moderate-rent housing cooperatives in all sectors of construction. The aim of the law is to relaunch the cooperative construction sector.

3. Size and structure

The 1971 legislation led to a fall in the activity of moderate-rent housing cooperatives. Instalment-purchase cooperatives had to content themselves with running programmes put into effect before 1971, while the number of new housing starts by other types of moderate-rent housing cooperatives fell from a high of over 20 000 units in certain years to less than 5 000 units in 1981. It is still too early to ascertain the effects of the 1983 law.

At present, there are three types of moderate-rent housing cooperatives:

Instalment-purchase cooperatives;

Production cooperatives; and

Building cooperatives.

The instalment-purchase cooperatives provide their members with a dwelling with the promise of ownership if they pay around 20% of the price at the time of occupation and a 'rent' during a period of 25 years.

The production cooperatives group together all the people professionally involved in building dwellings. They receive State-backed loans and may re-lend these funds, subject to certain conditions, to people who wish to build.

The building cooperatives are civil-law associations formed by prospective owners to carry out a specific programme. Their members are both contributors of capital and customers of the cooperative. These cooperatives are dissolved when the programme for which they have been formed has been completed. They are linked to production cooperatives through a services contract.

The moderate-rent housing cooperatives are grouped together into 21 regional associations. To help people become home-owners they have also created a number of financial and technical bodies.

ARECOOP/Habitat-crédit administers a mutual guarantee fund and takes part in the supplementary financing of certain dwellings built by moderate-rent housing cooperatives.

The Société de développement de l'habitation coopérative (Cooperative Housing Development Society) was set up in 1981 with funds from 37 moderate-rent housing cooperatives to encourage the

development of building cooperatives by providing them with technical support and loans at competitive rates.

The Association nationale des Coopératives de construction (National Building Cooperatives' Association) groups together a number of user-members of building cooperatives. It works closely with the *Fédération nationale des Coopératives HLM* (National Federation of Moderate-Rent Housing Cooperatives) to promote building cooperation.

The Fédération nationale des coopératives HLM is the representative body for HLM cooperatives. Together with other moderate-rent housing bodies which are not cooperatives it forms the *Union nationale des fédérations d'organismes HLM (UNFO/HLM)* (National Union of Federations of Moderate-Rent Housing Bodies).

National Federation of Moderate-Rent Housing Cooperatives (Fédération Nationale des Sociétés Coopératives HLM) (FNSC/HLM)

<i>President:</i>	DANIEL PETREQUIN
<i>Vice-Presidents:</i>	ANDRÉ ALQUIER ROBERT DARNAULT
<i>Director:</i>	MICHÈLE TIXADOR
<i>Address:</i>	14, rue Lord Byron F-75008 Paris
<i>Tel.:</i>	563 17 31

I. ORGANIZATION

1. Date of formation

13 January 1908.

2. Size and structure

The FNSC/HLM is made up of:

- 138 instalment-purchase cooperative societies; and
- 93 production cooperative societies.

3. Administrative bodies

General Meeting;

Federal Council;

Bureau.

The *General Meeting* is made up of delegates from all member societies. Each society has the right to one vote. A General Meeting is held at least once a year.

The *Federal Council* is made up of nine members elected by the General Meeting and one member elected by each regional association for a period of three years. The term of office of one-third of the Council's members expires each year. The Council meets at least once a quarter.

The *Bureau* is made up of a President, two Vice-Presidents, a Secretary, a Treasurer and four members elected by the Federal Council.

4. Decision-making procedure

Decision are taken by a majority vote.

5. Secretariat and staffing

The FNCS/HLM employs three people. Many administrative duties are carried out by the secretariat of UNFO/HLM which has a staff of around 250.

6. Budget size and contribution arrangements

The FNCS/HLM budget in 1983 was FF 1 773 000. Some 40% of this was paid to UNFO/HLM for its administrative and technical support.

The budget is funded by contributions from member societies calculated on the basis of their turnover, as well as by subsidy from the trustee ministry.

II. AIMS AND PRIORITY POLICIES

The FNCS/HLM's aim is to promote the activities of the cooperative movement in the realm of low-cost housing.

III. ACTIVITIES

The FNCS/HLM:

- studies ways of promoting cooperation in the field of low-cost housing;
- prepares and distributes documentation on moderate-rent housing cooperatives;
- participates in the training of staff and the operation of moderate-rent housing cooperatives;
- represents moderate-rent housing cooperatives; and
- assesses the economic and financial situation of member societies in collaboration with UNFO/HLM and looks for ways of solving any problems.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The FNCS/HLM is a member of the following organizations:

- the UNFO/HLM;
- the Groupement national de la coopération (GNC) (National Cooperation Grouping);
- the Conseil supérieur des HLM (Supreme Council for Moderate-Rent Housing);
- the Conseil supérieur de la coopération (Supreme Council for Cooperation).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

None.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

FNCS/HLM is a member of the following organizations:

- the ICA (International Cooperative Alliance);
- the International Cooperative Housing Committee.

VII. SOURCES

FNCS/HLM: *Statuts* (1980).

FNCS/HLM: *Rapport d'activités et d'orientations*, presented by the Federal Council on 18 and 19 March 1982.

FNCS/HLM: *Rapport financier*, presented by Yves Potier, Treasurer, on 18 and 19 March 1982.

FNCS/HLM: *Memento pratique des sociétés coopératives de production HLM* (1980).

FNCS/HLM: *Construire avec les coopératives HLM*.

VIII. INTERVIEWS

Mrs Michèle Tixador, Director of the FNCS/HLM, and Mr Bernard Gauroy, head of the federal secretariat, were interviewed by Maxime Lauwens, ESC General Secretariat on 10 March 1982, and on 18 July 1984.

8. Retailers' cooperatives

1. Basic data (UFCC members only)

13 000 members

food sector: 5 000

non-food sector: 8 000

744 Board members

4 000 employees

food sector: 2 300

non-food sector: 1 700 (cooperative offices and warehouses only)

15 000 points of sale

food sector: 5 000

non-food sector: 10 000

Turnover cooperative activities: FF 24 000 million

food sector: FF 15 000 million

non-food sector: FF 9 000 million

Turnover retail trade: FF 57 000 million

food sector: 28 000 million

non-food sector: 29 000 million

2. Brief historical outline

The first retailers' purchasing group was set up in Rheims in 1885 to counter the threat which the advent of department stores and chain stores posed to the retail trade.

Gradually, these purchasing groups — which were originally set up in the form of associations to safeguard members' interests — were turned into public limited liability companies with variable capital and membership.

Following the adoption of the law of 2 August 1949 organizing cooperation in the retail trade within the framework of the general rules for cooperatives (law of 10 September 1947), almost all the retailers' purchasing groups became cooperative societies.

In 1963, the united retailers' cooperative societies set up the Société coopérative pour la rénovation et l'équipement du commerce (Socorec) (Cooperative Society for Renovation and Equipment in the Commercial Sector). The aim of this organization is, in conjunction with the Caisse Centrale de Crédit Coopératif (Central Cooperative Credit Bank), to help finance the commercial assets of societies affiliated to the UFCC. This help may take the form of guarantees and bank loans, or even leasing arrangements.

The laws of 11 July 1972 and 8 July 1977 make retailers' cooperatives better equipped to cope with competition.

3. Size and structure

In terms of the overall turnover achieved at retail level by their members, retail cooperatives belonging to the UFCC account for 5.5% of French retail trade. Adding to this the turnover of chemists' cooperatives, the Leclerc group and certain groupings not belonging to the UFCC, cooperation between retailers gives them the control of more than 11% of retail sales, which represents 50% of non-profit trade.

The non-food sector covers a wide variety of trades: furniture, garden equipment, footwear, toiletries, electrical household appliances, watches, clocks and jewellery, toys, child care, books and stationery, optical products hardware, sports products, textiles, tableware, photographic materials and equipment, radio, TV and hi-fi equipment, tourism, do-it-yourself.

Retailers' cooperatives may have several functions:

Purchasing:

- as wholesalers,
- as middlemen;

Sales:

- publicity,
- product mix policy,
- harmonization of points of sale,
- group logo;

Provision of services:

- management and finance,
- fitting/planning of stores,
- training.

Some cooperatives collaborate on an individual basis with European or international groups, or maintain links with cooperatives in other countries. For instance, Codec-UNA belongs to Eurogroup and UGAL, and La Hutte is a member of Intersport. In the case of the shoe industry, Cedac has associations with Euroteam, and ARBELL maintains frequent links with both a German and a Swiss cooperative. In the case of home furnishing, SAPEC has contacts with organizations abroad.

The organization responsible for representing and protecting the interests of retailers' groups is Union fédérale des Coopératives de Commerçants (UFCC) (Federal Union of Retailers' Cooperatives).

Federal Union of Retailers' Cooperatives (Union Fédérale des Coopératives de Commerçants) (UFCC)

<i>President:</i>	JEAN-CLAUDE JAUNAIT
<i>Vice-Presidents:</i>	CLAUDE MIETTE JACQUES PETIT
<i>Director:</i>	JEAN SALVANES
<i>Address:</i>	77, rue de Lourmel F-75015 Paris
<i>Tel.:</i>	578 65 11

I. ORGANIZATION

1. Date of formation

UFCC was set up in 1964 as an association under the law of 1901.

2. Size and structure

UFCC represents:

- 28 societies in the food sector;
- 35 societies in the non-food sector.

3. Administrative bodies

General Meeting;

Board of Directors;

Bureau.

The *General Meeting* comprises the permanent representatives of the active members, each active member having one vote.

The *Board of Directors* comprises at least eight and not more than 18 members, who are appointed by the General Meeting from among the presidents, general managers and senior executives of the member societies. They hold office for a period of six years. Active members required to pay an annual subscription at least 20 times higher than the basic subscription may put forward two candidates, both of whom may be appointed. The term of office of half of the Board's members expires every three years. The Board meets whenever the UFCC's interests warrant.

The *Bureau* consists of the President, one or more Vice-Presidents, a Secretary, a Treasurer and possibly one or more Honorary Presidents. The members of the Bureau are elected for a two-year term.

4. Decision-making procedure

Decisions are adopted by a majority vote of the members present or represented.

5. Secretariat and staffing

UFCC employs a staff of four, but can also avail itself of the facilities of Socorec, which has a staff of 14.

6. Budget size and contribution arrangements

In 1984, UFCC's budget amounted to approximately FF 1.3 million.

It is funded by members' subscriptions, and fees paid for services rendered by UFCC.

II. AIMS AND PRIORITY POLICIES

The aims of UFCC are:

- to act as an umbrella organization for cooperative societies and groups of retailers and their unions or associations;
- to coordinate their activities;
- to promote their development.

III. ACTIVITIES

UFCC:

- fosters the formation and development of retailers' cooperatives;
- engages in any activity calculated to further commercial cooperation in the interests of producers, retailers and consumers. To this end, it studies ways and means of improving distribution and reducing the costs thereof;
- represents and protects the interests of its members;
- studies all matters which may be of interest to its members;
- maintains contacts with other sectoral or intersectoral unions, associations or organizations;
- in general, handles the public relations of retailers' cooperative societies and their members.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

UFCC is a member of the Conseil National du Commerce (National Council for Commerce), which is the commercial branch of the CNPF (French Employers' Associations). Its Director has a seat on the following bodies:

- Conseil Supérieur de la Coopération (Supreme Council for Cooperation);
- Conseil économique et social (Economic and Social Council).

UFCC is an *ex officio* member of the board of several societies in the group belonging to the Caisse Centrale de Crédit Coopératif (Central Cooperative Credit Bank), for instance the Union du Crédit Coopératif (Cooperative Credit Union).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

UFCC is a member of the Association of Retailer-Owned Wholesalers in Foodstuffs.

VI. INFLUENCE ON COMMUNITY ACTIVITIES

UFCC exerts influence on Community activities through the Association of Retailer-Owned Wholesalers in Foodstuffs.

VII. PUBLICATION

Nouvelles en bref.

VIII. SOURCES

UFCC: *Les coopératives de commerçants détaillants — guide pratique,*

UFCC: *Rapport moral à l'Assemblée générale annuelle ordinaire* (21 June 1984).

UFCC: *Assemblée générale ordinaire du 21 juin 1984 — Rapport financier.*

UFCC: *Statuts* (updated 15 June 1978).

IX. INTERVIEW

Mr Jean Holler, the head of the Legal Research Department of the UFCC, and Mrs Christine Souviat, responsible for documentation and statistics at the UFCC, were interviewed by Maxime Lauwens, ESC General Secretariat, on 11 March 1982.

9. Cooperative, mutual-benefit and credit institutions in the maritime sector

1. Basic data (1983)

Maritime credit

13 regional maritime mutual credit banks

30 000 members

667 staff

136 agencies or offices

Consolidated balance sheet: FF 4 100 million

Cooperative sector

134 maritime cooperatives

3 000 shore-based staff

4 000 crew

50 fishermen's supply cooperatives (Turnover: FF 500 million)

22 shipping cooperatives (Turnover: FF 150 million)

12 fish-trading and processing cooperatives (Turnover: FF 500 million)

50 cooperatives engaged in aquaculture and other activities (Turnover: FF 30 million)

Mutual-benefit institutions

4 mutual insurance associations

2. Brief historical outline

The first maritime mutual credit banks emerged in Brittany at the turn of the century. They had a two-fold objective:

to apply the principle of solidarity in confronting the fluctuations in the financial resources of fishermen;

to organize fishermen to fight against the usurious interest rates on loans for shipbuilding.

Maritime mutual credit banks were put on an official footing by the law of 4 December 1913, which also provided for setting up regional banks. These expanded rapidly in the 1930s and soon spread around the entire coastline.

From 1947 onwards, maritime mutual credit banks were involved in rebuilding the fishing fleet and received aid from the French Economic and Social Development Fund via the Caisse centrale de crédit coopératif (Central Cooperative Credit Bank).

The maritime mutual credit banks were given the right to service the entire maritime industry by the law of 11 July 1975 and the decree of 19 October 1976. At the same time, the regional institutions were placed under the financial supervision of the Caisse centrale de crédit coopératif.

In 1977 the Union nationale des caisses de Crédit maritime mutuel (National Union of Maritime Mutual Credit Banks) was established.

In 1976 the Union Financière pour le Développement de la Coopération Maritime (UFIDECOM) (Financial Union for the Development of Maritime Cooperation) was set up under the supervision of the Confédération de la Coopération, de la Mutualité et du Crédit Maritimes (Confederation of Cooperative, Mutual-Benefit and Credit Institutions in the Maritime Sector). UFIDECOM helps with the development and restructuring of maritime cooperatives, *inter alia* by means of capital participations.

The law of 20 July 1983 brought the rules governing cooperatives in the maritime sector up to date, enabling up to 30% of their membership to consist of those not involved professionally in that sector.

The law also made possible the formation of subsidiaries, up to 20% of whose turnover can consist of non-society income.

The law of 15 June 1984 clarified the law of July 1975 on finance in the maritime sector, allowing in particular the provision of a central organization.

3. Size and structure

The *Maritime Mutual Credit Organization* has a modest but original role in the French financial system.

Thanks to the extension of its field of activity under the 1975 law, it is gradually becoming the bank for the entire coastal economy, rather than for fishermen alone.

Its 13 regional banks have formed a union with the task of representing them at national level and on certain bodies. The Union also defines common policies with regard to, *inter alia*, staff, and the proceeds of savings and credit.

The 1975 law stipulates that the Caisse centrale de crédit coopératif is to supervise the financial operations of the regional maritime mutual credit banks. It is to carry out all financial transactions on their behalf, provide services for the regional banks, etc. and centralize any surplus liquidity.

4. Fishermen's supply cooperatives

The supply cooperatives, the most important and the oldest cooperatives after the maritime mutual credit banks, provide fishermen with anything they need for running and maintaining their vessels: nets, fuel, various equipment, etc. They are authorized to sell 20% of their wares to non-members.

5. Shipping cooperatives and management groups

Approximately 700 vessels are run by management groups and shipping cooperatives. Their objectives are as follows:

- the keeping of clear management records for small-scale fishing;
- swift, rapid dissemination of information;
- advice and assistance.

The management groups and shipping cooperatives set up a management centre for small-scale fishing in 1978. This allows an exchange of views for the purposes of coordination and makes them eligible for a 20% tax rebate.

6. Fish-trading and processing cooperatives

These cooperatives were set up approximately 20 years ago. They have a three-fold role:

- to monitor the market;
- to boost competition in order to prevent private fishmongers from making excessive profits;
- to regulate the market.

Since 1976 genuine producers' organizations (genuine in the sense that they correspond closely to the EC definition of such organizations) have grown up around these cooperatives. These producers' organizations are tending increasingly to engage in processing (deep-freezing, packaging).

7. Aquaculture cooperatives

These cooperatives breed shellfish (oysters), marine fish and marine plants. Their basis of operation is a State concession, which allows them to exploit the sea-bed.

8. Mutual insurance

This area is not yet highly developed. It basically consists of four hull insurance institutions operating on mutual principles.

Depending on the region, the various types of cooperatives may amalgamate into associations or regional federations. At national level, the six major sectors are represented by the Confédération de la Coopération, de la Mutualité et du Crédit Maritimes (Confederation of Cooperative, Mutual-Benefit and Credit Institutions in the Maritime Sector).

Confederation of Cooperative, Mutual-Benefit and Credit Institutions in the Maritime Sector (Confédération de la Coopération, de la Mutualité et du Crédit Maritimes) (CCMCM)

<i>President:</i>	VICTORIEN VIAUD
<i>Vice-Presidents:</i>	JOSEPH BUCHOU FRANÇOIS GLOAGUEN
<i>Secretary-General:</i>	JEAN-LUC de FEUARDENT
<i>Address:</i>	74, rue Raynouard F-75016 Paris
<i>Tel.:</i>	527 10 04

I. ORGANIZATION

1. Date of formation

The CCMCM was set up on 30 June 1955 as an association under the 1901 Law.

2. Size and structure

The CCMCM comprises the following members:

- 13 maritime mutual credit banks;
- 134 maritime cooperatives and their associations or federations;
- the Caisse Centrale de Crédit Coopératif (the Central Cooperative Credit Bank);
- four mutual insurance societies.

3. Administrative bodies

Congress;
the Board of Directors;
the Bureau.

Congress, which comprises delegates elected by the entire membership, meets every two years. Each regional maritime mutual credit bank and each cooperative federation is entitled to one delegate for every three societies or fraction of three. Each cooperative society and each mutual insurance society has the right to one delegate. The Caisse Centrale de Crédit Coopératif is entitled to three delegates.

The *Board of Directors* comprises 12 to 35 members appointed by Congress for four years. The term of office of half of the Board's members expires every two years.

The *Bureau* consists of a President, three Vice-Presidents, the Secretary-General, the Treasurer and six members.

4. Decision-making procedure

Decisions are taken by a majority vote of the members present or represented.

5. Secretariat and staffing

The CCMCM has a staff of around 16, eight based at the Paris headquarters and eight employed as regional delegates.

6. Budget size and contribution arrangements

The CCMCM's budget is approximately FF 2.5 million.

It is funded by contributions geared to the type and size of its member institutions.

II. AIMS AND PRIORITY POLICIES

The CCMCM seeks to develop cooperation in the maritime sector and to maintain close links between members in order to give the movement the cohesion needed to defend its interests.

III. ACTIVITIES

The CCMCM:

- assists its members in their dealings with the public authorities and trade bodies;
- helps to set up new societies;
- advises and informs its members on general and trade issues;
- represents its members on all issues affecting the membership as a whole, particularly as regards pension rights.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The CCMCM belongs to:

- the Groupement National de la Coopération (National Cooperation Grouping);
- the Fonds National d'intervention des Produits de la mer (National Intervention Fund for Marine Products);
- Comité Central des Pêches Maritimes (Central Committee for Sea Fishing);
- Conseil Supérieur de la coopération (Supreme Council for Cooperation).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The CCMCM belongs to COGECA, the Association of Cooperative Banks of the EC and the Advisory Committee on Fisheries.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The CCMCM is involved in the work of the following organizations:

- the International Cooperative Alliance (ICA);
- the Food and Agriculture Organization (FAO);
- the World Bank.

VII. INTERNAL COHESION

The CCMCM specifically aims to ensure cohesion between the various sectors in maritime cooperation: cooperatives, mutual assistance, mutual credit.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

The CCMCM exerts its influence via the Advisory Committee on Fisheries, COGECA and the Association of Cooperative Banks of the EC.

IX. PUBLICATION

Le coopérateur maritime.

X. SOURCES

CCMCM: *Crédit maritime* (1980)

CCMCM: *Le coopérateur maritime*, No 5 (September-October 1978).

CCMCM: *Congrès de la CCMCM, rapports 1981* (report on 1981 congress).

CCMCM: *Congrès de la CCMCM*, 'Quel futur pour le Crédit maritime mutuel?', discours de M. J.C. Bellot, 1981. ('The future for maritime mutual credit', address by J.C. Bellot at the 1981 congress).

CCMCM: *Statuts* (October 1981).

XI. INTERVIEW

Mr Jean-Luc de Feuardent, Secretary-General of the CCMCM, was interviewed by Maxime Lauwens, ESC General Secretariat, on 11 March 1982. Text updated on 23 August 1984 in collaboration with Mr Hervé Lancelot, assistant to the Secretary-General of the CCMCM.

10. Craftsmen's cooperatives and other associations

1. Basic data

1 500 cooperatives associations

100 000 enterprises

Turnover: FF 70 000 million (estimate).

2. Brief historical outline

The first cooperative associations of craft enterprises were formed in the nineteenth century.

Although some legislation was passed before the Second World War to afford craftsmen's cooperatives credit facilities, access to public contracts and exemptions from professional tax, the movement only began to develop after the war with the establishment in 1946 of the Fédération Nationale des Coopératives Artisanales (National Federation of Craftsmen's Cooperatives) and the adoption in 1952, 1962, and 1967 of several laws and regulations applying to the craft sector.

A set of rules for craftsmen's cooperatives was adopted in 1983.

3. Size and structure

Craftsmen's associations account for more than 12% of the entire craft sector and cover a very wide range of activities: builders, butchers, bakers, metal-workers, mechanics, electricians, artists, wood-workers and furniture-makers, taxi/ambulance-drivers, hairdressers, clothing and leather workers, photographers, watch-makers and jewellers.

Craftsmen's cooperative associations can have the following functions:

- the apportionment of production work among the various sectors;
- joint purchasing and marketing;
- assistance with management;
- research and training;
- promoting the work of their members;
- use of common facilities.

The new rules for craftsmen's cooperatives adopted in 1983 established a specific cooperative constitution for craftsmen, affording them a more effective organizational framework in keeping with their specific needs and thus providing them with greater incentives.

National Federation of Craftsmen's Cooperatives and Associations (Fédération Nationale des Coopératives et Groupements d'Artisans) (FNCGA)

<i>President:</i>	DANIEL GIRON
<i>Vice-Presidents:</i>	Miss B. DUGUET MICHEL PRUDENT ROBERT BOURBON
<i>Secretary-General:</i>	DIDIER ARBOUZ
<i>Address:</i>	1, rue de Lille F-75007 Paris
<i>Tel.:</i>	296 10 80

I. ORGANIZATION

1. Date of formation

The Fédération nationale des coopératives et groupements d'artisans (FNCGA) (National Federation of Craftsmen's Cooperatives and Associations) was established on 19 December 1978. It succeeded the Fédération nationale des coopératives artisanales. The new name was designed to embrace all cooperative groupings, irrespective of their legal form, pending the adoption of specific rules for cooperatives.

2. Size and structure

The FNCGA was set up by a group of leading figures in craftsmen's cooperatives with the assistance of Crédit Coopératif (Cooperative credit Organization) and the Ministry of Trade and Crafts, for the purpose of promoting a genuine cooperative movement for craftsmen. The process of increasing FNCGA's membership is far from complete. In 1983, out of a total of 1 500 cooperative associations, only about 100 were paid up members.

Those associations which have joined have established regional sections. These sections seek to improve coordination between the various associations and to provide assistance to new associations.

3. Administrative bodies

General Meeting;

Board of Directors;

Bureau.

The *General Meeting* comprises all active paid-up members. Ordinary General Meetings are held once per year.

The *Board of Directors* comprises a minimum of six and a maximum of 18 active members elected by the General Meeting for four years. The term of office of half of the members of the Board expires every two years. The Board meets as and when required by the interest of the Federation.

The *Bureau* comprises a President, one or more Vice-Presidents, a Secretary and a Treasurer. Its members are elected by the Board of Directors for two years.

4. Decision-making procedure

Decisions are taken by a majority vote of the members present or represented.

5. Secretariat and staffing

The FNCGA employs around 10 staff, including five executives.

6. Budget size and contribution arrangements

In 1983, the FNCGA's operating budget totalled approximately FF 3 million.

The FNCGA's funds are derived from members' contributions, subsidies and payments for services rendered to member or non-member associations.

II. AIMS AND PRIORITY POLICIES

The aims of the FNCGA are to:

- organize information campaigns aimed at making people aware of the existence of craftsmen's cooperatives;
- represent craft enterprises grouped in cooperative associations;
- develop specific training and technical assistance facilities.

III. ACTIVITIES

The FNCGA provides the following services:

- technical services (information, assistance, surveys, management audits, etc.);
- studies (sectoral, legal, specialized, etc.);

training (organization of training courses).

Two national associations have been set up under the direction of the FNCGA:

National Association for the Development of Craftsmen's Cooperatives (Association nationale pour la formation à la coopération artisanale) (ANFCA);

National Association for the Auditing of Craftsmen's Cooperatives (Association nationale pour la révision des coopératives artisanales) (ANRCA).

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The FNCGA is represented on the following bodies:

Supreme Council for Cooperation (Conseil Supérieur de la Coopération);

National Cooperation Grouping (Groupement National de la Coopération);

Central Cooperative Credit Bank (Caisse centrale de crédit coopératif).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

None.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

None.

VII. INTERNAL COHESION

The FNCGA is a young organization in a sector where people are anxious to preserve individuality. There is, however, evidence of a new trend in the craftsmen's cooperative sector. A more coordinated approach is being taken and more cooperatives are joining the Federation.

VIII. PUBLICATIONS

Regular general information bulletin.

Coopération et entreprises (Cooperation and enterprise).

IX. SOURCES

FNCGA: *Les cahiers de l'artisan coopérateur*, Nos 1 to 9 (1980 and 1981).

FNCGA: *Statuts* (1978).

FNCGA: *Présentation* (1981).

FNCGA: *Recensement des groupements d'entreprises artisanales* (June 1981).

FNCGA: *Réflexions à propos de la constitution des groupements d'entreprises familiales* (1980).

X. INTERVIEW

Mr Joël Mellet, Deputy Secretary-General of the FNCGA, was interviewed by Maxime Lauwens, ESC General Secretariat, on 12 March 1982 and on 22 August 1984.

11. Haulage cooperatives

1. Basic data

27 Cooperatives

700 firms

3 600 vehicles

2 500 employees

Turnover: FF 1 000 million

2. Brief historical outline

The first road haulage cooperatives, in the form of worker-owned cooperatives, were created only fairly recently. For a long time, the individualism of small carriers coupled with certain legal obstacles, thwarted the development of cooperatives in this sector.

Two decrees enacted in February 1963 and March 1965 authorized the setting-up of haulage cooperatives and permitted members to conduct part of their activities within the cooperative, thereby paving the way for a whole series of new cooperatives of transport firms and joint ventures with similar, if not identical, aims. Many of these cooperatives were only short-lived, due to inadequate funds.

In 1963, Unicooptrans (Union of Transport Cooperatives) was set up as a cooperative society with limited liability. In 1969 the Union became an association under the 1901 law, changing its name to the Fédération des Coopératives et Groupements du Transport (Federation of Transport Cooperatives and Groupings) but retaining the Unicooptrans acronym.

3. Size and structure

The road haulage sector comprises 27 000 firms with under 50 employees, approximately 700 of which are affiliated to a cooperative. Cooperatives therefore account for only a small proportion of the road haulage sector as a whole, despite some outstanding successes, such as the Coopérative des Transporteurs de Liquides en Citernes, the Flèche Cavaillonnaise, the Groupement des Transporteurs des Pyrénées and the Transports de Savoie.

There are various forms of cooperation in the road haulage sector: common workshops and garages, warehouses, purchasing centres and management services centres.

Road haulage cooperatives may be made up of individuals or enterprises. Cooperatives of individuals may take the form of either a private limited liability company or a worker-owned production cooperative, whilst cooperatives of firms may take the form of a public limited liability company or a private limited liability company with variable capital and membership, or even a joint venture (whose constitution and operating rules are, however, different).

Three-quarters of the haulage cooperatives are members of the Fédération des Coopératives et Groupements du Transport.

Federation of Transport Cooperatives and Groupings (Fédération des Coopératives et Groupements du Transport) (Unicooptrans)

<i>President:</i>	MAURICE BOUCHET
<i>Secretary-General:</i>	HUBERT LE CESNE
<i>Address:</i>	3, Avenue de la Gloriette Z.I. de Fontcouverte F-84000 Avignon
<i>Tel.:</i>	(90) 88 39 86

I. ORGANIZATION

1. Date of formation

Unicooptrans, as an association under the 1901 law, was formed on 30 April 1969.

2. Size and structure

The members of Unicooptrans are as follows:

- 27 cooperatives of firms;
- 5 worker-owned production cooperatives;
- 1 joint venture.

3. Administrative bodies

General Meeting;

Board of Directors.

The *General Meeting* comprises all the members of the association. A General Meeting is held once per year.

The *Board of Directors* is composed of a minimum of four and a maximum of 12 members, who are appointed by the General Meeting, by secret ballot, for a four-year term. The term of office of one-quarter of the members of the Board expires every year. The members of the Board of Directors must be either members of the Board of a company, grouping or member association, or manager or joint manager of a private limited liability company. The Board meets four or five times a year.

The President, the Treasurer and the Secretary-General meet at least once a month in order to consider the association's policy.

4. Decision-making procedure

Decisions are taken by a majority vote.

5. Secretariat and staffing

Unicooptrans employs 8 people: 3 executives and 5 office employees.

6. Budget size and contribution arrangements

The Unicooptrans budget for 1984 was approximately FF 1 660 000.

The association is financed as follows:

- subscriptions from active members;
- possible subsidies;
- income from property and securities.

II. AIMS AND PRIORITY POLICIES

Unicooptrans seeks:

- to collectively represent its member cooperatives or groupings or their members, in order to defend their common rights and interests and to develop their activities;
- to undertake any necessary action on behalf of its members, with a view to increasing their productivity and to ensure that they have the means for this;
- to participate in any studies designed to promote the productivity and social advancement of its members.

III. ACTIVITIES

Unicooptrans:

- presents and negotiates on behalf of its members the conditions for loans and studies the most appropriate methods of financing;

offers its members specialized advice in the fields of business organization, recruitment, organization and management of workshops, loading platforms and warehouses, and commercial policy;

provides training courses, market studies, operational guidelines and systems analyses;

carries out surveys on request (analyses of accounts, forecasts, financing programmes);

purchases fuels, lubricants, tyres, motor vehicles, semi-trailers, etc. on behalf of its members;

endeavours to promote new cooperatives (by providing legal, technical and commercial assistance, contacts with financial bodies, etc.);

is a member of Crédit Coopératif (Cooperative Credit Organization).

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

Unicooptrans is a member of the Groupement National de la Coopération (National Cooperation Grouping).

Its President, Mr Bouchet, is a member of the Conseil Supérieur de la Coopération (Supreme Council for Cooperation).

V. PUBLICATION

Info-cooptrans, (an information and liaison bulletin for transport cooperatives).

VI. SOURCES

UNICOOPTRANS: *Statuts* (1979).

UNICOOPTRANS: *Les groupements coopératifs d'entreprises de transport dans l'évolution des transports publics routiers*, (January 1982).

INFO-COOPTRANS: No 1 (January 1982).

VII. INTERVIEWS

A number of telephone conversations were held (supplemented by an exchange of correspondence) between Maxime Lauwens, ESC General Secretariat, and Mr Hubert Le Cesne, Secretary-General of Unicooptrans, in April and May 1982, and in July 1984.

B. Mutual sector

1. The French mutual-benefit society system

1. Basic data (all mutual-benefit societies) (1983)

12.5 million contributors

25 million persons covered

45 000 employees

100 000 unpaid administrators

7 300 mutual-benefit societies

977 establishments and services, comprising:

71 pharmacies

376 optical orthopedic and hearing centres and dental surgeries

112 health-care centres

63 hospitals and clinics

108 establishments and services for old people

37 establishments for the handicapped

142 holiday centres

etc...

Receipts: FF 21 000 million

2. Brief historical outline

Mutual-benefit societies have their roots firmly anchored in the past. They are one of the oldest provident institutions.

The first real mutual-benefit societies appeared in France in the nineteenth century, especially during the Second Empire.

The first set of rules for mutual-benefit societies was adopted in 1898, and in 1945, during the spate of social security legislation, a new set of rules was issued which became the mutual-benefit society code.

3. Size and structure

In terms of number of members the mutual-benefit society system is the largest social movement in France.

Mutual societies are groupings which are governed by the mutual-benefit society code. Through the contributions of their members they act as provident, solidarity and mutual help institutions with the following main aims in view:

to prevent social risks as far as possible and provide cover against their consequences;

to encourage motherhood and protect children and the family; to foster the moral, intellectual and physical development of their members.

Mutual-benefit societies have a wide range of activities. They reimburse, either wholly or in part, the expenses to be borne by members under the social insurance system; they provide individual or collective provident schemes to cover disability, old age, death, illness or accidents; they operate hospitals and welfare centres, negotiate agreements with the medical professions, e.g. on billing insurance institutions directly, and implement a policy of health education and sickness and accident prevention.

Mutual-Benefit societies are grouped into *département* or national unions and national societies.

Their central body is the National Federation of French Mutual-Benefit societies.

However, since 1960 certain company-based mutual-benefit societies are grouped in the National Federation of Workers' Mutual-Benefit Societies, thus enabling them to carry out their own activities. It should be noted that 70% of the member societies in this federation, regretting the division within

the mutual-benefit society system, are also members of the National Federation of French Mutual-Benefit Societies.

National Federation of French Mutual-Benefit Societies (Fédération Nationale de la Mutualité Française) (FNMF)

<i>President:</i>	RENÉ TEULADE
<i>Secretary-General:</i>	EDOUARD BRASSIER
<i>Director-General:</i>	ROGER MIGRAINE
<i>Address:</i>	10, rue Desaix F-75015 Paris
<i>Tel.:</i>	273 12 20

Note: FNMF covers nearly all the mutual-benefit societies, including some 70% of the member societies of FNMT. Basic data for FNMF is therefore broadly that for the whole sector.

I. ORGANIZATION

1. Date of formation

The FNMF was set up on 25 August 1904.

2. Size and structure

The FNMF is made up of:

- 94 *département* unions;
- 21 national unions;
- 66 national societies.

3. Administrative bodies

- General Meeting;
- Board of Directors;
- Bureau;
- Executive Committee;
- Audit Commission;
- Congress.

The *General Meeting* is made up of delegates from member groupings. A General Meeting is held at least once a year.

The *Board of Directors* consists of 95 members elected by the General Meeting for a period of three years. The term of office of one-third of the members expires each year. It meets at least three times a year.

The *Bureau* consists of the President, six Vice-Presidents, a Secretary-General, a Deputy Secretary-General, a Treasurer-General and a Deputy Treasurer-General. The President is elected by the General Meeting and the other members of the Bureau are elected by the Board of Directors from among its members.

The *Executive Committee* is a nucleus of the Board of Directors and consists of the members of the Bureau plus eight members elected by the Board of Directors from among its members.

The *Audit Commission* has five members who are elected each year by the General Meeting from among those delegates who are not Federation Board members. It meets at least once a year to check that the accounts are in order.

Every three years the Federation organizes a *National Congress* which is attended by all mutual-benefit groupings that are affiliated, either directly or indirectly, to the FNMF. The Congress passes resolutions which the General Meeting may be asked to put into effect.

4. Decision-making procedure

Decisions are taken by a majority vote. Any amendment of the FNMF rules requires a qualified majority of two-thirds.

5. Secretariat and staffing

The FNMF employs some 380 persons, of whom 117 are executive staff. It regularly seconds staff to its common services in return for payment of wage costs.

6. Budget size and contribution arrangements

The FNMF budget in 1983 amounted to some FF 45.0 million.

The FNMF is funded by contributions from member societies and unions. The contribution in 1981 was FF 1.53 per member who was a head of household. The FNMF also derives income from sales of its publications and payments for services which it provides for its members.

II. AIMS AND PRIORITY POLICIES

FNMF aims to represent all sections of the mutual-benefit society movement, without political, ideological or religious distinctions. It is the official representative organization of the movement.

III. ACTIVITIES

The FNMF:

- ensures that mutual-benefit societies' general interests are represented;
- helps form and develop member organizations and their activities;
- concerns itself with all problems relating to social security and health care.

The FNMF directly runs:

- an independent pension fund;
- an independent accident insurance fund;
- an independent life assurance fund;
- a general re-insurance service;
- a housing service;
- a service for maladjusted children;
- an establishment for severely mentally-handicapped adults;
- several national re-insurance funds;
- a guarantee service for mutual commitments.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The FNMF sits on the Conseil supérieur de la mutualité (Supreme Council for Mutual-Benefit Societies) and the Conseil économique et social (Economic and Social Council).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The FNMF as such does not belong to any European organization. Some of its constituent bodies, such as pharmacies, are members of European organizations.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The FNMF is a member of:

- the International Social Security Association; and
- the International Association for Mutual Assistance.

VII. INTERNAL COHESION

This is ensured by:

decisions which are binding on member organizations (contributions, participation in a federal guarantee system, etc.);

FNMF recommendations to the whole of the French mutual-benefit movement on social insurance issues (e.g. the unanimous campaign in 1980, against the proportion of expenses to be borne by insured persons, internal competition problems, etc.).

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

The FNMF exerts influence through European organizations, to which certain of its members belong, and via the Economic and Social Committee.

IX. PUBLICATIONS

Revue de la Mutualité (quarterly).

Objectif et action mutualiste (monthly).

Various technical publications.

X. SOURCES

FNMF: *Statuts* (1980).

FNMF: *Budget 1982 de la fédération nationale et de ses services*.

FNMF: *Liste des sociétés nationales* (July 1981).

FNMF: *Liste des unions nationales* (July 1981).

FNMF: *Liste des unions départementales mutualistes* (February 1982).

FNMF: *Revue de la Mutualité* No 95 (October 1981).

FNMF: *Revue de la Mutualité* No 106 (March 1982).

Ministère de la solidarité nationale — Direction de la sécurité sociale, *Informations statistiques et financières sur la situation de la mutualité* (22 April 1982).

Le Monde, 'M. Mitterrand au trentième congrès de la FNMF à Bordeaux — La consécration politique du fait mutualiste' (11 May 1982), p. 43.

XI. INTERVIEW

Mr Roger Migraine, Director-General of the FNMF, was interviewed by Maxime Lauwens, ESC General Secretariat, on 26 May 1982, and 20 August 1984.

National Federation of Workers' Mutual-Benefit Societies (Fédération Nationale des Mutuelles de Travailleurs) (FNMT)

President: LOUIS CALISTI
Secretary-General: DANIEL LE SCORNET
Address: 62 bis, avenue Parmentier
F-75011 Paris
Tel.: 807 15 55

Basic data

3 200 000 contributors
5 000 000 persons covered
6 000 employees
10 000 unpaid administrators
400 mutual-benefit societies
11 pharmacies
59 optical, orthopedic and hearing centres and dental surgeries
30 health-care centres
3 home-care centres
2 children's centres
4 clinics
10 nursing centres
1 emergency medical service
26 mutual-benefit clubs
13 holiday centres
Receipts: FF 3 000 million

I. ORGANIZATION

1. Date of formation

The Federation was founded in 1960 under the Mutual-Benefit Societies Code.

2. Size and structure

The FNMT comprises:

- 17 *département* unions;
- 2 national unions;
- 5 national mutual-benefit societies;
- 415 local mutual-benefit societies.

3. Administrative bodies

General Meeting;
Board of Directors;
Bureau;
Board of Auditors.

The *General Meeting* comprises delegates from the member organizations. A General Meeting is held at least once per year.

The *Board of Directors* has between 40 and 60 members, who are elected by the General Meeting to serve for a three-year term. The term of office of one-third of the members expires each year. The Board of Directors meets at least once every three months.

The *Bureau* has between 15 and 20 members, including a President, three Vice-Presidents, a Secretary-General, a Deputy Secretary-General, a Treasurer and a Deputy Treasurer, who are elected by secret ballot each year by the Board of Directors.

The *Board of Auditors* is elected each year from amongst the delegates of member societies and unions who are not members of the Board of Directors. The Board of Auditors meets at least once a year to examine the annual accounts.

4. Decision-making procedure

Decisions are taken by a simple majority of the votes cast.

5. Secretariat and staffing

The FNMT employs 20 persons, including 6 executive staff.

6. Budget size and contribution arrangements

The FNMT's budget for 1981 totalled approximately FF 13 million.

The FNMT is funded mainly by per capita subscriptions to be paid by all members of affiliated mutual-benefit societies who are heads of household.

II. AIMS AND PRIORITY POLICIES

Within the framework of the objectives imposed upon it by the Mutual-Benefit Society Code, the FNMT pursues the following aims:

- to educate people with regard to the activities of mutual-benefit societies and to publicize and coordinate their work;

- to stimulate the setting-up of services to extend the work of the affiliated organizations.

III. ACTIVITIES

The FNMT:

- studies the ways in which the following organizations operate and are set up: unions of mutual-benefit societies, medical and social centres and, in general, all non-profit social bodies;

- helps such organizations to set up unions of mutual-benefit societies and to establish medical and social centres by compiling the information necessary to enable it to meet requests for studies;

- establish social organizations, in particular, reinsurance funds for:

- surgical expenses,
- invalidity,
- death,
- retirement pensions;

- carries out all the education, training, documentation and publishing work in areas falling within its sphere of competence; it also organizes an increasing number of symposia, seminars, meetings between both sides of industry and between scientists and workers, in order to achieve such aims as an improvement in preventive measures, easier access to treatment and the development of group practices in health centres run by the mutual-benefit societies themselves;

- joins any non-profit body pursuing similar aims to its own;

- forms and takes a role in cooperative and mutual bodies (publication, audio-visual) or management associations (housing, training).

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

Since 10 May 1981 the FNMT has been playing a full part in the work of all the ministerial committees dealing with the social protection, health and the cooperative, mutual and provident sector.

The conference on preventive measures organized by the FNMT on 5 and 6 March 1982 was attended by representatives of 15 ministries and was chaired by the Minister for Health.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The FNMT is not a member of any European organization. As is the case with the FNMF, however, some of its constituent bodies are members of European organizations.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

At its fourth congress in 1981 the FNMT decided to apply for membership of the International Association for Mutual Assistance and the International Social Security Association. The applications are under consideration.

VII. INTERNAL COHESION

The high degree of internal cohesion in the FNMT has enabled it to have each of its national events (conference on health; health, democracy and liberty; access to treatment for all citizens; and conference on preventive measures) preceded by hundreds of events organized at local and departmental level on the same theme by the member societies.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

The FNMT exercises influence in this field through the European organizations to which some of its constituent organizations belong.

IX. PUBLICATIONS

L'Opinion Mutualiste (two-monthly information and liaison publication).

La Vie Mutualiste (monthly).

Prévenir (publication with articles on studies and research in the field of health and social protection).

La revue de l'économie sociale (monthly).

X. SOURCES

FNMT: *Statuts* (1960).

FNMT: *Bilan consolidé* (1980).

FNMT: *3^e Congrès, Contribution à la doctrine et à l'action mutualiste* (Evian 8-10 June 1978).

FNMT: *4^e Congrès, Au service de l'homme* (Grenoble, 15, 16, 17 October 1981).

Prévenir, 'L'action mutualiste — santé et société', Cahiers d'étude et de réflexion, published by the Coopérative d'éducation de la vie mutualiste (Marseilles 1981/4).

CALISTI LOIS: *Le mouvement mutualiste dans la société française*, Société coopérative d'édition de la vie mutualiste (Marseilles 1980).

XI. INTERVIEWS

Mr Daniel le Scornet, Secretary-General, and Mr Michel Tricot, Chief Editor of '*L'Opinion Mutualiste*' were interviewed by Maxime Lauwens, ESC General Secretariat, Studies and Research Division, on 26 May 1982 and 19 July 1984.

2. Mutual-type insurance societies

1. Basic data

Groupement des sociétés d'assurances à caractère mutuel (Association of Mutual-Type Insurance Societies)

(1983 figures)

8 200 000 members

15 600 employees

850 offices

Total premiums: FF 17 000 million

Indemnity insurance: 14% of the market

Motor vehicle premiums: FF 13 000 million (28% of the market)

Number of vehicles insured: 9 600 000 (34% of the national vehicle fleet)

Réunion des organismes d'assurance mutuelle (Union of Mutual Insurance Organizations)

(1982 figures)

17 774 000 contracts

24 235 employees

10 650 general agents (employing 13 500)

Total premiums: FF 34 500 million

Life and endowment assurance: FF 5 300 million (12.3% of the market)

Indemnity insurance: FF 29 200 million (25.1% of the market)

2. Brief historical outline

The principle of mutual insurance dates back to time immemorial. The hetaerae in ancient Greece set up funds to assist their members who had fallen on hard times. In the middle ages, various groups of artisans and merchants had assistance funds.

The mutual insurance societies began to flourish, however, in the nineteenth and twentieth centuries.

The decrees of 14 June and 30 December 1938 still regulate the activities of mutual insurance societies through the insurance code introduced in 1955.

3. Size and structure

In terms of both number of societies and turnover, the mutual insurance movement accounts for a significant proportion of the French insurance market. On 31 December 1982, 169 of the 489 insurance institutions in France were mutual societies. In 1982 these societies had a premium income of FF 42 770 million, approximately 26.7% of the market.

The 154 mutual insurance societies engaged in indemnity insurance (out of a total of 400 institutions) accounted for 33.6% of the total market in terms of premium income in 1982.

The expression 'mutual insurance society' covers three types of association of persons — as opposed to companies with share capital — each with different legal status. The non-profit making and mutual characteristics are however, common to all three types. In strictly legal terms they break down into:

Mutual insurance societies: membership is restricted to certain occupations or to certain areas; these societies operate without intermediaries and premiums are variable. There are about 40 societies in this category.

Insurance societies organized on mutual lines: membership here is much wider. These societies may operate with or without intermediaries and premiums may be fixed or variable. There are approximately 120 societies in this category.

Mutual agricultural insurance societies [1]. In practical terms there is little point in classifying by legal status. Of more significance is the type of customer served and the way the 'product' is distributed. For instance, mutual insurance societies may:

serve a particular region and/or trade-sector and distribute their services directly through offices staffed by salaried employees. Eleven of these societies (not the agricultural mutuals, which have their own trade associations) have set up a trade association to defend their interests (Groupement des sociétés d'assurances à caractère mutuel — GSACM);

cover the whole country, and insure anybody (private persons, farmers, shopkeepers, businessmen, etc.); these use a national or even international network of general agents.

Ninety mutual insurance societies (one-third of the first type, two-thirds of the second type) are affiliated to Réunion des organismes d'assurance mutuelle (ROAM).

Association of Mutual-Type Insurance Societies (Groupement des Sociétés d'Assurance à Caractère Mutuel) (GSACM)

<i>President:</i>	YVES THIRE
<i>Vice-president:</i>	JEAN GERMAIN
<i>Treasurer:</i>	MICHEL BAROIN
<i>Secretary-General:</i>	MICHEL REMOND
<i>Address:</i>	9, rue de Leningrad F-75008 Paris
<i>Tel.:</i>	387 45 89

I. ORGANIZATION

1. Date of formation

The GSACM was founded on 19 December 1963 as a trade association under Part III — Title I of the Labour Code.

2. Size and structure

The GSACM comprises 11 mutual insurance societies or societies organized on mutual lines:

L'Assurance mutuelle des comptables et fonctionnaires publics et assimilés (AMF) (Mutual Insurance Society Company for Accountants, Public Service Officials and similar Employees);

L'Assurance mutuelle universitaire (AMU) (University Mutual Insurance Society);

La Fraternelle assurances (Fraternal Insurance Society);

La Garantie mutuelle des fonctionnaires (GMF) (Mutual Guarantee Fund for Civil Servants);

La Mutuelle assurance artisanale de France (MAAF) (Mutual Insurance Society for French Craft Trades);

La Mutuelle assurance des commerçants et industriels de France (MACIF) (Mutual Insurance Society for French Traders and Manufacturers);

La Mutuelle assurance des instituteurs de France (MAIF) (Mutual Insurance Society for French Primary School Teachers);

La Mutuelle assurance des travailleurs mutualistes (MATMUT) (Mutual Insurance Society for Employees of Mutual Benefit Societies);

La Prévoyante accidents (The Accident Provident Society);

La Société mutuelle d'Assurance des collectivités locales (SMACL) (Mutual Insurance Society for Local Authorities);

La Société mutuelle d'assurance du bâtiment et des travaux publics (Mutual Insurance Society for Buildings and Public Works).

3. Administrative bodies

General Meeting;

Executive Committee;

Bureau.

The *General Meeting* comprises the Chairman and one duly designated member of the management committee of each of the member societies. A General Meeting is held at least once a year.

The *Executive Committee* comprises at least five full members appointed by the General Meeting. It meets at least once per quarter. Its function is that of a board of directors.

The *Bureau* comprises a President, a Vice-President and a Treasurer appointed by the Executive Committee from its members.

4. Decision-making procedure

As far as possible, decisions are reached by consensus rather than by majority voting.

5. Secretariat and staffing

The GSACM has a staff of 13, six of whom are assigned to the General Secretariat.

6. Budget size and contribution arrangements

The 1983 budget was FF 2 500 000.

The GSACM is funded by (a) member societies' contributions, which are geared to their turnover, and (b) investment income.

II. AIMS AND PRIORITY POLICIES

The GSACM seeks to identify and defend the general interests of its members in the field of mutual insurance and to coordinate their activities.

III. ACTIVITIES

The GSACM:

represents its members *vis-à-vis* the public authorities, trade associations and all bodies with whom it has contacts;

studies in the common interest, insurance-related technical and legal problems;

on behalf of certain mutual societies administers the following operations:

GOCEMUT: Groupement d'intérêt économique s'intéressant à l'assurance construction (Economic Interest Group concerned with Insurance for the Building Trade);

NAVIMUT: Groupement d'intérêt économique pour la navigation de plaisance (Economic Interest Group for Pleasure Craft);

JURIMUT: Groupement d'intérêt économique pour la gestion de la protection juridique (Economic Interest Group for Management of Legal Protection).

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The GSACM is represented on the following public bodies:

Conseil national des assurances (National Insurance Council);

Bureaux centraux de tarification des assurances obligatoires (Central Offices for Compulsory Insurance Premiums);

Commission professionnelle consultative du Ministère de l'éducation (Consultative Committee of the Ministry of Education);

Jury national de brevet professionnel d'expert en automobile (National Examining Board for the Diploma of Vehicle Insurance Assessor).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

Although the GSACM does not belong to any European organizations, some of its members do.

The GSACM's cohesion derives from the similar approach of its members to insurance within the cooperative, mutual and non-profit sector.

VI. INFLUENCE N COMMUNITY ACTIVITIES

The GSACM is invited to take part in the activities of certain working parties preparing Community draft legislation on insurance.

It also influences Community activities via the European organizations to which some of its member societies belong.

VII. PUBLICATION

Recueil statistique du GSACM (annual publication).

VIII. SOURCES

GSACM: *Projet de procès-verbal de l'assemblée constitutive* (1963).

GSACM: *Statuts*.

GSACM: *Le Groupement des sociétés d'assurance à caractère mutuel* (1981)

GSACM: *Rapport d'activités de l'assemblée générale du 24 juin 1981*.

GSACM: *Rapport moral de l'assemblée générale du 24 juin 1981*.

IX. INTERVIEW

Mr Michel Remond, Secretary-General, and Mr. B. Voyer, Deputy Secretary-General of GSACM, were interviewed by Maxime Lauwens, ESC General Secretariat, Studies and Research Division, on 23 March 1982. Updated by correspondence in July 1984.

X. REFERENCES

See section on the Confédération nationale de la mutualité, de la coopération et du crédit agricoles (National Confederation of Mutual-Benefit, Cooperative and Credit Institutions in the Agricultural Sector).

Union of Mutual Insurance Organizations (Réunion des Organismes d'Assurance Mutuelle) (ROAM)

<i>President:</i>	ANDRÉ CHOIMET
<i>Vice-Presidents:</i>	CLAUDE BEBEAR ROBERT MATT CHRISTIAN SASTRE JACQUES de SURMONT
<i>Secretary-General-Treasurer:</i>	ALAIN TEMPELAERE
<i>General Representative:</i>	PIERRE BOLLAERT
<i>Address:</i>	114, rue La Boétie F-75008 Paris
<i>Tel.:</i>	225 84 86

I. ORGANIZATION

1. Date of formation

ROAM was set up on 20 October 1855 and in 1936 it adopted the legal status of an association governed by the law of 1901.

2. Size and structure

ROAM has 90 member societies:

- 82 mutual-type societies (including a re-insurance society and an underwriting group);
- 6 mutual insurance societies;
- 2 tontine societies.

3. Administrative bodies

General Meeting;

Bureau;

Committee;

Executive Board;

Sections.

The *General Meeting* comprises all member societies represented by their President or a specially authorized member of the management. It meets at least once a year.

The *Bureau* comprises the President, four Vice-Presidents and a Secretary-General-Treasurer. Each of these is elected or re-elected each year by the General Meeting.

Attached to the Bureau is a *Committee* with a maximum of 11 members elected or re-elected annually by the General Meeting.

The Bureau and the Committee together make up the *Executive Board*. The Executive Board acts as a Board of Directors.

Sections can be set up to examine questions of special interest to member societies.

4. Decision-making procedure

Decisions are taken by a majority vote.

5. Secretariat and staffing

ROAM employs a general representative, a part-time executive and a secretary.

6. Budget size and contribution arrangements

ROAM's 1983 budget amounted to some FF 1 300 000.

ROAM's income is derived from:

- contributions paid by member societies according to a scale fixed by the General Meeting;
- its funds and assets;
- payments by organizations and individuals to cover the costs incurred by the technical services in meeting special requests.

II. AIMS AND PRIORITY POLICIES

ROAM seeks to establish fraternal relations between its members. It also has the task of studying particular questions concerning mutual insurance organizations and defending their general interests.

III. ACTIVITIES

ROAM:

- represents member societies *vis-à-vis* the public authorities, trade organizations and all organizations with which it has been decided to have contacts;
- sees to the appointment and reappointment of qualified delegates to these various bodies;
- studies technical and legal questions concerning the insurance industry in general and the mutual insurance sector in particular;
- provides the general secretariat for AISAM (International Association of Mutual Insurance Companies);
- publishes AISAM's twice-yearly organ *Mutualité*.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

ROAM is the official representative body of mutual insurance societies within the Fédération Française des sociétés d'assurance (French Federation of Insurance Societies).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

ROAM itself is not a member of any Community organization. Some of its members, however, belong to European organizations.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

ROAM is represented on the following:

- European Insurance Committee;
- AISAM (International Association of Mutual Insurance Companies).

VII. INTERNAL COHESION

Although the activities of the ROAM member organizations are highly diversified, these organizations are united by the fact that they have the same legal status and the same ideals.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

ROAM exerts influence on Community activities through the European Insurance Committee's Common Market Working Group.

IX. PUBLICATION

L'Assurance Mutuelle (quarterly).

X. SOURCES

ROAM: *Pluralisme et croissance* (1982).

ROAM: *Statuts adoptés à l'assemblée générale le 11 février 1946.*

ROAM: *Règlement intérieur.*

ROAM: *Rapport moral 1981.*

L'argus, Interview du Président Choimet, pp. 1557 to 1563 (2 July 1982).

XI. INTERVIEWS

Telephone conversations were held between Mr Pierre Bollaert, general representative of ROAM and Maxime Lauwens, ESC General Secretariat, Studies and Research Division, in October, November and December 1982. Mr Bollaert was interviewed by Maxime Lauwens on 19 July 1984.

XII. REFERENCE

See sections on mutual-benefit societies, cooperatives and credit institutions in the agricultural sector.

C. Non-profit sector

1. Private health and social welfare organizations

1. Basic data (members of the UNIOPSS and the URIOPSS only)

450 000 users

6 500 establishments, services, centres, etc.

around 300 000 employees.

2. Brief historical outline

Throughout history men of goodwill have joined forces to help their fellow beings. All civilizations, have urged, and shown, solidarity with the disadvantaged.

Nowadays, and more especially since the Second World War, there is a trend — in France, as in most European countries — towards mobilizing all the active forces in society so that their generosity and ingenuity can aid social welfare. Private health and social welfare institutions have an increasing role to play in this development.

3. Size and structure

The private non-profit health and social welfare organizations account for more than a third of employment in the cooperative, mutual and non-profit sector. They may take the form of associations, foundations, or communities of various kinds: charities, socio-medical or socio-cultural projects, mutual aid associations, bodies engaging in economic activities with a social objective, etc.

Their work supplements that of the public sector and that of the private profit-making sector. They operate in a wide variety of areas:

hospitals, clinics, convalescent centres;

old people's homes, centres for the elderly;

domiciliary care services;

help for the handicapped;

help for the maladjusted;

community services (community centres, day nurseries, welfare centres);

social centres;

home helps;

young workers' centres.

65% of the basic health and social-welfare organizations coming under the law of 1901 are grouped in Unions régionales interfédérales d'organismes privés, sanitaires et sociaux (URIOPSS) (regional inter-federal unions of private health and social-welfare organizations) or in *département* unions (UDIOPSS).

Although these regional and *département* unions have relatively large resources, the need was felt to form a national union, embracing over 75% of the organizations and federations operating on a national scale.

National Union of Private Health and Social Welfare Institutions (Union Nationale Interfédérale des Œuvres et Organismes Privés, Sanitaires et Sociaux) (UNIOPSS)

<i>President:</i>	FRANÇOIS BLOCH-LAINE
<i>Vice-President:</i>	HENRI THÉRY
<i>Board Secretary:</i>	LUCIEN DEPAYS
<i>Director-General:</i>	HUGUES FELTESSE
<i>Address:</i>	103, rue du Faubourg Saint-Honoré F-75008 Paris
<i>Tel.:</i>	225 16 76

I. ORGANIZATION

1. Date of formation

The Union Nationale Interfédérale des Œuvres et organismes privés, sanitaires et sociaux (Union of Private Health and Social Welfare Institutions) was founded on 9 August 1947, as an association under the law of 1901.

2. Size and structure

UNIOPSS consists of:

134 national bodies, with differing structures. They include: l'Association des paralysés de France (National Association for the Paralysed); the Salvation Army; Le Fonds social juif unifié (United Jewish Social Fund); les Petits frères des pauvres ('Little Brothers of the Poor'); l'union nationale des parents d'élèves inadaptés (National Union for the Parents of Maladjusted Children); Secours catholique (Catholic aid); le Secours populaire français (French People's Aid); l'union des foyers de jeunes travailleurs (Young Workers' Centres Union); l'union nationale des assistants de services d'aides et de soins à domicile (National Union of Domiciliary Health-Care Workers), etc.

21 URIOPSS (regional unions).

3. Administrative bodies

General Meeting;

Board of Directors;

Select Board;

Bureau.

The *General Meeting* is made up of the active members of UNIOPSS. It comes together at least once a year.

The *Board of Directors* has up to 54 members. These are the presidents of URIOPSS, and representatives of the national bodies elected by the General Meeting. The term of office of one-third of the members expires every two years. The Board meets at least three times per year.

The Board of Directors can appoint an Inner Board from among its members. The Board of Directors determines the membership and the powers of this body.

The *Bureau* has a President, one or more Vice-Presidents, a Secretary and a Treasurer.

4. Decision-making procedure

Decisions are taken by a majority.

5. Secretariat and staffing

UNIOPSS has 22 employees, seven of whom are executive staff.

URIOPSS have more funds at their disposal and employ a total of around 150 staff. Some URIOPSS have up to 30 employees.

6. Budget size and contribution arrangements

UNIOPSS' 1984 budget was around FF 5 900 000.

Around 30% of UNIOPSS' funds are provided by members' contributions. Over half its funds come from payment for services it provides.

UNIOPSS' resources total around FF 20 000 000. Nine million of this comes from contributions from member organizations.

II. AIMS AND PRIORITY POLICIES

UNIOPSS' aims are:

- to group together all the non-profit making private health social welfare and cultural institutions;
- to help them develop fully;
- to promote greater efficiency by facilitating harmonization of activities.

III. ACTIVITIES

UNIOPSS:

- is a forum for discussion and collaboration between its member institutions;
- represents its member institutions both collectively and individually *vis-à-vis* public and private bodies;
- provides them with help and support for their projects and activities, using all appropriate means: information, technical advice and services, etc.;
- to achieve the aims mentioned above, carried out all the study, research, training and information activities considered necessary;
- organizes three national campaigns each year on behalf of associations for the elderly, the paralysed and disabled (civilian), and the blind.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

UNIOPSS is represented on a number of consultative committees and commissions within the Ministries of Health, Youth, Justice and Education, and at the General Planning Commission (Commissariat général du Plan).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

UNIOPSS takes part in the work of Eurolink Age (an informed group of non-governmental organizations for the interests of the elderly).

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

UNIOPSS takes part in the work of the following organizations:

- Interphil (International Standing Conference on Philanthropy);
- IFA (International Federation on Ageing);
- EURAG (European Federation for the Welfare of the Elderly);
- Comité international de l'action sociale (International Committee on Social Action).

VII. PUBLICATIONS

Union sociale, monthly liaison and information magazine for the private health and social welfare institutions.

VIII. SOURCES

UNIOPSS: *Rapport d'activité* (1982).

UNIOPSS: *Rapport d'activité* (1983).

UNIOPSS: *Union sociale*, special edition, No 343 on the XIXth Congress (April 1984).

IX. INTERVIEWS

Mr Henry Théry and Mr Hugues Feltesse, Directors-General of UNIOPSS, were interviewed by Maxime Lauwens, ESC General Secretariat, Studies and Research Division, on 24 May 1982 and 19 July 1984 respectively.

2. Mutual-benefit and cooperative bodies of the State education system

1. Basic data

4 000 000 members (Approximate figure. Some members who belong to several organizations are counted more than once)

Between 12 000 and 15 000 employees

21 500 unpaid Board members

27 hospitals and health centres

9 rest and convalescent homes

1 travel agency

leisure centre

children's holiday camps

establishments for the handicapped, etc.

Gross income FF 5 000 million (estimate)

2. Brief historical outline

At its Third Congress, held in Brussels in 1888, the Workers' International passed a resolution stating that 'free compulsory education is an essential instrument of workers' emancipation'.

Taking the similar view that 'social work and educational work are the two complementary parts of a single drive for liberation and progress', teachers in the non-denominational schools which had just been founded in France put these principles into practice, both in their teaching and by founding mutual-benefit societies, cooperatives and other associations for themselves and their pupils.

Since its creation in 1920, the Syndicat national des Instituteurs (National Union of Teachers) has supported these bodies, and often encouraged new ventures. These bodies have become highly diversified since 1945, with the development of the 45 teaching unions which form the Fédération de l'Éducation nationale (State Education Federation). This development has gone hand in hand with that of the social protection movement, stimulated by the creation of the social security system.

3. Size and structure

A vast network of mutual, cooperative, social and cultural institutions has sprung up around the Fédération de l'Éducation nationale, providing the staff and users of the education system with services to satisfy all their professional and private needs: prevention and coverage of all types of risks, moral and intellectual development of members, solidarity in finance, building, cooperative activities, and so on.

Altogether there are 62 organizations, forming the Comité de coordination des œuvres mutualistes et coopératives de l'Éducation nationale (Coordinating Committee for State Education Mutual and Cooperative Bodies).

Coordinating Committee for State Education Mutual and Cooperative Bodies (Comité de coordination des Œuvres mutualistes et Coopératives de l'Éducation Nationale (C. COMCEN))

<i>President:</i>	GUY GEORGES
<i>Vice-Presidents:</i>	HUBERT ARNAULT PIERRE CHEVALIER JEAN DESVERGNES
<i>Secretary-General:</i>	JEAN GERMAIN
<i>Address:</i>	62, boulevard Garibaldi F-75015 Paris
<i>Tel.:</i>	306 29 21

I. ORGANIZATION

1. Date of formation

C.COMCEN was founded in September 1972 as a joint venture under the ordinance of 23 September 1967.

2. Size and structure

C.COMCEN is made up of 62 corporate bodies whose aims concern the staff and users of the State education system: trade unions, cooperatives, mutual-benefit societies, non-profit associations. On joining, each organization contributes between 1 and 10 shares of FF 100, according to its size. This determines the number of votes it will have.

The main members are:

- FEN (Fédération de l'éducation nationale) (State Education Federation), with 560 000 members grouped in 45 unions;
- SNI (Syndicat national des instituteurs) (National Union of Teachers), the largest member of FEN, with 300 000 members;
- MGEN (Mutuelle générale de l'éducation nationale) (State Education General Mutual Society), with a turnover of FF 5 000 million, 2 160 000 members, and 2 650 hospital beds;
- MAIF (Mutuelle assurance des instituteurs de France) (French Teachers' Mutual Insurance Fund) with assets of FF 3 000 million, 1 040 000 members, 17 000 associations;
- MRIFEN (Mutuelle de retraite des instituteurs et fonctionnaires de l'éducation nationale) (State Education Teachers' and Officials' Mutual Pension Fund), with a turnover of FF 1 470 million, and 108 000 members;
- CAMIF (Coopérative des adhérents de la mutuelle des instituteurs) (Cooperative for Members of the French Teachers' Mutual Insurance Fund) with a turnover of FF 17 000 million from its two mail order shops and 680 000 members;
- CASDEN-BP (Caisse d'aide sociale de l'éducation nationale — Banque populaire) (State Education Social Aid Fund — People's Bank), the bank for organizations belonging to C.COMCEN, which administers FF 2 000 million in savings accounts and has 210 000 members;
- La Ligue française de l'enseignement et de l'éducation permanente (French League for Teaching and continuing Education) which brings together 45 000 associations in its 100 departmental federations.

3. Administrative bodies

General Meeting;

Board of Directors;

Bureau;

Management supervisors;

Auditors.

The *General Meeting* is convened at least once a year. Each member organization has as many votes as it has shares, and can delegate up to five people to attend the General Meeting.

The *Board of Directors* consists of 21 people appointed by the General Meeting. It meets at least nine times per year.

The *Bureau* consists of a President, three Vice-Presidents, a Secretary-General and a Treasurer. They are elected by the Board of Directors from among its members.

Two *supervisors*, appointed for a three-year term by the General Meeting from among the members of constituent organizations, are responsible for monitoring the Board members' management of C.COMCEN's affairs.

Auditing is carried out by two auditors appointed by the General Meeting for a three-year term. They may not be Board members or management supervisors.

4. Decision-making procedure

Decisions at the General Meeting are taken by a majority of the shares represented.

5. Secretariat and staffing

As C.COMCEN is simply a coordinating committee, its paid staff comprises two secretaries only.

Work is carried out by representatives of member organizations within three departments (Associations; Cooperatives; Leisure) and five commissions (Investments; Loans; Insurance; International Activities; Personnel and Continuing Education).

6. Budget size and contribution arrangements

C.COMCEN's 1983 budget was around FF 1 200 000.

Its funds come mainly from contributions paid by member organizations. These range from FF 700 to FF 90 000, according to income.

II. AIMS AND PRIORITY POLICIES

C.COMCEN seeks to coordinate the activity of cooperatives, mutual-benefit societies, non-profit associations and unions of staff and users of the State education system, and encourage solidarity, especially in financial matters, between them.

III. ACTIVITIES

C.COMCEN:

- encourages greater mutual awareness among member organizations;

- defines respective responsibilities more precisely;

- ensures a common approach to general problems;

- seeks overall solutions;

- coordinates activity in material, financial, technical and human terms.

To achieve these ends, it sets up departments and commissions to act as think-tanks.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

C.COMCEN sits on the Haut comité du loisir social (Supreme Committee for Social Leisure), the Comité consultatif de l'économie sociale (the Consultative Committee for the Cooperative, Mutual and Non-Profit Sector) and the Conseil national de la vie associative (National Council of Non-Profit Organizations).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

C.COMCEN as such does not belong to any European organization, though some of its member bodies do.

VI. INTERNAL COHESION

All members of the constituent organizations are from the same socio-economic class and C.COMCEN, despite its diversity, shows a high level of solidarity and unity around its main pillar, FEN.

VII. INFLUENCE ON COMMUNITY ACTIVITIES

C.COMCEN exerts influence via the European organizations to which some of its members belong.

VIII. SOURCES

C.COMCEN: *Statuts mis à jour après l'assemblée générale du 12 mars 1982.*

C.COMCEN: *Associations constitutives (1982).*

C.COMCEN: *Relevé des décisions de l'assemblée générale du 17 mars 1982.*

C.COMCEN: *Rapport d'activité (17 March 1982).*

C.COMCEN: *Bilan au 31.12.1981.*

Le nouvel économiste: 'Les milliards des enseignants', article by Danièle Granet, No 302, 14 September 1981, pp. 42-47.

Le Monde: 'Les milliards des enseignants', article by Liliane Delwasse, *Le Monde-Dimanche* (25 April 1982).

IX. INTERVIEW

Mr James Marange, President of C.COMCEN, was interviewed by Maxime Lauwens, ESC General Secretariat, Studies and Research Division, on 24 May 1982. Updated by information provided by Mr Guy Georges, President of C.COMCEN, in July 1984.

3. Non-profit leisure facilities

1. Basic data (CECOREL member associations)

Approximately 1 000 000 members, plus members of the CFDT, FEN, FO trade unions and the cooperative and mutual adult education associations.

200 000 beds

Approximately 1 800 holiday centres for adults, of which 10-15% are 'multi-purpose' centres.

6 000 holiday centres for children and young people in France

57 000 employees (estimate)

Gross income: FF 4 000 million (estimate)

2. Brief historical outline

The introduction of paid holidays in 1936 by the Léon Blum government ushered in the idea of leisure for the average Frenchman.

After the hiatus caused by the Second World War, the desire for more leisure time has taken on ever-increasing importance in our society. A large number of organizations have tried to encourage a leisure policy which includes the idea of holidays run on a non-profit basis for the less well-off sections of the community, such as low-paid workers, young people and the elderly.

3. Size and structure

On the basis of the total turnover and staff, the associations affiliated to the Centre de coopération pour la réalisation d'équipements de loisirs (CECOREL — Cooperation Centre for the Provision of Leisure Facilities) represent about four-fifths of the non-commercial tourism sector in France.

Non-profit leisure organizations fall into three categories:

- (a) *representatives of users of leisure facilities*: trade unions, family associations, cooperatives, mutual-benefit societies, adult associations, etc.;
- (b) *representatives of managers and organizers of holiday facilities*: non-profit holiday associations;
- (c) *designers of leisure facilities*: architects, sociologists, town planners, entertainment organizers, etc.

These three types of organizations involved in the non-commercial tourism sector are represented nationally by the Centre de coopération pour la réalisation d'équipements de loisirs (CECOREL). This national organization is backed-up by 10 regional CECORELs whose structure is identical to that of the national centre.

Cooperation Centre for the Provision of Leisure Facilities (Centre de coopération pour la réalisation d'équipements de loisirs) (CECOREL)

<i>President:</i>	MICHELINE FIGUERAU
<i>Vice-Presidents:</i>	ROBERT BONO CAMILLE SANDRIN
<i>Executive Officer:</i>	PIERRE CANAGUIER
<i>Address:</i>	33, rue des Trois-Fontanot F-92000 Nanterre
<i>Tel.:</i>	724 86 00

I. ORGANIZATION

1. Date of formation

CECOREL was founded on 8 June 1971 as an association under the law of 1901.

2. Size and structure

CECOREL comprises:

13 founder-members (trade unions, cooperative federations, national representative associations):

- Confédération française démocratique du travail (CFDT),
- CGT — Force ouvrière (CGT — FO),
- Confédération syndicale du cadre de vie (CSCV),
- Fédération de l'éducation nationale (FEN),
- Fédération nationale des coopératives de consommateurs (FNCC),
- Ligue française de l'enseignement et de l'éducation permanente (LFEEP),
- Centre laïque de tourisme culturel (CLTC),
- Fédération nationale Léo-Lagrange (FNLL),
- Loisirs, vacances, tourisme (LVT),
- Organisation centrale des camps et activités de jeunesse et du tourisme populaire (OCCAJ — TP),
- Renouveau,
- Union nationale des centres sportifs de plein air (UCPA),
- Villages, vacances, familles (VVF);

15 active members (trade union, cooperative, mutual, family and other non-profit organizations, representatives of the users of non-profit leisure and holiday facilities and non-corporate workers' organizations which run such facilities or contribute to their development:

- Centre d'entraînement aux méthodes d'éducation active (CEMEA),
- Centre national formation loisirs promotion (CNFLP),
- Institut national du tertiaire social et la formation continue (INFAC),
- Investissement-vacances (INVAC),
- Fédération nationale des foyers ruraux de France (FNFR),
- Fédération des œuvres éducatives et de vacances de l'éducation nationale (FOEVEN),
- Fédération unie des auberges de jeunesse (FUAJ),
- Francs et franchises camarades (FFC),
- Jeunesse au plein air (JPA),
- Loisirs de France,
- Promotion — Tourisme (PROMTOUR),
- Union nationale mutualiste 'Loisirs-Vacances' (UNMLV),
- Vacances-Auvergne-Limousin (VAL),
- Arts et Vie,
- Centre d'études, de formation et de recherches pour l'animation sociale (CEFRAS).

3. Administrative bodies

General Meeting;

Board of Directors;

Bureau.

The *General Meeting* consists of the founder-members and the active members. A General Meeting is held at least once a year.

The *Board of Directors* meets at least four times a year. It is made up of 21 to 27 members elected for six years by the General Meeting. The term of office of one-half of the members expires every three years. At least two-thirds must be founder-members of the association.

The *Bureau* consists of at least 6 and not more than 12 persons chosen from the Board of Directors. At least two-thirds must be founder-members of the association.

4. Decision-making procedure

Decisions are taken by a majority vote of the members present or represented.

5. Secretariat and staffing

CECOREL employs two secretaries and a research officer. Three executive officers, paid by their parent organization and with a seat on the Bureau, also work full-time for CECOREL.

6. Budget size and contribution arrangements

CECOREL's budget is about FF 1 500 000.

It is funded by the annual subscriptions and flat-rate contributions of the member associations and from payment for research.

II. AIMS AND PRIORITY POLICIES

The aim of CECOREL is to promote a leisure and holidays policy which enables all members of society, in particular low-income workers, young people and the elderly, to enhance their lives.

III. ACTIVITIES

CECOREL has five tasks:

1. Pressure group

Generally speaking, CECOREL campaigns for an expansion of the non-commercial leisure sector; more specifically it works for:

- the socialization of facilities;
- coordinated investment planning;
- the involvement of staff and users in the running of centres;
- the creation of a policy which links rewarding leisure, activities to local life.

2. Consultation

The organizations belonging to CECOREL are concerned that communal leisure facilities should be created and run by teams which include users, elected local representatives, technical experts, personnel and even financial institutions. In the financial area, CECOREL is aided by a financial establishment with which it has concluded an exclusive agreement: UCEL (Union coopérative équipements loisirs).

3. Studies and research

CECOREL studies new and future trends in leisure activities.

4. Planning

CECOREL plans the programmes of its member associations so that they become part of balanced regional development policies.

5. Experimentation

CECOREL experiments with new formulae. For instance, it is setting up 'multi-purpose' centres which satisfy three criteria, namely: they receive several types of guest, they are open outside normal holiday periods, and they serve as a point of contact and cooperation with the local population.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

CECOREL carries out studies in conjunction with or for regional and national public bodies (Ministry for Youth, Sport and Leisure, Ministry of Agriculture, Ministry for Health, moderate-rent housing societies, the centre for advanced studies in tourism at the Sorbonne University, etc.).

CECOREL has a seat on the Comité consultatif de l'économie sociale (Consultative Committee for the Cooperative, Mutual and Provident Sector).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

CECOREL itself does not belong to any Community organization but some of its members do.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

CECOREL is a member of the International Bureau for Social Tourism (IBST).

VII. INFLUENCE ON COMMUNITY ACTIVITIES

CECOREL exerts influence via the European organizations to which some of its members belong.

VIII. PUBLICATIONS

Numerous studies.

IX. SOURCES

CECOREL: *Statuts*, 1971.

CECOREL: *Le CECOREL*.

CECOREL: *Études et recherches: Fiche-Bilan* (1981).

X. INTERVIEWS

Mr Gérard Trainoir, assistant executive officer, was interviewed by Maxime Lauwens, ESC General Secretariat, Studies and Research Division, on 25 May 1982. Updated with Mr Pierre Canaguier, Executive Officer, in August 1984.

4. The leisure sector

1. Basic data^[1]

845 729 members
 2 615 317 users
 747 socio-cultural centres
 50 training centres
 1 945 holiday centres and holiday villages
 474 children's holiday camps
 44 senior citizens' centres and clinics
 3 777 employees and 88 683 trainees

2. Brief historical outline

The idea of a major movement for improving the utilization of free time originated in a speech made in 1979 by Mr Pierre Mauroy, later to become Prime Minister in the government appointed by the President of the Republic in June 1981.

3. Size and structure

For the first time in the history of the cooperative and 'self-help' sector, local authorities, cooperatives, mutual insurance associations and other groups are working together in a single organization, the Confédération générale du temps libre (General Confederation for Leisure).

This cooperation occurs mainly in the following areas:

- management of socio-cultural facilities;
- training;
- low-cost holidays;
- health and welfare activities.

The Confédération générale du temps libre has become one of the most important non-profit-making associations in France.

General Confederation for Leisure (Confédération générale du temps libre) (CGTL)

<i>President:</i>	MICHEL SAINTE-MARIE
<i>Vice-President:</i>	RAYMOND VAILLANT
<i>National Representative:</i>	JOCELYNE DURBAN
<i>Address:</i>	14, rue de Provence F-75009 Paris
<i>Tel.:</i>	246 42 84

I. ORGANIZATION

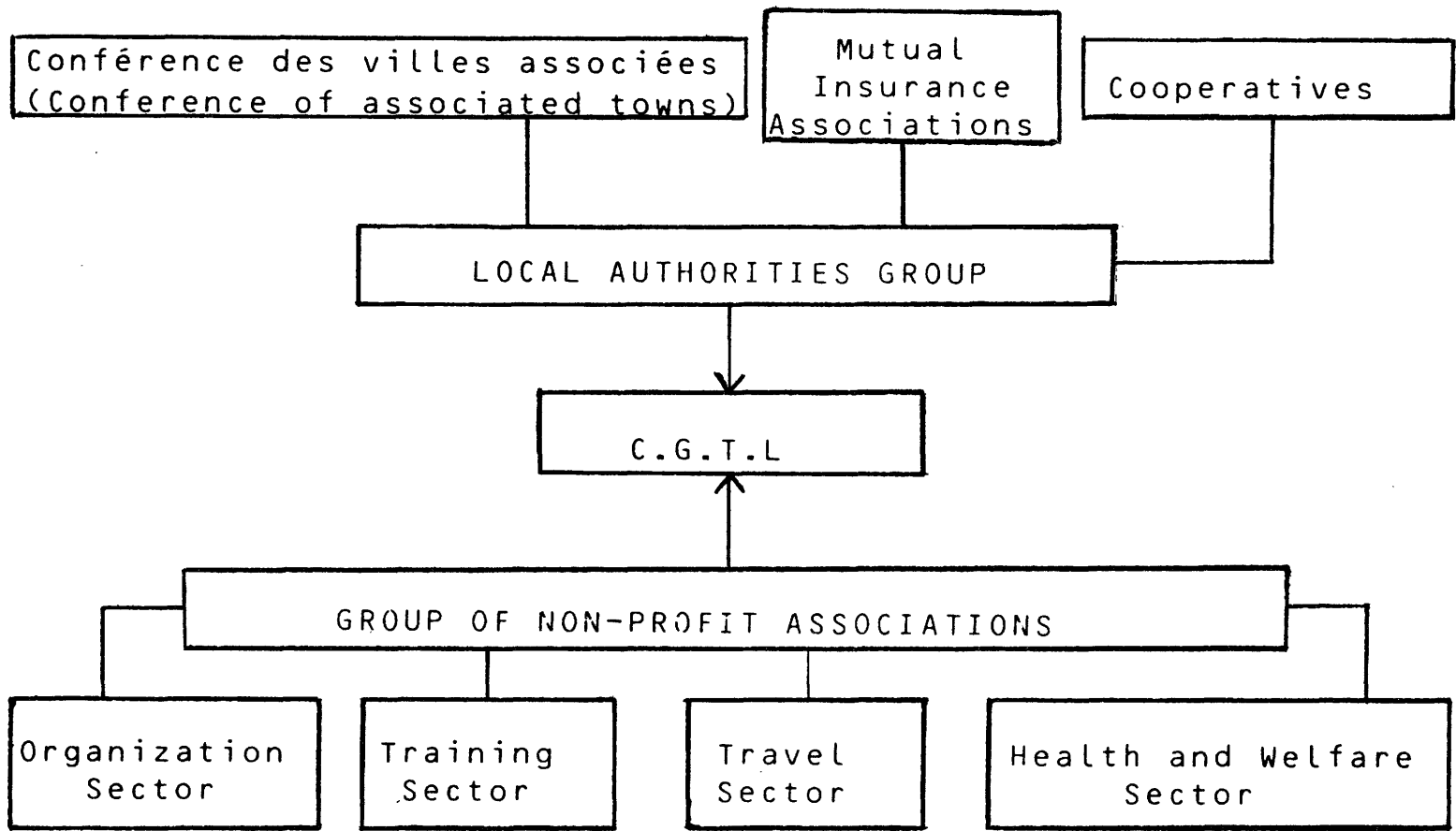
1. Date of formation

Association under the 1901 law, established on 14 November 1981.

2. Size and structure

The members of the CGTL are:

- a group of local authorities, made up of the local authorities which are members of the 'Conférence des villes associées' (Conference of associated towns) plus a number of mutual insurance associations and cooperatives;



a group of non-profit associations, made up of associations from four sectors of the Confederation: 'organization', 'training', 'association travel', 'health and welfare'.

3. Administrative bodies

Congress

National Council

Board of Directors

Managing Board

The Congress meets once every three years. It is made up of representatives of local authorities and the *Conférence des villes associées*, honorary members, founder members and representatives of affiliated corporate bodies.

The National Council meets once a year as a rule. It consists of 100 to 300 representatives of the two groups, elected by the Congress for a three year term. This body acts as a general assembly.

The Board of Directors has a maximum of 68 members, with equal representation for the two groups. It is appointed by the National Council.

The Managing Board has a maximum of 36 members elected for a one year period by the Board of Directors. It is made up to the President, Deputy-Presidents, treasurers, members and confederation secretaries. It meets at least once a month.

4. Decision-making procedure

Decisions are taken by majority vote.

5. Secretariat and staffing

The CGTL employs three people, including one manager.

6. Budget size and contribution arrangements

In 1983 the CGTL's budget amounted to approximately FF 1 395 000.

Its funds come mainly from membership subscriptions and public grants.

II. AIMS AND PRIORITY POLICIES

The CGTL promotes initiatives, conducts projects and undertakes tasks which might be directed jointly by local and regional authorities, by works committees and various welfare organizations cooperatives and members of mutual insurance companies and by affiliated corporate bodies. It operates in the following areas:

- cultural and socio-educational;
- vocational and socio-educational training;
- sport;
- health and welfare;
- management of facilities of a non-commercial nature;
- activities bringing together different age groups;
- holidays and leisure;
- international relations.

This specific function of the CGTL is part of the wider objective of creating a socialist society.

III. ACTIVITIES

The CGTL:

- is an instrument for dialogue between the government, the local authorities, non-profit organizations and the cooperative and mutual insurance sector;
- provides a focal point for evaluation and joint work by militants;

contributes to the advance of the socialist idea in France and Europe by agreeing on practical implementation programmes;

encourages regionalization, enabling every individual to participate in decisions affecting the local authorities.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The CGTL is a member of the Comité consultatif à l'économie sociale (Consultative Committee for the Social Economy) and the Haut comité du loisir social (High Committee for Mass Leisure Activities).

The CGTL is acknowledged as a partner in talks with government authorities.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

VI. INTERNAL COHESION

The CGTL is a socialist organization. Although formed only recently, it has succeeded in uniting a considerable number of towns, associations, mutual insurance associations and cooperatives behind the aim of democratizing leisure.

VII. PUBLICATIONS

Regard de la CGTL, monthly information bulletin.

VIII. SOURCES

CGTL: *Rules* (20 November 1982).

CGTL: *La Confédération du temps libre*.

CGTL: *Associations au service des collectivités*.

CONFÉRENCES DES VILLES ASSOCIÉES: *La Conférence des villes associées (Conference of associated towns)*.

CGTL: *Journées des 14-15 Novembre 81 à Hyères-Var*.

IX. INTERVIEW

Mrs Jocelyne Durban, national representative of the CGTL, was interviewed on 8 December 1982 by Konrad Schwaiger and Maxime Lauwens, ESC General Secretariat, Studies and Research Division. Updated by telephone on 26 July 1984.

X. REFERENCES

[¹] The figures exclude local government officials employed by affiliated towns and the resources they use.

5. Youth and workers' educational associations

1. Basic data

105 national associations

(No overall data available)

2. Brief historical outline

In the 1960s the youth and workers' educational associations, with their varied backgrounds in terms of outlook and experience, felt the need to amalgamate and coordinate their activities.

In 1968 they submitted to the government an initial charter setting out their joint claims, including a recognized status for activity organizers, access to the media, etc.

3. Size and structure

A large number of nationwide youth and workers' educational associations are grouped together in the Comité national pour les relations nationales et internationales des associations de jeunesse et d'éducation populaire (CNAJEP — National Committee for National and International Relations of Youth and Workers' Educational Associations).

The aims of these bodies, which bring together activists from all political backgrounds, are training, education and the organization of activities for children, adolescents and adults.

National Committee for National and International Relations of Youth and Workers' Educational Associations (Comité national pour les Relations nationales et internationales des Associations de Jeunesse et d'Éducation populaire) (CNAJEP)

<i>President:</i>	ALAIN BARRAU
<i>Permanent Representatives:</i>	JEAN-MICHEL du PLAA ARNAUD JUTIER
<i>Address:</i>	15, rue Martell F-75010 Paris
<i>Tel.:</i>	770 71 31

I. ORGANIZATION

1. Date of formation

CNAJEP is an unregistered association, founded in its present form on 6 June 1974.

2. Size and structure

CNAJEP is made up of 105 organizations and movements with a variety of political views, such as the 'Éclaireurs et éclaireuses de France', the 'Jeunesses musicales de France', the 'Fédération française des maisons de jeunes et de la culture', the 'Fédération nationale Léo Lagrange', the 'Fédération unie des auberges de jeunesse', the 'Scouts et les Guides de France', the 'Fédération française de camping et caravanning', etc.

3. Administrative bodies

General Meeting;

Executive Committee;

Bureau.

The *General Meeting* comes together once a month and comprises representatives of all the member associations. It draws up policy documents.

The *Executive Committee* is elected by the General Meeting. It is made up of a quarter at most of the associations which are members of the General Meeting. It examines the questions to be submitted to the General Meeting and implements the General Meetings' decisions. It meets frequently.

The *Bureau* appointed by the Executive Committee, is made up of a President, four Vice-Presidents and a Treasurer.

4. Decision-making procedure

All decisions are taken by consensus.

5. Secretariat and staffing

The CNAJEP employs four staff, including two executives.

6. Budget size and contribution arrangements

CNAJEP's budget for 1982 was about FF 800 000 and came mainly from subscriptions from member associations and fees under contracts obtained by its research department.

II. AIMS AND PRIORITY POLICIES

According to the inaugural declaration of 6 June 1974, CNAJEP's most important objective is to contribute in an original way to a solution to the contemporary cultural crisis, notably through the activities set out below.

III. ACTIVITIES

CNAJEP calls for recognition of the role of the associations as a factor in the development of democracy;

it supports and promotes important social measures concerning young people and workers' education;

it takes account of and expresses the concerns of young people and adults;

CNAJEP takes part in all consultations on the drafting of legislation;

it puts its case in international bodies and contributes to the development of the international activities of youth movements. This international role accounts for almost half CNAJEP's activities.

Back-up services for these activities are provided by:

a 'Bureau d'Études Jeunesse et Éducation permanente' (Research Department for Youth Affairs and Continuing Education) which helps to intensify and develop joint action by carrying out studies, performing secretariat tasks and undertaking technical preparation work;

study groups with the task of preparing the work of the General Meeting.

The study and coordination of international matters are the special responsibility of an international section: the 'Comité des relations internationales de la jeunesse française' (Committee for International Relations of the French Youth Movement).

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

At national level, CNAJEP is recognized by the government as a special partner in discussions, representing different sectors and schools of thought with an interest in policy on youth and workers' education. Representatives of CNAJEP met the President of the Republic in 1981.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

CNAJEP is a member of the Youth Forum of the European Communities.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

CNAJEP is a member of the Council of European National Youth Committees.

VII. INTERNAL COHESION

The consensus rule unites the associations on points of agreement and gives CNAJEP considerable weight, particularly in its dealings with the authorities.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

CNAJEP's influence on Community activities is exerted through the Youth Forum of the European Communities.

IX. SOURCES

CNAJEP: *Inaugural declaration of 6 June 1974.*

CNAJEP: *Policy resolution for 1978/79.*

CNAJEP: *Policy resolution for 1980/81.*

CNAJEP: *Policy resolution for 1981/82.*

CNAJEP: *List of affiliated associations* (January 1981).

Le Monde: 'Un front des mouvements de jeunesse', article de Daniel Garcia, *Le Monde-Dimanche* (24 October 1982).

X. INTERVIEWS

Mr Arnaud Jutier, permanent representative of CNAJEP, was interviewed by telephone in January and February 1983, and in July 1984, by Maxime Lauwens, ESC General Secretariat, Studies and Research Division. These telephone conversations were followed up by an exchange of letters.

Ireland

Chapter I: Introduction and overview

A. OVERVIEW OF ORGANIZATIONS AND ENTERPRISES IN THE COOPERATIVE, MUTUAL AND NON-PROFIT SECTOR

1a Historical background

Cooperatives

Cooperatives in Ireland can trace their history back to the early nineteenth century, when in order to combat the excesses of rural poverty and hardship, attempts were made to set up forms of agricultural cooperative enterprises. Most of these were established by the landlord class: most were influenced by Robert Owen^[1], whose experiments at New Lanark (Scotland) and New Harmony (United States) made famous the 'villages of cooperation' that were the embodiment of Owen's zeal for social reform. Tucker^[2] traces the first of these experiments in Ireland to William Thompson, who made plans for a 'village of cooperation' on his own estate near Cork, and through Owen's influence, began the alliance between cooperativism and the trade unions which was one of the hallmarks of the cooperative movement in Britain during the nineteenth century. Thompson's ideas were never put into practice, and the first 'village of cooperation' was set up in 1831, 13 years before the Rochdale pioneers, by John Scott Vandaleur, a Co. Clare landlord, in Ralahine, as the Ralahine Agricultural and Manufacturing Cooperative Association. Vandaleur had met Owen and was anxious to apply the experience of Owen's New Lanark industrial community to an agricultural setting. The Ralahine community lasted from 1831 to 1833. It had advanced social aims (sickness insurance, education) and, after a promising start, its ultimate failure was due to Vandaleur's bankruptcy because his estate was taken from him to pay gambling debts. Nearly 100 years later, G. W. Russell said of the Ralahine community: 'When John Scott Vandaleur gambled at his club, he gambled away not merely his own property but what may well have been a happier destiny for his country. It is inconceivable that if the community founded at Ralahine had developed as it had begun, it would not have affected the rest of Ireland. It might have saved us many years of tragic history and instead of beginning our agricultural cooperation long after Denmark, Germany and France, we might have been the pioneer nation'^[3].

It was however another member of the gentry — the Honourable Horace Curzon Plunkett — who was to become the father of cooperation in Ireland.

Plunkett was born in 1854, by which time the influence of the consumer cooperatives founded by the Rochdale pioneers in Britain was beginning to spread, although consumer cooperation never really got off the ground in Ireland. Ireland was an agricultural and not an industrial country, and many of its inhabitants were dependent on credit, which was totally excluded by the rules of the consumer cooperatives. In 1888 the British Cooperative Union extended its activities to Ireland: Plunkett, who had just returned from the US, became chairman of the Irish Cooperative Aid Association. Plunkett soon realized that the model for Ireland would not be Britain, but Denmark: what Irish peasants needed was help in marketing their produce and improving standards, and cooperative supply of requisites. It was for this reason that the emphasis was placed on the 'creameries' (dairies where the milk from the farms was turned into butter and cheese) and by 1892 there were 16 such cooperative creameries, which joined together to form the Irish Cooperative Agency Society. For some time there were difficulties with the British CWS which had its own creameries in Ireland: was the purpose of the creameries to market the produce of the Irish peasant on the best possible terms, or was it to supply butter to British consumers at the lowest possible price? The conflict of interests led Plunkett and his colleagues to resign from the Cooperative Union and found the Irish Agricultural Organization Society in 1894: the problem was solved in 1912 when the CWS withdrew from Ireland. This however

exacerbated another difficulty: should the successful creameries extend their activities into the field of consumer cooperation or Raiffeisen-type banking? Despite initial successes by cooperative 'village banks' (by 1908 there were 268 such banks) lack of interest by the IAOS and the government led to their gradual demise over the next 30 years.

The partition of Ireland saw 141 cooperatives (mainly creameries) move from the IAOS umbrella to found the Ulster Agricultural Organization Society, while other cooperatives disappeared in the economic difficulties following the civil war. In the 1950s and early 1960s, however, there was pressure to rationalize and expand cooperative enterprise, culminating in the 1964 report of J.G. Knapp^[4], which urged the reorganization of the dairy industry and the adoption of more modern practices within the cooperative movement as a whole. Cooperative livestock marketing and AI services were followed by pig fattening cooperatives, insurance business, export marketing cooperatives, the development of community and fishing cooperatives, and many other ventures. The recognition that the cooperative movement was not something restricted to farmers led the IAOS to change its name in 1979 to the Irish Cooperative Organization Society, which now works with the other organizations in the cooperative movement to help any group wishing to set up an enterprise on cooperative principles.

Outside the sphere of agriculture, cooperatives have not prospered greatly. The 'village banks' dwindled away in the 1920s and 1930s, but in the 1950s a new form of cooperative credit organization began to grow up — the credit unions. These originated from a group led by Norah Herlihy in 1957 and have drawn a lot of their strength from the towns. Today, the credit union movement is the largest cooperative organization in Ireland in terms of members.

In other sectors, the cooperative movement has had a chequered history. There have been few successful consumer cooperatives (although some agricultural supply cooperatives trade in consumer goods) and production cooperatives have, with only a few exceptions, never really got off the ground. In recent years, however, there has been a renewed interest in cooperation and many new ventures. Water schemes (the provision of piped water to rural areas) and farm drainage have usually been organized on cooperative lines, and there have been cooperatives organized for housebuilding, local radio, community projects in the Gaeltacht, and taxi services in Dublin and Cork.

Other forms of organization

Because of the link with Great Britain which lasted until 1922, Ireland has been strongly influenced by the organizational structures in its larger neighbour, especially because the legislative background was shared. For this reason there was established in Ireland a government registry with a broad function of control and supervision over industrial and provident societies (cooperatives), friendly societies and building societies, and its functions were continued after independence. This registry has also certain responsibilities regarding registration of trade unions in Ireland. Many of the friendly societies (which provide various forms of financial benefit for their members) can trace their origins back to the nineteenth century, as can some of the building societies (organizations which provide finance on mortgage for house purchase). Because of the predominance of agriculture, the friendly societies and building societies do not occupy the same prominent role as their counterparts in the United Kingdom, where they grew up in an urban environment.

1b Legal background

The structure of the cooperative, provident and mutual organizations is very much influenced by the fact that it is the Registry of Friendly Societies which has a broad responsibility for all organizations in this sector. This responsibility derives from the following legislation:

(i) INDUSTRIAL AND PROVIDENT SOCIETIES

- (a) Industrial and Provident Societies Acts, 1893, 1894, and the Amendment Acts of 1895 and 1913 (all this is legislation deriving from the time of the union with Great Britain and has been repealed in the latter country).
- (b) Credit Union Act, 1966.
- (c) Industrial and Provident Societies Amendment Acts, 1971 and 1978.
- (d) Registry of Friendly Societies Act, 1936.

Industrial and provident societies (normally referred to as cooperatives) may be formed for carrying on any industry, trade or business, and on incorporation the liability of members is limited to the amount remaining unpaid on shares held.

Credit unions are also industrial and provident societies, but in addition the Credit Union Act 1966 applies to them. The Registry of Friendly Societies defines them in the following terms^[5]:

'A credit union may be formed only for the objects specified in Section 2 of the Credit Union Act, 1966. These are:

- the promotion of thrift among its members by the accumulation of their savings;
- the creation of sources of credit for the benefit of its members at a fair and reasonable rate of interest; and
- the use and control of members' savings for their mutual benefit.

In addition a credit union must consist of persons each of whom has in relation to all the other members of the union not less than one of the common bonds specified in Section 2 of the 1966 Act as follows:

- the common bond of association (other than for the purpose of forming or conducting a credit union);
- the common bond of occupation;
- the common bond of residence or employment within a particular locality;
- the common bond of membership of a *bona fide* organization.

The maximum interest which any member may have in the shares of a credit union is £3 000 in accordance with the Industrial and Provident Societies (Financial Limits) Regulations, 1979.'

Another form of society in this group is that of deposit-taking industrial and provident societies, whose business significantly relates to the accepting of deposits from members of the public. At the end of 1980 there were 16 such societies with 584 members, and total assets of about IRL 30 million. Under the Industrial and Provident Societies Amendment Act, 1978, the principal societies are to cease holding and accepting deposits after 1983, and the smaller societies have to submit schemes to the Registry for repayment of the monies deposited. For these reasons this form of society has been excluded from this study.

(ii) FRIENDLY SOCIETIES

- (a) Friendly Societies Acts, 1896 and 1908.
- (b) Registry of Friendly Societies Act, 1936.
- (c) Friendly Societies Amendment Acts, 1953 and 1977.

Societies which are registered under these acts fall into three groups^[6]:

1. Friendly societies and branches (societies for the relief of members in sickness or old age — there are some 76 of these on the register, with a total membership of around 61 000).
2. Benevolent societies (to provide benefits for persons other than their members — there are some 14 such societies with about 13 000 members).
3. Specially authorized societies, which exist for the provision of credit for farmers and also certain societies which exist for the promotion of arts and education (there are about 12 such credit societies with about 15 000 members, and 11 cultural societies with about 70 000 members).

(iii) BUILDING SOCIETIES

- (a) Building Societies Acts, 1976-83.

These acts define a building society, which in practice is 'a mutual organization which raises funds from its members and depositors for lending to members buying their own homes' [7]. It should be noted that the 1976 Act (which consolidated all the previous legislation on building societies) contains provisions prohibiting building societies from advertising unless certain conditions are satisfied.

(iv) OTHER TYPES OF ORGANIZATION

Outside the areas of the above legislation, a number of organizations have taken the form of companies limited by guarantee without share capital. In such cases the cooperative principles are contained in the memorandum and articles of association.

A brief reference should also be made to mutual insurance. In Ireland there is no legal difference between a mutual insurance company and a proprietary company: the difference is written into the memorandum and articles of association. There are about four or five mutual companies writing general business and no mutual companies writing life business. Some companies are incorporated in Ireland, while others are branches of UK companies. Increased solvency requirements laid down both at national and European level, coupled with inflation which has necessitated capital-raising by, for example, rights issues, has provided a disincentive to the expansion of mutual insurance.

2. Size of the cooperative, mutual and non-profit sector in the Irish economy

Cooperation in Ireland is based primarily on agriculture. Within agribusiness the cooperative market share is broadly as follows^[8]:

Cooperative share of agribusiness 1983

	20	40	60	80	100%
<i>Processing</i>	-----				
Manufacturing milk purchase	.....				100
Consumption milk purchase	..... 52				
Butter production	.....				100
Milk-powder production	.....			80	
Cheese production	..... 60				
Livestock marketing	.....			65	
Cattle slaughtering	..... 25				
Pig slaughtering	..... 35				
Fish landings	.....			75 (1980)	
Sheep slaughtering	18				
Fertilizers supply	..... 50				
Animal-feed supply	..... 55				
A.I.	.....			85	
Feed-grain marketing	..... 55				

In the other sectors, the activities of cooperatives are much more modest. The credit unions, which do not undertake all banking operations, probably hold a major sector of the market in relation to savings and loans of a particular section of the population, since their activities tend to be confined to those who would not normally have bank accounts. Production cooperatives and housing cooperatives have only minor shares of the total production and housing market. Outside the strict cooperative area, building societies account for about 70% of the total mortgage finance provided by lending agencies for private housing, the remainder being provided by local authorities and banks. Friendly societies in Ireland tend to be organized on a much smaller scale than their UK counterparts, and their total membership is under 100 000.

As regards employment, the agricultural cooperatives are the biggest employers in the cooperative sector. The 1983 ICOS annual report shows the following breakdown of employees:

Multi-purpose Dairy societies	13 211
Mart societies	854
Store societies	228
Meat cooperatives	2 760
Wholesale	665
Horticultural	13
Pig fattening	92
Livestock breeding	255
Fishing	51
Home produce	31
Gaeltacht	109
Miscellaneous	65
	18 334

3. Structure of the cooperative, mutual and non-profit sector

There is no umbrella organization in Ireland which can claim to represent the whole of the cooperative, mutual and provident sector. As the major cooperative organization, however (though not the largest in terms of members) ICOS often takes on this role, especially since it has been more ready to look outside the sphere of agriculture in recent years. ICOS is also strongly represented on the National Economic and Social Council, with three members (10% of membership).

4. Economic, social and political context in which cooperative, mutual and non-profit organizations operate

Ireland is an agricultural country and it is not surprising that the agricultural cooperatives have come to dominate the cooperative scene. The agricultural share of GDP has declined substantially over the last 30 years (from 29.5% in 1949 to 10.3% in 1981) but this is still much more than most other European countries. In 1982 17.3% of the labour force was engaged in agriculture, as against 31.1% in industry and 51.6% in services. Many farmers are wholly dependent on their own labour plus additional help from outside from time to time. Dairying and stock rearing are not highly labour intensive, and the pattern of land holding is that of many small farms of under 100 ha. However, the extension of farming activities into food processing and the manufacture of farm inputs via cooperatives are not reflected in the above figures, and agriculture and agriculture-related industries account for a growing share of economic activity.

Cooperation in Ireland has always had a strong social vocation. Plunkett's slogan 'Better farming, better business, better living' pointed the way towards an improvement of social as well as economic conditions, and this commitment to social improvement is still found in ICOS and its member cooperatives today. Another organization with this kind of commitment is Muintir na Tire, which specializes in community development, i.e. in the economic improvement of communities (especially rural communities) via local community effort.

Outside the agricultural sphere, credit unions also have social aims. Credit unions have helped people in disadvantaged urban communities to break out of the vicious circle of debt and borrowing which is a hallmark of urban poverty in the bigger Irish towns, and their social aims are strengthened by the number of voluntary workers who give their time to maintain and expand the credit union movement.

In the academic area, reference should be made to the Bank of Ireland Centre for Cooperative Studies, which was founded by ICOS and encourages and promotes the study of cooperatives at University College, Cork. This Centre works with existing and emerging cooperatives, adult education bodies and some State bodies such as SFADCo (Shannon Free Airport Development Company) and produces a range of educational material about cooperatives. There is also a Society for Cooperative Studies in Ireland, which is based in Dublin and undertakes studies into cooperative history and development.

The cooperative movement in Ireland has no party political or religious affiliations, and the principal organizations maintain a policy of strict neutrality in these respects.

5. Definition and special functions of the cooperative, mutual and non-profit sector as compared with the public and private sectors

The Irish cooperative movement has always been closely connected with the other sectors of the economy. But the acknowledgement that there might be some special function for the cooperatives really dates from the Knapp report in 1963^[4]. Knapp, a veteran American expert on cooperatives, had been invited early in 1963 by the Minister for Agriculture, in consultation with IAOS, to draw up a report on Irish cooperatives and their needs. Before that date, the work of the cooperatives was not widely known, as Bolger^[9] himself admits. Knapp recommended that IAOS should be reorganized internally, but at the same time it should be given the means to provide services to farmers and thus build up strong cooperative organizations. In addition Knapp urged that IAOS should be given responsibility for modernizing the organization of the dairy industry, that the government should take steps to 'cooperativize' the Dairy Disposal Company (a semi-State organization) which still controlled some creameries, and that IAOS should broaden its field to include all types of agricultural cooperation. The reorganization which followed the Knapp report and the February 1966 IAOS report 'Proposals for Reorganization in the Dairy Industry' ensured that IAOS played a much greater role in agriculture than was previously the case, and became increasingly recognized as one of the major partners in the economy and agriculture of Ireland. The many links which ICOS now possesses with semi-State and other bodies involved in agriculture and the economy in general are evidence that this role has become highly developed.

The role of the other cooperative organizations in this sphere is much less apparent because of their smaller size, but it is possible that the credit unions (because of their large membership) may expand their activities yet further.

B. THE SPECIFIC ROLE OF ORGANIZATIONS AND ENTERPRISES IN THE COOPERATIVE, MUTUAL AND NON-PROFIT SECTOR

The role of cooperatives and other mutual organizations in Ireland is clearly dictated by their historical development and by the legal constraints imposed by the Industrial and Provident Societies Acts. The absence of a powerful consumer cooperative organization has always surprised observers, since such organizations exist in other European countries where agricultural cooperatives are strong (especially Denmark). The reasons which prevented the 'export' of consumer cooperation from Britain have already been mentioned, but these were much less valid after 1945, and the example of the Belfast Cooperative Society (a successful consumer cooperative with over 100 000 members, part of the Cooperative Union) encouraged several attempts to get consumer cooperation going. But none of these has ever been really successful, though some agricultural cooperatives have developed consumer-related activities.

Until recently, cooperatives tended to mean 'creameries' in the minds of most Irish people although many other forms of agricultural cooperation has flourished at one time or another since the times of the Ralahine 'village of cooperation' (the village banks, flax societies, insurance, turf cutting societies, etc.). The role was thus related to agriculture and agricultural needs, particularly those of dairy farming and to a lesser extent, stock-breeding.

However, this image is changing. ICOS member cooperatives have expanded their activities beyond those of milk processing and cattle marketing, and now include water schemes, local radios, and community cooperatives and fishing, as well as other functions related to veterinary care and insurance. ICOS coordinates these activities. The growth of the Credit Union League of Ireland has shown that there may be other areas where cooperatives can develop successfully. Other cooperative activities, e.g. the taxi cooperatives in Dublin and Cork, are further evidence of this.

Outside the strict cooperative sector, the role of the organizations and enterprises is perhaps less clear. The building society movement has, it is true, a very specific role, and has so far not seen a challenge to that role from other sources of housing finance. The friendly society movement is much smaller than, say, in the United Kingdom and more directed towards the insurance needs of specific groups.

C. NATIONAL ORGANIZATIONS IN THE COOPERATIVE, MUTUAL AND NON-PROFIT SECTOR AND THEIR MEMBERSHIP OF EUROPEAN GROUPINGS

Among the national organizations, ICOS is a member of COGECA and CEA and the Irish Building Societies Association is a member of the European Federation of Building Societies. There is no other membership of European organizations.

Two Irish organizations are however members of the Association of Cooperative Banks of the European Community. These are the Agricultural Credit Corporation, a government-sponsored institution which attracts funds from the public and lends them for agricultural finance, and the Irish Sea Fisheries Board (Bord Iascaigh Mhara), a semi-State finance institution which receives government funds which it uses to provide loans to the fishing industry. Neither of these organizations is however cooperative and neither has been included in this study.

D. VIEWS OF THE COOPERATIVE, MUTUAL AND NON-PROFIT ORGANIZATIONS WITH REGARD TO EUROPEAN INTEGRATION

As the principal cooperative organization in Ireland, ICOS has always had a strong commitment to the European Community. The establishment of an ICOS office in Brussels operating closely with COGECA and COPA, is evidence of the strength of this commitment and the efforts which are being made by Irish agricultural cooperative organizations to help European integration.

E. SOURCES

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F. REFERENCES

- [1] See also the introduction to the section 'United Kingdom' regarding Owen's influence on the cooperative movement in that country.
- [2] VINCENT TUCKER: The Cooperative Movement, in *Credit Union Review* (March-April 1982).
- [3] G.W. RUSSEL (AE): address to the Irish Cooperative Association, 1919, quoted in Tucker, op. cit.
- [4] JOSEPH G. KNAPP: *An Appraisal of Agricultural Cooperation in Ireland*, Stationery Office (Dublin 1964).
- [5] *Report of the Registrar of Friendly Societies*, y.e. 31.12.1980, Department of Trade Commerce and Tourism (Dublin 1981).
- [6] *Report of the Registrar of Friendly Societies*, op.cit., 1982 report.
- [7] *Report of the Registrar of Building Societies*, op.cit.
- [8] Information provided by ICOS, 28.6.1984.
- [9] BOLGER, P., op.cit., p. 133 footnote.

Chapter II: Cooperative, mutual and non-profit organizations in Ireland

A. Cooperatives

1. Agriculture and fisheries

1. Basic data (1981)

	Number of societies	Members	Turnover
Dairying	73	101 807	1 542 Mio IRL
Meat processing	18	15 273	157 Mio IRL
Livestock breeding	47	6 536	22 Mio IRL
Horticulture	12	2 380	3 Mio IRL
Supply	62	8 979	93 Mio IRL
Poultry	5	458	2 Mio IRL
Livestock marketing	42	64 863	302 Mio IRL
Fishing	40	2 451	13 Mio IRL
Turf	19	727	23 283 Mio IRL
Farm relief	29	574	188 938 Mio IRL

2. Brief historical outline

The history of cooperation in Ireland is largely the history of cooperation in the agricultural sector. The predominance of one sector is even more marked than in other countries, and it is perhaps due to this predominance that the concept of cooperation has become linked in the minds of most people with one particular kind of economic activity.

From the earliest days of cooperation in Ireland, it was apparent that the British model of consumer cooperatives was not suitable for the economic and social climate of Ireland. Ireland was primarily a rural, not an industrial, country, and what Irish peasants and farmers needed were not cooperative stores (where no credit was available) but the means to improve and market their produce so that it could compete with agricultural produce from other countries. For that reason, men like Horace Plunkett looked to Denmark, where in the 1880s the first cooperative creameries had been set up, and to Germany, where the example of Raiffeisen had brought relief to communities which depended on credit. Plunkett strove to create more cooperative creameries, and by 1891 there were 16 of them, which joined together to form the Irish Cooperative Agency Society. In 1894 Plunkett and his Irish colleagues resigned from the British Cooperative Union's Irish Section and formed the Irish Agricultural Organization Society (IAOS), which changed its name in 1979 to the Irish Cooperative Organization Society (ICOS). For a time after the foundation of IAOS there was some doubt whether the agricultural cooperatives should extend their activities to other areas — e.g. the provision of household supplies on the lines of consumer cooperatives — but after a long debate it was decided to restrict the work of IAOS to marketing and supply for the farming community.

Table D5: Ireland

Sectors	Cooperative	Mutual	Non-profit
Agriculture and Fishing	Irish Cooperative Organization Society (ICOS)		
Insurance			
Craftsmen			
Services (radio)			
Savings and Credit	Irish League of Credit Unions		Irish Building Societies Association
Production	Cooperative Development Society		
Housing	National Association of Building Cooperatives (NABCo)		
Community development			Muintir na Tíre

The early part of the twentieth century saw steady growth of the 'creameries', as the agricultural cooperatives came to be called, but political independence and its aftermath created difficulties for many cooperatives. From the 1950s, there came a steady development of agricultural cooperatives, characterized by the extension of services provided (AI, livestock marketing, insurance, export marketing for dairy products, etc.). These measures, together with others introduced as a result of the Knapp report (a report on Irish agricultural cooperation made by the US expert J.G. Knapp), have made Irish agricultural cooperatives into large and complex businesses capable of holding their own under today's economic conditions. It might be said that the Irish agricultural cooperatives, although not great innovators, have been good multipliers of innovation, introducing AI services, pig fattening technology, and services such as farm accounting, to a broad range of Irish farms.

3. Size and structure

The agriculture and fisheries sector consists of about 350 cooperatives registered as industrial and provident societies, which are particularly concentrated in the sectors of dairying, meat processing, supply and livestock marketing. The cooperative share of agribusiness is estimated as follows:

Manufacturing milk purchase	100%	Pig slaughtering	35%
Consumption milk purchase	52%	Fish landings	69%
Butter production	100%	Sheep slaughtering	18%
Milk-powder production	80%	Fertilizers supply	50%
Cheese production	60%	Animal-feed supply	55%
Livestock marketing	65%	AI	85%
Cattle slaughtering	25%	Feed-grain marketing	55% ^[2]

The agricultural sector also covers a number of community cooperatives in the Gaeltacht (Irish-speaking) areas. There are about 24 of these, all very small, and some are considered to be production rather than agricultural cooperatives. The Gaeltacht cooperatives receive support from Údarás na Gaeltachta, the Department of the Gaeltacht^[3].

References

- [1] *Report of the Registrar of Friendly Societies*, year ended 31 December 1982, Department of Trade Commerce and Tourism (Dublin 1983).
- [2] Information supplied by ICOS, 28.6.1984.
- [3] RIGGE, M.: 'Perspectives from Ireland', in *Prospects for Workers' Cooperatives in Europe*, Commission of the European Communities (1981).

Irish Cooperative Organization Society^[1] (ICOS)

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I. ORGANIZATION

1. Date of formation

ICOS is the organizing body of the greater part of the cooperative movement in Ireland. It was founded in 1894 as the Irish Agricultural Organization Society but the movement is generally regarded as dating from 1889 when the first cooperative was established. It developed mainly as a producer movement based on agriculture. The present name was adopted in 1979.

2. Size and structure

Although primarily an agricultural organization, ICOS has in recent years strengthened the links between cooperatives and encouraged the formation of new cooperatives, particularly in the new and minor areas of activity.

The cooperatives themselves and their second-level associations, where they exist, are the members of ICOS, whereas individual farmers are members of their primary cooperatives only. These range from very large cooperatives with a multi-million turnover to small cooperatives in the west of Ireland concerned with helping isolated communities to develop social amenities. The dominance of the dairy processing sector can be seen in the statistical breakdown in Table 1. The broad structure of ICOS is shown in Table 2.

3. Administrative bodies

ICOS National Council

This is the policy-making body of the organization. It has 31 members who are chosen as follows:

- 10 members nominated by the largest cooperatives in the organization;
- 15 members elected by groups of cooperatives on a sectoral and regional basis;
- 6 members coopted principally from the other farming organizations in the State.

A president, two vice-presidents and an Administration Committee of 12 members for dealing with day-to-day policy are chosen from the National Council.

A *Director-General* is responsible for the implementation of policy. The operations of ICOS are organized into four Divisions:

- (a) Financial Services Division;
- (b) Management Services Division;
- (c) Representation and Policy Development Division;
- (d) Member Development Division.

(a) Financial Services Division

The Financial Services Division advises cooperatives on their financial structures and funding. This includes raising equity on loan capital, and preparing grant and loan applications for either State or European institutions on behalf of cooperatives.

(b) Management Services Division

The Management Services Division is responsible for providing services to management of cooperatives. These include services in respect of industrial relations problems and technical problems such as project analysis. They might be listed under the following headings:

- director training and personnel development;
- industrial relations, recruitment and wage negotiations;
- engineering assistance service, and project planning and analysis.

(c) Representation and Policy Development Division

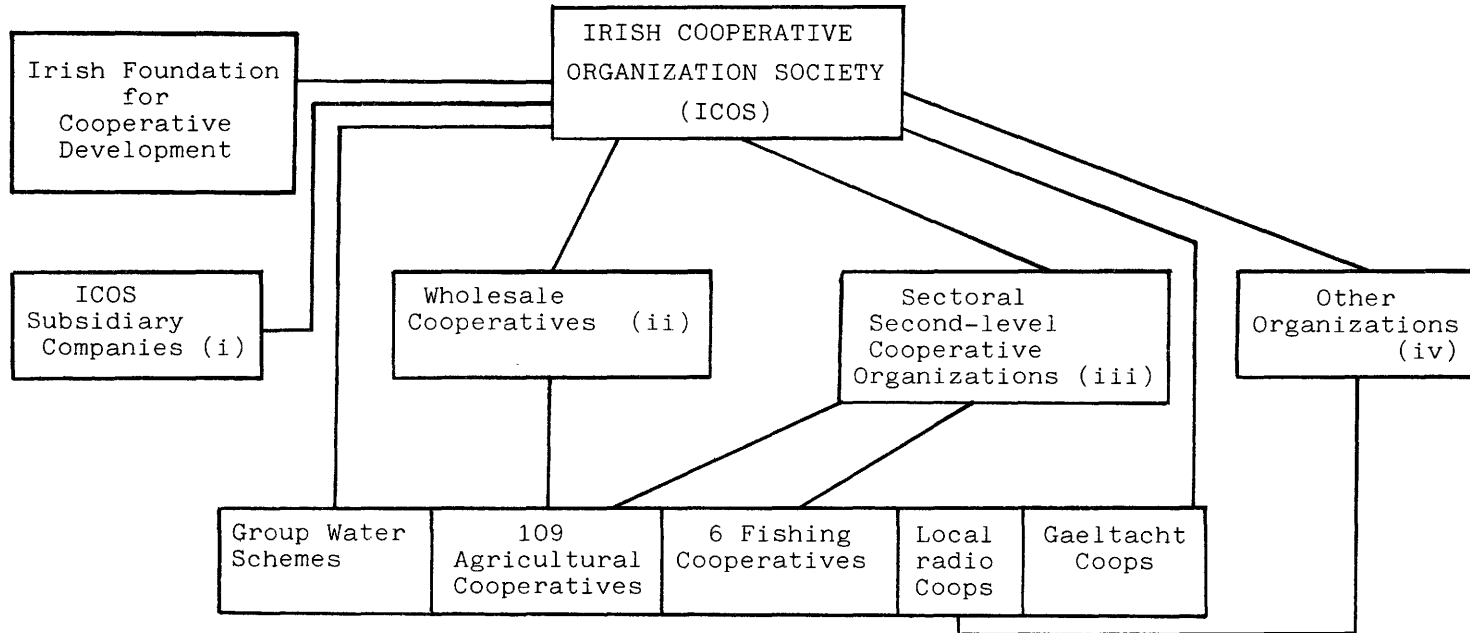
The Representation and Policy Development Division engages in lobbying at both national and European levels. It consists of three main sections operated through the Dublin and Brussels offices:

Table 1: Basic statistics (1982)

Type of Cooperative	Number of Cooperatives	Number of Employees	Number of Members	Turnover (IRf Mio)
Multi-purpose dairy	46	13 211	90 101	2 036
Mart	26	854	29 014	380
Store	11	228	4 851	20
Meat	3	2 760	44 690	260
Wholesale	3	665	244	71
Horticultural	3	13	270	.4
Pig Fattening	9	92	3 368	16
Livestock Breeding	4	255	40	4
Fishing	6	51	225	12
Home Produce	4	31	10 615	.9
Gaeltacht	9	109	4 430	3
Miscellaneous	9	65	5 387	3
Totals	133	18 334	193 235	2 806.3

(2)

Table 2



(i) Golden Jubilee Trust
Coop Travel
Homestead Publications

(ii) Irish Agricultural Wholesale Society
(all-Ireland)
Irish Cooperative Society
Cooperative Animal Health
Irish Cooperative Petroleum (all-Ireland)(*)

(iii) Irish Dairy Board (An Bord Baine
Cooperative)
Pasteurized Milk Bottlers' Association (*)
National Cooperative Pig Producers
Irish Federation of Fishermen's Cooperatives

(iv) National Association of Community Broad-
casting
FBD Insurance Ltd.

(*) Some members are not cooperatives

Milk and milk products: this deals with the domestic market including pricing, competition and market development, and EC policy, mainly through COGECA;
 Livestock, meat, animal health and animal breeding;
 Farm inputs, grain and energy supplies.

(d) Member Development Division

This division deals with preparation of lecture and seminar material, advice to cooperatives on the preparation and publication of newsletters, and the publication of a monthly magazine *Co-op Ireland*. This Division operates two regional offices which are responsible for liaising with cooperatives on a wide range of activities ensuring coordinated activities and clear policies for the development by cooperatives of their members (both as farmers and as fuller participants in their cooperatives).

4. Decision-making procedure

The Council of ICOS usually takes its decisions by majority voting.

5. Secretariat and staffing

The staff includes the Director-General, the Deputy Directory-General/Secretary, four Directors who are responsible for the management of the Divisions, and 29 other staff. The total staff therefore numbers 35.

6. Budget size and contribution arrangements

ICOS has a budget of IRL 835 000, 90% of which is made up of contributions by the members based on turnover and value added. The most recent arrangements were adopted in 1984 and are as follows: The scale of contributions to ICOS of societies involved in dairying and wholesale activities as calculated in 1984, based on the 1982 trading turnover:

<i>Turnover</i>	<i>Rate (pence per IRL)</i>
First IRL 10 million	0.100
Next IRL 10 million	0.075
Next IRL 10 million	0.050
Balance	0.015

In the case of all other societies, the scale of contribution to ICOS for the year 1984 is calculated on the 1982 turnover on the following basis:

IRL 1 per member, subject to a maximum to be determined from time to time by the Administration Committee of ICOS; plus
 one penny in the pound on the first IRL 1 million of added value; together with
 0.05 pence in the pound on the balance.

The Administration Committee has power to fix the contributions of special types of societies. In applying the foregoing scales to societies, the Administration Committee also has power to vary a society's contribution in special circumstances.

The balance of ICOS revenues are derived from management fees and a State grant of IRL 22 000 per annum.

II. AIMS AND PRIORITY POLICIES

The slogan of the founding fathers of ICOS was 'better farming, better business, better living'. In practice, this means organizing and developing the total cooperative structure in Ireland, helping farmers to help themselves, and giving maximum impact to business affecting agriculture. It is the aim of ICOS to develop farming in Ireland, and to raise the standard of living of farmers by involving them in all aspects of the production and marketing of agricultural goods, both on the farm and beyond the farm gate. ICOS aims to foster a belief in the benefits of the cooperative idea as a means of maintaining all aspects of agricultural business in the hands of farmers.

III. ACTIVITIES

These are broadly described in the divisional structure outlined above. In addition to these, however, the National Council undertakes a large number of tasks, covering the development of new cooperative enterprises (Irish Cooperative Petroleum), the Irish Foundation for Cooperative Development (which promotes cooperative assistance to developing countries), farm development (via the ACOT/ICOS coordinating committee), links with Northern Ireland, etc. The National Council has also undertaken a number of promotional activities (e.g. the designation of a 'Cooperative Week' to encourage interest in cooperative ideas) and is giving support to the National Association of Community Broadcasting. Other promotional activities of this kind (the holding of an annual cooperative conference, organization of seminars and lectures, training programmes) are organized as required by the different divisions.

ICOS is also active in the insurance business for farmers. Although under the present legislation a cooperative cannot engage in insurance business, in 1970 permission was granted for a company (FDB Insurance Company Ltd) to write insurance for farmers: this company is 72% owned by individual farmers and cooperatives, the balance of the shares being held by the Belgian Boerenbond (a cooperative organization for farmers). FDB activities which do not require the special structure for insurance are undertaken by FDB Cooperative Society Ltd.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The relationship between the organization and the national government has changed over recent decades for two reasons:

1. The development of a national movement to represent farming interests (which became the Irish Farmers Association) has taken a great deal of pressure off the organization to act as some form of a national pressure group on behalf of farmers in general.
2. Membership of the European Community means that many of the decisions affecting Irish agriculture are now taken in Brussels.

ICOS often sees its role as that of assessing the implications of any proposals being made, and feeding in ideas on a subject to all involved in taking the decision. The well-established contacts with the Department of Agriculture are a help to the organization in this context.

Besides the regular contacts with both the Minister for Agriculture and his civil servants, ICOS also tries to coordinate its policy with the other farming organizations as the need arises. It renders advice to all political parties, if approached, on questions concerning policy proposals.

Apart from its 10% representation on the National Economic and Social Council, ICOS is also represented on Devco (State Agencies Development Cooperative Organization), An Foras Taluntais (Agricultural Research Institute), the Animal Health Council, the Irish Farm Centre Cooperative, the National Council for Education Awards and ACOT (Council for Agricultural Training).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

Contact with professional agricultural cooperative organizations at Community level is maintained through membership of COGECA. This organization shares a secretariat with COPA, and most of the commodity committees are established on a joint COPA/COGECA basis — hence, the relationship between ICOS and the farmers' unions of the Community is also close.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

ICOS is a member organization of the Confederation of European Agriculture (CEA).

VII. INTERNAL COHESION

ICOS does not see itself with a legislative role with regard to individual cooperatives. Its role is more that of an 'honest broker'. As such, it helps cooperatives in the settlement of any disputes which they might have, e.g. regarding the borders of their regions for the purpose of milk intake.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

ICOS is represented through COGECA on the EC Advisory Committees.

The main concerns of ICOS in the European Community are:

The common agricultural policy: this includes, in the first instance, the general development of policy. Once the outline decisions are taken, however, ICOS interest also applies to their application. This concern is seen annually in the wake of the price decisions of the Council of Ministers, when a considerable effort is required to ensure that follow-up decisions are made, which themselves are the prerequisite for ensuring that the price increases are actually passed on to the farmers in the day-to-day running of the CAP.

Grant applications: these are made by ICOS on behalf of its member cooperatives, and most of them concern projects to improve the processing and marketing of agricultural products (Regulation 355/77), milk quality (co-responsibility fund), drainage, social fund and energy saving.

Non-agricultural policies: ICOS also extends its involvement to other policies of direct relevance to the cooperatives, including those based in the less favoured areas. Its representational activities therefore include economic and monetary policy, industrial policy, regional and social policy, tourism, transport, legislation relating to foodstuffs and to company law, protection of the consumer and the environment.

ICOS also keeps in regular contact with the European Parliament, and particularly its Committee on Agriculture. It makes its views heard, either through COGECA, or by means of direct contact with the Members, particularly the Irish MEPs. Currently, its past President, Mr T.J. Maher, who is a Member of the European Parliament, serves as the prime contact.

IX. PUBLICATIONS

ICOS takes a leading part in the Irish cooperative journal *Co-op Ireland*. It publishes an annual report and a number of other *ad hoc* documents on the business value of cooperatives, papers given at conferences, etc.

X. SOURCES

ESC: *Directory of European Agricultural Organizations*, Office for Official Publications and Kogan Page, 1984.

ICOS: *Annual Report 1983*.

ICOS: *Co-op Ireland*, various numbers.

ICOS: *Co-ops in Business — for farmers*, ICOS (1979).

ICOS: *Rules of the Society*, as amended.

XI. INTERVIEW

On 21 April 1982 and 28 June 1984 between Messrs. J. Moloney and G. Tierney, ICOS, and J. Catling, ESC General Secretariat.

XII. REFERENCES

[¹] It should be noted that in the official title of ICOS the word 'organization' is spelled with an 's'.

[²] ICOS: *Annual Report 1983*.

2. Credit unions

1. Basic data (1982)

No of credit unions: 369

No of members: 446 001

No of loans issued in year: 226 036

Amount of loans issued in year: IRL 129 million^[1]

2. Brief historical outline

The mutual credit movement (normally referred to in English-speaking countries as the credit union movement) was started in the 1840s by the Mayor of the German town of Flammersfeld, Wilhelm Raiffeisen. From the outset the movement had a social vocation which linked the provision of credit to humanitarian and moral aims, and these aims are still retained today. Some Raiffeisen-type banks were established in Ireland in the late nineteenth century to provide credit facilities to farmers, and though most failed fairly quickly, some continued into the 1930s^[2]. After 1950 they began to reappear in Ireland as credit unions, but it was not until 1960 that the Irish League of Credit Unions was founded. Credit unions have normally been formed as industrial and provident societies, but a Credit Union Act was passed in 1966 and this has been supplemented by other legislation amending and extending the control of the Registrar of Friendly Societies. The 1966 Act^[3] specifies the purposes for which a credit union may be formed (s. 2): promotion of thrift among its members by the accumulation of their savings; creation of credit for the members at fair rates of interest; use and control of members' savings for their mutual benefit. In addition, there must be a 'common bond' of association, occupation or residence among the members, but there is no limit to the number of members as there is in the UK. From its beginnings in the 1950s the movement has grown phenomenally, and has been able to fulfil a valuable social role in the combating of poverty among the rural and urban populations in a country where in the past borrowing and money-lending were major sources of social misery.

3. Size and structure

Credit unions do not offer the full range of banking services, but exist primarily to receive savings and grant loans to approved applicants for purchases of various kinds (but not normally for house purchase). Most of the unions open out of business hours to suit the convenience of their members (e.g. in country towns they will be open on Friday or Saturday evenings, but probably not during normal business hours during the week), and while there are full-time officials in most credit unions, much of the work is done by members themselves on a purely voluntary basis.

The absence of a restriction on the number of members has meant that many credit unions, particularly those with a common bond of residence, have now a large percentage of the local population as members, and it is noteworthy that especially in rural areas many people join the credit union not because they want to take advantage of its loan facilities but because they wish to support a community effort run by the local community.

References

[1] *Report of the Registrar of Friendly Societies* (Dublin 1982). These figures are for the Republic of Ireland only.

[2] O'CONNOR AND KELLY: *A Study of Industrial Workers' Cooperatives*, Economic and Social Research Institute (April 1980).

[3] *Credit Union Act, 1966*, Stationery Office (Dublin 1966).

Irish League of Credit Unions

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I. ORGANIZATION

1. Date of formation

The Irish League of Credit Unions was formed in 1960.

2. Size and structure

The League is the umbrella organization for some 470 credit unions throughout the Republic of Ireland and Northern Ireland. Of these, some 376 were recorded on the Dublin register at the end of 1983, as against 94 on the Belfast register. Membership is split as to 495 439 on the Dublin register and 110 000 on the Belfast register^[1]. The whole of Ireland is divided up into 25 chapters broadly corresponding to regional divisions, and the individual credit unions are allocated to a chapter as well as being a member of the League itself. The largest chapter, Cork, represents over 40 000 members.

3. Administrative bodies

The *Board of Directors* consists of 16 persons who are elected for three years. The Board has the general control and management of the affairs of the League, and meets at least 14 times per year. It elects from its number a president, vice-president and treasurer, and appoints a general secretary. These persons, together with two other board members, form the *Executive Committee*.

The *Supervisory Committee* consists of three persons who are elected for a three-year period in such a way that one supervisor retires each year. The Supervisory Committee has the duty of ensuring the preservation of the integrity and philosophy of the credit union movement by ensuring that decisions of the Board are in accordance with the rules and by ensuring that resolutions passed by the General Meeting are acted upon.

The *Nominating Committee* is appointed by the Board of Directors before the Annual General Meeting, to ensure that there are candidates for vacancies on the committees of the League.

The *Standing Orders Committee* consists of four persons, none of whom are Directors or Supervisors of the League. Their task is to draw up the agenda for the Annual General Meeting and generally to supervise and expedite the conduct of business at that meeting.

The *Annual General Meeting* is held annually and may be attended by representatives of each member credit union. It examines the accounts of the League and reports on its activities, and elects directors, supervisors and Standing Orders committee members as necessary.

4. Decision-making procedure

Every member credit union that has been admitted to membership in accordance with the rules is entitled to appoint two delegates to vote at the Annual General Meeting. At the Annual General Meeting and within all administrative bodies, decisions are taken by majority vote.

5. Secretariat and staffing

The League currently employs some 24 staff. The administration of the Dublin-based League Office is supervised by the General Secretary.

6. Budget size and contribution arrangements

The League is financed by member credit union affiliation fees as determined by the League Annual General Meeting and by insurance retentions on the provision of loan protection, life savings and general insurances for credit unions. The League also may use certain investment income. The

total amount expended in the operation of the League for year ended 31 December 1983 amounted to IRL 556 095.

II. AIMS AND PRIORITY POLICIES

The objects for which the League is formed are to promote cooperation between credit unions and their members, further the interests of the movement by fraternal relations with credit unions in other countries, conduct central services, develop standards, maintain the non-sectarian and non political character of the movement, and represent the credit unions with government and its agencies.

III. ACTIVITIES

The League carries out a wide number of services for its members in addition to those described above. In addition to insurance and investment, the League has an extensive programme of education and training for full and part-time staff, produces films and a wide range of promotional material.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The Board has made a number of submissions to government, both in Dublin and Belfast, regarding the position of credit unions, especially as regards legislation, taxation, treatment of interest paid, and home purchase assistance schemes. These contacts are pursued on an *ad hoc* basis as required. There is also close contact with the Registrars in both Dublin and Belfast; there has also been consideration of the League's taking over certain inspections of credit unions on behalf of the Dublin registry, but the proposal was not acceptable to the League.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The League does not belong to any European professional organization.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The League is a member of the World Council of Credit Unions and in 1981 hosted the WOCCU Annual General Meeting, the first time it was held in Europe. The League now occupies a seat on the Membership Council of the World Council of Credit Unions (since June 1982).

VII. INTERNAL COHESION

The exceptionally rapid growth of the League is an indication of the skill with which professional management and voluntary part-time workers have combined together to create a movement which retains its original vitality and is becoming a major social and economic factor in the whole of Ireland.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

The Board monitors EC directives regarding legislation, insurance, accounting, banking, etc. but relies on *ad hoc* contacts with government departments for influencing Community activity.

IX. PUBLICATIONS

The League published the *Credit Union Review* every two months, an annual report, plus other publications as required.

X. SOURCES

Report of the Registrar of Friendly Societies, y.e. 31.12.1982, Department of Trade, Commerce and Tourism, Dublin 1983.

Report of the Registrar of Friendly Societies, 1982, Department of Commerce, HMSO Belfast 1983.

Rules of the Irish League of Credit Unions, Irish League of Credit Unions, June 1981.

Annual Report 1983, Irish League of Credit Unions.

XI. INTERVIEW

On 21 April 1982 with Messrs Michael O'Doherty and Pat Fay and 29 January 1984 with Mr James Murphy, by John Catling, ESC General Secretariat.

XII. REFERENCE

[¹] Information provided by the Irish League of Credit Unions.

3. Production cooperatives

1. Basic Data

Number of societies:	21
Number of members:	1 311
Turnover (1981):	IRL 4.2 million ^[1]

2. Brief historical outline

Because of the predominance of agriculture in Ireland, there is little evidence of attempts to found worker cooperatives or production cooperatives in the country. Until recently at least, cooperation meant 'creameries' — agricultural cooperatives which concentrated on processing the milk delivered from surrounding farms. It is only since 1954 that there has been any attempt made to encourage the development of production cooperatives, via the National Cooperation Council and the Cooperative Development Society. Despite a tremendous effort by these two bodies and possibly because of their very limited financial resources, the number of cooperative production organizations remains very small and of the four production cooperatives that exist in the Dublin area, three were formed as a result of private firms getting into difficulties. The Cooperative Development Society estimates that it has helped over 100 cooperatives to get started since 1954, but of these about one-third have failed.

3. Size and structure

It must be recognized that production cooperatives play an insignificant role in the overall Irish economy. Some of these cooperatives have been started as cooperatives but others have been set up following the collapse of traditional businesses. They are all small and the number of employees totals probably less than 200. However, to these should be added the company known as Bewleys Cafés, which is a company limited by guarantee which follows the principles of common ownership and is a member of the British ICOM organization. In 1972, the share capital of this company was transferred to trustees, to be held in trust for all those working in the company. Profits are either reinvested, paid out to the employees as bonus or given for community projects. Bewleys is not strictly a cooperative but follows the pattern of several successful UK enterprises where a large measure of control has been transferred to the workforce. Mention should also be made of the Gaeltacht cooperatives, which have been set up in the Irish-speaking parts of western Ireland, and which cover a range of production and services, home produce and crafts. There are about 24 such cooperatives; some are affiliated to the Cooperative Development Society and/or to ICOS^[2]. They are also referred to under the agricultural sector.

References

[1] *Report of the Registrar of Friendly Societies*, Dublin 1982.

[2] The nine Gaeltacht cooperatives in ICOS accounted for 109 employees, 4 430 members, and a turnover of IRL 3 million in 1982.

The Cooperative Development Society

<i>Chairman:</i>	BRENDAN Ó CEARBHAILL
<i>Secretary:</i>	JOHN O'HALLORAN
<i>Address:</i>	35 Lower Gardiner Street Dublin 1
<i>Tel.:</i>	(01) 37 64 65

I. ORGANIZATION

1. Date of formation

The Society was formed on 1 December 1955, a year after the National Cooperative Council.

2. Size and structure

The Society is closely linked to the National Cooperative Council, whose purpose is to promote and advance interest in cooperative principles in a general way. The Society acts as the umbrella organization for a number of fishing, consumer and production cooperatives, but most of these are very small.

3. Administrative bodies

The affairs of the Society are run by a committee, which is elected by the Annual General Meeting. The committee appoints a chairman (who is also Chairman of the Society) and a secretary.

4. Decision-making procedure

Majority voting applies.

5. Secretariat and staffing

The Society uses the facilities provided by the Irish Graphical Society, now renamed Irish Print Union, the Irish printing trade union.

6. Budget size and contribution arrangements

Affiliated societies pay to the Society an annual per capita sum.

II. AIMS AND PRIORITY POLICIES

The objects of the Society are laid down as the advancement of the cooperative movement in Ireland.

III. ACTIVITIES

The Society provides model rules for new cooperatives, assists with advice, and runs educational and training seminars and information meetings to encourage the development of cooperatives.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES (LEGISLATIVE AND ADMINISTRATIVE)

These are mainly of an informal nature.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

There are no such links at the present time (the Society is not a member of CECOP).

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The Society is affiliated to the International Cooperative Alliance.

VII. INTERNAL COHESION

Despite its small size, the Society and its officers are highly active in the promotion of cooperative ideals in an area which has traditionally not been receptive to the concepts of cooperation. Despite their efforts, the number of cooperatives in the production sector is really too small at the moment and their financial position too restricted to permit the operation of a national organization to represent them alone. However, the Cooperative Development Society, which is an entirely voluntary body, is at present forming a federation of industrial, service and worker cooperatives in order to promote their interests more actively, and to represent these cooperatives at national and international level.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

This is obtained via *ad hoc* contacts with Irish government departments where necessary.

IX. PUBLICATIONS

The Society publishes a small number of brochures and guides designed to assist persons wishing to set up production cooperatives.

X. SOURCES

RIGGE, M.: 'Perspectives from Ireland', in *Prospects for Workers' Cooperatives in Europe*, Commission of the European Communities (1981).

Rules of the Cooperative Development Society.

XI. INTERVIEW

On 23 April 1982 between Brendan Ó Cearbhaill, Chairman, John O'Halloran, Secretary, and John Catling, ESC General Secretariat.

4. Housing

1. Basic data

Number of societies:	124
Number of members:	4 946

2. Brief historical outline

The need for adequate housing has been apparent in Ireland for more than 100 years, and successive governments have done much to alleviate the worst excesses of poor housing both in rural and urban areas. Over 100 years ago, in 1883, the first government intervention in the housing market came with the Labourers (Ireland) Act and the Housing of the Working Classes Act, 1890. The need for government intervention had become apparent by the results of the census of 1881, which showed that nearly 300 000 of the rural population were apparently living in one-roomed mud-walled cabins. In Dublin, the slums were reputed to be among the worst in Europe. Since that time, however, considerable advances have been made and both central and local government have taken steps to build new houses and encourage the building of new houses by individuals.

In 1960 the Minister for Local Government (now Minister for the Environment) asked local authorities to carry out surveys of housing needs in their areas, and this culminated in the Housing Act of 1966, which consolidated previous laws and encouraged the development of new houses. However, demand continued to be high, because of the steady increase in population and because of the simultaneous substantial swing away from rented to owner-occupied housing. Whereas total housing stock is estimated to have grown from 662 654 in 1946 to 873 000 in 1979, the percentage of owner-occupied housing in those totals rose from 29% to 61% in the same period^[1].

It was with this background that cooperatives were set up to help provide owner-occupied housing to those who might not be able otherwise to afford it.

3. Size and structure

In Ireland, most housing cooperatives are primarily organizations which buy land and then arrange with a contractor to build houses on that land. In some cases, members provide the labour themselves. When the houses are built they become the property of the members individually and the cooperative normally comes to an end, unless it is decided to continue it for the maintenance of common areas, etc. Up to now, cooperatives have provided about 5% of the national output of housing^[2] and they have not entered the areas of rented or special-purpose housing as is the case in other countries, but it is possible that cooperative housing societies could enter the rented housing market via the new 80% loan and subsidy scheme for special-purpose housing for the disadvantaged. However, they have a role to play in the provision of fair-priced housing to income groups who might otherwise not be able to buy a house, and also a role in developing a housing market in rural areas where increasing populations have created housing demand. Groups are also emerging in urban areas.

In 1982 the new Housing Finance Agency came into operation. This provides for income related mortgage loans for members of cooperatives with repayments calculated on an income related basis and interest indexed to inflation rates.

There are a number of other non-profit organizations catering for the provision of rented housing for the elderly, handicapped or those with limited incomes. The form of organization normally chosen by these groups is that of companies limited by guarantee without share capital: these groups have provided non-profit rented housing but they are not strictly cooperative or mutual.

References

[1] See the paper presented by P. Duffy, Department of the Environment, at the seminar 'Housing in Ireland' on 25 February 1981.

[2] TUCKER, V. (ed): *Cooperative Housing in Ireland*, Bank of Ireland, Centre for Cooperative Studies (Cork 1982).

National Association of Building Cooperatives

<i>Chairman:</i>	Mr EDMUND PENROSE (1984)
<i>National Secretary:</i>	Mr BERNARD THOMPSON
<i>Address:</i>	84 Merrion Square South Dublin 2
<i>Tel.:</i>	(01) 68 22 41 76 47 83

I. ORGANIZATION

1. Date of formation

The National Association of Building Cooperatives was formed in 1970.

2. Size and structure

The Association functions as the organizing and representative body for building cooperatives in Ireland. At the present time it covers some 12 to 15 cooperatives, each with an average of about 35 members. Many of the industrial and provident societies registered with the registrar as building cooperatives do not, because of their temporary nature, join the association.

3. Administrative bodies

The Association is an industrial and provident society.

The *General Meeting* is the principal body of the Association, and is responsible for the election of auditors and other officers of the Association.

The *Committee of Management* consists of between 5 and 15 members who are elected from delegates representing the member societies, with the power to coopt further members. The Committee of Management is responsible for the conduct of day to day business. It also appoints a Secretary who is the principal officer of the Association.

4. Decision-making procedure

The rules normally provide for majority voting, but many decisions are taken on the basis of consensus.

5. Secretariat and staffing

There are two full time members of staff at present, but the Association can call on a range of experts and advisers as required.

6. Budget size and contribution arrangements

For 1984 the budget will be in the region of IRL 24 000. A standard contribution is laid down for affiliated cooperatives, and the remainder is provided as grant aid from the Department of the Environment.

II. AIMS AND PRIORITY POLICIES

The objects of the Association are to function as the representative and organizing body for building cooperatives, and to provide services to those cooperatives to assist them to operate more efficiently.

III. ACTIVITIES

As well as helping the proper formation of building cooperatives by the use of model rules and the necessary contacts with the Registrar to ensure incorporation as industrial and provident societies, the Association helps new groups with a range of other services, including technical and construction, financial, and other management aids.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The Association is recognized by the Department of the Environment and by the Registrar of Friendly Societies as the representative body for cooperative housing groups, and is consulted by them on matters related to cooperative housing. It has also joined a number of other voluntary bodies dealing with housing provision and related problems to form a joint representative, education and advisory service known as The Housing Centre.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

At the present time there are no links of this kind.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The Association is a supporting member of the International Cooperative Housing Committee of the ICA.

VII. INTERNAL COHESION

The Association has rapidly built up its representative and advisory function during the 12 years of its existence but the nature of cooperative housing in Ireland, with the steady turnover in member societies, means that it is unlikely that it will ever rival the major cooperative organizations in terms of size.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

Where necessary this is obtained via government departments and agencies.

IX. PUBLICATIONS

The Association produces a number of brochures and other publications on an *ad hoc* basis.

X. SOURCES

THOMPSON, BERNARD: *Cooperative Housing in Dublin*, National Association of Building Cooperatives (1981).

Steps Towards Forming a Cooperative Housing Society, National Association of Building Cooperatives (1981).

TUCKER, V.: *op.cit.*

XI. INTERVIEW

On 21 April 1982 and 29 June 1984 with Mr B. Thompson (National Secretary) by John Catling, ESC General Secretariat.

B. Non-profit sector

1. Housing finance (Building societies)

1. Basic data (1982)

Number of societies:	15
Number of share investors:	670 467
Total assets:	IRL 1 878 million ^[1]

2. Brief historical outline

The union with Britain, which lasted from 1801 until 1922, meant that building societies in Ireland followed a similar pattern of growth in that they were subjected to the same legislation as those in the United Kingdom. However, the social structure of Ireland in the nineteenth century was very different from that of Britain, and there was no growth of industrial towns on the same scale, nor the same scale of demand from urban populations for better, owner-occupied housing, which had led to the growth of building societies in Britain. Nevertheless, many of the building societies on the registry today can trace their origins back to the late nineteenth century.

When the Dublin registry was set up in 1922 there were 23 building societies. There are now 15 societies on the register (it should be noted that the Registrar of Friendly Societies is also responsible to the appropriate three ministries (Environment, Finance, and Trade, Commerce and Tourism) for both friendly societies and building societies, and draws up separate reports for each sector).

3. Size and structure

A building society is, in the words of the 1976 Building Societies Act, a society 'for the purpose of raising, in accordance with this act, funds (by the subscriptions of the members, the acceptance of deposits and loans) for making loans to members on security by the mortgage of freehold or leasehold estate or interest' [2]. This Act lays down the rules for registration of societies, their control by the registrar, and other provisions for investment, management, advertising, and the powers of members. Their function is broadly to obtain money from members' savings (this can be on a regular or irregular basis) which is then used to advance money on mortgage for the purposes of house purchase, normally for owner-occupiers only. There are no compulsory savings periods or contracts as with German building savings schemes, and the building society usually makes its decision to advance money to a member on the basis of his income, his own capital, and the cost of the property to be purchased. However, most societies prefer to advance money to members who have a consistent savings record, and may give preference to such members.

In the period of three years to 1982 building societies have contributed over 70% of total mortgage finance provided by lending agencies for private housing. In 1981 they advanced IRL 321 million for loans in respect of 7 000 new houses and 9 900 other houses [3]. This important role in the housing sector is recognized by government and there is close cooperation with the Department of the Environment.

The building society movement is dominated by the five largest societies, which accounted for 93.9% of total assets in 1980. The remaining societies are of relatively minor importance or are restricted to particular groups of employees, etc.

References

- [1] *Report of the Registrar of Building Societies*, y.e. 31.12.1982, Department of Trade, Commerce and Tourism (Dublin).
- [2] *Building Societies Act, 1976*, S.2., Stationery Office (Dublin 1976).
- [3] Speech by Mr Ray Burke, Minister for the Environment, at the Annual Press Lunch of the British Building Societies Association, 5 May 1982.

Irish Building Societies Association

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<i>Secretary:</i>	JAMES MALONE
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<i>Telex:</i>	ICFA 30232

I. ORGANIZATION

1. Date of formation

The Irish Building Societies Association was formed in 1966.

2. Size and structure

The Association has at the present time five members:

- Irish Permanent Building Society;
- Educational Building Society;
- First National Building Society;
- Irish Nationwide Building Society;
- Irish Civil Service Building Society.

These societies between them account for more than 90% of the assets of all building societies registered in Ireland. Between them these societies possessed at the end of 1983 some 805 000 investor accounts and about 120 000 mortgage accounts, giving a ratio of about 6-7 investors to finance one house buyer.

3. Administrative bodies

The Association is administered by a Chairman and a Council. The Chairman is elected each year in rotation from the member societies. The Council consists of two representatives nominated by each of the member societies.

4. Decision-making procedure

This is normally achieved by majority vote.

5. Secretariat and staffing

Secretariat services are provided by the Secretary who is a chartered accountant and by the staff of his firm.

6. Budget size and contribution arrangements

The Association has a budget of IRL 67 000 per annum, of which 40% is apportioned equally between members, and 60% is allocated on the basis of assets.

II. AIMS AND PRIORITY POLICIES

The Association's objects are set out in Article 3 of its rules. These may be summarized as the promotion of the interests of building societies in Ireland, the maintenance of professional standards, the improvement of practice, cooperation with similar bodies in the European Communities, etc.

III. ACTIVITIES

The Association has close links with the Registrar of Building Societies and the Department of the Environment, as well as other government departments. Its other activities involve the holding of meetings and conferences relating to the work of building societies.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The Association maintains a number of close contacts with government departments (especially the Department of Environment and the Department of Finance) and other institutions but these are not formalized and exist on an *ad hoc* basis only.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The Association is a member of the European Federation of Building Societies.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The Association is a member of the International Union of Building Societies and Savings Association.

VII. INTERNAL COHESION

As there are only five members who between them represent more than 93% of the building society movement in Ireland, it is relatively easy to discuss matters in detail and arrive at a decision on behalf of the Association.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

This is indirect via the membership of European organizations and formal and informal contacts with government departments.

IX. PUBLICATIONS

The only material published on a regular basis is the monthly commentary on housing statistics.

X. SOURCES

Rules of the Irish Building Societies Association.

Commentary on Housing Statistics, December 1981.

Reply to ESC questionnaire.

XI. INTERVIEW

On 22 April 1982 and 27 June 1984 with Mr James Malone, Secretary, by John Catling, ESC General Secretariat.

2. Community development

1. Brief historical outline

The origins of the Irish community development movement may be found in the nineteenth century, with organizations like the Land League and Sinn Féin, which stressed the importance of the land (a vital element in an agricultural country which had had to cope with famine, emigration, and all the bitterness which arose from the actions of landlords and money-lenders) and of self-help and reliance on the local community. But it was not until 1937 that the organization Muintir na Tíre was founded, and not until 1958 that the movement became generally associated with similar ideas on community development emanating from the United States, the Netherlands, and other countries. This led to changes in the organizational structure, especially at local level, so that the local groups became more closely linked with the local community. Since then, community development has grown enormously, and in the communities where the movement has been active there have been many improvements undertaken, ranging from drainage schemes on agricultural land, establishment of new industries (especially cooperatives), bringing of piped water and electricity to villages, etc.

2. Size and structure

The community development movement is an exception in an account of economic organizations in that it is constantly concerned with new projects. Once a project (say a drainage scheme) is completed, or once a new industry has become established, the function of community development is frequently at an end in that project, and new projects must be looked for. One of the main functions of the movement is not just to encourage local initiative and self-help but to link these to the assistance available from government and other agencies, by the provision of professional advisers for local projects. Because of the nature of this structure, it is almost impossible to quantify the size of the organization in terms of the number of members or the total assets, but Muintir na Tíre estimates that in 1981 economic and social projects with a value exceeding IRL 2.5 million were completed all over Ireland.

In addition to those schemes founded or developed by Muintir na Tíre, reference should also be made to other cooperatives set up with the aim of community development. In Glencolumbcille, for example, a number of attempts have been made to establish small cooperative enterprises of various kinds (farming, knitting, tourism), with varying degrees of success^[1]. Other community development projects have been established in the Gaeltacht (Irish-speaking) areas, mainly concentrated on the western coast. These community cooperatives have been set up to provide employment in areas where incomes are low and unemployment is high, but they also have a strong link with the Irish language and are supported by Údarás na Gaeltachta, the Department of the Gaeltacht. Some of these cooperatives are affiliated to ICOS and/or the Cooperative Development Society, and are described in more detail there^[2].

References

[1] Details of the Glencolumbcille cooperatives are given in O'Connor and Kelly, op.cit.

[2] See also the description of the Gaeltacht cooperatives in RIGGE, M., op.cit.

Muintir na Tíre (People of the Countryside)

National President:

MICHAEL J. LYNCH (until Jan. 1983)
Lt. COL. JIM O'BRIEN (from Jan. 1983)

National Director:

TOMAS ROSEINGRAVE

Address:

Canon Hayes House
Tipperary
Co. Tipperary

Tel.:

(062) 511 63

I. ORGANIZATION

1. Date of formation

Muintir na Tíre (Muintir) was formed in 1937, by the Very Rev. John M. Hayes.

2. Size and structure

Muintir is a national association which groups community councils (the basic unit of organization), county federations, the National Council and the National Federation. All persons belonging to a community where a community council exists are eligible for membership. It is important to note that the community councils set up under the Muintir organization are quite separate from any local government authority, and exist only to promote the welfare of the people through community development and not to take part in political activity. Muintir insists on political and religious neutrality.

3. Administrative bodies

The National Federation is the supreme governing body of Muintir, and consists of representatives of the community councils, county federations and members of the National Council. The National Federation usually meets annually to hold a congress. Between these annual meetings, the National Council (elected by the community councils) acts as a controlling body and management committee. The community councils themselves are sometimes grouped in county federations. Area councils and regional councils are also sometimes set up but they have no management role in the organization.

At the present time there are approximately 250 such local community councils, but no record is available of the number of persons represented since there is no individual membership, Muintir taking the view that membership is open to all members of the community.

4. Decision-making procedure

Decisions are normally made on the basis of majority voting or if possible by consensus.

5. Secretariat and staffing

There are four full-time members of staff, plus 3 regional officers.

6. Budget size and contribution arrangements

The national organization has a budget of around IRL 45 000 per annum. This is in part provided by an annual registration fee payable by each local community council (in 1982, IRL 30), in part by a national lottery run by the National Council with the help of the local community councils, and in part by a government grant in aid which in 1981 amounted to IRL 30 000. In addition, there are a number of other fund-raising activities, for some of which Muintir works together with charitable and other organizations.

Local units of the organization look after their own budgets.

II. AIMS AND PRIORITY POLICIES

Muintir's primary objects are to foster a sense of responsibility to the needs and problems of the local community, and to devise programmes of action and development, especially those based on cooperation. Muintir is not a cooperative federation but a federation of community councils whose principles are those of cooperation and voluntary service.

III. ACTIVITIES

The main task of the federation is to provide the services and the links with government and semi-State bodies to the community councils. When the local community councils have decided to carry out a project, they can draw on the advice of regional officers, development officers, etc., who will find out the best way to carry out the project, seek out sources of finance, negotiate with contractors, approach government bodies for subsidies and grants, etc.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

Muintir is not represented in national economic and social consultative organizations but its special position as leader of the Community Development movement permits a wide range of *ad hoc* contacts with all legislative and administrative bodies.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

At the present time there are no formal links with EC organizations, but there are a great many *ad hoc* contacts with all kinds of organizations interested in the development of communities from the social and economic viewpoint. The National Director of Muintir was President of the Economic and Social Committee of the EC from 1980 to 1982.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

There are a number of links with similar organizations in Canada and the United States, but these are entirely informal in character.

VII. INTERNAL COHESION

Muintir effectively combines a national role with close concern for what is happening at community level. It provides a valuable supplement to the work of government and semi-State agencies in that it aims to place the real decisions about local development at local level.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

This is obtained via *ad hoc* contacts where necessary.

IX. PUBLICATIONS

Muintir publishes a range of brochures, reports and other documents regarding its services and activities.

X. SOURCES

Constitution of Muintir na Tíre.

SCULLY, JOHN J.: *The Community as a Social System for Action Programmes*, Muintir na Tíre Publications (Tipperary 1963).

SPAIN, H.: *Community Development and Agricultural Extension Services*, Muintir na Tíre Publications (Tipperary 1963).

XI. INTERVIEW

On 15 June 1982 with Messrs Michael Lynch (National President), Tom Fitzgerald (Administrative Officer) and Pat Doyle (Community Development Officer), by John Catling (ESC General Secretariat, Studies and Research Division).

Italy

Chapter I: Introduction and overview

Foreword

In the case of Italy the examination of what the French call the *économie sociale* is confined to the cooperative sector alone. This does not mean, however, that in Italy there is no area of activity comparable to the other two sectors of the 'économie sociale', namely mutual and non-profit organizations. Throughout Italy, there are in fact firms and associations with various legal forms (public and private limited companies, etc.) providing services to various groups. Examples of these are firms linked to local authorities, mutual-benefit societies, cultural and recreational associations, and advisory organizations set up jointly by various parties in the economic, social and institutional spheres. However, most of these are scattered throughout the country and have no central organization. It is thus virtually impossible to gather and analyze data on them. It would accordingly be dangerous to attempt to assess the function, composition, and economic and social importance of this sector.

A comment also has to be made on the data regarding the cooperative sector itself. The statistics of the Italian Ministry of Labour and Social Security, which carries out surveys of cooperatives, give only the number of cooperatives and the number of members. In other words, no statistics are available at central government level on more specifically economic factors. These thus have to be sought elsewhere. More of this information is supplied by the four recognized national organizations in the Italian cooperative sector, although it is somewhat fragmentary and not always strictly comparable.

The two major national associations for mutual insurance societies are Federmutue and the Federazione italiana della Mutualità (FIM).

In this connection, another fact should be noted. Out of the some 125 000 cooperatives covered in the Ministry of Labour survey, the four recognized national organizations account for around 40 000 (or about 30%). It might thus seem that an examination of the Italian cooperative sector based purely on this 30% sample would be rather biased statistically. However, almost everyone is agreed that these cooperatives are representative and provide a good picture of the cooperative sector in Italy¹. For the present study, it thus seemed reasonable to base the economic, political and social assessment of the sector on the cooperatives belonging to one of the four national organizations.

Finally, the special position of Federconsorzi in the Italian cooperative sector should be noted for the following reasons:

- (a) it has its own special legal status (decree 1235 of 1948);
- (b) it is subject to the supervision of the Ministry of Agriculture;
- (c) its services are available not only to its members, but to the entire Italian farm sector. This fact, together with Federconsorzi's size and special functions, makes it virtually a national service for agriculture, based on a special cooperative form of its own.

A. OVERVIEW OF ORGANIZATIONS AND ENTERPRISES IN THE ITALIAN COOPERATIVE SECTOR

1. Historical background

The Italian cooperative movement dates back to the second half of the last century, when, thanks mainly to Mazzini and Luzzati, the cooperative experiments in other European countries began to be

¹ See inter alia the study *Les coopératives de production France-Italie* drawn up for the Commission of the European Communities — Study No 79/46(a).

publicized and analysed — production cooperatives in France, credit cooperatives in Germany, and consumer cooperatives in England (the latter being best known through the example of the famous Rochdale pioneers).

In 1854 the *Associazione generale degli operai* (General Workers' Union) set up a 'provident store' in Turin. This is considered to have been the first enduring consumer cooperative in Italy. It was followed in 1856 by the first production cooperative, the *Società artistico-vevtraria cooperativa* (glass workers' cooperative) in Altare, a village in the province of Savona (Liguria).

From these beginnings, the cooperative movement spread to various sectors, with different kinds of organization and different degrees of cooperative commitment. With the coming of the crisis in rural areas, cooperatives sprang up in hill and mountain regions, where the individual resources of small and very small landowners were insufficient to keep pace with technical progress and national and foreign competition. As a defence against the large country estates, cooperatives also spread in areas of intensive development; day labourers' associations were set up in the areas being brought under cultivation, particularly the Po valley. Also, following the example of the workers of Altare, cooperatives were set up by print workers in Turin, stone-masons in Milan, and carpenters, café owners, and beer and lemonade producers in Genoa. Cooperatives also spread to the credit sector, with the setting up of the *Associazione tra le banche popolari* (Association of People's Banks) on the initiative of Luigi Luzzati, and of the rural and craft trades banks.

Italian cooperatives held their first congress in 1886, in Milan. 248 cooperatives took part, including 39 consumer cooperatives, 41 manufacturing and labour cooperatives, and 15 housing cooperatives. In all, 74 000 members were represented. It was decided to found the *Federazione nazionale delle cooperative* (National Cooperative Federation). At the fifth congress, held in Sampierdarena in 1893, this became the *Lega Nazionale delle Cooperative* (National League of Cooperatives).

The first legal recognition of cooperatives came in 1889, when a law on State expenditure for the first time authorized the granting of public works contracts to manufacturing and labour cooperatives.

By the end of the century, the basic features of the *Lega Nazionale delle Cooperative* had crystallized: its main area of development was in consumer cooperatives, manufacturing and craft worker cooperatives. In other sectors, its coverage was less complete.

Most cooperatives were in northern and central Italy, first in Lombardy and later in Tuscany and Emilia.

The *Lega Nazionale delle Cooperative*, which until 1919 was the sole central body representing and defending cooperatives, spanned different political and ideological views.

Socialist and catholic views were predominant, and the catholic element had begun to organize itself independently.

From 1900 to 1920 this political and ideological dichotomy grew stronger, while at the same time the cooperative movement was expanding. This was due partly to the increasing interest shown in the sector by the various political parties, and (during the First World War) to the contribution of cooperatives to the war effort.

During this period, mainly at the instigation of Don Luigi Sturzo, the catholic cooperatives took some important initiatives: the foundation of the *Federazione delle cassi rurali cattoliche* (Federation of Catholic Rural Banks), the *Federazione delle cooperative agricole* (Federation of Agricultural Cooperatives), and the *Federazione degli istituti rurali di previdenza* (Federation of Rural Provident Institutions). Thus the cooperative movement reflected the catholic social commitment of Pope Leo XIII's encyclical 'Rerum novarum' (1891). This was based on Christian solidarity and saw the cooperative movement as an instrument of social harmony and reconciliation.

The *Lega nazionale delle cooperative* was meanwhile stressing the socialist aspect, and signed an agreement with the *Partito Socialista* (Socialist Party) and the *Confederazione generale del Lavoro* (General Confederation of Labour). Thus the cooperative movement began to see itself as class-based, competing with and replacing capitalist firms, in an attempt to radically change the Italian economic and social situation.

The time was thus ripe for a split between the two main elements of the *Lega*. This happened with the departure of the catholic groups in 1919 to form the *Confederazione delle cooperative nazionale* (National Cooperative Confederation). At the same time these groups were also organizing themselves on party lines, and in 1921 the *Partito Popolare* (People's Party) was formed.

In the years following the split, the cooperative movement expanded in the consumer sector, the manufacturing and labour sector, and the credit sector. However, this trend was not to last very long. On the rise to power of the fascists (1922), cooperatives became one of the main enemies of the dictatorship: first the attacks by the fascist squads devastated the property of the vast majority of cooperatives, and then the fascist legislation banned the cooperatives' representative organizations. In 1925 the Lega was disbanded, and two years later it was the turn of the catholic Confederazione.

The setting up of the Ente nazionale fascista della cooperazione (National Fascist Cooperative Body) marked the end of the development of the cooperative movement. Only after the fall of fascism and the end of the war did the cooperative movement revive and reorganize itself at national level.

Federconsorzi occupies a place apart in the history of the Italian cooperative movement. Founded in Piacenza in 1892, with the aim of exploiting the advantages of association where cooperation seemed impossible, Federconsorzi developed first around the joint purchasing of products needed in agriculture. Soon, however, it began to extend its activities to agricultural production, joint marketing, agricultural credit, and so on.

Far from destroying the organization, fascism unified its structure and changed its legal basis (from cooperative society to corporate body).

After the war, Federconsorzi was given the task of running the system for the distribution of food aid supplied by the Allies. It continued to do this until the beginning of the 1960s.

In 1948 Federconsorzi became a società cooperativa per azioni (cooperative society limited by shares).

In the immediate post-war period, the spirit of unity which had inspired the various democratic forces in Italy in the fight against fascism gave rise to an attempt to recreate a unified organization representing the cooperative movement. However, the political climate in the country soon doomed this to failure. On 5 May 1945, under the aegis of the Christian Democrat Party the Confederazione Cooperative Italiane (Confederation of Italian Cooperatives) was formed. This was linked ideologically with the old Confederazione of 1919. On 26 May 1945 a committee of representatives of the Republican, Action, Liberal, Socialist and Communist parties decided to reconstitute the Lega Nazionale Cooperative e Mutue (National League of Cooperatives and Mutual Benefit Societies).

In 1952, part of the Republican element left the Lega, and together with the Social Democrat wing of the cooperative movement formed the Associazione Generale delle Cooperative Italiane (AGCI — General Association of Italian Cooperatives).

Lastly, the Unione Nazionale Cooperative Italiane (UNCI — Italian National Cooperatives Union) was set up in 1971. This is a Christian union, which received legal recognition in 1981 after lengthy legal proceedings at the Latium regional administrative tribunal.

This is still the structure of the Italian cooperative movement today. The Lega, the Confederazione Cooperative Italiane, AGCI and UNCI are the four recognized national organizations. They each embrace over 1 000 enterprises and their rules are approved by the Ministry of Labour and Social Security.

Legal basis — activities — tax system

LEGAL BASIS

The essential legal basis for cooperatives is to be found in Article 45 of the Italian Constitution. This states that the Republic recognizes the social function of cooperation which is based on the principle of mutual benefit and does not pursue private gain. The law is to encourage the development of cooperation by the most suitable means and ensure through appropriate checks that the criteria mentioned are met.

More particularly, Article 2511 of the Civil Code states that cooperative enterprises with a mutual-aid purpose may take the form of cooperative societies with unlimited or limited liability in accordance with certain provisions.

CHARACTERISTICS AND DEFINITION

The Civil Code goes on to define cooperatives: a clear distinction is drawn between cooperative societies and other corporate enterprises or companies as such. This distinction is based on the fact that the main aim of cooperatives is mutual benefit through the provision to their members of goods,

services or labour on more advantageous terms than those to be obtained on the market, whereas the aim of corporate enterprises in the true sense of the term is to make and distribute profits.

SUPERVISION AND CONSULTATIVE BODIES

The supervision of cooperatives is regulated by Decree No 1577 of 14 December 1947, which lays down that supervision of cooperatives and their consortia is the responsibility of the Ministry of Labour and Social Security, except where special regulations provide otherwise.

Law No 127 of 19 February 1971 states that, in addition to the supervisory duties laid down by law, it is the task of the Ministry of Labour and Social Security to adopt measures to encourage the development of cooperatives, the diffusion of cooperative principles and the training of cooperative managers.

The Ministry of Labour has set up a central commission for cooperatives. Together with the relevant committee, this is the main consultative body on cooperatives.

OTHER LEGAL PROVISIONS

Supervision in specific areas is exercised as follows:

1. The interministerial committee for credit and saving and the Ministry of Finance supervise the Banche Popolari (People's Banks) and the Casse Rurali (Rural Banks);
2. The Ministry of Agriculture and Forestry supervises the agricultural consortia and their federation;
3. The Ministry of Industry and Commerce supervises the cooperative insurance societies;
4. The Ministry of Public Works supervises State-assisted housing cooperatives;
5. There are provincial supervisory committees in each prefecture.

The cooperative movement also supervises itself. This supervision is carried out by the national bodies set up to represent, assist and defend the cooperative movement, which are recognized by the Ministry of Labour and Social Security.

Federconsorzi, however, has a special legal basis. Its activities are governed by Special Decree No 1235 of 1948, which defines its object as the joint purchase of agricultural inputs and other operations in this field. Pursuant to this Decree, Federconsorzi also comes under the Ministry of Agriculture and Forestry, by virtue of its agricultural character.

LEGAL RECOGNITION

To obtain recognition, cooperative associations must fulfil certain conditions. They must, for example, comprise at least 1 000 cooperative units and be organizationally equipped to perform their duties. There are currently four such associations:

Associazione Generale delle Cooperative Italiane (AGCI) (General Association of Italian cooperatives);

Confederazione Cooperative Italiane (Confederation of Italian Cooperatives);

Lega Nazionale delle Cooperative e Mutue (National League of Cooperatives and Mutual-Benefit Societies);

Unione Nazionale Cooperative Italiane (Italian National Cooperatives Union).

See sections on the individual associations.

FOUNDATION AND ACTIVITIES

Usually (with exceptions for individual sectors) at least nine members are required to found a cooperative society; they must each subscribe a minimum of LIT 5 000 up to a ceiling of LIT 2 million for individual shares. Members may be natural persons or legal persons. In the members' General Meeting, natural persons have one vote, regardless of the size of their contribution, with a maximum of five delegated votes. Legal persons have up to five votes each.

Like private companies, cooperatives have to draw up rules specifying all the conditions to be met by members, and by the members of its various bodies and the society itself, and indicating whether the members have opted for limited (as is usually the case) or unlimited liability.

Several cooperatives may group together to form a single cooperative body. This is then known as a cooperative consortium, or as a secondary or tertiary cooperative, according to the circumstances.

At the end of each financial year, the Board of Directors draws up the society's balance-sheet. The members' General Meeting approves this, and decides on the allocation of any annual surplus. This is used for the following:

1. at least 20% for statutory reserve;
2. payment of dividends on shares (no more than 50% of the surplus can be used for this purpose);
3. for indivisible reserves;
4. for a special reserve.

The portion of the surplus that is neither distributed to members nor allocated to the special reserve must be:

1. used, to an extent to be determined by the cooperative itself, for mutual-benefit purposes, i.e. to cover expenditure on provident, mutual and cooperative activities and cooperative education;
2. shared out between worker members according to the sums they have earned during the financial year, and more precisely in proportion to the amount of work done by each member during the financial year.

TAX SYSTEM

The income of cooperative societies is taxed at two levels:

at regional level, the local income tax (ILOR) is levied at 15%;

at national level, income tax on legal persons (IRPEG) is levied at 25%, after deduction of ILOR.

Sums destined for the indivisible and undistributable reserves are exempt from ILOR and IRPEG.

Distributed sums are taxed at a reduced rate (one quarter less).

Taxation also varies according to the sector of activity.

Cooperative activities are subject to VAT, with the exception of sales of goods and services between cooperatives, which are exempt.

Cooperatives enjoy exemption or reduced rates in respect of all registration charges, administrative fees, land registry fees, and so on. During their first 10 years of activity, cooperatives are exempt from indirect taxes, except in the case of accounting and commercial documents.

2. Size of the cooperative sector in Italy

The significant growth of the cooperative sector in Italy is all the more remarkable in a period of widespread economic recession. The number of cooperatives entered in the Ministry of Labour register (which records approximately 60% to 70% of all cooperatives) rose from 48 297 to 84 183 between 1970 and 1980, i.e. an increase of over 70%. However, only 40 000 (about 30% of the overall total of 125 000 cooperatives in 1980) were affiliated to one of the national cooperative organizations compared with 87 000 'non-organized' cooperatives.

The breakdown was as follows:

<i>Sector</i>	<i>'Organized'</i>	<i>'Non-organized'</i>	<i>Total</i>
Manufacturing and labour	5 920	11 960	17 880
Building	14 851	52 930	67 781
Transport	518	1 306	1 824
Mixed	3 099	6 733	9 832
Farming	9 701	10 305	19 376
Fisheries	589	540	1 129
Consumer	4 152	3 749	7 901

The geographical distribution is approximately as follows:

Northern Italy:	37%
Central Italy:	26%
Southern Italy:	23%
Islands:	14%

The regions with the highest concentration of cooperatives are Emilia Romagna, Lombardy, Latium, Campania, Puglia and Sicily.

The only specific economic data available on this sector relate to the cooperatives affiliated to one of the four national organizations and even these data are fragmentary and not always homogeneous. However, given the spread of these organizations, a reasonably accurate picture can be sketched.

Altogether the 'organized' cooperatives have a membership of approximately 8 400 000 and a turnover of around LIT 30 000 000 million (1983). They employ a staff totalling about 800 000 (see table below).

In the 'manufacturing and labour' sector, which embraces cooperatives in the manufacturing and service spheres, the 6 000 or so 'organized' cooperatives comprise 150 000 members and 300 000 employees and have a turnover of around LIT 5 000 000 million. In the particularly important building sector, the approximately 1 500 cooperatives account for around 10% of the market. One cooperative, the CMC of Ravenna, is the second largest building firm in Italy.

The approximately 1 000 industrial cooperatives are still only a modest beginning but have considerable potential. They are currently concentrated in the traditional, labour-intensive sectors (building materials, wood-working, pottery) as well as firms with a small workforce. However, wide horizons are opening up with the conversion of a large number of ailing private businesses, especially in the SME sector, into cooperatives, a trend which is being encouraged, on account of its job creation potential, by the Bill drawn up at the instigation of Mr Marcora, Minister for Industry (see below).

The over 2 000 cooperatives operating in the service sector are engaged in activities such as goods and passenger transport (taxis, school buses, etc.), maintenance and cleaning, portage and social services such as day nurseries and help for the old and disabled. There has been a particular boom in recent years in cooperatives operating in the 'advanced tertiary' sphere, i.e. in data processing, professional services (design, research, etc.) and in the cultural sphere.

Agriculture is traditionally the sector where the Italian cooperative movement has had the greatest economic and social impact and where the rate of affiliation to a national organization is highest (60% of farm cooperatives are affiliated to one of the four national organizations, compared with the average of 38% for the entire economy). Federconsorzi is a special type of cooperative organization governed by specific legislation and provides services for both cooperative and non-cooperative farming enterprises in all areas of activity, operating alongside cooperatives in the strict sense of the term.

The situation in the main sectors of farm production can be summed up as follows:

Wine: 41% of the 1979 harvest (34.5 million hl.) and 36% of grape production were accounted for by cooperatives, which have a storage capacity of 48 million hl.

Cereals, fodder: 54% of cereal crops is accounted for by cooperatives. They have a processing capacity of 57 000 tonnes of dried fodder per day and a storage capacity of 3.5 million tonnes. In addition, 15% of fodder, 17% of maize and 4-5% of rice is produced by cooperatives.

Flowers, fruit and vegetables: 8.5% of vegetables and 31% of fruit are produced by the cooperative sector.

Olive oil: Cooperatives produce 270 000 tonnes of olives; oil production is 12% of the total national output.

Stockraising: 15 500 cattle (1.7% of the national herd), 96 000 pigs and around 10 000 sheep and goats are currently reared on cooperative holdings. Between 2.5% and 6% of beef and veal and 11% of pigmeat are estimated to come from cooperative slaughterhouses.

Dairy sector: Cooperatives account for 30% of all milk (38% of cow milk); they supply 12% to 15% of the milk for direct human consumption and 39% of milk for processing. They also produce 57% of all butter and 39% of cheese.

There are also a large number of cooperatives in the food processing sector. For example, the two largest national organizations (Confcooperative and the Lega) together produce over 80% of frozen fruit and vegetables and around 25% of processed tomatoes.

In 1979 gross marketable production of the entire agricultural cooperative sector was around LIT 4 000 000 million to LIT 4 500 000 million, i.e. 15-20% of national gross marketable production. In addition, Federconsorzi had a total turnover of around LIT 4 500 000 million.

Details of housing cooperatives are incomplete, though it is clear that the great majority are not affiliated to any of the four national organizations (52 930 as opposed to 14 151). A major social role is played by 'users' cooperatives, which are specifically concerned with offering their members housing on favourable terms, coordinating housing requirements and making constructive and socially productive use of savings.

Cooperatives account for around 1.8% of food distribution, 2.3% of food and non-food distribution, and 1.5% of distribution in general. However, these figures show the high level of fragmentation so typical of the Italian distribution system and the importance of cooperatives in this sector is best illustrated by the fact that they are nonetheless the largest group of food distributors.

There has been a considerable rise in recent years in the number of youth cooperative groups, which were introduced in 1977 under Law No 285 on the employment of young people up to the age of 29. This Law contains a number of economic and financial provisions designed to promote the formation of cooperatives by first job-seekers. The 2 000 or so groups, with a total membership of 25 000 are concentrated in the 'manufacturing and labour' and farming sectors, though young cooperators are active also in the cultural and organizational spheres.

As regards cooperative credit activities, undoubtedly the most successful example is the Casse rurali e artigiane (rural and craft trade banks), which are affiliated to Confcooperative via their national federation (Federcasse). The Istituto centrale delle casse rurali e artigiane (ICCREA) is responsible for coordinating these banks' activities and has a stimulating function, engaging in credit operations and providing specialist and financial assistance. These banks are expanding steadily and now encompass 669 establishments, with 1 130 counter positions and a total membership of 300 000 (31.12.1983). In terms of both assets (LIT 221 800 million in 1978) and total deposits (LIT 5 631 000 million in 1978) they account for approximately 3.6% of total Italian banking sector. They also cover about 15% of all agricultural loans.

'Organized' cooperatives in Italy

GENERAL DATA

Number of cooperatives	45 000
Number of members	8 400 000
Staff	approx. 850 000
Turnover	approx. LIT 30 000 000 million (1983)

THE FOUR NATIONAL COOPERATIVE ORGANIZATIONS

	<i>No of cooperatives</i>	<i>No of members</i>	<i>Employees</i>	<i>Turnover (LIT '000 million)</i>
AGCI	6 000	750 000	200 000	5 900
Confcooperative	22 400	4 400 000	350 000	10-12 000
Lega	14 000	3 000 000	300 000	12 000
UNCI	2 612	196 000	5 000	740

3. Structure of the sector

The four national organizations play a major role in organizing cooperative activities. They are all structured along much the same lines.

At national level, a central structure is responsible for general matters such as representing, guiding and assisting member cooperatives in all spheres of activity.

All four national organizations are divided into sectoral federations or associations, which are active in their own specific area of responsibility and ensure liaison with the central structure (see table on p. 563).

At decentralized level there are regional and provincial federations, whose activities are inter-sectoral and include the major task of representing cooperatives *vis-à-vis* local authorities and regional and provincial employment offices.

The consortia also play a major role. These cooperatively organized associations provide their member cooperatives (many of which lack satisfactory facilities of their own) with the basic services they require for economic activity and production (buying, selling, equipment and raw material supplies, storage and so on).

Italy does not have a specific single national cooperative organization or representative body set up by the State. The Commissione centrale per la Cooperativa, attached to the Ministry of Labour and Social Security, is the only institutional body. It comprises representatives of the four national cooperative organizations recognized by the Ministries of Labour, Finance, Agriculture and Public Works. Its task is to draw up opinions on legislative policy issues concerning the cooperative sector.

The Istituto italiano di studi cooperativi 'Luigi Luzzatti', run jointly by the four national organizations, publishes a journal, the *Rivista della Cooperazione*, on behalf of the Ministry of Labour and promotes studies and research into issues concerning the cooperative movement.

The cooperative movement is not represented as such on the National Economic and Labour Council (CNEL), though all four national organizations are represented individually.

4. Social and political context in which cooperative organizations operate

The structure of the Italian cooperative movement at national level differs significantly from that of other countries in that Italian cooperatives are organized and represented nationally not according to sector but on the basis of their membership of one of the four large central organizations. Sectoral grouping only occurs within these organizations. Their ideas of cooperation differ (see the descriptions of the various organizations given below), and ties with the political parties are closer than in other countries.

As in the case of the trade union movement, the four national organizations do sometimes join forces, for instance in negotiating with official bodies, lobbying parliament, setting up joint bodies such as the Federazione nazionale dei consumatori (National Consumers' Federation) in conjunction with the trade unions, and in cooperating in the work of the Luzzatti Institute for Cooperative Studies.

5. Definition and specific functions of the cooperative sector

The aim of the Italian cooperative movement is to form a 'third force', alongside the private and public sectors. In the current economic and social crisis, the cooperative sector believes that it is particularly fitted to bring about extensive renewal and introduce new values in economic and social activity.

It seeks to present itself as the sector capable of overcoming 'the difficulties encountered by an economy founded on capitalist principles in devising and implementing new instruments aimed at fostering social cooperation and responding to the constant change in all facets of society.'

The cooperative sector wishes to combat 'the frustration generated by an economic model geared to profit-seeking which boosts individual consumption at the expense of social well-being, thereby reducing the individual to a mere cog in the production process, alienating workers, causing

difficulties in social and hierarchical relationships and encouraging the growth of inhuman conurbations.¹

It also seeks to counteract the 'spread of the giant multinationals which are so structured as to make the centres of decision-making increasingly remote and preclude any hope for the individual of feeling part of the production process and economic and social life.'¹

The cooperative idea can also help in solving the problems posed for one-man businesses and craft industries by mechanization and the ever-increasing application of science and technology.

In short, cooperative principles are applicable to a wide range of requirements in the social, production and service spheres and form an instrument for shaping and consolidating a new social balance, correcting the most unjust effects of development and fostering participation, independence and human dignity.

B. THE SPECIFIC ROLE OF ORGANIZATIONS AND ENTERPRISES IN THE COOPERATIVE SECTOR

The vital role played by cooperatives in safeguarding employment and creating new jobs is particularly important and can be further expanded on a local basis. It is noteworthy that, despite the widespread recession in Italy, the cooperative sector has managed in recent years to preserve the jobs of all its staff, though it has not emerged entirely unscathed. Furthermore, the cooperative formula has been adopted by many workers who have been made redundant by private-sector firms as well as by workers in ailing businesses who have managed jointly to either set up new ventures or to save existing businesses by introducing self-management.

The employment protection bill drawn up at the instigation of Mr Marcora, Minister of Labour, is important in this sphere. The purpose of this bill is to provide for suitable economic and financial incentives so that ailing businesses that would otherwise be forced to lay off workers will be turned into cooperatives. Here the cooperative solution is considered the most conducive to effective self-management, as the cooperative organization is an essential component of the economic fabric, combines the advantages of both small and large-scale undertakings and makes available to individual cooperatives services that are otherwise accessible only to large concerns. The cooperative sector thus emerges as a major force in renewing the entire economy and offers lasting as opposed to merely stopgap benefits.

One of the main problems currently confronting the cooperative sector in Italy is the need to protect jobs but at the same time keep costs down and boost the competitiveness of the cooperative. It has no wish to be branded as a last ditch solution for 'bankrupt' businesses in the present hard times. On the contrary, it is anxious that self-management be proved a viable solution through its economic efficiency, through the advantages offered by the general organization of the cooperative and through growing entrepreneurship on the part of cooperative organizations. The challenge to the cooperative sector in the 1980s is to ensure a development that reconciles the social principles underpinning the cooperative movement with increased economic efficiency.

C. MEMBERSHIP OF EUROPEAN GROUPINGS

Owing to the structure of the Italian cooperative movement, the four national organizations are individual members of the various Community organizations via their sectoral associations. Federconsorzi is the only Italian organization to be represented in its own right on COGECA (General Committee for Agricultural Cooperation in the EEC); it also belongs to the Association of Cooperative Banks of the EC.

¹ Translation of passages in a Confcooperative document published in the brochure *Il movimento cooperativo in Italia*. On this point, note also the particular stance taken by UNCI. This is voiced for example in Tarantello's *Cooperazione e Sviluppo* (June 1983), according to which one must oppose the 'assisted economy' in which 'the distinction between public and private enterprise is blurred, the principle of managerial and administrative responsibility and economy is lost and firms expect the State to featherbed them, and even keep them afloat'.

The following table gives a general idea of the situation:¹

<i>Community organizations</i>	<i>Affiliated Italian organizations</i>
COGECA	Federconsorzi
Eurocoop	Confcooperative Lega (ANCC)
Association of European Cooperative Insurers	Lega (Unipol)
European Union of Social and Cooperative Pharmacies	Confcooperative Lega
Association of Cooperative Banks of the EC	Federconsorzi Confcooperative (ICCREA)
Association of Retailer-owned Wholesalers in Foodstuffs (UGAL)	Confcooperative Lega — AGCI (Conad)
CECOP	Confcooperative Lega — AGCI

D. VIEWS OF THE ITALIAN COOPERATIVE ORGANIZATIONS WITH REGARD TO EUROPEAN INTEGRATION

The entire Italian cooperative movement views the Community as vital in creating the general conditions that will enable cooperatives to play to the full their role as an element of economic and social life inspired by the twin ideals of economic growth and social progress. The Community must therefore treat the cooperative sector with the consideration it deserves on account of the contribution it can make towards solving the recession in which the whole of Europe is plunged. In particular, it can make a contribution in preserving jobs and establishing a network of small and medium-sized cooperative businesses equipped to hold their own on Community markets or at international level. This is the philosophy underlying the Italian cooperative movement's involvement in Community sectoral cooperative organizations.

However, three out of the four national organizations agree that the existing vertical cooperative structure at Community level is insufficient to ensure the representation of European cooperatives *vis-à-vis* the Community authorities. Basing themselves partly on a document on cooperation in Europe presented to the European Parliament,² the Italian national organizations have always been supporters of a closer working together in the cooperative, mutual and non-profit sector at European level.

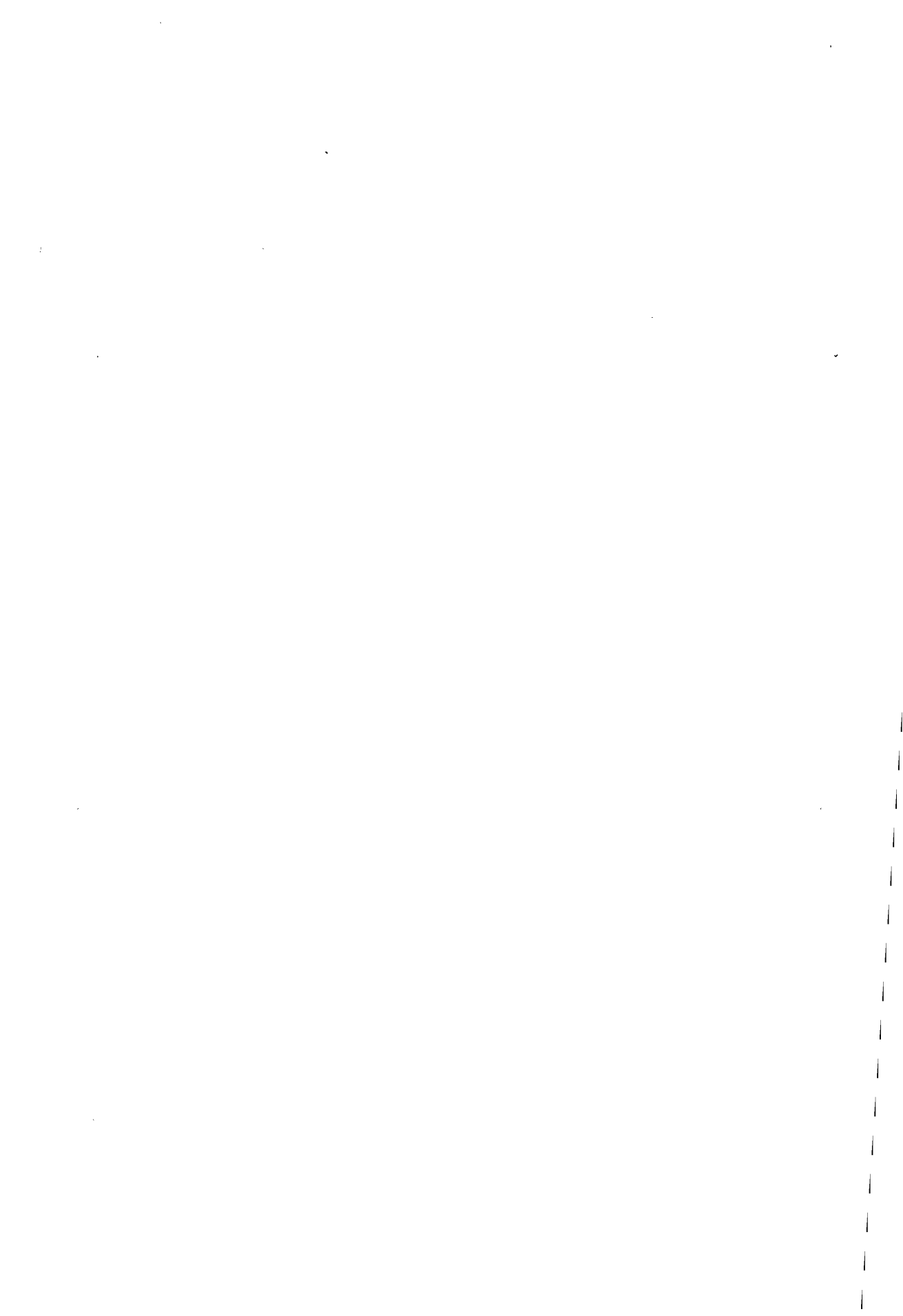
E. SOURCES

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2. *Agenda delle Cooperative 1982*, published by the Confederazione Cooperative italiane.
3. *Annuario della Cooperazione italiana 1982*, published by the Lega Nazionale cooperative e mutue, Vols I & 2.
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5. ONELIO PRANDINI: *La cooperazione*, Editori Riuniti (Rome).
6. *L'impresa cooperativa negli anni '80*, L'Autogestione Series, De Donato (Bari).
7. *I giovani e la cooperazione*, L'Autogestione Series, De Donato (Bari).

¹ UNCI does not currently belong to any Community body.

² Proposal for a resolution on the cooperative movement in the European Community (Mihir report, November 1982): associations of cooperatives are urged to coordinate their positions and act in unison. Mihir report, explanatory memorandum, point 42: 'Cooperatives and their associations themselves, whether in the individual Member States or at Community level, are called upon to increase their efforts to create a strong cooperative movement in Europe. At present the priority is to create, by setting up a European advisory body, a common mouthpiece in which all may participate so as to be a full discussion partner, particularly in relation to the Commission of the European Communities.'

8. CLICE: 'Réflexion pour une politique européenne de la coopération'.
9. CLICE: 'Projet de programme d'activité de CLICE'.
10. CECOP: 'Le cooperative di produzione e lavoro e lo sviluppo economico e sociale nella Comunità economica europea'.
11. 'Schema di disegno di legge concernente misure a salvaguardia dei livelli di occupazione' (drawn up at the instigation of Mr Marcola, Minister of Industry).
12. *La coopération agricole en Italie*, Ambassade de France en Italie, Services d'expansion économique.
13. EC COMMISSION: *Les coopératives de production — France et Italie*.
14. WALTER BRIGANTI: *Il movimento cooperativo in Italia, 1854-1980*, 3 volumes.



Chapter II: Cooperative, mutual and non-profit organizations in Italy

1. Multisectoral organizations

Central Association of Italian Cooperatives (Associazione Generale Cooperative Italiane) (AGCI)

<i>President:</i>	RENATO ASCARI RACCAGNI
<i>Vice-Presidents:</i>	AMBROSIO RUGGIERO GIOVANNI DE CRISTOFORO MICHELE GIACALONE MARIO MAZZOLA
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Basic data

Number of member cooperatives:	6 000
Number of members:	750 000
Number of employees:	200 000
Turnover:	LIT 5 900 000 million (1983)

I. ORGANIZATION

1. Date of formation and brief historical outline

The AGCI, Associazione Generale delle Cooperative Italiane (General Association of Italian Cooperatives) was formed on 29 October 1952 as a result of the merger of part of the former Republican element in the Lega Nazionale delle Cooperative e Mutue with the Social Democratic Cooperatives. The nucleus was formed by the cooperatives in Emilia-Romagna, who were joined later by many other cooperatives in all sectors and in all regions of the country, particularly the south. Within 10 years the AGCI succeeded in enrolling the 1 000 cooperatives necessary to gain legal recognition from the State, becoming the third national cooperative organization in Italy in 1962.

2. Size and structure

Membership is open to cooperatives, cooperative consortia and duly constituted mutual-benefit societies. According to the figures supplied, the AGCI has 750 000 members in some 6 000 cooperatives and consortia in the following sectors: industrial production and manufacturing, agriculture,

Table D6: Italy

		POLITICAL AFFILIATION			
		Republican Social Democrat	Christian Democrat	Communist, Socialist Republican 'new left'	Christian Democrat
		AGCI	Confcooperative	Lega	UNCI
Cooperative sector	Agriculture	Associazione nazionale cooperative agricole	Federagricole	Associazione nazionale cooperative agricole (ANCA)	Associazione nazionale cooperative agricole (ANCAO)
	Savings and Credit		FederCASSE		
	Craftsmen				
	Production	Associazione nazionale cooperative Produzione lavoro	Federlavoro	Associazione nazionale cooperative Produzione e lavoro (ANCPL)	
	Consumers	Associazione nazionale cooperative consumo	Federconsumo	Associazione nazionale cooperative consumo (ANCC)	
	Housing	Associazione nazionale cooperative di abitazione	Federabitazione	Associazione nazionale cooperative-abitazioni (ANCAI)	Associazione nazionale cooperative per l'edilizia abitativa (ANCEA)
	Commerce		Federdettaglianti	Associazione nazionale cooperative dettaglianti (ANCD)	
	Services	Associazione nazionale cooperative di trasporto	Federservizi	Associazione nazionale cooperative servizi (ANCS)	
	Fishing	Associazione nazionale cooperative della pesca	Federpesca	Associazione nazionale pescatori e affini (ANCPA)	
	Culture		Federcultura	Associazione nazionale della cooperazione culturale (ANdCC)	
	Tourism		Federturismo	Associazione nazionale cooperative turistiche (ANCT)	
Mutual sector		Federmutue	Federazione italiana della mutualità		

purchasing savings and loans, services, consumer cooperatives, tourism, construction and housing, general business, transport, fishing and social assistance.

The AGCI comprises a central organization, for representation at national level, and regional and provincial federations. The regional federations are responsible for coordinating and representing the regional cooperative movement in the appropriate quarters, particularly in dealings with the regional authorities. The provincial federations are representative units at provincial and municipal level. In addition member cooperatives automatically belong to the relevant national sectoral associations. These sectoral associations come under the AGCI, which represents the entire cooperative movement belonging to it.

3. Administrative bodies

The National Congress normally meets every three years. It lays down general guidelines for the AGCI's activities, approves the financial report drawn up by the General Council, elects the members of the other central administrative bodies by secret vote and decides on any changes to the AGCI's Rules.

The *General Council* elects from among its members the Executive Committee (made up of the President, one or more Vice-Presidents, the Secretary-General and nine members), approves the annual accounts and budget of the AGCI, lays down directives (which are submitted, together with the financial report, to the National Congress for discussion), convenes ordinary and extraordinary meetings of the National Congress and decides on the agenda for such meetings.

The *Executive Committee* sees that the decisions of the National Congress and the General Council are carried out and supervises the work of all technical and administrative departments.

The *Presidium* officially represents the AGCI in all official acts and may, in cases of extreme urgency, deliberate on matters which are the province of the Executive Committee, subject to ratification by the latter.

The *Board of Auditors* supervises the financial administration of the AGCI.

The *Board of Arbitrators* examines and gives rulings on any disputes between the AGCI and member bodies.

4. Decision-making procedure

The rules state that decisions shall be taken in the various bodies of the AGCI by an absolute majority of the votes of those present; in practice the aim is always unanimity.

5. Secretariat and staffing

The central organization has a staff of 45, of whom 7 are executives. Staff pay and working conditions are governed by collective agreement. Local organizations come under the regional and provincial federations which, according to the rules, enjoy administrative autonomy. They have a staff of 140, of whom 20 are executives.

6. Budget size and contribution arrangements

Turnover in 1983 was LIT 5 900 000 million. The budget was around LIT 4 814 million and contributions comprised a fixed subscription of LIT 100 000 to LIT 1 300 000, depending on the members' economic capacity and a levy of 0.5%₀ on each member's turnover.

II. AIMS AND PRIORITY POLICIES

The AGCI is 'an independent organization whose activities are based on the principles of free and democratic cooperation; it is open to those who regard the cooperative movement as a means of moral elevation and a way of improving the economic and social position of workers, producers and consumers'.¹

It aims to promote the development of the cooperative movement in line with the modern requirements of cooperation and the general interests of the national economy, and to propagate and develop cooperative awareness by promoting and encouraging the technical and vocational training of cooperative members.

¹ AGCI rules.

The AGCI also studies ways of reforming legislation regarding cooperatives and makes proposals to the relevant State bodies, and undertakes any action consistent with EC policies and directives which is designed to develop the cooperative movement for the benefit of producers and consumers in the EC.

The AGCI believes that strengthening the cooperative movement may not only help in overcoming the recession in the Italian economy but may also be conducive to a greater democratization of work, which is considered as one of the key factors in boosting productivity and achieving greater worker responsibility and participation.

III. ACTIVITIES

The AGCI seeks to develop all its sectors of activity, be they economic, social or cultural.

(a) Economic activity

Particular mention should be made of the AGCI's contribution, through manufacturing and labour cooperatives, to the reconstruction of the earthquake-shattered regions of southern Italy.

In the manufacturing and labour sector, the AGCI has been involved in major initiatives representing a substantial contribution to the economic and social development of Italy.

In agriculture, the AGCI is pursuing an economic planning objective and providing member cooperatives with a reference framework for making decisions in keeping with a sound agro-food policy. Consortia of farmers belonging to the AGCI have acquired storage and marketing networks which they intend to use to cut out the middleman and implement a marketing policy which, by anticipating supply and demand, will avoid structural surpluses and bring about cooperative integration.

One particularly important area is the building sector, where the AGCI proposes the cooperative model as a suitable means for helping solve the current crisis in the building industry, particularly house construction.

On the consumer side, the AGCI is seeking to set up a cheaper and swifter distribution network which will reduce the burden on consumers and help fight ignorance about nutrition, which is a threat to the health and prosperity of families.

(b) Social activity

This is closely linked with economic activity, especially as regards the reconstruction of the south, the protection and improvement of farm incomes, the provision of cheap and suitable housing for all workers and consumer protection.

(c) Cultural activity

This is directed mainly at disseminating cooperative principles through training courses for members. On the consumer side, the AGCI has set up a cooperative library with which it seeks to contribute to the vocational training of future operators and provide a source of reference for those pursuing their own activities in the consumer cooperative sector. The AGCI also helps produce educational programmes for radio and television.

Also of great importance are the training courses organized through the AGCI's recently-formed women's and youth movements.

Worth mentioning, too, are the activities of the AGCI's Research Centre, named after its founder, G. Rossini.

Finally, the AGCI, together with Confcooperative and the Lega, supports the Luzzatti Institute for Cooperative Studies, which as well as publishing the *Rivista della Cooperazione* for the Ministry of Labour, also promotes specific research studies and publishes reference works and series.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The AGCI seeks to get legislation passed which is favourable to cooperatives. Together with the Lega and Confcooperative it attends ministerial meetings on cooperative matters and meetings of Senate and Chamber committees responsible for drafting bills concerning cooperatives. Similar activities are

conducted at regional and provincial level. The AGCI also designates its own representatives on State, semi-State, Community and international bodies where representation of the cooperative and mutual movement is required or allowed.

The AGCI is represented (one member) on the CNEL (national Economic and Labour Council) and the Ministry of Labour's Central Commission for Cooperatives, which comprises representatives of the three national cooperative organizations and the Ministries of Labour, Finance, Agriculture and Public Works. This Commission issues opinions on legislative policy for the cooperative sector.

AGCI, with Confcooperative and Lega, is consulted on economic and social policy prior to the formation of a government and during its period of office. A delegation from these three confederations was directly consulted during the preparatory work of the Craxi government as regards the decree-law of 14 February 1984 on labour costs.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The AGCI belongs to the Association of Retailer-Owned Wholesalers in Foodstuffs and CECOP (European Committee of Workers' Cooperative Productive and Artisanal Societies).

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The AGCI is a member of the International Cooperative Alliance. Renato Ascari Raccagni is a member of the central committee and Fausto Carmignani belongs to the production and labour committee (Cicopa).

To promote the cooperative movement internationally, the AGCI has strengthened its relations with cooperatives inside and outside the EC. It receives numerous delegations as part of a policy of cultural exchange, exchange of experience and initiation of economic programmes.

VII. INTERNAL COHESION

With its vertical and horizontal division into federations and sectoral associations, the AGCI is able to carry out the various activities involved in pursuing its general objective of developing and strengthening the cooperative movement: helping, guiding and representing member cooperatives, assisting in the financing of new structures, advising on all matters of concern to its members, providing information both of a specific and of a general economic nature. The AGCI is thus a homogeneous organization which is growing steadily, as shown by the setting-up in 1981 of new provincial federations in Bergamo, Vercelli, Mantova, Treviso, Belluno and Siena.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

The AGCI is constantly lobbying the Community authorities both on behalf of its members and to promote the harmonious development of the European cooperative movement as a democratic instrument for protecting producers and consumers in the EC. To this end, the AGCI has promoted contacts and meetings with representatives of COGECA, in anticipation of more equitable representation of Italian agricultural cooperatives at Community level (at present, the only accredited representative is Federconsorzi). The AGCI has also presented a number of plans to the EC for forming cooperatives in Italy, e.g. in the fisheries sector.

The AGCI, together with the other two national cooperative organizations (Confcooperative and Lega), was a founder-member of CLICE (European Cooperatives' Intersectoral Liaison Committee).

IX. PUBLICATIONS

The official organ of the AGCI is the monthly *Libera cooperazione*. The AGCI also publishes booklets for internal use ('notizario quindicinale') and a consumer information bulletin. The regional and provincial federations publish their own periodicals.

X. SOURCES

1. *Il Movimento cooperativo in Italia*, la Conferenza nazionale della cooperazione (Rome, 27-30 April 1977).

2. *Statuto dell'AGCI*, approved on 10 June 1972 and amended on 20 April 1975.
3. *Relazione finale sulle attività svolte dall'AGCI*, 1981-83.

XI. INTERVIEWS

Mr Renato Ascari Raccagni, President of the AGCI, was interviewed on 9 September 1982 by Konrad Schwaiger, ESC General Secretariat, and by Ernesto Tosoni. Mr Gino Marinoni, Secretary-General, was interviewed on 6 July 1984 by Antonio d'Amigo, Mr Renato Ascari Raccagni was interviewed on 11 July 1984 by Konrad Schwaiger and Antonio d'Amigo.

Confederation of Italian Cooperatives (Confederazione Cooperative Italiane) (Confcooperative)

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Basic data

Number of member cooperatives:	22 400
Total membership:	4 432 840 ¹
Total staff:	350 000
Turnover:	LIT 10-12 000 000 million (1983)

I. ORGANIZATION

1. Date of formation and brief historical outline

The Confederazione Cooperative Italiane (Confcooperative) (Confederation of Italian Cooperatives) was founded on 5 May 1945 as the successor to the Confederazione delle Cooperative Nazionale (Confederation of National Cooperatives), which was set up in 1919 as central organization for the Catholic cooperative movement. During the 1920s this organization reached its peak with 7 950 cooperatives, comprising 3 200 consumer cooperatives, 2 550 manufacturing and labour cooperatives, and 2 200 rural credit banks. Most of this structure was destroyed by Fascism, with the result that after the Second World War an almost completely new start had to be made.

¹ *Source:* Casse rurale ed artigiane — Annuario 1979-80, p. 26.

2. Size and structure

With 22 400 member cooperatives (of which 7 686 are in the agricultural sector) Confcooperative today plays a major role in the cooperative sector, and consequently has an important position in Italian socio-economic affairs.

Confcooperative is composed of regional unions and provincial unions, which are mainly concerned with the organization of membership, regional legislation, relations with local firms and social groups, development of the cooperative movement, investment planning, collection of members' contributions, auditing, statistics and national surveys.

In addition, Confcooperative has 14 sectoral federations. These are coordinated by boards which supervise the activities in each sector and ensure that they follow Confcooperative's policy line on problems of common concern. The federations deal at national level with the political aspects of issues.

On the other hand, the national, regional and provincial associations have a mainly economic function, although they deal with the same types of problem as the federations on a reduced scale.

The rural and craft trade bank system (*Casse rurali ed artigiane*) deserves special mention. Structurally and operationally it is modelled on the 'social credit banks' set up by F.W. Raiffeisen in Germany in the second half of the 19th century. These rural and craft trade banks are scattered throughout the country, and despite the credit squeeze have made every effort to continue with the granting of agricultural credit.

A large number of service companies and some economic and financial bodies of a cooperative nature are also linked to Confcooperative (including Agrileasing, Assimoco, Iccrea, ICIM Factoring, Cico, Canalat, Consorzio Cantine, Unolcoop in the economic sector and Conedit, Inecoop in the services sector).

3. Administrative bodies

The National Council elects Confcooperative's President and Board of Directors. It plans confederation activity, lays down policy and organizational guidelines and periodically reviews their implementation.

The *Board of Directors* is responsible for the management and administration of Confcooperative, and implements the National Council's decisions. It also lays down the tasks of the Presidential Committee.

In contrast, the *National Congress* decides the general approach of the cooperative movement to topics and points raised by the National Council. In addition to the coordinating boards mentioned earlier, there is an internal inspectorate to ensure the smooth running of all parts of the confederal organization. The *Board of Auditors* is responsible for financial management and accounting. The *Board of Arbitrators* deals with any disputes arising from the application or interpretation of the rules.

4. Decision-making procedure

The work of the individual bodies is governed by rules and procedures they themselves lay down. Meetings are held after a single notice of meeting, and an absolute majority of the membership constitutes a quorum. Decisions are taken by a majority vote of those present. Urgency procedure motions, however, require the support of an absolute majority of the members.

Under no circumstances can members of constituent bodies have themselves represented by other members.

5. Secretariat and staffing

The central structure of Confcooperative follows the usual pattern (President, Vice-President, Secretary-General, General Management and Central Administration). In addition, there are eight main departments supervised by the Secretary-General. These are concerned with administration/organization, financial matters, plans and projects, auditing/membership/statistics, legal/tax/audit/welfare assistance, legislation, press and information and international relations. There is also an

advisory service and a department for political and parliamentary relations. The central office has a staff of 140, and a further 900 staff are employed in local offices.

6. Budget size and contribution arrangements

For statistical reasons, overall administrative coordination and as a guide for confederal budget policy the provisional and regional unions have to send a copy of their budget to Confcooperative, together with a report on their activities, before the approval date of the general budget. This does not affect their administrative autonomy.

Confcooperative's total turnover for 1983 was around LIT 10-12 000 000 million. Some 25% of this amount is accounted for by the agricultural coordination board's LIT 3 200 000 million.

A profit of some LIT 15 000 million was made in 1981.

II. AIMS AND PRIORITY POLICIES

Confcooperative is inspired by Social Christian ideas. Its main objectives are pursued in the belief that the cooperative formula has a major role to play in social and economic life. The most important of these objectives are: more action in favour of the weakest areas and sectors, in particular the Mezzogiorno; renewal of organizational structures in order to bring them more into line with the requirements of contemporary society; an adequate response to the new problems of Italian society; restructuring of the distribution network; protection of small craft firms; pressure on public authorities for a greater commitment to the implementation of cooperative principles; a greater role for cooperatives in the drawing-up of national economic plans; a common area of activity for Confcooperative and the other cooperative organizations. One of Confcooperative's priority policies is the development of cooperation in Africa (Ghana, Nigeria, Sudan, Botswana, Cameroon), Latin America (Argentina, Venezuela), the Caribbean and in some Arab countries.

Confcooperative seeks to stimulate and encourage its member cooperatives, offering them a solid intellectual basis and technical assistance for achieving the most pressing objectives in the area of operational rationalization.

III. ACTIVITIES

Confcooperative is active on a broad front. Its main efforts are concentrated on developing policy and reforming legislation concerning the activities of cooperatives.

(a) Economic activity

Many initiatives have been taken concerning production and marketing of agricultural produce, craft products and services.

Confcooperative is particularly interested in industrial cooperation and easier access to credit.

(b) Social activity

Confcooperative's activity in the social sphere is focused on consumer protection — it has recently been involved in the establishment of the Federazione Nazionale dei consumatori (National Consumers' Federation) — the rationalization of trade, measures to meet the crisis in the building industry and housing, and ways to improve transport and traffic flow.

(c) Cultural activity

Confcooperative engages in many cultural and promotional activities. It participates in meetings, seminars and round-table discussions. It is active in the press and publishing sphere, book, theatre, cinema and radio events, exhibitions and fairs. It promotes sports events, and encourages tourism. In association with the AGCI (General Association of Italian Cooperatives) and the Lega (National League of Cooperatives and Mutual-Benefit Societies), Confcooperative supports the Luzzatti Institute for Cooperative Studies, which publishes the *Rivista della Cooperazione* for the Ministry of Labour as well as promoting specific studies and research, and publishing reference works and series. The Institute's President, Dr Walter Briganti (responsible for the Lega's external services) was appointed by the three main cooperative organizations.

(d) Financial activity

Confcooperative's activity in the agricultural credit sector through the rural and craft trade banks is of particular importance. These banks are affiliated to Confcooperative through their national federation (Federcasse). Iccrea (Istituto centrale delle Casse rurale ed artigiane — Central Institute for Rural and Craft Trade Banks — has a coordinating and stimulating function, with tasks in the area of credit, intermediary services and financial assistance. The rural bank system had 669 establishments with 1 130 counter positions for a total of 300 000 members as at 31 December 1983. 1978 figures show the rural banks representing some 3% of the Italian banking system with assets totalling LIT 221 800 million and deposits totalling LIT 5 631 000 million. The rural banks account for some 15% of total agricultural credit.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The department for political and parliamentary relations seeks to promote the passage through parliament of legislation of interest to the cooperative movement. It maintains contact with the parliamentary committees and the offices of the presidents of the two chambers of parliament. It arranges periodic meetings between members of parliament and Confcooperative directors. It assists with briefings and contacts with the government and parliamentary groups. It keeps in touch with relevant ministries and ensures liaison between the different parts of the confederation in connection with ministerial discussions of interest to them.

The legal department monitors national and regional legislation. It coordinates proposals for amendments to draft laws affecting the cooperative movement. It also watches over Community legislation.

Confcooperative sits on the Commissione Centrale Cooperative (Central Cooperative Commission). This was set up by the Ministry of Labour, and is made up of representatives of the three national cooperative organizations and representatives of the Ministries of Labour, Finance, Agriculture and Public Works. This Commission issues opinions on policy issues in the area of cooperative legislation. Confcooperative is also represented on the Consiglio Nazionale dell'Economia e del Lavoro (National Economic and Labour Council), the Commissione Cooperazione e Sviluppo (Cooperation and Development Commission) of the Ministry for Foreign Affairs and on the Ministerial Commission for Foreign Trade.

Confcooperative, together with AGCI and Lega, is consulted on economic and social policy prior to the formation of a government and during its period of office. A delegation from these three confederations was directly consulted during the preparatory work of the Craxi government as regards the decree-law of 14 February 1984 on labour costs.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

Confcooperative is a member of Eurocoop, CECOP (European Committee of Workers' Cooperative Productive and Artisanal Societies), the Association of Cooperative Banks of the EC, through the Istituto di Credito delle Casse Rurali ed Artigiane (Iccrea) (Credit Institute for Rural and Craft Trade Banks), the Association of Retailer-Owned Wholesalers in Foodstuffs and the European Union of Social, Mutual and Cooperative Pharmacies. It is also an associate member of COGECOA.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

Confcooperative is a member of the International Cooperative Alliance. It has four representatives on ICA's central committee, elected at the XXVIIth Congress held in Moscow in 1980. Confcooperative's central office in Rome houses the ICA-FAO liaison bureau.

Confcooperative is also represented in the International Raiffeisen Union, which initiated credit cooperatives, the International Federation of Agricultural Producers, the ILO and the European Confederation of Agriculture.

VII. INTERNAL COHESION

Confcooperative has a very functional structure. Its bodies, associations, service organizations, large membership, and the fact that it is active in the most important sectors of economic and social life make Confcooperative a balanced organization, well able to pursue its many objectives.

It deals not only with the economic aspect of the cooperative movement. It is also interested in furthering cooperative ideals within society. Throughout its development Confcooperative has tried to encourage initiatives at different levels. This has served to strengthen internal cohesion and enabled the whole 'group' to enhance the cooperative movement's position *vis-à-vis* the authorities responsible for economic and social policy.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

Confcooperative is directly represented at meetings of the Economic and Social Committee by the head of its international relations department.

The Brussels representative office ensures the continuity of relations at Community level.

Confcooperative monitors Community problems and questions of cooperative and confederal interest through its international relations department.

Together with the Lega and the AGCI, Confcooperative was a founder member of CLICE (European Cooperatives' Intersectoral Liaison Committee).

Acting in harmony with the other national cooperative organizations in Italy, (the AGCI and Lega), Confcooperative seeks to influence activity in the EEC through autonomous channels. Its aim is to highlight the important contribution the cooperative movement can make in resolving the economic, production and employment crisis which is affecting both the EC as a whole and the individual Member States.

IX. PUBLICATIONS

Confcooperative produces a weekly, *Italia Cooperative*, which deals with the main political, economic and legislative events. It also includes articles on Confcooperative activities in the regions and the different sectors.

Community matters and world affairs are also given ample coverage.

Confcooperative periodically produces supplements to its weekly, including the bimonthly *Cooperazione e credito* and *Quaderni cooperative*.

X. SOURCES

1. *Agenda delle Cooperative 1982, vol. I Annuario*, Confederazione Cooperative Italiane, ECRA (Rome).
2. *Il movimento cooperative in Italia*, 1st National Conference on Cooperatives, 27-30 April 1977, Rome, Ministero del Lavoro e della Previdenza Sociale.
3. *Regolamento di attuazione*, Confederazione Cooperative Italiane.
4. *Statuto-Sociale*.
5. *Annuario 79/80*, Casse Rurali ed Artigiane.

XI. INTERVIEWS

1. 9 September 1982 in Rome, with Dr Morselli and Mr Morolli;
2. 25 November 1982 in Brussels, with Dr Morselli and Mr Bosisio;
3. 22 August 1984 in Rome, with Dr Morselli;

by: Konrad Schwaiger, ESC General Secretariat, Studies and Research Division (1); John Catling (2); Fabrizio Grillenzoni (2 and 3); Ernesto Tosoni (1).

National League of Cooperatives and Mutual-Benefit Societies (Lega Nazionale delle Cooperative e Mutue) (Lega)

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Basic data

Number of member cooperatives:	14 609
Number of members:	approx. 3 million
Number of employees:	300 000
Turnover:	LIT 12 000 000 million (1983)

I. ORGANIZATION

1. Date of formation and brief historical outline

The Lega Nazionale delle Cooperative e Mutue (Lega) (National League of Cooperatives and Mutual-Benefit Societies) was formed on 3 September 1945 at the instigation of politicians from various political parties (Socialist, Communist, Christian-Social, Liberal, Republican and Action), its predecessor, the Lega Nazionale delle Società Cooperative Italiane (National League of Italian Cooperatives) having been dissolved by the Fascists in 1925. The title 'Lega Nazionale delle Società Cooperative Italiane' had been adopted at the Fifth Cooperative Congress (Sampierdarena, 1893) held by the Federazione delle Cooperative (Cooperative Federation), which was founded in Milan in 1886 and was the first organization to unite Italian cooperatives. In 1952 part of the Republican element, together with the Social Democrat cooperatives, broke away from the Lega and formed the Associazione Generale delle Cooperative Italiane (AGCI) (General Association of Italian Cooperatives).

2. Size and structure

As indicated in the study entitled *Radiografia della cooperazione in Italia* by the Economic Section of the Lega's Research Department (based on data at 31 December 1981), the Lega cooperative movement comprises 14 609 individual units, grouped into 10 national sectoral associations: agriculture, distribution and consumption, retail trade, housing, manufacturing and labour, services, fishing and allied activities, culture, mutual-benefit societies and tourism. These central bodies are mainly responsible for carrying out checks required by law maintaining contacts with parliament, the government and trade unions, and for public relations in general. As coordinators, these bodies are also responsible for the Lega's investment policy and development planning.

Firms and consortia have joined the Lega, thus extending its sphere of activity to include: publishing and advertising, insurance and finance, training and international cooperation.

The cooperatives are grouped geographically into provincial and regional associations, which perform the same tasks, at their level, as the central bodies. Economically, the cooperatives are grouped into provincial and regional consortia and five national consortia, the largest being the Alleanza

Italiana delle Cooperative Agricole (AICA) (Italian Alliance of Agricultural Cooperatives). The consortia enable very small cooperatives to band together and they act as service organizations for these cooperatives.

When the regions were set up, the Lega generally replaced the provincial committees by regional committees.

3. Administrative bodies

The central bodies are as follows:

the *National Congress*, which is responsible for determining the general policy of the cooperative and mutual movement on the basis of the Lega's objectives;

the *General Council*, which, amongst other things, elects the Lega's President and Vice-President;

the *Management Committee*, which is responsible for defining and implementing the Lega's strategy;

the *Presidium* (Consiglio di Presidenza), which is responsible for implementing the decisions taken by the management bodies and for coordinating the activities of the Lega's various departments;

the *Board of Auditors*, which supervises the Lega's financial administration;

the *Board of Arbitrators*, which deals with disputes connected with the application and the interpretation of the Lega's rules.

4. Decision-making procedure

Normally, decisions are taken unanimously, although the rules only require a simple majority.

5. Secretariat and staffing

The Lega has a Presidium (Consiglio di Presidenza) made up of the President, the Vice-President and eight other members, which supervises the Lega's offices and represents the Lega at home and abroad.

In addition to the central offices and services, the Lega has local offices and services, which come under the various national sectoral associations located in the central office and in the capital.

Staffing and remuneration (approximately 193 employees) are governed by collective agreement.

6. Budget size and contribution arrangements

The Lega's turnover in 1981 was approximately LIT 12 500 000 million. The most important sectors were agriculture and manufacturing and labour (LIT 2 700 000 million each).

The Lega's budget is simply intended to cover operating costs, and is funded by contributions from member cooperatives, contribution rates being fixed on the basis of their turnover figures.

II. AIMS AND PRIORITY POLICIES

The Lega seeks, independently of any political force or government, to promote, develop, strengthen and defend cooperatives which are based on the principle of mutual benefit and do not pursue private gain, thus fulfilling the function recognized in the constitution of the republic.

The Lega endeavours to encourage consumers, workers, the self-employed, those active in the cultural sphere, farmers, small firms and economic operators to organize themselves for the joint conduct and development of their activities and to make use of cooperative forms of organization and the mutual-aid and democratic self-management they offer, and of every other form of voluntary, free and democratic association. By joining forces, it will be possible to improve competitiveness, enhance economic and social conditions, and in the general interest oppose monopolistic forces and their methods and speculative aims.

In order to achieve these objectives, the Lega unites, guides, coordinates, represents, protects and assists the cooperative movement. It also maintains permanent relations with the other national cooperative organizations and with any other organization working towards the same goal, so as to promote mutual understanding and collaboration.

III. ACTIVITIES

The Lega is involved in the economic, social and cultural aspects of life in Italy.

(a) Economic activity

Particular mention should be made of the Lega's efforts over the past few years to exploit the country's agro-food resources at European level and transform the cooperative movement from a group of firms into a network of production and marketing enterprises. It has made a notable contribution towards promoting the rationalization of major sectors, such as the fishing industry.

The Lega is represented in the credit sector by Fincoper, the Consorzio Nazionale di Credito and various other financial institutions including the Banca Popolare di Reggio Emilia, the Cassa Rurale di Orzano and certain Sicilian institutions.

(b) Social activities

The Lega is active in the following sectors: housing, services, tourism, distribution, commerce and consumer affairs.

(c) Cultural activities

The Lega promotes the development of facilities for study and research, and for the cooperative, vocational and cultural training of managerial and technical staff. It organizes cooperatives in the fields of the theatre, cinema, graphic arts, dance, audio-visual production, research, music, radio and television broadcasting and publishing. Together with the Confederazione delle Cooperative Italiane (Confederation of Italian Cooperatives) and the AGCI (General Association of Italian Cooperatives), it supports the Luzzatti Institute for Cooperative Studies, which, in addition to publishing the *Rivista della Cooperazione*, for the Ministry of Labour, promotes specific studies and research published in reference works and series. The President of the Institute is Dr Walter Briganti (in charge of the Lega's External Relations Department), who was elected by the three national cooperative organizations.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The Lega is pressing for increasing involvement of the cooperative movement in the planned economic development of the country. The Lega therefore seeks to promote appropriate parliamentary action and puts its case before all the national, regional and local authorities which deal with issues concerning the cooperative movement.

A Lega representative sits on the Consiglio Nazionale dell'Economia e del Lavoro (CNEL) (National Economic and Labour Council), and all the sectoral organizations belonging to the Lega have representatives in the national sectoral consultative committees.

The Lega has close working relations with trade unions and employers' organizations.

It sits on the Commissione Centrale per le Cooperative (Central Commission for Cooperatives) set up by the Ministry of Labour. This Commission comprises representatives from the three national cooperative organizations (the Lega, the AGCI and Confcooperative), and from the Ministries of Labour, Finance, Agriculture and Public Works. This Commission issues opinions on legislative policy in the cooperative sector.

Lega, together with AGCI and Confcooperative, is consulted on economic and social policy prior to the formation of a government and during its period of office. A delegation from these three confederations was directly consulted during the preparatory work of the Craxi government as regards the decree-law of 14 February 1974 on labour costs.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

A number of sectoral organizations belonging to the Lega are members of the following bodies:

Association of European Cooperative Insurers (Unipol);

Eurocoop (Associazione Nazionale delle Cooperative di Consumo);

Association of Retailer-Owned Wholesalers in Foodstuffs (Consorzio Nazionale Cooperative Dettaglianti);

European Committee of Workers' Cooperative, Productive and Artisanal Societies (Associazione Nazionale delle Cooperative di Produzione e Lavoro);

European Union of Social, Mutual and Cooperative Pharmacies.

The Lega is also helping to set up new European associations in various sectors such as housing, tourism and culture.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The Lega has been a member of the International Cooperative Alliance since that organization was set up on 19 August 1895. Six of the 10 delegates representing the three Italian cooperative organizations in the Alliance come from the Lega. The President of the Lega has been elected to the Executive Committee to represent the three Italian cooperative organizations.

The Lega has many bilateral contacts with Western European countries and with Comecon cooperative movements; these contacts can be developed on the basis of mutual interest in accordance with special protocols. Through a series of framework agreements, the Lega also plays a very active role in helping developing countries, particularly the Arab States, and Northern and Southern African countries.

VII. INTERNAL COHESION

The objective of the Lega is to awaken the Italian public to the need for a commitment to build up a large self-managed sector embracing cooperatives and any other forms of association. This means that cooperation will have to make the transition from a defensive movement to a movement open to all.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

The Lega has opted for a pro-European outlook (as witness the opening of the Brussels office) as a corollary of the aim of contributing to democratic economic cooperation at international level which underlies all its endeavours to reduce economic and social disparities throughout the Community.

The Lega seeks to promote:

Community recognition of the cooperative as a form of business organization that should be developed and protected;

the appointment of representatives of the Lega to all the bodies acting as forums for consultations between the Community and economic and social interest groups;

proposals and comments by the Lega on EC policies;

the activities of the European cooperative movements in aid of developing countries;

relations between the Lega and its associations, on the one hand, and the Community Funds, as well as the EIB, the NCI, etc. on the other.

The Lega, together with the other two national cooperative organizations (AGCI and Confcooperative) was a founder member of CLICE (European Cooperatives' Intersectoral Liaison Committee).

IX. PUBLICATIONS

The Lega's official organ is *La cooperazione italiana*, published monthly. A daily bulletin on Lega activities is also issued. Some of the national sectoral associations publish periodicals.

X. SOURCES

1. *Annuario della cooperazione italiana 1982*. Vols 1-2, Editrice Cooperativa-Lega.
2. *Radiografia della cooperazione in Italia*, published by the Lega Research Department (Economic Section), Editrice Cooperativa-Lega.
3. *Il movimento cooperativo in Italia*, national conference on cooperation, Rome 27-30 April 1977, published by Ministero del Lavoro e della Previdenza sociale.
4. *Statuto della Lega*, approved at the XXXth Congress, 10-14 January 1978.
5. Papers read at the XXXIst Congress, Rome, 18-22 May 1982, published by the Lega.
6. Speech by Onelio Prandini given at the Lega's XXXIst Congress, Rome, 18-22 May 1982.
7. WALTER BRIGANTI: *Assemblée internationale sur le rapport nord-sud*, Rome (15-16 May 1982).

XI. INTERVIEW

Dr Walter Briganti, Head of External Relations, was interviewed on 9 September 1981 by Konrad Schwaiger, ESC General Secretariat, and by Ernesto Tosoni. Mr Andrea Camanzi, Brussels representative was interviewed on 3 July 1984 by Konrad Schwaiger and Fabrizio Grillenzoni.

Italian Federation of Voluntary Supplementary Mutual Aid
(Federazione Italiana della Mutualità integrativa volontaria) (FIM)
Member of the National League of Cooperatives and Mutual Benefit Societies
(Lega nazionale delle cooperative e mutue)

Chairman: ROMUALDO SCHIAVO
Address: Via Appennini 53
 00198 Rome
Tel.: (06) 844 07 45
 844 09 41

Basic data

Associated organizations: 1 070
 Members: 825 000 (2 500 000 family members)
 Registered capital: LIT 2 100 million (1984)

I. ORGANIZATION

1. Date of formation

On 28 and 29 June 1900 the first national social security congress was held in Milan. The Federazione Italiana delle Società di Mutuo Soccorso (Italian Federation of Mutual Aid Societies), was established at the end of the Congress. In 1912 the title was expanded to Federazione Italiana delle Società di Mutuo Soccorso e delle Casse e degli Istituti di Previdenza (Italian Federation of Mutual Aid Societies and Social Security Funds and Institutions). Dissolved by the Fascist regime in 1925, the Federation was revived in 1948. It incorporated the mutual aid societies which had survived and took its present name of Federazione Italiana della Mutualità.

2. Size and structure

The Federation acts as a national umbrella organization for voluntary mutual insurance schemes, supplementary funds and workers' mutual aid societies. The Federation covers only those mutual organizations which meet the following criteria: they must be entirely complementary or supplementary to public bodies; they must act as a stimulus to State aid; they must in practice be directly managed by the workers themselves.

For many years FIM has had no intermediate bodies between the central (national) organization and the local associated organizations. The setting-up of regional mutual aid associations has been under discussion for some years. A new constitution for the Federation was finally approved at the Bari Congress in March 1984. It provided for the setting-up of such associations within the Regional Committees of the National League of Cooperatives (Lega), to which the FIM belongs. The new constitution also provides for the setting-up of appropriate national sectoral committees to deal with problems specific to each sector.

Structure of the FIM by sector (1984)

ASSOCIATED ORGANIZATIONS

Mutual aid societies	500
Voluntary health insurance schemes	250
Supplementary funds	320
	1 070

MEMBERSHIP

Mutual aid societies	210 000
Voluntary health insurance schemes	245 000
Supplementary funds	370 000
	825 000

3. Administrative bodies*Congress*

The supreme body of the Federation, which decides its general policy and courses of action.

Board of Directors

Implements the Federation's policy between congresses.

Executive Committee

Manages the Federation in line with the decisions taken by the Board of Directors.

Board of Auditors

Monitors the Federation's financial and budgetary matters activities.

Arbitration Board

Carries out basic checks to ensure that member organizations are genuinely of a mutual and associative nature.

4. Decision-making procedure

In the various FIM bodies decisions are taken democratically by an absolute majority of those present.

5. Secretariat and staffing

FIM employs seven staff (three part-time).

6. Budget size and contribution criteria

The 1983 budget was LIT 173 752 646.

Discussions are underway about restructuring contribution criteria, to provide a more solid economic base and develop management efficiency at both the central and the local levels.

II. AIMS AND PRIORITY POLICIES

FIM's activity is based on a belief in the economic and social function of voluntary mutual aid. Such aid is regarded not as usurping the duties of the State or the public social security and welfare system, but only as a supplementary (on the basis of voluntary contributions) to that system, and as a stimulus to the establishment of an increasingly advanced social security system.

FIM is convinced that the State cannot meet all social security and welfare needs. Self-managing voluntary mutual aid schemes must therefore supplement public measures in the fields of health, social security and services, small-scale credit, etc.

III. ACTIVITIES

FIM is mainly active in the following sectors:

Pensions insurance

FIM seeks to work with State and other public bodies responsible for social security, in the belief that there is ample scope in this area for voluntary mutual aid.

Health care

Member organizations seek to alleviate social distress resulting from inadequacies in the public health service and to stimulate progress within that service.

Credit

In this field, FIM endeavours to consolidate demand for credit by organizing enterprises and individuals into mutual small-scale credit schemes.

Social activities and leisure time

FIM responds to new social needs by helping the elderly, the handicapped, families and individuals temporarily unable to work, the basic aim being to prevent society from overlooking their needs.

FIM believes that self-organization, on a mutual basis, of the demand for these services is the most effective way of assessing social needs of this kind.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

Under its policy of reviving mutual aid activities in Italy, FIM's legal committee drew up a draft law regulating the mutual aid movement. The new law was intended to replace the present law, which dates back to 1886.

The main points of the draft law are:

- a categorical statement of the principles of voluntary mutual aid in order to avoid infiltration of spurious elements into the movement;

- the introduction of direct monitoring by the Ministry of Labour and Social Security, with arrangements for auditing by the Ministry itself or by its recognized agents, as in the case of cooperatives;

- the setting-up — as in the case of cooperatives — of a central mutual aid board (attached to the Ministry of Labour) responsible for coordinating the voluntary mutual aid bodies;

- tax-relief arrangements for mutual aid activities;

- recognition on a supplementary basis of mutual credit activities, with a view to keeping the cost of borrowing as low as possible.

V. INFLUENCE ON COMMUNITY ACTIVITIES

Although one cannot speak of real influence as yet, FIM is undoubtedly interested in a European dimension and in coordination with the other mutual aid systems operating in Europe. This is shown by the organization, during the last Congress (Bari, March 1984) of a round table on the subject of 'Voluntary mutual aid and the social economy in the EC'. This involved the representatives of the supplementary mutual aid movement, cooperative movement and trade union movement in all EC Member States, as well as representatives of Community institutions. Among other things, the round table discussed the proposal to set up a Committee of European Mutual Benefit Organizations based in Brussels.

VI. PUBLICATIONS

FIM generally uses the various publications of the League of Cooperatives. Its associated organizations also have access to a number of sectoral bulletins and periodicals. In addition, 'Notizie FIM' is published periodically.

VII. SOURCES

1. *FIM's Rules — 1984.*
2. Topics for the 6th National Congress.
3. *Report by Mr Romualdo Schiavo, FIM President, to the 6th National Congress and to the round table between members of the mutual aid movement and representatives of the social economy in the EC, (Bari, March 1984).*
4. 'La mutualità volontaria', survey carried out for the FIM by IRPEOS (Istituto di Ricerca per i Processi Economici, Organizzativi e Sociali), 1984.

VIII. INTERVIEWS

The Chairman of the FIM, Mr Schiavo, was interviewed by Konrad Schwaiger, ESC General Secretariat, Studies and Research Division, at the round table held during the FIM Congress, Bari, March 1984; telephone conversations between Mr Schiavo and Fabrizio Grillenzoni.

National Union of Italian Cooperatives (Unione Nazionale Cooperative Italiane) (UNCI)

<i>President:</i>	Dr LUCIANO D'ULIZIA
<i>Secretary General:</i>	...
<i>Vice-presidents:</i>	ANTONINO RIGGIO
<i>Members of the Presidential Council:</i>	RODOLFI LIBRANDI VITO MARIELLA GIOVANNI GARAVELLO
<i>Address:</i>	Via San Sotero 32 00165 Rome
<i>Tel.:</i>	(06) 638 29 68

Basic data

Number of associated cooperatives:	2 612
Number of members:	196 522
Number employed:	approx. 5 000
Turnover:	LIT 740 000 million (1983)

I. ORGANIZATION

1. Date of formation and historical background

The National Union of Italian Cooperatives (UNCI) was founded in 1971. Four years later, on 18 July 1975, a decree from the Ministry of Labour recognized it as a national association for the representation, assistance and protection of the cooperative movement.

On 30 October 1975, the three existing cooperative associations (Conf-Cooperative, Lega and AGCI) lodged an appeal with the Regional Administrative Tribunal (TAR) against recognition of UNCI.

On 23 June 1980, as none of the litigating parties had taken any proceedings for over two years, the TAR for the Latium region declared the appeal by the three associations no longer valid.

However, in October 1980 a decree from the Ministry of Labour and Social Security annulled the 1975 ministerial decree granting UNCI legal recognition.

On 5 January 1981, UNCI appealed to the Latium TAR. It was opposed by the three associations and the Ministry of Labour.

On 8 June 1981, the Latium TAR accepted UNCI's appeal. This decision became operative from 1983, when UNCI joined the *Commissione Centrale delle Cooperative* (Cooperatives' Central Committee) at the Ministry of Labour. UNCI thus became the fourth legally recognized cooperative association.

2. Size and structure

Figures supplied by the Union show that 2 612 cooperatives belong to UNCI, with a total of 196 522 members. The member cooperatives come from the following sectors:

Consumers	72
Production and Labour	109
Farming	429
Construction	1,607
Fishing	21
Mixed	374

Geographically, the cooperatives which belong to UNCI are mostly from Sicily, Piedmont, the Marches and Apulia. Some of the consumer associations formed by ACLI (Christian Association of Italian Workers) and some of those set up by CISL (Italian Confederation of Free Trade Unions) belong to UNCI.

UNCI's managerial headquarters is in Rome. This is supplemented by a local network of federations, generally corresponding to administrative regions. The federations are governed by independently drawn-up rules, and have their own administrations with independent assets. These represent UNCI in the respective districts, in line with the programmes and policy directives issued by the National Congress.

UNCI's member bodies also meet in national associations according to the various sectors of activity. The national associations decide on action in their respective sectors, following the general policy of the union.

3. Administrative bodies

The *National Congress*, whose delegates are elected by proportional representation at the congresses of the local federations, is the governing body of the union. It generally meets once every three years. The National Congress approves the report of the General Council, sets broad guidelines for UNCI action, debates amendments to the statute, and elects the General Council, the Board of Auditors and the Court of Arbitration.

The *General Council* runs the union between one congress and the next. It fixes the date and agenda of the National Congress, and elects the president, vice-presidents and the members of the executive committee. Its members are appointed by the National Congress, representatives of the regional federations and representatives of the national associations. Young people and women must be adequately represented on the General Council.

The *Executive Committee* runs the union according to the decisions of the National Congress. It deals with administration and preparation of the budget and final accounts, decides on the line to be taken in the Union's publications, convenes the National Congress, and appoints union representatives on advisory bodies and national committees. The General Council appoints the Executive Committee members. Sectoral associations elect their representative according to their own rules.

The *Presidential Council* is made up of the president, one or more vice-presidents, and the secretary-general. The Council sees that the decisions of the Union's governing bodies are implemented and coordinates the activity of the union with that of the sectoral associations.

The *President* represents the union, convenes and chairs the meetings of the General Council, the Executive Committee and the Presidential Council, and sees that the decisions of these bodies are implemented promptly and fully.

The *Board of Auditors* checks the union's administration and auditing, seeing that the books are kept in order and that the laws, rules and decisions of the Congress are observed.

The *Court of Arbitration* is the final arbiter in any disputes between bodies associated to the union or between these bodies and the union. There is no right appeal against its decisions.

4. Decision-making procedure

In the various UNCI bodies, decisions are taken by an absolute majority of those present.

5. Secretariat and staffing

The central body of UNCI has a staff of 26. The Executive Committee decides on staffing, appoints officials, and fixes work conditions and pay.

6. Budget size and contribution arrangements

In 1983, UNCI's turnover was LIT 740 000 million. Secretariat expenses account for LIT 948 million. The National Congress approves contributions policy, fixing the amount and the implementing criteria for ordinary annual contributions from the associations.

II. AIMS AND PRIORITY POLICIES

UNCI is a free and independent body, independent of any political party and open to all those who believe in cooperation as an instrument of solidarity and a civilizing influence¹.

The union seeks to encourage the development, coordination and discipline of the cooperative and mutual assistance movement, according to the needs of workers, producers and consumers, bearing in mind the general interests of the national economy, and as an instrument of change in the structure of society.

It seeks to devise and carry out action to secure appropriate legislative reform in favour of cooperatives, within the institutions concerned, and to take part in national and international activities to upgrade the cooperative movement and encourage the development of economic and social relations between cooperative organizations both in Italy and abroad.

UNCI sees the development of cooperative activities as crucial in ensuring that economic and social progress is accompanied by civil and democratic growth; the free association of individuals, based on solidarity and self-government, brings the chance of having a considerable influence on economic and social life.

Lastly, UNCI remains independent of any political party, while retaining its particular popular Christian identity². Its policy is one of broad participation, making its associates permanent, informed protagonists rather than passive spectators.

III. ACTIVITIES

(a) Economic activity

The *agricultural sector* is one of UNCI's stronger areas, more especially in the Mezzogiorno, with several hundred cooperatives and various member associations. The farm cooperatives associated to UNCI cover the various subsectors: land tenancy, processing companies, marketing of products, jointly-owned livestock accommodation cereal drying plants, cheese factories.

In the *production and labour sector*, UNCI seeks to use the potential of the cooperative system to improve working conditions. This involves a sector-by-sector analysis to pinpoint the potential which

¹ UNCI rules.

² Senator Antonino RIGGIO in the editorial of *Cooperazione e sviluppo*, No 1, June 1983.

exists in relation to the manpower available, giving particular attention to the problem of employment.

In the *building sector*, which accounts for the majority of cooperatives belonging to UNCI, the aim is to see that homes are offered as cheaply as possible, limiting the portion of housing costs in the family budget. The union lobbies government, local and regional authorities to grant adequate funds and financing to encourage home ownership.

In the *distribution sector*, UNCI sees that consumer cooperatives play an important role in consumer service. Special attention is given to the quality of the products marketed. UNCI also feels that consumer cooperatives should be association-based. It seeks to collaborate with similar bodies at international level and with other cooperatives.

(b) Social activities

UNCI attaches great importance to the vocational training of the members, managers and employees of cooperatives and associations. This is carried out by the central school in Rome and through the various centres in different parts of Italy. The FIDETCOOP Studies and Research Institute, set up by the union, plays a major part in this. UNCI is also trying to develop cooperatives in non-traditional sectors, such as social services and help for the old and the handicapped. The union organizes an annual event, the *Giornata del Cooperatore* (Cooperative workers' day).

(c) Cultural activities

Apart from publishing its own periodicals, UNCI belongs to the Luzzatti Institute of Cooperative Studies, to which it contributes. It also plans to set up new training centres, *inter alia* to provide training and refresher courses for specialist teachers on cooperatives, and to make known works produced by the cooperative movement nationally and abroad.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

UNCI has five members on the *Commissione centrale della cooperazione* (Cooperative central committee) of the Ministry of Labour, as the other three cooperative associations do. It also sits on the regional and local institutions which admit representatives of legally recognized cooperative associations. The union helped in the preparation of the draft Marcora law on the conversion to cooperatives of companies hit by the recession.

UNCI feels there is a need for coordinated legal reform of the civil law governing cooperatives, and calls for specific laws to govern the individual sectors of cooperative activity. Lastly, UNCI calls for decentralization, particularly at regional level, of the public bodies which supervise cooperative activity.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

None.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

UNCI has links with the International Cooperative Alliance (ICA).

VI. INTERNAL COHESION

As the newest legally recognized cooperative association, UNCI is marked by its energy, both centrally and at regional level, deployed in sustained debate between its various bodies and the economic and social life of the country.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

UNCI has made a number of contacts with the EEC Commission, particularly in Directorates V and XVI, covering such areas as vocational training and regional policy.

IX. PUBLICATIONS

The Union publishes the monthly *Nuova azione cooperativa* (New cooperative action) and *Cooperazione e Sviluppo* (Cooperation and Development), a fortnightly bulletin *Rassegna*

quindicinal, as well as regional publications such as *Cooperazione piemontese* (Cooperatives in Piedmont) and sectoral publications.

X. SOURCES

1. UNCI Rules.
2. *L'impegno dell'UNCI nella società italiana* (brochure issued by the Union).
3. *Cooperazione e Sviluppo*, 1 June 1983.
4. *Nuova azione cooperativa*, 1 April 1983.

XI. INTERVIEWS

Mr Giuseppe Tarantello, former Secretary-General, and Dr Luciano D'Ulizia, President, were interviewed on 22 September 1983, 5 July 1984 and 11 July 1984, by Konrad Schwaiger, ESC General Secretariat, Studies and Research Division, and Antonio D'Amico.

2. Agriculture

Italian Federation of Agricultural Consortia (Federazione Italiana dei CA) (Federconsorzi)

<i>President:</i>	FERDINANDO TRUZZI
<i>General Manager:</i>	LUIGI SCOTTI
<i>Address:</i>	Via Curtatone, 3 00100 Rome
<i>Tel.:</i>	(06) — 4664
<i>Telex:</i>	6100010 — FEDIT I

Basic data

Number of member organizations:	75 agricultural consortia
Number of individual members:	approximately 400 000
Number of employees:	15 170 (Federconsorzi and agricultural consortia) 3 300 (local agencies of provincial agricultural consortia)
Turnover 1983:	LIT 2 530 000 million (Federconsorzi) LIT 6 350 000 million (Federconsorzi and agricultural consortia) LIT 10 000 000 million (Federconsorzi, agricultural consortia and subsidiaries)
Market shares:	(a) agricultural credit 15% (b) animal feed 13% (c) farm machinery: tractors 36% combine harvesters 45% (d) petroleum products: agricultural fuel depots 51% lubricants 45% (e) fertilizers/pesticides fertilizers 55% weed killers 52% (f) certified seeds: cereal seed 60%

I. ORGANIZATION

1. Date of formation and brief historical outline

The federation was set up on 10 April 1892 in Piacenza, the deed of formation being signed by 18 agricultural organizations and 33 individuals. The federation accordingly came into being at the wish of a group of cooperators, highly respected members of the farming community and agricultural organizations (committees, consortia, unions, clubs and banks).

2. Size and structure

Federconsorzi is a secondary cooperative society with limited liability whose members are primary cooperatives (also with limited liability) whose aim is to help boost agricultural production through commercial and credit transactions.

The consortia comprise some 400 000 individual farmers and farming partnerships, and each consortium covers an area corresponding to a province or in some instances several adjoining provinces.

There are 75 consortia, 58 covering one province and 17 covering more than one province.

The 3 300 agencies run by the agricultural consortia enable them to maintain close links with farmers. Six inter-regional offices provide liaison between Federconsorzi's central offices and the agricultural consortia. These interregional offices are located in the main Italian towns (Milan, Padua, Bologna, Naples, Palermo and Rome) and come directly under the general manager.

Federconsorzi also has satellite organizations including a large number of (directly or indirectly) controlled associated companies, which form an extension of Federconsorzi. These companies operate principally in the following sectors:

the processing of farm produce;

the production and distribution of agricultural inputs;

the dissemination of printed information pertaining to the agricultural sector;

comprehensive insurance cover for agricultural production.

Federconsorzi controls some 70 companies, the most important being:

Fabbrica Interconsorziale do Concimi e Prodotti chimici della Campania;

SIPCO (Società Interconsorziale Pugliese Concimi chimici);

Fabbrica di Perfosfati;

Società Interconsorziale Romagnola;

SITOCO (Società Interconsorziale Toscana Concimi).

This group of companies produces mineral superphosphate and chemical fertilizers in general.

SIAPA (Società Italo-Americana prodotti antiparassitari).

This company makes pesticides (insecticides, fungicides, weed-killers) for farm, public and domestic use. It carries out applied research and trials.

SILCHIM (Società Italiana Lavorazioni Chimiche)

Manufactures pesticides for use in agriculture;

Officine meccaniche carpi

(Manufactures machinery and equipment for the application of pesticides, liquid fertilizers and weed-killers in farming).

AMICA

Manufactures mechanical equipment (liquid sprayers and dusters) for applying chemical products in agriculture.

Società Sementi Nazareno Strampelli;

SISFORAGGERA (Società Italiana Sementi);

Società polesana produttori sementi.

These are companies with their own facilities for developing and testing new varieties of cereals and fodder crops. These organizations grow and select seeds from the varieties produced at their own centres and agricultural research institutes.

SMIA (Società Marchigiana Immobiliare Industriale Agricola).

Manufactures and markets compound feeds for livestock.

ARSOL (Industria Italiano Prodotti Sol).

Manufactures and markets supplements, mineral mixtures and milk substitutes for animal feeds.

Polenghi Lombardo.

Manufactures and markets certain types of liquid milk, cheese, and 'Optimus' butter.

Massalombarda.

Manufactures jams, fruit juices and fruit and vegetable preserves in general.

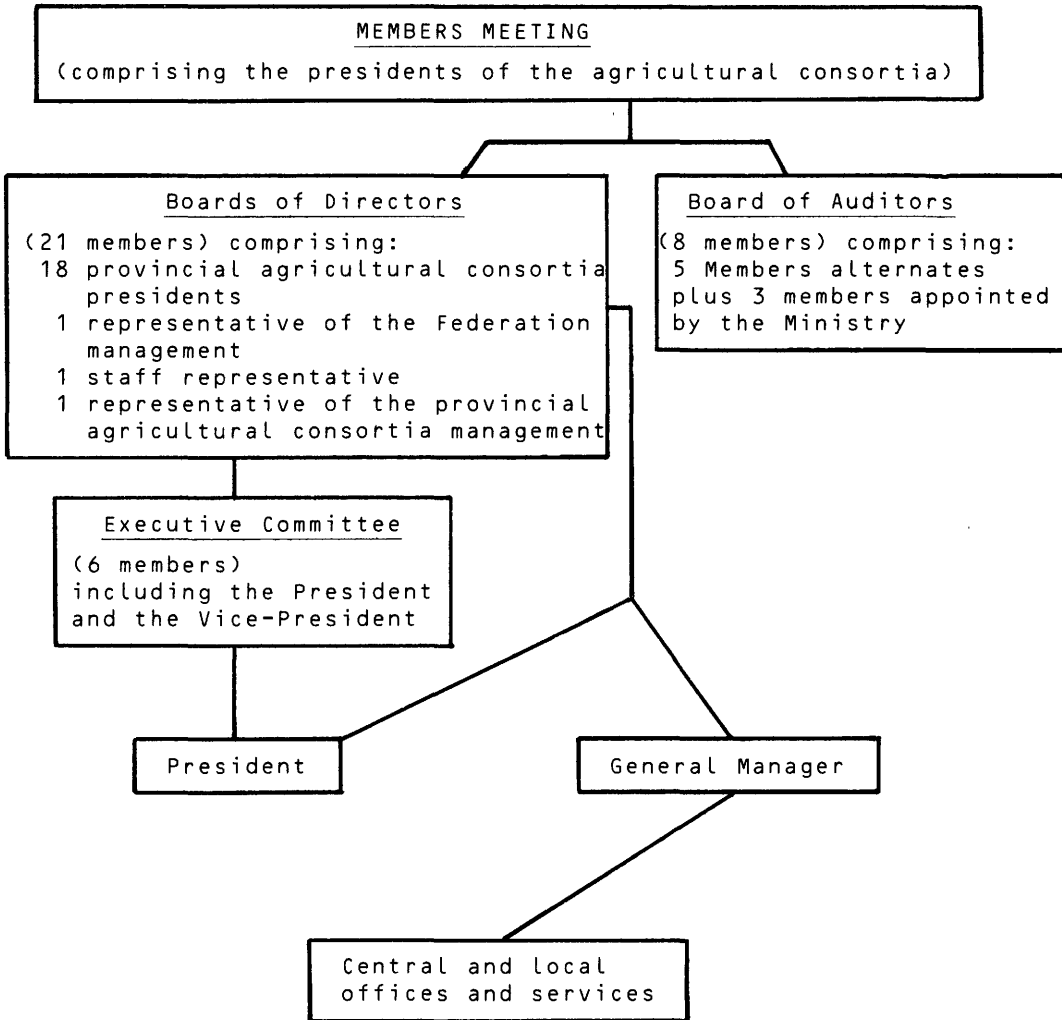
Zuccherificio Castiglione

Manufactures and markets beet sugar.

REDA (Ramo Editoriale degli Agricoltori).

Important publisher of information and specialized literature for the agricultural sector.

3. Administrative bodies



FATA (Fondo Assicurativo tra Agricoltori)

Provides farmers with insurance cover against hail, fire and accident, as well as life assurance, insurance against third party liability, transport risks, spoilage of produce, etc...

Links with member organizations

Federconsorzi has a three-tier structure. At the base there are the farmers, then come the agricultural consortia, and at the top Federconsorzi. The agricultural consortia form a link between the farmers and Federconsorzi. Relations with (directly and indirectly) controlled associated companies which are the ideal adjunct to this type of organization, are designed to ensure that Federconsorzi is properly represented in all specific agricultural sectors in a given area for the benefit of farmers.

3. Administrative bodies*Members meeting*

Approves the balance-sheet and profit and loss account for the previous year, and also the distribution of profits;

Appoints the board of directors and the board of auditors;

Discusses all the topics on the agenda for meetings of the board of directors.

Board of Directors

Decides on the general directives which the executive bodies must comply with in the Federation's commercial and industrial operations;

Decides on the draft balance-sheet and profit and loss account which are to be submitted to the members' meeting for its approval.

Executive Committee

Decides on loans to be granted, the engagement and dismissal of personnel, and on the Federation's various financial transactions.

*Board of auditors**President**General manager*

Under the general manager come 30 services, 6 interregional offices (in Milan, Padua, Bologna, Rome, Naples and Palermo — see point 2), which provide liaison between the headquarters and the agricultural consortia. These six interregional offices have a stimulating function and provide technical, organizational, marketing and financial guidance, as well as coordinating relations with the Councils and with ordinary or special status of the regions.

Offices in Brussels, Paris, London, Frankfurt, Munich and Zurich, and a representative office in Washington, promote agricultural trade.

The offices and services deal with the following:

Foodstuffs pooling agricultural supplies, property and associated companies, national cooperation committee, internal administrative coordination, finance, legal matters, agricultural machinery, feeding-stuffs and pooling of miscellaneous products, oils, organization, horticulture, floriculture and nursery plants, personnel, fuels and lubricants, marketing and publicity, general accounting, labour relations, foreign relations, statements of account and special administrations, secretariat and general affairs, seeds, agricultural technology, transport, insurance (via FATA) and distribution, taxation, agricultural produce sales, wines, zootechnics, relations with the regions, relations with the EC and other external relations.

4. Decision-making procedure

At members Meetings, decisions are adopted by an absolute majority of the votes.

The board of directors and the executive committee have a quorum when a majority of the members in office are present; resolutions are passed by a majority of the votes of those present.

As the federation is an economic organization decisions have to be implemented promptly.

5. General manager and head of personnel

The general manager is the head of personnel. He is responsible for the running of all the services and offices.

He is assisted by four deputy general managers: Mr Giulio De Porto, Dr Eraldo Fiorentini, Dr Mario Mioni, Dr Valentino Placido.

There is a total of 15 170 on the payroll, 1 800 being employed at headquarters, 10 710 in the agricultural consortia spread over the various sectors (plant and machinery maintenance, distribution, etc.). There are 2 660 people employed as representatives in the agencies. Staff career brackets and remuneration are governed by collective agreements.

6. Budget size and contribution arrangements

The federation's financial year runs from 1 January to 31 December. The accounts have to be submitted to the board of auditors within three months after the year-end, and (together with the board of directors' and the board of auditors' reports) to the members meeting within four months after the year-end.

The members of the federation are the agricultural consortia. Contributions are represented by shares with a nominal value of LIT 50 000. The federation's capital comprises shares paid up by members, and ordinary and special reserves.

The federation owns equipment, technical resources and holdings in companies engaging in activities connected with its objectives as laid down in its rules.

The balance-sheets as at 31 December 1982 and 31 December 1983 list the controlled associated companies.

A total turnover of some LIT 6 350 000 million was recorded by the agricultural consortia and Federconsorzi in 1983, with a profit of around LIT 2 250 000 million¹.

II. AIMS AND PRIORITY POLICIES

The aim of the federation is to contribute to the expansion and improvement of agricultural output. It accordingly seeks to promote prosperity for agriculture and the farming population.

III. ACTIVITIES

(a) Economic activity

The federation has become a driving-force behind the technical and economic development of agriculture in the face of changing national requirements and international developments on the agricultural front.

Its economic importance is evident in the crucial areas of agriculture: for instance through its agencies it grants 15% of the national total of *agricultural credit*; it accounts for 13% of *feeding-stuffs*; 36% of tractors; 45% of combine harvesters; 27% of motor mowers; 30% of self-propelled cultivators and 8% of hoeing machines; 41% of fuel; 45% of lubricants and 51% of agricultural fuel depots; 60% of fertilizers, 33% of pesticides, 52% of weed-killers; 55% of cereal seed, 55% of oleaginous fodder seed and 11% of vegetable seed.

The federation also encourages all forms of social and cultural activity which are beneficial to farmers.² The information given below shows that Federconsorzi pursues objectives which are closely linked with the needs of the agricultural sector; on the one hand, it ensures the immediate distribution of technical resources throughout the country, by means of the existing infrastructure and, on the

¹ Interview 10 July 1984.

² Interview with Mr Franco Fazi, of the general manager's staff.

other, it provides and facilitates agricultural credit. Throughout the country, Federconsorzi has:

- 3 300 distribution points for products used in farming and the same number of centres for farmers, providing all types of insurance, agricultural credit and printed information;
- 1 760 stores and silos with a capacity of some 28 million quintals;
- 500 workshops for servicing farm machinery; 1 580 agricultural fuel depots;
- 12 fertilizer plants; two pesticide plants; one plant producing manufactured goods; 1 700 points of sale for foodstuffs.

The federation is under the supervision of the Ministry of Agriculture, although the Minister of Labour supervises the three national cooperative organizations in Italy.

(b) Social and cultural activities

Federconsorzi also seeks to promote cultural initiatives, while furthering the progress of Italian agriculture and protecting farmers' overall interests.

The organization makes a significant contribution to agricultural research and technical assistance for farmers.

The federation is accordingly active in the financial, technical, cultural and social spheres.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

Federconsorzi plays a prominent part at regional level. The primary channels for exerting influence are accordingly at regional level, although the organization is also active at national and Community level. Federconsorzi guides and coordinates the activities of the officials accredited with the regional governments and, through them maintains contact with the agricultural consortia which in each region coordinate relations with the relevant authorities. Draft regional legislative is monitored and reported on the central office so that action can be taken in the appropriate quarters. Upon request, or of its own accord, Federconsorzi also proposes measures to further farmers' interests.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

Federconsorzi studies measures proposed by the Commission and the Opinions thereon of the European Parliament and the Economic and Social Committee.

It coordinates participation in the work of the Presidium of COPA and of COGECA, of which it is a founder member. It studies the stance to be adopted by the organization's representatives within COPA and COGECA.

It nominates experts for specialized sectoral committees and advisory committees of the EC and takes note of the results of their work.

It maintains contact with the Brussels liaison office, and coordinates its activities in line with the requirements of the central offices and services and the agricultural consortia.

Federconsorzi is the only Italian agricultural cooperative organization represented on COGECA as a full member.

Representatives of the central agricultural cooperative organizations sit on the EC advisory committees and attend preparatory meetings at COGECA. Confcooperative is also an affiliated member of COGECA.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The European Confederation of Agriculture.

The International Federation of Agricultural Producers.

VII. INTERNAL COHESION

Thanks to its comprehensive and efficient organization the Federation has a high degree of internal cohesion, which is further enhanced by the federation's unremitting promotional and information activities. It also organizes debates and conferences, which are designed primarily to sustain farmers' interest and encourage them to become involved in matters which directly concern them, and secondly to provide up-to-date information on local problems.

The federation is also very active in publishing (it owns a publishing company REDA (Ramo Editoriale degli Agricoltori); it publishes *l'Enciclopedia Agraria*, periodicals and journals, and technical books on farming.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

The federation is a founder member of COPA and COGECA.

It is the only Italian agricultural cooperative organization covering the whole country.

It is represented on the Economic and Social Committee (by Dr Umberto Emo Capodilista, who is a former board member) and on the various advisory committees of the EC.

Being extensively represented at European level, the federation is in a position to offer the Community the benefit of its experience in the most diverse sectors.

Federconsorzi accordingly pursues the twofold objective of protecting the groups it represents and of helping to enhance Italy's position within the framework of the Community's agricultural policy.

IX. SOURCES

1. The Federation's Rules.
2. Reports on the 89th and 90th years of activity (Rome, 29 April 1981 and Rome, April 1982).
3. REDA catalogue, 1980.
4. Document on the Sondrio conference of 16 October 1980.
5. Brochure on the Federation.

X. INTERVIEWS

1. 13 July 1981, Rome, Dr Antonio Bettei, Deputy General Manager.
2. 2 June 1982, Rome Dr. Mario Mioni.
3. 10 September 1982, Rome, Mr Franco Fazi.
4. 4 July 1984, Rome, Mr Ferdinando Monti, head of EC relations.
5. 10 July 1984, Rome, Mr Ferdinando Monti.

(Interviews conducted by Konrad Schwaiger, ESC General Secretariat, Studies and Research Division (3 and 5), by Ernesto Tosoni (1, 2 and 3), and by Antonio D'Amico (4).)



Luxembourg

Chapter I: Introduction and overview

A. OVERVIEW OF ORGANIZATIONS AND ENTERPRISES IN THE COOPERATIVE MUTUAL AND NON-PROFIT SECTOR

1. Historical background^[1]

The first Luxembourg cooperatives date back to the late nineteenth century and the early twentieth century. Their activities were mainly confined to the agricultural and food distribution sectors.

The sector did not really begin to develop until the end of the First World War when a large number of cooperatives were set up. Some of these, particularly in the distribution sector, are still in existence at present.

Mutual aid societies began to appear as of 1849.

The legal framework

The law of 10 August 1959 governing commercial companies defines a *cooperative society* as follows:

'A cooperative society is one made up of members whose number and contributions are variable and whose shares are not available to third parties.'

Each cooperative is an independent body managed by:

- a general meeting
- a board of directors
- a management committee
- a supervisory committee.

Agricultural cooperatives may adopt either the rules of a cooperative society or those of an agricultural non-profit making association. Agricultural para-cooperatives can choose between the six statutory forms (including that of a cooperative society) provided by the law governing commercial companies.

A mutual aid society is defined as one which is recognized as such by the Minister for Social Security, provided that its rules comply with the law of 7 July 1961 governing mutual aid societies and with the Grand Duchy Regulation of 31 July 1961 setting out the *modus operandi* of these societies.

2. Size of the cooperative, mutual and non-profit sector in the Luxembourg economy

(a) Proportion of the various economic sectors

The section on agricultural cooperatives shows to what extent the agricultural sector is made up by cooperatives.

In 1982, the turnover of LFR 1 500 million for consumer cooperatives was equal to 12% of the Luxembourg total. These cooperatives have some 26 000 members and employ 287 people.

Cooperative societies play only a small part in the rest of the Luxembourg economy (for example in the production, distribution, small-firm and services sectors).

Mutual aid societies had a combined revenue of approximately LFR 306 million in 1983, equal to 0.53% of the total revenue of the social security system. They accounted for 0.5% of social security expenditure and 0.42% of benefits.

The mutual benefit sector employs 25 salaried staff.

(b) Sectors in which cooperative and mutual benefit enterprises are active

Cooperative and para-cooperative societies in Luxembourg are mainly active in the agricultural and consumer sectors and, to a lesser extent, in the production, distribution and small-firm sectors.

There are also mutual benefit societies which, under the terms of the law:

provide members, or their families, with assistance in cash or in kind in the event of illness, injury, disability, during old age or on the birth of a child;

pay members a special allowance if they are unable to work for a prolonged period;

contribute to members' funeral expenses or those of their family;

pay an allowance in the event of the death of a member or members of his family;

pay a special unemployment allowance;

encourage saving;

make loans available to members;

to provide retirement pensions;

provide insurance cover against third party risks;

to grant members an allowance for the death of live-stock or for damage caused to crops by hail or other acts of God.

The aim of the mutual aid societies is to supplement the state social security system.

3. Structure of the cooperative, mutual and non-profit sector

The agricultural cooperatives, which include the agricultural banks, belong to a single horizontal organization which covers all the facets of agricultural activity. This organization is the Centrale paysanne luxembourgeoise (Luxembourg Central Agricultural Association).

The consumer cooperatives are members of three sectoral trade organizations which, whilst not exactly cooperating together, have regular discussions in an informal body, l'Entente des coopératives de consommation (Consumer Cooperatives Association).

There is no specific intersectoral organization or government body for the cooperative sector.

The mutual aid societies belong to the Fédération nationale de la mutualité luxembourgeoise (FNML) (National Federation of Luxembourg Mutual Societies). The FNML and its members are monitored by the Conseil supérieur de la mutualité (Supreme Council for Mutual Societies).

The Supreme Council for Mutual Societies is made up of seven members appointed for a four-year term of office by the Grand Duke on the basis of a proposal from the Minister for Social Security. Its task is to report to the relevant Minister on all regulations and other provisions which affect mutual aid societies and to supervise the financial management of these societies. It also makes proposals to the relevant Minister concerning the annual allocation of subsidies in the light of the yearly statements on the societies' financial position.

4. Economic, social and political context in which cooperative, mutual and non-profit organizations operate

The cooperative movement is strongest in the agricultural sector. It is a prime example of a sector of small enterprises and has been all the more disposed towards a joint approach in view of the limited surface area and the small number of very large farms. The economies of scale achieved by pooling resources have most certainly enabled Luxembourg farmers to face the competition from their neighbours in the European Community on the best possible terms.

Despite the laws which have impeded their expansion, the success of the consumer cooperatives is undoubtedly also due to the much greater degree of solidarity evident in a small country where many people know one another and are willing to embark on projects together.

Even though its revenues and the benefits it provides are modest in comparison with those of the social security system, the mutual benefit movement nevertheless plays an important role as an additional insurer and covers nearly 80% of the population of Luxembourg.

5. Definition and special functions of the cooperative, mutual and non-profit sector as compared with the public and private sectors

The principal aim of cooperatives and mutual-benefit societies is to enable individuals and legal entities to work together on the broad basis of the Rochdale principles.

The term 'social economy'^[2], used in France to refer to the whole of the cooperative, mutual and non-profit sector, is not in common use in the Grand Duchy of Luxembourg, although there are no objections of principle to its use.

Strictly speaking, there is no 'public-benefit' sector run by the unions in Luxembourg. However, it should be noted that the unions were behind the setting-up of the consumer cooperatives and keep a very close watch on their activities^[3].

B. THE SPECIFIC ROLE OF ORGANIZATIONS AND ENTERPRISES IN THE COOPERATIVE, MUTUAL AND NON-PROFIT SECTOR

The Centrale paysanne luxembourgeoise is the only organization that plays a specific role in the Luxembourg agricultural sector. In its capacity of a trade organization, of a body acting as Chamber of Agriculture and, through the companies it has set up, of a holding company; it is both the natural partner of the whole of the farming community and the inevitable partner of the public authorities in everything concerning agriculture.

The main role of consumer cooperatives is to regulate prices in the interest of their members.

The role of the mutual benefit sector is basically to supplement the social security system.

C. NATIONAL ORGANIZATIONS IN THE COOPERATIVE, MUTUAL AND NON-PROFIT SECTOR AND THEIR MEMBERSHIP OF EUROPEAN GROUPINGS

<i>Luxembourg organizations</i>	<i>Community-level bodies to which they are affiliated</i>
Centrale paysanne luxembourgeoise	Committee of Agricultural Organizations in the EEC (COPA) General Committee for Agricultural Cooperation in the EEC (COGECA)
Entente des coopératives luxembourgeoises	European Community of Consumer Cooperatives (Eurocoop)
Fédération de la mutualité luxembourgeoise	

D. VIEWS OF THE COOPERATIVE, MUTUAL AND NON-PROFIT ORGANIZATIONS WITH REGARD TO EUROPEAN INTEGRATION

The Centrale paysanne luxembourgeoise has a long tradition of cooperation with the Community bodies and institutions.

L'Entente des coopératives luxembourgeoises only joined the European Community of Consumer Cooperatives (Eurocoop) in 1973.

The Fédération nationale de la mutualité luxembourgeoise has bilateral links with mutual benefit bodies in other Member States.

E. SOURCES

Information on consumer cooperatives supplied by Mr Pierre Conrardt, Secretary of the Entente des coopératives luxembourgeoises.

Centrale paysanne luxembourgeoise, *Centrale paysanne luxembourgeoise — Berufsorganisation der Luxemburger Landwirtschaft*, April 1982.

COGECA: *Les coopératives agricoles et de la pêche dans la Communauté européenne, chapitre VIII: 'La coopération agricole au Grand-Duché de Luxembourg'*, 1983.

Memorial: Arrêté grand-ducal du 17 septembre 1945, portant révision de la loi du 27 mars 1900 sur l'organisation des associations agricoles (Amending law on the organization of agricultural non-profit-making associations).

Memorial: Loi du 7 juillet 1961 concernant les sociétés de secours mutuels (on mutual aid societies).

Memorial: Règlement grand-ducal du 31 juillet 1961 déterminant le fonctionnement des sociétés de secours mutuels (defining operating procedures for mutual aid societies).

Memorial: Règlement grand-ducal du 19 juillet 1961 qui détermine l'organisation et le fonctionnement d'une commission supérieure d'encouragement des sociétés de secours mutuels. (Defining the organization and operating procedures for a Higher Committee for fostering mutual aid societies).

F. REFERENCES

[1] For further details, see brief historical outlines given in the papers on the sectoral organizations.

[2] See definition in the section on France.

[3] See section on consumer cooperatives.

Chapter II: Cooperative, mutual and non-profit organizations in Luxembourg

A. Cooperative and para-cooperative sector

1. The agricultural cooperative and para-cooperative sector

1. Basic data (1983)[¹]

<i>Sector</i>	<i>Number of central bodies</i>	<i>Proportion accounted for by agricultural cooperatives</i>
Milk	1	75% of the milk collection round
Cereals	2	70% of the harvest
Compound feedingstuffs	2	65% of consumption
Fat stock	1	25% of production
Slaughtering and meat	1	30% of production
Eggs	1	10% of production
Supplies		
fertilizers	3	70% of consumption
machinery	1	45% of requirements
Seeds and plants	2	95% of production
Potatoes	3	40% of the harvest
Wine	2	65% of production
Artificial insemination	1	70% of the beef herd
Banking	1	— 62 affiliated agricultural banks — 75 of the agricultural banking sector
Mutual aid associations	4	2 100 members

1 500 employees

Overall turnover: LFR 8 000 million (excluding the agricultural banking sector).

2. Brief historical outline

The first agricultural cooperative in Luxembourg was a 'comice' (association) set up in 1873.

Numerous other local agricultural cooperatives subsequently emerged throughout the country. These included agricultural and wine-producers' associations, cooperative dairies, banks, livestock farmers' associations and marketing associations.

It was not until after the Second World War, — when a general trade organization for the agricultural sector, the Centrale paysanne, was set up — that a shift began towards the centralization of decision-making procedures and economic instruments. Gradually, the majority of local cooperatives disappeared, giving way to an organized group of nation-wide cooperative and para-cooperative bodies.

3. Size and structure

Many cooperatives have adopted the rules of an agricultural non-profit association.

Table D7: Luxembourg

Cooperative sector	Mutual sector
<p data-bbox="213 345 333 370"><i>Agriculture</i></p> <div data-bbox="213 381 683 481" style="border: 1px solid black; padding: 5px; text-align: center;">Centrale paysanne luxembourgeoise</div> <p data-bbox="213 551 333 577"><i>Consumers</i></p> <div data-bbox="213 583 683 690" style="border: 1px solid black; padding: 5px; text-align: center;">Entente des Coopératives Luxembourgeoises</div>	<div data-bbox="950 481 1420 587" style="border: 1px solid black; padding: 5px; text-align: center;">Fédération Nationale de la Mutualité Luxembourgeoise (FNML)</div>

As these rules impose certain restrictions and do not cover a large number of commercial activities, various cooperative and para-cooperative enterprises have preferred to adopt one of the six other legal forms provided for in the law governing companies, one of which is the cooperative society.

Agricultural cooperatives cover a number of areas within the agricultural sector.

Purchasing and sales

The *Fédération agricole d'achat et de vente* (Agricultural Purchasing and Sales Federation) is the main supplier of fertilizers, agricultural machinery and equipment and other farm inputs.

Certain *agricultural banks* are also involved in purchasing and sales activities in conjunction with the Agricultural Purchasing and Sales Federation.

The *Fédération des associations viticoles* (Federation of Wine Producers' Associations) provides the necessary supplies for wine producers.

Services

The *Caisse centrale Raiffeisen* is the central savings and credit body for the agricultural sector. With its 62 local agricultural banks, it plays a dominant role in the financial affairs of the Luxembourg agricultural sector. Its consolidated balance-sheet in 1983 was somewhere in the region of LFR 19 000 million.

Other cooperative and para-cooperative bodies offer a varied range of services for farmers: local livestock unions, a bureau of consultant engineers and associations for mutual assistance and the pooling of agricultural equipment.

Processing and marketing

The *Luxlait* agricultural association handles more than 75% of the country's milk production.

A purchasing and sales syndicate markets fat stock, whilst a farmers' professional abattoir handles slaughtering and the processing and marketing of meat.

Local and central cooperative and para-cooperative bodies operate in the cereals, compound feed-stuffs, seed, horticultural and market-gardening produce and potato sectors.

Five wine cellars, agricultural associations, have formed a central cooperative, *Vinsmoselle*, which markets more than 55% of the wine produced.

The *Centralmarketing* group markets agricultural products, both at home and abroad.

All of these cooperative and para-cooperative bodies are represented by the Centrale paysanne, which is the central trade organization and acts as Chamber of Agriculture for the Grand Duchy of Luxembourg.

Luxembourg Central Agricultural Association (Centrale paysanne luxembourgeoise)

<i>President:</i>	NORBERT FUNCK
<i>Honorary President:</i>	RENÉ WESTER
<i>Secretary-General:</i>	MATHIAS BERNIS
<i>Address:</i>	16 Boulevard d'Avranches P.O. Box 1401 2980 Luxembourg
<i>Tel.:</i>	48 81 61
<i>Telex:</i>	2518 paysan lu

I. ORGANIZATION

1. Date of formation

Agricultural trade organization created on 16 November 1944.

2. Size and structure

Membership of the Centrale paysanne takes in 4 000 farmers, i.e. 96% of farmers in Luxembourg, are members.

Twelve cooperatives and agricultural federations are also members.

3. Administrative bodies

The Select Committee,

The National Agricultural Council,

The General Meeting,

The Cantonal Assembly,

The local delegates,

The Agricultural Congress.

The *Select Committee* is made up of the 12 cantonal delegates who received the highest number of votes in their respective cantons. It is responsible for running the Centrale paysanne.

The *National Agricultural Council* is made up of the members of the Select Committee and representatives of the affiliated cooperatives and federations. It meets whenever necessary to discuss problems affecting the agricultural economy at both national and Community level. In accordance with the terms of a Grand Duchy decree on 10 October 1945, the National Agricultural Council acts as Chamber of Agriculture.

The *General Meeting* comprises 58 cantonal delegates, elected for a four-year period, and representatives of the member cooperatives and federations. It meets once a year.

The *Cantonal Assembly* brings together the members in each canton and elects the cantonal delegates.

The *local delegates* provide the link between the Centrale paysanne and the individual farmers.

The *Agricultural Congress* is made up of members of the Select Committee and the cantonal and local delegates. It only meets under exceptional circumstances, in order to lay down guidelines for agricultural policy.

4. Decision-making procedure

In theory, the Centrale paysanne puts its decisions to the vote, but in practice, it tries to reach a unanimous decision.

5. Secretariat and staffing

The Secretariat of the Centrale paysanne employs about ten people, seven of whom are executive staff. Several hundreds of people work for the companies it manages.

6. Budget size and contribution arrangements

The 1983 budget for the Centrale paysanne totalled some LFR 12 million Luxembourg francs.

Most of the funds come from members' contributions which are made up of a small standard rate plus an amount proportional to the acreage of a farm if it exceeds 10 hectares.

II. AIMS AND PRIORITY POLICIES

The aims of the Centrale paysanne are:

to represent and defend farming interests at all levels;

to advise the government and legislative bodies;

to set up and provide a wide range of services in the interests of farmers.

III. ACTIVITIES

Since it is unable to carry out any economic activities itself, the Centrale paysanne has formed and runs two holding companies:

CEPAL SA, a company which manages the assets of the Centrale paysanne (share capital: LFR 50 million);

DELPA, a cooperative society for the economic development and promotion of the agricultural sector (share capital; LFR 3 042 million).

Through these two companies it has set up and controls various companies with limited liability:

Centralmarketing (central organization for marketing);

Centralfood (agri-food industries, meat products);

Silocentrale (operating grain silos, compound feedingstuffs, seeds);

Centrale paysanne services (management and services);

Luxlait-produits (manufacturing of dairy products);

Agriconsult (engineering consultancy);

Eskimo Europ (ice cream and frozen foods);

Moulins de Bissen (industrial milling).

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

In its capacity as an agricultural trade organization, the Centrale paysanne can make a direct approach to the Minister of Agriculture, the government or to Members of Parliament.

In its capacity of Chamber of Agriculture, the Centrale paysanne delivers opinions on draft laws and regulations affecting the agricultural sector. It does this when consulted by the government, or on its own initiative.

The Centrale paysanne has three representatives on the Economic and Social Committee and, in addition, sits on a whole range of governmental committees.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The Centrale paysanne is a member of the following organizations:

Committee of Agricultural Organizations in the EEC (COPA);

General Committee for Agricultural Cooperation in the EEC (COGECA);

European Council of Young Farmers (CEJA).

The Secretary-General of the Centrale paysanne is a member of the Economic and Social Committee.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The Centrale paysanne belongs to the following bodies:

International Federation of Agricultural Producers (FIPA)

European Confederation of Agriculture (CEA).

VII. INTERNAL COHESION

Because Luxembourg is such a small country, all agricultural interests are structured horizontally. The interests of the cooperative sector are closely intertwined with those of the farming sector as a whole.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

The influence of the Centrale paysanne is mainly brought to bear through the Committee of Agricultural Organizations in the EEC and the General Committee for Agricultural Cooperation in the EEC.

IX. PUBLICATIONS

De Letzeburger Bauerakalenner, yearly calendar;

Le Letzeburger Bauer, weekly publication.

X. SOURCES

CENTRALE PAYSANNE LUXEMBOURGEOISE: *Centrale paysanne luxembourgeoise — Berufsorganisation der Luxemburger Landwirtschaft*, April 1982.

CENTRALE PAYSANNE LUXEMBOURGEOISE: *Statuten*.

COGECA: *Les coopératives agricoles et de la pêche dans la Communauté européenne*, chapitre VIII: 'La coopération agricole au Grand-Duché de Luxembourg' (1983).

Memorial, Arrêté grand-ducal du 17 septembre 1945, portant révision de la loi du 27 mars 1900 sur l'organisation des associations agricoles. (Amending the law on the organization of agricultural associations).

XI. INTERVIEWS

On 8 December 1982 and 29 August 1984, Mr Guillaume Theis, Assistant to the Secretary-General of the Centrale paysanne, was interviewed by Maxime Lauwens, ESC General Secretariat, Studies and Research Division.

XII. REFERENCES

[¹] Table taken from the COGECA brochure mentioned in point X. Updated by Mr Guillaume Theis, Assistant to the Secretary-General of the Centrale paysanne, in March 1983.

2. Consumer Cooperatives

1. Basic data

10 cooperatives

25 960 members

287 employees

Total turnover: LFR 1 420 million.

2. Brief historical outline

The first Luxembourg consumer cooperative was founded in the city of Luxembourg in 1905 by the Association des fonctionnaires^[1] (Association of Civil Servants).

Following the First World War, seven consumer cooperatives were set up by associations affiliated to the Fédération nationale des cheminots, travailleurs du transport, fonctionnaires et employés luxembourgeois^[1] (National Federation of Luxembourg railwaymen, transport workers, civil servants and salaried staff).

At the same time, the Syndicat ouvrier luxembourgeois^[1] (Luxembourg Labour Union) created three consumer cooperatives in the principal towns of Luxembourg.

Ten of those cooperatives are still operating, although some of them are finding it difficult to compete with hypermarkets and large stores.

Their expansion has been hampered by the laws of August 1934 and June 1962 which stipulate that 'authorization will not be granted for the opening of branches and subsidiaries, nor for the opening of consumer cooperatives. Existing cooperatives may not be transferred from one locality to another'.

These laws, which are unique in Europe, are tempered by a law of 26 August 1975 authorizing the opening of new cooperatives or subsidiaries, provided that they sell their goods at net prices, without allowing any discount to their members.

3. Size and structure

There are ten consumer cooperatives in the Grand Duchy of Luxembourg which were formed by the three aforementioned trade organizations^[1].

They enjoy the status of a cooperative society and each year return 'profits' to their members in the form of an allowance representing a proportion of their purchases.

The Entente des coopératives luxembourgeoises (Luxembourg Consumer Cooperatives Association) is an informal forum for discussion between the 10 cooperatives. It has no decision-making powers.

Luxembourg consumer cooperatives association (Entente des coopératives luxembourgeoises)

Secretary:

PIERRE CONRADT

Address:

c/o Fédération nationale des cheminots, travailleurs du transport, fonctionnaires et employés luxembourgeois,
Secrétariat général,
63, rue de Bonnevoie,
Luxembourg — Bonnevoie

Tel.:

48 70 44
499 05 88

I. ORGANIZATION

1. Date of formation

1 January 1972.

2. Size and structure

Heads of the 10 Luxembourg consumer cooperatives.

3. Administrative bodies

None.

4. Decision-making procedure

Decisions must be unanimous.

5. Secretariat and staffing

The Entente des coopératives luxembourgeoises is serviced by the National Federation of Luxembourg railwaymen, transport workers, civil servants and salaried staff.

6. Budget size and contribution arrangements

There is no budget.

II. AIMS AND PRIORITY POLICIES

Regular discussions on the various problems affecting consumer cooperatives.

III. ACTIVITIES

None.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

None.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The Entente has been a member of Eurocoop since 1973.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

None.

VII. INTERNAL COHESION

The cooperatives belonging to the Entente all have different ideologies and there is no real cohesion among them, in fact, the very existence of the Entente is rather shaky.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

The Luxembourg consumer cooperatives work through Eurocoop to influence Community activities.

IX. PUBLICATIONS

None.

X. SOURCES

Information provided by Mr Pierre Conrardt, Secretary of the Entente des coopératives luxembourgeoises.

XI. INTERVIEW

Mr Pierre Conrardt, Secretary of the Entente, and Maxime Lauwens, ESC General Secretariat, were in contact by telephone and letter during the months of December 1982, January 1983, and August 1984.

XII. REFERENCES

[¹] Affiliated to the Confédération générale du travail (CGT) luxembourgeoise (Luxembourg General Labour Confederation).

B. Mutual sector

The Luxembourg mutual benefit sector

1. Basic data (1983)

240 000 members

61 basic mutual benefit societies

1 national-level mutual medical fund

25 employees

Receipts: LFR 306 million

Benefits paid: LFR 187 million by the Caisse médico-chirurgicale mutualiste (CNM) (Mutual Medical Fund)

LFR 18 million by the basic mutual benefit societies.

2. Brief historical outline

The first mutual aid societies in Luxembourg were formed from 1849 onwards. Their main purpose was to provide financial assistance to members in the event of illness, to pay funeral expenses and to help bereaved families.

In 1891, a framework law on mutual aid societies granted official recognition to such societies and gave them certain advantages.

The 1901 law on compulsory sickness insurance for workers laid the foundations for the Luxembourg social security system.

The mutual aid societies subsequently sought to supplement the cover provided by the social security system.

In 1924, all the mutual aid societies joined together to form the *Fédération nationale des sociétés de secours mutuels* (National Federation of Mutual Aid Societies), which adopted the title of the *Fédération nationale de la mutualité luxembourgeoise* (FNML) (National federation of Luxembourg Mutual Societies) in 1972.

In 1956, the FNML set up the *Caisse médico-chirurgicale mutualiste* (CMCM) (Mutual Medical Fund).

3. Size and structure

The basic mutual aid societies are governed by the framework law of 11 July 1891 (amended by the law of 7 July 1961); by applying the principle of solidarity and engaging in welfare activities they seek to prevent health and social risks not covered by the social security system, to remedy their consequences, and, on a more general level, to encourage saving.

In addition to the basic societies, there is the national-level *Caisse médico-chirurgicale mutualiste* (CMCM) (Mutual Medical Fund), which offers certain additional benefits: help with the cost of major surgery or major medical or dental treatment, payment of part of the cost of a stay in hospital or a convalescent centre. Under certain circumstances the CMCM may also partially refund medical costs incurred abroad. Membership of the CMCM is open to all those belonging to the basic mutual aid societies.

All the basic mutual aid societies are members of the FNML.

A Supreme Council for Mutual Societies supervises the activities of the basic societies, the CMCM and the FNML^[1].

National Federation of Luxembourg Mutual Societies (Fédération nationale de la Mutualité luxembourgeoise) (FNML)

President: ROBERT POOS
Secretary-General: LÉON FRANSENS
Address: c/o Mr Robert Poos
 President of the Fédération nationale de la mutualité luxembourgeoise
 12, rue de Cologne
 4066 Esch/Alzette
 Grand Duchy of Luxembourg
Tel.: (352) 550942

1. Date of formation

Mutual aid society set up on 6 July 1924.

2. Size and structure

The FNML brings together 61 basic mutual aid societies and the CMCM.

3. Administrative bodies

The General Meeting;

The Board of Directors.

The *General Meeting* is made up of delegates from the affiliated societies. A General Meeting is held at least once a year.

The *Board of Directors* comprises ten members elected by the General Meeting and one member appointed by the Board of Directors of the CMCM.

4. Decision-making procedure

Decisions are taken by a simple majority.

5. Secretariat and staffing

The FNML's secretariat is operated by the President and the Secretary-General of the FNML, who receive no remuneration. Certain administrative tasks are carried out by the secretariat of the CMCM.

6. Budget size and contribution arrangements

The FNML budget for 1982 came to just over LFR 1 million.

The funds are derived mainly from the contributions of the affiliated basic societies. These contributions are fixed on the basis of the number of members.

II. AIMS AND PRIORITY POLICIES

The aim of the FNML is to:

engage in activities in the area of education, propaganda, research and documentation concerning the mutual benefit movement;

develop the activities of the mutual benefit movement with respect to welfare, solidarity and mutual aid;

coordinate and guide the efforts and activities of its members in the general interest;

encourage and stimulate the creation and improvement of welfare and mutual aid schemes, institutions and services;

defend by all possible means the common and individual interests (non-material, as well as economic and financial) of the affiliated societies;

set up, manage and administer supplementary schemes, institutions, services and funds for assistance, social welfare and mutual aid;
 organize congresses for the mutual benefit movement;
 to award medals to deserving members;
 to acquire property on the basis of proposals made by affiliated societies for the benefit of the same. (Art. 4 of the Rules).

III. ACTIVITIES

The activities of the FNML derive from the aims laid down in its rules.

The FNML has set up and contributes to the management of the CMCM. It concludes agreements with insurance bodies and with clinics and leisure centres abroad, particularly in France, Belgium, the Federal Republic of Germany and Switzerland.

The FNML maintains close links with the Fédération nationale de la mutualité française (National Federation of French Mutual Benefit Societies).

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The FNML sits on the Supreme Council for Mutual Societies.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The FNML is not a member of any European organization.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The FNML is a member of the International Association for Mutual Assistance.

VII. INTERNAL COHESION

The FNML is, by its very nature, an organization based on solidarity and this gives it a particularly high degree of cohesion.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

The FNML has no means of exerting direct influence on Community policy.

IX. PUBLICATIONS

De Letzeburger Mutualist, a periodical distributed free of charge to all members roughly twice a year.

X. SOURCES

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RÉPUBLICAIN LORRAIN: 87 000 familles affiliées à la Caisse médico-chirurgicale mutualiste (25 January 1983).

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XI. INTERVIEW

Mr Robert Poos, President of the FNML, was interviewed by telephone by Maxime Lauwens, ESC General Secretariat, during February, March and April 1983, and in July 1984. These telephone conversations were followed up by letter.

XII. REFERENCES

[¹] See Introduction.

The Netherlands

Chapter I: Introduction and overview

Foreword

The Netherlands is similar to many other European countries in that there is no single organization which can claim to represent the whole of the cooperative, mutual and non-profit sector. The organizations active in the sector are often very different in ideology and background, and it would be incorrect to assume, for instance, that the National Cooperative Council (NCR) has any kind of national role for the whole of the sector (NCR often prefers to use its full title 'National Cooperative Council for Agriculture and Horticulture' in order to make this clear).

A number of abbreviations have been used in the text: these are explained below:

- NV (Naamloze Vennootschap): a form of limited company where the share capital may be provided by any number of persons and where the shares are normally fully transferable. In the case of the larger NVs (capital and reserves exceeding HFL 10 Mio, mandatory employees council, more than 100 employees) there must be a supervisory board (Raad van Commissarissen) and a General Meeting of Shareholders in addition to the Management Board (Bestuur).
- BV (Besloten Vennootschap): a form of limited company designed to provide and ensure continuity and the retention of capital within a limited group of persons, e.g. a family. Normally the shares are held only by a small group of persons and are not transferable. BVs are not required to publish as much information about their activities as NVs, except in cases where they have a responsibility towards the public (e.g. in the case of banks).
- WA (wettelijke aansprakelijkheid): a form of cooperative where liability is limited to that laid down by law.
- BA (beperkte aansprakelijkheid): a form of cooperative with limited liability.
- UA (uitgesloten aansprakelijkheid): a form of cooperative with liability towards third parties excluded.

As the law on cooperatives in the Netherlands is part of the law of association, the term 'cooperative association' has been used to translate the Dutch term *coöperatieve vereniging*.

In the English text, the Dutch term *stichting* has been translated by 'foundation'. A *stichting* however is a legal body set up by individuals or corporations to serve the public good and has a legal status of its own.

A. OVERVIEW OF ORGANIZATIONS AND ENTERPRISES IN THE COOPERATIVE, MUTUAL AND NON-PROFIT SECTOR

1a Historical background

The cooperative movement in the Netherlands dates primarily from the last quarter of the nineteenth century, when many factors combined to create a favourable climate for the development of cooperatives. The example of the Rochdale pioneers and of Raiffeisen and Schulze-Delitzsch, the growth of technology, the rise of the labour movement, and the agricultural depression may all be cited as causes, though how far the agricultural depression was related to the rise of farming cooperatives is open to question. All these elements were directing attention to new ways of organizing commercial activity: philanthropic and other social movements were directing attention to the plight of the industrial and rural proletariat while the amendment of the law of associations in the year 1876 helped prepare the ground for change. The new law recognized the position of 'cooperative associations' as enterprises operated by and for their members, and gave them a legal status of their own^[1]. Long before this, however, mutual insurance companies and associations had

been in existence, and all these different inputs combined to make the Dutch cooperative, mutual and non-profit sector a wide mixture of different interests, often with very different goals, divided by region, by political party, or by religion. It may be helpful to give a brief summary sector by sector.

Insurance

Probably the oldest mutual organizations are the sickness funds, which can trace their history back to the journeymen's guilds in the seventeenth and eighteenth centuries.^[2] These funds were started to protect their members during unemployment or sickness, and their sickness cover was gradually extended to include members of the family and ultimately any member of the local community. In time they fell under the control of doctors or other professional groups and lost much of their mutual character. Late in the nineteenth century, new funds were set up by consumer and other cooperatives. Other forms of mutual insurance can be traced back to the beginning of the nineteenth century and even before: most of these were concerned with fire insurance of property and did not cover the whole range of general insurance and life assurance until the end of the century.

Housing

This sector began in the second half of the nineteenth century. Cooperative and mutual associations often grew up side by side with other forms (philanthropic foundations, associations set up by industrialists) and this pattern continued after the 1901 Housing Act which permitted private organizations to have access to public funds in order to erect dwellings 'in the public interest'. Housing corporations, as they came to be known, continued to play an important part in Netherlands housing policy throughout the twentieth century, but they are not strictly cooperatives and so on the borders of this study.

Production cooperatives

The first Dutch production cooperative was not set up until 1868, and was a cooperative printing works. Production cooperatives were often linked with the growth of industrialism and the emergence of the labour movement: they were frequently set up as the result of strikes or lockouts, and were closely connected with the emergent trade unions. But the trade unions and the Social Democratic party were never really sure whether they fully approved of production cooperatives or not. Periods of enthusiasm for this form of cooperation (usually during times of economic crisis or labour unrest) were followed by periods of complacency and failure: it was not really until after the Second World War that a real interest in production cooperatives began to develop.

Consumer cooperatives

The work of the Rochdale pioneers in the consumer field had much influence in the Netherlands. The first attempts to establish consumer cooperatives appear to date from the 1860s, but the first moderately successful consumer cooperative dates from 1876, when the Eigen Hulp (Self-Help) Cooperative for government officials was established in The Hague. In the years that followed, other consumer cooperatives grew up, but their growth reflected the divided nature of Netherlands society: regional cooperatives, local cooperatives, workers' cooperatives, catholic cooperatives, protestant cooperatives, some with the support of trade unions, other without. Mergers took place to bring the main groups together, but the tradition of local autonomy was strong, and the wholesale side of the consumer business was never so fully developed as in the UK. After the Second World War, attempts were made to create a single strong cooperative organization to compete on equal terms with the big multiples and supermarkets. The attempt, which is described in more detail under the section dealing with consumer cooperatives, was a failure and led to the insolvency of most of the consumer cooperative movement.

Agriculture, horticulture and banking

The link between farming and banking may seem unusual, but the reasons may be found in the historical development of this sector, which today is by far the most important in the Netherlands in terms of turnover and assets. Van Stuijvenberg^[3] considers the first period of development of this sector to lie between 1877, when the first supply cooperative Welbegrepen Eigenbelang (Enlightened Self-Interest) was formed in Aardenburg, and 1912, with the opening of two cooperative flower auctions in Aalsmeer. The rise of agricultural cooperatives is linked to the agricultural depression which lasted from 1877 to 1895 and which was triggered off by an almost overnight change in

world grain supply. The opening of the Mid-West of the US via railways led to a 100% increase in shipments of US grain to Europe in the period 1875-77. This grain was brought to Europe by steamship at prices which fell steadily, and once on the European market, it forced many Dutch farmers out of arable farming. At the same time the rising standard of living in the towns was reflected by increased demand for dairy products, vegetables and meat, so that there was a general move into dairying, meat production and horticulture, and a search for efficiency in which the cooperatives pointed the way.

Van Stuijvenberg, however, does not accept that the rise of the agricultural cooperatives was directly linked to the agricultural depression, and draws attention to the fact that:

- (a) supply cooperatives could provide fertilizers and grain of guaranteed quality to farmers;
- (b) cooperative dairies provided farmers with the technical means to ensure a uniform and high-quality product, which was essential for export marketing;
- (c) processing cooperatives (potato flour, sugar-beet, etc.) arose at the turn of the century, after the depression was over.

Nevertheless, the depression was a factor which encouraged farmers to cooperate, and indirectly at least stimulated the growth of supply and marketing organizations which were the forerunners of today's agricultural cooperatives. A more important stimulus was the imperfect marketing structures in agriculture: the new cooperatives exerted an influence to adjust prices in those markets. The development of the Netherlands as a centre for processing agricultural products destined for the export markets of Britain and Germany must also not be overlooked. Above all, there was a new-found readiness to form cooperative organizations, a readiness supported by umbrella organizations like the Netherlands Agricultural Committee (founded in 1884 and which in 1893 was recognized by the government as representative for agriculture), the Agricultural Information Service and the Royal Agricultural and Horticultural Advisers, established in the late 1890s.

The favourable attitude to cooperation which characterized Dutch agriculture at the end of the century was also responsible for the growth of cooperative banking. The ideas of Schulze-Delitzsch and Raiffeisen became known in the Netherlands in the 1860s and 1870s. The precise date of the first cooperative Raiffeisen bank is not known. Some regard 1895 as the date and the Voorschotbank at Naaldwijk as the first bank: others consider 1896 as the right date and the bank the Geldrop Bank. There were 12 such banks in 1897 and 40 by 1902.^[4] In 1898 the two banking groups were founded which were, some seventy years later, to merge to become the Rabobank of today.

1b Legal background

The Dutch Civil Code (*Burgerlijk Wetboek*) recognizes two forms of cooperative or mutual organization: the cooperative association (*coöperatieve vereniging*) and the mutual insurance company (*onderlinge waarborgmaatschappij*). Both of these are, since 1976, subject to the general law of associations as laid down in Part 2 of the new Civil Code.^[5] The law itself is divided into two sections, the first of which deals with general provisions regarding all forms of association, while the second contains specific provisions for cooperative associations and mutual insurance companies. Thus, the legal structure of cooperatives is largely based on that for associations in general (Art. 26-52) but special provisions regarding cooperatives and mutual insurance companies (legal definition, winding-up, liability) are shown separately in Art. 53-63.

A cooperative association has legal status and operates via management bodies. The law provides for at least three such bodies: a general meeting (*algemene vergadering*), an executive (*bestuur*) and an audit committee. These have certain minimum functions, and the members of the association may grant them more via the rules of the association. The members may also set up other management bodies: one of the current problems is how to fit modern management principles into the cooperative form of organization. The same *de minimis* principle applies to other aspects of the association's operations: for instance, the law provides that each member must have at least one vote at the annual general meeting, but the rules of the association can provide that certain members (or groups or categories of members) may have more than one vote.

As regards economic activity, the law provides that cooperatives may do business with non-members, but only on the condition that this form of business does not come to overshadow the business done with members. The law also states that any obligation of members to trade with the cooperative has to be provided in the rules.

Mutual insurance companies recognize not only voluntary but also legal membership. The latter arises when a person takes out a policy with that company: he automatically becomes a member. Mutual insurance companies are, in fact, cooperative associations which write insurance, but they are of course subject in addition to the laws governing insurance companies.

Cooperative finance is largely based on the members themselves, so that the question of liability is important. Art. 54 *et seq.* of the Civil Code lays down three sorts of liability:

1. legal liability (*wettelijk aansprakelijkheid* (WA)) is an unlimited form of liability and applies where there are equal or unequal (in proportion to trade) shares per member;
2. Limited liability (*beperkte aansprakelijkheid* (BA)) is where liability of members is limited to a maximum figure;
3. excluded liability (*uitgesloten aansprakelijkheid* (UA)) is where the rules provide that there is no liability of members.

In each case the cooperative must show by means of the abbreviation WA, BA or UA the form of liability it has chosen. If not otherwise provided by the rules of the cooperative association, the law assumes that there is unlimited liability for equal shares. The choice of the form of liability is important: in the past, many of the agricultural cooperatives chose unlimited liability since this released credit for which the security was the land and assets of the members. Today, many cooperatives choose the form of limited liability on the basis of unequal shares (on the basis of trade with the cooperative) or try to build up reserves out of trading profits, since in practice it is not always easy to have recourse to members' assets in the event of insolvency of a cooperative.

It should be noted that cooperative trading and other enterprises are also subject to the legislation regarding those activities. Thus, the laws regarding annual accounts, employee councils, competition law, etc., are to be found elsewhere and apply of course to all trading organizations, whether cooperative or not.

2. Size of the cooperative, mutual and non-profit sector in the Dutch economy

The agricultural and horticultural sector is by far the biggest cooperative sector in the Netherlands in terms of trade. Full details of the market share for different products are given in the section dealing with that sector: they can be summarized as follows:

	approx.
Supply (fertilizers and foodstuffs)	57%
Dairying	88%
Meat	25%
Table poultry	24%
Sugar-beet	62%
Potato processing (factory)	100%
Potato processing for consumption	35%
Flowers, plants	75%
Wool	65%
Eggs	20%
Seed and other potatoes (marketing)	40%

plus a number of other minor products. As well as agricultural and horticultural products, however, the sector includes the Rabobank group (because of the long-standing connection between this bank and the farming community) which is among the 50 largest banking organizations in the world. Together, there were nearly 1 500 different cooperatives in this sector in 1983, with some 1.3 million members and over 75 000 employees^[6].

Compared with the agricultural sector, the others are relatively small. The consumer cooperatives (in the 1950s their turnover accounted for 2% of total retail trade) have now only a relatively small share of the food and non-food retail market: their total turnover in 1983 was in the region of HFL 500 million. Production cooperatives have an even smaller share of their market. Housing corporations (which are not strictly cooperatives according to law and not all cooperatives in structure) account for about 40% of all new dwellings completed and own some 1.35 Mio dwellings.

In the area of sickness insurance, there is a spectrum of different organizations, some of which are fully cooperative, while others have various other forms of member participation. Sickness insurance is compulsory for those below a certain income level: at the present time this means that 66% of the population is insured with a sickness fund though not all of these can be regarded as cooperative.

As regards insurance generally, there were in 1980 799 general (non-life) insurance companies, of which 589 were Netherlands companies and the remainder foreign companies. 373 of these companies were subject to the supervisory function of the Chamber for Insurance (Verzekeringkamer) in accordance with the 1964 General Insurance Act: of those 373, some 107 were mutual companies. Those companies which were not subject to supervision by the Chamber for Insurance (i.e. small companies with low-premium income), some 426 in total, included 193 'smaller' and 134 'smallest' mutual companies. The others were NVs and a few foundations. The mutual companies had a market share of about 25% in general insurance (premium income of around HFL 2 500 million) and about 2% in life assurance (premium income of around HFL 6 218 million). There are six mutual life insurance companies.

Wholesale purchasing is another sector where there is a fair amount of cooperative activity. The two main cooperative organizations in the food sector account together for about 10% of the national market, but there are other cooperative wholesale purchasing organizations in many other sectors. The size of their market share has not been investigated.

3. Structure of the cooperative, mutual and non-profit sector

There is no umbrella organization in the Netherlands which represents the whole of the cooperative, mutual and non-profit sector. The National Cooperative Council (NCR) restricts its activities solely to agriculture and horticulture (as well as banking and insurance for farmers), but represents most of the cooperatives in that sector. Beyond the NCR there are umbrella organizations for other sectors, but in some cases the umbrella organizations themselves represent both cooperative and non-cooperative enterprises. For this reason it is difficult to disentangle the cooperative, mutual and non-profit sector from the rest of the economy.

Trade unions are not heavily involved in economic activities, but there are some parallels with the German 'public benefit' sector. Full details of these activities are given in the section on trade unions, but it should be noted that most of these activities are related to the provision of services for their members rather than trading with the general public, so that the analogy with the 'public benefit' sector cannot be too strongly drawn.

4. Economic, social and political context in which cooperative, mutual and non-profit organizations operate

The agricultural share of GNP has declined steadily in the Netherlands over the course of the last 50 years. At the present time, employment in agriculture represents 4.6% of total employment, as against 32% in industry and 63.3% in services. The gross value-added at market prices for agriculture, forestry and fishing for 1981 (the most recent year available) totalled 3.8% as against 34.3% for industry and 61.9% for services. Nevertheless, food and beverages accounted for 19.9% of exports in 1982, so that although the role of agriculture is small, it has a vital part to play in maintaining a stable balance of payments. The overall position of the sector has to be seen in the light of these figures, since although cooperation in agriculture occupies a dominant position, in the economy as a whole that position is much less strong.

Cooperation in the Netherlands has been linked in many ways to the social development of the country. This is perhaps less evident in the agricultural sector, where cooperatives developed as an answer to an imperfect market situation though the underlying aim of better living for farmers and their families was undoubtedly a motive in the formation of agricultural and horticultural cooperatives. The bond between cooperatives and social reform is much stronger in other sectors, where cooperatives have been linked with the labour movement and trade unions, and even if the link has sometimes been a little uneasy (particularly with regard to the question of production cooperatives) there is generally a tradition of common aims and working together (cf. the links between De Centrale and the trade unions, AZIVO and sickness insurance, etc.).

The 1976 merger between two of the three main Dutch trade union organizations (NVV and NKV merged to form FNV) has strengthened the trade union input into the economy: a separate section on economic activities of the trade unions has been included from which it will be seen that the FNV

group is closely involved in banking, insurance, and the press, as well as carrying out more traditional activities for its members. The role of the other trade union group, CNV, is less directed towards economic activities of this kind.

Politics too has had a role to play in the development of the cooperative and mutual sector. The 1894 declaration of the Dutch Social Democratic Party (SDAP) stated that cooperatives were the third weapon in the struggle for economic power, the other two being the party itself and the unions. Many of the early cooperatives were closely connected with the political leaders of the left, or idealists like F. Domela Nieuwenhuis and Frederik van Eeden (whose Common Land Ownership (*Gemeenschap-pelijk Grondbezit*), founded in 1901, was the origin of many small cooperatives and continued right up until after the Second World War). However, there was always uncertainty about the role of production cooperatives. Were they really, as the British Fabian Socialists has intimated around 1900, no longer part of cooperative development? Were their demands for industrial democracy unrealistic? Although most cooperative organizations remained associated with political movements, there was not the same close connection with one political party as there was in other European countries. Moreover, the agricultural cooperatives, which came to dominate the scene particularly after the demise of *Coop Nederland* in 1973, have consistently stressed the absence of any objective other than the purely economic one of 'countervailing power' to enable farmers and market gardeners to strengthen their position against monopolistic situations. Those cooperatives, grouped in the NCR (National Cooperative Council for Agriculture and Horticulture) would stress the absence of any party political motivation as the basis of their activity.

5. Definition and special functions of the cooperative, mutual and non-profit sector as compared with the public and private sectors

While in some countries cooperatives have become associated with particular economic sectors of the economy, in the Netherlands there is less predominance in one economic sector. True, the agricultural cooperatives linked in the National Cooperative Council are by far the most important cooperative sector in terms of trade and probably also in terms of members, but it is worth recalling that of the 1 500 or so cooperative organizations affiliated to the NCR, some 950 are banks, all part of the Centrale Rabobank group. It has been said that even in the smallest Dutch village one can find a church and a Rabobank: could it be said that banking is the most important economic function of the cooperative and mutual organizations?

Another characteristic of the structure in the Netherlands is the way in which cooperatives and mutual organizations exist side by side with other more traditional forms of business, and often overlap. This is sometimes the result of an approach to a problem, where the legislator has provided for some activity (e.g. housing corporations, sickness funds) and the carrying out of this activity is left to individual initiative: some of those individual initiatives then take a cooperative or mutual form of organization. The same situation is reflected in the wholesale purchasing sector: *Sperwer* (one of the largest wholesale groups) has four cooperative associations and one BV as members: the trading activities are passed through *Sperwernational BV* but the cooperative structure is retained for the holding company.

This overlapping is also reflected in the consultative organizations of Dutch economic life, the statutory industrial organizations, which often represent both cooperative and other organizations. Reference to these organizations and their role is made in the section dealing with NCR, the National Cooperative Council, which has special groups to ensure that its members are properly represented on these statutory industrial organizations. To some extent the mixing of cooperative and other forms of organization is the result of the relative ease with which a cooperative association can be formed, and the absence of any government body exercising close control over their formation and operation.

B. THE SPECIFIC ROLE OF ORGANIZATIONS AND ENTERPRISES IN THE COOPERATIVE, MUTUAL AND NON-PROFIT SECTOR

What is the specific role of cooperative organizations in the Netherlands? For those cooperatives in the NCR group, the answer is clear: cooperatives are not a role or object in themselves, but merely a means — an instrument of the market — for farmer and market gardener to strengthen their position in an unfavourable competition situation: where they were or are faced with monopolies, they formed cooperatives as a 'countervailing power'. Their role is thus limited to an economic one.

Production cooperatives, on the other hand, see their role more in terms of expanding industrial democracy, in terms of creating a business that is jointly owned by those who work in it. The members bring both a sum of money and a sum of work into the business, and the major decisions are made by those who work in the business.

Between these two ends of a spectrum there may be other views on the specific role of cooperatives. The consumer cooperatives stress their role as an 'association of consumers'; the coop, their publicity material maintains, 'belongs to everyone and is for everyone' — a different approach from that of the nineteenth century. Other organizations may not have a clear conception of their role: they are cooperative because that ensures a democratic form of management and fairly close control by the members.

C. NATIONAL ORGANIZATIONS IN THE COOPERATIVE, MUTUAL AND NON-PROFIT SECTOR AND THEIR MEMBERSHIP OF EUROPEAN GROUPINGS

Eurocoop	Coop Holland
COGECA	National Cooperative Council
Association of Cooperative Banks of the EC	Rabobank
UGAL (Association of Retailer-Owned Wholesalers in Foodstuffs)	Sperwervbond Enkabé-Unika
Association of European Cooperative Insurers	DELA De Centrale
European Union of Cooperative Chemists	AZIVO Ziekenzorg
CECOP	ABC

D. VIEWS OF THE COOPERATIVE, MUTUAL AND NON-PROFIT ORGANIZATIONS WITH REGARD TO EUROPEAN INTEGRATION

The wide membership of European level organizations indicates the general support of Netherlands cooperative organizations for European integration. This is as true for NCR, the agricultural organization, as it is for the production cooperatives led by ABC, which might, as already stated, be regarded as at opposite ends of a spectrum. Most cooperatives are, in the last resort, trading or business organizations, and bearing in mind the extent of Netherlands trade with other EC countries (over 70% of total exports in 1982 went to other EC countries) it is unlikely that those organizations would be willing to consider policies which might put the prosperity of their country in jeopardy.

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- [2] See van den Abeelen E.L.J., op.cit.
- [3] Van Stuijvenberg J.H., op.cit.
- [4] De Vries J., op cit.

[⁴] De Vries J., op.cit.

[⁵] This account of the law is based on p. 43 *et seq.* of NCR's publication *Land- en tuinbouwcoöperaties in Nederland*, NCR (Den Haag, 1982).

[⁶] 1983 figures supplied by NCR.

Chapter II: Cooperative, mutual and non-profit organizations in the Netherlands

A. Cooperative sector

1. Agriculture

1. Basic data (1983)

Number of cooperatives:	1 484 (of which 964 banks)
Number of members:	1.3 million
Number of employees:	75 000
Turnover of trading enterprises:	HFL 30 830 million (1982)

2. Brief historical outline

The agricultural crisis of the 1880s, primarily caused by the importation into Europe of cheap grain from the US and Russia, was the backdrop to the first attempts to set up agricultural cooperatives. Shrinking profit margins and the need to switch out of grain production and into dairying and stockbreeding caused farmers to consider alternative purchasing and marketing methods, while the 1876 law on cooperative associations paved the way for cooperative enterprises which could be more specifically cooperative than those founded on the old 1855 law on associations and meetings.

The first agricultural cooperative dates from the year 1877, when a number of farmers from Aardenburg in Zeeland came together to found a supply cooperative to provide them with good quality artificial fertilisers. The new cooperative was named, somewhat idealistically, 'Welbegrepen Eigenbelang' (Enlightened Self Interest). Shortly afterwards, other forms of cooperative were set up: in 1886 came the first dairy cooperative, in 1887 the first cooperative vegetable auction, and in 1896 the first agricultural credit bank. These were followed by cooperative sugar-beet factories, cooperative potato processing and straw-processing factories, so that by the beginning of the Second World War the whole country was covered by a network of agricultural cooperative organizations. Most of these were single-purpose cooperatives with very specific market functions and purely economic aims. In contrast to many cooperatives set up in the towns, the agricultural cooperatives never regarded themselves as a movement or as an end in themselves. Most of them had regarded with suspicion attempts by the idealist Frederik van Eeden to found 'colonies' of cooperators via his organization *Gemeenschappelijk Grondbezit* (Common Land Ownership) at the beginning of the century. They saw themselves rather as an instrument of 'countervailing power' in a highly competitive market. Because most of them were single-purpose cooperatives, it followed that many farmers were members of three or four different cooperatives, and this pattern continues today.

Agriculture remained important after the Second World War (in some years it accounted for over 50% of the total exports) but there was a steady concentration of cooperative organizations via mergers, which, while they were necessary to maintain the 'countervailing power' of the cooperatives, may have led to a reduction of the close links that had previously been maintained between members and cooperatives. This development went hand in hand with the growth of the role of sectoral umbrella organizations and that of the National Cooperative Council (NCR) as the organization representing all cooperative organizations in some way connected with the agricultural sector.

3. Size and structure

The agricultural sector does not consist merely of supply, marketing and service cooperatives active in agriculture. Banking, credit and insurance for farmers have always been important parts of coopera-

Table D8: The Netherlands

Sectors	Cooperative	Mutual	Others
Agriculture	Nationale Coöperatieve Raad voor Land- en Tuinbouw (NCR)		
Savings and Credit			
Insurance		FOV	Vereniging van Nederlandse Ziekenfondsen (VNZ)
Transport	Coöperatieve Binnenscheepvaart-Vereniging (CBV)		
Production	Associatie van bedrijven op coöperatieve grondslag (ABC)		
Housing			Nationale Woningraad (NWR)
Consumers	Coop Holland		

tive activity, and although these are often now not restricted to the farming community, the close connection with that community has retained the principal organizations within the sphere of agriculture. A brief overview of the main non-agricultural cooperatives within NCR is given in the annex to that organization.

Agricultural cooperatives as a whole maintain a high level of market penetration, as the table below shows:

		<i>1983 market share %</i>
Purchasing:	feeding stuffs	54
	fertilizers	60
Processing:	milk supply	88
	butter production	92
	cheese production	93
	milk-powder production	86
	condensed-milk production	78
	fresh-milk production	80
	pigmeat	25
	table poultry	24
	sugar-beet	62
	processed factory potatoes	100
Marketing:	eggs	20
	vegetables and fruit	84
	flowers	90
	wool supply	65
	seed potatoes	53
	potatoes for consumption	30

[¹]

The total number of cooperative organizations in 1983 was in the region of 1 484, representing over 1.3 million members (but see above regarding membership of more than one cooperative). Total employees at the same period were over 75 000 and turnover of the trading enterprises amounted to HFL 30 830 million. [¹]

Reference

[¹] Figures supplied by NCR.

National Cooperative Council for Agriculture and Horticulture (Nationale Cooperatieve Raad voor Land- en Tuinbouw) (NCR)

President: IR D. LUTEYN
Director: Dr G.J. TER WOORST
Address: Duinweg 24
 2585 JX Den Haag
Tel.: (070) 54 17 00

1. ORGANIZATION

1. Date of formation

NCR was set up on 28 February 1934.

2. Size and structure

At 1 January 1984 there were 27 member organizations and 7 'special' member organizations represented at NCR. These can be broadly described as follows:

Member organizations:

- 3 central agricultural organizations,
- 1 bank (Rabobank),
- 2 mutual insurance organizations,
- 1 holding company for a group involved in investment and insurance,
- 8 central non-trading associations of agricultural cooperatives,
- 6 primary cooperatives concerned in sectors of agriculture,
- 3 umbrella organizations of agricultural cooperatives,
- 1 limited partnership,
- The Netherlands Wool Federation,
- A contract labour organization.

Special members:

- 4 institutes for management training and consultancy,
- 3 cooperative service organizations.

A list of the members is shown at Annex 1. Annex 2 gives a brief account of the activities of Rabobank and Annex 3 covers FOV which is the central association for mutual insurance companies in the Netherlands. The connection with banking and insurance arises from the original activities of those organizations, which were set up to provide credit and insurance for farmers.

3. Administrative bodies

The general meeting (*Algemene Vergadering*) consists of delegates of member organizations and the members of the national executive (*Bestuur*). Each organization has one vote. The general meeting meets at least once a year and may be called to meet more frequently subject to a decision by the executive or via a request by one-third of the members. The general meeting appoints a commission to audit the accounts, has the power to amend the standing orders and other regulations, and can also amend the rules, subject to provisions regarding the members present and the majority attained. It ratifies appointments to the national executive, dismisses a member of that body and approves the budget including the level of subscription to be paid by members.

The national executive (*Bestuur*) consists of one representative per ordinary member. These persons must themselves be members of the executive or management board of their own organizations. The national executive elects the president, who may be a member of the national executive: it elects a vice-president from among its own members. Decisions are made on the basis of an absolute majority.

The management board (*Dagelijks Bestuur*) consists of at least seven members appointed by the national executive, and includes a representative of each of the three central agricultural organizations. The president and vice-president of the national executive hold the same offices on the management board. The management board is responsible for carrying out the decisions of the national executive and the general meeting.

4. Decision-making procedure

The rules provide that all ordinary decisions are taken by an absolute majority, but policy decisions are generally discussed in advance and voting rarely occurs in the national executive and the management board, since the members try to reach an unanimous decision.

5. Secretariat and staffing

There are 12 staff currently employed at NCR. The staff has been kept small so that persons from member-organizations can play a full part in the various committees. NCR describes its secretariat as follows:

'The NCR-secretariat is broadly divided into three departments under the general control of the director, viz.:

The Economic Affairs Department, responsible for economic research, contacts with the central agricultural organizations, Cecoha and Cecoin affairs, COGECA matters, etc.

The Legal Department, responsible for legal and fiscal studies, especially concentrating on relevant cooperative legislation.

The Internal Organization, Information and Education Department, which has for its duty to 'counsel the board and maintain contacts with the member-organizations, as well as providing for training activities, editing the magazine *Coöperatie*, and attending to public relations.'

6. Budget size and contribution arrangements

The 1984 budget is in the region of HFL 1.5 million. Members' contributions are based on their size, turnover and economic importance, and are fixed annually by the national executive.

II. AIMS AND PRIORITY POLICIES

NCR's objects are laid down by Article 3 of the Rules as follows:

1. to further cooperation and other economic forms of working together among farmers and horticulturalists in the Netherlands;
2. to protect members' interests *inter alia* by acting as the representative and coordinating organ of Dutch agricultural and horticultural cooperatives;
3. to protect the interests of agriculture and horticulture in particular by (a) aiding policy formation in the general area of agricultural and horticultural affairs and (b) improving the implementation of that policy, especially via the strengthening of the market position of all types of agriculture and horticulture and with reference to the specific tasks of agricultural and horticultural organizations and cooperatives'.^[2]

The change in the rules which was made in 1970 expressly oriented NCR towards the interests of the farming and horticultural community. Before then it had a representative function over other sectors, but as a result of the change in the rules membership was restricted to agricultural organizations (this led *inter alia* to the withdrawal of the consumer cooperative organization Coop Nederland from NCR).

III. ACTIVITIES

NCR regards cooperation as the answer to a market situation and not as an end in itself. It has no economic activities (apart from the sale of publications) and its role is mainly that of representing its members and assisting them. This is achieved by the three departments referred to above (economic affairs, legal affairs, and internal organization, information and training) but it should be recalled that many of the cooperative organizations which are members of NCR are large enough to have access to research staff and other specialized services of their own.

NCR has no social or cultural activities since these would conflict with its basic approach to cooperation. However, it has recently been instrumental in setting up a chair for the history, theory and practice of agricultural cooperation at the University of Wageningen.

IV. CHANNELS FOR EXERTING INFLUENCE

NCR is represented on the Social and Economic Council with a joint seat held with VNO-NCV, the employers organization. There is also a great deal of contact with government departments and ministries.

The influence of NCR and its members is also exercised via two associated bodies of NCR, the Central Association for Cooperative Trade (CECOHA) and the Central Association for Cooperative Industry (CECOIN). Each of these bodies consists of a number of NCR members, and their principal

objective is to ensure the representation of cooperative organizations on statutory industrial organizations. Several economic sectors, particularly agriculture, possess such statutory industrial organizations (*publiekrechtelijke bedrijfsorganisaties* — PBOs) which were set up following the 1950 Law on PBOs. The main task of a PBO is to encourage cooperation between employers and employees and help bridge the gap between the interests of the two groups. The top PBO organization is the Social and Economic Council itself. PBOs are themselves organized either on a product (vertical) or industry (horizontal) basis, and deal with registration, data collection, marketing, economic and social research, competition and working conditions. They may also have certain mandatory powers as regards quality control, etc.

The existence of CECOHA and CECOIN ensures that cooperative organizations are properly represented on those PBOs whose activities relate to agriculture. CECOHA and CECOIN are also responsible for representation in non-statutory bodies, e.g. various committees set up by the employers' organizations VNO/NCW, the Federation of Netherlands Wholesale Trade (VNG) and many others.^[3]

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

NCR is represented at Brussels by COGECA and indirectly also at COPA via the three central agricultural organizations which are both COPA and NCR members. NCR is also a member of CEPFAR.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

NCR is a member of CEA, IRU and the Plunkett Foundation. The three central agricultural organizations are represented at IFAP so that NCR is also indirectly represented there.

VII. INTERNAL COHESION

The policy of having a very small umbrella organization as coordinator of the whole of the Netherlands agricultural cooperative sector seems to be highly successful. It leaves the individual sectors to organize themselves but brings them together in a way which reflects the importance of cooperative agriculture in the Netherlands.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

This is exercised via COGECA and its committees, as well as via *ad hoc* contacts with the other European organizations.

IX. PUBLICATIONS

NCR publishes an annual report (*jaarverslag*) and a two-monthly magazine *Coöperatie*. In addition it publishes a number of other brochures and documents dealing with the work of agricultural cooperatives in the Netherlands.

X. SOURCES

NCR: *Annual Reports (jaarverslagen)* 1979 and 1980, NCR, Den Haag.

VAN STUIJVENBERG J.H.: *De ontstaansgronden van de landbouwcoöperatie in her-overweging*, NCR (Den Haag 1977).

NCR: *Introductie in de land- en tuinbouwcoöperatie*, NCR (Den Haag 1980).

ESC: *Directory of European Agricultural Organizations*, Office for Official Publications and Kogan Page (1984).

NCR: *Land- en Tuinbouwcoöperatie in Nederland*, NCR (1982).

XI. INTERVIEWS

On 11 May 1982 between Mr G.J. ter Woorst (director) and Mr J.H. Lunshof (legal adviser), and John Catling (ESC General Secretariat, Studies and Research Division) and on 28 August 1984 between Drs W.J.J. van Diepenbeek and John Catling.

XII. REFERENCES

- [¹] NCR: *The National Cooperative Council for Agriculture and Horticulture*, NCR (The Hague).
 [²] Statuten NCR, unpublished.
 [³] A full list of CECOHA and CECOIN representation may be found in NCR, Jaarverslag 1979.

XIII. MEMBER ORGANIZATIONS OF NCR AS AT 1 JANUARY 1981

Central agricultural organizations

- KNBTB — Catholic Dutch Farmers and Horticulturalists Union.
 KNLC — Royal Dutch Agricultural Committee.
 CBTB — Dutch Christian Farmers and Horticulturalists Union.

Bank

- Rabobank — Cooperative Central Raiffeisen Farmers Bank.

Mutual insurance:

- CV — Mutual Pension Fund Ltd.
 OBF — Mutual Life Assurance Company Ltd.

Holding company

Interpolis NV

Central associations for agricultural cooperatives

- FLEC — Federation of Agricultural Equipment Cooperatives.
 VECO — Association of Cooperative Wholesalers in Agricultural Produce.
 VCE — Association for Cooperative Egg Trade.
 FNZ — Royal Dutch Dairy Union.
 BCZV — Union of Cooperative Dairy Sales Associations.
 CB — Central Bureau for Agricultural Markets.
 FOV — Federation of Mutual Insurance Companies in the Netherlands.
 VBN — Association of Flower Markets.

Primary Coops

- AVEBE — Cooperative Production and Marketing Association for Potatoes.
 Suikerunie — Cooperative Association of Sugar Producers.
 NCB — Brabant Farmers' Meat Marketing Centre.
 COVECO — Cooperative Association for Meat Marketing.
 CNC — Cooperative Dutch Mushroom Growers.
 CAS — Cooperative Table Poultry Marketing Group.

Umbrella organizations

- CEBECO — National Cooperative Agricultural Purchasing and Sales Association.
 CHV — Brabant Farmers' Cooperative Trading Association.
 Landbouwbelang — Cooperative Central Association for Limburg.
 Chem-son BV — NCB — Chemical Works.
 Nederlandse Wolfederatie — Dutch Wool Federation.
 Contractorgaan Bedrijfsverzorging — Contract Labour Organization.

ANNEX I

Rabobank

Chairman of the Board of Directors: O.W.A. BARON VAN VERSCHUER

Chairman of the Executive Board: P.J. LARDINOIS

Address: Croeselaan 18
Utrecht

Tel.: (030) 90 91 11

Telex: 47700

Rabobank is one of the largest banks in the Netherlands and ranks among the 50 largest in the world. Although the history of Rabobank goes back to the nineteenth century, it has existed in its present form since 1972, when two cooperative central banks, one in Eindhoven and the other in Utrecht, merged to form the Coöperatieve Centrale Raiffeisen-Boerenleenbank ba (Cooperative Central Raiffeisen Farmers' Credit Bank) or, as it is now generally called, Rabobank Nederland.

Rabobank Nederland in Utrecht is the bankers' bank for 964 member Rabobanks throughout the Netherlands, which represent 3 040 branches and 880 000 members. Until quite recently, any person receiving credit from a cooperative bank in the Rabobank group had to become a member of that cooperative. This rule has now been relaxed.

The local banks, themselves cooperatives, hold the shares in the cooperative central Rabobank Nederland on the basis of shares per HFL million of assets. Votes are also distributed according to total assets. The local banks have members, who do not provide share capital, but do, on the other hand, assume limited liability for the local bank's commitments. However, members' liability has gradually taken on a more symbolic meaning: at no time during the history of cooperative banking in the Netherlands have banks been compelled to have recourse to their members on the strength of that liability. This is due to another feature of the Rabobank group: the rules of the association stipulate that profits are to be allocated in full to reserves.

Since June 1980 all member banks and Rabobank Nederland are joined together in a cross-guarantee agreement. With the establishment of this agreement consolidation of the group's balance sheets has been made possible under Dutch law.

Management structure is based upon an Executive Board (Hoofddirectie) and a Board of Directors (Raad van Beheer). The first of these deals with the basic centralized banking work, while the second handles the affairs of the 968 associated member banks. The centralized banking work covers all international operations, corporate and institutional financing, consumer finance, leasing and factoring, and branches and representative offices are maintained in New York, Frankfurt, London and Curaçao. Local Rabobanks, in addition to operating a full range of domestic banking services, act as insurance agents, agents for tour operators and in some cases as estate agents.

Total assets in 1983 of the whole group amounted to HFL 118 286 million (this includes the mortgage banks and financing subsidiaries of Rabobank Nederland). The group claims a market share of well over 40% of savings deposits, 90% of the credit requirements of the agricultural sector, and 40% of the mortgage market. Staff employed have increased from 14 694 in 1970 to 28 536 in 1983.

Sources

RABOBANK: *Annual Reports (jaarverslag)* 1980, 1981, 1983.

RABOBANK: *International Directory*.

RABOBANK: *Statuten*.

Interview

On 13 May 1982 with Mr J.J. Roosen (*afdelingsdirecteur*) and Mr van Miltenburg, by John Catling (ESC General Secretariat, Studies and Research Division), plus information in 1983 annual report.

ANNEX 2

Federation of Mutual Insurance Companies in the Netherlands (Federatie van Onderlinge Verzekeringmaatschappijen in Nederland) (FOV)

<i>President:</i>	Mr J. MULDER
<i>Secretary/Treasurer:</i>	Mr W. FUKKINK
<i>Address:</i>	J.F. Kennedylaan 101 3980 CB Bunnik
<i>Tel.:</i>	(03405) 67160

FOV was set up in 1940 as a federation of fire insurance companies at the time when access to the London re-insurance market had been lost. When the Nieuw Burgerlijk Wetboek (New Civil Code) was drawn up new rules came into force for mutual insurance companies, and at this point the work of FOV was expanded to cover all types of insurance, and it was ultimately formed into the present federation in 1970.

FOV had 188 ordinary members as at 31 December 1983. These were all mutual insurance companies covering the following categories:

Sickness benefit, covering all forms of benefit following sickness or accidents at work,

Fire and storm insurance,

Reinsurance,

Ship insurance,

Motor insurance,

Hail insurance,

All other forms of insurance.

Some FOV members are active in more than one category, but others restrict their activities to one category only (this is especially true for the smaller companies which are not subject to close supervision by the Verzekeringsbureau (Insurance Bureau). The Federatie van Verenigingen voor Ziekenhuisverpleging (Federation of Associations for Hospital Treatment — a sickness insurance group) is an associate member of FOV.

Total premium income for all companies affiliated to FOV totalled HFL 2 196 million in 1983.

FOV's role is that of a representative and advisory body for mutual insurance companies registered in the Netherlands. FOV is a member of NCR (which derives from the fact that many of the original mutual insurance companies were set up by groups of farmers), a member of the Verbond van Verzekeraars in Nederland (Netherlands Union of Insurers — the top organization for the whole of the insurance sector) and has a close working relationship with the International Association of Mutual Insurance Companies.

Sources

FOV: *Jaarverslag* 1980, FOV, Bunnik.

FOV: *Informatie voor studiedagen voor bestuurders van onderlingen*, FOV undated.

FOV: *Statuten*.

FOV: *Mededelingenblad* (various numbers).

Interview

On 13 May 1982 with Mr D.J. Schimmel, FOV, by John Catling (ESC General Secretariat, Studies and Research Division), plus information in 1983 annual report.

2. Wholesaling and retailing cooperatives

1. Basic data

Sectors: Grocers,
chemists,
butchers, bakers and confectioners, etc. [1]

2. Brief historical outline

Just as farmers came together to form cooperatives to ensure the supply of seeds, fertilizers and farm machinery, so other businesses in the Netherlands have formed similar organizations to ensure the supply of goods they sell in their shops or process in their factories. Wholesaling or purchasing organizations (*inkoopcombinaties*) had their origins as long ago as 1904, [1] when they were formed as an answer to the increased competition from consumer cooperatives and retail chains. Some of these cooperative associations had social aims as well as purely commercial ones. In 1913 an Association of Dutch Grocers (Nederlands Kruideniers Bond) was formed as an NV but it failed in the period following the First World War. It was reestablished as a cooperative in 1923 and by 1931 there existed over 150 purchasing cooperatives of different kinds. Since the Second World War a number of cooperative wholesaling and also retailing organizations have grown up in various sectors but primarily in the grocery sector.

3. Size and structure

There is no single organization which represents the interests of all the cooperative wholesalers and retailers in this sector, or those of the whole sector. In order to simplify the approach to the cooperative organizations, all forms of franchising and voluntary wholesale contracting (e.g. Centra, Spar, Végé, Vivo) have been excluded. The Economisch Instituut voor het Midden- en Kleinbedrijf (Economic Institute for Small and Medium Sized Businesses) publishes a list of all wholesaling organizations; the most recent list shows the following breakdown:

	<i>Total wholesaling organizations</i>	<i>Cooperatives</i>	<i>Not cooperatives</i>
Potatoes, vegetables and fruit	7	4	3
Alcoholic drinks	3	2	1
Chemists	1	1	0
Bakers	17	16	1
Books	2	2	0
Building materials	2	0	2
Ice	1	1	0
Animals, angling	3	2	1
Do it yourself	4	2	2
Drug stores	1	1	0
Electrical equipment	3	3	0
Photographic equipment	2	1	1
Hotel and cafe supplies	2	1	1
Domestic equipment and luxury goods	6	2	4
Ironmongery	10	5	5
Office stationery	5	2	3
Kitchens	2	1	1
Grocers	13	11	2
Leather goods	2	1	1

Plumbers	4	4	0
Engineering	1	0	1
Milk and dairy products	4	4	0
Furniture	9	3	6
Cycles and mopeds	1	1	0
Painters	2	2	0
Shoes	5	2	3
Butchers	13	9	4
Toys	6	3	3
Sport and camping	4	1	3
Textiles	10	6	4
Garden	1	0	1
Paint and wallpapers	2	2	0
Packaging	1	0	1
Laundry	1	1	0

The following points should be noted in regard to this list:

1. Those wholesale organizations which are noted as 'not cooperatives' are normally BVs or NVs.
2. Some organizations cover more than one sector.
3. In some sectors there are second-level cooperatives which undertake representation and other functions for their affiliated cooperatives and their members. This applies in the case of the grocery businesses, where both Enkabe-Unika and Sperwerverbond each represent a group of cooperative wholesalers. Between them these two organizations and their members hold around 10% of the Netherlands wholesale grocery trade. Both these organizations are members of the European organization UGAL (Association of Retailer-Owned Wholesalers in Foodstuffs) and a brief description of their activities is given below.
4. Cooperative organizations similar to Enkabe-Unika and Sperwerverbond exist in a number of sectors. Many of these are wholesalers which provide cooperative purchasing facilities to independent retailers. The following should be noted:
 - (a) Fruto-Nederland, Livingstonelaan 120, 3526 HP Utrecht — an association of purchasing organizations (including some cooperatives) of vegetable and fruit retailers
 - (b) BEKO Nederland ua, Mesonweg 11, 3542 AL Utrecht — a cooperative association of cooperative purchasing associations for bakers and confectioners
 - (c) VIV, Van Eeghenstraat 86, 1071 GK Amsterdam — an association of cooperative and other purchasing and retailing groups in the furniture business, textiles, etc.
 - (d) Sla-in Nederland, Dorresteinseweg 16, 3817 GC Amersfoort — an association of cooperative and other purchasing organizations in the butchery trade
 - (e) SRV, Amstellandlaan 84, 1382 CH Weesp — a cooperative organization of independent milk retailers which has grown to cover all foods, and supplies country districts via a system of 'shops on wheels'.

The above is not a full list of all the cooperative wholesale purchasing organizations which link independent retailers, but merely serves to show the size and complexity of the many sectors covered.

5. In addition to those cooperatives which serve independent retailers, there are other cooperatives which serve supermarkets, multiple stores, etc. Among this group should be noted:
 - (a) Superunie ba, Industrieweg 25, 3641 RK Mijdrecht — a cooperative association of 26 members covering 231 supermarkets
 - (b) Integro ba, Ingelanden 1, 1069 WE Amsterdam — a four-member group covering 6 self service department stores, 5 supermarkets, and 34 wine and spirits shops

- (c) ZIKO ba, Piazza 309, 5611 Eindhoven — a 7-member group covering 139 supermarkets, 109 wines and spirits shops, 93 chemists, 28 butchers and 15 florists
- (d) Klimop ua, Amersfoortseweg 60, 3941 Doorn — a group covering 12 wholesalers
- (e) IVEKO Nederland ba, address as for Klimop ua, a 2-member group.

Sources

ECONOMISCH INSTITUUT VOOR HET MIDDEN- EN KLEINBEDRIJF: *Samenwerken in commerciële organisaties* (Den Haag 1981).

ECONOMISCH INSTITUUT VOOR HET MIDDEN- EN KLEINBEDRIJF: *Inkoopcombinaties* (September 1981).

ECONOMISCH INSTITUUT VOOR HET MIDDEN- EN KLEINBEDRIJF: *Schaalvergroting en ondernemingsconcentratie in de detailhandel in levensmiddelen* (Den Haag 1980).

INSTITUUT VOOR DISTRIBUTIE ACTIVITEITEN BV: *Voortschrijdende ontwikkeling in de levensmiddelenindustrie 1981-82* (Nijmegen).

Reference

[¹] In view of the complicated structures of this sector, no figures are obtainable for turnover, employees, market share, etc.

Central Cooperative Association Enkabé-Unika (Centrale Coöperatieve Vereniging) (Enkabé-Unika ba)

Director: P.H.J. UYTENBOGAARDT
Address: Heemraadsingel 190
 3021 DM Rotterdam
Tel.: (010) 77 21 66

Enkabé-Unika (Centrale Coöperatieve Vereniging voor de Levensmiddelenhandel Enkabé-Unika ba) is a cooperative association which dates from the 1930s. There are seven member associations, which are themselves either cooperative associations or BVs. These in turn represent 914 retail grocery businesses, some small shops, others supermarkets but all of which are independently owned. The total turnover of the wholesale affiliates amounted to HFL 433 million in 1983, and that of the retail outlets was approximately HFL 813 million for the same period.

Enkabé-Unika itself operates as an umbrella organization for the whole group. In addition to bulk purchasing of imported goods and contracting with Dutch factories for supplies of foodstuffs for the member organizations, it undertakes a range of marketing and financial services for the group. These involve economic and financial analysis, credit facilities for the retailers, insurance, preparation of sales promotion material, the issue and redemption of savings stamps, etc. Operating costs are met from charges made for these services, commissions received on contracts with suppliers, and the sale of materials to the retailers.

Enkabé-Unika produces a bi-monthly magazine *Kontakt* plus a weekly marketing analysis *Marktnieuws*. In addition to membership of UGAL, it is also a member of IVLD — the International Union of Retail Grocers.

Sources

ENKABÉ-UNIKA: *Direktieverslag 1981*.

ENKABÉ-UNIKA: *Rapport betreffende jaarstukken 1981*.

ENKABÉ-UNIKA: ledenlijst 1 januari 1982.

Interviews

On 10 August 1982 and on 29 August 1984 with Mr van der Zwaard, by John Catling (ESC General Secretariat, Studies and Research Division).

Cooperative Union of Grocers' Purchasing Associations (Coöperatieve Bond van Kruideniers Inkoop- verenigingen 'Nederlands Sperwerverbond' ba) (Sperwerverbond)

Chairman: J.H. JONKER
Managing Director: A. KNOL
Address: Bilthovenseweg 33
De Bilt
Tel.: (030) 76 30 11

Sperwer (its full name is Cooperative Union of Grocers' Purchasing Associations Netherlands Sperwerverbond) was established in 1928. Local purchasing cooperatives in the wholesale grocery trade had existed since the early part of the century, but they grew particularly in the 1920s and 1930s as a reaction to the development of chain stores and consumer cooperatives. In 1928 a group of purchasing cooperatives was faced with a boycott from the Dove Soap Company, and so decided to joint together to form the Sperwer (Hawk) cooperative association.

There are five organizations affiliated to Sperwer of which four are cooperatives. These are:

1. Distributie Centrum Midden Beemster ba, Midden Beemster
2. Distributie Centrum Noord Nederland ba, Bedum
3. 4 = 6 Ambacht ba, Hendrik Ido Ambacht
4. BV Distributie Centrum Oost Nederland, Haaksbergen
5. Distributie Centrum Zuid Nederland ba, Hoensbroek.

These act as distribution centres for different regions of the country, and each has about 120 members, who are themselves independent retailers mainly in the grocery trade. The basic structure is that Sperwer acts as a purchasing agent for the cooperatives and their members and provides a full range of services to them (financial analysis, marketing, insurance, taxation, loan facilities, etc.).

All these activities are operated through a wholly-owned subsidiary Sperwernational BV, so that Sperwer cooperative association acts only as a holding company. Sperwernational BV is also involved in the operation of its own shops. This happens when for instance one of the members wishes to cease business and no other member wishes to acquire it, or when there is evidence of demand for a shop which cannot be satisfied by the members. Some of these functions are carried out by the five BV subsidiaries of Sperwernational BV.

In 1983 Sperwernational BV had a total income of HFL 14.8 million, which in turn produced a net profit after tax of HFL 475 853. The five regional organizations had a turnover of HFL 521.9 million, and there were 575 independent grocers affiliated to the Sperwer group.

Sperwer is a member of UGAL and Eurogroup, the Federatie van Groothandel in Levensmiddelen (Wholesale Grocers' Federation) and there are numerous personal contacts between Sperwer executives and others in government and industry. Sperwer publishes a weekly marketing analysis *4 = 6 markt allerlei* and other *ad hoc* documents.

Sources

SPERWER: *Jaarverslag 1981* (1983).

Interview

On 12 August 1982 with Mr A. Knol, Managing Director, by John Catling (ESC General Secretariat, Studies and Research Division), plus annual report 1983.

3. Inland waterways

1. Basic data

Owner-masters: 700

Tonnage: 3 million tonnes per annum

Market share: approximately 10%.

2. Brief historical outline

If cooperatives existed in the inland waterways sector of the economy before relatively recent times, no record of them is available. An inland waterways cooperative was set up in 1968 at a time when it seemed that the government regulation of the transport industry might be altered to the disadvantage of the inland waterways; for this reason a cooperative was formed to coordinate the activities of shipowners.

3. Size and structure

The principal cooperative in the sector of inland waterways is the CBV, which consists of some 700 owner-masters whose commercial activities cover the inland waterways of the Netherlands, and the Rhine as far as Basle. CBV holds about 10% of the total Netherlands market for freight transport on inland waterways. CBV exists as a commercial centre for these owner-masters, providing them with contracts for their work.

Cooperative Inland Waterway Association (Coöperatieve Binnenscheepvaart Vereniging ba) (CBV)

<i>Chairman:</i>	C.M. DE VISSER
<i>Address:</i>	Westewagenstraat 60 3001 AW Rotterdam
<i>Tel.:</i>	(010) 13 23 08

The members of the association are 700 owner-masters of boats that transport freight on the inland waterways of the Netherlands and on the Rhine. Each member pays a subscription of HFL 2.50 per tonne based on the tonnage of his ship. The principle aims of CBV are to agree contracts with third parties for the transport of freight in the ships of its members, and to give a guarantee of carriage to third parties.

CBV members transport some 3 million tonnes of goods per annum in their ships. Six full-time employees in the Rotterdam office are engaged in negotiating contracts for the members, and are in continuous contact with their members by radio and telephone to ensure minimum delays, etc.

CBV does not issue any publications or give detailed figures of its activities in order to ensure confidentiality regarding trading figures, etc. It is not a member of any national or international consultative or cooperative organizations, since it takes the view that its prime purpose is to obtain contracts for the members.

It should be noted that according to the rules of the association two-thirds of the executive (*bestuur*) must be owner-masters on board ships. The executive normally meets six times per year, and the general meeting twice per year.

Source

Information obtained at interview on 20 October 1982 between Mr C.M. de Visser, Chairman, Mr R. Tor, Deputy Chairman, and John Catling (ESC General Secretariat, Studies and Research Division).

4. Funeral insurance

1. Basic data (1983)

Number of cooperatives:	1
Number of insured persons:	1 531 226
Number of employees:	251
Premium income:	HFL 64 100 000

2. Brief historical outline

The history of cooperative funeral insurance goes back to the 1930s. At that time there was much dissatisfaction regarding the services provided by traditional funeral directors, who were felt to be marketing their services so aggressively as to take advantage of the grief of the bereaved. With this in mind a cooperative association (DELA — an abbreviation for 'sharing burdens') was set up, not to provide a sum of money to cover funeral expenses, but to provide a 'standard' funeral to be paid for by quarterly subscriptions. In this way a person could ensure that the cost of his funeral was not a burden on his dependants and that the type of funeral corresponded to his own wishes. After a certain amount of initial resistance to this form of organization, it gained increasing acceptance among the people of the Netherlands and today some 25% of the total population has a funeral insurance of this type, providing not a sum of money but a package of services. Cooperative services cover nearly 10% of the population.

3. Size and structure

There are basically two ways for a person in the Netherlands to insure against the costs of a funeral. The first is to take out an ordinary insurance or life insurance, which could be with a mutual company or not. The second is to take out a policy to provide a package of services similar to those outlined above. In addition to the cooperative association DELA, whose activities are described below, there are some 25 foundations, associations, nv's, bv's, etc. which provide a similar 'package'. DELA is the only cooperative in this field active on a national basis.

One of the problems in this sector is that inflation can render the costs of providing the package increasingly expensive, so that premiums cannot remain fixed and there are no paid-up policies. Most organizations provide for an annual revision of costs and subscriptions.

There is no umbrella association of cooperative funeral insurers, although some years ago there existed a National Council for Mutual Funeral Services (Nationale Raad voor het onderlinge uitvaartwezen). However, in view of DELA's very strong position in this business and its membership of the European Association of Cooperative Insurers, a brief account of that organization is given below.

DELA

<i>Chairman:</i>	PROFESSOR DR. H.O. GOLDSCHMIDT
<i>General Director:</i>	Drs J.M.TH. LOEFFEN
<i>Address:</i>	Oude Stadsgracht 1 5611 DD Eindhoven
<i>Tel.:</i>	(040) 44 42 55

DELA is an abbreviation for *lasten delen* (sharing burdens) though its full name is Koöperative Vereniging voor het Verzekeren en Verzorgen van Begrafenissen en Krematies ua (Cooperative association of insurers and funeral directors for burials and cremations). It was established in 1937, and provides a rather unique package of services in that the members of the cooperative pay a regular sum (usually quarterly) which ensures them not a sum of money on death but a funeral of a standard type. The services provided at a funeral are laid down in the internal regulations of the association. It should be noted that a distinction is drawn between 'members' and 'persons insured' since a member

is expected to insure all members of his family. On the death of an insured person, DELA takes over and copes with all the administrative and financial problems arising from the funeral. There is no objection to additional services being provided over and above those laid down in the internal regulations, but these would be the subject of payment: here again, however, a person has the option to take out an ordinary insurance policy to cover the costs of such services.

DELA is one of the few organizations in this fields which can claim national coverage. In places where membership is strong the services are mostly rendered by DELA's own staff: elsewhere this is done by approved funeral directors. The size of DELA's business can best be realized by an analysis of members according to their place of residence:

<i>Province</i>	<i>Number of persons insured</i>	<i>Percentage of population</i>
Groningen	6 340	1
Friesland	13 208	2
Drenthe	2 692	1
Overijssel	62 150	6
Gelderland	150 545	9
Utrecht	46 389	5
Noord Holland	42 235	2
Zuid Holland	65 466	2
Zeeland	15 376	5
Noord Brabant	647 238	33
Limburg	195 699	19
Abroad	3 915	
Total	1 251 253	9 ^[1]

These figures^[1] date from 1976. DELA's last annual report shows that there was a total of 1 531 226 persons insured in 1983 and that there is continued growth in the number of persons insured and funerals actually carried out: between 1971 and 1983 this latter figure rose from 6 747 to 10 809, and an increasing high percentage of funerals were cremations.

DELA management is in the hands of a board of commissioners (*Raad van Commissarissen*) but the day to day management rests with an executive (*directie*) led by the general director. Members of the board are elected by a general meeting which consists of 30 persons chosen by the members.

DELA also operates an insurance subsidiary, Haagleven nv, which had a total premium income of HFL 3.4 million in 1983.

In addition to its membership of the European Association of Cooperative Insurers, DELA is a member of the International Cooperative Insurance Federation and the International Cremation Federation.

DELA published a magazine *Delakroniek* for its members which comes out twice a year.

Sources

DELA: *Jaarverslagen* 1980, 1981, 1983.

DELA: *Statuten en Huishoudelijk Reglement*.

Interview

On 5 November 1982 between Drs. J.M.Th. Loeffen, General Director, and John Catling (ESC General Secretariat, Studies and Research Division), plus 1983 annual report.

References

[1] DELA: *Jaarverslag* (1981).

5. Production cooperatives

1. Basic data (1983)

Number of cooperatives:	400 ^[1]
Number of member employees:	2 100
Number of non-member employees:	4 000
Turnover (estimated)	HFL 245 million ^[2]

2. Brief historical outline

As in most European countries, the first production cooperatives appeared in the Netherlands in the second half of the nineteenth century. From the outset, however, there were close connections with the emergent trade unions, even if those connections were not always in perfect harmony. In fact, the first real production cooperatives arose from a dispute within a printing trade union in 1866, when Petrus Wertheweijn, editor of a union newspaper, set up a cooperative printing works.^[3] A year later, strikes in the shipyards of Amsterdam led to the foundation of the Dutch section of the First International, which had been established in London in 1864. Its leaders looked to 'productive associations' as a cure for the social ills of the time, and were particularly scornful of the emergent consumer cooperatives, which they referred to as 'a mere palliative'.

However, as in other countries, lack of finance prevented many of the proposed cooperatives of bakers, smiths, and clothing workers from ever really getting started. When the ANWV (General Dutch Workers Union) was set up, it did not support the idea of production cooperatives, although it was in favour of other forms of cooperation. But attempts at production cooperation continued, mainly as a result of strikes and subsequent lockouts. Success, however, was rare, partly because of the lack of capital, partly because the other cooperative organizations and their supporters (mainly the trade unions and the social democratic party) were hesitant in their attitude to the production cooperatives. It was only in sectors where little capital was required (building, printing, clothing, cigar manufacture) that these production cooperatives found any continuity. In the 1920s there was increased activity, again as the result of lockouts in the building sector, but again lack of support (and even opposition) from the trade union movement led to failure. It was not until 1959, when ABC (see below) was set up, that there came a renewed interest in production cooperatives which became even greater after 1970. This renewed interest was at first only verbal and was in part a reflection of the laws on limited liability companies, which lay down a minimum capital requirement which is not demanded from cooperative associations.

3. Size and structure

Production cooperatives in the Netherlands tend to be small enterprises, especially in the service sector, with a strong commitment to self-management. It is estimated that in 1983 there were some 400 such cooperatives. Building is represented by the exceptionally large Moes cooperative building firm in Zwolle^[4], which has 450 members out of a total of 900 employees (workers have to work in the firm for one year before becoming members, but profits are shared among all workers). The other sectors represented include services, printing, painting, advertising, a range of consultant and advisory services, etc. Their economic importance in relation to the size of the Dutch economy is however fractional. The actual number of cooperatives is uncertain since they are not all members of ABC. CECOP^[5] estimated the total number of production cooperatives in 1980 at 350 (of which only 40 were ABC members), with a total workforce of 6 100.

References

[1] Figures provided by ABC.

[2] This 1982 figure is taken from the 1982 ABC General Meeting report and refers to ABC members only.

[3] *Werken in Koöperatie*, Stichting Wetenschappelijk Onderzoek Vakcentrales, 1979. The paragraph following is largely based on information in this report.

[4] For an account of this business, see M. YOUNG, Perspectives from the Netherlands, in *Prospects for Workers' Cooperatives in Europe*, Commission of the European Communities (Brussels 1981).

[5] CECOP: *Production Cooperatives and the Economic and Social Development in the European Communities*, CECOP (Rome 1982).

Association of Workers' Productive Cooperative Societies (Associatie van bedrijven op coöperatieve grondslag) (ABC)

Chairman: C.L. PROVILY
Secretary: H.A. BOLDEWIJN
Address: Nieuwe Gracht 5
3512 LB Utrecht
Tel.: (030) 33 13 31

I. ORGANIZATION

1. Date of formation

ABC was formed in 1959 to bring together in one umbrella organization all the workers' production cooperatives in the Netherlands.

2. Size and structure

ABC has some 44 members who are themselves workers' cooperative production societies of varying sizes. These enterprises represent some 1 900 employees and 800 members (not all employees are members), while the total turnover of the businesses concerned is in the region of HFL 245 million. [1] Most of the member societies are associations which have excluded liability, but in principle any enterprise which practises a legal form of workers' self-management may be a member.

3. Administrative bodies

Management of ABC is in the hands of an executive (*bestuur*), which consists of at least five persons. These are elected by the general meeting via a majority vote, and resign on a rota basis so that after three years all members of the *executive* have resigned at least once. Resigning members may be re-elected. The *executive* meets every month and is responsible for appointing a *director* and other staff. The *chairman* of the *executive* is appointed by the *general meeting* and the tasks of the *executive* are divided among the other members.

The *chairman* and the *secretary* represent ABC with third parties. Financial control is exercised by a *commission* of three persons chosen by the *general meeting*.

The *general meeting* considers the report of the executive and of the financial commission, appoints the chairman and considers budget and other proposals made by the executive, or by members' initiatives. Each member association has one vote at the general meeting, but may be represented by more than one delegate.

Routine management tasks are handled by the chairman, the vice-chairman and the secretary.

4. Decision-making procedure

Decisions are invariably taken on a majority vote.

5. Secretariat and staffing

The secretariat for international affairs, operates from the offices of Van Steenis ba, civil engineers, a cooperative association which is one of the affiliated members of ABC. The work of two to three members of staff is supplemented by the unpaid work of volunteers, which ABC estimates to be equivalent to that of seven more full-time staff. The secretariat (other than international affairs) is run by the Foundation for Self-Management (Stichting Zelfbestuur, Oude Gracht 322,3511 BL Utrecht, tel. 030 312 219) and covers the following topics: publications, small-scale businesses, exhibitions, finance, rules, training, and contacts with the trade union movement.

6. Budget size and contribution arrangements

The total budget for the year 1984 was in the region of HFL 52 000. This arose from members' contributions, investment income and the scale of publications. Members' contributions are fixed by the general meeting. The budget of the Foundation for Self-Management amounts to HFL 498 000, which is met by a government grant.

II. AIMS AND PRIORITY POLICIES

The object of the Association is to defend and extend the ideas of workers' cooperativism and to advance and strengthen the interests of the associated members. The 'ideas of workers' cooperativism' are interpreted by the rules to mean that the persons in an enterprise are owners or co-owners of the enterprise and that the profits come to them, while their work is directed towards the interests of the community and the management of that work is designed to enable the fullest possible development of all the workers. [2] The commitment to self-management and the participation of workers in decisions affecting them at work is very strong in ABC and its affiliates, and is reflected in the establishment in 1982 of the 'Foundation for Self-Management' as an associated body of ABC.

As regards priority policies, ABC is aiming towards the establishment of a professional office, the development of cooperation with unions and employers' organizations, the removal of legal constraints regarding social security for members, and the development of a guarantee fund for production cooperatives (in collaboration with the Methöfer Foundation).

III. ACTIVITIES

In addition to organizing meetings and symposia to further interest in production cooperatives, ABC publishes journals relating to production cooperatives and self-management, and gives advice and assistance to persons wishing to set up new cooperatives or to convert existing businesses to production cooperatives. In recent years, a great deal of activity has been in connection with the establishment of the 'Foundation for Self-Management'. This foundation is a completely separate organization from ABC, but close links between the two bodies will be ensured. The new body is largely financed by a four-year government subsidy in the region of HFL 500 000 and has the task of examining and investigating ways of extending industrial democracy and self-management in all types of businesses. ABC's activities in the area of self-management mean that in some cases there is a close coordination with the trade union movement. This in part reflects common origins that go back to the working-class movements of the nineteenth century, but also acknowledges the similarity of aims of the organizations concerned. The new Foundation for Self-Management, which is financially independent, therefore has representatives from the two trade union organizations (FNV — Federation of Dutch Trade Unions — and CNV — Christian National Trade Union) on its Advisory Board, and other forms of cooperation are envisaged — joint applications for government aid, joint meetings, etc.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES (LEGISLATIVE AND ADMINISTRATIVE)

Reference has already been made above to ABC's relations with the two major trade union organizations. ABC has close contacts with the Ministry of Social Affairs and Employment, but is not represented on the Social and Economic Council (SER). It does, however, take part in committees dealing with research into self-management.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

ABC's growth as an organization really dates from about 1970, when a study was published about the prospects and potential of production cooperatives in the Netherlands, which gave a new impetus to this type of cooperative. That study was supported by SCOP, the French cooperative organization. CICOPA membership has led to close links with SCOP and the umbrella organization at European level, CECOP.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

ABC is an executive member of CICOPA through its membership of ICA, and an executive member of CECOP.

VII. INTERNAL COHESION

Lack of funds to operate professional office services has prevented ABC from attracting many of the new cooperatives as members. ABC hopes that the government grants recently made for its work should make a substantial improvement to internal cohesion and the professional operation of services.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

This is exercised via CECOP or the Dutch trade union federations FNV and CNV, both of which are represented in the Economic and Social Committee.

IX. PUBLICATIONS

ABC publishes the magazine *Zelfbestuur* (Self-Management) bi-monthly, plus certain other brochures and documents on production cooperatives.

X. SOURCES

Werken in Koöperatie, Stichting Wetenschappelijk Onderzoek Vakcentrales (1979).

YOUNG M.: *op.cit.*

Zelfbestuur, de Jaargang, Nos 4 and 5, ABC (Utrecht undated).

Werknemerszelfbestuur: vermaakte konfektie of maatwerk, ABC (Utrecht 1979).

PROVILY C.L.: *Samen Werken*, Kluwer (Deventer 1974).

Statuten, huishoudelijk reglement, beginselen, ABC (Utrecht undated).

Berichten algemene ledenvergadering 15 November 1980, 21 November 1981, 27 March 1982, ABC (Utrecht).

XI. INTERVIEWS

On 10 May 1982 with Mr Van Heffen (of Van Steenis) by John Catling, ESC General Secretariat, Studies and Research Division, and on 31 August 1984 with Mr C.L. Provily, Chairman of ABC, by John Catling.

XII. REFERENCES

[1] Figures from ABC document prepared for general meeting, 27 March 1982.

[2] *Statuten* Art. 3, *op.cit.*

6. Consumer cooperatives

1. Basic data

Number of cooperatives:	5
Turnover 1983:	HFL 511 million
Employees:	2 700 ^[1]

2. Brief historical outline

The first consumer cooperatives grew out of working class movements in the 1860s and although they received support from trade union and intellectual circles, most of them disappeared very quickly. The first viable cooperative dates from 1876, when the cooperative society for government officials *Eigen Hulp* (Self-Help) was set up in The Hague, and this was followed by a number of others. In 1882 the first wholesale cooperative was formed, and others followed, particularly after the 1900 ICA Congress in Delft. Some of these were originally subsections of political parties or trade unions, so that by 1900 there existed side by side networks of workers' cooperatives, socialist cooperatives, Roman Catholic cooperatives, and protestant cooperatives, all attempting to serve the interests of a particular group of consumers. With time, some of these merged so that the divisions between them gradually became less apparent. In 1914 a major cooperative wholesale society, the *Handelskamer* (HAKA) was established to purchase wholesale for its affiliated cooperatives, but its organization was kept separate from the cooperatives themselves.

Following the Second World War the principal central cooperative organizations (*Katholieke Bond* (Roman Catholic Union), *Christelijke Bond* (Protestant Union), *Algemene Centrale Bond* (General Central Union) and the *Handelskamer*) were merged into the '*Centrale der Nederlandse Verbruiks-coöperaties Coop Nederland*' (Central Organization of Netherlands Consumer Coops) which took over all national functions (publicity, representation, etc.) but left the local cooperative organizations with complete autonomy. While the 1950s and 1960s were not years of great prosperity for the consumer cooperatives, they held their own in a very competitive field and attained about 7% of market turnover, via their 78 supermarkets, 150 self-service stores, 500 grocers shops, 77 bakeries and a flour mill. ^[2] In total there were about 250 autonomous cooperatives, but mergers and takeovers reduced the numbers steadily until by 1965 there were only 18; some of the managers, especially those in *Coop Nederland* (the Central organization), were of the opinion that a single national cooperative was the only way forward. Others felt however that it would be preferable to retain local autonomy. A committee of enquiry in 1966 reported in favour of a complete merger of all consumer coops, but the recommendation was rejected by the general meeting of *Coop Nederland* in 1969. ^[3]

In 1970 the supporters of the single national cooperative organization (about 10 of the then 18 regional cooperatives) decided to merge their cooperatives in a new organization (COOP ua), but within a year it became apparent that the new COOP ua and *Coop Nederland* were facing serious financial difficulties. Various plans for putting the business back on a profitable basis were considered, but following a period of intensive negotiations, it became clear that COOP ua and *Coop Nederland* were insolvent. In 1973 the various activities of COOP ua and *Coop Nederland* were sold off to competing private organizations after arrangements had been made to protect the interests of redundant employees, the interests of the remaining cooperatives (which no longer had the services and purchasing facilities of *Coop Nederland*) and the interests of the members and their capital. This left the eight regional cooperatives outside the COOP ua merger as the only remaining consumer cooperatives in the Netherlands. After a number of further mergers, this group of regional consumer cooperatives is all that remains today of the *Coop Nederland* organization.

3. Size and structure

Today the consumer cooperative sector consists of five cooperative organizations, all of which operate regionally. *Coop Holland bv* is a management body which has been set up to coordinate the activities of these different consumer cooperatives. In addition to the shops, these cooperatives run bakeries and operate centres for meat and vegetable packing. Approximately 50% of their supplies come from a single wholesaler (*Schuitema bv*) and the remainder is purchased direct.

References

- [¹] Figures supplied by Coop Holland at interview 9 August 1982.
 [²] PROVILY C.L.: Coöperatieve Ontwikkelingen in Nederland, lecture given at the colloquium Coöperatie en Staat held by Febecoop on 28 November 1980.
 [³] VAN DER LEE, H.: address to the Kamer van Koophandel, Rotterdam, September 1980.

Coop Holland ua

Chairman: D. BRAND
Secretary: F.B.M. V.D. LEEUW
Address: p/a COOP Marketing
 postbus 9451
 3506 GL Utrecht
Tel.: (030) 611 474

I. ORGANIZATION

1. Date of formation

Coop Holland was set up on 31 December 1979 to act as management and advisory body for the consumer cooperatives which remained after the 1973 collapse of Coop Nederland.

2. Size and structure

Coop Holland is a cooperative association which has five member cooperatives: Zuid Limburg, Noord Limburg, Haarlem, Coop 82 (formerly Coop Gelderland and Coop Kennermerland), and Coop Nieuwe Waterweg. CZAV is an affiliated member which operates a supermarket in Goes via a subsidiary bv. These cooperatives regard all their customers as members and no longer have formal membership arrangements; only one of them still pays a dividend on purchases. The chairmen of each of the above cooperatives sit on the executive board (*bestuur*) of Coop Holland, and it is planned to introduce some form of link at manager level between the different cooperative organizations.

3. Administrative bodies

The *executive board (bestuur)* is appointed by the member organizations on the basis of one representative per member. The *executive board* appoints from among its members a chairman, a secretary and a treasurer. The rules of the association grant the *executive board* a wide range of powers, but those powers not reserved for the *executive board* by the rules are given expressly to the *general meeting*.

4. Decision-making procedure

Decisions are normally made on a unanimous basis.

5. Secretariat and staffing

Coop Holland has no staff of its own. It uses the facilities of its members or of the subsidiary BVs as and where necessary.

6. Budget size and contribution arrangements

The current budget is in the region of HFL 6 000 per year, which is provided by the member cooperative organizations on an equal basis.

II. AIMS AND PRIORITY POLICIES

Coop Holland's object is to provide services and other requirements for the member organizations. This is achieved by way of acting as a forum for discussion, coordination, etc., by joint purchasing or manufacture, by representation on other bodies, and so on. [¹]

III. ACTIVITIES

In addition to acting as the central organization for Netherlands consumer cooperatives, Coop Holland has three subsidiaries which undertake various activities. These are organized as BVs and comprise:

1. Coop Marketing bv: this handles all marketing for the group;
2. Coop Reizen bv: this is a travel firm that specializes in group travel;
3. Coop Koopzegel bv: this is a savings stamp organization. Coop Holland members do not give trading stamps, but coop shoppers can buy savings stamps which can later be redeemed for cash.

These three organizations were set up between 1974 and 1976 following the insolvency of Coop Nederland. Their management is in the hands of the six member organizations of Coop Holland, the supervisory board (Raad van Commissarissen) being formed by managers of those six member organizations.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES (LEGISLATIVE AND ADMINISTRATIVE)

Coop Holland is represented on the Central Bureau for the Grocery Trade (Centraal Bureau voor de Levensmiddelenhandel) and also on the Netherlands Association of Cooperative Employers (Nederlandse Vereniging van Coöperatieve Werkgevers). It is represented on many other bodies, especially PBOs (statutory industrial organizations).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

Coop Holland is an associated member of Eurocoop.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

At the present time there are none.

VII. INTERNAL COHESION

Coop Holland is in the process of rebuilding the consumer cooperative movement in the Netherlands. It is possible that Coop Holland's role *vis-à-vis* the member organizations will be strengthened in the future, and a single consumer cooperative for the whole of the country would appear to be preferable to the present system of regional autonomy.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

This is exercised where appropriate via Eurocoop.

IX. PUBLICATIONS

There are no publications at the present time. The regional cooperatives which are members of Coop Holland publish annual reports, but the facilities available to Coop Holland do not permit it to undertake publishing.

X. SOURCES

COOP NEDERLAND: *De Coop als Consumentenorganisatie*, Coop Nederland, Rotterdam 1967.

XI. INTERVIEWS

With Mr H. van der Lee, Managing Director Coop Nieuwe Waterweg, on 9 August 1982, by John Catling (ESC General Secretariat, Studies and Research Division), and with Mr. A.W. Thomson, Director, on 30 August 1984.

B. Mutual and non-profit sectors

1. Health care

1. Basic data (1983)

Sickness insurance funds:	—
Number of funds:	54
Number of employees:	8 000-8 500 ^[1]

2. Brief historical outline

Organizations for the provision of assistance in times of sickness are probably the oldest form of mutual insurance in the Netherlands and there is evidence of them from the seventeenth century onwards. They arose via the guilds of craftsmen which originally existed to protect the interests of the 'masters' and their craft: these guilds excluded the journeymen and other poorer members of the craft, who themselves gradually established their own guilds. These journeymen's guilds were more directly aimed at support for their members in times of unemployment or sickness, and it became customary for them to set up a separate fund for this purpose. Many of them were closely connected with the local government structure, from which they received certain privileges. Gradually they moved from merely protecting their members against the direct financial consequences of sickness (loss of earnings) to cover also the costs of treatment — and so the first sickness funds were born. Later, the families of the journeymen were admitted to membership, and later still, any member of the community. In some cases, treatment and medicines were given by specially appointed doctors and chemists.

By 1880 the spread of cooperative ideas had led to the formation of the first consumer cooperatives: one of these was The Hague bakery De Volharding (Perseverance) which was established in that year with the support of the labour movement pioneer F. Domela Nieuwenhuis. De Volharding's success encouraged its members to set up a cooperative sickness insurance fund in competition with the existing sickness funds. Other similar mutual insurance schemes followed, some of which are still in existence today, while industrial organizations and trade unions also established sickness insurance funds. At the turn of the century there were about 597 different funds, of which 211 were under the control of doctors, but not all of the others could be regarded as mutual organizations. In the twentieth century certain funds began to extend their activities on behalf of their members. One fund has its own doctors, while others have set up dental, pharmaceutical and optical services.^[2]

3. Size and structure

Sickness insurance (i.e. insurance to meet doctors' bills, hospital and medicine costs, etc.) is compulsory in the Netherlands for all employees below a certain income level (HFL 48 100). Self-employed persons may also join the scheme on a voluntary basis, as long as they do not exceed the same income limit. Benefits for them are the same as for employees in the compulsory scheme. Persons over the age of 65 whose income does not exceed HFL 23 000 come under a special regulation which covers the same benefits. Government officials are subject to other special rules. Compulsory contributions are paid 50% by employee and 50% by employer and are paid over to the General Compulsory Insurance Fund, which then passes them on to the various sickness insurance schemes. The law on sickness funds *Ziekenfondswet* could be said to be a typical example of the Dutch approach which leaves the execution of the law in the hands of non-State organizations (cf. the housing corporations). Table 1 shows the approximate structure of the different sectors.

There are currently about 54 sickness funds in operation. All these funds are members of the Vereniging van Nederlandse Ziekenfondsen (Association of Dutch Sickness Funds) which undertakes negotiations with doctors regarding fees, etc., and acts as an umbrella organization for the whole sector. There is also a Sickness Insurance Council (*Ziekenfondsraad*) which is a statutory body set up to give advice to the government regarding the working of the law, and audit the accounts of the different funds.

The sickness funds are regionally based. Of the 54 different schemes, some 44 are mutual organizations, and the remainder are foundations, all of which give their members some say in the management of the scheme. In some instances, management is entirely in the hands of the persons insured (members), while in others the executive of the scheme is appointed from members, doctors, chemists,

dentists, etc., and in some cases from trade union representatives and 'independent persons'. Most of the mutual insurance funds, however, appoint their executive from members and doctors, etc.: every fund is obliged by law to provide for a 'reasonable' degree of influence by insured persons on its executive. [3]

One fund has its own doctors and dentists and there exists a small foundation (STAG — Foundation for General Health Care) which has been set up by some schemes with the cooperation of trade unions in order to operate health centres, etc. However, the operation of health services by sickness funds has since 1964 been restricted by law, so that the funds themselves may not set up new hospitals, clinics, etc.; these are normally established by separate foundations set up for this purpose.

A special mention should be made of the organization of the dispensing chemist profession in the Netherlands. Of about 5 000 doctors in the country, some 1 300 are authorized to dispense medicines, so that there are relatively few dispensing chemists, particularly in country districts. Among the dispensing chemists are two large cooperative organizations, AZIVO (Algemene Ziekenfonds de Volharding — the direct heir of the cooperative bakery set up in The Hague in 1880) and Midden-nederland in Utrecht. These two cooperative chemists each have over 100 000 members, and are themselves members of the European Union of Social, Mutual and Cooperative Pharmacies. However, these services are exceptional and are not typical for Dutch sickness insurance schemes.

Those people who fall outside the scope of compulsory sickness insurance (because of level of earnings, etc.) have two basic options to cover the costs of medical treatment. The first of these is via an insurance policy with an organization which could be a bv, nv or a mutual company. There are about 50 organizations providing policies of this kind, and some 60% of these are mutual companies. Some of these are represented in FOV, a member organization of the National Cooperative Council, NCR, and accounted for over HFL 504 million of premium income in 1979. [4] The second option is to continue with one of the sickness insurance funds via what is called its 'upper-level' (*bovenbouw*), which is a separate insurance organization operated either by the sickness insurance fund or jointly by a number of funds. There are nine such organizations in the Netherlands, five of which are foundations, three are mutual companies and one is an nv. Together they insure some 1.2 million persons: staff and facilities are largely provided by the sickness insurance funds themselves, so that the transition from compulsory to private insurance can be made smoothly.

Reference should also be made to the health care activities of trade unions and other bodies connected with the labour movement: these are described in the section 'Economic Activities of Trade Unions'.

It would be impossible to describe in detail all the mutual funds, and there is no umbrella organization which covers all of them. Two organizations have therefore been selected: AZIVO (because of its long connection with the cooperative movement and with European associations) and the Association of Dutch Sickness funds (VNZ), which has an umbrella role but represents both mutual and other funds. AZIVO is itself a member of VNZ.

References

[1] Information provided by Vereniging van Nederlandse Ziekenfondsen.

[2] For the history of sickness insurance in the Netherlands, see *E.L.J. van den Abeelen: Twee en een halve eeuw ziekenfonds* (Den Haag 1959).

[3] Art. 34 of the Sickness Insurance Law.

[4] FOV, *Jaarverslag* (1980).

Table 1: Simplified structure of Netherlands sickness insurance

VOLUNTARY
SECTOR

"UPPER LEVEL"

5 Foundations) Formed by
 3 Mutual Cos.) Sickness Funds
 1 NV) and using their
) facilities

(11 % of Population)

PRIVATE SICKNESS
INSURANCE

(50 organizations
of which 30 are
Mutual Companies)

(18 % of Population)

GOVERNMENT
OFFICIALS,
ETC.

(5 % of Pop.)

EARNINGS LIMIT

COMPULSORY
SECTOR

54 REGIONALLY-BASED
SICKNESS INSURANCE
FUNDS

(44 MUTUAL COMPANIES, 10 FOUNDATIONS, ASSOCIATIONS, ETC.)

(66 % of Population)

'Perseverance' General Sickness Fund (Algemeen Ziekenfonds de Volharding) (AZIVO)

Director: H.C. VAN DER HOEVEN
Address: Oude Haagweg 128
 2501 BP Den Haag
Tel.: (070) 25 41 08

As already mentioned, AZIVO can trace its origins back to the establishment of a cooperative bakery in the nineteenth century. From that bakery grew a large consumer cooperative organization which expanded quickly into sickness insurance, setting up its own clinics, with a full range of medical services for its members.¹ The demise of the consumer cooperative organization in the 1970s left the sickness fund and its health centre activities intact, and the present structure of the organization is of a mutual insurance organization only.

AZIVO currently employs nearly 500 persons in The Hague, the area where its activities are concentrated. Many of these work in the dispensing chemist section, which provides an almost unique house delivery service for medicines, for which the prescriptions are collected from 'postboxes' twice daily. In addition AZIVO employs some 50 dentists, and has a large dental laboratory, 3 physiotherapy centres, a medical laboratory and a maternity clinic.

AZIVO has a total of 106 856 members: 59% of these are compulsorily insured, 11% are pensioners, and the remaining 30% are voluntarily insured.

Association of Dutch Sickness Funds (Vereniging van Nederlandse Ziekenfondsen) (VNZ)

Chairman: H.J. ANBEEK
General Secretary: J. DE VRIES
Address: Driebergseweg 3
 Zeist
Tel.: (03404) 8 89 11

As the different forms of sickness fund developed they also developed their own umbrella organizations. In the first part of the century these different funds and their umbrella organizations tended to regard each other with suspicion and even distrust, but from the 1950s a better climate of working together was created. This was partly based on the realization that the funds were all concerned in the execution of the law, partly on the mergers which became possible as a result of the introduction of data processing. The cooperation which evolved in the Joint Council of Sickness Fund Organizations led in 1977 to the establishment of the present Association.

The task of VNZ is to represent the interests of the 54 funds which are members, to advise them and to assist them in their work. One of the principal tasks is to negotiate the conditions under which medical treatment of various kinds is given to the members of the funds, but it also includes the representation

¹ The hospital no longer exists.

of the funds on a range of advisory and supervisory bodies relating to medical treatment, hospitals, etc. In addition VNZ acts as an information centre about the work of the funds, assisting the member funds to introduce computer based systems on a regional basis. VNZ also has a role in information of persons actually insured, via its publication 'Welzijn' (Health) which is published in an edition of 5.2 million copies five times per year. VNZ is also active as regards training of staff and managers of the funds.

The Executive of VNZ is made up of representatives from 8 district councils which in turn represent the funds active in that area. In addition to these 24 persons there are also 4 trade union representatives. VNZ employs some 215 staff (there are some 7 000 persons employed by the sickness funds).

It should be noted that although VNZ is an umbrella organization, it is not a cooperative umbrella organization and takes the legal form of an association. The 54 sickness funds which are members consist of 44 mutual organizations and some 10 foundations. Some of these are wholly controlled by their members and can be regarded as full mutual organizations, others are controlled by an Executive made up of doctors, chemists, dentists, etc., members and, in some instances, representatives of trade unions or 'independent persons'. It would thus be wrong to regard VNZ as a wholly cooperative or mutual organization, but, on the other hand, many of its members operate on cooperative or mutual principles.

Sources

VNZ: *Jaarverslag* 1981, VNZ Zeist.

Interview

On 16 October 1982 with Messrs J. de Vries (General Secretary), R. Heidinga (Information Services) and N. de Jong (Legal Services) by John Catling (ESC General Secretariat, Studies and Research Division).

2. Housing corporations

1. Basic data (1983)

Number of corporations:	900
Number of dwellings completed in 1983:	54 000
Dwellings let by corporations:	1.5 million
Percentage of the total stock:	29% ^[1]

2. Brief historical outline

The growth of towns in the nineteenth century was the immediate cause of a shortage of dwellings which continues in the Netherlands even today. The condition of working-class housing in the 1850s was particularly bad, with few or no sanitary amenities, overcrowding, and the development of slums. But it was not until 1853 that any attempt was made to combat this situation: in that year King William III drew attention to the needs of working-class populations in the towns and asked scientists and engineers for solutions to the problem.^[2] In the same decade various other organizations began to take steps which were to lead to the formation of non-profit housing corporations to build houses for rent or for sale. These other organizations were of three basic types:

1. Associations founded on philanthropic principles by the well-to-do, e.g. the Association for the Needs of the Working Class, in Amsterdam, which was founded in 1851 and in 1853 produced the first 18 dwellings;
2. Associations set up by industrialists, e.g. in the textile industry in Almelo;
3. Associations set up by the workers themselves: in 1868 such a group was founded in Amsterdam and was followed by others in Goes and Leeuwarden: they often went hand in hand with the new trade unions.

While these associations were able to alleviate the shortage to a certain degree, the real change did not however come about until 1901. The Housing Act of that year marked a turning-point in that it permitted individual organizations to have access to public funds in order to erect dwellings 'in the public interest' — and this principle has remained the foundation of the housing corporation movement in the Netherlands. The public funds take the form of subsidies and loans (*woningwet-leningen*) which are granted to the corporations, which in turn erect houses and flats and let them on a non-profit basis.

After the 1901 Act the number of housing corporations increased rapidly. In 1890 there had only been 40, but by 1914 there were 300 and by 1922 their number had increased to 1 341, while by the latter date they were accounting for about 50% of dwellings produced. Some of these new corporations had either religious or political affiliations or were connected with trade unions. Others were groupings of particular professions or trades which came together to provide housing for their members.

After the Second World War the need for housing had become even more acute, and the housing corporations continued to account for between 45-50% of the total production of dwellings per annum so that by 1983 the corporations held 29% of the total housing stock. During the 1950s and the 1960s the housing corporations lost a big part of their own identity and they also began to lose the connection with their members, because in that period they were too closely linked with local government. During the 1960s a discussion led to new government regulations by which the independence of the corporations was more or less guaranteed. They were given more freedom to operate, but the contact with tenants and members was not so easily restored. At the same time, social developments were changing the nature of housing demand; the growth of one-parent families, the reduction in the number of children born to families, the increase in the number of young people over 18 who in law were entitled to live in an apartment of their own; all these factors not only changed the nature of housing requirements but meant that the actual number of units had to be increased.

3. Size and structure

In 1983 there were approximately 900 housing corporations in the Netherlands, accounting for about 1.5 million dwellings. Of these, some 600 housing corporations and 100 local authorities were affiliated to the National Housing Council (Nationale Woningraad — NWR), accounting for 1.1 million dwellings.^[3] A number of other corporations are affiliated to the Nederlands Christelijk

Instituut voor Volkshuisvesting (Netherlands Christian Institute for National Housing). Most of these housing corporations are associations of foundations within the meaning of Netherlands law, with full legal status. Their objectives specify that they operate without profit for the benefit of the housing sector and they are officially recognized by government departments. The tasks undertaken by these corporations vary according to the changes in government policy and in the housing needs of the population. They do not merely consider the services to be offered but also the conditions attached to those services and the respective needs of people who require accommodation. Although government accepts final responsibility for housing, this does not mean that it has an executive role. For this reason many people are of the opinion that housing corporations which incorporate the needs of the community are the ideal means of tackling the housing problem.

It should be noted that housing corporations are not cooperatives within the meaning of the law, and indeed since 1965 cooperatives have not been permitted to form housing corporations. However, most of the corporations have forms of democratic representation of their members, and all are committed to the concept of non-profit housing. For those reasons they have been included within the scope of this study.

References

[1] Figures provided by NWR.

[2] This account of the growth of the housing corporations follows closely that given in *Woningraad Extra*, May 1980, NWR Almere.

[3] See *Woningraad Extra*, op.cit., and *Jaarverslag* 1983 and 1984, NWR Almere.

National Housing Council (Nationale Woningraad) (NWR)

<i>Chairman:</i>	J.A.M. REIJNEN
<i>General Director:</i>	B.G.A. KEMPEN
<i>Address:</i>	Markenlaan 1 Postbus 50051 1305 AB Almere
<i>Tel.:</i>	(03240) 9 19 11

I. ORGANIZATION

1. Date of formation

The National Housing Council (Nationale Woningraad — NWR) was formed as a result of the initiative of the housing corporations in August 1913 as an 'Association of Approved Housing Corporations'.

2. Size and structure

NWR is an independent association within the meaning of Netherlands law.

At 31 December 1983 there were 700 NWR members. About 100 of these were local authorities, nearly 400 were associations, approximately 175 were foundations with varying forms of representation for their tenants, and the remainder were other forms of organizations active in the housing field. Together they maintained a stock of 1.1 million rented dwellings.[¹] All member corporations are directly affiliated to NWR but are also assigned to one of 11 regional sections, one for each province of the country. These regional sections elect their own regional managements as well as representatives for the Association Council. In addition to the Head Office at Almere, there are also regional offices in Almere, Assen, Deventer, Schiedam and Tilburg.

3. Administrative bodies

The association is controlled by a national executive (*bestuur*), which consists of at least seven and not more than 15 persons, of whom only two may be complete outsiders. The remainder must be either

members of the executive of a member organization or salaried officials. The national executive has its own management committee (*presidium*), consisting of the chairman and two vice-chairmen who are appointed for this purpose by the association council.

The association council (*verenigingsraad*) is the general meeting of the association. It is empowered to take all action not reserved to other bodies by the law or the rules of the association. At the present time it consists of 44 member-representatives elected by the members. Each regional section elects three member-representatives, while the remaining 11 are chosen *pro rata* according to the number of members in the regional section. The association council appoints commissions to assist it in its work.

The congress meets every two years and is convoked by the national executive; it consists of all the members and can give guidelines regarding policy. Amendments to the rules also require the approval of congress.

The management board (*directie*) is responsible for day-to-day management. Its directors are appointed by the association council on the proposal of the national executive.

4. Decision-making procedure

Decisions are normally made on the basis of a simple majority of votes.

5. Secretariat and staffing

There are approximately 550 persons currently employed by NWR. Apart from the work of the commissions, these staff are involved in the following areas of activity:

representation and promotion of the interests of the member corporations and non-profit housing as such at national level;

participation in the management of other national organizations which advise in certain housing activities;

research and development activities in the non-profit housing field;

assisting the member corporations in their own activities, their policy, their formal and practical organization in many different ways.

The most important activities in assisting member corporations are:

1. *Training programmes*;
2. *Management and organizational development*: Advisory tasks in connection with the activity of the corporations themselves;
3. *Research and development*: This is mainly concerned with legal, financial, economic and social questions;
4. *Publicity and information*: NWR guides and leads the local corporations in the production of publicity material and produces a wide range of publications for in-house and outside use;
5. *Administrative services*: This covers advice on administrative topics, assistance in cases of sickness or absence, access to professional advice, auditing of accounts, etc.;
6. *Technical services*: This covers costing, quality, methods of construction, assistance in building and renovation, projects all over the country, energy conservation town heating schemes, etc.;
7. *National Computer Centre for Housing Corporations*: This centre covers some 450 corporations and provides an nationwide automatic data processing unit for the housing corporations in the Netherlands (at the moment there are about 0.7 million dwellings administered by NCCW).

6. Budget size and contribution arrangements

Total outgoings in 1983 were HFL 43 million. These were covered in part by the annual subscription which is determined by the association council and which is payable on the basis of the number of dwellings managed by each member corporation. A percentage of these subscriptions goes to the regional sections. These contributions cover about one-third of the expenses of NWR, the remaining expenses being covered by fees charged for services rendered to the member corporations.

II. AIMS AND PRIORITY POLICIES

The rules of the association [2] provide that 'the object of the association is to promote the interests of the national housing sector in general and those of its members in particular. The association is a general federation of housing corporations'. This object is to be attained by means of studies, investigations and negotiations in order to reach opinions on matters of importance to the members, and by means of publicizing these opinions in the appropriate quarters. The association also provides information, assistance and other services to its members by means of publishing magazines, training managers, and furnishing advice on a wide range of subjects of relevance to housing corporations.

Over the years the priority policies of the association have changed in accordance with the social changes which have taken place. The housing requirements of the present population of the Netherlands are very different from those of 50 years ago. This is not just because of the changing structure of the population and the different size of families, but also because of economic factors, e.g. the need to reduce energy costs by means of improved insulation. NWR tries to develop its policies to take account of these changing conditions. One of its most important current policies is that of developing the participation of tenants in the work of the corporations.

III. ACTIVITIES

NWR plays an important role as adviser and service organization in the planning and execution of new building projects and in the management, maintenance and renovation of the dwellings belonging to its member organizations. It does not itself engage in the production or development of housing but remains an umbrella organization for the housing corporations. This means that its activities are limited to publishing, gathering of information, acting as spokesman for the housing corporations (some of this advice may take the form of technical studies and projects requiring top professional skills). NWR does not organize cultural or social activities.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

NWR is represented on a wide range of consultative and other bodies relating to all aspects of housing in the Netherlands. The principal bodies concerned are:

1. The Ministry of Housing, Physical Planning and Environment.
2. Consultative bodies within the Ministry of Housing and Physical Planning (CDV-Overleg, Werkgroep individuele huursubsidie, etc.)
3. Departmental government advisory committees (Raad voor de Volkshuisvesting, Raad van Advies voor de Ruimtelijke Ordening, etc.)
4. Other organizations (Economisch Instituut voor de Bouwnijverheid, Stichting Arbitrage Instituut Bouwkunst, etc.)
5. Bodies relating to the corporations' role as an employer (Samenwerking Landelijke Centrales, Werkgeverspartij c.a.o. voor personeel in dienst van woningcorporaties, etc.)
6. Miscellaneous bodies (Stichting Arbeidstechnisch Onderzoek Bouwnijverheid, Stichting KOMO, Nederlands Normalisatie Instituut, etc.).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

NWR is not a member of any European Community organizations.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

NWR is a member of the International Federation for Housing and Planning and is a partner in international aid and support for non-profit housing activities, especially in the West Indies.

VII. INTERNAL COHESION

Housing corporations are a peculiarly Dutch answer to the housing problems which have beset most European countries during the twentieth century. They match public finance with private initiative and self-help. NWR's role as coordinating body at national level has helped to maintain the position of housing corporations, which currently supply 45-50% of the nation's new dwellings.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

This is achieved where required via national bodies and government departments.

IX. PUBLICATIONS

Apart from its Annual Report (*Jaarverslag*) and a large number of *ad hoc* publications, NWR publishes *Woningraad-informatiekrant* which appears 20 times per year and contains information for housing corporations, *Woningraad-Extra*, which deals with particular topics regarding housing problems and policy and *Van Huis Uit*, a quarterly magazine for tenants produced in cooperation with a number of member housing corporations. Information Bulletins are also sent some 100 times per year to the members of NWR.

X. SOURCES

Jaarverslag 1983, NWR, Almere (1983).

Woningraad-Extra, No 12, NWR Almere (1980).

Statuten, NWR Almere.

De Nationale Woningraad: van en voor de corporaties, NWR Almere.

XI. INTERVIEW

On 11 August 1982 with Mr K. Snel, NWR, by John Catling (ESC General Secretariat, Studies and Research Division).

XII. REFERENCES

[¹] *Jaarverslag 1983*, p. 71.

[²] *Statuten*.

United Kingdom

Chapter I: Introduction and overview

Foreword

Formal organizational structures have never had much appeal in Britain, and so it is not really surprising that there is no formal organizational structure to represent the whole of the cooperative, mutual and non-profit sector of the economy. This is in part the result of history: it reflects the differing origins of the cooperative societies, the friendly societies, the building societies, and the other organizations which do not fit strictly into those three legal categories. But it is also in part the reflection of their differing aims, and differences in the services which they try to provide. Thus it is that while there are amicable relations between the organizations throughout the sector, and numerous *ad hoc* contacts between them, there is no structure which links them all. In considering the whole of the sector, it is essential to keep in mind the sometimes major differences which separate the different kinds of organization that exist within it.

A. OVERVIEW OF ORGANIZATIONS AND ENTERPRISES IN THE COOPERATIVE, MUTUAL AND NON-PROFIT SECTOR

1a Historical background

Cooperative societies

The origin of cooperatives in the UK is closely linked to the development of the consumer cooperative movement which sprang from the work of the Rochdale pioneers in 1844, and whose shop in Toad Lane, Rochdale, is preserved even today as a memorial to a movement which from small beginnings spread all over the world. Many people, however, regard the social reformer and philanthropist Robert Owen (1771-1858) as the father of the cooperative movement. In 1799 Owen became owner of the cotton mills at New Lanark, on the Clyde, and at once set about a complete reformation of the worst elements of the factory system, reducing hours, increasing wages, building houses for the workers and schools for their children. So far this was no more than philanthropy, but Owen's vision extended towards the creation of a 'new moral world' in which villages of cooperation could provide for the needs of their inhabitants by self-help and division of the profits among their members. Owen's reforming zeal and his attacks on organized religion led him to try out his first villages of cooperation in the New World, where in 1825 the first such village was set up at New Harmony, Indiana. Other villages followed at Orbiston (Scotland), Ralahine (Ireland) and Queenwood (England) but none of them survived for long, partly because they were over-burdened with idealism. The Rochdale pioneers, however, were practical men and women and to them must go the credit for the first viable cooperative enterprise in Britain. However, many of the Rochdale pioneers were also Owenites and looked beyond the mere realm of self-help to the development of cooperative enterprises in all sectors of the economy as well as to social aims like education.

The success of the Rochdale pioneers can be judged from the fact that by 1881 there were over 1 000 cooperative societies with more than half a million members, but the leaders of the movement did not regard it as restricted to retail trades alone, and hoped for expansion of the cooperative idea into manufacturing and production. Most of the production cooperatives set up in the period 1850-1900 were, however, grossly undercapitalized and soon disappeared in the volatile trading conditions of the time, or were forced to become limited liability companies in order to continue trading. [1] The importance of these attempts to establish new forms of cooperative, many of which were encouraged by the Christian Socialist movement, lay not in their success or failure, but in the fact that their supporters were able to use their influence to develop a new form of limited liability organization to cater for the needs of cooperatives — the Industrial and Provident Society, which is the form taken by most cooperatives today.

The latter part of the nineteenth century saw a certain consolidation of organizations and a development beyond that of the simple primary cooperative society. The Cooperative Wholesale Society (to provide wholesale facilities for retail cooperatives) was formed in 1863, and this was followed in 1869 by the formation of the Cooperative Union, the umbrella organization of the whole consumer cooperative movement. But while the retail cooperatives grew steadily there was relatively little growth in other sectors, and some thinkers felt that there was no future for production cooperatives because of the inherent conflict of interests between management and workforce. This conflict had already been evident in the factories of the CWS: should they be owned and controlled by their workers or by the cooperative retail societies for whom they were working?

By the turn of the century the societies grouped in the Cooperative Union had expanded into services like banking and insurance, and went on to extend their activities into the building society movement, and gained a substantial market share in sectors such as milk retailing. But agricultural cooperation, although starting as early as 1867, did not develop as fast as in Denmark or Holland, and only became a major force in British agriculture after 1945.

In the 1950s and 1960s new trading conditions in the retail businesses made reorganization imperative. At the same time there was a renewed growth of interest in other cooperative organizations — housing associations, credit unions and agricultural cooperatives — while in the 1970s came a revival of interest in production cooperatives, many of which were organized as ‘common ownerships’ (an enterprise jointly owned by all members of the workforce), with the aid of government and local authority agencies.

Friendly societies

Friendly societies are mutual insurance societies in which the members subscribe for benefits in connection with sickness, death and old age. Long before the somewhat curious term ‘friendly society’ came into existence, functions of this kind were being exercised by religious and trade associations, and in fact some societies can trace their origins back to the eighteenth century and even earlier. During the nineteenth century, various acts were passed by Parliament to regulate their activities and put them under the supervision and control of the Chief Registrar of Friendly Societies. In 1913 there were some 25 000 societies on the register, representing a membership of over 6 million. By 1938 the number of societies had fallen to 19 600 but membership was up to over 8 million. The effect of the introduction of State health insurance and pensions, coupled with other welfare benefits, was to reduce quite considerably the number of societies, so that today there are only some 4 500 societies with about 3.7 million members.

Building societies

The growth of friendly societies in the second half of the eighteenth century had already shown the possibilities and advantages of cooperation between individuals, while movements of population into the towns led to the demand for better housing as living standards rose. The first building society can be traced back to 1775, and by the end of the eighteenth century there were about 50 such societies in existence. Most of them comprised groups of artisans who pooled their resources to build dwellings for themselves: when each member had been housed, the society was terminated. In the early part of the nineteenth century came the recognition of building societies as legal entities, with the Regulation of Building Societies Act 1836. The building societies began to unite together at a relatively early date, often for the purpose of opposing taxation of their activities or for the purpose of opposing attempts by the Chief Registrar of Friendly Societies to impose a too rigid control. After a number of attempts to found regional organizations in London and Liverpool, a Building Societies Protection Association was set up in 1869. It soon received recognition as a result of its work on the preparation for the Building Societies Act 1874, on which much of the subsequent structure of the sector was formed. In the twentieth century there has been substantial growth in the building society movement, but the growth in the size of the societies themselves has tended to reduce the role played by members in the management of their affairs. In 1983, there were some 206 building societies registered whose total assets amounted to UKL 85 868 million, and whose share investors totalled over 26 million.

1b The legal framework

In any description of the cooperative, provident and mutual sector it is essential to recall the nature of the different organizations.

Industrial and non-profit societies acts

These acts cover a range of different kind of societies, which are afforded limited liability subject to certain provisions for registration with the Chief Registrar of Friendly Societies, who is a government-appointed official. Organizations regarded as industrial and provident societies include the retail cooperatives, wholesale and production cooperatives, housing associations, agricultural and fishing cooperatives as well as social and recreational clubs and miscellaneous service societies. The latter two categories are not considered to be within the framework of this study. The principal acts regulating industrial and provident societies are the Industrial and Provident Societies Act 1965 and the Friendly and Industrial and Provident Societies Act 1968. Within the framework of these two acts there are other acts which apply to particular kinds of societies. Credit unions, for instance, are also subject to the provisions of the Credit Unions Act 1979, housing associations are subject to the provisions of the Housing Act 1974, while certain production cooperatives within the Industrial Common Ownership Movement (ICOM) are subject to the provisions of the Industrial Common Ownership Act 1976. It is worthy of note that the Industrial and Provident Societies Acts do not attempt to define a cooperative enterprise, but leave it to the Chief Registrar to determine whether or not the rules of each society permit its being registered under the acts. [2]

Friendly societies acts

These acts apply to voluntary mutual organizations which provide sickness and insurance benefits for their members, and often supplement these with a general care which would be outside the scope of a commercial insurance company. The Friendly Society Act 1974 is the principal legislation.

Building societies acts

A building society is a society which raises, 'by the subscriptions of the members, a stock or fund for making advances to members out of the funds of the society upon security by way of mortgage of freehold or leasehold estate' (§ 1 of the Building Societies Act, 1962). The Chief Registrar has certain powers of control and supervision which are laid down by this act, and has to examine all applications for registration.

Other legal provisions

Certain cooperative and mutual organizations have preferred to choose registration under the Companies Acts (the acts regulating limited liability companies). This is the case for those cooperatives which are hoping to emulate the success of the Mondragon cooperatives in Spain. This is because the Mondragon method of a *pro rata* division of profit according to the capital invested by members is unacceptable to UK cooperative law. Others have chosen the form of a company limited by guarantee without share capital, but this has the disadvantage that the capital has to be supplied in the form of loans rather than shares. Still other organizations have found solutions where the shares of the shareholding company are held by trustees in trust for the employees (John Lewis partnership).

There is nothing to stop a cooperative registered under the Industrial and Provident Societies Acts from owning shares in a company limited by shares and running it as such. Several businesses of this kind have been taken over by cooperative societies and are being continued in their original form. Companies limited by shares are, since the Companies Act 1980, either Public Limited Companies (plc) or Private Limited Companies (Ltd).

Mutual insurance

Friendly societies are mutual insurance societies where members subscribe for provident benefits to cover sickness, death, and old age. However, there are two other forms of mutual insurance:

1. *Manufacturers' insurances*: A number of companies were set up in the last century to provide insurance cover for manufacturers for their liabilities in respect of accidents to employees, etc. The Mutual Insurance Companies Association [3] represents the interests of these companies, which include the Cooperative Insurance Society. The Association is not however very active at the present time and has not been included in this study;
2. *Life assurance*: There are some 120 companies of significance writing life assurance business in the UK, of which some 45 are mutual. There is no legislation which specifically refers to mutual life companies, and many of the companies are long established: in nearly all cases policy-holders are

members of their companies and are entitled to vote at annual general meetings. Three organizations represent the interests of all companies writing life business — the Life Offices' Association, the Industrial Life Offices Association, and the Associated Scottish Life Offices. [4] These associations group mutual and proprietary companies, and have not been included in this study. [5]

2. Size of the cooperative, mutual and non-profit sector in the UK economy

The fragmented nature of the organizations within this sector makes it very difficult to obtain a clear picture of their size in relation to the overall economy.

The statistical information published by the Cooperative Union shows that the share of retail turnover of the consumer cooperative shops is around 8.4% for food and 2.2% for non-food, giving an overall figure of 5.5%. [6] The Cooperative Union is however active in other areas (banking, insurance) so that it would be wrong to relate cooperative activity solely to the retail shops in that organization.

In mutual credit and housing, as well as in production, the size of the cooperative organizations is relatively small compared to the overall sector: total assets of the credit unions are less than 1% of the total assets of the clearing banks, while housing associations accounted in 1983 for about 2.5% of dwellings. [7]

In agriculture and fisheries, most of the cooperatives are related to marketing supply or services (there are almost no farming cooperatives) and in some cases (Milk Marketing Board) hold a very high market share (over 80%).

In health and other personal insurance, friendly societies and provident associations account for most of the health insurance market and much of the small-premium life assurance market.

Building societies currently account for over 75% of housing mortgages.

The general picture is one of development related to historical and legal constraints and in comparison with other EC countries much smaller in many cases. The number of persons employed has certainly declined in recent years as a result of rationalization in the retailing and service sectors. (In the period 1971-82, employment in the retail societies of the Cooperative Union fell steadily from 164 000 to 97 148 — as a result of amalgamations and rationalization. [7])

3. Structure of the cooperative, mutual and non-profit sector

There is no umbrella organization in the United Kingdom which can claim to represent the whole of the cooperative, mutual and non-profit sector. Within the cooperative sector the Cooperative Union is the largest of all the organizations, but there are overlapping affiliations (e.g. The Cooperative Union is a member of ICOM and ICOM a member of the Cooperative Union) and there are other cooperative organizations which have a different approach to cooperation and different goals. This is even more the case as one moves into the area of mutual and non-profit organizations.

Cooperative organizations as such are not represented on the National Economic Development Council.

4. Economic, social and political context in which cooperative, mutual and non-profit organizations operate

Because of the different objectives of the organizations within the sector, it is difficult to summarize their economic, social and political activities. The Rochdale pioneers looked to the foundation of a 'Cooperative Commonwealth' encompassing all forms of economic activity, but were also strongly committed to education and social improvement. These ideas are still strong within the Cooperative Union today, and are reflected in the support for educational centres, women's and youth groups, and have led to the formation of a political wing which works closely with the Labour Party. Other organizations outside the Cooperative Union do not share these aims and look at cooperation and self-help as economic activities which do not impinge on social or political attitudes, in accordance with the original Rochdale principle of political neutrality.

A number of other governmental and non-governmental bodies supplement the work of the cooperative organizations themselves. Among the government organizations should be noted the Cooperative Development Agency, [8] set up with the support of all political parties in 1978 by the Cooperative Development Agency Act, 'as the national instrument to promote the use of the cooperative form of organization for industrial or commercial activities of all kinds and to develop its possibilities as an

Key data for the main cooperative sectors

<u>Sector</u>	<u>Number of Cooperatives</u>	<u>Membership</u>	<u>Workforce</u>	<u>Turnover in £ Mio</u>
Agriculture and Fishing 1)	676	321,477	15,490	2,423
Credit Unions	73	12,000	:	1.5 (share capital)
Production 1) (excluding CWS)	911	20,400	9,000	150
Housing Associations 2)	3,854	160,336	:	4,853 (property owned)
Retail 3)	130	8,700,000	97,143	4,440 (total sales)
CWS	-	-	19,637	2,231 (total sales)
CIS	-	-	10,577	466 (premium income)
Cooperative Bank plc	-	-	3,638	1,063 (total assets)

- Notes :
- 1) Some of these cooperatives take the legal form of a company limited by guarantee.
 - 2) Not all housing associations are cooperatives.
 - 3) CWS, CIS and Cooperative Bank are all linked with the retail cooperatives in the Cooperative Union. The workforce figure for the retail societies includes subsidiaries, some of which are jointly owned with CWS.

alternative sector of the national economy which might occupy a more important place than hitherto alongside the public and private sectors'.^[9] Regional and local level support is being increasingly provided by cooperative development agencies established by local authorities or by local cooperatives, or by a mixture of both. Some supporting functions for cooperatives are also provided at regional level by organizations such as the Welsh and Scottish development agencies, or the Local Enterprise Development Unit in Northern Ireland, or by other local authority development organizations. Most of these bodies are concerned to encourage the development of small private businesses but can also be of assistance to cooperatives. Among the non-governmental bodies are the Plunkett Foundation,^[10] which undertakes academic research into cooperatives, especially agricultural cooperatives, and organizes seminars and conferences on cooperative topics. Finally, reference should be made to the Cooperative College, part of the Cooperative Union, which in addition to providing training for staff of all the organizations within the union, also organizes training for cooperators from the developing countries.

There are no economic activities of trade unions in the UK on the lines of the German 'public-benefit sector'. This is because in the past the trade unions did not wish to compete with the established cooperative organizations (especially in banking and insurance) and wished to avoid situations where they represented both employers and employed.

5. Definition and special functions of the cooperative, mutual and non-profit sectors as compared with the public and private sectors

Because of the uncertainty regarding the limits of the cooperative, mutual and non-profit sector, that sector tends to merge into the private sector without a clear distinction between the two. The main cooperative societies are registered as industrial and provident societies (the 'classical' cooperative form in the UK) but there are many other enterprises which would regard themselves as cooperative (or at least based on cooperative principles) which do not take that form. Many of these take the form of companies limited by guarantee, with cooperative principles contained in their articles of association. In other cases, cooperative societies own the shares of limited liability companies and the public may not be aware that the ultimate ownership resides with a cooperative. The law on industrial and provident societies is strictly enforced in order to protect the public from investing in enterprises which may not be strictly cooperative within the meaning of the Law.

There are close connections between the Cooperative Union and a large number of other public bodies. The Union is often requested to put forward the names of people who are active in the cooperative movement and who would be willing to serve on public bodies of different kinds, e.g. consultative committees for transport, hospitals, the Post Office, the Monopolies Commission, and various consumer councils. This ensures that the views of the cooperative movement are put forward in these bodies.

B. THE SPECIFIC ROLE OF ORGANIZATIONS AND ENTERPRISES IN THE COOPERATIVE, MUTUAL AND NON-PROFIT SECTOR

The role of organizations in this sector is closely related to their historical development, and to understand the current structure of the sector it is essential to understand the historical developments which led to the formation of those organizations, as well as the economic causes behind their formation. The goal of the Cooperative Commonwealth envisaged by the Rochdale pioneers has never been attained, and new economic circumstances have forced the modification of some of the principles on which their movement was founded: dividends related to purchases have been in some cases replaced by trading stamps or by straight cash discounts to customers, so that some consumers ask themselves whether there is any benefit in being a Coop member. The main organizations in the cooperative movement can, however, still be clearly recognized as the heirs of the cooperative tradition.

In one case the need to appeal to a wider section of the population and avoid the adverse publicity arising from the failure of a consumer cooperative (not a member of the Cooperative Union) led a major organization to drop the use of the word 'cooperative' — the Cooperative Building Society, which became the Nationwide Building Society in September 1970.

In the 1970s another role began to develop for cooperatives — the rescue of jobs. The threat of closure and unemployment at three different enterprises — Meriden Motor Cycles, Kirkby Manufacturing and Engineering (KME) and the *Scottish Daily News* — led to substantial injections of government

finance in the form of loans to save these businesses and their underlying jobs by forming them into cooperative-type organizations although they were still registered as limited companies. However, the experience with these three enterprises was not encouraging, and the long term effect was merely to delay the closures at a very heavy cost. No further major attempts have been made to continue this policy of trying to save ailing business by turning them into cooperatives.

The role of cooperative organizations is thus very pragmatical, often related to the sector in which they are active, and without a close cohesion between the organizations themselves, since they view their functions as quite separate. This is particularly true of organizations which are mutual and non-profit rather than cooperative.

C. NATIONAL ORGANIZATIONS IN THE COOPERATIVE, MUTUAL AND NON-PROFIT SECTORS AND THEIR MEMBERSHIP OF EUROPEAN GROUPINGS

The following table gives details of membership of European groups by UK national organizations:

Eurocoop	Cooperative Union
COGECA	Federation of Agricultural Cooperatives
Association of Cooperative Banks of the EC	Cooperative Union
UGAL	None
Association of European Cooperative Insurers	Cooperative Union
CECOP	Industrial Common Ownership Movement
European Union of Cooperative Chemists	Cooperative Union
European Federation of Building Societies	} Building Societies Association
European Community Mortgage Federation	

The housing associations, the friendly societies, the credit unions and the health insurance funds have no European representation. It should be noted that in some European organizations the Cooperative Union is represented by one of its subsidiary organizations, e.g. the Cooperative Bank or the Cooperative Insurance Society, as appropriate.

D. VIEWS OF THE COOPERATIVE, MUTUAL AND NON-PROFIT ORGANIZATIONS WITH REGARD TO EUROPEAN INTEGRATION

While some sectors (building societies, ICOM) are positive in their attitude to European integration and take a full part in the European-level organizations of which they are members, there is a great deal of opposition to the UK membership of the European Community within the cooperative movement, and this has been reflected at Cooperative Union conferences. Recent years have, however, seen a toning-down of this opposition to UK membership of the EC, and in fact the Cooperative Union plays an active part in the affairs of a number of European interest groups.

E. SOURCES

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COOPERATIVE UNION LTD.: *Cooperative Statistics 1983* (Manchester 1984).

BOLEAT M.: *The Building Societies Association*, Building Societies Association, London (2nd Edition) (1981).

F. REFERENCES

- [¹] Two noteworthy exceptions are Walsall Locks and Equity shoes, founded in 1873 and 1886 respectively and still trading today.
- [²] For a general guide to the principles used, see Registry of Friendly Societies, *Report of the Chief Registrar 1980*, HMSO (London 1981), p. 56.
- [³] Mutual Insurance Companies Association, Iron Trades House, 21-25 Grosvenor Place, London SW1 X7 JA.
- [⁴] The Life Offices' Association, 62-63 Queen Street, London EC4R 1AD, has around 80 members. The Industrial Life Offices' Association has about 18 members and the Associated Scottish Life Offices 9 members.
- [⁵] See also SHARMAN P.W., A Survey of Mutual Insurance in the United Kingdom, in *Mutuality 1980/2*, AISAM, Amsterdam.
- [⁶] Cooperative Statistics 1983, Cooperative Union Manchester 1984.
- [⁷] NFHA, Housing Associations, their contribution and potential NFHA (London 1983).
- [⁸] Cooperative Development Agency, Broadmead House, 21 Panton Street, London SW 1Y 4DR. UK, telephone: (01) 839 2985.
- [⁹] Cooperative Development Agency leaflet.
- [¹⁰] Plunkett Foundation, 31 St Giles, Oxford, OX1 3LF.

Chapter II: Cooperative, mutual and non-profit organizations in the United Kingdom

A. Cooperatives

1. Agricultural and fishing cooperatives

1. Basic data (1982)

Number of cooperatives:	577 (agriculture) 99 (fishing)
Number of members:	321 477
Turnover:	UKL 2 423 million [1]
Employees:	15 490

2. Brief historical outline

Agricultural cooperation in the United Kingdom began in 1867. In that year Edward Owen Greening, who had been associated with the development of the consumer cooperatives, set up the Agricultural and Horticultural Association, whose object was to sell farm supplies to farmers by the same methods as used in the consumer cooperatives for the sale of domestic goods. This was followed by the Aspatria Agricultural Cooperative Society in Cumberland, for the supply of fertilizers and feeding-stuffs, but development was slow and at the turn of the century there were probably not more than 30 societies in existence. It was not until 1901 that an English Agricultural Organization Society (modelled on the Irish IAOS) was formed, but the agricultural cooperatives did not develop so fast, nor did they become so powerful as in Denmark and Ireland. Sometimes, where new marketing structures were developed, as was the case with the dairy industry, they were developed by private enterprises such as Express Dairies and United Dairies, who specialized in getting milk from the farms to the urban population. Nevertheless, by 1920 there were 381 agricultural cooperatives in England, covering about one-third of the farmers, and mainly involved in supply activities.

The agricultural depression in the 1920s and 1930s turned attention towards the development of cooperative marketing via the Agricultural Marketing Acts of 1931 and 1933, which permitted the establishment of a Milk Marketing Board to buy milk from farmers and market it to dairy companies. But it was not until the post-war period that agricultural cooperation really grew. Membership of cooperatives increased from 108 000 in 1946 to 301 240 in 1967, so that by the latter date two out of every three farmers were members of a cooperative, compared with one in five in 1930.[2]

3. Size and structure

There were 1 044 agricultural societies registered as industrial and provident societies as at 31 December 1981 in Britain and 41 in Northern Ireland. In fact, very many of these societies are small and serve to market the produce of home or cottage allotments, or to control pests, and may be excluded from a general consideration of the sector. There were also some 101 fishing societies registered in Britain at the same date. It should be recalled that although those societies registered as industrial and provident societies are obliged to make returns to the Chief Registrar, no such obligation exists for cooperatives which take the form of companies limited by guarantee without share capital. For this reason it is difficult to get an overview of the whole of the agricultural and fishing sector, but the 1982 Plunkett figure of 577 agricultural cooperatives[1] is probably fair.

There are broadly three types of agricultural cooperatives in the UK:

1. *Marketing societies:* These market members' produce and may, like the Milk Marketing Board or the Potato Marketing Board, have been set up within a statutory framework.

Table D9: United Kingdom

Sectors	Cooperative	Mutual	Others
Agriculture and Fishing	Federation of Agricultural Co-operatives (FAC)		
Savings and Credit	Cooperative Union		The Buiding Societies Association
Insurance		Association of British Credit Unions	Friendly Societies Liaison Committee
Consumers			
Production		Industrial Common Ownership Movement (ICOM)	
Pharmacies			
Housing	National Federation of Housing Cooperatives		National Federation of Housing Associations Scottish Federation of Housing Associations N. Ireland Federation of Housing Associations

2. *Supply societies* (normally called requisites societies in the UK): These supply their members with agricultural requirements including seeds, foodstuffs and fertilizers.
3. *Service societies*: These provide a range of services to farmers such as pest control, seed testing, transport and forestry services.

These functions are not exclusive and some societies may undertake more than one of them for the benefit of their members.

It should also be noted that the Cooperative Wholesale Society farms about 15 000 ha and that certain consumer cooperatives operate farms whose produce is sold in their shops.

Fishing societies provide supply and marketing facilities for their members, and cover about one-half of the UK fish producer organizations. The Fisheries Organization Society, a member of FAC, has about 100 affiliated societies covering about 6 000 members, and there is a separate organization (Scottish Federation of Fishermen's Cooperatives) for Scotland, with 35 affiliated societies.

The Plunkett Foundation for Cooperative Studies provides a large range of statistical information [1] which attempts to show the full size of the agricultural and fishing sector. This shows that in 1982 the principal cooperatives had over 300 000 members and a turnover of UKL 2 423 million, the main emphasis being on the marketing of milk and livestock.

References

- [1] Plunkett Foundation for Cooperative Studies, *Statistics of Agricultural Cooperatives in the United Kingdom, 1982-83*, Plunkett Foundation, Oxford 1984. These statistics cover not only cooperatives registered as industrial and provident societies but also those registered as companies limited by guarantee. They do not, however, include the figures for fishing cooperatives, market stalls, etc., which are included in the statistics provided by the Chief Registrar of Friendly Societies.
- [2] DIGBY M.: *Agricultural Cooperation in the United Kingdom*, Plunkett Foundation, London 1968.

Federation of Agricultural Cooperatives (UK) Ltd (FAC)

<i>Chairman:</i>	VISCOUNT OF ARBUTHNOT, DSC
<i>Director General:</i>	W.E. WILSON
<i>Secretary:</i>	J.J. TURNER
<i>Address:</i>	Agriculture House 25-31 Knightsbridge London SW 1X 7 NJ
<i>Tel.:</i>	01 235 7853
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<i>Brussels Office:</i>	Rue de la Science 25 bte 5 1040 Brussels
<i>Tel.:</i>	230 39 04 / 230 39 66
<i>Telex:</i>	23416 AGBRIT B

I. ORGANIZATION

1. Date of formation

FAC was formed in December 1970 in order to represent the interests of agricultural cooperatives at national and European level.

2. Size and structure

FAC has 10 member organizations which themselves are regional or sectoral organizations of agricultural or fishery cooperatives, plus a number of independent cooperative society direct members (see Annex 1). The direct members are situated principally in England and up to

1 January 1984 also had a regional organization, Agricultural Cooperation and Marketing Services (ACMS). From that date ACMS was incorporated into FAC in order to strengthen FAC and to form a single powerful body to represent the interests of all UK agricultural cooperatives and marketing boards, while leaving some representation for certain sectors and regions. At 1 January 1984, there were some 400 cooperatives affiliated to FAC and its member organizations, with approximately 220 000 members, but it should be noted that some farmers are members of more than one cooperative.

3. Administrative bodies

Overall policy is agreed by a 46-member council, which consists of the president, the deputy president, past president, members of the executive committee, members appointed annually by the Agricultural Organization Societies, agricultural and horticultural members in England, cooperative commodity committees, marketing boards, and other member interests. Membership of commodity and special-interest committees is open to all member cooperatives with an appropriate interest in the sector concerned. These are brought together in three Key Commodity Committees, viz: Marketing Boards, Marketing and Supplies. There is also a Common Services Section covering personnel, training, statistics, transport, and financial and secretarial services. Representatives to COGECA, CEA, and other agencies are nominated by the council.

4. Decision-making procedure

Decisions are taken in most cases by a majority of votes.

5. Secretariat and staffing

The work of FAC is achieved by a relatively small clerical staff in London and Brussels (where FAC has a liaison office).

6. Budget size and contribution arrangements

For 1984 the total budget (London and Brussels) amounted to UKL 330 000. Member organizations of FAC pay subscriptions based on annual turnover. Subscriptions of marketing boards are negotiated annually, and there is provision for associated membership.

II. AIMS AND PRIORITY POLICIES

The objectives of FAC are to encourage an environment favourable to the agricultural sector in general and the cooperative sector in particular by:

1. effective public relations and publicity activity;
2. lobbying directly UK government and other institutions at national and local level;
3. lobbying UK and European institutions direct and through other cooperative and agricultural trade associations.

FAC also aims to provide members with accurate and timely information and advice on all matters relevant to their interests.

III. ACTIVITIES

FAC regards the promotion of the farmer interest as vital to the prosperity of agricultural cooperatives. It therefore plays an active role in projecting the image of agriculture in general and of agricultural trading organizations in particular, and at all levels, European and domestic. These efforts are coordinated with those of the Farmers' Unions and other agricultural organizations.

FAC also nominates one-half of the trustees of the Plunkett Foundation, a UK-based organization which exists to further the interests of cooperatives (especially agricultural cooperatives).

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

Agricultural policy within the United Kingdom is administered by separate departments for each of the four countries. FAC maintains contacts with government departments on all aspects of legislation and administration affecting agricultural cooperatives, represents members' interests with local authorities in England, and offers specialist help on a range of matters.

FAC also represents its members on Food from Britain (formerly the Central Council for Agricultural and Horticultural Cooperation), which exists to promote and develop agricultural cooperatives and provide grants for structural aid (in some instances, the funds emanate from the EAGGF).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

FAC is a member of COGECA and through this organization works closely with other cooperative organizations in the EC.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

FAC is a member of CEA (European Agricultural Committee).

VII. INTERNAL COHESION

The reorganization of FAC which took place at the beginning of 1984 will increase its efficiency as an interest group by bringing a direct link between the main agricultural cooperatives and their representative organization. The system of the three key commodity committees ensures that decisions combine the expertise of farmer members and executive staff, and provides a link between the farmer cooperators and the policy-makers in Whitehall and Brussels.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

As a member of COGECA, FAC takes a full part in the work of its committees and working parties. FAC representatives also sit on Commission advisory committees.

FAC has a permanent office in Brussels with the Milk Marketing Board (one of its members) and this enables it to play an active part in Community agriculture.

Regular contact is also maintained with a number of MEPs and with the European Parliament's Agricultural Committee.

IX. PUBLICATIONS

The FAC regularly publishes *News from Europe*.

X. SOURCES

Rules of the Federation of Agricultural Cooperatives (UK) Ltd.

ESC: *Directory of European Agricultural Organizations*, Office for Official Publications and Kogan Page (1984).

FOXALL, G.R.: *Organizational Structure and Market Strategy — a Study of Cooperative Marketing in European Agriculture*, University of Newcastle upon Tyne (1980).

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XI. INTERVIEWS

Interviews between Dr D.L. Armstrong and D.W. Barker, and John Catling and Milena Hasdorf (ESC General Secretariat, Studies and Research Division) on 23 March 1982, and on 24 September 1984 between Mr J.J. Turner and John Catling.

ANNEX

FAC member organizations

1. Scottish Agricultural Organization Society Ltd.
2. Ulster Agricultural Organization Society Ltd.
3. Welsh Agricultural Organization Society Ltd.
4. Federation of Milk Marketing Boards in the UK
5. Potato Marketing Board
6. British Wool Marketing Board

7. United Kingdom Wool Growers' Federation Ltd.
8. Scottish Federation of Fishermen's Cooperatives Ltd.
9. Plunkett Foundation for Cooperative Studies
10. Fisheries Organization Society Ltd.
11. Direct Members (100 agricultural cooperatives in England).

2. Credit Unions

1. Basic data (1982)

Members:	12 000
Number of credit unions:	73
Total share capital:	UKL 1 496 000 ^[1]

2. Brief historical outline

The mutual credit movement (normally referred to in English-speaking countries as the credit union movement) was started in the 1840s by the mayor of the German town of Flammersfeld, Wilhelm Raiffeisen. From the outset the movement had a social vocation which linked the provision of credit to humanitarian and moral aims, and these aims are still retained within the movement. From Germany the credit union movement spread into other European countries but it does not seem to have developed in the United Kingdom. By the beginning of the century credit unions had started up in Canada, and from there the movement spread into the United States. It was in fact via North America and the Caribbean that the credit union idea started to take hold in Great Britain in the 1960s: there may also have been some input from Ireland, where the social vocation of the movement found fertile ground in the same period. The first credit union in Great Britain was formed in 1964 as a limited company, but later others were registered as industrial and provident societies. In 1979 the Credit Union Act was passed to control the activities of credit unions, putting them within the sphere of industrial and provident societies, but providing a special framework of law. This law provides that a credit-union is basically a mutual non profit-making organization comprised of individuals who have a 'common bond' of occupation, association or residence. The common bond is both a pre-requisite and a limitation to the growth of individual unions: without the common bond a credit union cannot be registered and new members can only be found within the common bond. These limits are however strengthened by § 6(2) of the 1979 Act which sets a limit of 5 000 to the members of each union (this limit can be exceeded if the Chief Registrar of Friendly Societies gives permission). Despite these limitations, the movement is continuing to grow and is likely to expand even further in the years to come.

3. Size and structure

Credit unions still play only a minor role in UK credit finance: their objects (as laid down by § 1(3) of the Credit Union Act 1979) are:

- '(a) the promotion of thrift among the members of the society by the accumulation of their savings;
- (b) the creation of sources of credit for the benefit of the members of the society at a fair and reasonable rate of interest;
- (c) the use and control of the members' savings for their mutual benefit;
- (d) the training and education of the members in the wise use of money and in the management of their financial affairs.'^[2]

In practice credit unions tend to direct their activities to those who would not normally seek access to bank or other lending facilities. The 'common bond' and the restriction on the number of members means that credit unions tend to remain on a local basis. They do not offer other banking services.

Credit unions in Northern Ireland are governed by the provisions of the Industrial and Provident Societies Act 1969, which does not provide for a limitation on the number of members. Most credit unions in Northern Ireland are affiliated to the Irish League of Credit Unions, whose head office is in Dublin and whose activities are described in the section dealing with Ireland.

At the present time around 90% of credit unions are affiliated to the Association of British Credit Unions. Some credit unions are affiliated to the National Federation of Credit Unions and one is unaffiliated. In view of its limited size the National Federation of Credit Unions (39 Cavendish Avenue, New Malden, Surrey KT3 6QH) has not been described in this study. This National Federation has no direct connection with the Association of British Credit Unions, whose organization is described below.

Within the area of mutual credit reference should also be made to the Cooperative Bank, a subsidiary organization of the Cooperative Wholesale Society. The Cooperative Bank operates as a normal clearing bank, but concentrates its prime effort on servicing the needs of the cooperative retail movement. Its activities are described in more detail in the section dealing with retail and consumer cooperatives.

References

[1] *Registry of Friendly Societies, Report of the Chief Registrar 1981-82*, HMSO, London 1983. These figures relate to 1982 and differ from those in the section on the Association of British Credit Unions.

[2] *Credit Unions Act 1979*, HMSO, London 1979.

Association of British Credit Unions

<i>President:</i>	C. DRAYTON
<i>Secretary of the League:</i>	C. BRUCE
<i>Treasurer:</i>	H. McCOOL
<i>Address:</i>	Credit Union Centre PO Box 135 High Street Skelmersdale Lancashire WN 8 8AP
<i>Tel.:</i>	0695 32423

1. ORGANIZATION

1. Date of formation

The Association of British Credit Unions was originally formed in 1968. It is the principal national association for credit unions in Great Britain, and only credit unions registered there are eligible for membership.

2. Size and structure

The Association has some 70 members throughout Great Britain, with a total of some 15 200 members and a capital exceeding UKL 2.85 millions. The Association's activities are restricted to developing the credit union movement and it does not at present engage in any substantial trading or other economic activity, although its rules provide that it may undertake such activities (as accountants, booksellers, bankers, insurance brokers) for the benefit of credit unions and their members. It does however undertake insurance and data-processing activities.

3. Administrative bodies

The *board of directors* consists of between 10 and 15 directors representing the 5 different regions. The Board has general control, direction and management of the affairs of the League. From its number the Board elects a *president*, a vice-president, a *treasurer* and the *secretary of the association*.

The *annual general meeting* elects the board of directors and also appoints a *supervisory committee* consisting of three supervisors, whose function relates to the observance of the law and the efficient conduct of business.

4. Decision-making procedure

Every member credit union of the Association is entitled to be represented by a delegate at annual general meetings and to have one vote. Chapters (groupings of credit unions on a more local basis for social and educational purposes) can also be represented at such meetings. All resolutions are carried by a simple majority of votes cast. Majority voting also applies to the meetings of the board of directors. Major policy matters can be referred to a referendum of members.

5. Secretariat and staffing

The Association currently employs some 11 staff. The chief executive officer of the Association is responsible for day-to-day administration and is himself appointed by a two-thirds majority of the board.

6. Budget size and contribution arrangements

Every member union of the Association holds one UKL 1 share, and pays dues to the Association at a rate determined by the annual general meeting, according to the number of members shown on its annual return.

II. AIMS AND PRIORITY POLICIES

The Association's aims as laid down in Rule 3 of the Rules are the promotion and development of the credit union movement, representation of the movement with national or international organizations, education of officers and members of credit unions in the philosophy of the movement, and the provision of services and functions which may be required for the member unions, their members, or the movement generally.

III. ACTIVITIES

As well as its basic activity of coordinating the work of members, the Association provides insurance facilities and a wide range of services for member organizations, mainly directed towards the efficient operation of the local credit unions. These services include training for local credit union officials, advice on operational practices, model rules, etc. Local credit unions, organized into chapters, provide social and educational facilities as well as the basic credit union operations.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The Association is not a member of any national advisory bodies. It has however recently joined the Cooperative Union.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The Association has a correspondent relationship with the Association of Cooperative Banks of the EC.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The Association is linked with the World Council of Credit Unions as a free-standing member. The World Council is itself a full member of ICA and is accredited to the United Nations Economic and Social Council in consultative status.

VII. INTERNAL COHESION

There is a strong possibility that credit unions may undergo a period of expansion and growth over the next decade. The activity of the Association could be vital in achieving this growth.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

No direct influence.

IX. PUBLICATIONS

The Association publishes a large range of pamphlets and other documents intended to help the development of the credit union movement.

X. SOURCES

Rules of the Association of British Credit Unions.

Other Association publications.

XI. INTERVIEW

Information supplied by telephone and letter by Mr L. Nuttall to John Catling (ESC General Secretariat, Studies and Research Division), in 1982 and 1984.

3. Production cooperatives

1. Basic data (1983)

Number of cooperatives:	911
Number of members:	20 400
Number of employees:	9 000
Turnover:	approximately UKL 150 Mio ^[1]

2. Brief historical outline

The origins of production cooperatives can be traced back to Robert Owen and the cooperative pioneers of the nineteenth century. Following the development of consumer cooperatives in the mid part of that century there were many attempts to develop production societies on similar lines. With one or two exceptions, most of these failed or were forced to convert to limited liability companies in order to survive. For many years the interests of this sector were watched over by the Cooperative Production Federation, a part of the Cooperative Union, and in 1900 there were about 100 such societies. However, the number of societies within that Federation dwindled to a handful by 1980 and a new structure was formed within the Cooperative Union — The Cooperative Production Committee (now the Cooperative Productive Board), which currently represents the interests of eight production societies.

In the 1950s the movement for production cooperatives gained a fresh impetus via the activities of Ernest Bader, who founded the industrial common ownership movement in 1951 when he gave 90% of the shares in his company Scott-Bader Ltd — manufacturers of plastic resins — to a new company limited by guarantee, and invited the employees of the old company to become members of a 'Common Wealth'. This successful initiative (by the 1970s Scott-Bader had a turnover of UKL 15 million and a workforce of 450 persons) led in 1976 to the Industrial Common Ownership Act, which permitted the incorporation of 'common ownerships' — cooperatives where all the members are workers and all the workers members. The Industrial Common Ownership Movement (ICOM) has given a new lease of life to this form of cooperation in the United Kingdom.

3. Size and structure

Production cooperatives represent a relatively small sector of production activity in the United Kingdom. The biggest production organization is the Cooperative Wholesale Society, which produces goods for the consumer cooperatives, and which has been described under that sector. CWS employees do not however directly control the CWS which is owned by the retail consumer cooperatives. For this reason the CWS is not a direct member of the Cooperative Productive Board or of ICOM.

The remaining cooperatives amount to between 850 to 900, representing about 9 000 employees.^[1] Some of these cooperatives are registered as industrial and provident societies and others as companies limited by guarantee without share capital. They are not all members of ICOM and not all common ownerships, but most of them — small businesses in the production, building and service sectors — have been founded as a result of the efforts of ICOM in the last 15 years.

References

[1] Information provided by ICOM Secretariat, 12 September 1984.

Industrial Common Ownership Movement Ltd (ICOM)

Chairman: MANUELA SYKES
Secretary: MIKE CAMPBELL
Address: 7-8 The Corn Exchange,
Leeds, LS 1 7 BP
Tel.: 0532 461737

I. ORGANIZATION

1. Date of formation

ICOM was founded in 1971 in order to continue and develop the industrial common ownership movement originally founded by Ernest Bader in the 1950s.

2. Size and structure

ICOM is a company limited by guarantee without share capital. The members are the production and service cooperatives for which ICOM acts as umbrella organization. ICOM's activities are related to the provision of advice to new common ownerships and to act as a pressure group, and a coordinating body. ICOM also provides model rules for enterprises wishing to start up as common ownerships.

The Industrial Common Ownership Act of 1976, which defined a common ownership enterprise, also provided for a fund to assist such enterprises. This is administered by Industrial Common Ownership Finance Ltd, a separate organization governed by trustees.

3. Administrative bodies

The *annual general meeting* elects a *board of directors* which is responsible for the day-to-day management of ICOM. The articles of association provide that two-thirds of the members of the board must be workers in member organizations, and the remaining one-third represent other persons of organizations which are members of ICOM (e.g. local authority development associations, etc.).

4. Decision-making procedure

Normally by majority vote.

5. Secretariat and staffing

At the present time ICOM has three permanent members of staff and others are engaged on a contractual basis from time to time.

6. Budget size and contribution arrangements

The 1984 budget was in the region of UKL 52 000, based on UKL 35 per member organization plus UKL 3 per employee in full-time employment.

II. AIMS AND PRIORITY POLICIES

The objectives of ICOM are to advance the system of common ownership under which people who earn their living by working in an enterprise, own and control that enterprise collectively. In addition to the close identification of members and owners, ICOM enterprises do not recognize the control element of capital and members cannot benefit from the distribution of residual assets in the event of a dissolution. There is also a strong commitment to promoting the well-being of the community.

III. ACTIVITIES

Activities are mainly related to advice to common ownerships, production of information about the purposes and principles of common ownerships and the organization of meetings, conferences and seminars in order to spread knowledge of common ownership principles.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES (LEGISLATIVE AND ADMINISTRATIVE)

ICOM endeavours to promote common ownership by means of its support with MPs and within the framework of the Industrial Common Ownership Act.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

ICOM is a member of the European Committee of Workers Cooperative Productive and Artisanal Societies (CECOP).

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

None at the present time.

VII. INTERNAL COHESION

ICOM is active in promoting common ownerships in those areas where there is high unemployment. Its activities are linked closely with other organizations serving the same goal — Industrial Common Ownership Finance, the Cooperative Development Agency, and local authority agencies aiding small businesses.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

Via CECOP or MPs and MEPs.

IX. PUBLICATIONS

In addition to its annual report, ICOM publishes a monthly *Newsletter* and many other pamphlets relating to the common ownership movement.

X. SOURCES

R. SAWTELL and M. CAMPBELL: *Industrial Cooperatives*, ICOM, 2nd edition, Leeds 1980.

Various pamphlets and brochures produced by ICOM.

Newsletter (May 1982).

OAKESHOTT R.: *The Case for Workers' Co-ops*, Routledge & Kegan Paul (London 1978).

THORNLEY J.: *Workers' Co-operatives — Jobs and Dreams*, Heinemann (London 1981).

XI. INTERVIEW

Telephone discussions between Mike Campbell, Secretary, and John Catling and Milena Hasdorf (ESC General Secretariat, Studies and Research Division), in 1982 and 1984.

4. Housing associations

1. Basic data (1982)

Number of associations (Great Britain)	3 779
(Northern Ireland)	75
Number of members (Great Britain)	158 000
(Northern Ireland)	2 336
Total assets (Great Britain)	UKL 4 805 million
(Northern Ireland)	UKL 48 million (property owned) ^[1]

2. Brief historical outline

The persistent shortage of housing in the whole of the United Kingdom since the Second World War has led to the development of various non-profit solutions to meet this need. The shortage has been particularly acute in the sector previously covered by rented accommodation, and with all those groups in the population unable to purchase houses as owner-occupiers or to find housing as tenants of local authorities.

Succeeding governments have enacted legislation designed to improve the situation in a number of ways. One such way has been to encourage the development of housing associations. Current legislation (the Housing Act 1974) extends the functions of a government authority known as the Housing Corporation which has the duty to promote and assist the development of such associations. The Housing Corporation has certain supervisory functions with regard to the associations (as does the Chief Registrar of Friendly Societies) and can also make loans and grants of various kinds to assist their work. Housing associations can also obtain finance from local government authorities.

3. Size and structure

There are currently nearly 4 000 housing associations in the United Kingdom, with a total membership of around 155 000 and some 500 000 tenants. These comprise a number of different types of association:

1. General societies, associations and trusts, which meet many different needs for housing.
2. Employees' societies, where business organizations sponsor a society to house employees.
3. Cooperative housing associations, where the tenants are the members.
4. Self-build societies, where the members build houses for their own occupation and ownership, using the cooperative labour of their members (if they are building craftsmen) or via contractors. When the homes have been built and handed over to the members the cooperative comes to an end, unless retained for the maintenance of common areas, etc.
5. Co-ownership societies, where the members own collectively the houses or flats they occupy under a lease granted by the society.

In the three years to 1980 the number of homes built or converted by associations was in the region of 30 000 per annum, but since 1980 this number has decreased substantially.

References

[1] REGISTRY OF FRIENDLY SOCIETIES: *Report of the Chief Registrar 1981-82*, HMSO, London 1983.

DEPARTMENT OF COMMERCE: *Report of the Registrar of Friendly Societies 1982*, HMSO (Belfast 1983).

National Federation of Housing Associations¹

<i>Patron:</i>	HRH THE DUKE OF EDINBURGH
<i>Chairman:</i>	BARRY NATTON
<i>Director:</i>	RICHARD BEST
<i>Secretary:</i>	VALERIE I. CLARK
<i>Number of Member Societies:</i>	2 000 (1984)[¹]
<i>Total income:</i>	UKL 850 000 (1983)[¹]
<i>Address:</i>	175 Gray's Inn Road London WC 1X 8UP
<i>Tel.:</i>	01-278 6571

I. ORGANIZATION

1. Date of formation

The Federation was incorporated on 22 June 1935.

2. Size and structure

The Federation is the umbrella organization for Housing Associations in England and Wales. Housing Associations in Scotland and Northern Ireland are covered by separate organizations (see Annex I). The Federation has regional offices in the principal regions of England and Wales.

The Federation has approximately 2 000 members who elect its controlling National Council. It is a company limited by guarantee not having share capital, whose members' liability is limited to UKL 1 each.

Member associations at 31 December 1983 were as follows:

Charitable housing associations	1 094
Non-charitable housing associations	371
Co-Ownership housing associations	173
Cooperative housing associations	122
Self-build housing associations	200
	1 960[¹]

3. Administrative bodies

The *Annual general meeting* is the highest body of the Federation, and elects a *board of directors* known as the 'National Council', which consists of 28 members representing different categories of membership. The National Council is responsible for the management of the Federation and can also set up regional councils and special committees. In addition the Federation operates a number of committees and working parties.

4. Decision-making procedure

Normally by majority vote.

5. Secretariat and staffing

There are 40 full-time members of staff, headed up by the director of the Federation.

¹ This text concerns only the National Federation of Housing Associations, which covers housing associations in England and Wales. For Scotland and Ireland, see Annex I.

After this text was prepared a number of cooperative housing associations decided to form their own organization to represent the interests of cooperative housing. Their organization, the National Federation of Housing Cooperatives, has some 200 member cooperatives. The Federation's address is: 34 Argyle Mansions, Hammersmith Road, London W14 8QG, tel.: 01-603 0048.

6. Budget size and contribution arrangements

Total outgoings for 1983 amounted to UKL 802 000. The income of the Federation arises primarily from affiliation fees of members, sundry income from services, and government grants.

II. AIMS AND PRIORITY POLICIES

The Memorandum of Association shows the Federation's objects to be the promotion, encouragement and assistance of housing associations as defined in § 129^[1] of the Housing Act 1974.^[2] Broadly, this means any non-profit association whose objects are those of constructing, improving or managing houses. The Federation has also a large number of subsidiary objectives relating to its role as spokesman for the associations with government departments, local authorities and the private sector in general.

III. ACTIVITIES

In addition to working to provide more and better housing for social groups who are not normally able to purchase their homes (in recent years a figure of around 30 000 homes per year), the Federation works closely with government departments (especially the Housing Corporation) and advises on aspects of housing legislation. It has an important role in the training of housing managers and organizes a major annual conference. The Federation also works in close association with two charitable trusts in the housing field, the Housing Associations Charitable Trust and the Help the Aged Housing Trust.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The Federation has a close working relationship with the Department of the Environment and with the Housing Corporation. Regular meetings of Federation National Council delegates and representatives of the Housing Corporation are held.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

None at the present time.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

Only *ad hoc* links.

VII. INTERNAL COHESION

Despite substantial cuts in government expenditure, the Federation continues to act as a centre for the coordination of action for the provision of housing for the most needy sections of the population, including the elderly and the disabled.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

No information available.

IX. PUBLICATIONS

The Federation publishes an *Annual Report*, and the monthly magazine *Voluntary Housing*, plus a range of other publications for members.

X. SOURCES

Annual Report, 1980, 1981, 1983.

Voluntary Housing, various numbers.

Housing Act 1974, HMSO (London 1974).

XI. INTERVIEW

With Mr Bill Randall, Press and Information Officer, on 17 March 1982, and with Mr Chris Bazlinton on 25 September 1984, by John Catling, ESC General Secretariat, Studies and Research Division.

XII. REFERENCES

[1] Annual Report 1983, plus information provided by the Association.

[2] NATIONAL FEDERATION OF HOUSING ASSOCIATIONS: *Memorandum and Articles of Association*.

ANNEX I

There are separate organizations for the housing associations in Northern Ireland and Scotland. These have a similar role and structure to the National Federation based in London, but their activities are limited to Northern Ireland and Scotland respectively. Their addresses are:

Northern Ireland Federation of Housing Associations, 123 York St., Belfast, tel. 0232 30466.

Scottish Federation of Housing Associations, 42 York Place, Edinburgh, tel. 031 556 1435.

5. Retail and consumer cooperatives

1. Basic data (1983)

Number of societies:	130
Number of members:	8 700 000
Turnover:	UKL 4 440 (retail societies) ^[1]
Employees:	90 486 (retail societies) 130 995 (all societies)

2. Brief historical outline

Although the Rochdale pioneers saw the cooperative movement as a movement which would in due time extend to all sectors of economic and social life (they were particularly insistent on the educational role of the movement) in fact these hopes did not materialize, and although in the second part of the nineteenth century there were extensions into banking and insurance, the main edge of the movement remained with the highly successful retail shops.

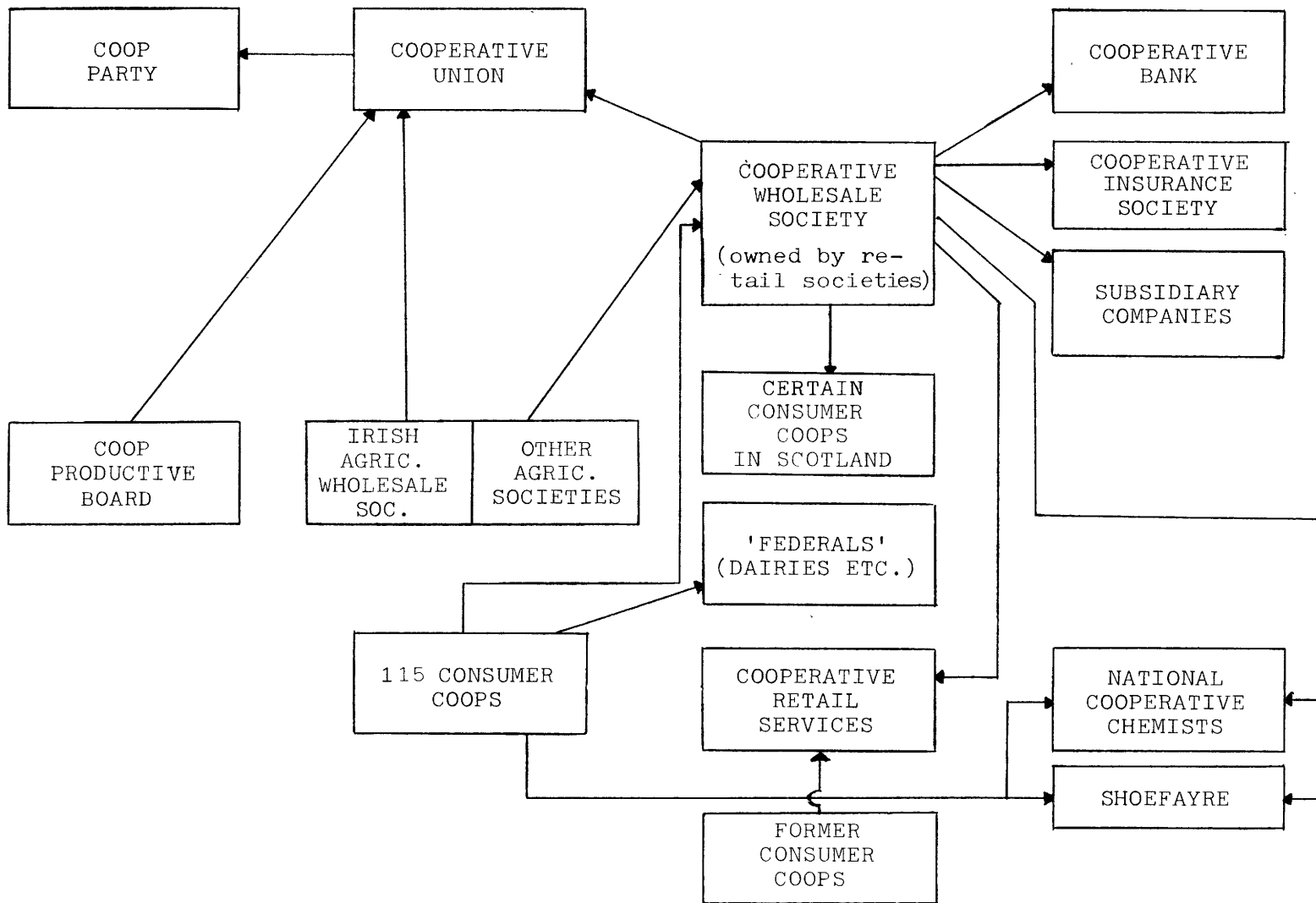
In 1869 the Cooperative Union was founded to act as a national federation of cooperatives and to organize the national Cooperative Congress, but this organization did not engage in trading (except for the sale of publications) and acted merely as an umbrella organization for the consumer cooperatives, the Cooperative Party, the Cooperative Production Federation, the CWS — Cooperative Wholesale Society — (which exists primarily to wholesale and manufacture goods for sale in the cooperative stores) and the CWS' various subsidiary activities. Thus the cooperative movement in Great Britain (and in Northern Ireland to a lesser extent) became largely identified with the retail shops, although the Cooperative Union has always taken a friendly interest in advising and helping other forms of cooperation. In the first part of the current century the consumer cooperatives maintained and expanded their share of retail trading, but with the highly increased competitive situation following the Second World War they were obliged to take steps to maintain their position. This involved amalgamations of smaller societies and the development of Cooperative Retail Services (a centralized trading organization jointly owned by the local members and the CWS) to strengthen cooperative trading at local level.

In 1968 the Cooperative Union launched a plan for the creation of 50 large, powerful regional societies in England and Wales to replace the then 467 societies. At the time of writing, the target is a further reduction from the current 115 to 25 societies for the whole of the United Kingdom.

3. Size and structure

The Cooperative Union, whose organization is described below, is primarily an association of regional consumer cooperatives and their associated secondary societies (known as 'federals' in the United Kingdom). Some of these federals are of great economic importance (Cooperative Bank, Cooperative Insurance Society, Cooperative Wholesale Society) and details of their organization are shown in Annex I to the section on the Cooperative Union. Others, which are groupings of local societies on a regional basis, cover milk processing, baking laundering, fuel distribution and funeral furnishing. The consumer societies are primarily engaged in the sale of food, which accounts for about 75% of turnover.

The Coop share of retail turnover is estimated to be at around 8.4% for food and 2.2% for non-food giving an overall figure of 5.5% (1983).^[1] The conglomerate structure of the whole retail and consumer cooperative sector can in fact best be shown in diagrammatic form: (see on p. 682).



The relative size of the principal trading societies in the group can be judged from the following table: [1]

	1983	
	Turnover (Million UKL)	Employees
CRS and Retail Societies	4 274	90 486
CWS	2 221	19 637
Coop Insurance Soc.	446	10 577
Nat. Coop Chemists	21	516
Coop Press	6	286
Shoefayre	19	810
Irish Agric. Wholesale Soc.	54	302
Local Federals (16 societies)	123	3 721
Production Societies	10	742
Others	18	280
Coop Bank	7	3 638
	(operating profit)	130 995

A total turnover figure cannot be computed in view of the many inter-society transactions.

It should also be noted that in 1981 the Association of British Credit Unions joined the Cooperative Union; its activities are described in the section dealing with credit unions.

References

[1] COOPERATIVE UNION LTD.: *Cooperative Statistics 1982 and 1983*, Cooperative Union Ltd., Manchester 1984, plus information provided.

Cooperative Union Ltd

Chairman: J. MASON
*Chief Executive Officer and
 General Secretary:* D.L. WILKINSON
Address: Holyoake House,
 Hanover Street,
 Manchester M60 0AS
Tel.: 061 832 4300

I. ORGANIZATION

1. Date of formation

The Cooperative Union was formed in 1869 to act as a national federation of the consumer cooperative movement and to organize new societies and to spread knowledge of cooperative principles and practice.

2. Size and structure

At the end of 1983 some 130 societies were linked with the Cooperative Union. Of these, some 115 were the traditional consumer cooperative, the others being dairies, laundries, chemists, agricultural

organizations, etc. often organized on a regional or federal basis, as well as the CWS and its associated societies.

3. Administrative bodies

The highest administrative body is the *Cooperative Congress*, which includes members of the central executive and sectional boards, and delegates from the member societies of the union (§ 17 of the Union's Rules). The number of delegates from the member societies varies according to the turnover of those societies. In addition societies which consist of other societies may be allowed delegates if the central executive so decides.

The *central executive* is a management committee and consists of:

- eight representatives who are directors of the Cooperative Wholesale Society Ltd
- two representatives from societies in Scotland
- nine persons elected by societies in the different regional sections.

Four *sectional boards* are appointed for the regions as determined by Congress. These Boards consist of two representatives of the CWS and elected persons representing the regional groupings in a section. The Boards have control of all work connected with the Union within the geographical limits of their respective sections.

In addition, *ad hoc* committees may be appointed from time to time by the Congress or the Central Executive.

4. Decision-making procedure

Congress: Each retail (consumer) society entitled to send a delegate to Congress has one vote by virtue of membership and an additional vote for every UKL 100 000 of trade. Central executive decides the number of votes for which societies other than distributive shall be entitled. Majority voting normally applies.

It should be noted that member societies cannot be compelled to conform to decisions of the Union, but they do have a moral obligation to respect such decisions, and can be removed from membership if they do not abide by the rules and accept the decisions of the central executive as confirmed by congress.

5. Secretariat and staffing

The main departments of the Union are: secretarial and legal; taxation; information; education; finance; labour; economic and research; parliamentary; political; pension services. The education executive is also responsible for the Cooperative College in Loughborough.

6. Budget size and contribution arrangements

In 1983 the Cooperative Union had an income from members' subscriptions totalling UKL 2 085 172. [1] These subscriptions are determined at a rate set by Congress, based on the annual sales of the society concerned. Where member societies are not 'distributive' societies, i.e. where they have no sales, the rates of contribution are determined by the central executive.

II. AIMS AND PRIORITY POLICIES

The objects of the Union are, according to its Rules, to carry on the business of general and commercial advisers to cooperative societies, to trade as accountants, booksellers, etc., and to arbitrate in matters of dispute between societies which cannot be settled locally. In addition the Union propagates cooperative principles and ideas, and the organizing of cooperative work in all its branches, with a view to the ultimate establishment of a cooperative commonwealth. [2] In practical terms, since the consumer movement is the best established, its primary function has been to coordinate the work of consumer cooperatives and to act as their national spokesman. This ensures that all societies have access to skilled professional advice tailored to their needs at the lowest possible cost.

III. ACTIVITIES

The Union's activities as accountant and bookseller are wholly related to its position as an advisory and promotion organization within the cooperative movement. It does not engage in trade except as regards the sales of its publications.

In addition to the advisory and coordinating function set out above, the Union has a strong commitment to education, particularly cooperative education. The Union is responsible for the Cooperative College in Loughborough, which accommodates 110 residential students and is used to run training courses for managers and staff from member societies, as well as providing facilities for training cooperative society staff and others from developing countries. The Plunkett Foundation (a trust for cooperative research (mainly agriculture) based in Oxford) is also a member of the Union and provides academic-level research papers and publications, and organizes seminars. Finally, the Union is also responsible for the annual congress, which reviews the progress of the cooperative movement in Britain and outlines its attitude to major political problems.

Two other activities apart from those connected with retailing and the supply of services should also be referred to:

1. *The Cooperative Productive Board*. This looks after the interests of some eight production cooperatives and has taken over the functions of the former Cooperative Production Federation.
2. *The Cooperative Employers' Association*, which is financed and serviced by the Cooperative Union, negotiates wages and conditions with the trade unions for employees in retail societies through an elected industrial relations executive. There is also a national conciliation board for the settlement of disputes.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES (LEGISLATIVE AND ADMINISTRATIVE)

The Union has a strong political influence via the Cooperative Party, which was set up in 1917 to represent the cooperative movement, and which is technically a department of the Union and is ultimately responsible to the central executive and the congress. Not all societies in the Union are members of the Cooperative Party, but in 1980 over 90% of members of consumer cooperatives belonged to societies which contributed to Cooperative Party funds. Since 1927 there has existed an agreement with the Labour Party whereby the Cooperative Party sponsors some 30 candidates for Parliament as joint Cooperative and Labour candidates. There are currently seven Cooperative Party MPs in the House of Commons as a result of this arrangement.

The Union is also a member of the National Council of Labour, the Retail Consortium, and is represented on the NEDC.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The Union is a member of Eurocoop.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The Cooperative Union is a member of the International Cooperative Alliance. It is also a member of the United Nations Association and is represented on the UK Committee of Unicef.

VII. INTERNAL COHESION

A great deal has already been accomplished towards the aim of a rationalized structure of consumer and other cooperatives which would benefit from the economies of scale associated with nationwide operation. But there is still much to be done in the way of internal cohesion if the union and its affiliated organizations are to retain their position in the consumer markets and expand into services and other functions.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

This influence is exercised primarily via Eurocoop and the Retail Consortium. The Cooperative Party sponsors three of the Labour MEPs (Messrs Tomlinson, Newens and Balfe).

IX. PUBLICATIONS

The Union publishes the *Cooperative Gazette*, *Cooperative Statistics*, an *Annual Report* and other publications relating to the cooperative movement in Britain.

X. SOURCES

The Cooperative Union — its Aims and Practices.

Cooperative Statistics 1983.

Annual Report and Accounts 1983.

Rules of the Cooperative Union Ltd.

An Outline of the Cooperative Movement.

New and Emerging Cooperative Organizations.

(All publications of the Cooperative Union, Manchester).

XI. INTERVIEWS

With Mr R. Bluer, Deputy General Secretary, on 16 March 1982, and with Mr R. Garratt, Librarian on 24 August 1984, by John Catling, ESC General Secretariat, Studies and Research Division.

XII. REFERENCES

[1] Cooperative Statistics 1983, op.cit.

[2] COOPERATIVE UNION LTD: *Rules of the Cooperative Union Ltd*, Cooperative Union Ltd (Manchester 1980).

ANNEX Ia

Cooperative Wholesale Society Ltd (CWS)

<i>Chairman:</i>	P. PAXTON
<i>Chief Executive:</i>	D.M. LANDAU
<i>Address:</i>	New Century House Manchester M60 4ES
<i>Tel.:</i>	(061) 834 12 12

The Cooperative Wholesale Society was established in 1863 by the retail cooperatives in order to act as a buying agency on their behalf. Since then its activities have been extended to include farming, travel, hotel management, plus a large number of management and advisory services. The Cooperative Bank and the Cooperative Insurance Society are both wholly owned subsidiaries of the CWS.

In 1983 there were 271 member societies of the CWS. 150 of these were retail societies, 20 were local federations, 18 were productive and other societies, 54 were agricultural societies, while the 29 others were societies in countries overseas. The basic one member one vote principle is for administrative reasons not applicable in the CWS management, so that member societies receive one vote each plus a further vote for the first UKL 12 500 of trade with the CWS during the previous year, plus a further vote for each additional UKL 25 000.

The board of directors is the principal policy making body of the CWS, whose members are nominated by the member societies and who themselves occupy senior positions in those societies. Internal rules provide for a geographical allocation of seats on the board and a fair representation of member societies. Management is in the hands of a chief executive and four controllers, who head up the four divisions of Food, Non-Food, Retail and Services, and Finance.

CWS sales for the year 1983 totalled UKL 2 138 million: 69% were accounted for by the food division, 17% by non-food, 11% by retail operations (Scotland), and 3% by professional and other services.

The CWS is a member of ICA, Intercoop and Eurocoop.

Sources

The CWS in Brief, Library and Information Unit, CWS, Manchester.

Interviews

Interviews were held on 16 March 1982 with Mr Cross, General Manager, Marketing Services, and on 24 August 1984 with Mr R. Garratt, Cooperative Union, by J. Catling, ESC General Secretariat, Studies and Research Division.

ANNEX Ib

The Cooperative Insurance Society Ltd (CIS)

<i>Chairman:</i>	D.J. WISE
<i>Chief General Manager:</i>	A. DUVAL
<i>Address:</i>	Miller Street Manchester M60 0AL
<i>Tel.:</i>	(061) 832 86 86
<i>Telex:</i>	668621 CIS G

The Cooperative Insurance Society (CIS) was established in 1867 and is an industrial and provident society whose shares are wholly owned by the parent organization, the Cooperative Wholesale Society. It conducts its business in accordance with cooperative principles and profits are largely distributed by way of bonus additions to the sums assured by the life assurance business. In 1983 the sums insured in long-term (life) business amounted to UKL 1 494 million and premiums written for general insurance amounted to UKL 199 million.

CIS transacts all kinds of insurance business, obtaining most of its business through a full-time agency force with 220 district offices throughout the UK. Much of this business consists of personal policies taken out by ordinary working people: life assurance, insurances on their homes and possessions, their cars and motor cycles. The life business is the third largest individual insurance business in the UK. There are currently about 14 million CIS policies in force of all kinds, and the assets of the society totalled more than UKL 2 200 million in December 1983.

CIS is a member of the British Insurance Association, the Life Offices Association and the Industrial Life Offices Association. It is also a member of the Association of European Cooperative Insurers and the International Cooperative Insurance Federation, and through this organization a member of ICA.

Sources

Report and Statement of Accounts, year ending 31 December 1980 and year ending 31 December 1983.

Interviews

Interviews were held with Mr A. Liddle, Head of Administration, on 16 March 1982, and with Mr R. Garratt, Cooperative Union, on 24 August 1984, by J. Catling, ESC General Secretariat, Studies and Research Division.

ANNEX 1c

The Cooperative Bank PLC

<i>Chairman:</i>	P.J. PAXTON
<i>Secretary:</i>	G.J. MELMOTH
<i>Chief General Manager:</i>	L. LEE
<i>Address:</i>	1 Balloon Street Manchester M60 4EP
<i>Tel.:</i>	(061) 832 3456

The Cooperative Bank was established in 1872 as the 'Loan and Deposit Department' of the CWS. The first branches were opened between 1920 and 1922, and operations were extended gradually over the next 50 years. In 1971 the Bank was incorporated by special Act of Parliament as a public limited company whose shares are wholly owned by the parent Cooperative Wholesale Society. Since 1971 the Bank has seen a steady period of growth, during which time it was invited to become an associate member of the London Clearing House (putting it on a par with other major UK banks) and it has substantially expanded its international and financing operations, some of which are carried out by FC Finance Ltd, in which the Bank is a majority shareholder.

At the present time the Bank has some 850 000 customer accounts and nearly 75 full branches. In addition, however, there are banking facilities of various types provided in the stores of the retail societies in whom the ownership of the bank is ultimately vested, thus providing a valuable service to members of the consumer cooperatives themselves.

The Bank is keen to support the development of new forms of cooperation and has provided resources to support production cooperatives. The Bank is represented on most local cooperative development groups and works closely with the Cooperative Development Agency.

For the year ended 14 January 1984 the consolidated net profit amounted to UKL 7.5 million, and total assets exceeded UKL 1 013 million.

The Bank is a member of the Association of Cooperative Banks of the EC.

Sources

Report and Accounts for the year ended 10 January 1984.

Introducing you to... the Cooperative Bank.

Interview

On 16 March 1982 with Mr Keith Girling, Head of Personnel, by J. Catling, ESC General Secretariat, plus information provided by Mr R. Garratt (Cooperative Union) on 24 August 1984.

B. Mutual sector

1. Friendly societies and provident associations

1. Basic data (friendly societies)

1981:

Total societies:	475
Members:	3 431 000 (excluding collecting societies)
Funds at end of year: Collecting societies	UKL 981 million
Others	UKL 614 million ^[1]

2. Brief historical outline

Some of the earliest mutual societies in the UK were those 'friendly societies' whose members banded together to subscribe for benefits in connection with sickness, death and old age. The origins of the friendly societies can be traced back to the insurance activities of the religious and trade guilds of the Middle Ages. The oldest established association operating on friendly society principles, the Incorporation of Carters of Leith, goes back to 1555; another, the Society of Parisians, was formed by Huguenot refugees in 1687 and lasted until the early part of the twentieth century. The movement grew enormously in the nineteenth century in an age when State pensions and health insurance were unknown, and other forms of mutual health insurance run by 'provident associations' were also established. When State old-age pensions and health insurance were introduced in 1911, they were administered through 'approved societies' which included State sections of friendly societies and resulted in a large increase in membership. On the introduction of the present National Insurance scheme in 1948, the administration of these approved societies, including the State sections of friendly societies, was taken over by what is now the Department of Health and Social Security. In 1948 it seemed as if there could be no place for many of these societies and associations, but they have continued in existence and provided one of the main sources of sickness insurance outside the National Health Service, as well as operating hospitals and medical services and providing annuities and life assurance for which a substantial proportion of the premiums are collected at the door on a weekly or four-weekly basis (this is known as 'industrial assurance' in the UK).

3. Size and structure

(a) Friendly societies

Friendly societies are governed in the UK by the Friendly Societies Act 1974 and the Friendly Societies Act (Northern Ireland) 1970. These acts specify the kinds of society which may be registered and the purposes which they may fulfil, but the chief registrars in London and in Belfast do not accept registration unless they can be sure that the society's affairs are truly in the hands of its members. Friendly societies are usually divided into the following three types:

1. *Orders and branches*: associations which have social and other functions and provide relief for their members in sickness and old age.
2. *Societies without branches*: these are usually pure mutual insurance societies, providing benefits in sickness and old age.
3. *Collecting societies*: these transact industrial assurance (see above) and in most cases other life assurance business as well. They are subject to the industrial assurance legislation in addition to the Friendly Society Acts.

In addition to these broad categories, there are other smaller associations formed for specific purposes (cattle insurance, working men's clubs) which are not considered to be within the scope of this document.

In 1981 the size of these three main groups of friendly societies was as follows^[1]:

	<i>No of societies</i>	<i>No of policies</i>	<i>No of members 000's</i>	<i>Funds at end of year (UKL million)</i>
Orders (and branches) 1979	25 (3 636)	n/a	601	111
Societies without branches	408	n/a	2 830	503
Collecting societies	42	20.26 million	n/a	981

(b) Provident associations

At the present time there are three major provident associations active in the UK. Their principal activity is to provide insurance to cover the costs of medical and hospital treatment, but in recent years they have extended their activities to include medical screening, operation of hospitals and other related functions. They are, like many other organizations in this sector, companies limited by guarantee and do not therefore come under the supervision of the Chief Registrar of Friendly Societies. In the past there was a tendency to regard these organizations as 'rich men's clubs' but the number of members (about 2 million) indicates their wide appeal: the largest of the three major associations, British United Provident Association (BUPA) estimates that about 300 000 of its subscribers are members of trade unions. BUPA and the other two major organizations — Western Provident Association and PPP — are members of the International Federation of Voluntary Health Service Funds, which is the international-level organization (there is no national organization) for the Anglo-Saxon world. This federation works closely with the Alliance internationale de la mutualité, in Geneva, which holds a corresponding international umbrella function for the countries of Europe.

As the UK provident associations have no umbrella organization, they will not be referred to further in this text.

N.B.

1. The Cooperative Insurance Society is dealt with in the section relating to the Cooperative Union group.
2. For an overview of mutual life and general insurance written by firms other than friendly societies, see the introduction to the UK.

References

- [1] REGISTRY OF FRIENDLY SOCIETIES: *Report of the Chief Registrar 1981-82*, HMSO London 1984, plus information provided by the Friendly Societies' Liaison Committee.

Friendly Societies Liaison Committee

Chairman: P.M. MADDERS
Hon. Secretary: J. LAMBETH
Address: Victoria House
 Southampton Row
 London WC1B 4DB
Tel.: 01-405 4377

I. ORGANIZATION

1. Date of formation

The Liaison Committee was formed in 1964 to represent the four friendly society associations and thus the whole friendly society movement.

2. Size and structure

The four member associations are:

- Association of Collecting Friendly Societies,
- Association of Deposit Societies,
- National Union of Holloway Friendly Societies,
- National Conference of Friendly Societies.

These associations each represent different forms of friendly society within the movement as a whole.

The Association of Collecting Friendly Societies represents the 17 major collecting societies (see above), covering about 95% of this type of business. In 1981 there were 502 000 assurances taken up and at the end of the year there were over 20 million assurances in force.[1]

The Association of Deposit Societies (mutual societies providing insurance against sickness, plus a savings element) represents the four major deposit societies covering about 90% of the business. Some of the smaller deposit societies are members of the National Conference.

The National Union of Holloway Friendly Societies represents some 17 societies providing sickness insurance and life assurance according to the system developed by George Holloway in 1875.

The National Conference of Friendly Societies represents some 23 'orders' (see above) and about 78 other non-collecting societies. There is also a Scottish Association of Friendly Societies, most of whose members are members of the National Conference.

In Northern Ireland, certain of the bigger British Friendly Societies are registered and there are some local societies whose activities are limited.

3. Administrative bodies

The Liaison Committee has no administrative bodies as such. A chairman and secretary are appointed but there are no other structures.

4. Decision-making procedure

The Liaison Committee is empowered to take action on matters on which the representatives are in unanimous agreement; in the unusual event of a difference of opinion the associations are consulted before action is taken.

5. Secretariat and staffing

Secretarial and staff facilities are provided by one or other of the societies or associations.

6. Budget size and contribution arrangements

Expenses arising from the work of the Liaison Committee are shared equally by the four associations.

II. AIMS AND PRIORITY POLICIES

The purpose of the Liaison Committee is to consult, represent and advise on matters common to the associations and to make or receive representations from the Chief Registrar of Friendly Societies, government or public departments.

III. ACTIVITIES

The Liaison Committee maintains close contact with the Associations and gives advice on matters related to proposed legislation, especially in the areas of life assurance, pensions, sickness insurance, etc.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

Although there are no formal channels for consultation, the Liaison Committee has a wide range of contacts with Parliament, government and the whole of the insurance and business world, which ensure that it is consulted whenever matters relating to friendly societies are under discussion.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The Secretary is invited to all meetings of the European Committee of the Life Offices' Association.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

Because friendly societies are closely linked to national circumstances and legislation, the Liaison Committee has not developed links with similar organizations outside the UK. However, some societies have fraternal associations with similar organizations in other Commonwealth countries and the USA. The social contacts are strong but the business operations in each country are entirely separate and governed by the legislation of that country.

VII. INTERNAL COHESION

Because the Liaison Committee consists of representatives of only four associations a close cooperation is possible, subject of course to the limitations imposed by the associations themselves.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

The friendly society movement is actively watching EC activity, especially in the field of life assurance. Influence is exercised via the European Committee of the Life Offices Association.

IX. PUBLICATIONS

The Liaison Committee publishes an annual report, as do certain of the associations. Other publications are prepared from time to time on an *ad hoc* basis.

X. SOURCES

REGISTRY OF FRIENDLY SOCIETIES: *Report of the Chief Registrar 1981-82*, HMSO (London 1983).

Documents provided by the Liaison Committee.

Guide to the Law relating to Friendly Societies and Industrial Assurance (HMSO 1976).

BEVERIDGE, LORD: *Voluntary Action*, Geo Allen & Unwin (1948).

XI. INTERVIEW

With Messrs L.L. Munns (Hon. Secretary, Association of Collecting Friendly Societies), F.G. Fenton (Chairman, Association of Deposit Societies), W. Goodman (Liverpool Victoria Friendly Society), and P.M. Madders (National Conference of Friendly Societies), by John Catling (ESC General Secretariat, Studies and Research Division) 10 June 1982. Updated by telephone conversation with Mr P.M. Madders in August 1984.

XII. REFERENCE

[1] REGISTRY OF FRIENDLY SOCIETIES: *Report of the Chief Registrar 1981-82*, HMSO (London 1983).

C. Non-profit sector

1. Housing finance (Building societies)

1. Basic data (1983)

Number of societies:	206
Number of share investors:	26 million
Total assets:	UKL 85 868 million ^[1]
Number of employees:	61 156

2. Brief historical outline

The housing finance market in the United Kingdom has a long history. With the development of the banking system in the nineteenth century came (as already referred to in the Introduction) the development of bodies specifically formed to grant mortgages to their members for the purchase or improvement of their own property. Special legislation was provided for these building societies within the framework of the control exercised by the Chief Registrar of Friendly Societies; this legislation is at present represented by the Building Societies Act 1962.

The earliest building societies were groups of persons who joined together to pool their resources and build houses for themselves, much on the lines of the self-build housing associations (*q.v.*). The movement grew fastest in the new towns of the midlands and north, and a protection association was founded in 1869 with the object of acting as umbrella organization for the whole movement. There followed a steady growth in the size of building societies and a gradual reduction in their number by way of amalgamations between societies. By the end of the First World War there were some 1 336 societies, but continued amalgamations reduced this number to 206 at the end of 1983. However, in the late 1970s the major clearing banks, which had previously not been over-ready to grant long-term mortgages on owner-occupied property, began to challenge the position of the building societies in this field.

3. Size and structure

The building society industry covered approximately 75.2% of the mortgages outstanding on residential housing at 31 December 1983, the remainder being covered by banks, local authority lending, and other sources. In order to advance money the building societies have to compete in the market for the savings of small and other savers and offer services (e.g. Saturday opening) which make them attractive to depositors. The five largest societies^[2] accounted for over 55% of the total assets of the industry at the end of 1983: those assets totalled more than UKL 47 807 million, an indication of the financial size of the societies. Some societies are regionally or even locally based but the major societies have offices in all the principal towns in the United Kingdom.

In contrast to the German system of building savings schemes there are no strict rules regarding saving with a society before a mortgage advance can be obtained. Most societies, however, prefer to advance mortgages to members who have had a consistent savings record.

It is important to note that all building societies are incorporated under the Building Societies Acts so that they are not cooperatives. They are however, mutual organizations in the sense that they exist solely to provide mortgage advances to members from the deposits of members and have no other purpose. Their activities are supervised by the Chief Registrar of Friendly Societies, who has a supervisory role in almost the whole of the cooperative and mutual sector.

References

[1] *Building Societies' Association, Building Societies' Fact Book 1984* (London 1984).

[2] The five largest societies are: Halifax Building Society, Abbey National Building Society, Nationwide (formerly Cooperative) Building Society, Leeds Permanent Building Society, and Woolwich Equitable Building Society.

The Building Societies Association

<i>President:</i>	THE DUKE OF NORFOLK, KG, CB, CBE, MC
<i>Chairman of the Council:</i>	HERBERT R. WALDEN
<i>Secretary General:</i>	RICHARD S. WEIR
<i>Address:</i>	3 Savile Row London W1X 1AF
<i>Tel.:</i>	01-437 0655

I. ORGANIZATION

1. Date of formation

The Building Societies Association was formed in 1869 as the Building Societies Protection Association, with the objective of monitoring Parliamentary developments and protecting and extending the interests, privileges and advantages of building societies. The name was changed to the Building Societies Association in 1886.

2. Size and structure

At the end of 1983 there were 160 members of the Association out of 206 building societies registered with the Chief Registrar of Building Societies. The societies which are not members of the Association tend to be societies which have a purely local function and whose operations are on a small scale. Membership is open only to building societies (i.e. not to individuals or banks) incorporated in the United Kingdom and whose assets and accounts qualify them to comply with the regulations of the Association.

3. Administrative bodies

The Association's main policy-making body is its Council which comprises:

- (a) Fifteen persons elected on a national basis.
- (b) Nominees of each of those societies with more than 2.5% of the total assets of the industry. Currently 11 such persons are members of the Council.
- (c) Six persons, each being nominated by one of the six regional associations affiliated to the Association.
- (d) Not more than four persons coopted by the Council.

Regional associations group some of the smaller regional societies. In addition to the Council, there is a chairman's committee, general purposes and external relations committee, practice committee and financial affairs committee. There is also a European committee which has special status, and a number of advisory panels.

4. Decision-making procedure

In theory, a majority vote can be decisive, but in practice most decisions are unanimous.

5. Secretariat and staffing

The Association has 50 full time staff and has access to the services of other specialist advisers from time to time as necessary.

6. Budget size and contribution arrangements

The 1983 budget was over UKL 2 million. Members subscribe on the basis of their total assets. This scale is a sliding one so that the larger societies pay proportionately less in relation to their assets.

II. AIMS AND PRIORITY POLICIES

Rule 2 of the Association sets out 11 principal objectives^[1] which can be summarized as follows:

- (a) information and advice to member societies;

- (b) a forum for discussion and policy formation;
- (c) informing outside bodies and members of the public;
- (d) acting on behalf of member societies in discussions with other representative bodies (e.g. insurance companies, builders);
- (e) undertaking research on relevant matters;
- (f) acting on behalf of societies in discussions with Government and the Bank of England;
- (g) consumer protection.

III. ACTIVITIES

Most of the Association's activities can be directly related to one or other of the above objectives. Special mention should however be made of the Association's connection with the Chartered Building Societies' Institute, a separate organization which exists to control and supervise the professional examinations and standards relating to the industry.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The Association has close connections with the Chief Registrar of Friendly Societies and discussions take place from time to time with the Treasury and the Bank of England, and the Department of the Environment. In addition the Association maintains contact with a number of other government departments whenever matters concerning housing finance arise.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The Association is a member of the European Federation of Building Societies and of the European Community Mortgage Federation.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The Association is a member of the International Union of Building Societies and Savings Associations.

VII. INTERNAL COHESION

The policy, technical and public relations work of the Association is of a high level of volume and complexity. The Association's efficiency can be judged from the success with which it carries out a multiplicity of tasks relating to housing finance.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

This is indirect via the membership of the European organizations and formal and informal contacts with Government departments.

IX. PUBLICATIONS

The Association publishes the *BSA Bulletin* (quarterly), the *BSA European Bulletin* (quarterly), a *Directory of Members*, plus an *Annual Report of the Council*, an *Annual report on the activities of building societies*, and a range of other publications. The official handbook of the Association is the *Building Societies Handbook*.

X. SOURCES

MARK BOLÉAT: *The Building Societies Association*, The Building Societies Association, 2nd edition (London 1981).

Building Societies Fact Book, 1984, The Building Societies Association (London 1984).

Report of the Council 1983-84, The Building Societies Association (London 1984).

Building Societies Year Book 1981, The Building Societies Association (London 1981).

XI. INTERVIEW

On 18 March 1982 with Mr Paul Gardner-Bogaard and Ms Tricia Loxston, and on 26 September 1984 with Mr John Murray, by John Catling, ESC General Secretariat, Studies and Research Division.

XII. REFERENCE

[¹] BOLÉAT: op.cit.

2. Retailing

The John Lewis Partnership

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<i>Secretary:</i>	BETTY E. DICKINSON
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The John Lewis Partnership is not a cooperative society nor an umbrella organization of other cooperatives. It is probably on the boundaries of this study, since it describes itself as a 'retail business run on cooperative principles'.^[1] The origin of the business was a department store run at the beginning of the twentieth century by John Spedan Lewis. Lewis, like Ernest Bader (the founder of the Common Ownership) had a strong commitment to ownership and control by the employees of the business, and in the period from 1920 to 1950 he developed a form of enterprise which is neither that of a pure limited liability company nor that of a pure cooperative.

The organization and structure of the organization are unique. There are three effective authorities: *The Chairman of the Trust company* (commonly known as the Chairman of the Partnership), the *Central Council* (which is mainly elected and represents all ranks and occupations in the Partnership) and the directors of the holding company (John Lewis Partnership plc) who are commonly known as the *Central Board*. There are twelve such directors: the chairman, the deputy chairman (nominated by the chairman), five nominated by the chairman and five nominated annually by the central council. The directors have the same collective and individual responsibilities as the directors of any plc.

However, although the chairman is in ordinary circumstances plainly a very powerful figure, he can be removed against his wish. The ultimate authority resides in John Lewis Partnership Trust Ltd, this trust company effectively controls the partnership's companies: its directors are the chairman and deputy chairman and three representatives of the Central Council, who in certain circumstances must bring about the chairman's resignation and replacement. These circumstances arise where the Central Council approves by secret ballot and by a two-thirds majority, a resolution asking for the chairman's resignation. Thus, although the chairman has possibly as much day-to-day power as the chairman of any limited company, he is subject to ultimate control by the Central Council of which only up to one-fifth is appointed by him, the rest being elected by secret ballot.

The business today consists of 21 department stores in England and Scotland and over 75 supermarkets, mostly located in the midlands and south of England. There are also factories which produce goods for sale in the shops, plus a farm. Total sales in 1983-84 totalled UKL 1 072 million and trading profit totalled UKL 70.8 million. The whole of this profit, after prudent allocation to reserves, is used for the benefit of employees as a percentage of their pay, and to provide a non-contributed pension scheme and a number of subsidised activities. There are currently about 26 000 people (called 'partners') employed.

Despite the size of the business, there are no quoted ordinary shares, the only outside capital being preference stock, loans and debentures. The profits are thus used for expansion and development of the business and to share in various ways among the employees (see above). Customers of the business do not enjoy any special rights.

'*The business*', says the Partnership, 'belongs to those who work in it'.^[1] The format of organization adopted by the John Lewis Partnership has not been followed elsewhere, and no strong attempt has been made to obtain a wider hearing for the ideas behind the Partnership. Although highly successful in this organization, it seems unlikely that its elaborate system of checks and balances could have a more general appeal.

References

[1] *The Gazette*, weekly staff magazine of the John Lewis Partnership.

Sources

The Gazette, weekly staff magazine of the John Lewis Partnership.

The Constitution of the John Lewis Partnership (1973).

JOHN SPEDAN LEWIS: *Fairer Shares*, Staple Press (London 1954).

Interview

On 18 March 1982 between Mr J. Powell (Deputy Chairman), Mr G. Whiting (Chief Information Officer), and John Catling (ESC General Secretariat, Studies and Research Division), and on 24 September 1984 between Mr G. Whiting and John Catling.

Greece

Chapter I: Introduction and overview

The description of the cooperative, mutual and non-profit sector in Greece is limited to two groups: Paseges — the agricultural cooperatives and their national organization, and Katanalotis-Konsum — the consumer cooperatives. In all the other cooperative sectors there is, at the present time, no national representative organization covering all the cooperatives in a particular sector. Further, cooperative legislation in Greece is in a state of development — see the remarks in Part I, Section I. Nevertheless, as regards housing and building cooperatives, a recent law (Presidential Decree No 17/84) has determined the framework in which these cooperatives may operate. At the present time, there are 300-350 cooperatives of this type, 50 of them being members of the 'Association of Building Cooperatives'. As this sector is still developing, no detailed description of this organization is included.

Chapter II: Cooperative organizations in Greece

1. Agricultural cooperatives

1. Basic data (1983)

Number of cooperatives:	6 974
Number of members:	806 000
Number of employees:	:
Turnover:	DRA 30 000 million

2. Brief historical outline

Although certain aspects of cooperation have been practised in Greece for a number of centuries, it was not until the 1914 law on cooperatives (Law 602/1914), recently replaced by the 1979 law on agricultural cooperatives (Law 921/1979) that agricultural cooperatives assumed their present form. Since 1982, there also exists a new framework law concerning the organization of the cooperative sector.

Most Greek cooperatives have a variety of functions though the constitutions of a minority prescribe a single activity. Activities comprise:

- obtaining loans,
- purchasing consumer goods and agricultural inputs,
- small-scale processing units, such as mills for crushing oilseed, fruit and vegetable canneries etc.,
- marketing agricultural products,
- storing products and liaising with the State on price support measures (see Table).

Fostered by the new legislation, the cooperative movement has grown rapidly and is supported by most of Greece's farmers. Yet in spite of the dominant position of agriculture in the national economy, agricultural organizations have not managed to play an autonomous and influential role in the shaping of agricultural policy. There are two reasons for this shortcoming: the structure of the cooperative movement and the interventionist policy of the State with respect to agricultural organizations. The cooperatives mirror the country's administrative and demographic structure, and in particular the large number of small agricultural communities. This has given rise to a mushrooming of small-scale cooperatives which are often not big enough to take an independent line on economic matters. Out of a total of 6 023 agricultural communities, 1 345 have more than one local cooperative responsible for centralizing certain operations over a given geographical area. Roughly 7 000 of the currently operating cooperatives have an average membership of 25, and over 2 000 have between 7 and 50. The scope of local cooperatives is limited if one bears in mind that 71% deal mainly with credit and purchasing, 21% with production and 2% with marketing. The cooperative activities of second and third level organizations, operating on a broader geographical basis, are more wide-ranging, however.

Moreover, the cooperative system has always operated under the umbrella of the State in Greece. The agricultural organizations' autonomy has fluctuated according to the nature of the political regime. The State monitors cooperative organizations. Under Law 921 of 1 September 1979, 'The supervision of agricultural cooperatives is the responsibility of the Minister of Agriculture and is carried out either by the Minister himself or by the organs of the Ministry of Agriculture or the Agricultural Bank of Greece designated by him'. The Law also states that 'The economic situation and operation of agricultural cooperatives are monitored by inspectors... Inspectors conduct checks at least once every

Cooperative processing industries

<i>Type of industry</i>	<i>Number</i>	<i>(1979 figures) Value in DRA million</i>
Dairy	10	434
Cheese	265	184
Olive canning	19	422
Tomato paste canning	6	517
Cottonseed mills	21	749
Olive crushing plants	7	113
Oil mills	501	1 728
Cottonseed oil extracting plants	6	333
Oil refineries	10	72
Soap	5	6
Citrus juice	2	29
Flour mills	13	19
Rice	3	13
Burley tobacco processing plant	1	65
Wine	54	836
Raisins	7	111
Tomato, fruit and vegetable canning	7	268
Citrus processing	1	5
Grading and packaging of fruit	68	742
Fig paste processing	1	5
Honey processing	2	9
Poultry slaughterhouses	9	110
Meat refrigeration	37	180
Ice manufacturing	20	149
Wicker-work products	7	17
Total	1 082	7 116

two years and draw up a report on the operations, management, administration and general economic situation of the cooperative. The report is submitted to the cooperative in question, the Ministry of Agriculture, the Agricultural Bank of Greece and the Panhellenic Confederation of Agricultural Cooperative Organizations'. Agricultural organizations are also dependent on the State for credit, as they do not possess credit facilities of their own. In addition to its role as watch-dog over the cooperatives, the Agricultural Bank of Greece (ATE) provides the main source of credit. The Bank finances farmers, cooperatives, food industries, forestry and fisheries. About 40% of short-term loans are paid directly to the farmer, the remaining 60% being channelled through the cooperative. Medium and long-term loans are paid directly to the farmer. Very few investments are financed by the cooperatives' own resources. The Bank also plays an active part in establishing food industries and trading companies, by putting up a share of the capital.

The activities of cooperatives are restricted by the extensive role of the State in insurance, the purchasing, processing and marketing of goods produced by and destined for the agricultural sector, etc. Most fertilizers and compound feedstuffs, and some seeds, chemical products and machinery are supplied by the State, via the Agricultural Bank, to the cooperatives. Cooperatives are seeing their

share of the marketing of agricultural produce being taken over by middle-men (dealers, processors etc.). The fruit and vegetable market is now dominated by the private sector, and the livestock market is completely in the hands of the State. The two major markets thus lie outside the sphere of influence of the cooperatives. The latter, however, are active in the marketing and processing of dairy produce, wine, oils and fats, processed fruit and vegetables, cotton, fruit juice and eggs. Cooperatives are also involved in the purchasing and storage of cereals (KYDEP) and oils and fats.

Panhellenic confederation of agricultural cooperative organizations (Paseges)

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<i>Secretary-General:</i>	ARISTOTELIS SAMIOS
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<i>Manager:</i>	EVANGELOS DIVARIS

I. ORGANIZATION

1. Date of formation

The Panhellenic Confederation of Agricultural Cooperative Organizations (Paseges) was formed in February 1935 on the basis of Law 602/1914, which was superseded by Law 921/1979 concerning agricultural cooperatives and which came into force on 1 September 1979.

The rules were in the process of being changed in 1966 when the military dictatorship removed from their posts the directors of the Confederation and those of its member organizations. After democracy was re-established in 1974, new elections took place at all levels in the organizations of Paseges, which resumed preparations for amending the rules, taking into account the changes required by new legislative provisions. Thus, following the new law 921/1979, Paseges had to amend its rules within two years from the date the above law came into force. In fact, the *ad hoc* general assembly of 11-12 December 1979 decided on the appropriate amendments to the rules, which were later approved by the Athens court of the first instance on 18 September 1980.

Since 1982 a new framework law (1257/1982) applies to cooperatives and this has altered the structure of the cooperative pyramid. Following this law, which is explained in more detail below, only regional associations of agricultural cooperatives may be members of Paseges.

2. Size and structure

Until 1982 Paseges united 144 regional and central associations of agricultural cooperatives (second- and third-level organizations) which are made up of around 6 974 local agricultural cooperatives (first-level organizations). In total some 806 000 individuals are represented, a number which corresponds to around 75% of all Greek farmers.

The structure of agricultural cooperatives in Greece is in the form of a pyramid, at the base of which are the local agricultural cooperatives (first-level organizations).

Above them are the second-level organizations, regional associations of cooperatives, which in turn go on to form the third level, central associations of agricultural cooperatives, which exist on both a regional and national level.

In general, agricultural cooperatives are concerned either with a specific type of farm produce, a specific product or certain similar products.

The cooperatives provide a large range of services, including:

- provision of credit;
- preparation of consumer goods and agricultural production goods;
- processing of certain products;
- marketing and storage of agricultural products.

However, there are also many cooperative associations or companies which specialize in certain activities and link up the various levels in the pyramid described above. In this way agricultural cooperatives at all levels may create 'pools', which are regarded as second-level organizations. The cooperative associations may also form or take holdings in PLCs or limited companies.

Law 921/1979 also provides for the formation of associations to represent the commercial and other interests of their member organizations and to further the ideals of the cooperative movement, without, however, taking part in trading activity. These associations, which are set up either on a regional or national basis, are regarded as professional organizations whose formation and activities are subject to the legal provisions regarding professional associations.

The new Law 1257/1982, which provides *inter alia* for a new electoral system (list voting) for the administrative bodies of cooperatives and their associations, also debars the regional and central associations (at present 11), the cooperative pools at various levels and the cooperative-owned companies from being members of Paseges.

3. Administrative bodies

The administrative bodies of Paseges are:

- the General Assembly;
- the Council of Administration;
- the Executive Committee;
- the Committee for Audit and Financial Control;
- the Director General.

The *General Assembly* is the highest body and is made up of representatives of the affiliated organizations of the Confederation. It meets regularly once a year.

The *Council of Administration* is made up of 21 members elected by the General Assembly from among its members for a period of four years. It nominates from its members the president, two vice-presidents, a secretary-general and a treasurer.

The *Executive Committee*, composed of seven members, carries out the decisions of the General Assembly and the Council of Administration. It is elected by the Council of Administration, which nominates for this purpose seven of its members plus the president.

The Committee for Audit and Financial Control supervises the actions of the Council of Administration and the financial affairs of the Confederation. It is made up of seven members, elected by the General Assembly from among its members for a period of four years.

The Director-General is responsible for the overall representation of the Confederation and coordination of its work and is assisted by two deputy-director generals. He is appointed by the General Assembly on a proposal from the Council of Administration for a period of between two and five years.

The treasurer manages the finances of Paseges.

It should also be noted that within Paseges are consultative bodies whose structure and function are defined by the Council of Administration. These bodies are:

- (a) The Consultative Council, which gives opinions on questions of a general nature concerning agricultural cooperative activity;
- (b) The Council for Cooperative Coordination, whose task is to coordinate the actions of the affiliated members of Paseges within the guidelines set out by Paseges, and

- (c) The Council for the Departments of Paseges, which is empowered to deal with the coordination of the work in the departments of Paseges and generally with any matters connected to its internal organization.

4. Decision-making procedure

According to the rules, the decisions of the General Assembly, the Council of Administration and the Executive Committee require an absolute majority. Those of the Committee for Audit and Financial Control require a simple majority. In case of dissolution of the Confederation, amendments of its rules or dismissal of the Council of Administration or the Committee for Audit and Financial Control, or certain of their members, a two-thirds majority is required of all the votes of the General Assembly, the quorum being reached when the number of members present is more than half of the members of the General Assembly.

5. Secretariat and staffing

The work of Paseges is carried out by the following departments;

Department of Administration — Personnel — General Secretariat

Legal Department

Department for Finance and Accounts

Department of Professional Agricultural Affairs

Department of Agricultural Cooperative Affairs

Department of Economic and Social Questions relating to Forestry

Department of Technical and Economic Programming

Department for Vocational and Cooperative Training

Department of Economic and Social Studies and Questions relating to the European Community

Department for the Preparation of Technical and Economic Project.

A total of 110 staff are employed at the Athens office and at the regional offices.

6. Budget size and contribution arrangements

The revenue of the Confederation is made up from:

annual subscriptions of affiliated organizations;

voluntary contributions of affiliated organizations;

donations, financial support or subsidies from third parties;

contributions from third parties;

revenue from its capital and any other legal income.

The new Law No 921/1979 concerning agricultural cooperatives' provides that:

Those credits registered annually in the budget of the Ministry of Agriculture for the financial support of Paseges shall be used by Paseges exclusively to meet the expenses of cooperative training of managerial staff and employees of the various cooperative or professional organizations.

Those credits registered annually in the budget of the expenditure of the Ministry of Agriculture and granted by the Minister of Agriculture to Paseges are to be used for the development of relations between that organization and the respective cooperative organizations of the EC countries.

Those credits registered annually in the budget of the expenditure of the Ministry of Agriculture (including certain EC aid) and granted by the Minister of Agriculture to Paseges, are to be used for contributing to the remuneration of technical personnel engaged by the above organizations.

In addition, in accordance with the above-mentioned law, Paseges is supported financially by the Organization of Agricultural Security (OGA) at the rate of 1% per annum of the levies this organization receives from the farmers on the wholesale prices of their products.

Budget 1983: DRA 278 million.

II. AIMS AND PRIORITY POLICIES

Paseges is the top-level organization for coordination of the agricultural cooperative movement. It represents and defends both at home and abroad the professional, commercial and social interests of Greek farmers. Its role is recognized by the State and by other bodies.

Pasege's main objectives are:

- to promote the introduction of agricultural cooperatives and the development of the cooperative movement;
- to promote the interests of the cooperative organizations and their members, by way of assistance with their administrative and other business;
- to study and solve the problems of the cooperative movement through constant efforts to carry out a programme drawn up for this purpose;
- to guide the cooperative organizations towards the achievement of their objectives;
- to maximize awareness of the principles of the cooperative system; their application through the cooperative organizations, and the promotion of cooperative training;
- to organize and apply a uniform system of management, accountancy and supervision of cooperative organizations;
- to carry out direct supervision of its members;
- representation and defence of cooperative interests, and public relations activity;
- to establish statistics on the cooperative movement in general;
- to participate in international cooperative organizations and congresses;
- to convene congresses in order to define guidelines on the problems of cooperatives;
- to publish books and periodicals containing studies on problems of cooperatives.

According to the rules, debates and decisions of a political nature are not authorized during meetings or proceedings of the Confederation.

The aims of the Confederation also include:

- to found and manage training centres for workers and salaried staff in cooperative organizations, as well as farm-workers and their families;
- to organize an institute for study and research into agriculture and the cooperative system.

III. ACTIVITIES

Law 921/1979 provides that Paseges is the principal professional and cooperative planning and coordination body for Greek farmers' organizations. Paseges is responsible for representing professional, commercial and social interests, training and development of members and is, in this respect, the principal negotiating partner of government and civil service in matters concerning agriculture (prices, market organizations, agricultural policy, social and economic questions, training, etc.).

Paseges is represented in the Management Board of the agricultural social insurance organization, the central planning committee, the Greek Agricultural Bank (ATE), the professional Organization for Export Development, state training organizations, National Cotton Council, National Tobacco Council, etc.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

As the top association for agricultural cooperatives, Paseges is in close contact with those ministries and authorities responsible for Greek agriculture and its various forms. Paseges assists government and public with information via studies and congresses, and its representatives in the different ministerial technical committees give their opinions and take an active part in drafting new laws. Paseges played a leading role in the negotiations leading to the accession of Greece to the European Community.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

Paseges is a member of COPA and COGECA: its representatives are members of the COPA presidium and the presidium of COGECA. It has its own office in Brussels (23-25, rue de la Science, 1040 Brussels, tel.: 230 25 21).

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

Paseges is a member of the following organizations:

- the European Confederation of Agriculture (CEA);
- Union of Tobacco Growers (UNITAB);
- International CORCOFEL Association;
- International Confederation of European Sugar-Beet Growers (CIBE);
- International Raiffeisen Union (IRU);
- International Federation of Agricultural Producers (IFAP);
- International Cooperative Alliance (ICA).

VII. INTERNAL COHESION

Alterations to the legislative framework in 1982 have changed the structure, objectives and working methods of Paseges, whose principal role now rests with the general representation of agriculture and the agricultural cooperatives. Commercial activities have been taken over by the Federation of Agricultural, Commercial and Industrial Cooperative Organizations, whose activity is, however, based on a close working arrangement with Paseges.

VIII. PUBLICATIONS

Paseges produces a monthly Greek-language publication *Agrotikos Kosmos kai Synergatismos*. From 1 July 1979 it has also produced an information bulletin about Greek agriculture in English and French. The publications division, located in Saloniki, publishes a range of books about agricultural and cooperative topics, including the common agricultural policy. Since September 1979 the Paseges office located with COPA and COGECA has published a monthly information bulletin in Greek about the EC, entitled *Agrotika mea tis EOK*.

IX. INTERVIEWS

On 2 October 1982 and 2 October 1984 between Mr Evangelo Divaris, Manager of the Brussels Liaison Office, and Konrad Schwaiger, ESC General Secretariat, Studies and Research Division.

X. SOURCES

Paseges rules (past and present).

Law No 921/1979 'concerning the agricultural cooperatives'.

Paseges Annual Report *The Greek Farmers' Cooperative Movement* (1978).

Paseges Bulletin, 'Agriculture — Cooperation in Greece' (1979).

Reply to ESC questionnaire.

Activities and Orientations of Paseges, bulletin published by Paseges (1978).

2. The consumer cooperatives

1. Basic data (1983)

Number of cooperatives:	9
Number of shops and supermarkets:	19
Number of members:	16 000
Number of staff:	311
Sales surface area:	approximately 10 000 m ²
Turnover:	DRA 2 500 million

2. Brief historical outline

The first Greek consumers' cooperative, *Katanalotis-Konsum*, was founded in Saloniki on 1 November 1962 by its present director-general, Mr Costas Hormouziadis, and a small group of like-minded persons; it was modelled on the consumer cooperative movement in Sweden. Between 1962 and 1964, membership rose from 57 to more than 350, and the first shop, offering a wide range of goods, was opened on 4 September 1964 in Saloniki with the help of logistical and financial support from the Swedish consumer cooperatives' association (Kooperativa Förbundet). Further consumer cooperatives and shops were opened over the next few years in Athens (at the initiative of the current president of Katanalotis, Mr Joseph Alexandropoulos) in Kavala and in Ptolemaida.

This rapid growth was halted by the military regime (1967-1974), who were hostile to the cooperative movement. But despite all obstacles, the four existing cooperatives managed to set up a joint purchasing centre, the 'Katanalotis-Konsum-Society', in 1970 and ride out the dictatorship without too much trouble.

After the return of democracy in 1974 and 1975, the consumer cooperative movement started to grow again. By 1984, the number of cooperatives had risen from 4 to 9.¹ Membership was up from 8 000 to 16 000 and the number of shops had increased from 6 to 19, thanks to the material and financial aid from the Swedish consumer cooperatives' association, the help with training and organization given by the Katanalotis Cooperative Society of Athens and the shares bought by members at DRA 2 000 to 3 000 each. Turnover in 1984 topped DRA 2 500 million, and sales surface area was more than 10 000 m².

The Greek consumer cooperatives have gradually added non-food products to their range of goods and opened sales points in all the main towns; they have been particularly helped in this by aid from existing cooperatives designed to encourage joint management and a spirit of solidarity.

3. Size and structure

Consumer cooperatives consider themselves as societies open to anyone who is interested in joining; their aim is to defend the interests of their members and not political interests. To achieve this, they lay stress on solidarity among members and on the desire of both the joint purchasing centre and the cooperative shops to be competitive in a market economy.

The main thing they want from the government is to be treated on an equal footing — both legally and practically — with the agricultural cooperatives belonging to Pasesges and to have conditions created which are favourable to the autonomous development of the cooperative movement. They also want cooperative ideas to be distributed more widely among the public, and they run training schemes designed to achieve this. Consumer cooperatives do not want direct State subsidies for their wholesale purchasing societies or their retail selling operations.

However, they do feel that the present political, economic and social climate in Greece is favourable to the development of consumer cooperatives, and they maintain close links with the present government.

¹ There are now consumer cooperatives in Athens, Saloniki, Kavala, Ptolemaida, Aspra Spitia, Patras, Canea, Eleusis and Piraeus.

They hope too that their constant information campaign will overcome the misgivings about the consumer cooperative movement still felt by the opposition New Democracy Party and the Communist Party.

The cooperatives feel that collaboration at Community level is possible in two areas:

- (a) An attempt should be made to call a meeting of the consumer cooperatives in the tourism sector in the Benelux countries, France, West Germany, United Kingdom and Denmark and cooperatives in southern Europe (including Greece) to try and set up joint cooperative ventures. In this way it should be possible to provide attractive holidays in cooperative centres in southern Europe for members of consumer cooperatives in the other EC countries.
- (b) The experience of the European cooperative movement, especially the Greek cooperative sector, could be put to good use when providing development aid from the Community to African and Arab countries.

Consumer Cooperative Society (Katanalotis-Konsum)

President: JOSEPH ALEXANDROPOULOS
Director-General: COSTAS HORMOUZIADIS
Address: 1102 Kekropos Street
 Tzitzifies
 Athens, Greece
Tel.: (1) 94 27 762

I. ORGANIZATION

1. Date of formation

The Greek consumer cooperatives' movement was formed in 1962 with the help of the Swedish consumer cooperatives, which also served as a model. The Consumer Cooperative Society (Katanalotis-Konsum) was founded in 1970.

The Society groups together nine consumer cooperatives in the main industrial and commercial centres of the country. The distribution of shops is as follows:

Athens:	6
Saloniki:	8
Canea (Crete):	2
Kavala:	1
Aspana Spitia:	1
Ptolemaida:	1

As a result of this geographical distribution, most members — currently numbering 16 000 — are recruited from among workers and their families in the large towns.

The Consumer Cooperative Society is booming. Since 1981, membership has doubled (from 8 000 to 16 000) and turnover more than trebled (from DRA 700 million to DRA 2 500 million). The Society is the purchasing centre of its nine member consumer cooperatives. At the same time, it is the driving force behind their expansion and the creation of new consumer cooperatives in Greece.

It operates in accordance with Law No 602/1915 on consumer cooperatives.

As the trading company of the whole consumer cooperative movement, it has the same structure as the member cooperatives, and, like them, its operations are inspired by the cooperative principles of the Rochdale pioneers.

As well as being a trading company, the Society defends the interests of its members in dealings with public opinion, the government and the Greek parliament. There are plans to set up a separate

association in 1985 with the specific job of defending the interests of the consumer cooperative movement.

3. Administrative bodies

The *General Assembly* is made up of 30 to 40 members chosen by member cooperatives in the light of their importance. It elects the members of the Management Board and the Board of Auditors.

The *Management Board* is made up of nine persons representing the nine member cooperatives and elected for four years. It decides what line should be taken on economic matters. Two of its members, the *President* and the *Director-General*, jointly carry out the duties of managing director of the two main centres of activity (Athens and Salonica).

The *Board of Auditors* generally monitors the movement's finances.

4. Decision-making procedure

Decisions are generally taken by a unanimous vote. In some cases, they may be taken by a simple majority.

5. Secretariat and staffing

As the central body for the consumer cooperative movement's economic and commercial affairs, the Society employs three economists seconded to it by the Athens and Saloniki cooperatives, as well as the president, the director-general and two secretaries.

6. Budget size and contribution arrangements

As a trading company, the Society draws up a balance-sheet, but it does not have a separate operational budget. Current expenditure on staff and central services is around DRA 5.7 million to DRA 9.5 million¹.

II. AIMS AND PRIORITY POLICIES

The main aim of the Society is to create consumer cooperatives throughout Greece and to strengthen existing cooperatives.

At a legal and practical level, it seeks to obtain the same treatment as Pasesges, the agricultural cooperatives' national organization. It has asked the government to create conditions which favour the consumer cooperative movement and help maintain and consolidate the present positive climate for the cooperative sector in Greece. As a practical measure, it is proposing, for example, that schools should include courses on the aims, role and activities of cooperatives in society.

III. ACTIVITIES

In addition to its main activity as a purchasing centre for consumer cooperatives, the Society tries to keep the public informed and encourage them to become members or even officers of a consumer cooperative. It provides active support for the many seminars on consumer cooperatives organized by the Greek Productivity Centre by providing qualified lecturers from among its members. As well as negotiating and concluding trading contracts with sales cooperatives in the agricultural sector, Katanalotis tries to strengthen relations with the central organization Pasesges so as to achieve durable cooperation between the two sectors, bearing in mind their mutual interests.

The Society sees as one of its priorities the improvement and strengthening of contacts with the Greek trade union movement, which could in its turn inform its members about the activities of consumer cooperatives and arouse their interest.

(There are informal and personal contacts between the two sides, as two of the Society's Management Board are trade union leaders.)

With this in mind, the Society invited the President of the Greek General Confederation of Labour (GSEE) to present a report on Greek trade unions and the consumer cooperative movement at the first national congress of the consumer cooperative movement on 8 and 10 February 1985.

¹ Estimate of the ESC Studies and Research Division.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The Society has regular high-level contacts with the Greek government and with some members of Parliament belonging to the present ruling majority. The basic aim of these links is to create a climate which is favourable to the consumer cooperative movement (see Point II).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The Society has been a member of Eurocoop since 1980.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

In 1985, the Society applied to become a member of the International Cooperative Alliance (ICA) and of Intercoop.

VII. INTERNAL COHESION

The rapid expansion of the consumer cooperative movement in recent years seems to show that internal cohesion within the Society is good.

VIII. PUBLICATIONS

Why should you be a member of the consumer cooperative movement? (in Greek), 1983.

It is planned to publish a monthly magazine *Katanalotis-Konsum* from 1985/86.

IX. SOURCES

Written information communicated to Eurocoop by Katanalotis-Konsum on 17 June 1981, 29 March 1983 and 19 May 1983.

X. INTERVIEW

On 10 October 1984 in Athens between Joseph Alexandropoulos, President of Katanalotis-Konsum, and Konrad Schwaiger, ESC General Secretariat, Studies and Research Division.



PART IV

ECONOMIC ACTIVITIES OF TRADE UNIONS IN THE EUROPEAN COMMUNITY

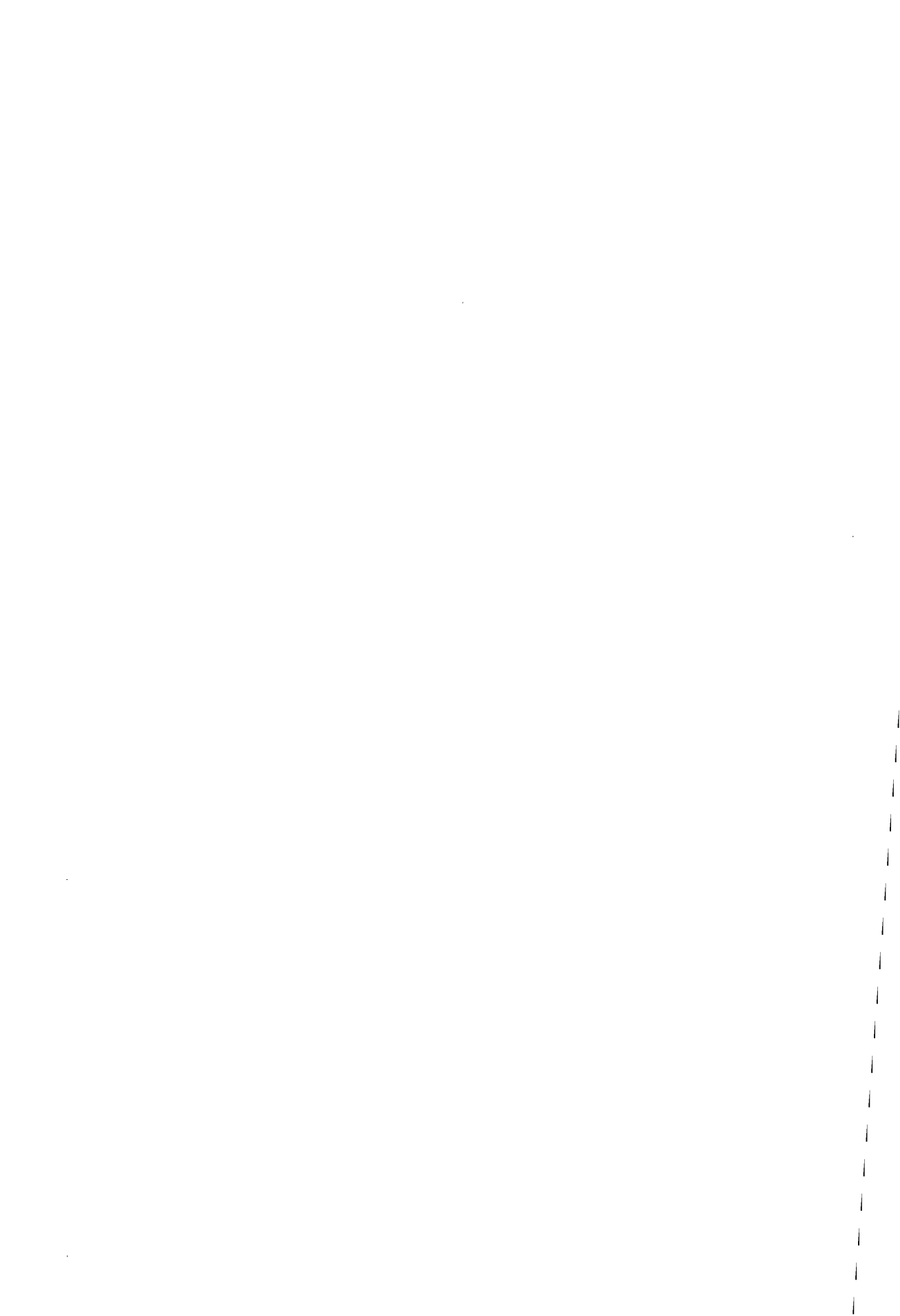


Table 1 : Trade Union Enterprises in the Community

SECTOR	DENMARK	GERMANY	NETHERLANDS
A. Unions	Landesorganization (LO)	Deutscher Gewerkschaftsbund (DGB)	Christelijk Nationaal Vakverbond (CNV) Federatie Nederlandse Vakbeweging (FNV)
B. Liaison bodies, federations	Det Kooperative Faellesforbund (DkF) (1)	Bundesverband der Gemeinwirtschaftlichen Unternehmen (BGU)	
C. Enterprises covering a number of sectors, holding companies	Arbejderbevaegelsen Kooperative Finansieringsfonds (AKF)	Beteiligungsgesellschaft für Gemeinwirtschaft AG (BGAG) (2) (3)	
D. Savings, Credit	Arbejdernes Landsbank (part-owned by AKF and unions)	Bank für Gemeinwirtschaft AG (BfG) - (BGAG)	Webefo (FNV) (3) Hollandse Koopmansbank (De Centrale, BfG) Alg. Spaarbank van Nederland (FNV, De Centrale) Centrale Volksbank (FNV)
Insurance	ALKA (part-owned by LO and unions)	Volksfürsorge (BGAG)	De Centrale (4) Concordia (FNV) UBO (CNV)
Housing	AKF : BKL Organizations (17 building companies 4 management companies)	Neue heimat (BGAG)	
Consumers	AKF : 7 companies	Coop AG (BGAG)	
Press	A-Pressen (Owned by LO and unions)		Press hebdomadaire BV (FNV, De Centrale) Group de presse BV (FNV)
Transport			NV Amsterdamse Rijtuigmaatschappij (De Centrale)
Printing	A-Pressen (see above) AKF : 2 companies		NV Edecea (CNV)
Others	AKF : Oil (1 company) Computers (1 company)		Centrale Ziekenfonds (FNV) OAZ Ziekenfonds (FNV) Div. Fondations (health, leisure, etc.)

(1) Danish union enterprises are members of DkF. Investments are undertaken by AKF.

(2) With DGB and its affiliated unions, BGAG is the largest shareholder in the public benefit enterprises dealt with below.

(3) The acronyms in brackets show links with unions or holding companies.

(4) Has always had close links with unions.

Table 2: Basic data — Union Enterprises in the Community

(a) = Capital, (b) = Staff, (c) = Turnover, (d) = Balance Sheet, (e) = Receipts

SECTOR	DENMARK (1) (3)	Mio ECU	GERMANY (3)	Mio ECU	NETHERLANDS (3)	Mio ECU	TOTAL	
Organizations/ Enterprises covering several sectors	AKF a) 11.2 Mio b) - d) 20 Mio	1.4 - 2.5	BGAG a) 450 Mio b) 29 (2) d) 3 206 Mio	198 - 1 411			a) 180 Mio ECU b) 27 d) 1 278 Mio ECU	
Savings, credit	AL a) 606 Mio b) 926 d) 5 800 Mio	77 - 732	BfG a) 1 000 Mio b) 8 266 d) 46 000 Mio	440 - 20 240	HKB (i) Webefo (ii) ASVN (iii) CVB (iv) a) 30 Mio a) 10 000 a) 8 Mio a) - b) 56 b) 1 b) 20 b) 750 d) 407 Mio d) 19 Mio c) 372 Mio d) 1 595	38 Mio 827 2 393 Mio	14 - 933	a) 531 Mio ECU b) 10 019 d) 21 905 Mio ECU
Insurance	ALKA a) 128 Mio b) 160 d) 173 Mio	16 - 22	VoFü a) 328 Mio b) 7 428 c) 17 000 Mio	144 - 7 480	De Centrale Concordia BV UBO a) 4.5 Mio a) - a) 1.5 Mio b) 791 b) - b) 200 d) 395 Mio d) - d) 70.6 Mio	6 Mio 991 465 Mio	2 - 168	a) 166 Mio ECU b) 8 579 d) 7 967
Housing	BKL a) 189 Mio Enter- b) 3 113 prises c) 1 141 Mio	24 - 144	NH a) 60 Mio b) 3 914 d) 20 000 Mio	26 - 8 800				a) 50 Mio ECU b) 7 027 d) 8 914
Consumers	Bakers a) 61 Mio b) 298 c) 346 Mio	8 - 44	Coop a) 300 Mio b) 41 866 c) 9 400 Mio	132 - 4 136				a) 140 Mio ECU b) 42 164 c) 4 180
Press	A-Pressen a) 40 Mio b) 540 c) 216 Mio	5 - 27			BV Daily Press BV Press a) 1 Mio a) 54 Mio b) 33 b) 1 570 c) 429 Mio c) 226 Mio	55 Mio 1 603 269 Mio	21 - 105	a) 26 Mio ECU b) 2 143 c) 132 Mio ECU
Transport					NV A'damse Rijtuigmij a) 20 Mio b) 418 c) 217 Mio	20 Mio 418 217 Mio	7 - 84	a) 7 Mio ECU b) 418 c) 84 Mio ECU
Printing	A-Pressen (see above) Others: a) 540 000 b) 20 c) 9.4 Mio	0.07 - 1	Union Druckerei a) 10 Mio b) 498 c) -	4 - -	NV Edecea a) 500 000 b) 35 c) 3 Mio	0.5 Mio 35 3 Mio	0.2 - 1	a) 4 Mio ECU b) 553 c) 2 Mio ECU
Others	AKO Benzin DK Data a) 616 000 a) 127 Mio b) 1 b) 53 c) 419 000 c) 23 Mio	2 - 3	ACON, GDVG, Guten- berg, Dt. Druck a) 9.36 b) 491 c) -	4 - -	Centraal Ziekenfonds, OAZ Ziekenfonds, Foundations, Tourism - no details	- - -	- - -	a) 6 Mio ECU b) 545 c) 3 Mio ECU
								Total a) 1 110 Mio ECU b) 71 415 c) 4 401 Mio ECU d) 40 064 Mio ECU

(1) Includes cooperatives only partially financed by Danish unions.

(2) Central secretariat of BGAG. The group employs 61,447.

(3) In national currency.

Federal Republic of Germany

Chapter I: Introduction and overview

INTRODUCTION

The definition of the 'public benefit sector' has changed substantially since the nineteenth century. Many different definitions are used today. This sector is undoubtedly more solidly implanted in Germany than in any other EC Member State, even though it is not perceived in the same way by all its constituents. [1]

It is generally agreed that the business enterprises of the German Trade Union Confederation (DGB) and its affiliated unions fall within the public benefit sector. It is worth sketching the history of the sector, in order to illustrate its importance for the social groups concerned and for society as a whole.

1. The definition of the public benefit sector

(a) The public benefit sector is an independent part of the economy, distinct from the private sector

By 'public benefit sector' [2] the earliest theoreticians meant a State or socialist command economic system, replacing the liberal economic system of the nineteenth century, (this idea underlies the 'monist' definition of the public benefit sector) in which the means of production were owned by the State. Walter Rathenau and Otto Neurath were the main proponents of this concept in the German-speaking countries.

The public benefit sector differs from the cooperative system, advocated by Charles Gide, in which ownership is vested in cooperatives. In Germany the main proponents of the system were Eduard Pfeiffer (around 1860) and Robert Wilbrandt (around 1920).

(b) The public benefit sector as a component of public aid or cooperative mutual aid

The classical theoreticians — including Albert Schaffle, Adolf Wagner and Emil Sax [3] who were more interested in social reform than in pure socialism, argued that the public-interest sector would curtail and cushion the adverse effects of individualistic capitalism, [4] and would improve the terms of competition by introducing correctives. [5] This combination of a private enterprise sector and a public interest sector (whether public or cooperative), i.e. the two-tier approach, also underlay the reformist socialist ideas later championed by Fritz Naphtali in his book on industrial democracy.

(c) The public benefit sector as part of the market economy

The modern pluralistic definition of the public benefit sector, can basically be traced back to Eduard Heimann and Gerhard Weisser. According to this definition [6] the sector assumes certain 'public tasks' in the market economy and promotes competition between a substantial number of seller-producers. The idea is that the merits of the decentralized market economy are enhanced if there is effective competition, i.e. a substantial number of suppliers. That in turn means that the various human motives must be tapped.

Today's public benefit enterprises, based on the pluralist definition of the public benefit sector, have developed from these bases, and from attempts to promote the idea that certain enterprises can serve the public interest or carry out public responsibilities.

2. The public benefit sector in the Federal Republic of Germany

The following are generally classified within the public benefit sector:

(a) Public enterprises (transport, energy, distribution, banks) in which public authorities or agencies have a majority holding which discharge various social tasks (health, insurance) in the modern industrial society (public benefit sector).

- (b) Public utility housing enterprises, which carry out specific public benefit functions in the housing sector (e.g. subsidized housing). The some two thousand companies concerned are governed by the law on the public-benefit housing sector.
- (c) Private public-benefit enterprises which are mainly owned by DGB unions. This category is sometimes taken to include various economic and social institutions of the Church, and various non-profit associations and organizations.^[7]

There is some controversy as to whether cooperatives should be included in the public benefit sector.^[8]

The crucial criterion is the cooperatives' perception of themselves. It would be absurd to lump them together with the public benefit sector against their will and without considering their own pronouncements.^[9] Leaders of the farm, banking and distribution cooperatives of the DGRV group^[10] see the fundamental difference between public benefit enterprises and cooperatives as follows: the former pursue public interests and objectives while the latter are associations set up to promote the private interests and objectives of their members. In other words, cooperatives promote the economic progress of their members while public benefit enterprises serve the public interest.^[11] In cooperatives, the members and the beneficiaries are the same; this is not the case in public benefit enterprises.

According to DGRV leaders, cooperatives see themselves as facilitating the economic activities of their members. For instance, they help farmers, craftsmen and shopkeepers. Public benefit enterprises for their part consider that their task is to defend the interests of consumers in general and not to confer special advantages on certain economic agents.

A comparison of the role of cooperatives and public benefit enterprises reveals both similarities and fundamental differences.

- (a) By boosting or in some cases creating competition on major markets (banking, insurance, housing, food retailing), public benefit enterprises stabilize the market economy, which is based on competition between a large number of major, medium-sized and small independent concerns. Apart from defending the interests of their members, cooperatives — whose members are often middle class and do not always hold the same political views as DGB unions — contribute, principally as small and medium-sized enterprises, to increasing competition and thus stabilizing the social market economy.

- (b) The differences between the aims of DGRV cooperatives and DGB public benefit enterprises are not apparent in their market behaviour, as both stimulate competition in the social market economy.

Both cooperative and public benefit enterprises thus comply with the principles of a market economy based on competition and indirectly promote the interests of all consumers.

- (c) Given their perception of their role, both cooperative and public benefit enterprises operate as independent economic agents in the market economy. However, DGRV cooperatives look on themselves as 'private commercial enterprises'^[12] while public benefit enterprises and consumers' cooperatives prefer to look on themselves as 'independent social forces'.^[13]

- (d) There are, however, fundamental differences between the organization and objectives of DGRV cooperatives and BGAG public benefit enterprises. These differences make it impossible to lump them together in a 'third sector' alongside the private and public sectors.^[14]

3. DGB public-benefit enterprises

The main DGB public benefit enterprises and BGAG, the holding company, are described in separate sections. This chapter deals solely with the fundamental objectives and functions of the German public benefit sector.

Public benefit enterprises offer their products and services to all market operators, and not to an isolated group. Their legal structure is thus similar to that of profit-making enterprises. The key difference lies in their market behaviour.

The DGB unions have set out the objectives in a paper entitled 'Task and Functions of the Public Benefit Enterprises of the DGB and its affiliated Unions'.^[15] This paper states that 'the task of these enterprises, within the framework of a pluralist market economy, is to pursue the public interest and improve the living conditions of workers'. This means that these enterprises, operating on major

service markets (banking, insurance, housing, food-retailing) further the consumer interest in general and do not confer special advantages on specific groups of consumers.

These enterprises must be economically viable if they are to achieve this aim and to earn an adequate return on the contributions made by the unions. Profit is not the goal but is a necessary means.^[16]

Apart from profitability in a competitive market,^[17] the public benefit enterprises seek to develop a set of economic and social alternatives (e.g. joint management).^[18] Given the general trend towards concentration, the enterprises must be large enough to win a sufficient market share enabling them to achieve the aims set out.^[19]

4. Sources

THEO THIEMEYER: Grundsätze einer Theorie der Gemeinwirtschaft, *Schriftenreihe Gemeinwirtschaft*, No 3, Europäische Verlagsanstalt (1973).

KARL KUHNE: Das gemeinwirtschaftliche Unternehmen als Wettbewerbsfaktor, *Schriftenreihe Gemeinwirtschaft*, No 6, Europäische Verlagsanstalt (1971).

GERHARD WEISSER: Einführung in die Lehre von dem gemeinwirtschaftlichen Unternehmen, *Schriftenreihe Gemeinwirtschaft*, No 23, Europäische Verlagsanstalt (1976).

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GERHARD WEISSER: Gemeinwirtschaftlichkeit bei Einzelwirtschaften, *Schriftenreihe Gemeinwirtschaft*, No 11, Europäische Verlagsanstalt (1974).

Handwörterbuch des Genossenschaftswesens, Deutscher Genossenschaftsverlag e.G., Section on 'Gemeinwirtschaft' by Lothar Späth, pp. 584-594, 'Gemeinwirtschaft und Genossenschaft' by Eduard Mandle, pp. 594-611.

DGB-Bundesvorstand, Auftrag und Aufgaben gemeinwirtschaftlicher Unternehmen des Deutschen Gewerkschaftsbundes und seiner Gewerkschaften (Frankfurt a.M., 1979).

WALTER HESSELBACH: Die gemeinwirtschaftlichen Unternehmen *Schriftenreihe Gemeinwirtschaft*.

WILLI CROLL, BERNHARD SCHRAMM, HANS-JÜRGEN KLUSSMANN, Genossenschaften sind keine Gemeinwirtschaften (Genossenschaftsforum 5/82).

5. References

[1] For a detailed treatment see LOTHAR SPÄTH: *Handwörterbuch des Genossenschaftswesens 1980*, section on public interest sector, pp. 584 and 585.

[2] THEO THIEMEYER: *Grundsätze einer Theorie der Gemeinwirtschaft* (series on the public benefit sector).

[3] THEO THIEMEYER: *idem* p. 17 ff.

[4] Adam Smith called for public control of the transport sector and establishment of a public banking sector.

[5] KARL KUHNE: *Das gemeinwirtschaftliche Unternehmen als Wettbewerbsfaktor*, p. 16 (series on the public benefit sector).

[6] GERHARD WEISSER: Introduction to the theory of the public-benefit undertaking. *Schriftenreihe Gemeinwirtschaft*. Series on the public benefit sector, No 23, Europäische Verlagsanstalt, 1976, pp. 23 ff.

[7] LOTHAR SPÄTH: *op. cit.*, pp. 586 and 587.

[8] See, *inter alia* the Mihr Report (Economy and Monetary Committee of the European Parliament) on the cooperative movement in the Community, dated 15 November 1982 (1-849/82 — Section 15). This, wrongly, equates the public benefit sector with the social economy.

[9] W.W. ENGELHARDT: 'Sind Genossenschaften gemeinwirtschaftliche Unternehmen?', *Schriftenreihe Gemeinwirtschaft*, No 29 of the series on the public benefit sector, Europäische Verlagsanstalt, 1978.

- [10] WILLI CROLL, BERNHARD SCHRAMM, HANS-JÜRGEN KLUSSMANN: 'Genossenschaften sind keine Gemeinwirtschaften', *Genossenschaftsforum*, 5/82.
- [11] EDUARD MANDLE: *Handwörterbuch des Genossenschaftswesens*, section entitled 'Gemeinwirtschaft und Genossenschaften', p. 607, summarizes the position as follows: 'Cooperatives are primarily set up to further the activities of their members while public benefit enterprises further the interests of society as a whole. It should be noted that the public interest and action in the general interest are particularly difficult to circumscribe.'
- [12] See CROLL-SCHRAMM-KLUSSMANN: *idem*.
- [13] See GERHARD WEISSER: *Gemeinwirtschaftlichkeit bei Einzelwirtschaften*, *Schriftenreihe Gemeinwirtschaft*, No 11 of the series on the public benefit sector, Europäische Verlagsanstalt, 1974, pp. 17 and 18.
- [14] A survey of the cooperative movement in the Community should, however, include a section on the public benefit sector. The DGB public benefit enterprises are essentially consumers' and housing cooperatives set up by German workers in the 19th and early 20th centuries. Furthermore, the public benefit sector is closely linked to the 'free' consumers' cooperatives (e.g. in the COOP group) and, in some cases, with the housing cooperatives. In 1980, the *Handwörterbuch des Genossenschaftswesens* reached the same conclusion when it devoted considerable space to describing the public benefit sector and its links with cooperatives (See *Handwörterbuch des Genossenschaftswesens*, pp. 583 to 614).
- [15] FEDERAL STEERING COMMITTEE OF THE DGB: *Auftrag und Aufgaben gemeinwirtschaftlicher Unternehmen des Deutschen Gewerkschaftsbundes und seiner Gewerkschaften*, Frankfurt a.M., 1979.
- [16] EDUARD MANDLE: *Handwörterbuch des Genossenschaftswesens* 1980, Section on the public benefit sector and cooperatives, p. 602.
- [17] W. HESSELBACH: *Die gemeinwirtschaftlichen Unternehmen*, series on the public benefit sector, p. 29.
- [18] W. HESSELBACH: *idem*, p. 48.
- [19] See following sections.

Table 3: Community-level organizations to which public benefit enterprises are affiliated

Beteiligungsgesellschaft für Gemeinwirtschaft AG (BGAG)	
Bank für Gemeinwirtschaft (BfG) AG	Association of Cooperative Banks of the EC ¹
Volkspflege Lebensversicherung AG	AECI (Association of European Cooperative Insurers)
	EIC (European Insurance Committee)
Coop Zentrale AG	Eurocoop
Neue Heimat Wohnungsbau	—
Neue Heimat Städtebau	—
Joint enterprise of Deutscher Gewerkschaftsbund and Deutscher Beamtenbund (National Federation of Civil Servants and Local Government officers):	
Beamtenheimstättenwerk (BHW)	European Federation of Savings and Credit Institutions

¹ Indirect, through Federation of German Banks.

Chapter II: Public benefit enterprises belonging to the DGB unions

1. Public Benefit Holding Company (Beteiligungsgesellschaft für Gemeinwirtschaft AG) (BGAG)

<i>Managing Board:</i>	Dr H.C. WALTER HESSELBACH (<i>Chairman</i>) ALFONS LAPPAS Dr ROLF-J. FREYBERG
<i>Chairman of supervisory Board:</i>	ERNST BREIT
<i>Address:</i>	Theaterplatz D-6000 Frankfurt/Main
<i>Tel:</i>	(069) 258 50 32
<i>Telex:</i>	412 787 bgagd

Basic data (1983)

Group employees:	61 447 ¹
Group's balance-sheet total:	DM 86 800 000 million
BfG ²	DM 45 700 million
Vofü Leben	DM 17 640 million
Co-op AG	DM 2 400 million
NHS	DM 20 160 million
Share capital:	DM 450 million
including paid-up capital of	DM 243.75 million
Value added (Group) (1982)	DM 4 050 million

Number of employees (1983)

Large companies

Co-op AG	41 866
Volksfürsorge Lebensversicherung AG (Vofü Leben, Volksfürsorge Life Assurance Co.)	5 779
Bank für Gemeinwirtschaft AG (BfG — Public Benefit Bank)	8 266
Neue Heimat (NH)	3 914
Neue Heimat Städtebau GmbH (NHS — Neue Heimat Urban Construction Co.)	633

¹ plus 4 469 employees working for the Beamtenheimstättenwerk GmbH (BHW Building Society) in which the BGAG has a 50% holding.

² See below for explanation of these abbreviations.

Small companies

acon Gesellschaft für Werbung und Kommunikation mbH (Advertising Agency)	62
Gemeinwirtschaftliche Datenverarbeitungsgesellschaft (data processing company)	236
Büchergilde Gutenberg (Publishers)	186
Deutsche Druck- und Verlagsgesellschaft mbH & Co KG (printing and publishing firm)	7
Union Druckerei und Verlagsanstalt GmbH (printing and publishing firm)	498
	Total 61 447

Beamtenheimstättenwerk GmbH (BHW Building Society) (50% interest held by BGAG)	4 469
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I. ORGANIZATION

1. Date of formation and brief historical outline

The Beteiligungsgesellschaft für Gemeinwirtschaft AG (BGAG) was founded in 1974 for the purpose of furthering cooperation between enterprises set up by trade unions to serve the public interest (so-called 'public benefit enterprises') and making it easier to administer the capital invested by trade unions in these enterprises. The BGAG has the following to say on this matter: 'Prior to the formation of the BGAG Group there had been important mergers between competitors in the private sector. The necessary amalgamation of the trade unions' public benefit enterprises followed belatedly when the BGAG was founded.' The main task of the BGAG as a holding company is to strengthen the position of its subsidiaries as a whole and to help them to adjust to new market requirements when necessary. The BGAG itself has no manufacturing or trading functions, but it is also not a holding company in the purely financial sense.

Prior to 1974 the trade unions' holdings in public benefit enterprises were mainly managed by investment or trust companies, which took the form of private limited companies. As early as 1972 the Federal Executive of the German Trade Union Federation (DGB) and the managing boards of the Trade Unions' public benefit enterprises laid down the principles on which the Trade Unions' relations with their public benefit enterprises were to be based. The principles were set out in the resolution entitled 'Aims and functions of the Trade Unions' public benefit enterprises'. One of them stipulates that, in accordance with Trade Union principles, the Trade Unions' interests in these enterprises must be clear and well ordered. The founding of the BGAG satisfied this objective.¹

It should be noted that originally the public benefit enterprises owned by the Trade Unions in Germany were mainly self-help organizations for workers (consumer cooperatives, building firms, insurance companies, workers' banks) which were not merged at national level until later.

Today, the BGAG Group sees its role as follows:

'Self-help as a means of combating injustices can no longer be the main task of the Trade Unions' public benefit enterprises. Legislation has been enacted by the State, especially in the fields of banking, insurance and housing. With the general trend being towards concentration, the consumer-services sector has become dominated by powerful groups. Public benefit enterprises must therefore have sufficient muscle and funds and hold a significant share of the market if they are to survive. For example, as a result of a good many consumer cooperatives losing touch with modern methods of organization and marketing in the 1950s and 1960s, numerous 'public benefit' consumer cooperatives merged to form a nationwide public limited company in 1974 (the present-day co-op AG), which is now a powerful retailing chain.

Making the BGAG into a public limited company also fitted in with the Trade Unions' demand that the structure of large corporate groups should be as open as possible.'

¹ Federal Executive of the German Trade Union Federation 'Auftrag und Aufgaben gemeinwirtschaftlicher Unternehmen des Deutschen Gewerkschaftsbundes und seiner Gewerkschaften' February 1979.

2. Size and structure

As of July 1982, the BGAG had a share capital of DM 450 million which is held by the German Trade Union Federation and its member Unions. The main shareholders are:

IG Metall (metalworking)	21.18%
DGB	17.36%
IG Bergbau und Energie (coal mining and energy production)	16.46%
IG Bau-Steine-Erden (construction)	8.16%
Gewerkschaft Öffentliche Dienste, Transport und Verkehr (transport and public service sector)	8.06%
IG Chemie (chemicals)	5.48%

The most important enterprises in which the BGAG has a majority shareholding (see diagram overleaf) are the Bank für Gemeinwirtschaft and the Volksfürsorge Lebensversicherung. It also has shares in the Neue Heimat and the Neue Heimat Städtebau. These enterprises are in turn parent companies and are dealt with in separate sections. Other important holdings are the Co-op AG, the Beamtenheimstättenwerk, the Büchergilde Gutenberg, the acon Gesellschaft für Werbung und Kommunikation and, indirectly, the Allgemeine Hypothekenbank (general mortgage bank), the BSV Bank für Sparanlagen und Vermögensbildung (savings bank) and the Volksfürsorge Deutsche Sachversicherung (property insurance).

The BGAG also has interests in other self-help organizations and enterprises which perform an 'organizational, educational or cultural mission in the Trade Union sector'¹ rather than serving the public at large.

These enterprises include:

die Gemeinwirtschaftliche Datenverarbeitungsgesellschaft (a data processing company in which the BGAG has a 95% share), which in turn holds all the capital (DM 20 000) of the Zeitpress-Pressedienstverlagsgesellschaft für Gemeinwirtschaft mbH (publishing company);

die Deutsche Druck- und Verlagsgesellschaft mbH & Co KG (a printing and publishing firm which is half-owned by the BGAG);

die Union-Druckerei und Verlagsanstalt GmbH (another printing and publishing firm in which the BGAG has a 18.75% share, with the remaining 81.25% being held by the investment and trust companies of the DGB and its member Unions).

3. Administrative bodies

General assembly

Supervisory board (20 members)

Managing board.

4. Decision-making procedure

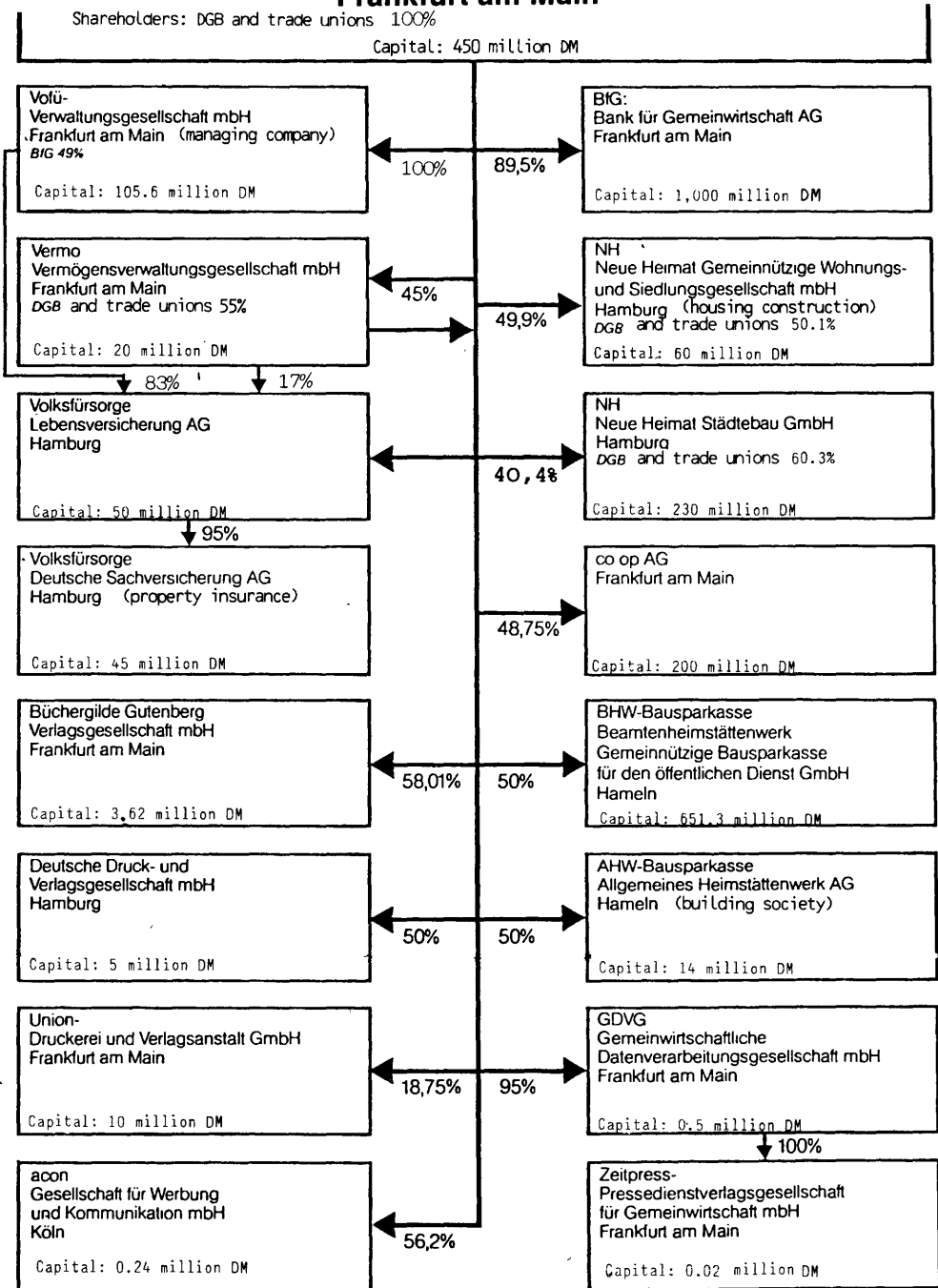
The decision-making procedure is laid down in the Companies Law of 6 September 1965 and the Articles of Association of the BGAG, which stipulate that the approval of the supervisory board is required for certain matters. The composition of the supervisory board is determined by the Workers' Participation Law of 1976. There is also a general works council consisting of representatives of the BGAG subsidiaries' works councils.

5. Secretariat and staffing

The BGAG's central Secretariat has a staff of 29. In 1983 the BGAG's expenditure of salaries and wages, social security and pension payments and other forms of assistance totalled DM 4.4 million.

¹ See ACHIM VON LOESCH: *Die gemeinwirtschaftlichen Unternehmen der Deutschen Gewerkschaften* (Cologne 1979) p. 145.

BGAG Beteiligungsgesellschaft für Gemeinwirtschaft AG Frankfurt am Main



¹⁾ 14,16% - DGB
 17,27% - IG Metall
 13,41% - IG Bergbau und Energie
 8,16% - IG Bau-Steine-Erden
 8,06% - Gewerkschaft Öffentliche Dienste, Transport und Verkehr
 5,48% - IG Chemie-Papier-Keramik
 13,43% - other trade unions

Situation as at August 1984

Source: BGAG

II. AIMS AND PRIORITY POLICIES

According to Article 3(1) of its Articles of Association, the BGAG's object is 'the acquisition and management of every type of asset and holding, in particular the acquisition of shares or interests in other public-benefit enterprises and the performance of related commercial transactions with enterprises from all sectors of the economy, especially public-benefit enterprises and establishments.'

The BGAG does not conduct any business within the meaning of the Banking Law, the Securities Deposit Law and the Law on Capital Investment Companies.

It is also free to found, acquire or buy shares in other enterprises (Article 3(2) of its Articles of Association).

Article 3(3) stipulates that the BGAG is to abide by the principles governing public benefit enterprises in the performance of its duties and is to promote its role in industry, society and the world of science.

The BGAG is a holding company at the head of a group whose aim is to serve the public interest within a free market economy. This cannot be achieved unless the economic strength of the group as a whole and of each enterprise within the group is permanently guaranteed.

Being a body with administrative and supervisory functions, the BGAG receives information from all the enterprises in the group. This enables it to promote the coordination of these separate enterprises' activities, thereby strengthening their cohesion and making it easier for them to concentrate on their aim of serving the public interest.¹

A decentralized decision-making structure coupled with a coordinating body at the centre is of benefit to all the holdings since it strengthens their competitiveness on their individual markets and as a whole and helps to prevent a conflict of interests.

In terms of company structure, the BGAG is a connecting link between the enterprises and the Trade Unions as shareholders in the BGAG. As manager of the Trade Unions' shareholding its role is mainly to provide information and advice for the shareholders. *Vis-à-vis* the public benefit enterprises, the BGAG's role is to help ensure that adequate capital is available. In this way it generally furthers coordination and cooperation within the group and hence helps to achieve their common goals.

The BGAG comes under public scrutiny as the umbrella organization of the public benefit enterprises group. The BGAG therefore represents the group *vis-à-vis* the public in all instances where the interests of the group as a whole are affected or the importance of the public benefit sector for the economy and society needs defending. The public relations work of the BGAG is carried out in close collaboration with the Trade Unions and the individual enterprises.

III. ACTIVITIES

1. General

The enterprises covered by the BGAG operate mainly in the following sectors:

retail trade	savings and loans
insurance	banking
housing	building societies

The BGAG is involved in the following areas to a lesser extent:

printing and publishing (Büchergilde Gutenberg, Deutsche Druck- und Verlagsgesellschaft);

Advertising (acon);

EDP (Gemeinwirtschaftliche Datenverarbeitungsgesellschaft).

2. Particular activities resulting from the public benefit objectives of the organization

In accordance with its Articles of Association (paragraph 3) the BGAG has holdings mainly in public benefit enterprises.

¹ According to the Monopolies Commission, this is further corroborated by the number of 27 officials which 'should be sufficient to prepare basic decisions and take care of coordination within the group'. (See 4th Main Konzentrationsfassung', 1982, Chapter VII, p. 643.

Being an umbrella organization it is not so much the BGAG itself as the public benefit enterprises in the group which carry out services specifically of benefit to the public in their particular areas. The BGAG makes it easier for them to perform these services by fostering coordination and cooperation in the group, thus contributing to the economic efficiency needed for these public benefit services.

3. Social activities

In line with the public benefit objectives of the enterprises in the group, their employees enjoy full legal rights as regards participation in the decision-making process in accordance with the 1976 Law on Worker Participation and the 1972 Law on the Constitution of Businesses.

The enterprises were pioneers in these fields. Wages and other benefits outstrip those in comparable sectors. The BGAG enterprises are particularly committed to providing first-class vocational training and career advancement.

4. Cultural and other activities

The Büchergilde Gutenberg is one of the enterprises in the BGAG group. Among the public benefit enterprises this organization has a special cultural mission. Today it continues the work it began when founded in 1924, namely to help meet the traditionally substantial cultural demand of the workers' movement for book publishing and selling facilities; a need which, in the view of the Trade Unions, has previously largely gone unheeded.

The range of books offered and the quality of their presentation are also consistent with this objective.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

With the help of the Bundesverband der gewerkschaftlichen Unternehmen (Federal Association of Public Benefit Enterprises — BGU), and as one of its public activities, the BGAG has contacts with political bodies and authorities at all levels, including with the Federal and Land legislative and administrative organs.

The basic principles agreed by the Federal Committee of the DGB in December 1978,¹ following agreement between the Trade Unions and the management of the enterprises, state that the public benefit enterprises support the ideas of the Trade Union movement 'by helping to put the ideas of the Trade Union movement in the realm of social policy into action through the example of their business enterprises'.²

The common public benefit interests and the economic and social policy objectives of its members are also defended and promoted by the Federal Association of Public Benefit Enterprises (BGU), which was founded on 28 May 1982. The founding members are the BGAG and the 7 public benefit enterprises; this association is open to all persons, public benefit enterprises or associations and other organizations which adhere to its principles.³

Furthermore, as the enterprises in the BGAG group belong to the Gesellschaft für öffentliche Wirtschafts- und Gemeinwirtschaft e. V., Berlin (Society for Public Sector and Public Benefit Enterprises), the BGAG cooperates indirectly in this society's public relations work.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

1. International at Community level

The BGAG cooperates at Community level with analogous groups (e.g. cooperatives). As yet such participation has not been formalized.

2. Bilateral or multilateral with other EC countries

As shareholder in the Co-op AG, Frankfurt the BGAG shares in its collaboration with cooperatives in the Community (Eurocoop, Inter Co-op Copenhagen).

¹ Loc. cit.

² Ibid, section 4, point 3.

³ See Constitution of the Federal Association of Public Benefit Enterprises (BGU), Frankfurt/Main, May 1982, paragraph 2 and paragraph 3.1.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

Enterprises in the group collaborate with the International Centre of Research and Information on Public and Cooperative Economy (IFIG-CIRIEC) in Liège. Via this institute the BGAG has contacts with the International Chamber of Commerce, International Union of Local Authorities, Council of European Municipalities, International Cooperative Alliance (ICA), International Confederation of Free Trade Unions (ICFTU) and the European Centre of Public Enterprises (CEEP).

VII. INTERNAL COHESION

As the BGAG is not an association but acts as a holding company for the Group of enterprises, the question on its internal cohesion must be regarded from this particular angle.

Therefore cohesion comes not from cooperation between association members, but from the relationship of the various enterprises in the group to the holding company. The details of this relationship are governed by company law. Relations with the Bank für Gemeinwirtschaft (Public Benefit Bank) are governed by an agreement on profit-sharing.

The reaction of the shareholders to the crisis in the Neue Heimat group — in particular the losses of the NH Städtebau in 1981 — demonstrated the group's cohesion. At the beginning of 1982 the competent bodies took measures designed to rationalize the enterprise. This was done by a replacement of a large part of the management, the adoption of a corporate plan and the provision of financing capital by the members (for details see the section on Neue Heimat).

The Bank für Gemeinwirtschaft is one of the major banks in the Federal Republic and has steadily strengthened its position over recent years. International financing problems and the persistence of high interest rates have complicated the loan business of the Bank für Gemeinwirtschaft, as they have for all banks.

Two other major enterprises within the BGAG group, the Volksfürsorge and the Co-op AG, are very healthy, expanding businesses.

In its main report for 1982 the Monopolies Commission came to the following conclusions: The integration of the public benefit enterprises in the BGAG group 'enabled them to catch up with their competitors'... 'The trade unions have in this way adjusted the organization of their enterprises to changes in the economic environment...'.¹ 'The growth rate of this group of enterprises up to now lead us to suppose that it will further strengthen its position'.²

The Federal Association of Public Benefit Enterprises represents the group's common interests at national level, in Community organizations, and at international level.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

Via its connection with the Society for Public Sector and Public Benefit Enterprises and therefore through the IFIG (CIRIEC), the BGAG has contacts with Community bodies; in addition, it influences the work of the EC indirectly through its holdings in the Volksfürsorge Lebensversicherung AG and the co-op AG, since these enterprises are members of the Association of European Cooperative Insurers (AECI) and of Eurocoop.

IX. PUBLICATIONS

BGAG-Beteiligungsgesellschaft für Gemeinwirtschaft AG, a public-relations booklet of the BGAG (Frankfurt/Main 1978)

Numerous articles by board members in specialist publications, e.g.:

WALTER HESSELBACH: 'Die Gemeinwirtschaft hat bleibende Aufgaben' in *Gemeinnütziges Wohnungswesen*, No 5/1982.

ALFONS LAPPAS: 'DGB-Holding-Instrument der Willensbildung', in *ÖWG*, No 1/1981.

WALTER HESSELBACH: 'Gemeinwirtschaft und öffentliche Wirtschaft — Sicherung des gesellschaftlichen Fortschritts', in *ÖWG*, No 2/1982.

¹ Fourth Main Report of the Monopolies Commission, point 896.

² Ibid, point 893.

X. SOURCES

BGAG: *Jahresbericht 1983*, Annual Report.

ACHIM VON LOESCH: *Die gemeinwirtschaftlichen Unternehmen der deutschen Gewerkschaften*, Cologne 1979 (German trade union companies set up to serve the public interest).

Viertes Hauptgutachten der Monopolkommission ('Fortschritte bei der Konzentrationserfassung'), 1982 (Fourth Main Report of the Monopolies Commission ('Progress in Concentration Surveys')).

BGAG: *Beteiligungsgesellschaft für Gemeinwirtschaft AG* — a public relations booklet of the BGAG (Frankfurt-am-Main 1978).

Articles of Association of the BGAG.

Constitution of the Bundesverband der gemeinwirtschaftlichen Unternehmen (Frankfurt-am-Main 1982).

FEDERAL BOARD OF THE DGB (Editor): *Auftrag und Aufgaben gemeinwirtschaftlicher Unternehmen des Deutschen Gewerkschaftsbundes und seiner Gewerkschaften* (Duties and tasks of public-benefit enterprises of the German Trade Union Federation and its Trade Unions) (Frankfurt, 1979).

BGAG: *Informationen über gemeinwirtschaftlichen Unternehmen* (April 1983).

XI. INTERVIEWS

Talks with the BGAG on 12 March and 30 September 1982, and 5 June 1984, conducted by Konrad Schwaiger, ESC General Secretariat. Text updated by telephone conversation on 7 August 1984 between Dr Eckertz, BGAG, and Konrad Schwaiger.

2. Public Benefit Bank (Bank für Gemeinwirtschaft AG)

<i>Managing Board Spokesman:</i>	THOMAS WEGSCHEIDER
<i>Supervisory Board Chairman:</i>	ERNST BREIT
<i>Address:</i>	Theaterplatz 2 6000 Frankfurt a.M. 1
<i>Tel.:</i>	069 / 258-0
<i>Telex:</i>	412210

Basic data

Branches:	253
Employees:	8 266 (including a small number of part-time staff)
1983 Balance sheet total:	DM 45 700 million
Share capital:	DM 1 000 million
Total customers' deposits 1983:	DM 25 025 million
Total claims on customers 1983:	DM 24 998 million

I. ORGANIZATION

1. Date of formation and brief historical outline

The idea of placing trade union funds in trade union banks first arose as early as the second half of the nineteenth century but only became reality around 1920 in the form of 'gewerkschaftlicher Hausbanken' or trade union-owned banks. The largest of these, the 'Bank der Arbeiter, Angestellten und Beamten AG' in Berlin, was the bank of the free trade unions.

The dissolution of the trade unions, decreed by the National Socialists, meant that this trend was interrupted until after the war; the trade union banks became part of the 'Bank der Deutschen Arbeit', the banking institution of the German Labour Front.

It was only in 1949 and 1950 that regional-level trade union and consumer cooperative credit institutions reemerged (these were regional because of the Occupying Powers' ban on central institutions in force at the time). There were initially six:

Bank für Wirtschaft und Arbeit AG, in Munich

Bank für Gemeinwirtschaft AG, in Hamburg

Bank für Gemeinwirtschaft Nordrhein-Westfalen AG, in Düsseldorf

Bank für Gemeinwirtschaft Frankfurt/Main AG, in Frankfurt-am-Main

Niedersächsische Bank für Wirtschaft und Arbeit AG, in Hanover

Bank für Arbeit und Wirtschaft AG, in Stuttgart.

In 1953, the 'Bank für Wirtschaft und Arbeit zu Berlin AG' was founded in Berlin.

After the lifting of the ban on centralization, these banks owned by consumer cooperatives and trade unions merged in 1958 to form a supra-regional institution, the 'Bank für Gemeinwirtschaft'. Eventually, in 1963, the Berlin subsidiary was also transformed into a branch of the Bank für Gemeinwirtschaft.

Since 1958, the Bank für Gemeinwirtschaft has developed, through constant growth, into one of the largest banks in Germany (in terms of balance sheet total). It currently has 8 266 employees and 253 branches, and has holdings in special-purpose banks in Germany and abroad.

Comparison

<i>Credit institutions</i>	<i>Consolidated balance sheet total in DM 000 million (1979)</i>
Deutsche Bank	158.1
Dresdner Bank	121.3
Westdeutsche Landesbank	103.6
Commerzbank	100.3
Bayrische Vereinsbank	83.0
Bayrische Landesbank	75.0
Bayrische Hypotheken- und Wechselbank	72.7
Deutsche Genossenschaftsbank	56.8
Bank für Gemeinwirtschaft	54.6
Hessische Landesbank	49.2

From the very outset, the Bank für Gemeinwirtschaft was intended to be not only a bank for trade unions and consumer cooperatives but also a general bank with public benefit objectives which welcomed free competition.

2. Size and structure

In terms of business structure, the Bank für Gemeinwirtschaft is a supra-regional credit institution similar to the big three banks represented throughout the Federal Republic.

It has holdings (in most cases majority holdings) in a number of specialized institutions in Germany and abroad (in the mortgage, leasing and investment sector, for example). Unlike other banks of the same size, however, the Bank für Gemeinwirtschaft has no long-term holdings in industry.

Its consolidated balance sheet total of DM 45 700 million (1983) places the Bank für Gemeinwirtschaft fourth among the German supra-regional banks. Its share capital totals DM 1 000 million, and it has reserves of DM 892 million. The Beteiligungsgesellschaft für Gemeinwirtschaft AG (BGAG) (Public-Benefit Holding Company) has an 89% holding in the capital of the Bank für Gemeinwirtschaft. The Bank für Arbeit und Wirtschaft in Vienna, among others, has a small holding.

The Bank für Gemeinwirtschaft does not show any balance-sheet profit, as it has a profit and loss transfer agreement with the BGAG. About DM 270 million were transferred to the holding company in respect of 1978 and 1979; for 1980 the figure was DM 102.3 million. For 1981 and 1982 there was a break-even. In 1983 the annual profit of DM 200 million was transferred to the open reserves.

The following table provides an overall view of the structure and holdings of the organization:¹ (see following page).

3. Administrative bodies

Shareholders' general meeting

Supervisory Board

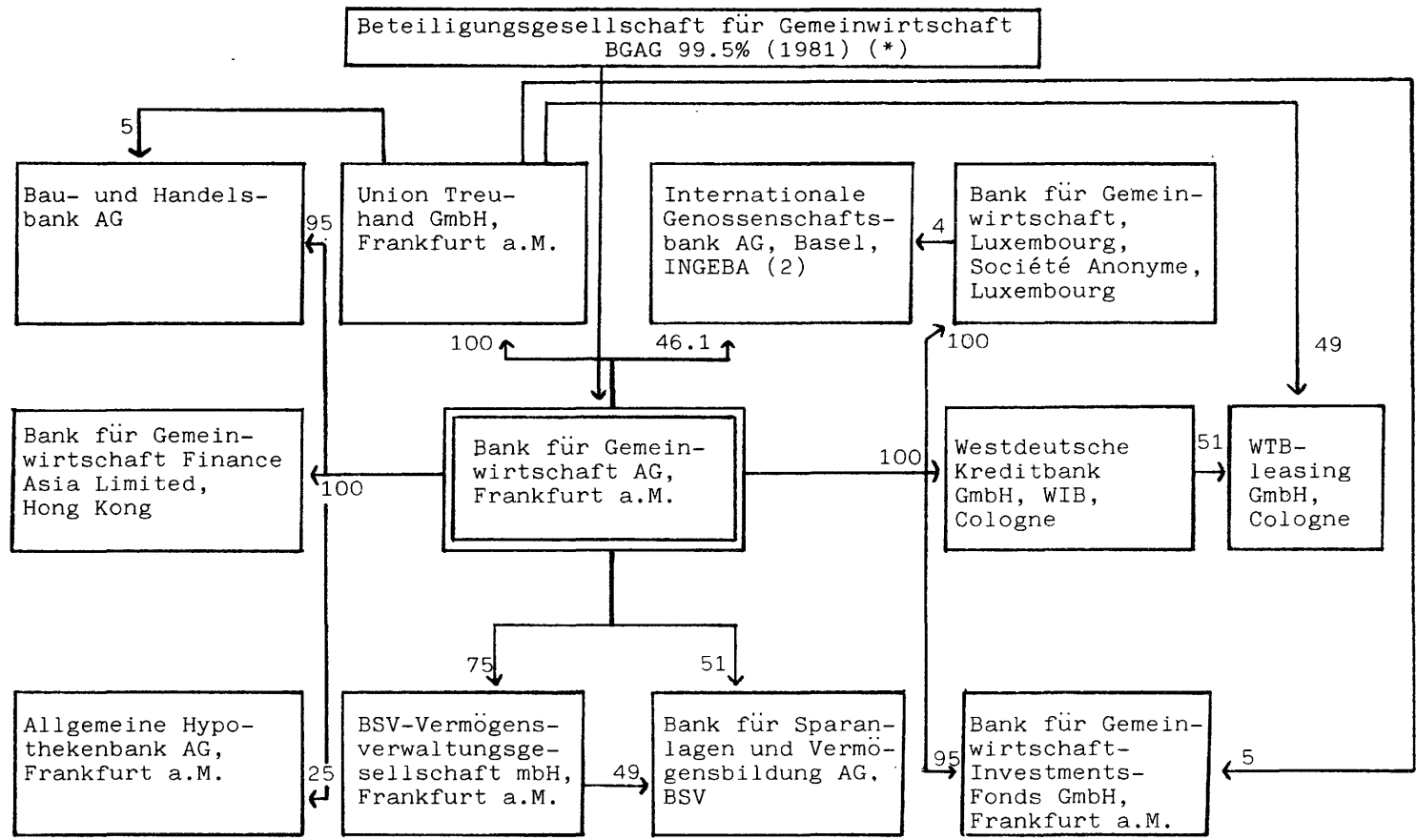
Managing Board

4. Decision-making procedure

Decisions are taken by a simple majority of votes, except where the law provides otherwise.

¹ Bank für Gemeinwirtschaft Geschäftsbericht 1981 and *Frankfurter Allgemeine Zeitung* (Economics section, various articles).

**Beteiligungsgesellschaft für Gemeinwirtschaft
BGAG 99.5%^{0,1}**



(2) The remaining 49.9% are held by banks, associations and other organizations, mostly from other European countries, and forming part of or closely linked with the public benefit or cooperative sector.

(*) From 1983 reduced to 89.5%.

II. AIMS AND PRIORITY POLICIES

The object of the organization is to carry on all banking business and related commercial transactions of all kinds with enterprises from all branches of the economy, and in particular with public benefit enterprises and establishments. The concept is not, however, that of a bank exclusively for the trade unions, but that of a general-purpose, supra-regional bank with extensive foreign business. (Links are maintained with over 3 000 correspondent banks).

III. ACTIVITIES

1. Particular activities resulting from the organization's public benefit objectives

It is questionable whether specifically public benefit activities or influences can be identified in the business activities of the Bank für Gemeinwirtschaft. The importance of dealings with organizations from the public benefit sector has been declining steadily compared with general business. In 1958 such dealings still represented 25% of business, whereas they have now fallen to less than 10%. Consequently, since business policy must be based on customers' requirements, the Bank für Gemeinwirtschaft cannot pursue trade union objectives directly or always make individual transactions dependent on public benefit considerations.

In the opinion of the German Monopolies Commission, the above-average growth of the Bank für Gemeinwirtschaft between 1958 and 1975 contributed to the decline in business concentration and hence to increased competition in the banking and credit market.¹

2. Economic activities

All branches of banking and credit business.

3. Social activities

The Bank promotes and supports a wide range of social activities.

4. Other activities (cultural, etc.)

Particularly worthy of mention is the Bank's support for science and art. Exhibitions are held regularly in its offices.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

(Participation in hearings by legislative bodies, etc.)

Because of its diverse links with representatives and authorities at various levels, the Bank für Gemeinwirtschaft is in close contact with the legislative and administrative organs at national and regional level. As a profit-making organization it does not enjoy any legal privileges and participates like any other business undertaking in competition.

The Bank für Gemeinwirtschaft is a member of:

the Verband der Gemeinwirtschaftlichen Geschäftsbanken (Association of Public Benefit Banks) and the Bundesverband der Gemeinwirtschaftlichen Unternehmen (Federal Association of Public-Benefit Enterprises).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

1. International at Community level

The Bank is not at present a member of any association at European Community level.

2. Bilateral or multilateral with other EC countries

Links with trade associations and economic groupings: through its foreign holdings the Bank has, indirectly, a great many contacts with trade associations and organizations within the European Community.

¹ Monopolkommission, Viertes Hauptgutachten, July 1982, para. 874.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The Bank is a member of the International Cooperative Alliance. Through its foreign holdings it has extensive links with a large number of international banks and thus, indirectly, with trade associations, especially through its holding in the Internationale Genossenschaftsbank AG (INGEBA) (International Cooperative Bank Company Ltd) in Basle, for example.

VII. INTERNAL COHESION

The dynamic development of the Bank für Gemeinwirtschaft in recent decades points to a purposeful management, working well as a team.

VIII. PUBLICATIONS

Schriftenreihe Gemeinwirtschaft and a large number of periodicals for customers (e.g. economic news-sheets, foreign trade service).

IX. SOURCES

BANK FÜR GEMEINWIRTSCHAFT: *Annual Reports 1981-1983*.

BANK FÜR GEMEINWIRTSCHAFT: *Articles of Association*, December 1980.

ACHIM V. LOESCH: *Die Bank für Gemeinwirtschaft, Schriftenreihe Gemeinwirtschaft*.

BETEILIGUNGSGESELLSCHAFT FÜR GEMEINWIRTSCHAFT AG: *Annual Reports 1981-1983*.

Fragebogen Gemeinwirtschaft.

Frankfurter Allgemeine Zeitung (various articles from the Economics Section).

MONOPOLKOMMISSION: *Viertes Hauptachten* (1982).

X. INTERVIEWS

Mr Karl-Heinz Stanzick, Director of BGAG, and Dr Klingelhöfer were interviewed on 12 March 1982 and on 5 June 1984 by Konrad Schwaiger, ESC General Secretariat, Studies and Research Division. Text updated by telephone conversation on 7 August 1984 between Dr Eckerts, BGAG, and Konrad Schwaiger.

3. Volksfürsorge Life Assurance Co. (Volksfürsorge Lebensversicherung AG)

Chairman of the Managing Board: WERNER SCHULZ
 Chairman of the Supervisory Board: GUSTAV FEHRENBACH
 Address: An der Alster 57-63
 2000 Hamburg 1
 Tel: 040/248230
 Telex: 2162747

Basic data (1983)

	Share capital	Insurance policies/ building society savings contracts	(million DM) Premium income/ savers' deposits plus loans
Volksfürsorge Lebensversicherung AG (life assurance)	150	5.88	2 702
Volksfürsorge Sachversicherung AG (property insurance)	70	7.74	689
Volksfürsorge Rechtsschutz AG (legal insurance)	11	2.34	49.6
Volksfürsorge Krankenversicherung AG (health insurance)	1.2	151 290	1.13
Volksfürsorge Bausparkasse AG (build- ing society)	28	251 000	5 700
Hamburger Internationale Rückversi- cherung (international reinsurance)	68	—	1 652

Group employees (1983)

7 428

I. ORGANIZATION

1. Date of formation and brief historical outline

The Volksfürsorge Lebensversicherung was founded in 1912 by the consumer cooperatives of the Hamburg central association and the free trade unions.

They needed an insurance company of their own primarily to counter the flagrant abuses occurring in the industrial life assurance sector.^[1]

Among the often callous business practices of insurance companies at the beginning of the century was the 'lapse without refund', which meant that many policy-holders lost their premiums.^[2]

Following its admission^[3] into the insurance business, the Volksfürsorge began operations on 1 July 1913.

Because its business policy was tailored to the interests of workers, the Volksfürsorge quickly gained the confidence of large sections of the population and experienced a rapid expansion.

By 1928, the Volksfürsorge was one of the five largest insurance companies in Germany.

In 1925 a property insurance company was added to the Volksfürsorge Lebensversicherung.

After the take-over of the Volksfürsorge Lebensversicherung und Sachversicherung on 2 May 1933 by the National Socialists, and the years of Nazi control which followed, the trade unions had to make a fresh start after the war and in 1947 they re-established the Volksfürsorge in its original form.

The company quickly regained the position it had held before the war and in the years that followed it expanded rapidly.

The Volksfürsorge Lebensversicherung is today among the largest organizations in the insurance sector.

The Volksfürsorge Deutsche Sachversicherung (property insurance) also reappeared after the war. In addition, the Hamburger Internationale Rückversicherung (HIR) (international reinsurance) was set up in 1965, the Volksfürsorge Rechtsschutzversicherung AG (legal protection insurance) in 1968, the Volksfürsorge Bausparkasse AG (building society) in 1972 and the Volksfürsorge Krankenversicherung AG (health insurance) in 1981.

With its broad spectrum of services, the Volksfürsorge Group covers all the insurance requirements on the market today.

2. Size and structure

The Volksfürsorge Lebensversicherung AG is the parent company of the Volksfürsorge Group. It holds 95% of the shares in the Volksfürsorge Deutsche Sachversicherung AG, 100% of the shares in the Volksfürsorge Bausparkasse AG and 100% of the shares in the Hamburger Internationale Rückversicherung AG (HIR). Via the Volksfürsorge Deutsche Sachversicherung AG, which holds 100% of the shares in the Volksfürsorge Rechtsschutzversicherung AG and 100% of the Volksfürsorge Krankenversicherung AG, it is also involved in these last two companies.

The members of the Managing Boards of the Volksfürsorge Lebensversicherung AG and the Volksfürsorge Sachversicherung AG hold seats on the Boards of both companies; there is an organizational and administrative agreement between the two companies.

The Managing Boards of the Volksfürsorge Lebensversicherung AG and the Volksfürsorge Bausparkasse AG consists partly of the same people. The same is also true of the Boards of the Volksfürsorge Lebensversicherung AG and the HIR AG.

Some members of the Managing Board of the parent company act as Chairmen or Members of the supervisory Boards of the subsidiary companies.

The following table gives an overall view of the Volksfürsorge Group.

The Volksfürsorge Group's share capital is made up as follows:

Volksfürsorge Lebensversicherung AG	DM 150 million
Volksfürsorge Sachversicherung AG	DM 70 million
Volksfürsorge Rechtsschutzversicherung AG	DM 11 million
Volksfürsorge Krankenversicherung AG	DM 1.2 million
Volksfürsorge Bausparkasse AG	DM 28 million
Hamburger Internationale Rückversicherung AG	DM 68 million

In the life assurance sector, the Volksfürsorge administered 5.88 million assurance policies in 1983 with a total insured sum of DM 58 000 million. Premium income in 1983 amounted to DM 2 702 million.

This makes it the second largest of the more than 100 life assurance companies in Germany.

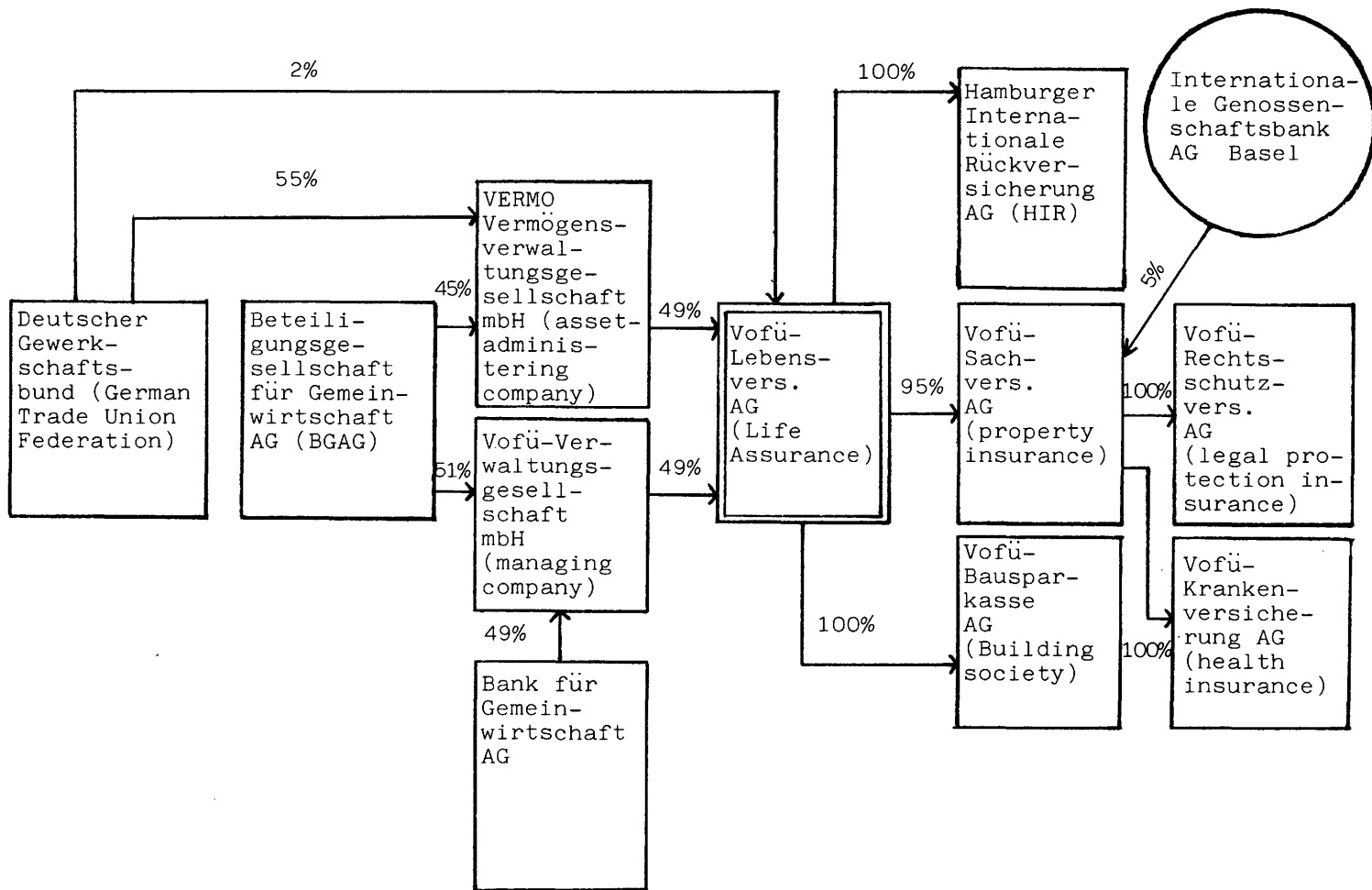
The premium income of the property insurance company, which occupies a position in the upper middle section of the property insurance market, was about DM 689 million in 1983 from 7 740 000 policies (1980, 4 499 000). In 1983 the Volksfürsorge Bausparkasse (building society) had 251 000 contracts with savers' deposits plus loans amounting to DM 5 700 million.

At the end of 1983, the legal protection insurance company was covering 2 340 000 risks with a premium income of DM 49.6 million.

The HIR was able to record a premium income of DM 652.5 million gross and DM 416.9 million net in the 1982/83 financial year.

3. Administrative bodies

- Managing Board
- Supervisory Board
- General Meeting



The Volksfürsorge Group (as at March 1983)

II. AIMS AND PRIORITY POLICIES

In keeping with its history and its position as a public benefit trade union enterprise, the Volksfürsorge sees itself as an insurance company serving not only the broadest possible spectrum of the population, but also industry, commerce and craftsmen. It is the organization's aim to offer, in competition with the free insurance sector, consumer-oriented insurance cover in all areas, comprehensive old-age pension schemes and opportunities for capital formation.

This policy involves, among other things, integration of the different Volksfürsorge companies into a single group under unified management. In practice, this means working in the most efficient way possible, while taking account of public benefit considerations in order to create the (financial) conditions for public benefit activities in the interests of consumers.

III. ACTIVITIES

1. Particular activities resulting from the public-benefit objectives of the organization

In addition to the acknowledged achievements of the Volksfürsorge in eliminating abuses in industrial life assurance, particular mention should also be made of the introduction of new life assurance rates on the basis of modern mortality tables (1969), accident insurance covering leisure activities (1969) and the provision of funds from insurance resources for publicly-assisted house-building. Moreover, the rates for capital-forming insurance have been decisively influenced by the Volksfürsorge. The Volksfürsorge was the first company to provide insurance cover from the time the application is made.

Its trade union owners are convinced that an enterprise of this size with public benefit objectives can act as a corrective mechanism by its very presence on the market.[⁴]

2. Economic

The organization is engaged in all types of insurance and also runs a building society. In addition to the measures listed in 1, mention can be made of the following among the many services offered to consumers:[⁵]

life assurance premiums which are generally some 5% lower than the average for the sector, immediate profit-sharing on risk insurance, 'dynamic' insured sums in the case of standard accident insurance.

3. Social

Examples include:

investment in publicly-assisted house-building;
few exclusions in the extended accidental death insurance;
supplementary insurance against incapacity for work, with an extended range of application.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The Volksfürsorge influences national discussions on insurance matters indirectly, through its membership of the various professional associations.

It is a member of:

the Bundesverband der Gemeinwirtschaftlichen Unternehmen (Federal Association of Public Benefit Enterprises), and
the Gesamtverband der deutschen Versicherungswirtschaft (General Association of the German Insurance Industry).

Because of its multiple links with bodies and authorities at various levels, the Volksfürsorge is in close contact with legislation and administration at national and regional level. As a profit-making organization it does not enjoy any legal privileges and participates like any other business undertaking in competition.

The German Monopolies Commission has raised the question of whether the Volksfürsorge insurance group, as a public benefit organization, enjoys special sales advantages. The Monopolies

Commission sees a direct sales advantage solely in the fact that the trade unions take out group insurance for their members with the Volksfürsorge Group.[⁶]

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

1. International at Community level

(a) Interest groups

AECI — Association of European Cooperative Insurers,

EIC — European Insurance Committee, and via the Deutscher Gewerkschaftsbund (DGB) (German Trade Union Federation),

ETUC — European Trade Union Confederation,

(b) Economic Groupings (economic cooperation),

Europa-Strassendienst-Union e. V.

2. Bilateral or multilateral with other EC countries

Personal contacts within the AECI and the EIC facilitate the establishment of business relations with other insurance companies within the European Community.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

ICA — International Cooperative Alliance,

ICIF — International Cooperative Insurance Federation,

ICRB — International Cooperative Reinsurance Bureau,

CIRIEC — International Centre of Research and Information on Public and Cooperative Economy.

and through the DGB:

ICFTU — International Confederation of Free Trade Unions.

VII. INTERNAL COHESION

Clear business policy and constant expansion of the group indicate good internal cohesion.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

As a member of the AECI it exerts an indirect influence on the Community's activities concerning the harmonization of insurance law in the EC.

IX. PUBLICATIONS

Publications for special occasions (e.g. 'Lebenslinien in 6 Jahrzehnten' marking the 60th anniversary of the Volksfürsorge) and a large number of customer information leaflets on the Group and on insurance matters.

X. SOURCES

1. Annual Reports 1980 and 1981 of the:

Volksfürsorge Lebensversicherung AG;

Volksfürsorge Sachversicherung AG;

Volksfürsorge Rechtsschutzversicherung AG;

Volksfürsorge Krankenversicherung AG;

Volksfürsorge Bausparkasse AG;

Hamburger Internationale Rückversicherung AG.

2. Articles of Association of the Volksfürsorge-Lebensversicherung AG, 1980 edition.

3. ACHIM VON LOESCH: *Die gemeinwirtschaftlichen Unternehmen der deutschen Gewerkschaften* (1979).

4. Annual Reports for 1980-1983 of BGAG (Beteiligungsgesellschaft für Gemeinwirtschaft AG).
5. BGAG public relation brochure.
6. *Monopolkommission, Viertes Hauptgutachten* (July 1982).

XI. INTERVIEWS

Mr Karl-Heinz Stanzick, Director of BGAG, and Dr Klingelhöfer, were interviewed on 12 March 1982 by Konrad Schwaiger, ESC General Secretariat. Text updated on 7 August 1984 by telephone conversation between Dr Eckerts, BGAG, and Konrad Schwaiger.

XII. NOTES

- [1] Total insured sum up to DM 2 000.
- [2] At that time there was a loss of about 44% if the payment of premiums was stopped.
- [3] By the 'Kaiserliche Aufsichtsamt für das Versicherungswesen' (Imperial Supervisory Office for Insurance Companies).
- [4] See Achim von Loesch, *Die gemeinwirtschaftlichen Unternehmen der deutschen Gewerkschaften*, p. 216, Footnote 17.
- [5] Written information published by the BGAG Central Secretariat, 13 September 1982.
- [6] *Monopolkommission, Viertes Hauptgutachten*, July 1982, paragraph 856.

4. The construction firms of the DGB-affiliated trade unions

The Neue Heimat group of companies:
 Neue Heimat Gemeinnützige
 Wohnungs- und Siedlungs GmbH (NH),
 Neue Heimat Städtebau GmbH (NHS)

Chairman of the Managing Boards (NH and NHS): Dr DIETHER HOFFMANN
Chairman of the Supervisory Board (NH): ERNST BREIT
Chairman of the Supervisory Board (NHS): SIEGFRIED BLEICHER
Address: Jessenstrasse 1,
 2000 Hamburg 50
Tel.: 040/38 01 70
Telex: 21 20301

Basic data (1983)

Staff:

Neue Heimat group	4 542
NH GmbH	3 914
NHS GmbH	628

Group balance sheet total:

NH GmbH	DM 20 120 million
NHS GmbH	DM 1 630 million

Capital:

NH GmbH	DM 290 million
NHS GmbH	DM 60 million
NHS GmbH	DM 230 million

Key figures:

Market shares in

Completions (dwellings) (1981)	2.0%
Own housing stock (1981)	1.3%
Rationalization and urban development measures after the urban building promotion act (1971-1981):	6.7%

Total turnover in building and administration:

NH GmbH	DM 3 691 million
NHS GmbH	DM 3 415 million
NHS GmbH	DM 276 million

I. ORGANIZATION

1. Date of formation and brief historical outline

The industrialization which took place in the nineteenth century led to a massive influx of workers into the towns. The supply of housing failed completely to keep pace, both in terms of quantity and of quality. This led to the founding of 'public benefit' building and housing firms, whose job was to provide accommodation which workers could afford to rent and equip on their modest incomes.

In 1920, the Verband sozialer Baubetriebe (Social Building Firms Association — VsB) was founded for the building cooperatives and 'social building firms' which had sprung up in many places. It was given the legal form of a private company (GmbH), and more than 80% of its capital was held by the German building Workers Association (Deutscher Bauarbeiterverband). The 'social building firms' gave up their public utility status fairly quickly, as they felt that their survival could only be assured by a comprehensive building programme, rather than by merely building dwellings for the socially weaker sectors of the population, which they were bound to do by their articles of association.

The association founded the Bauhütten — public benefit building firms in the form of private limited companies, whose aim, among other things, was to bring down the price of building — which, at the end of the 1920s, represented the biggest building firm in Germany, employing 18 000 workers in 132 businesses.

In parallel to this development in the building industry, the 1880s saw the founding of building cooperatives, prompted by the Cooperatives Act of 1889.

New types of firm for building flats came into being at the beginning of the twentieth century. But whereas the first public utility building firms were mainly the initiatives of individuals and associations, the firms founded after 1900 were real self-help organizations. The general swing to the cooperative idea was shown by the legal status of the newly-founded small building firms — nearly all of which were cooperatives or building clubs.

The year 1922 was of historical significance for workers' housing in Germany. The congress of the General German Trade Union Federation in Leipzig welcomed the proposal from the Berlin City Building Councillor Wagner that the trade unions should found their own building firms to set an example for overcoming the housing shortage and raising the bad standard of worker housing. On the basis of this decision the Deutsche Wohnungsfürsorge AG (German Housing Welfare Corporation — DEWOG) was founded in 1924. The founders were the three central organizations for manual workers, clerical workers and civil servants, and the VsB. The DEWOG founded companies throughout Germany. It did not do any building itself, but acted as a central welfare body. Building work was carried out by local trade union housing firms, among which was the Gemeinnützige Kleinwohnungsbaugesellschaft Gross-Hamburg GmbH, which was founded in 1926 and later changed its name to Neue Heimat Hamburg.

The partners of the DEWOG and other firms distinguished themselves — as the BGAG points out — 'even then by the building of exemplary town dwellings equipped with good communal facilities, such as washhouses, playgrounds and nursery schools'.

By the end of 1929, the DEWOG, with its five branches and twenty subsidiaries, had built 21 000 dwellings.

All this came to a temporary stop with the Nazi seizure of power in 1933. The assets of trade union-owned firms were appropriated, without compensation, for the benefit of the German Labour Front (DAF). Most of the housing was destroyed during the Second World War.

After 1945, the occupying powers first took over the trade unions' housing firms. After the firms were returned, the individual housing firms of the trade unions were grouped together into their Hamburg company Neue Heimat. Gradually, all trade union-owned housing firms represented at local level were incorporated, the last being the Gemeinnützige Wohnungs- und Siedlungsbaugesellschaft mbH (GEWOGAB) in Frankfurt-am-Main in 1960.

The associated company, Neue Heimat Städtebau (NHS), was founded in 1969 as a public benefit company in order to take on tasks which went far beyond mere house building and covered all areas of industrial building work and the building of public infrastructure facilities.

The NHS started out building nursery and other schools, nursing homes, hospitals and other communal facilities jointly with towns and boroughs.

2. Size and structure

The Neue Heimat group consists of two groups of companies: the Neue Heimat group, whose parent company is:

Neue Heimat Gemeinnützige Wohnungs- und Siedlungsgesellschaft mbH,¹ (NH);

¹ NH's activities are limited by law to the building of small dwellings, housing management and the purchase and sale of real property.

and the Neue Heimat Städtebau group, whose parent company is:

Neue Heimat Städtebau GmbH (NHS).

Unlike the NH, which is subject to the Wohnungsgemeinnützigkeitsgesetz (WGG) (Public Utility Housing Act), the NHS is run along cooperative lines.

Both parent companies within the group are 100% owned by trade unions affiliated to the DGB. However, the BGAG was not a member of the NH¹ until the end of 1981 (the NH accounts for more than 75% of total turnover but, because it is a public utility, it is exempted from corporation tax, unlike the NHS).²

With its 7 regional companies and 2 inter-regional companies, the Neue Heimat (capital: DM 60 million) is represented throughout Germany.

The Neue Heimat Städtebau, with a capital of DM 236 million (end 1983) has 13 subsidiaries. These are either urban building companies with a regional field of action (e.g. NH Städtebau Südwest GmbH) or special companies operating in several regions (e.g. Mediplan for hospital building, Baudata for data processing) or abroad (NH International). Within Germany there are also another 25 property-owning companies. These are, for instance, builders or land management firms, often with a single purpose. In addition, the NHS is involved directly or indirectly in another 16 companies in Germany.

3. Administrative bodies

Members' meeting;

Supervisory board;

Manager (1 or more).

4. Decision-making procedure

The Group's decision-making procedure can be ascertained from the GmbH Law of 20 May 1898 as amended, and from the Articles of Association.

To meet the trade unions' demands for continuous improvement in the running of the companies, the Group introduced qualified co-determination as early as 1969 for both the Neue Heimat (NH) and the Neue Heimat Städtebau (NHS). In the case of the NH this was superseded by the provisions of the Law of 1976 on co-determination (composition of the supervisory board: six active workers, three retired workers, one senior executive and 10 shareholders' representatives). For the NHS qualified co-determination in accordance with the voluntary agreement of 1969 still applies (composition of the supervisory board: 10 workers' representatives, of whom at least three must be retired, 10 shareholders' representatives and another member as Chairman).

II. AIMS AND PRIORITY POLICIES

Paragraph 2.1 of the Articles of Association of the Neue Heimat (version dated 8 March 1978) lays down that 'the company builds and manages small dwellings³ in its own name. It can also supervise the construction of small dwellings, and manage small dwellings which it does not own, as well as participating in transactions which serve the above purposes'.

The Law on public utility housing (Wohnungsgemeinnützigkeitsgesetz) lays down conditions for the NH which restrict its field of operation.

¹ The NH shareholders are: the property management and auditing companies of the DGB and the individual unions (including DGB: 8.9%, IG Bau-Steine-Erden: 8.8%, IG Metall: 10.2%) and BGAG (49.9%).

² The NHS shareholders are: the BGAG (40.4%) and the property management and auditing companies of the DGB and its individual unions (60.3%).

³ The average useable surface area of the rented dwellings of *all* public benefit housing enterprises was about 60 m² in 1977. 78% of the total stock of dwellings had a surface area of between 40 and 80 m². 75% of dwellings comprised three or four rooms (including kitchen). (See *Wohnungswirtschaftliches Jahrbuch 1979/80*, published by the Gesamtverband gemeinnütziger Wohnungsunternehmen e.V., Cologne, Hamburg 1981).

In particular, its activities must benefit broad social groups (thus it is forbidden to let exclusively or preferentially to trade union members); moreover, rents may not be higher than is necessary to cover costs.¹

This should make a contribution to better living conditions and greater social security for workers. The distribution of dividends to shareholders is legally limited to 4%. The State ensures that these provisions are respected.

The Neue Heimat Städtebau GmbH, which is not subject to the *Gemeinnützigkeitsgesetz* (Law on public utility), also aims to provide a public service, but operates within a broader framework. Under paragraph 2.2 of its Articles of Association (version dated 23 February 1981) its tasks include the planning and execution of building projects, the redevelopment of old buildings, the administration of buildings and the drawing up of urban development plans. Buildings which it administers include communal facilities such as schools, gymnasiums, hospitals and other social projects, refuse incineration plants etc.

The NHS regards its tasks as including the implementation of the guidelines laid down by the 8th Ordinary Federal Congress of the *Deutsche Gewerkschaftsbund* (DGB) of May 1969 — to demand equal opportunities for all members of society and healthier environmental and living conditions.²

III. ACTIVITIES

(a) Economic

Of the 1 850 or so enterprises in the public benefit housing sector in the Federal Republic of Germany, the 28 companies of the NH constitute the largest self-contained group. This does not, however, mean that it occupies a dominant position on the market, even in certain conurbations where its share of the market is higher than the average for the Federal area as a whole.³

As a builder and housing administrator the NH Group plays a subordinate role in percentage terms: in 1981 the NH accounted for about 2% of completions and about 1.3% of housing stock.⁴ The Group's share of completed public and commercial building projects is even lower — between 1% and 2% — although these projects are of above-average size.

In absolute terms, however, the NH Group's activities are on a considerable scale. Since the formation of its constituent companies it has built more than half a million dwellings, which together with ancillary installations can be said to form entirely new urban districts (e.g. large projects in West Berlin, Munich-Neuperlach (6 000 dwellings), Hamburg-Mümmelmannsberg (1 600), Frankfurt-Nordweststadt (2 100) and Wiesbaden-Dotzenheim (2 300)). The NH owns about 311 000 dwellings and offices. The NH Städtebau was responsible, in connection with its building activities or otherwise, for the planning and execution of many infrastructure projects. These projects were mainly for buildings of a social nature: nursing homes for old people, educational institutions, sports facilities and recreational buildings, facilities for assistance to children and young people, health service buildings (such as the Aachen Clinic) and those for the social services, but also offices and administrative buildings, town halls, shopping centres, conference centres (such as the Berlin Congress Centre), environmental protection buildings, multi-storey car parks etc.

Mention has already been made of Neue Heimat International, which operates as a holding company for the international investments of the Group. The subsidiary companies are involved mainly in the construction of housing, but also of commercial buildings. Because of the unsatisfactory market

¹ The difference between the rent necessary to cover operating costs and the rent to be paid by the tenant (for the new buildings the ratio reaches a peak of 3:1) is met, in accordance with the generally applicable laws in the Federal Republic of Germany, by public capital or cost subsidies and by owners forgoing expenditure on the properties.

² See von Loesch, *op. cit.*, p. 193 f., and the public relations brochure 'Gemeinwirtschaft = Commonweal Economy' published by the Bank für Gemeinwirtschaft, Frankfurt-am-Main (1981), p. 14.

³ In 1981 the NH companies together accounted for about 18% of the total building work of public-benefit housing enterprises. They manage 11% of the total public utility rented housing stock.

⁴ The figure is for the Group's own stock.

situation the Group has since 1978 given up or begun to phase out smaller commitments or those with few medium-term prospects, and has concentrated its efforts on a few countries.

(b) Social

In addition to the NH's role as a public benefit builder and lessor of small dwellings, some detailed social aspects should also be mentioned here.

The NH has introduced tenants' advisers for larger housing developments, with the task of mediating between tenants and the Group as landlord. In many cases the tenants have also set up, on their own initiative, groups of tenants' representatives to defend their interests.

Tenants' interests are also safeguarded at the regional level by social workers employed by the NH. Their main task is to look after the needs of elderly tenants, those in need of assistance and large families. They also cooperate with local authorities, particularly on social plans in the context of the law on promotion of town planning (Städtebauförderungsgesetz).

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The Group's companies compete on the market with other companies.

The interests of the NH — like those of other public-benefit housing enterprises — are represented by the Association of Public Utility Housing Enterprises (Gesamtverband gemeinnütziger Wohnungsunternehmen), which is consulted as an expert interest group, for example in legislative procedures.

The NH and the NHS are members of the Arbeitgeberverband der Wohnungswirtschaft e.V., Frankfurt-am-Main. The NH is also a member of the Verband norddeutscher Wohnungsunternehmen e.V., Hamburg (the relevant auditing association) and, through that association, of the Gesamtverband gemeinnütziger Wohnungsunternehmen e.V. Each of the regional subsidiaries is a member of the relevant auditing association in its region. The NHS also belongs to the newly-founded Federal Association of Public Benefit Enterprises (BGU — Bundesverband der gemeinwirtschaftlichen Unternehmen e.V.), which — with offices in Bonn and Frankfurt-am-Main — has represented the interests of the public benefit sector since 1 September 1982 at the national, European and international levels and intends to clarify the economic and social policy aims of public benefit enterprises.¹

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

None.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The activities of Neue Heimat International also include contacts with workers' organizations in other countries. These take the form of cooperation between subsidiary companies and foreign partners.

VII. INTERNAL COHESION

Both the Neue Heimat and the Neue Heimat Städtebau operate with public benefit objectives, but the NHS can take on tasks from which the NH is debarred by virtue of its public benefit nature. The NH specializes in housing construction, and the NHS in instruments to supplement town planning.

The generally unfavourable economic trends (short-term downturn in the building trade, extensive withdrawal of the State from the financing of social housing construction and of town planning) together with faulty management decisions, have in recent years caused conditions for the Neue Heimat Group to deteriorate. Mainly because of changes in exchange rates, the NHS found itself in serious financial difficulties, resulting in a loss of nearly DM 1 000 million (accumulated since 1977).

The situation was further aggravated by the fact that this matter gave rise to a critical public discussion lasting several months, and that published articles about private commitments of members of the management produced a crisis of confidence which the Group is overcoming only slowly and by dint of considerable efforts.

¹ See the BGU's Articles of Association (Statut) dated 28 May 1982.

The responsible bodies took the necessary decisions without delay. These led to basic changes in the composition of the management. The accountancy firm Treuarbeit AG was given the task of investigating the complaints made against former members of the management.

In addition, a number of steps have been taken, including:

For the NH:

concentration of building of rented social housing mainly at the points of greatest demand in conurbations;

restriction of reserve building to a few individual properties for which a ready market can be found; stepping up the building of houses to order, including those built to the customer's own design;

reducing the reservation of building plots to 3-year programmes;

improving the quality of the rented housing stock;

sale of existing dwellings — with the right of pre-emption for tenants, to improve basic capital resources and safeguard building activity.

For the NHS:¹

reduction of NHS investments in the Federal Republic;

concentration on construction planning and construction management services;

disposal of subsidiaries whose work is inappropriate to the Group;

gradual reduction of operations outside the Federal Republic.

VIII. PUBLICATIONS

Business reports, magazine *Stadt*, tenants' magazine, signed articles in specialized reviews, special editions of speeches etc.

IX. SOURCES

ACHIM VON LOESCH: *Die gemeinwirtschaftlichen Unternehmen der deutschen Gewerkschaften* (Cologne 1979).

Wohnungswirtschaftliches Jahrbuch 1979/80, published by the Gesamtverband gemeinnütziger Wohnungsunternehmen e.V. (Hamburg 1981).

MONOPOLKOMMISSION: *Viertes Hauptgutachten* ('Fortschritte bei der Konzentrationserfassung') (1982).

Memorandum by the Central Secretariat of the BGAG dated 21 July 1982.

Constitution of the Bundesverband der gemeinwirtschaftlichen Unternehmen (BGU).

50 Jahre Neue Heimat, Hamburg, special publication to celebrate the 50th anniversary, published by Neue Heimat (Hamburg 1976).

Annual Reports of Neue Heimat and Neue Heimat Städtebau for 1981-83.

Other sources

Gemeinwirtschaft - Commonwealth Economy, public relations brochure issued by the Bank für Gemeinwirtschaft (Frankfurt-am-Main 1971).

'Neue Heimat Städtebau GmbH', in BGAG: *Beteiligungsgesellschaft für Gemeinwirtschaft AG*, public relations brochure published by the BGAG (Frankfurt-am-Main 1981).

Annual Report 1980/81 of the Gesamtverband gemeinnütziger Wohnungsunternehmen e.V. (Cologne, 1981).

Various articles in the press.

X. INTERVIEWS

Representatives of the BGAG were interviewed by Konrad Schwaiger, ESC General Secretariat on 12 March and 30 September 1982. Text updated on 7 August 1984 by telephone conversation between Dr Eckerts, BGAG, and Konrad Schwaiger.

¹ Annual Report for 1981 of the Neue Heimat Städtebau, Hamburg, p. 7.

5. Co-op AG

<i>Chairman of the Managing Board:</i>	Dr BERND OTTO
<i>Chairman of the Supervisory Board:</i>	ALFONS LAPPAS
<i>Address:</i>	Hahnstrasse 72 6000 Frankfurt-am-Main 31
<i>Tel.:</i>	(0611) 6683-1
<i>Telex:</i>	4189348

Basic data

1. Co-op AG

Sales outlets	2 099
Sales space	1.29 million m ²
Employees	41 866
Retail turnover 1983	DM 9 380 million
Market share (food sector)	approx. 10%
Share capital (as at 1 May 1983)	DM 300 million

2. Co-op Group as a whole

Sales outlets	3 264
Retail turnover 1983	DM 14 014 million
Employees	63 000

I. ORGANIZATION

1. Date of formation and brief historical outline

In common with all the other enterprises in the Co-op Group, Co-op AG sees itself as a direct descendant of consumer cooperatives in the traditional mould (based on the Rochdale principles).

Following the increasing economic pressure on the consumer cooperative sector in the 1960's (falling membership and turnover) and the failure of the Bund deutscher Konsumgenossenschaften (Association of German Consumer Cooperatives) established in 1967, to bring about an improvement, a central cooperative body was founded on 5 November 1974 in Frankfurt in the form of a public limited company.

This move was prompted by the belief that the cooperative form of organization, with its relatively cumbersome decision-making procedure, its insufficiently flexible management system and its inadequate ability to form capital, was no longer in a position to adapt rapidly enough to market requirements.

2. Size and structure

Since its formation in 1974, the organization (now Co-op AG) has experienced a rapid expansion and currently has share capital of DM 375 million.

Co-op AG has ties with the other, still independent, consumer cooperatives in a great many sectors; these other cooperatives and Co-op AG are together known as the Co-op Group.

Of the total of 3 264 sales outlets (turnover DM 14 014 million in 1983) belonging to the Co-op Group, about 2 000 supermarkets are owned by Co-op AG. The organization is represented in the retail sector by nine branches, a subsidiary in Berlin and an affiliate in the Rhein-Neckar area. These generate DM 9 380 million, more than half the turnover of the Group as a whole, whose share of the foodstuffs market nationwide amounts to more than 10%.

From 1981, sales and procurement have been linked more closely within Co-op AG, Co-op AG being sole owner of the Co-op Handels- und Produktions AG. The entire wholesale and import business in food and non-food, and own production are thus in its hands.

Annual growth in turnover has been running at a level of 10.6%. This normal growth of business is one of the main pillars of Co-op AG's success in recent years.

The main shareholder of Co-op AG is BGAG, the Beteiligungsgesellschaft für Gemeinwirtschaft AG (Public-Benefit Holding Company) in Frankfurt. Foreign and German cooperative organizations also have a shareholding.

In addition, there are some 250 000 small shareholders, so that Co-op AG is one of the largest German companies whose shares are held by the general public.

Diagram 1 shows the structure of the Co-op Group.

Diagram 2 shows Co-op AG's main holdings and leasing arrangements in the retail sector.

3. Administrative bodies

General Meeting

Supervisory Board

Managing Board.

II. AIMS AND PRIORITY POLICIES

Co-op AG arose in the main out of the consumer cooperative movement. It has now overcome competitive disadvantages of a structural nature, and the resulting profitability problems, from which the early consumer cooperatives suffered.

Its aim is to maintain its competitiveness on the retail market as a strong and efficient undertaking.

The object of the company is the acquisition and central administration of assets and holdings of all kinds within the framework of the Co-op Group, especially in undertakings operating in the food distribution sector, and the conduct of all related commercial transactions with companies in all sectors of the economy.¹

In the light of its public benefit objective, Co-op AG consider it its duty to strengthen its own position on the market in order to be able to influence it in the interests of the consumer.²

By 'influence' is meant that Co-op AG, by its own efficiency, should guarantee the operation of competition by providing a counterbalance to purely profit-oriented companies and thus checking possible monopolistic tendencies in the sector.³

The idea is to bring together legally constituted, independent undertakings in a single group with unified management but decentralized responsibility for profits.

In practice, the Group's influence arises from its (mostly majority) holdings in the undertakings affiliated to it.

The Group management deals with planning, auditing, guidance, financing and coordination. It also acts as a control centre for the centralized procurement of goods and for own production.

¹ Co-op AG Rules, Article of Association, Part I, paragraph 3(1) (as at August 1980).

² *Die Co-op AG*, Public Relations Brochure.

³ Von Loesch, for example, refers to possible oligopolistic phenomena in 'Die gemeinwirtschaftlichen Unternehmen der deutschen Gewerkschaften', p. 179. Günther Lange, the Chairman of the Managing Board of Co-op Handels- und Produktions AG, also refers, in the Co-op Press Release of 15 September 1980, to monopolistic and oligopolistic trends on the supply side, which must be prevented by means of own production.

Diagram 1: Structure of the Co-op Group

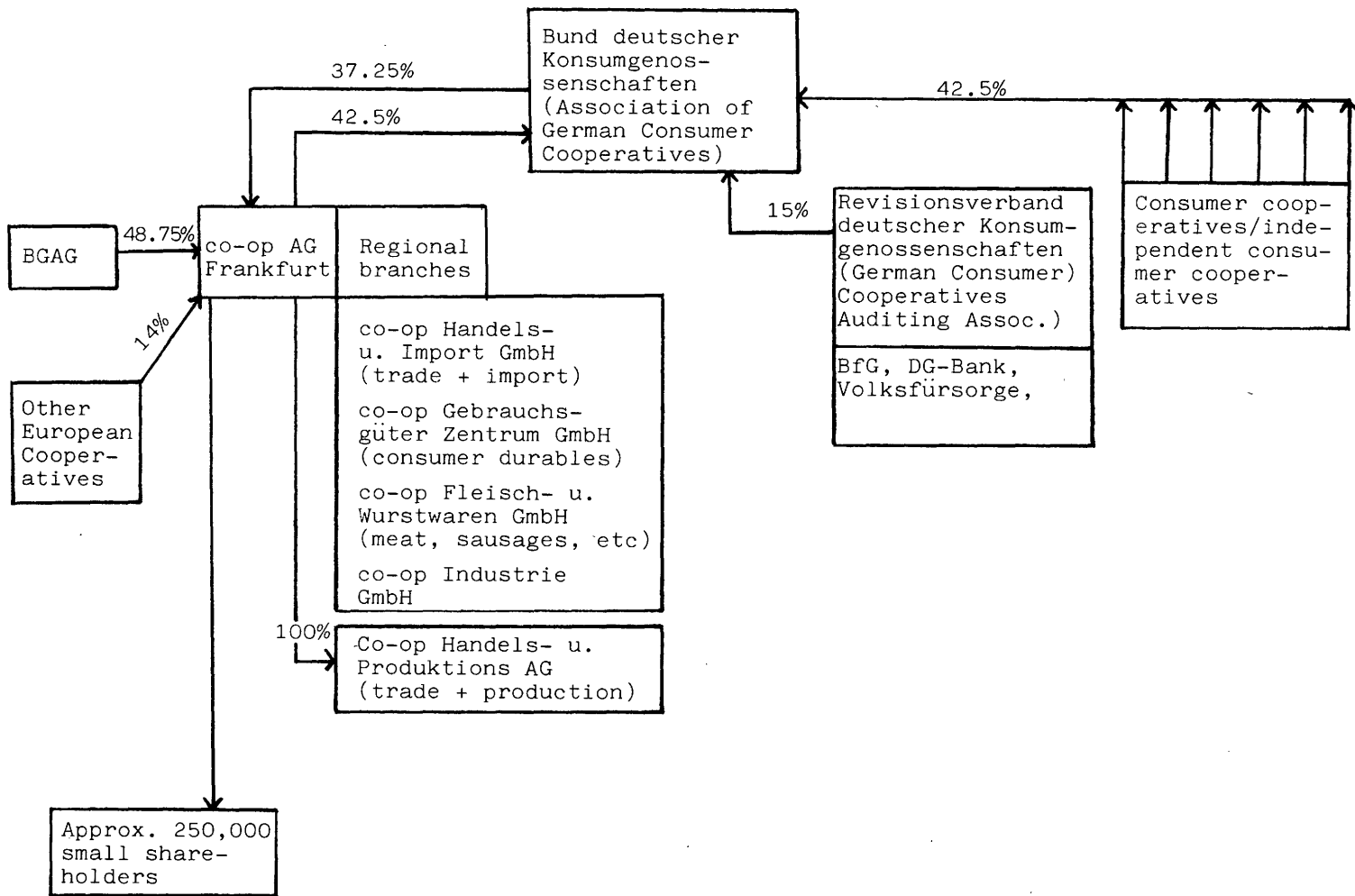
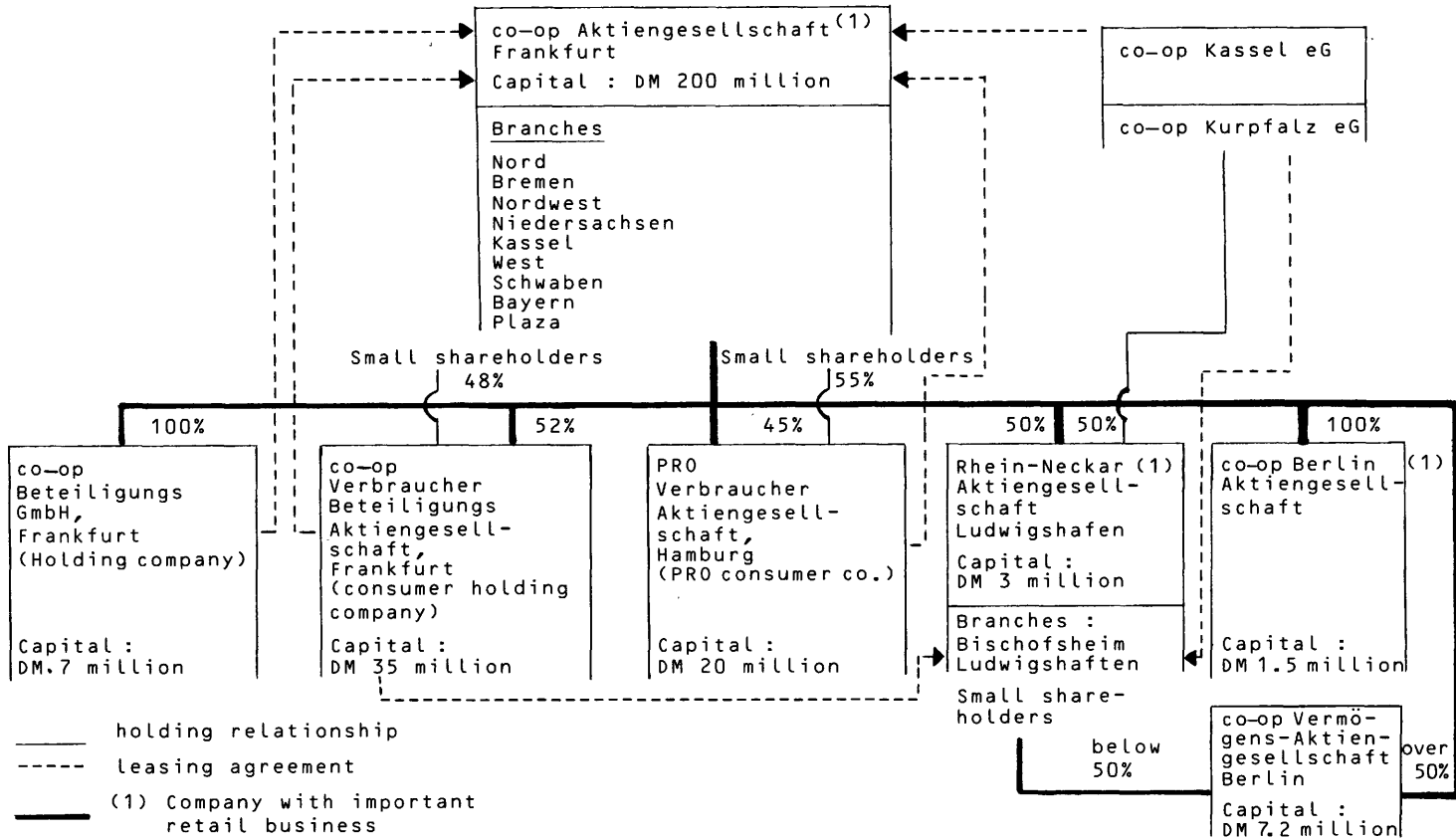


Diagram 2: Co-op AG: Main holdings and leasing arrangements in the retail sector



Situation as at : 1.6.1982

III. ACTIVITIES

1. General

Co-op AG is active in the retail sector, especially in the grocery trade and all related commercial transactions and production.

2. Particular activities resulting from the public benefit objectives of the organization

In addition to its low-cost offerings arising out of its public benefit objectives and aimed at the broadest possible spectrum of consumers, Co-op AG offers special services in the field of education and vocational training.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

(Participation in hearing procedures involved in legislation; food law, consumer affairs)

The interests of Co-op AG in the political sphere are promoted by among others, the Bund deutscher Konsumgenossenschaften (Federation of German Consumer Cooperatives) and the Bund gemeinwirtschaftlicher Unternehmen (BGU — Federal Association of Public Benefit Enterprises).

Through its many links with representative bodies and authorities at various levels, the Bund deutscher Konsumgenossenschaften is in close contact with the legislative and administrative organs at national and regional level.

As a profit-making organization it does not enjoy any legal privileges and participates like any other business undertaking in competition.

The German Monopolies Commission attributes Co-op AG's strong position in the retail market to the organization's efficiency and also in part to the financial support of the trade unions and the group of public-benefit undertakings in the reorganization of the Co-op Group.¹

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

1. International at Community level

(a) *Interest groups*: Member of Eurocoop, Brussels, (via Bund deutscher Konsumgenossenschaften)

(b) *Economic groupings (economic cooperation)*: Intercoop, Copenhagen.

2. Bilateral or multilateral with other EC countries

Interest groups and economic groupings (economic cooperation): Indirectly through Eurocoop and Intercoop.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

Indirectly through Eurocoop and Intercoop.

VII. INTERNAL COHESION

The process of restructuring and concentration which, under the direction of Co-op AG, has encompassed the entire consumer cooperative movement, has led to an economic strengthening of the Group as a whole. Cohesion within the Co-op Group can consequently be described as good.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

Indirectly through membership of Eurocoop.

IX. PUBLICATIONS

Der Verbraucher, fortnightly information journal of the consumer cooperatives.

¹ MONOPOLKOMMISSION: *Viertes Hauptgutachten* (July 1982), paragraph 885.

X. SOURCES

CO-OP AG: *Geschäftsbericht 1981-1983*.

Der Verbraucher, February/July 1982.

Die Co-op AG, Public Relations Brochure.

Co-op AG, Press Releases from 15 September 1980 to 27 January 1982.

EDUARD MÄNDLE und H-W. WINTER: *Die Co-op Handels- und Produktions AG*, Kurzinformation.

Report No 79 of the *Bund deutscher Konsumgenossenschaften*.

Handwörterbuch des Genossenschaftswesen, 1980.

ACHIM VON LOESCH: *Die gemeinwirtschaftlichen Unternehmen der deutschen Gewerkschaften*.

Various reports from the Economics Sections of the *Frankfurter Allgemeine Zeitung* and the *Süddeutsche Zeitung*.

MONOPOLKOMMISSION: *Viertes Hauptgutachten*, July 1982.

Bund deutscher Konsumgenossenschaften, Report 1983-84.

XI. INTERVIEWS

Mr Karl-Heinz Stanzick, Director of BGAG, and Dr Klingelhöfer were interviewed on 12 March 1982 and on 5 June 1984 by Konrad Schwaiger, ESC General Secretariat.

6. Beamtenheimstättenwerk

(BHW Building Society)

The BHW Building Society is a self-help organization of the German public service operated jointly by the DGB (German Trade Union Confederation) and the DBB (German Civil Service Federation). Its activities are described in Part III of the text.

Denmark

Chapter I: General overview

Introduction

The Danish labour movement and the trade unions have a long tradition of active intervention in economic activity, especially since there are strong links between the Danish worker cooperatives and the other 'pillars' of the labour movement. However, although these links can be traced back to the beginning of the century and the founding of DkF as the umbrella organization for worker cooperatives, there was no really deliberate attempt to use the investment power of the trade unions before 1953, when AKF (Arbejderbevægelsens Cooperative Finansieringsfond) was set up. The purpose of this fund was to provide capital for cooperative businesses at reasonable rates of interest and thus stimulate the creation of jobs by the trade unions themselves and their partners in the labour movement.

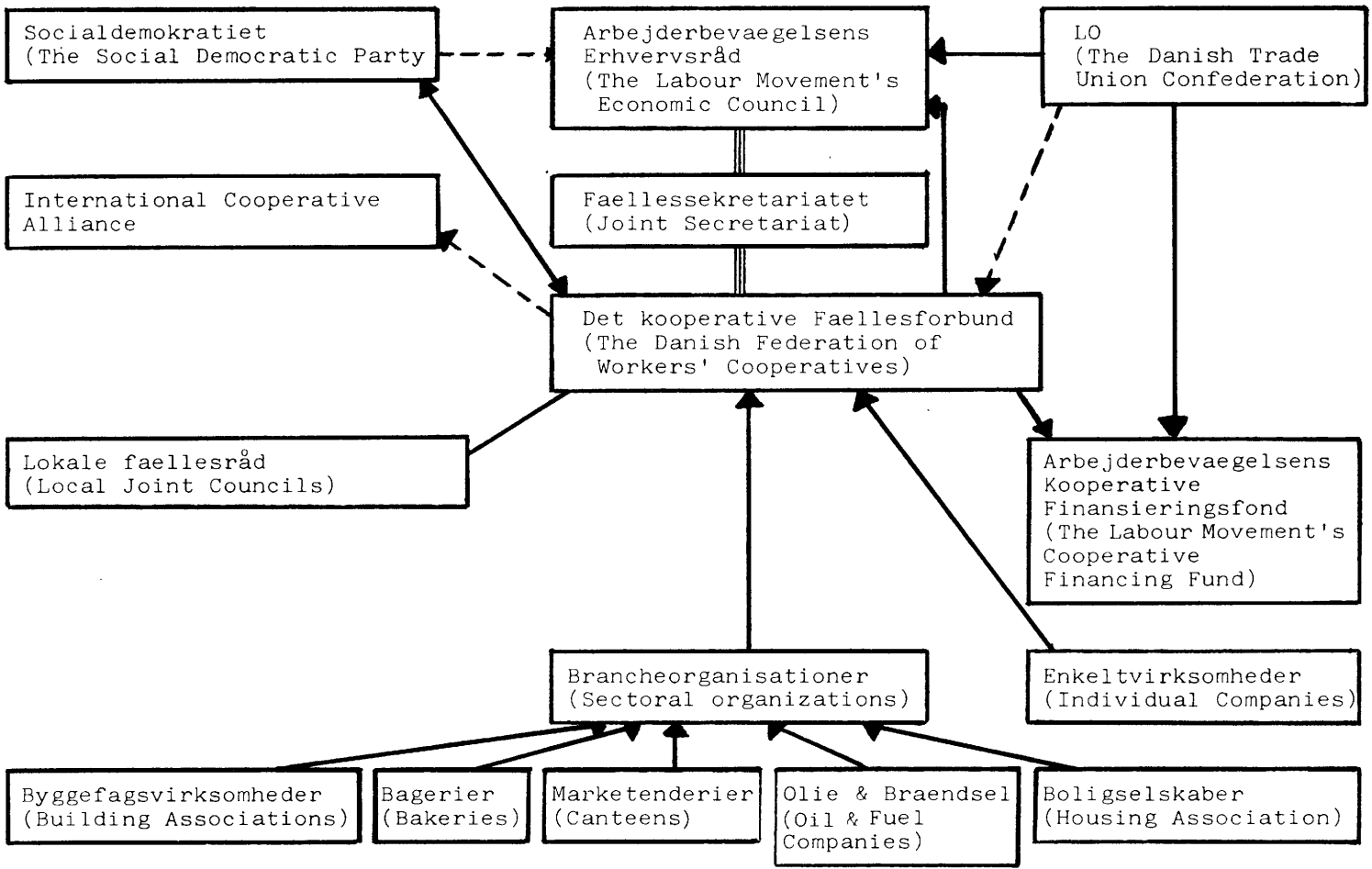
AKF has two main funds: the first, a reserve fund of DKR 11 million is provided by LO (the Danish Trade Union Confederation), Arbejdernes Landsbank (the main cooperative bank, also a DkF member), a white collar union and two cooperatives. No interest is paid on this fund. The working fund, of DKR 20 million is provided by a large number of different trade unions, interest being paid on these loans (see details below, Tables 1 to 3).

The fund has invested in a range of cooperative businesses which are all members of DkF. In some cases straight loans are made, in others AKF purchases a part of the equity (it should be recalled that in Denmark a company limited by shares can be a cooperative, and many cooperatives take this form). In judging its investments, AKF works closely with Arbejdernes Landsbank, and in some cases both advance money to the same business. In other cases, local or national banks outside the labour movement may also advance money as well as AKF. AKF may sometimes insist on a mortgage on property as a guarantee for a loan advanced, and will normally appoint a member of its staff to the Board of the company it invests in. AKF will not normally take a 100% holding in any business.

The conception of 'public benefit sector' as it has been developed in the Federal Republic of Germany is absent from the Danish economic scene. DkF, AKF and LO, together with their associated bodies, seem to take the view that their economic activities should be concentrated in the cooperative sector, and AKF is seen merely as a source of capital for small and medium sized cooperatives rather than a separate kind of economic philosophy or a separate economic sector. This is stressed by the fact that businesses never take all their capital from AKF, whereas the public benefit sector in the Federal Republic of Germany has the appearance of a self-contained sector with very large enterprises.

The businesses invested in are shown in the tables. It should also be noted that LO invests directly in a number of cooperative enterprises (A-Pressen, Arbejdernes Landsbank) and that there is also a new source of trade union funds for investment, which came into operation in 1983 (Dansk Erhvervs-investering A/S).

Table 1: DKF's Structure



Arbejderbevægelsens Kooperative Finansieringsfond (The Labour Movement's Cooperative Financing Fund) (AKF)

Board of directors:

THOMAS NIELSEN (Chairman)
THORBJØRN HJULER (Vice-Chairman)
AGNER CHRISTENSEN
WARNI MICHAELSEN
JØRGEN EIBERG
ALEX HANSEN
IB SCHELDE
MAX HARVØE
POUL IVERSEN
POUL S. JENSEN
ÅGE STENHØJ JØRGENSEN

Secretary:

ÅGE MUNK

Address:

Reventlowsgade 14,2,
1651 København V

Tel.:

(01) 31 22 62

Table 2: Basic data on AKF investments at 30 June 1982

	Liabile assets	Loans	Securities	% Liabile assets	Profits %	Own capital	Turnover 1000 kr	No. of employees	
A/S Helsingør Fællesbageri	210.000			58,5	21.000	10	20.870	195.807 ¹⁾	115
Holtebro Fællesbageri	20.000								
A/S Roskilde Fællesbageri	153.400			66,9	9.204	6	5.602	114.114	102
Riturs Brød ApS		500.000					+ 1.028	18.631	59
OST BAKED	200.000								
Arb. Kulforretning, Svendborg	110.000			67,7	5.500	5	1.049		1
Helsingør Brændsels- & Trælasthandel			464.524,61						
AKO Benzin A/S, Ålborg	71.000				5.680	8	616	419	1
Diikkenslagersvendenes A/S	1.115.000			65,9			6.634	69.434	200
VEKAS A.m.b.A., Vejle	35.000			40,7			247	2.686	7
Tomrernes Andelselskab, Hjørring	110.000	300.000		91,7			150	11.634	44
Tomrernes koop. Forretning, Silkeborg	21.650			5,5			134	7.097	23
Nordre Birks Tomrerforretning A/S		200.000					2.600	40.369	90
Tomrersvendenes A/S	1.000.000						973	64.697	195
Næstved Malerforretning	10.000	100.000		13,9			209	1.614	8
Malernes A/S, Kbh.	505.000			59,0	40.400	8	3.358	17.446	70
Malernes Andelselskab, Ålborg	10.000			27,8	500	5	3.379	6.207	30
ACE af 1982, Ålborg (x)	138.000				6.500	5	7.086	58.919	160
ACE, Silkeborg	20.000			9,1			1.633	9.443	56
JRK A/S, Århus	2.599.000	2.000.000	1.089.000	53,3	216.720	8	24.115	444.945 ¹⁾	1.003
J&B Byggeproduktion, Kbh. (x)	3.530.000			75,5	176.500	5	9.318	76.389	210
Hirersvendenes A/S, Kbh.	200.000			16,9	16.000	8	23.083	68.405	235
A/S Boligbeton, Løsnig (x)	1.550.000			58,2	77.500	5	6.943	24.941	105
Århus Boligstål A/S	450.000			43,8			1.688	4.323	17
Arbejderbo, Kbh.	300.000			35,0	15.000	5	19.543	13.898	
Danalea A/S, Kbh.	300.000			10,4			30.000	186.000 ²⁾	470
KBI A/S, Kbh.	500.000			14,2	50.000	10	47.653	33.477	182
Almennyttigt Saneringselskab, Kbh.	50.000								
Hejernet Stassano, Silkeborg	165.000			50,8	8.250	5	2.925	18.066	22
A/S Enigheden af 1897, Kbh.	600.000			17,3	48.000	8	31.423		
Haralds Tryk, Århus		595.000					+ 540	9.440	20
Arbejdernes Landsbank	400.000			0,3	32.000	8	606.040		926
KD-Data, Kbh.	280.000			21,0	36.400	13	12.273	23.030	53
Byggeriet Stjernen	137.500								
Kooperativt Byggeselskab af 1960, Kbh.		644.263,85							
Finanieringsinstituttet af 1944, Kbh.	260.000						790		
	15.050.550	4.339.263,85	1.553.524,61		765.154				

Source: AKF Annual Report 1.7.81 - 30.6.82

1) Consolidated turnover

2) Consolidated turnover incl. J&B-Århus

Table 3: Financing

a) AKF-Fund, 30.6.82			
Landorganisationen i Danmark	1.708.905,55	2	1.000,00
Specialarbejderforbundet i Danmark	4.500.000,00	4	262,50
Dansk Bøklædnings- og Tekstilarbejderforbund	461.212,50	5	393,75
Olik og Ror Arbejderforbundet	178.006,25	6	275,63
Bogbinder- og Kartonnagearbejderforbundet:		7	262,50
Reservefond	11.500,00	8	262,50
P. Hansens Fond	11.000,00	10	646,93
Begravelseskassen	15.000,00	12	275,63
Bryggeri-, Brønderi- og Mineralvandsarbejderforbundet	129.555,97	13	1.306,83
Dansk El-forbund	202.500,00	17	1.262,50
Fotografisk Landsforbund	500,00	18	1.688,07
Gastronomisk Landsforbund	95.500,00	Handels- og Kontorfunktionærforeningen, København	262,50
Dansk Frisørforbund	600,00	Metalslibernes Fagforening, København	250,00
Dansk Funktionærforbund	14.745,94	Tobak afd. København	4.410,00
Guld- og Solvarbejdernes Forbund	25.000,00	De kommunale Specialarbejderes Organisation	131,25
Handels- og Kontorfunktionærernes Forbund	3.100.000,00	Malernes Fagforening, København	137,01
Nærings- og Nydelsesmiddelarbejder Forbundet	415.508,83	Den kommunale Håndværkerorganisation, København	262,50
Husligt Arbejderforbund	67.625,00	Snedker- og Tømrerforbundet, Århus afd.	551,25
Dansk Jernbaneforbund	100.000,00	Møbelsnedkernes Fagforening, København	2.722,25
Dansk Jern- og Metalsliberforbund	17.500,00	Fællesorganisationen DSB, København afd.	24.375,00
Dansk Kommunal Arbejderforbund	137.812,50	Skotøjsarbejdernes Fagforening, København	500,00
Kvindeligt Arbejderforbund	136.250,00	Bogbindernes Fagforening, København	13.125,00
Dansk Lokomotivmandsforening	6.063,75	Sukkerwarearbejdernes Fagforening, København	551,25
Haleforbundet i Danmark	372.000,00	Jernbanearbejdernes afd. M	525,00
Murerforbundet i Danmark	182.687,50	Sadelmagerens Fagforening, København	1.601,25
Mælkeri- Industriarb. Forbund	1.000,00	Ejendomsfunktionærernes Fagforening, København	687,75
Papirindustriarbejdernes Forbund	42.000,00	Lager- og Handelsarbejdernes Forbund	9.000,00
Dansk Postforbund	25.000,00	Fagforeningen for Herrebeklædning, København	1.050,00
Dansk Rebslageriarbejderforbund	10.000,00	Dansk El-forbund, Københavns afd.	157,50
Sadelmayer- og Tapetsærerforbundet	27.300,00	Kommunale Lonarbejdere i Storkøbenhavn	3.650,00
Dansk Skotøjsarbejderforbund	13.781,25	Dansk Slagteriarbejderforbunds Københavns afd.	3.000,00
Dansk Metalarbejderforbund	818.212,50	Ror- og Blikkenslagerarbejdernes Fagforening af 1873, København	275,63
Dansk Metalarbejderforbund (Nordisk konto)	1.000.000,00	Tømrernes Fagforening afd. 43, Glostrup	500,00
Snedker- og Tømrerforbundet i Danmark	1.100.000,00	Foreningen af kommunale arbejdsledere, København	550,00
Centralorganisationen for Telefonstanden	275,62	Københavns Postbudeforening	1.400,00
Træindustriarbejderforbundet	350.000,00	Bryggeriarbejdernes Fagforening, København	6.000,00
Arbejdernes Fællesorganisation, København	26.575,00	Kooperative Markettenderiers Samvirke	2.500,00
Arbejdernes Fællesorganisation, Nyborg	1.549,99	Arbejdernes Markettenderi ved:	
Metal - København	17.088,76	B & W, Refshaleoen	1.102,50
		Mælkeriet Enigheden	150,00
		Alfa Laval Separator	1.000,00

Table 3 - contd.

A/S Produktionsforeningen, Århus	500,00
Dansk Bisquit Compagni, Helsingør	5.000,00
Roskilde Fællesbageri	2.756,25
Fællesbageriet, Viborg	1.000,00
Fællesrådet for koop. Brændselsforretninger	1.000,00
OK Olie A/S, København	5.000,00
AKO Benzin A/S, Ålborg	5.250,00
Byggefagernes Kooperative Landssammenslutning	55.125,00
Murer/Fuldtrepreneurbranchen u/BKL	462.500,00
Malerbranchen u/BKL	40.000,00
Tømrer/Snedkerbranchen u/BKL	25.000,00
Tømrernes Andelselskab, Hjørring	5.000,00
Den coop. Malerforretning, Odense	2.500,00
Alliance, København	200.000,00
Blikkenslagersvendenes A/S, København	62.500,00
Bygningsnedkernes A/S, København	5.000,00
J & B Byggeproduktion, København	27.602,50
Jord- og Betonarbejdernes Understøttelsesfond, København	50.000,00
Murerøvendenes A/S, København	200.150,00
Tømrersvendenes A/S, København	8.307,50
A/S Boligbeton, Løsning	105.000,00
Vejle Jord- og Beton's Understøttelsesfond	31.017,84
ACE-Byg, Ålborg, A.m.b.A.	13.125,00
Malernes Andelselskab, Ålborg	10.000,00
A/S EIFA, Århus	2.500,00
JIE A/S, Århus	85.500,00
JIE's Understøttelsesfond, Århus	240.000,00
Jord- og Beton Århus, Støttefonden	142.500,00
A/S Århus Boligstål	2.500,00
Esbjerg Kooperative Fællesråd	3.602,50
ALKA Forsikring A/S	100.000,00
Akselstød Vinduespolering	551,25
Revisionsinstituttet af 1920 A/S	67.500,00
A/S Arbejdernes Landsbank	1.759.153,75
A/S Bolind	142.500,00
A/S Concordia	7.500,00
Dansk Andels Trykkeri, København	2.500,00
A/S Enigheden af 1897, København	3.375,00

Dansk Arkitekt- og Ingeniørkontor af 1945, Silkeborg	10.512,50
Kooperativ Byggeindustri A/S, København	275.000,00
KD-DATA A/S, København	87.500,00
Boligselskabernes Landsforening	5.000,00
Administrationselskabet af 1948, København	1.000,00
Arbejderbo	537.500,00
Arbejdernes Andelsboligforening, København	5.788,12
Arbejdernes kooperative Byggeförening, København	24.293,75
KB 60, København	5.000,00
Andelsboligforeningen af 1942, Hobro	226,50
Statstjenestemændenes Boligforening, Århus	2.500,00
	<hr/>
	20.247.159,65

b) Reserve-Fund, 30.6.1982

Landsorganisationen i Danmark	6.000.000,00
A/S Arbejdernes Landsbank	3.000.000,00
Handels- og Kontorfunktionærernes Forbund	2.000.000,00
KD-DATA A/S, København	75.000,00
Malernes A/S, Herlev	50.000,00
	<hr/>
	11.125.000,00

Source: AKF Annual Report, 1.7.81 - 30.6.82

The Netherlands

Chapter I: General overview

1. Brief historical outline

There has always been a close connection between the trade union movement in the Netherlands and the cooperatives and other mutual organizations which grew up in the nineteenth century. Some of the original sickness insurance schemes originated with associations of skilled craftsmen or guilds, and with the growth of trade unions in the nineteenth century it was natural that they too should aim to provide forms of social security for their members and, in times of strike or lockout, endeavour to set up cooperatives to continue employment. Many of the early production cooperatives originated from the trade unions movement, but the attitude of the trade union to different forms of cooperation was often ambiguous: some cooperatives were thought not radical enough, while others were too radical for certain trade unions. Over the years most cooperative and mutual organizations have grown up separately from the trade unions, but even today the trade unions themselves still retain a number of economic activities.

2. Size and structure

In order to understand more clearly the economic activities of the Dutch trade unions and their associated organization, it will be helpful to outline the whole trade union structure. There are two principal trade union federations in the Netherlands, FNV and CNV. FNV (Federatie Nederlandse Vakbeweging — Federation of Netherlands Trade Unions) is the result of a merger in 1975 between two other union federations, NVV (Nederlands Verbond van Vakverenigingen — Netherlands Union of Trade Associations) and NKV (Nederlands Katholiek Vakverbond — Netherlands Catholic Trade Union). The other principal organization is the CNV (Christelijk Nationaal Vakverbond — Christian Trade Union Confederation). Between them FNV and CNV represent about 1.5 million trade unionists, and there are about another 400 000 whose unions are outside these main federations. Of these, about 125 000 are grouped in the Union Federation for Staff Personnel (Vakcentrale voor Middelbaar en Hoger Personeel — VMHP).

The earliest economic activities of the trade unions related to services for their members, especially as regards insurance of all kinds, sickness benefits, convalescent homes, etc. But increasingly the unions became involved in other activities not directly related to their members, such as the press (both printing and publishing, especially newspapers and periodicals), travel, banking and transport. However, the economic activities of the Dutch trade unions have never taken on the size of the German 'public-benefit' organizations, partly because there was no direct link with the consumer cooperatives, partly because of the cooperative emphasis on agriculture. Their activities have thus remained restricted to sectors such as printing where they were obliged to enter the field, or other sectors where they felt they had a special function.

Also included in this section is a note on the activities of the De Centrale insurance group, which is unique because of its long connections with the trade unions and the working class movement.

Chapter II: Enterprises belonging to the Dutch trade unions

1. Federation of Netherlands Trade Unions (Federatie Nederlandse Vakbeweging) (FNV)

<i>Chairman:</i>	W. KOK
<i>Secretary-General:</i>	H. VAN EEKERT
<i>Address:</i>	Plein '40-'45 No 1 1064 SW Amsterdam
<i>Tel.:</i>	(020) 511 07 77

FNV was formed in 1975 by the merger of the two trade union federations NVV and NKV. There are 24 affiliated unions which are members of FNV, covering more than one million employees in many different sectors of the Dutch economy. In addition to its main role in representing the interests of its members at national, regional and local level, FNV is active at national level in the Stichting van de Arbeid (Labour Foundation — an advisory and consultancy body for the two sides of industry), SER (Social and Economic Council), the Sociale Verzekeringsraad (Social Insurance Council) and the Ziekenfondsraad (Sickness Insurance Scheme Council). FNV also plays an important role in international trade union affairs via its membership of WEFTU, ETUC, representatives who are members of the Economic and Social Committee, and by work with ILO and OECD.

The two federations which merged to form FNV in 1975 had a long history of activity in certain economic areas, particularly insurance, banking, the press and social welfare. Today, most of the activities are carried out via holdings in a number of different enterprises. In addition to the financial holdings there are frequently arrangements whereby directors, executive members, etc., are appointed by FNV. The various activities may be summarized as follows (principal activity in brackets):

1. Hollandse Koopmansbank (banking): FNV has close connections with this bank, whose share capital is one-half owned by Bank für Gemeinwirtschaft AG and one-half by De Centrale Levensverzekering NV (De Centrale). Total assets of the bank amounted to HFL 407 million in 1983.
2. Algemene Spaarbank voor Nederland (Savings bank): FNV holds one-half of the share capital, the remainder being held by De Centrale. At the end of 1983 savings deposits totalled HFL 372 million and the bank employed 17 staff.
3. Algemeen Beleggingsfonds ALBEF (investment fund): here too the shares are held jointly by FNV and De Centrale. Total capital amounted to HFL 10 million at the end of 1983.
4. De Centrale (life assurance): FNV holds no shares, but there is a long history of cooperation between the organizations. [1]
5. De Centrale Schadeverzekering NV (general insurance): two of the FNV member organizations are minority shareholders.
6. BV Weekbladpers (press): FNV's participation is limited to loan capital. The company produces the newspaper 'Vrij Nederland' and other magazines.

7. Stichting Vakantieverblijven (holiday homes): a foundation set up jointly by FNV and De Centrale, operating some 15 recreation parks and holiday homes. The total capital at the end of 1982 amounted to over HFL 42 million and there were 97 permanent employees.
8. Stichting Verenigingsgebouwen (property): this foundation is concerned in the management of properties used by unions, etc., and was jointly set up by FNV and De Centrale. It owns 20 properties which are let to local union organizations, and had a total capital of over HFL 5.6 million at the end of 1983.
9. Stichting Gemeenschappelijk Beleggingsfonds (investment): a foundation for investment by affiliated unions, set up by FNV, with a total capital of over HFL 218 million (1983).
10. NV Perscombinatie (newspapers): FNV affiliated members have a minority interest in this enterprise, which employs some 1 800 staff and produces several newspapers.
11. Concordia group (insurance): founded in 1907, it was a cooperative until 1977. The structure is now based on a foundation which holds the shares of the trading companies.
12. Centrale Volksbank (banking): this bank, set up by a merger of local banks in 1920, has a long history of connections with FNV's predecessor NKV. This connection is laid down in the bank's Articles of Association, which give NKV and its successors the right to appoint certain officers of the bank, etc. It is hoped to expand its activities by closer working with other banks. The bank has total assets of nearly HFL 1 595 million, 619 branches or offices and 761 employees.
13. WEBEFO (investment): this is a foundation established by the NKV in 1963 with the aim of extending share ownership by employees. It had assets exceeding HFL 19 million at the end of 1983. Over 80% of its investments are in the Netherlands.
14. Herwonnen Levenskracht (health and convalescence centres): this is an association of the former NKV which provides health services to union members. It operates two centres which together employ some 60 persons.
15. Stichting Volksgezondheid (health centre): this is a foundation which dates back to the 1920s and runs a convalescent home for children.
16. Sickness Insurance Schemes in Tilburg and Breda: originally set up by the NKV, they have been continued by the FNV.

Sources

Information supplied by FNV.

FNV: *Algemene informatie over de FNV*, FNV (Amsterdam 1979).

FNV: *Wat de FNV er van vindt*, FNV (Amsterdam 1980).

FNV: *Jaarverslag 1980*, FNV (Amsterdam 1981).

Interview

On 12 May 1982 between Mr Baart, Finance Department FNV, and John Catling, ESC General Secretariat, Studies and Research Division, plus information in letter of 3 September 1984.

References

[1] See separate description of De Centrale's activities.

2. Christian Trade Union Confederation (Christelijk Nationaal Vakverbond) (CNV)

Chairman: H. VAN DER MEULEN
Secretary-General: A. HORDIJK
Address: Ravellaan 1
3500 GL Utrecht
Tel.: (030) 94 10 41

CNV was set up in 1909 as the federation of a number of trade unions based on a common Christian approach without being tied to a particular church or party. At present it consists of 13 affiliated unions covering one or more industries, thus taking in almost the whole of the economic activity of the Netherlands. Direct membership is possible for those whose occupation does not come under one of the affiliated unions.

CNV is represented in the Stichting van de Arbeid (Labour Foundation), in SER (Social and Economic Council) and a number of other organizations relating to social insurance, third world development, social welfare, etc. At international level CNV is affiliated to the World Confederation of Labour and takes part in the work of ILO. In Europe, CNV is affiliated to ETUC and is represented on the Economic and Social Committee and at OECD (where it is a member of the Trade Union Advisory Committee).

In addition to its trade union activities and its work for youth, women's groups, and migrant workers, CNV is involved in the following economic activities:

1. **UBO-group:** This consists of two companies and a foundation:
NV Levensverzekeringsmaatschappij UBO (life insurance);
NV Algemene Verzekering Maatschappij UBO (general insurance);
Uitvaartstichting Reposa (a foundation for funeral services).

The group had premium income of HFL 38 million at 31 December 1983 and employs some 200 full time staff.

2. **NV Drukkerij Edecea:** This is a company whose shares are owned by CNV and its affiliates, and which is engaged in printing, much of the work being done for the affiliated unions themselves. In 1980 it had a turnover of HFL 3 million and employed around 40 staff.
3. CNV owns three holiday centres which it operates for members of affiliated organizations.
4. **CNV Reizen:** this is an association set up to provide travel services to members of affiliated organizations.

Sources

CNV: *Doeltreffend*, CNV (Utrecht 1981).

CNV: *Doelstellingen, arbeid en structuur van de christelijke vakbeweging*, CNV (Utrecht 1980).

CNV: *Secretariaatsverslag 1981, Sociaal Jaarverslag 1980*.

Interview

On 10 May 1982 with Mr G.H. Terpstra, member of the Executive Board, by John Catling, ESC General Secretariat, Studies and Research Division, plus information in letter of 22 August 1984.

3. De Centrale Group

<i>Chairman:</i>	Prof. P. DE WOLFF
<i>Secretary:</i>	A.C. DE VRIES
<i>Address:</i>	Rijnstraat 28 Den Haag
<i>Tel.:</i>	(070) 71 07 10

The De Centrale group is a group of insurance companies which, while not organized on cooperative or mutual lines, is so closely connected with the history of the trade union movement that it is impossible to give an account of economic activities of trade unions without some reference to De Centrale.

De Centrale was founded in 1904, at a time of social conflict in which hopes for production and consumer cooperatives stood high — and were dashed again and again as their businesses failed in the highly competitive spirit of the time. Nehemia de Lieme, who founded De Centrale, was even more ambitious: an insurance company for working people would have to operate, not on a local scale like a cooperative, but on a national scale. It was perhaps this consideration which led him to choose the form of a NV for his insurance business, although to many working class people that form of organization seemed to embody the worst aspects of capitalism. De Lieme was only 21 when De Centrale was formed. An ardent Zionist but also a patriotic Dutchman, De Lieme was not a socialist but felt strongly that the methods and institutions of capitalism could also be put to work for the less-advantaged members of society. Within a short time he became managing director, a post that he held for 36 years, and during that time he provided a unique contribution to the growth of the organization.

De Centrale Levensverzekering (the life assurance company and principal member of the group) is an unusual form of company in that the shares (mainly in the hands of individuals) are not quoted or traded but pass on the death of the holder to his/her heirs. Further, the articles of association provide that after a dividend has been paid to shareholders a percentage of the remaining profits can be paid out for social and cultural purposes. In 1980 some 14 different organizations received grants of this kind totalling HFL 535 269.^[1]

As well as holding a majority of the shares in De Centrale Schadeverzekering NV (the general insurance company) De Centrale Levensverzekering NV (the life assurance company and principal company of the group) holds a majority of the shares in three other insurance companies. In addition De Centrale is a major shareholder in the following businesses:

1. NV Amsterdamse Rijtuigmaatschappij (transport): a holding company with 23 operating subsidiaries (taxis, car rental, leasing, car and truck dealerships and international transport);
2. ASN Algemene Spaarbank voor Nederland (a savings bank set up jointly with FNV);^[2]
3. Internationale Instituut voor Sociale Geschiedenis (International Institute for Social History): a library and research centre for the history of the labour movement in the Netherlands;
4. Hollandse Koopmansbank: the share capital of this bank is one half owned by De Centrale and the remainder by Bank für Gemeinwirtschaft;^[2]
5. Nederlands Instituut voor Volksontwikkeling (Netherlands Institute for Adult Education); this institute has an educational function and also operates convalescent and holiday homes for two associated foundations;
6. Stichting Verenigingsgebouwen; this is a foundation jointly set up by De Centrale and FNV to own and operate meeting rooms used by unions, etc.;^[2]
7. Stichting Vakantieverblijven (holiday homes); this is also jointly operated by De Centrale and FNV;^[2]
8. NV Verzekeringsmaatschappij Rijnmond; this is a sickness insurance company, the majority of whose shares is owned by De Centrale;
9. BV Weekbladders (press): De Centrale holds loan capital;^[2]
10. Stichting voor Zon en Vrijheid (recreation centres): this is largely financed by De Centrale;

11. ALBEF (investment fund): this is jointly owned by FNV and De Centrale;^[2]
12. Stichting Financieel Bureau voor Academici: a foundation set up to provide loans to young professional people.

De Centrale is a member of the Association of European Cooperative Insurers, Brussels.

Sources

SLUYSER M.: *Vijftig Jaar arbeiders-levensverzekering*, De Centrale (Amsterdam 1954).

DE CENTRALE: *Met overleg en durf* (The Hague 1979).

DE CENTRALE: *Jaarverslag 1980*.

Interview

On 12 May 1982 with Mr C. Westenbroek, Reinsurance Manager, by John Catling, ESC General Secretariat.

References

- [1] The following organizations received donations in 1980: Internationaal Instituut voor Sociale Geschiedenis (International Institute for Social History), Arbeiders Gemeenschap der Woodbrookers (Woodbrookers Workers Community), Nederlands Instituut voor Volksontwikkeling en Natuurvriendenwerk (Netherlands Institute for Workers' Education and Natural History), Stichting Humanistisch Thuisfront (Foundation for Humanist Home Front), Nederlands Culturele Sportbond (Netherlands Cultural Sport Association), Interkerkelijk Vredesberaad (Ecumenical Peace Council), Institute of Social Studies, BV Uitgeverij Thomas Rap (a printing firm), the Dutch Red Cross, Partij van de Arbeid (Workers' Party — for a middle east conference), plus a wide range of smaller donations to other social and cultural organizations. Over one fifth of the total went to overseas development, and other donations were made to workers' music clubs and to the association for meeting rooms for the working class movement.

- [2] See the section on FNV.

PART V

THE COOPERATIVE, MUTUAL AND NON-PROFIT SECTOR IN SPAIN AND PORTUGAL

Spain

Chapter 1: Introduction and overview

A. OUTLINE OF SPAIN'S COOPERATIVES AND MUTUAL BENEFIT ORGANIZATIONS

1. Background

(a) *The origins*

COOPERATIVES

The first cooperatives appeared at the beginning of the nineteenth century. They sprang from attempts by various tradesmen and farmers to find a form of association which would defend their interests. This activity was focused in the small industrial production, consumer and agricultural marketing sectors.

At the end of the nineteenth century, the Socialist General Workers' Association and the Catholic Agricultural Federation played an important part in the promotion of cooperatives.

Conferences and regional assemblies were held to gather together information and learn from the experiences of the different cooperatives. These culminated in 1913 in the First National Congress, held in Barcelona, in which delegates from 255 cooperatives took part. The second conference took place in Madrid in 1921, the third in Barcelona in 1929, the fourth in Bilbao in 1932 and the fifth in Madrid in 1935. These congresses marked the progress of the cooperative movement, gave its demands more force and provided the opportunity for the three different tendencies, the socialists, the Catholics and the anarchists to meet and air their views.

The establishment of the Republic in 1931 led to the introduction of the Cooperative Act. This embraced the general principles of the international cooperative movement and the decisions of the cooperative conferences. The movement's expansion was interrupted by the Civil War. At the end of the War there were 3 000 cooperatives in Spain, the largest of which were in the agricultural, consumer and production sectors.

The Franco régime entirely reorganized the cooperative movement, by providing it with a legal framework imbued with its own ideological principles. This framework remained unchallenged until the 1960s, when the cooperatives began to draw inspiration from the international cooperative movement. This liberalization process advanced between 1974 and 1978.

Spain's cooperative movement is now going through a restructuring phase, in which some organizations are based on principles of the previous period and some have new structures. In addition, the previous structures are changing — everything is in a state of flux. The new Cooperatives Act was due to be passed in 1983, but this did not in fact happen. The Government appears to be waiting until the autonomous regions of Andalusia, Valencia and Navarre adopt their own laws on cooperatives, before submitting a new general cooperatives bill to the Cortes. The forthcoming adoption of the new Act and the implementation of the regional laws on cooperatives will, together with the decisions taken within the movement itself, determine the movement's structure and size in the years to come.

THE MUTUAL BENEFIT MOVEMENT

The mutual benefit movement began to emerge in the 12th Century, with the 'brotherhoods'. These were religious communities whose purpose was to protect their members in the case of death or disability through illness or old age.

In the 17th Century the 'Welfare Brotherhoods' appeared and tried to go beyond the religious nature of the 12th Century brotherhoods. In the 18th Century 'Welfare Funds', known as the 'Montepios'

provided widows' and orphans' pensions for deceased members. Military servicemen and members of the professions were behind these systems of welfare aid.

In the 20th Century, the mutual benefit movement grew in importance with the passing of laws on industrial accidents and on compulsory social security, together with mutual benefit social insurance schemes. In this context the mutual benefit sector developed in three directions: social welfare funds, industrial accident funds and the general mutual benefit insurance schemes.

(b) Legal provisions

COOPERATIVES

Cooperatives are subject to a wide range of complex legislation. The main laws are: the law introduced in 1931 under the Republic, the laws brought into force by the Franco Régime in 1942 and the 1974 Act, with its 1978 implementing regulations. The latter two legal provisions will remain in force until the new law, which is due to be discussed in the Cortes, is adopted. Laws on cooperatives have recently been passed in Catalonia and the Basque country and are now being implemented in their respective jurisdictions. The fiscal status of cooperatives is defined in the 1964 fiscal laws and the Decree of 9 May 1969. New fiscal legislation is planned for when the new Cooperatives Act is adopted.

Article 1 of the 1978 implementing regulation for the general Cooperatives Act defines cooperatives as: 'companies, which, subject to the principles, provisions and rules on development laid down by the general Cooperatives Act carry out any legal economic and social activity providing reciprocal and fair assistance to their members, while remaining at their service and the service of the entire Community'.

Chapter 10 of the regulation divides the activities of cooperatives into the following categories: rural, maritime, credit, housing, associated work, consumer, services, teaching, schools, special, commerce and transport. There are specific standards for each area.

The main amendments *vis-à-vis* the previous legislation are: the reintroduction of voluntary membership to provincial and national federations; the banning of any interference by the federations, the Confederation or the public authorities in the running of the cooperatives; the increase in the authority of the Members' assembly as a final decision-making body and, lastly, the defining of the specific powers of the National Committee for the Coordination of Cooperatives and the ways in which the federal cooperative organizations participate in this consultative body.

The new rules go into considerable detail on the composition and duties of the general assembly, the Board of Directors and the auditors; they lay down the economic system under which the organizations are to be run, the type of accountancy they are to use and the formalities to be followed in establishing them. In short, the regulation in force proposes that the basic international principles of cooperatives should be reintroduced and that the running and management of cooperatives should be tightened up.

MUTUAL BENEFIT ORGANIZATIONS

Social welfare funds are subject to an Act which came into force in 1941 and its implementing regulation of 1943. Article 1 of the Act states that 'mutual benefit organizations are non profit-making associations which provide social security cover and protect their members against unforeseeable or foreseeable risks by means of the members' direct contributions or donations from third parties'.

The funds have to be approved by the Directorate-General for Social Welfare, which is responsible to the Ministry of Labour. The latter supervises almost all aspects of the running of the funds, which cover all the risks normally insured against under the Social Security scheme. Each mutual benefit organization is, however, free to choose the type of risks it will cover. Nevertheless, they still have to respect the social welfare nature of the institution. Most funds cover illness, invalidity and death.

Employer's industrial accident insurance funds fall under the 1974 Social Security Act and its implementing regulation of 1976. Under Article 2 of this Act, employers' industrial accident funds are 'non-profit making institutions set up by the owners of undertakings to collaborate with the Ministry of Labour in the management of funds designed to cover the risks connected with work and occupational illnesses; the owners are responsible as a group and the associations have to be approved by the Ministry of Labour'. The funds which take part in the management of the social security system are subject to the Directorate-General for Social Welfare.

Finally, *mutual benefit insurance associations* are non profit-making societies. They were set up as a result of their members' wish to pool risks and to provide collective cover in the event of accidents. They are subject to the 1954 Act on private insurance. Like private insurance schemes, they are active in particular in life assurance, fire insurance and motor insurance. They are subject to the Ministry of Finance.

2. Size of the cooperative and mutual benefit sectors in the Spanish economy

COOPERATIVES

The information available is insufficient for an overall evaluation of the economic significance of the cooperative sector at national level. Neither the public authorities nor the cooperative movement have carried out any studies in recent years which provide a picture in macro-economic terms. However, the sectoral and regional figures which follow can be seen as approximate global references.¹

¹ The statistical data was compiled by the ESC Studies and Research Division on the basis of the data available (see G. References).

Agricultural cooperatives (000 million PTA)

- Rural Cooperatives 1983, consolidated balance sheet of UNACO (a)	PTA 5.6
turnover of UNACO (a)	PTA 11.7
% of national agricultural production	50% (b)
number of members (b)	1,463,396
number of cooperatives (b)	6,000
- National rural fund, 1982 (*)	PTA 91.2
balance sheet	
debit accounts (c)	PTA 15.2
credit accounts (d)	PTA 1.4
- Provincial rural funds, 1982	PTA 848.2
balance sheet	
debit accounts	PTA 298.6
credit accounts (d)	PTA 395.0
number of members	635,000
number of cooperatives which are members of funds	4,429
number of reception points	2,638
number of provincial rural funds	49
- Consolidated balance sheet of the whole of the agricultural cooperative system, 1982 (e)	PTA 940.1
debit accounts (c)	PTA 341.42
foreign resources	PTA 475.3
% of national savings	2.6%
% of total financing of the agricultural sector	27.5%
number of members	811,200
number of rural funds	130 (b)
number of people employed	8,720 (b)
number of reception points	2,638 (b)

(a) UNACO, the National Association of Rural Cooperatives
(see separate section on UNACO)

(b) approximate figure

(c) debit accounts = bills of exchange plus loans

(d) credit accounts = current accounts plus savings accounts plus other term accounts

(e) National Rural Fund (1982), Provincial Rural Funds (1982), 60 cantonal and local rural funds (1982)

(*) dissolved 6.7.1984

COOPERATIVES IN THE HOUSING SECTOR (1983)

slice of the overall housing sector	30%
total number of homes constructed by cooperatives by 31.12.1983	793,715
number of members	310,254
number of cooperatives	5,311
number of beneficiaries	884,840

COOPERATIVES IN THE CREDIT SECTOR (a)
(figures in thousand million pesetas (PTA))

general balance	1,081.20 PTA
debit accounts	400.33 PTA
credit accounts	583.94 PTA
number of members	868,300 (b)
number of rural and other funds	152
number of reception points	2,819 (b)

(a) Rural Funds, Professional and People's Credit Funds, including the Mondragon CLP (1982)

(b) approximate figure

COOPERATIVES IN THE RETAIL SECTOR (1984)
(figures in thousand million pesetas (PTA))

turnover (b)	100.0 PTA
number of members	900,000 (a)
number of cooperatives	1,000 (a)
number of beneficiaries	3,000,000 (a)
sales points	1,200 (a)

(a) approximate figure

(b) estimated 1982 figure

COOPERATIVES IN CATALONIA (1982)

(figures in thousand million pesetas (PTA))

rural cooperatives turnover	PTA 300.0 (a)
deposits in rural funds	PTA 25.0 (a)
consumer cooperatives turnover (1981)	PTA 2.2 (a)
deposits in professional and popular credit cooperatives	PTA 14.0 (a)
total number of homes built by cooperatives by 1983	138,000
number of members	200,000 (a)
number of cooperatives	1,686 (a)

(a) approximate figure

COOPERATIVES IN THE BASQUE COUNTRY (EUSKADI)

(figures in thousand million pesetas (PTA))

Mondragon People's Labour Fund (CLP) (1983)	
balance	PTA 148.7
debit accounts	PTA 52.5
credit accounts	PTA 97.9
reception points	132
Industrial cooperatives (1983)	
turnover	PTA 109.4
Consumer cooperatives EROSKI (1983)	
turnover	PTA 22.8
sales points	84
number of members	140,000 (a)
number of cooperatives	180 (a)

(a) approximate figure

COOPERATION IN THE PRODUCTION SECTOR^[1]

There is little information available on numbers, but it would appear there are about 4 500 production cooperatives, employing a total of 150 000 people. They are to be found mainly in Madrid, Valencia, Seville, Catalonia, the Basque country and Granada. Between 1978 and 1982, more cooperatives of this kind were set up than at any other time in Spain. Information on the economic size of these cooperatives is not available.

However, because of the proliferation of these cooperatives, their background has to be looked at in greater detail. They are defined by the law as cooperatives, made up of individuals who provide economic or professional services to a third party. It is only in Catalonia, the Basque country and Madrid that there are any real territorial organizations — elsewhere they are thin on the ground. The National Association of Industrial Cooperatives, which in theory is the umbrella organization, does not have the means to give them support and sufficient aid.

Production cooperatives are seen as a possible way of combating unemployment. Some private companies which had gone bankrupt have been taken over by workers' cooperatives in order to avoid unemployment. In many cases, companies transformed into cooperatives belong to ailing economic sectors. Their main problems are the lack of management experience of the members, their financial instability and the lack of organization and cooperative training. For these reasons, despite the positive attitude of the present Government and the cooperative movement, the future of this type of cooperative is far from secure.

COOPERATIVES IN SPAIN: GRAND TOTAL

Number of cooperatives	19 500 ¹
Number of members	3 700 000 ¹
Number of people employed	270 000 ²
Agricultural cooperatives:	
% of national agricultural production	50% ¹
Credit funds:	
% of national savings	3% ¹
Housing cooperatives:	
% of total housing constructed	30% ²

¹ Approximate figure.

² Estimate.

MUTUAL BENEFIT ORGANIZATIONS

The overall figures detailed below are approximate references for the sector.

Social-welfare mutual benefit organizations (1981)

number of mutual benefit organizations	1,200
number of members	5,000,000
sum paid in	PTA 65,000 million

Industrial accident mutual benefit organizations (1982)

number of mutual benefit organizations	168
number of member employers	700,000
number of beneficiaries	4,810,532
number of employees	8,827
premium income	PTA 98,140 million
% of the total amount paid into this sector	63.8%

Mutual benefit insurance schemes (1981)

number of mutual benefit organizations	145
number of members	5,000,000
number of employees	5,050
premium income	PTA 51,233 million
% of the total amount paid into this sector	16%
number of policies	8.3 million

3. Organization of the cooperative and mutual benefit sectors

COOPERATIVES

(a) Sectoral and intersectoral organizations

Until 1977, almost all Spanish cooperatives were organized by sector and affiliated to the territorial and national associations. The National confederation of Cooperatives was, in legal terms, the highest representative body at national level.

The existing arrangements became outdated with the reintroduction of freedom of association under royal decree 2508 of 17 June 1977. Previously some sectors of the cooperative movement had tried to introduce a few cooperative principles on their own initiative.

Today, it is impossible to determine the exact number of cooperatives which have confirmed their membership, or the degree of representativity of the national associations and the national confederation. In any case, even if the national associations as a whole seem to have less influence, some of them are continuing to play a significant part.

The reorganization of cooperatives in the autonomous regions also has to be taken into account when trends within the movement are being analysed.

The national associations in existence at the moment are:

the National Association of Rural Cooperatives (UNACO);

the National Association of Housing Cooperatives;

the National Association of Credit Cooperatives;

the National Association of Consumer Cooperatives.

There are other smaller associations, but the lack of adequate data prevents this study from going into them in any detail. They are:

the National Association of Industrial Cooperatives, which comprises cooperatives involved in a variety of activities.

The two main branches are the production cooperatives and service cooperatives. Both types are poorly organized at national and regional level and their membership of the National Association is a mere formality;

the National Association of Maritime Cooperatives, which comprises about 300 fishing, shellfish-fishing, shipowners and fishermen service cooperatives;

the Union of Grocery Retailers (UDA), grouping 65 purchasing cooperatives, links 10 000 retail shops. In 1983, the total sales of all cooperatives in UDA amounted to PTA 24 170 million.

The Spanish Cooperatives Federation is defined under the 1974 Cooperatives Act as a public law corporation and as the highest representative body in the cooperative movement. Its main functions are to represent the sector, arbitrate in problems between cooperatives, formulate opinions on legal aspects affecting the sector, and provide education and cooperative training. The Confederation comprises representatives of the national Associations and the provincial federations. Its administrative bodies are the Chair, the General Assembly and the Standing Committee. The implementing regulation of the Cooperatives Act, adopted in 1978, lays down general guidelines, according to which the Spanish Cooperatives Confederation is to play its part in the process of 'planning and organizing the cooperative movement in keeping with the principles of autonomy and freedom of association'.

(b) National Cooperative Coordination Committee

This important body, which was provided for under the 1974 Cooperative Act, has not yet been established. When it is set up, it will act as a consultative, coordinating and public sector advisory body for programmes and activities involving the cooperative movement.

The Minister for Labour will chair the committee and his Deputy will act as Vice-Chairman. In addition, the technical general secretaries from all the civil ministries and 7 general directors from various public representative bodies will participate in the committee as representatives of the public sector. The cooperative movement will be represented by the Chairman of the National Confederation of Cooperatives and a representative from each of the branches of the sector which are members of the

Confederation. Ten members will be nominated by the Employment Minister, in consultation with the cooperative movement. The body will meet as a plenary committee or as a standing committee. The plenary committee will meet at least once a year and on notice from the Chairman. The standing committee will meet on notice from the Chairman.

Its main functions will be:

to act as a consultative body to the Government in questions of economic, financial and social policy connected with cooperatives;

to issue opinions and submit reports on the development of the cooperative sector;

to make proposals to the Government on the harmonization of legislation affecting the sector;

to carry out technical studies to improve the management and performance of cooperatives;

to keep abreast of public sector activities and plans involving cooperatives.

MUTUAL BENEFIT ORGANIZATIONS

There are three national-level umbrella organizations for the mutual benefit movement. These are, the National Confederation of Mutual Provident Societies and two national Associations of mutual benefit organizations, which are part of the Spanish Union of Insurance, Reinsurance and Investment Companies (Unespa).

The National Confederation of Mutual Provident Societies, which was set up by order of the Department of Labour in 1947, comprises the Social Welfare Funds, industrial accident Funds and other mutual benefit organizations, called the 'Montepios'. Under the terms of the departmental order, membership in the Confederation is compulsory. The funds are automatically members of the Confederation through the 7 territorial federations set up by the Confederation.

The National Association of Employers' Mutual Benefit Industrial Accident insurance organizations (Amupa) was set up voluntarily on the basis of the 1977 Act on unions and professional associations. Amupa represents its members within Unespa and provides them with technical assistance of all kinds. It also acts as an intermediary between this sector and the public authorities.

In 1977, the general mutual insurance organizations decided to set up a 'national association of mutual benefit insurance organizations', which is a member of Unespa.

4. Economic, social and political situation of cooperatives and mutual benefit organizations

The economic and social development of Spanish cooperatives is hindered considerably by a number of factors.

Lack of funds prevents cooperatives from carrying out management training programmes, for example, and thus expanding the movement. In the eyes of the cooperative movement, qualified staff is essential to ensure that administrative, technical and financial management is in keeping with market requirements.

The only cooperatives to have overcome these difficulties are the Mondragon cooperative, and some agricultural cooperatives, rural funds and housing cooperatives. Production cooperatives and most consumer cooperatives have not managed to find satisfactory solutions to their financial, organizational and management problems.

In political terms the present period of legal and institutional transition leaves the cooperative movement's outlook uncertain. The public authorities and the cooperative movement itself are looking for solutions to the problems arising from this transitional phase.

The Cooperatives Bill submitted by the last Government to the Cortes was withdrawn by the present Government. A new bill will probably be submitted to the Cortes in 1985. In line with the main ideas put forward in previous discussions by the socialist Members of Parliament, who now hold the majority in the Cortes, the new act will probably:

- '(1) ensure that cooperatives do not work in conditions inferior to other companies;
- (2) prevent cooperatives from being politically or economically controlled by the Government;
- (3) promote cooperatives, giving clear priority to those which are socially beneficial;
- (4) develop the cooperative movement by allowing free initiative to the cooperatives themselves;

- (5) ensure that cooperatives are run democratically and improve their opportunities to carry out company activities;
- (6) ensure that rural cooperatives, which are traditional in Spain, are given statutory recognition as agricultural cooperatives.'

The new bill on cooperatives, which is due to be discussed by the Cortes in the near future, will probably take into account the abovementioned opinions.

Mutual benefit organizations in general and those industrial accidents funds in particular, are showing great dynamism. Private mutual benefit insurance schemes have played and still do play an important role in Spain's social security system. In 1983 a bill on private insurance was debated by the Cortes. The Act will certainly introduce some changes to the running and organization of mutual benefit organizations.

5. Comparison of the structure and functions of cooperatives and mutual benefit organizations with other sectors of the economy

The economic structure of the cooperative system is seen as a special sector, developing alongside the public and private sectors. Cooperatives are, of course, subject to the laws of competition and viability, but they have difficulty in adapting to market requirements. Private and public companies are better placed to cope with competition on the internal and international markets because of their centralization, financial resources and use of technology. This is why the cooperative movement is calling for certain guarantees to enable it to develop, without, however, undermining its independence. Such guarantees would under no circumstances mean that cooperatives are to be considered as structurally subsidized companies, but rather that their financial and fiscal problems should be taken into consideration, thus giving them the freedom to expand.

Since the 1960s the Spanish cooperative movement has been calling for economic legislation allowing it to develop as a sector in its own right.

Nowadays, the cooperative movement in Spain is trying to return to its basic principles of education, cooperation and participation in society. The various cooperative tendencies are calling for democratic administration and freedom of association, independence from the public authorities and the introduction of the 'open door' principle. Furthermore, cooperatives are non-profit-making organizations.

The specific task of mutual benefit organizations is to collaborate with the public sector on social security. In the fields of social welfare, industrial accident and mutual benefit insurance schemes, mutual benefit organizations are a sector in their own right, mid-way between the private and public sectors. The main features of the sector are: the fact it is non-profit-making, the economic and social solidarity between members and the quest of its members for a rational, direct method of management.

B. SPECIFIC ROLE OF COOPERATIVES AND MUTUAL BENEFIT ORGANIZATIONS — DISTRIBUTION OF TASKS BETWEEN THE VARIOUS SECTORS

The general role of cooperatives and mutual benefit organizations is to serve the economic and social interests of their members and the common good of the community.

Cooperatives are organized by sector and locality. The role and characteristics of the main sectors and national federations are described in more detail in Chapter II of this study. Nevertheless, it should be emphasized that cooperatives are not organized at the moment along philosophical or political lines, but by sectors of activity. The best organized sectors and those with the biggest economic impact are those involved in agriculture, rural credit, housing and consumer activities. The cooperative complex of Mondragon is both an economic and social success, but production cooperatives are very isolated and lack coherence at national level.

Each branch of the mutual benefit sector (social welfare funds, industrial accident funds and mutual benefit insurance) deals purely with its own field of activities, which is clearly defined by legislation.

C. SPANISH COOPERATIVE AND MUTUAL BENEFIT ORGANIZATIONS AND THEIR MEMBERSHIP OF EUROPEAN ASSOCIATIONS

Apart from UDA, which is a member of UGAL, none of Spain's cooperative or mutual benefit organizations is a member of a European association. The links between some of them and such associations are mentioned in the detailed descriptions of each section.

D. COOPERATIVES AND MUTUAL BENEFIT ORGANIZATIONS AND EUROPEAN INTEGRATION

On the whole, Spanish cooperatives and mutual benefit organizations are in favour of Spain's joining the EC.

E. SOURCES

ALBERT PEREZ BARO: *Historia de la cooperación catalana*, Ed. Nova Terra, 1974.

JUAN AMAT Y ORID AMAT: *La contabilidad cooperativa*, Ed. CEAC, 1981.

JUAN JOSÉ SANZ JARQUE: *Cooperación*, Ed. Universidad Politécnica de Valencia, 1974.

PIERRE SERVY: *Les coopératives de Mondragon*, Ed. Société Inter-professions Service, Bayonne 1980.

JOSÉ MANUEL DE LUIS ESTEBAN: *Régimen fiscal de las sociedades cooperativas*, Ed. Servicio de publicaciones del Ministerio del Trabajo de España 1981.

Answer to the ESC questionnaire by Mr Andrés Monreal Gonzalez, Vice-President of Unespa, on behalf of the mutual benefit organizations.

UNESPA: *El Mutualismo Patronal en España*.

Ley general sobre las Mutuales de accidentes del trabajo (1976).

Ley general de la seguridad social (1974).

Ley sobre el seguro y reaseguro privado (1954).

In addition, see G. References.

F. INTERVIEWS

Between 10 and 14 January 1983, Pedro Sepulveda, ESC General Secretariat, Studies and Research Division, interviewed the following representatives of the Spanish authorities and the Spanish cooperative movement:

Mr Sebastian Reyna Fernandez, Director General of the Directorate General for Cooperatives, Ministry of Labour;

Mr Francisco de la Cabellera Garcia, Chairman of the Spanish Cooperatives Confederation;

Mr José Pomares Martinez, Secretary General of the National Rural Fund;

Mr Miguel Angel Sombrero, Director General of the National Agricultural Cooperatives Association;

Mr Alfonso Vásquez Fraile, Chairman of the National Association of Housing Cooperatives;

Mr Francisco Ceballo Herrero, Chairman of the National Association of Spanish Consumer Cooperatives;

Mr Joaquin de Haro, Secretary General of the National Association of Credit Cooperatives;

Mr Juan Barrero, Secretary General of the National Association of Industrial Cooperatives;

Mr Juan Zugasti, Director General of the Workers' Cooperative Association;

Mr Juan José Sanz Jarque, Director of Cooperative Studies at Madrid Politechnic.

G. REFERENCES

[¹] UNACO: *1983 Report*, and

JOSÉ POMAREZ MARTINEZ: *Las Cajas Rurales*, Ed. Caja Rural Nacional, 1981, p. 41. Information about the balance sheets and turnover of rural cooperatives refer to Unaco only. No figures were available for provincial, cantonal and local cooperatives.

- [²] NATIONAL RURAL FUND: *1982 Report*, p. 10.
- [³] NATIONAL RURAL FUND: op. cit., p. 32 and the *National Association of Credit Cooperatives, 1982 Annual Report*, p. 27.
- [⁴] JOSÉ POMAREZ MARTINEZ: op. cit. p. 39 and the two previous references.
- [⁵] Replies to the ESC questionnaire and interview with the Chairman of the National Association of Housing Cooperatives, Mr Alfonso Vázquez Fraile. Data up to 1982.
- [⁶] *1982 Annual Report...* op. cit. pp. 27, 202, 205, 209 and the Mondragon Popular Labour Fund (CLP), 1982 Report, pp. 44 and 45.
- [⁷] FRANCISCO CEBALLO HERRERO and MARIO GOMEZ SANCHEZ, *Diccionario cooperativo del consumidor*, Ed. Instituto nacional del Consumo, 1981, p. 63, and interview with Mr Francisco Ceballo Herrero, Chairman of the National Association of Spanish Consumer Cooperatives, see F. Interview.
- [⁸] Informe sobre el movimiento cooperativo de Cataluña, Dirección general de cooperación de la Generalidad de Cataluña, 1983, and José Castaño Colomer, *La cooperación de consumo*, Ed. DEAC (1982), p. 46.
- [⁹] MONDRAGON POPULAR LABOUR FUND (CLP); *1983 Report*, pp. 6, 47, 68, 84, 86 and EROSKI, 1983 Report pp. 2 to 22.
- [¹⁰] Regulation of the General Cooperatives Act, Article 108, and *Mundo Cooperativo* review, No 755 (1982), pp. 28 and 29.
- [¹¹] General Cooperatives Act (1974), Article 55, and general Cooperatives Act (1978), Introduction.
- [¹²] Publication, in the Cortes Report of the socialist members' amendments (1982), Introduction.

Chapter II: Cooperative, mutual and non-profit organizations in Spain

A. Cooperative sector

1. The consumer cooperatives sector

Spanish Confederation of Cooperatives (Confederacion Espanola de Cooperativas) (Cecoop)

<i>Chairman:</i>	FRANCISCO DE LA CABALLERIA GARCIA
<i>General Secretary:</i>	JOAQUIN DE HARO LOPEZ
<i>Address:</i>	Valverde, 13 Madrid - 13
<i>Tel.:</i>	231 75 00

I. ORGANIZATION

1. Date of formation

Cecoop ('the Confederation') was founded on 21 July 1975 under the name of the 'National Federation of Spanish Cooperatives'. Since the Royal Decree of 17 June 1977 came into force, it has been called the 'Spanish Confederation of Cooperatives'.

2. Size and structure

In its capacity as a cooperative established under public law, Cecoop is connected with the Ministry of Labour. At present, it is not fully representative on account of the ongoing restructuring process in the cooperative movement. In fact, the influence and the activities of the Confederation have diminished as a result of the recent reorganization of the cooperatives in connection with regional autonomy. The new legislation probably to be adopted at the national level, is another inhibition factor. Cecoop still plays a role in regard to the general strategy of the sector and has a representative function *vis-à-vis* the Government and international organizations.

The basic structure comprises the 49 provincial federations which, in turn, embrace organizations from all the different cooperative sectors in the province. These federations form the multisectoral organizations at provincial level. The national unions, made up of the different branches of cooperatives, participate in the administration of the Confederation at national executive committee level.

It will not be possible to determine the scale and the definitive structure of Cecoop until the new legislation has been adopted and put into practice.

3. Administrative bodies

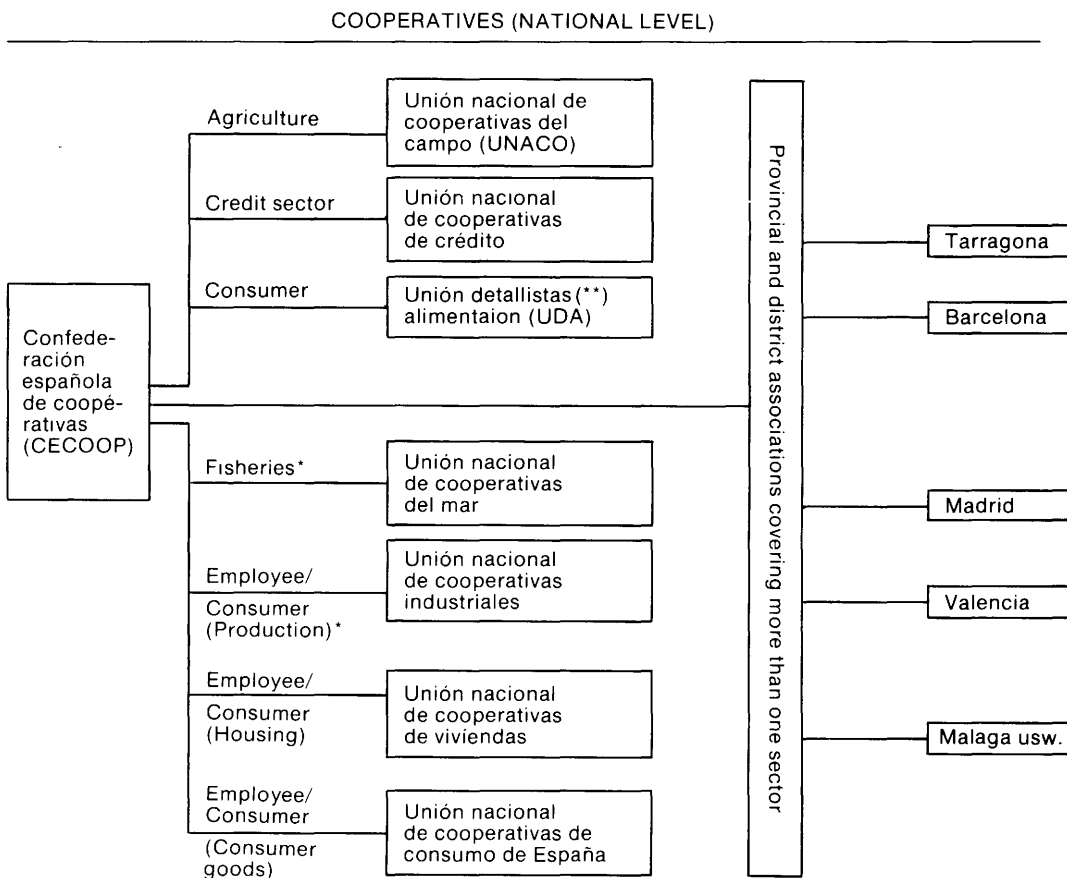
The administrative bodies of Cecoop are:

the general assembly,

the chair,

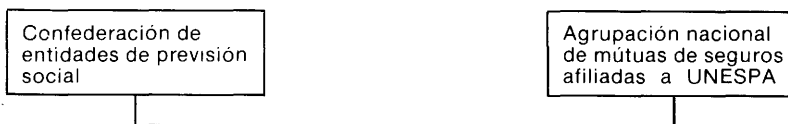
the executive committee.

The general assembly is the Confederation's supreme decision-making body. It consists of 165 members who are elected by the grass-roots cooperatives.

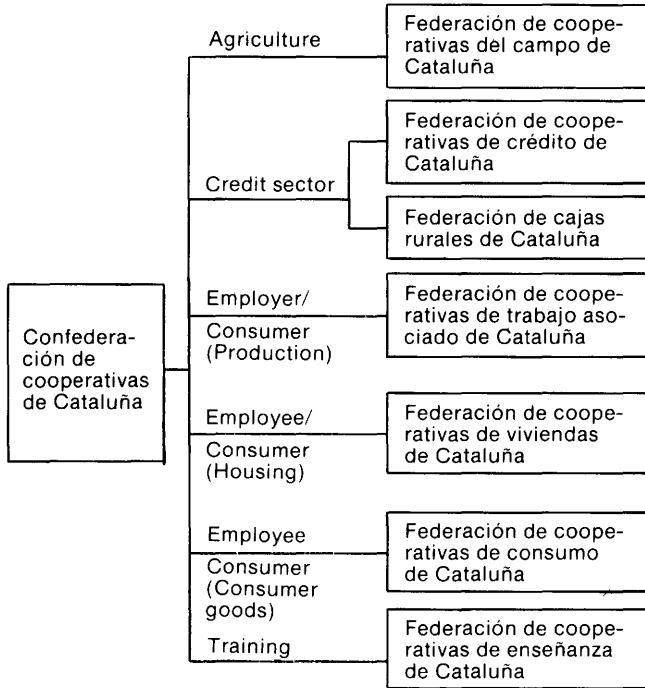
Table: Spain

* See Part III, Spain, Chapter I

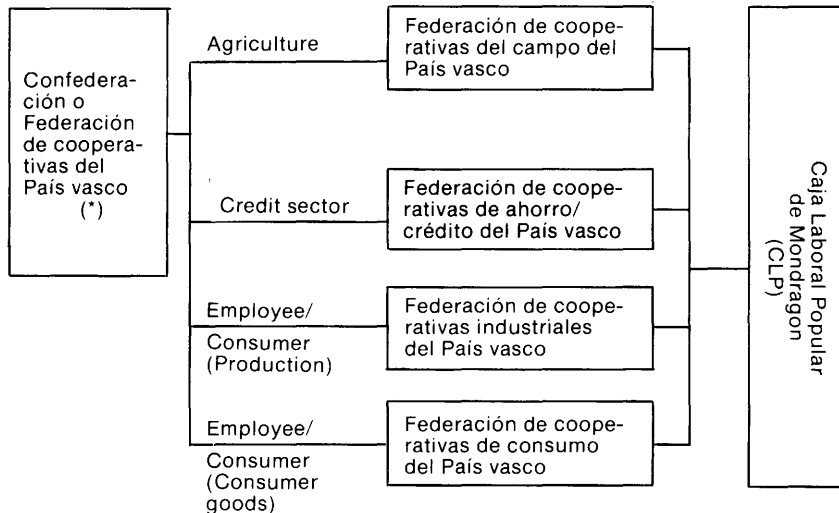
MUTUAL-BENEFIT ORGANIZATIONS



COOPERATIVE AND MUTUAL ORGANIZATIONS IN SPAIN
 COOPERATIVES — (AUTONOMOUS REGIONS)
 CATALONIA



BASQUE PROVINCES



* Planned regional association taking in several sectors

The assembly operates as a plenary assembly and a standing committee. The main functions of the plenary assembly are:

to elect the chairman and to appoint the members of the standing committee;

to approve or to modify the statutes and the rules of procedure management;

to approve the annual report and the budget;

to establish the annual programmes for the Confederation and to formulate general guidelines for the whole cooperative movement.

The standing committee is made up of 31 members elected by the plenary assembly. It operates on the basis of powers delegated by this assembly. It is generally competent to take decisions on matters which are not explicitly reserved for the plenary assembly. In particular, it has to;

monitor the implementation of both general and specific decisions taken by the plenary assembly;

appoint members and define the responsibilities of *ad hoc* committees set up at the instigation of the plenary assembly;

draft a budget and compile the annual report;

take decisions about meetings of the plenary assembly and the agenda.

The chair includes the chairman and three vice-chairmen; the chairman of the three national unions which are most representative in terms of membership hold the posts of the three vice-chairmen. Nevertheless, it the chairman elected by the plenary assembly who plays the major role. In general, the chairman is responsible for administration and management. He chairs all collective bodies, sees their decisions put into practice and represents the Confederation in legal and association affairs.

The executive committee consists of eight members and is chiefly an advisory body for the chair.

4. Decision-making procedure

Decisions are taken by a simple majority apart from specific cases where the statutes require a qualified majority.

5. Secretariat and staffing

Under the supervision of the chairman, the Secretary-General is responsible for the administration of the Confederation. The 60 employees are civil servants paid by the Ministry of Labour. They carry out administrative duties and ensure that the technical services function properly.

6. Budget size and contribution arrangements

In 1984, the budget amounted to around PTA 98 million.

The Confederation's resources mainly stem from state subsidies, membership fees paid by the cooperatives, payments for services rendered by the Confederation and donations.

II. AIMS AND PRIORITY POLICIES

The aims of the Confederation are:

to represent the cooperative movement *vis-à-vis* the Government and international organizations;

to monitor the correct application of the general principles of the cooperative movement and to disseminate these principles;

to defend the interests of the cooperative sector;

to arbitrate in any disputes between cooperatives or between cooperatives and their members;

to compile reports on draft legislation which concern the cooperative sector and thus to contribute to the improvement of its legal framework;

to stimulate contacts between the various cooperative branches and to organize technical back-up services.

III. ACTIVITIES

The Confederation's activities fall into four main areas:
training and education for the cooperative movement;
cooperative planning and development;
representation of the cooperative movement;
organization and supervision of cooperatives.

These activities require some jointly operated services, e.g. accounting, legal, statistical and economic services.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The Confederation is in permanent contact with the Ministry of Labour's General Directorate for Cooperatives. The consultative body provided for in the General Law on Cooperatives in 1974, through which the Confederation could have made its influence felt, has not yet been set up.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

None.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The Confederation has close links with the International Cooperative Alliance (ICA) and is closely connected with the American Organization of Cooperatives (AOC). Bilateral contact is also maintained with a number of cooperative organizations in European countries.

VII. INTERNAL COHESION

New general legislation concerning the cooperative movement is soon to be adopted and a regional re-organization is already underway in connection with regional autonomy. These two factors undermine the internal cohesion of a central organization like the Confederation.

VIII. PUBLICATIONS

The quarterly review *Mundo Cooperativo*, the Confederation's official publication, is also an important information organ for the entire cooperative movement in Spain.

IX. SOURCES

General law on cooperatives (19 December 1974).

Royal decree of 11 June 1977.

Implementing regulation for the General Law on Cooperatives (16 November 1978).

Law on cooperatives in the autonomous region of Catalonia (9 April 1983).

Law on cooperatives in the Basque countries (11 February 1982).

X. INTERVIEWS

Mr Francisco De La Caballeria Garcia, Chairman of the Spanish Confederation of cooperatives, was interviewed on 14 January 1983 and 19 June 1984 by Pedro Sepulveda, ESC General Secretariat, Studies and Research Division.

2. The agricultural sector

1. Basic data

Agricultural cooperatives (1983)

5 600 local cooperatives²
 306 canton cooperatives
 155 provincial cooperatives
 51 territorial cooperatives
 1 national cooperative
 1 463 396 members
 Turnover (Unaco): PTA 11 773 million³

Rural credit funds (1982)

80 canton & local credit funds
 49 provincial credit funds
 1 national credit fund
 811 200 members
 8 720 employees
 2 638 offices
 Total debit accounts:¹ PTA 341 428 million
 Total external resources:¹ PTA 475 300 million
 Total internal resources:¹ PTA 45 000 million

2. Brief historical outline

The agricultural sector of the cooperative movement and the relevant legislation are marked by Spain's social and political evolution and the legislation is copious and complex.

The following main periods^[1] emerge from a historical review.

The beginning of the century

The 1906 law on agricultural associations gave the cooperative movement a considerable impetus. The National Catholic Agricultural Confederation took the lead in the promotion of the cooperative movement. From 1919 to 1929 agricultural cooperatives expanded considerably.^[2]

The Republic and the Civil War

The first law on cooperatives was brought into force in 1931, and was followed in 1932 by a law on agricultural reform. In its capacity as an official body, the Institute for Agricultural Reform was given responsibility for promoting new agricultural cooperatives and maintaining contacts between the public agricultural sector and the cooperative movement.

In 1934 a law on cooperatives was adopted in Catalonia. The scale of cooperative development during this period constituted one aspect of the ongoing historical debate. One example is the controversy over the importance and nature of the cooperative organizations in the Lower Aragon regions.^[3]

The agricultural reform law provided for the promotion of cooperative organizations. Since very few data are available, it is however not possible to make a reliable statistical evaluation.

¹ These figures correspond to: national rural credit fund (1982) + provincial rural credit funds (1982) + canton and local credit funds (1982).

² Approximate figure.

³ No figure available for all agricultural cooperatives.

The Franco régime

From 1939 onwards, the cooperative and non-profit sectors followed the lines laid down by the new régime. The law of 2 January 1942 and the implementing regulation of 1943 established norms which determined the structure of the cooperatives for a long time. National federations were established and it became compulsory for the cooperatives to be affiliated to regional federations and to the national confederation. The cooperative association body (la obra sindical de cooperacion) was given responsibility for monitoring and promoting cooperatives (monitoring and promotion here must be interpreted in the terms of the new régime). By way of example: in Catalonia, at least 60 cooperatives were dissolved and their property and assets seized. [4]The agricultural cooperative movement, which was strongly influenced by the law of 1942, was organized at regional, provincial and national level following directives laid down by law. During this period the territorial federations (Utecos) and the National Confederation of Rural Cooperatives (Unaco) emerged and were consolidated.

The 1971 decree and regulation on cooperatives had a beneficial effect on cooperatives. It laid down new guidelines which were based on the norms of the International Cooperative Alliance (ICA) and paved the way for a new law which was adopted in 1974.

The return to democracy

The restoration of democracy in 1977 strengthened the changes set in motion by the law of 1974. In 1981, the implementing regulation for the 1974 law affirmed the principle of voluntary membership, prohibited the national confederations from engaging in any economic activities and restricted their activities to representative and servicing functions. No definitive structure has as yet been established in the agricultural cooperative movement.

3. Administrative bodies

Cooperation in agriculture is based on two different types of activity: one specifically agricultural and concerned with production, processing, marketing and distribution; the other involves cooperative agricultural credit which is organized under the aegis of the rural credit Funds. Although these two sectors are closely linked, they nevertheless have quite different structures.

(a) The rural cooperatives

Up until 1 January 1983, the rural cooperatives were structured on geographical lines covering the cantons and the provinces (Utecos). At national level they were represented by the National Association of Rural Cooperatives (Unaco). Economic and representative functions were fulfilled by the same organization which operated both on a national and provincial level.

As from 1983, [5] these two functions were cordoned off from one another (Ucaco and Unaco-CNA). The basic structure of Unaco now comprises the local cooperatives which are affiliated on a voluntary basis to the provincial rural cooperative associations, with the National Association (Unaco) at the apex. [6][7]

The internal problems experienced since 1983 have reduced the influence of Unaco, and in June 1984 it was agreed in principle to form a national confederation of agricultural cooperatives. This agreement was signed by the major agricultural cooperative organizations in Spain (e.g. Federation of Agricultural Cooperatives of Catalonia, Unaco, Union of Cooperative Cellars, Copacla, Ucopaxa, etc.). It should be noted the Unaco formerly acted as a confederation at national level.

Finally, it should be emphasized that the cooperative system deals with at least 50% of agricultural produce. [8]

(b) Credit for agricultural cooperatives: the rural credit funds

The rural credit funds were created in order to channel the savings of the agricultural sector into credit for agricultural, forestry and stock-farming.

Initially, credit for agricultural cooperatives was managed by the 'credit section' of the rural cooperatives. Over the years, the rural credit funds took on the form of autonomous cooperative entities in terms of economic activity and legislation. At present they are subject to the 1974 Cooperative Law, to the Royal Decree of 3 November 1978 and to the Fiscal Statute for cooperatives laid down in the Decree of 9 May 1969. The basic structure comprises the local and regional credit funds, the provincial funds and, until the dissolution of CRN on 6 July 1984, the national rural fund.

The following statistics help to illustrate the importance of the rural credit funds: 49 provincial funds, 80 canton and local funds, 1 national fund, with a total of 2 487 branches.

Cooperatives engaged in economic activity at provincial level operate under the name of Provincial Cooperative (of the province concerned). National level economic activity comes under Unaco-CNA.

This reorganization of Unaco is connected with the changes made under the legislation and the new prospects opened up by the ongoing process of democratization. The structural changes in the agricultural cooperative movement were, in addition, influenced by the increase in regional autonomy and by the impetus from the setting up of new agricultural cooperatives.

It will not be possible to fully appreciate the new structure until the democratic and institutional changes have been consolidated.^[6]

The following statistics illustrate the significance of the rural cooperatives:^[7]

5 600 local cooperatives;

155 provincial cooperatives;

51 territorial cooperatives;

the total membership of rural cooperatives in 1981 was 1 463 393.

The following data are available for 1983 in regard to the economic activities effected by Unaco-CNA (see section on Unaco-CNA).

Total sales reached PTA 11 770 million, made up mainly as follows: supply PTA 6 400 million, stockrearing PTA 4 800 million, seeds PTA 360 million.

In 1981 the funds granted around 30% of the total credit allocated to the agricultural sector, collected around 10% of savings from the agricultural sector and 3% of the national savings. In conclusion, it should be emphasized that the rural funds are the second largest financial organization in Spain in terms of the number of branches throughout the country.^[8]

4. References

[1] Analysts of the cooperative movement share this view: see

(a) JUAN SANZ JARQUE: *Cooperación, teoría y práctica de las sociedades cooperativas*, Ed. Universidad Politecnica de Valencia, pp. 415 to 420;

(b) JOSÉ POMARES MARTINEZ: *Régimen jurídico de las cooperativas de crédito*, Ed. Caja Rural Nacional, pp. 29 to 31.

[2] FRANCISCO CEBALLO HERRERO y MARIANO GOMEZ SANCHEZ: *Diccionario Cooperativo del Consumidor*, Ed. Instituto nacional del consumo, p. 141.

[3] Op cit. Note 1a, p. 418.

[4] *Directori de cooperatives agraries de Catalunya*, Ed. Caixa de Catalunya, p. 17.

[5] Talks held on 13 January 1983 between Mr Miguel Sombrero Melero, General Director, and Mr José Pomares Martínez, General Secretary of the National Union of Rural Cooperatives (Unaco), and Pedro Sepulveda, ESC General Secretariat.

[6] Talks held on 12 January 1983 between Mr Juan Zugasti, Director of the Union of Workers' Cooperatives (UCO) and Pedro Sepulveda, ESC General Secretariat, op. cit. Note 5. The same view was expressed in the report 'Documentación — Informes' of the 'Centro docente de formación empresarial cooperativa y comunitaria', a dependent organization of UCO which is affiliated to ACI.

[7] Unaco-CNA, report 1983, pp. 9, 10, 12, 24 and interview of 22 June 1984 between Mr Primitivo Fernández Andrés, assistant secretary of Unaco-CNA, and Pedro Sepulveda.

[8] JOSÉ POMARES MARTINEZ: *Las Cajas rurales de España*, Ed. Caja rural nacional, 1981, p. 41.

[9] For all statistics provided here, see op. cit. Note 8, pp. 30, 31, 39, 40.

National Association of Rural Cooperatives (Union Nacional de Cooperativas del Campo) (Unaco)

<i>Chairman:</i>	JUAN GAYA ROSELLO
<i>Vice-Chairman:</i>	MELCHOR RODRIGO MATEO
<i>Auditors:</i>	ARTURO ACOSTA GARCIA LEOPOLDO GONZALEZ HORTAL CARLOS TOLMO TALEVERA
<i>Address:</i>	Paseo de la Castellana 83 2a planta Madrid
<i>Tel.:</i>	456 60 02

I. ORGANIZATION

1. Date of formation

28 February 1945.

Up until January 1983, Unaco was both an economic operator and a representative body for rural cooperatives.

The structure described below, is the result of changes which took place in 1982.

The new structure, based on statutes adapted on 30 April 1979 conforms to the royal decree of 17 June 1977 and the regulation of 16 November 1978. As from 1 January 1983, Unaco has operated as a representative body only.^[1]

2. Size and structure

(a) Unaco regroups the following organizations:^[2]

- 51 territorial associations of rural cooperatives,
- 27 2nd level cooperatives,
- 24 inter-territorial cooperatives,
- 155 provincial cooperatives,
- 306 canton cooperatives,
- 5 600 local cooperatives.

(b) Unaco was for a long time the only national-level interest group or representation body for rural cooperatives.

As a result of the current legislation and the legislation before the Cortes, other representative organizations may be set up. (See section on the Agricultural Sector).

3. Administrative bodies

The administrative and decision-making bodies are:

- the General Assembly,
- the Board of Directors,
- the Auditors.

The General Assembly comprises delegates from each affiliated cooperative. It is Unaco's supreme body. It discusses decisions of general impact concerning the Association, in line with the powers laid down by legislations, the regulation and the rules. Its main functions are: to approve the annual accounts and the budget and to appoint the members of the Board of Directors and the Auditors.^[3]

The Board of Directors is the representative, administrative and decision-making body; it comprises a Chairman, a Vice-Chairman, a Secretary, a Treasurer and 8 members. [4] The Board of Directors is responsible for establishing guidelines for the activities of the Association in conjunction with and under the supervision of the General Assembly.

There are 3 *Auditors* who check the accounts and brief the general assembly, particularly on the annual budget and the overall accounts.

4. Decision-making procedure

The decisions of the General Assembly are taken by a simple majority. The decisions of the Board of Directors are taken by an absolute majority apart from exceptional cases. [5]

5. Secretariat and staffing

Unaco has a staff of 55. Under the supervision of the Secretary-General they are responsible for the administrative work related to the Association's representative functions. In fact, the employees of the Unaco-CNA also work for Unaco. [6]

6. Budget size and contribution arrangements

The budget which was fixed on 31 December 1983 totalled approximately PTA 83 109 million. Expenditure exceeded income to the tune of PTA 2 200 586. [7]

The budget covers the main activities, the joint services and the technical back-up services.

The Association's resources stem from the contributions of the affiliated cooperatives, which are geared to their turnover, payments for services rendered, subsidies, donations and various other sources of revenue. [8]

II. AIMS AND PRIORITY POLICIES

The aims of the Association are: [9]

- to represent its members *vis-à-vis* all institutions and organizations;
- to encourage the cooperative spirit and harmonious relations between members;
- to organize back-up services of common interest on legal, accounting, technical and other matters;
- to promote cooperative training and to provide assistance and social services;
- to encourage reports, publications, exhibitions and conferences on topics of interest to the agricultural cooperative movement.

III. ACTIVITIES

The most important activities are:

- visits to local, provincial and national cooperative enterprises;
- providing services to the member cooperatives;
- attendance at meetings organized by the government;
- cooperating with international cooperative organizations.

In 1981, extensive technical assistance was provided in connection with wine-making, warehousing, cereal storage and conservation. The legal services stepped up work on tax and industrial legislation.

The Association keeps up regular foreign contacts, particularly with the European Confederation of Agriculture and some cooperative organizations in Latin America. In 1983 Unaco representatives took part in the XXXV General Assembly of the European Confederation of Agriculture and the Central Committee of the International Cooperative Alliance. [10]

It also operates a cooperative training centre.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The Association participates in the work of the following government organizations: [11]

- the Fund for Planning and Regulation of Agricultural Products and Prices (Forppa);
- the National Service for Agricultural Products (Senpa);

the National Seeds and Tree Nurseries Institute (INSPV);
the National Office for Agricultural Insurance (Enesa);
the Finance Ministry's Advisory Committee on cooperatives' tax status.

The Association is also involved in the work of some private organizations, i.e. the Guarantee Association for Agricultural Activities (Asica) and the Association of Olive-Growers.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

None.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

Unaco belongs to the International Cooperative Alliance^[12] and has bilateral contacts with various national agricultural organizations and cooperatives in Latin America.^[13] It is a member of the European Confederation of Agriculture and is involved with its 'Economic cooperative activities' Division and with the CEA-CECA working-groups on the legislation on agricultural cooperation.^[14]

VII. INTERNAL COHESION

It will not be possible to evaluate internal cohesion until the restructuring process has made more headway.

VIII. PUBLICATIONS

Unaco report and reports on cooperatives published by 'Caja Rural Nacional'.

IX. SOURCES

See XI. References.

X. INTERVIEWS

Pedro Sepulveda, ESC General Secretariat, Studies and Research Division, interviewed Mr José Pomares Martínez, Secretary-General of Unaco, on 13 January 1983 and Mr Primitivo Fernández Andrés, Assistant Secretary, on 22 June 1984.

XI. REFERENCES

[1] Unaco, rules, Art. 1.

[2] Unaco, 1981, Annual Report Introduction.

[3] Op. cit. note 1, Arts. 19, 20 and 24.

[4] Op. cit. note 1, Art. 28.

[5] Op. cit. note 1, Arts. 25 and 31.

[6] Letter of 5 March 1984. Complementary to the reply to ESC questionnaire.

[7] Unaco Annual Report 1983, p. 16.

[8] Op. cit. note 1, Arts. 13 and 14.

[9] Op. cit. note 1, Art. 3.

[10] Op. cit. note 2, section 'Activities'.

[11] Reply to ESC questionnaire, p. 3.

[12] Op. cit. note 11, p. 2.

[13] See X. Interviews.

[14] Op. cit. note 11, p. 2.

National Agricultural Cooperative Society (Cooperativa Nacional Agraria Sociedad Cooperativa Limitada) (Unaco-CNA)

<i>Chairman:</i>	JUAN GAYA ROSELLO
<i>Director-General:</i>	MIGUEL ANGEL SOMBRERO MELERO
<i>Auditors:</i>	JOAQUIN DOBSON MARTIN DIEGO BARREMA LEDESMA ARTURO ACOSTA GARCIA
<i>Address:</i>	Paseo de la Castellana, 83-85 2a planta Madrid
<i>Tel.:</i>	456 60 02

I. ORGANIZATION

1. Date of formation

13 November 1982. The new organization represents the 'economic branch' of the original Unaco.[¹]

2. Size and structure

Unaco-CNA is responsible for the economic activities formerly carried out by the National Union of Rural Cooperatives. As from 1 January 1983, these activities were taken over by the National Agricultural Cooperative Society, Unaco-CNA. There are now two separate organizations, Unaco and Unaco-CNA.

(a) *Affiliated organizations*

In general, cooperatives which were members of the old Unaco can be affiliated. Provincial cooperatives may also apply provided they are engaged in different activities from other member cooperatives in the same province. Virtually all cooperatives belonging to the old Unaco wanted to join the new national cooperative because of its economic involvement.[²] The Unaco-CNA can therefore count on the gradual affiliation of:

second level cooperatives throughout Spain;

provincial cooperatives in those provinces where second cooperatives have not been set up.

The canton and local cooperatives are affiliated to the second level cooperatives. This gives an approximate total membership of 1 463 396 for rural cooperatives.[³] Unaco-CNA was founded in conjunction with 64 agricultural cooperatives from various regions in Spain.

Most of the Unaco-CNA's members joined it in November 1982. These figures are therefore approximate.

(b) *Structure as economic operator*

The structure comprises the local cooperatives, followed by the provincial cooperatives and, at national level, Unaco-CNA.

The national organization arranges sectoral activities run by the 'juntas' which are now called 'sections'. These have complete managerial autonomy and their own separate budget; they also keep separate accounts. The following sections have been set up so far: supply; stock-farming; marketing of cereals, vegetables, oil and seeds; wine.[⁴]

3. Administrative bodies

Unaco-CNA's decision-making and managerial bodies are:

the General Assembly,

the Board of directors,
the auditors,
the director.

The General Assembly, which includes representatives from all affiliated cooperatives is the supreme decision-making body. Its most important functions include:

appointing and dismissing the Board of directors and auditors;
supervising the Board's management, checking the accounts and balance sheets and sharing out surpluses;
altering the rules;
issuing debentures;
deciding on mergers, restructuring and dissolution of the organizations;
in general, fulfilling all the functions detailed in the legislation governing cooperatives.^[5]

The Board of directors comprises 12 members and is the representative and decision-making body; it implements the general guidelines laid down by the assembly. The Board's Officers are appointed by the assembly for four years and some members are replaced every two years. The chairman of the board is responsible for the legal representation of the organization.^[6]

The Board is responsible for direct management and for appointing an individual or a collective body to manage the cooperative. The director thus appointed under contract is responsible for immediate management. He periodically briefs the Board and the chairman on management matters.^[7]

There are three *auditors* who are appointed by the assembly; they submit a detailed financial report to the assembly every year.^[8]

4. Decision-making procedure

Decisions are generally taken by a simple majority (apart from exceptional cases laid down in the rules).^[9]

5. Secretariat and staffing

Unaco-CNA has approximately 55 employees in all categories. Legal and technical services, accounts and administration come under the jurisdiction of the Director General.

6. Budget size and contribution arrangements

1983 turnover reached PTA 11 770 million. 1984 turnover could reach PTA 22 500 million.^[10]

II. AIMS AND PRIORITY POLICIES

In general, Unaco-CNA seeks to participate in all kinds of agricultural activities, namely:^[11]
purchasing live-stock, materials, tools and machines necessary for production and development in agriculture, as well as premises and installations related to agricultural stock-farming or forestry;
conserving, producing, processing, distributing, transporting and marketing all products connected with agriculture, forestry, stock-farming produced by cooperatives and their members;
acquiring or manufacturing all agricultural goods or supplies for the benefit of the cooperative and its members;
acquiring and improving land or dividing it up;
providing technical assistance and vocational training for members.

III. ACTIVITIES

The main economic activities comprise;
supplying members with fertilizer, insecticides, seeds, etc.;
marketing animals and animal products;
manufacturing compound feed-stuffs;
marketing agricultural products on domestic and foreign markets;

producing and selecting cereal seeds and marketing cereals in Spain and abroad.

In the socio-cultural field, Unaco-CNA has set up an education Fund and social welfare institutions with the aim of promoting activities calculated to reinforce the principles of cooperation amongst its members and in the community at large.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

In principle, Unaco-CNA represents the interests of its members.^[12]

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

None in its capacity as an Agricultural Cooperative. Unaco-CNA does, however, maintain contacts with certain organizations (see section on Unaco).

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

None.

VII. INTERNAL COHESION

It is too early to make any judgement since this organization was set up very recently.

VIII. INFLUENCE ON COMMUNITY ACTIVITIES

None.

IX. PUBLICATIONS

None.

X. SOURCES

See XII. References.

XI. INTERVIEW

Mr José Pomares Martínez, General Secretary and Mr Miguel Angel Sombrero Melero, the Director General Unaco-CNA, were interviewed by Pedro Sepulveda, ESC General Secretariat, on 24 January 1983. Mr Primitivo Fernandez Andres, Assistant Secretary, Unaco-CNA, was interviewed by Pedro Sepulveda, on 22 June 1984.

XII. REFERENCES

[1] Answer to ESC questionnaire, p. 1.

[2] (a) Interview with Unaco-CNA, see XI. Interview; and

(b) additional information supplied on 31 January 1984 by Mr Juan Gaya Rosello, Chairman of Unaco-CNA.

[3] Unaco-CNA, statement 1981, Introduction.

[4] (a) Rules, Art. 4; and

(b) op. cit. note 2b.

[5] Op. cit. note 4, Arts 39, 40.

[6] Op. cit. note 4, Arts 48, 49, 50 and op. cit. note 2b.

[7] Op. cit. note 4, Arts 61, 62.

[8] Op. cit. note 4, Art. 69.

[9] Op. cit. note 4, Art. 43.

[10] Unaco-CNA Annual Report, 1983, p. 24 and draft budget, annex to the Annual Report 1983.

[11] Op. cit. note 4, Art. 3.

[12] Op. cit. note 2b.

3. The credit cooperatives sector

1. Basic data (1982)[¹]

Professional and public credit cooperatives:

Number of members	55 446
Number of banks	23
Number of cooperatives affiliated to banks	431
Number of employees	1 590
Number of agencies	206
Consolidated balance	PTA 141.10 million

Rural banks:

Number of rural banks	129
Number of national banks	2
Number of provincial banks	49
Number of cantonal and local banks	78
Number of employees	8 662
Total balance	PTA 940.10 million

2. Brief historical outline

Apart from the rural banks and the Mondragon People's Labour Fund (CLP) which are dealt with separately, the history of credit cooperatives is confined to professional and public cooperatives.

Credit cooperatives emerged during the last 40 years in particular at the instigation of certain professional bodies.

3. Size and structure

This introduction to the credit cooperative sector deals with the professional and public credit cooperatives only since the rural banks and the Mondragon People's Labour Fund are described in the following sections.

The credit cooperative sector acquires a special significance within the cooperative movement if account is also taken of the rural banks and the Mondragon CLP.

The economic and organizational scale of this sector is illustrated by the fact that rural banks have been set up in nearly all agricultural regions in Spain. They embrace the agricultural cooperatives and individual cooperative members. They also play an important role in the financial system of agriculture. In this context, it should be emphasized that the rural banks account for around 2.6% of the national savings and provide 27% of total financing in the agricultural sector.

The Mondragon CLP is the major credit cooperative in Spain. It is also the backbone of the whole cooperative system in the Basque country.

In 1982,^[2] cooperative credit accounted for 3.90% of the total deposits in the national financial system, 6.12% of bank deposits and 11.44% of savings bank deposits. In 1981, the credit cooperatives bought treasury bonds and certificates of deposit totalling PTA 3 400 million. In addition, they financed the private sector to the tune of 2.98%. Their credit accounts were 19.17% up on 1980. The increase-rate (30%) in term deposits was most significant. The professional and public credit cooperatives have the highest percentage of term deposits (52.51% of total deposits) and the increase-rate of deposits is higher than that for banks (15.54%) and savings banks (16.95%).

In terms of resources, there are three groups of professional and public credit cooperatives:

the first is the Mondragon CLP;

the second group comprises 8 organizations whose deposits exceed PTA 1 500 million, and

the third group includes all remaining cooperatives.

There are 23 cooperatives in all. In 1982, the combined professional and public credit cooperatives had assets totalling PTA 141 100 million. Without the CLP, this sum falls to PTA 42 100 million.

The total number of offices or agencies of the public and professional banks is 206 and 132 of these belong to the Mondragon CLP. In terms of economic power, the four most important cooperatives are:

the Mondragon CLP (Guipuzcoa), (165 cooperatives; 19 000 members)

the Credit Bank of the Association of Industrial Engineers, Barcelona, (25 cooperatives; 8 800 members)

Acofar, Madrid, (158 cooperatives; 10 000 members)^[3]

the Altea Cooperative, Alicante, (25 cooperatives; 15 300 members).

The most important professional credit banks have been set up in Catalonia and Madrid at the initiative of professional associations of engineers or lawyers.^[3]

The credit cooperative sector has no national economic organization of its own. The rural banks have their own national organization. The Mondragon CLP is confined to the Basque country and the professional funds have no joint economic organization.

The National Union of Credit Cooperatives represents the professional interests of the affiliated cooperatives.

4. References

[1] *1982 Yearbook of the National Union of Credit Cooperatives*, pp. 167, 213, 218, 222, 223.

[2] *Op. cit.* Note 1, pp. 171 and 172.

[3] Mr Joaquin de Haro Lopez, Secretary-General of the National Union of Credit Cooperatives, was interviewed by Pedro Sepulveda, ESC General Secretariat, Studies and Research Division on 11 January 1983.

National Union of Credit Cooperatives (Union Nacional de Cooperativas de Credito)

<i>Chairman:</i>	JOSÉ MANUEL TURMO AGUILAR
<i>1st Vice-Chairman:</i>	JUAN BARREDA BELTRAN
<i>2nd Vice-Chairman:</i>	FEDERICO LINARES JAVALOY
<i>Secretary-General:</i>	JOAQUIN DE HARO LOPEZ
<i>Address:</i>	Gran Vía, 88 Edificio España, 3, 10, 5 Madrid
<i>Tel.</i>	247 40 29

I. ORGANIZATION¹

1. Date of formation

24 November 1970.

The rules were amended in 1979 to conform to the Law 52/1974 and the regulation of 16 November 1978.^[1]

2. Size and structure

The National Union of Credit Cooperatives (henceforth called the Union) embraces the rural banks (national, provincial and local) and the professional and public credit cooperatives.^[2]

¹ This section deals with the National Union of Credit Cooperatives in its capacity as a cooperative association. Nevertheless, some information is also provided on its aims as a trade association.

These are organized on a tripartite basis:

the provincial rural banks;

the canton and local rural banks, and

the professional and public credit cooperatives.

The Union has a dual legal personality. It functions both as a professional cooperative association and a trade association.

The majority of credit cooperatives, i.e. 85% are affiliated to the Union. [3] The Mondragon CLP does not belong to the Union.

3. Administrative bodies

The Union's decision-making and managerial bodies are: [4]

the General Assembly;

the Management Committee and

the Auditors.

The General Assembly, the decision-making body, comprises the representatives of the affiliated organizations; it makes decisions on all subjects involving the aims and priorities of the organization.

The Management Committee is the Union's representative and managerial body. It comprises 12 members elected by the assembly and is responsible for implementing the assembly's decisions.

The Auditors, of which there are three, are responsible for checking the accounts and finances and for reporting to the general assembly.

4. Decision-making procedure

Decisions are taken by a simple majority apart from exceptional cases specified in the rules. [5]

Each member of the assembly has one vote; the second level organizations have voting rights in proportion to the number of cooperatives they represent but not exceeding one third of the total votes. [6]

5. Secretariat and staffing

The Union has a staff of 6 reporting to the Secretary-General; three of these staff carry out administrative duties and the others have technical duties, particularly in the legal and financial fields.

6. Budget size and contribution arrangements

The 1984 budget totalled PTA 14 000 000. [7]

Income arises mainly from contributions from affiliated organizations and from payments for services carried out for these organizations.

The rules also provide for grants, donations, etc. [8]

II. AIMS AND PRIORITY POLICIES

In its capacity as a cooperative association: [9]

representation of members and defence in legal and non-legal matters;

representation of members in industrial relations;

strengthening the spirit of cooperation and solidarity amongst the affiliated organizations;

organizing legal, accounting, financial, statistical and other back-up for the affiliated organizations;

promotion of cooperative education and training;

social welfare work.

In its capacity as a trade association: [10]

representation, defence and promotion of the economic, social, professional and cultural interests of the affiliated organizations;

encouraging a spirit of solidarity amongst the affiliated organizations;

establishing contacts, especially with international cooperative credit organizations;
constant efforts in the area of technical and professional promotion.

III. ACTIVITIES

The Union: [1]

provides specialized services (legal, financial and accounting services, etc.), for its members;
informs its members on banking, tax and other measures. This provision is important given the fact that the credit cooperatives are subject to the Central Bank and the Ministry of Economic Affairs;
draws up contracts of employment with the employees (total number of 9 000) of the member organizations;

publishes information circulars on problems of general interest, particularly where banking or tax, are involved;

represents members *vis-à-vis* Government bodies;

ensures a constant flow of information and attends meetings connected with international relations;

publishes a yearbook containing statistics and commentaries on credit cooperatives.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The Union is not directly represented on any consultative organization. By virtue of its membership of the National Confederation of Cooperatives, it can make indirect representations to Government bodies responsible for relations with the cooperative movement. [12]

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

None.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The Union was admitted to the International Cooperative Alliance (ACI) in 1982.

The Union also maintains contact with the Confederation of Banks, Credit and Savings Organizations in Latin America. [13]

VII. INTERNAL COHESION

The restructuring of the cooperative movement is creating some difficulties as regards the internal cohesion. In fact, the importance which the cooperative organizations have acquired in the context of regional autonomy involves changes which particularly affect the Union's national role.

VIII. PUBLICATIONS

Yearbook of the credit cooperatives and rural banks.

Information circular (monthly).

IX. SOURCES

See XI. References.

X. INTERVIEWS

On 11 January 1983 and on 21 June 1984, Pedro Sepulveda, ESC General Secretariat, Studies and Research Division, interviewed Mr Joaquin de Haro Lopez, Secretary General of the National Union of Credit Cooperatives and Mr José Pomares Martínez, Secretary General of the National Rural Bank.

XI. REFERENCES

[1] Reply to ESC questionnaire.

[2] Interview (see X.).

[³] Op. cit. Note 2.

[⁴] Statutes of the Union as a cooperative association, Arts 21, 22, 23.

[⁵] Op. cit. Note 4, Arts 22 and 51.

[⁶] Op. cit. Note 4, Art. 26.

[⁷] Op. cit. Note 1 and interview of 21 June 1984.

[⁸] Op. cit. Note 4, Art. 15.

[⁹] Op. cit. Note 4, Art. 3.

[¹⁰] Statutes of the Union as a trade association, Art. 6.

[¹¹] Interview (see X.)

[¹²] Op. cit. Note 1.

[¹³] Op. cit. Note 1.

4. The housing cooperatives sector

1. Basic data — December 1983^[1]

Number of members	320 254
Number of cooperatives	5 311
Number of beneficiaries	884 840
Total number of dwellings built	793 715

Some 30% of all dwellings are built by cooperatives.

2. History

Cooperatives came to the housing sector later than elsewhere. The first regional union of housing cooperatives, in the province of Valencia, dates only from the start of the 1960s. At that time, some 50 000 dwellings scattered throughout the country had already been built by cooperatives, which promoted single-family dwellings in groups, a type of housing protected by a 1920s law on low-rent housing.

The sector really started to grow in 1963, when the National Union of Housing Cooperatives was created and began to play a major part in organization and in the provision of advice and assistance to local and provincial cooperatives.

Development was helped by State subsidies through the National Housing Institute, tax concessions provided for in legislation on 'officially protected' housing and the tax laws on cooperatives, and by special credit terms.

The aim of cooperatives in the housing sector today is to help bring about improved economic and social conditions.

3. Size and structure

The housing sector is an important part of the Spanish cooperative movement and of the national economy, as can be seen from the following:^[2]

the building industry in general and housebuilding in particular has been one of the key sectors of the Spanish economy since the 1960s;

on average, 40 000 dwellings have been built each year since 1965;

cooperatives have constructed 70% of all the dwellings built to date under the 'official protection' scheme;

cooperatives account for 30% of all housing starts in Spain;

the 5 311 cooperatives existing in 1983 covered 320 254 persons;

up to 1983, 793 715 dwellings had been built by cooperatives.

As a result, cooperatives have had to improve their business management methods, though without losing their social and educational role.

The structure of the cooperative sector^[3] has been strongly influenced by the 1942 Cooperatives Act and its associated regulations. Amendments to these in 1974 and 1978 have given the sector more freedom, which has improved organization.

Until 1974 and 1978, local cooperatives had to be members of their provincial organization. This had to be a member of its regional union of cooperatives, which in its turn had to belong to the national union. The national union had to belong to the Spanish National Confederation of Cooperatives.

Local cooperatives are now free from this obligation, and may form federations of cooperatives at local level. These in their turn may form national federations parallel to the existing national structure, or confirm their membership of the national union. There are no previous figures on which to base an estimate of the number of cooperatives confirming their membership of the existing national union. The present trend is towards forming various regional and national organizations, although the National Union of Housing Cooperatives is the only national body which exists at present. Given this situation, it is the latter's background and structure which is set out below.

It should be pointed out that the move towards regional autonomy allows each region's institutions to have their own specific structure and be subject to regional legislation, so that representation at national level may change until the restructuring of the cooperative sector is consolidated.

4. References

- [1a] Reply to the ESC questionnaire (statistical appendix) and
 [1b] Interview on 12 January 1983 with Mr Alfonso Vasquez Fraile, President of the National Union of Housing Cooperatives by Pedro Sepulveda, ESC General Secretariat, Studies and Research Division, and on 21 June 1984 with the Technical Secretary of the National Union, by Pedro Sepulveda.
 [2] Op cit. note 1a) and magazine *Cooperativas de vivienda* No 12, p. 7.
 [3] JOSEPH MAGRINA: *Le cooperación de viviendas*, Ed. CEAC (1981), pp. 12 to 15.

National Union of Housing Cooperatives (Union Nacional de Cooperativas de Viviendas)

<i>President:</i>	ALFONSO VASQUEZ FRAILE
<i>Vice-President:</i>	JOSÉ HERNANDEZ MONZON
<i>General Secretary:</i>	ANTONIO LAGO GONZALEZ
<i>Address:</i>	San Augustin, 3 Madrid 14

1. ORGANIZATION

1. Date of formation

13 February 1963.[¹]

2. Size and structure

Most of the housing cooperatives in Spain, including 7 in the Mondragon system, belong to the National Union of Housing Cooperatives.

Madrid has the most cooperatives, followed by Barcelona, Valencia, Alicante, Murcia, Guipuzcoa, Bizcaya, Malaga, etc.[²]

Any housing cooperative can belong to the Union, whether it be local, regional or provincial, provided it abides by the Union's rules.

3. Administrative bodies

The decision-making and management bodies of the Union are as follows:[³]

- the General Meeting;
- the Executive Committee;
- the Board of Auditors.

The *General Meeting* is the supreme decision-making body. It consists of the representatives of member organizations, and deliberates on matters to do with the Union's aims. In particular, it decides whether or not to adopt the accounts, and elects the members of the Executive Committee and the Board of Auditors.[⁴]

The *Executive Committee* represents the union and is responsible for running it. It has 12 members elected by secret ballot at the general meeting. It lays down guidelines for the union's activities on the basis of policy decided by the general meeting, draws up the budget and organizes internal administration. The Chairman of the Executive Committee is the legal representative of the Union.

The *Board of Auditors* have to present a report each year to the General Meeting on the accounts and the general management of the Union.[⁵]

4. Decision-making procedure

Decisions are taken by a simple majority. Each organization has one vote, except 2nd level cooperatives, which have a number of votes equal to the number of local cooperatives they represent. However, no organization may have more than one-third of all the votes. [6]

5. Secretariat and staffing

The Union employs around 10 persons. Four have administrative duties, the rest handle technical assistance for member cooperatives.

6. Budget size and contribution arrangements

The Union budget in 1983 was PTA 34 million; that for 1984 is around PTA 30 million. [7]

Income comes mainly from members' contributions and payment for services rendered. [8]

II. AIMS AND PRIORITY POLICIES

The Union's aims are: [9]

to represent cooperatives in dealings with the government, society at large and abroad;

to promote the cooperative spirit in accordance with the principles of the International Cooperative Alliance and cooperative ideals;

to organize services of common interest to all its members, such as technical, legal, accounting and other forms of assistance; and

to develop institutions for planning, insurance, savings, credit and other activities of relevance to housing cooperatives.

The Union is planning to develop a new concept of housing, and does not want the family's role to stop at obtaining a dwelling; the cooperative spirit should be perpetuated in everyday human relations. [10]

III. ACTIVITIES

The Union: [11]

promotes and manages building land;

acts as a consultant when helping organizations to solve tax and accounting problems;

acts as a financial adviser helping organizations to calculate the profitability of various investment alternatives and providing information on credit possibilities;

provides technical help with building, surveying and contacts with tradesmen working with the Union;

offers a full legal service from the formation to the winding-up of a cooperative, and covering all contracts, sales and other operations;

provides a training and public relations service for organizing conferences, courses and seminars, specialist courses and surveys on members' aims (this service publishes the magazine *Viviendas cooperativas*), also publishes brochures and other mass circulation literature on specific activities, and handles relations with the mass media.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The Union advises the Institute for the Public Promotion of Housing. [12]

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

None.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The Union is a member of the International Cooperative Alliance (ICA). [13]

VII. INTERNAL COHESION

The union is very dynamic and one of the most representative national cooperative unions in its sector.

VIII. PUBLICATIONS

Viviendas Cooperativas, national monthly magazine.

Papers and brochures on various subjects connected with cooperative housing.

IX. SOURCES

See XI. References.

X. INTERVIEW

Mr Alfonso Vazquez Fraile (President) and Mr Antonio Lago Gonzalez (General Secretary) of the National Union of Housing Cooperatives were interviewed on 12 May 1983 by Pedro Sepulveda, ESC General Secretariat, Studies and Research Division. Mr Francisco de la Caballera Garcia, Chairman, Spanish Confederation of Cooperatives, was interviewed by Pedro Sepulveda on 22 June 1984.

XI. REFERENCES

- [¹] Interview (see X.).
- [²] Francisco Ceballo Herrero and Mariano Gomez Sanchez, *Diccionario cooperativo del consumidor*, Ed. Instituto nacional del Consumo, p. 80.
- [³] 'Union nacional de cooperativas de viviendas', rule 21.
- [⁴] *Op. cit.* note 3, rule 22.
- [⁵] For the powers of the bodies concerned, see chapter V, *op. cit.* note 3.
- [⁶] *Op. cit.*
- [⁷] Reply to ESC questionnaire, plus interview 22 June 1984.
- [⁸] *Op. cit.* note 7.
- [⁹] *Op. cit.* note 3, rule 3.
- [¹⁰] Magazine *Viviendas cooperativas* No 22, Editorial.
- [¹¹] Catalogue of the union's services, 1982.
- [¹²] *Op. cit.* note 7.
- [¹³] *Op. cit.* note 7.

5. The consumer cooperatives sector

1. Basic data^[1]

Number of cooperatives	1 000 (1984) ¹
Number of members	900 000 (1984) ¹
Number of consumer beneficiaries	3 000 000 (1984) ¹
Turnover	PTA 100 000 million

Main consumer cooperatives: Eroski (Mondragon); Bank employees' cooperative (Madrid) (Coeba); Purchasing centre (Madrid); Cornella, Catalana de Consumo y Abacus (Catalonia), Consum (Valencia), Consuma (Malaga), Coaeco and Supercoop (Cadiz) and la Merced (Valladolid).

2. Brief historical outline

Consumer cooperatives are one of the oldest forms of the cooperative movement. The first cooperatives were set up at the end of the last century in the provinces of Valencia, Madrid and Catalonia. These were modest attempts at consumer associations based on mutual assistance, and were linked to the various forms of worker association.

In the first 40 years of this century, consumer cooperatives grew significantly. In 1920 they began to employ paid staff. They built their own premises and began developing social activities. In 1918, the Union of North Spanish Cooperatives was founded as a federal body to organize consumer cooperatives in the area.

During the civil war years, and due to serious distribution problems, other consumer cooperatives appeared. The economic and social situation at the time meant that they were not always able to develop steadily.

The 1942 law on cooperatives, promulgated under the Franco régime, slotted consumer cooperatives into the State ideology. Many cooperatives were shut down, while others saw their elected managers removed from office and replaced. These consumer cooperatives were thus dismantled in order to be rebuilt on new foundations. The pre-war growth of the sector fell back considerably. It only began partially to grow again after the liberalization which began in 1974 and 1978.^[2]

3. Size and structure

Figures available in Spain for assessing the economic importance of the sector are scarce and unreliable, and can only provide a very approximate estimation.

On the whole, the sector has a very small share of the current consumer market. The approximate figure of 1 to 1.5% given by the National Union of Consumer Cooperatives shows the minor economic importance of the sector.

However:

around 1 000 consumer cooperatives were active in 1982-84;

the figure of around 900 000 members for 1984 provides only a general idea;

the approximate turnover of PTA 100 000 million for all consumer cooperatives in Spain is difficult to verify.

Nevertheless, the turnover of a few of the main cooperatives gives an idea:^[3]

the 1983 turnover of Eroski was PTA 23 000 million;

the approximate 1983 turnover of the group linked to the Madrid purchasing centre was PTA 30 000 million;

sales of 'Coop' brands reached PTA 500 million in 1983 and are expected to reach 1 500 million in 1984.

the 1981 turnover of the Consum cooperative in Valencia was PTA 1 500 million.

¹ Approximate figure.

the 1983 turnover of Coeba reached PTA 7 000 million; turnover of the other cooperatives in the sector is lower than these. [4]

The organizational structure of the sector, like the cooperative movement as a whole, rests on the law of 1942. This presupposed the obligatory affiliation of cooperatives to the regional unions of the consumer cooperatives of the province, and of these to the national union. With it as an intermediary, they thus took part in the intersectoral activity of the Spanish confederation of cooperatives.

Since 1978, provincial and national affiliation has been voluntary, thus changing the previous structure. Some major cooperatives do not now belong to any national organization.

The autonomy process has meant that the sector is now being structured mainly at the level of these independent regions. It should be emphasized that the liberalization, participation and democratization of cooperative management began in the consumer sector in the mid-1960s.

Most of the main cooperatives' managers have taken part in this process. The National Union has played a major role. In 1981 it joined ICA, giving tangible proof of international recognition.

The current organizational structures cannot coordinate all cooperatives, and their cohesion is poor. The problem of the representation of consumer cooperatives at State level in Spain is still unsolved. Under current legislation and the draft law being discussed in the Cortès, various federations exist at regional and national level. The definitive structure of the sector will emerge in the years to come.

The National Association of Spanish Consumer Cooperatives currently has a legal structure at State level and at the same time enjoys international recognition.

4. References

- [1] FRANCISCO CEBALLO HERRERO y MARIO GOMEZ SANCHEZ: *Diccionario cooperativo del consumidor*, Ed. Institute nacional des consumo (1981), pp. 61 to 64.
- [2] JOSEP CASTAN⁺O COLOMER: *La Cooperativa de consumo*, Ed. CEAC, 1982, pp. 42 to 44.
- [3] Interview of 13 January 1983: Mr Francisco Ceballo Herrero, President of the National Union of Spanish Consumer Cooperatives was interviewed by Pedro Sepulveda, ESC General Secretariat. Mr Mariano Gomez Sanchez, Secretary of the National Union of Spanish Consumer Cooperatives, was interviewed by Pedro Sepulveda on 20 June 1984.
- [4] Op. cit. note 2, pp. 44 and 45 and op. cit. note 3.

National Association of Spanish Consumer Cooperatives (Union Nacional de Cooperativas de Consuma de España)

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I. ORGANIZATION

1. Date of formation

The 'National Association of Spanish Consumer Cooperatives' was established in 1981, following an amendment in the rules of its predecessor founded in 1945. [1]

2. Size and structure

The following belong to the Association: [2]
consumer cooperatives proper;

savings cooperatives;
 electricity cooperatives;
 drinking-water cooperatives;
 bankers' cooperatives;
 miscellaneous service cooperatives;
 passenger transport cooperatives;
 educational cooperatives.

Consumer cooperatives are the biggest group in the Association which comprises local, provincial and regional associations.

At the moment, cooperatives are allowed to set up regional and national organizations,^[3] provided they comply with certain conditions as regards representativity. So far, the National Association of Spanish Consumer Cooperatives is the only national cooperative organization in the sector.

The Association represents the interests of its members: certain economic aspects are dealt with by the Joint Purchasing Body (COOP), and consumer protection in the broader sense is the responsibility of the General Consumer Association. The three organizations have different roles and separate legal personality. However, their activities are complementary. It was, in fact the National Association of Consumer Cooperatives which fostered the establishment of the other organizations.^[4]

3. Administrative bodies

The Association's management and decision-making bodies are:^[5]

- the General Assembly,
- the Management Board,
- the Board of Auditors.

The General Assembly comprises representatives of the cooperative associations and the member cooperatives. Its main functions are to approve the annual accounts and the work schedule and to nominate the auditors and the members of the Board.

The Board is responsible for management and representation. It has 12 members elected by the General Assembly. Their job is to implement the Assembly's decisions.

The Auditors are responsible for supervising financial administration and reporting on the General Assembly.

4. Decision-making procedure

Simple majority.

5. Secretariat and staffing

The Association employs eight persons, reporting to the Secretary General, some being administrators and others providing technical back-up for the cooperatives.

6. Budget size and contribution arrangements

In 1984, the budget totalled PTA 20 million.^[6]

Resources come from the contributions of cooperatives, payments for services rendered, grants, donations, etc.

II. AIMS AND PRIORITY POLICIES

These are:^[7]

- to represent the members' general interests;
- to foster a spirit of cooperation and harmony among the member associations;
- to organize joint services to the member cooperatives;
- to promote cooperative and technical training schemes;
- to carry out studies and publish reports on consumer cooperatives.

The Association's first Conference (1980) set four priority objectives:

- the formation of a Joint Purchasing Body;
- the legalization of the international 'COOP' brand name in Spain;
- the setting up of the national Consumers' Organization;
- the establishment of a cooperative training centre.

These aims have now been achieved. [8]

III. ACTIVITIES

These include: [9]

- assistance to cooperatives;
- international relations;
- cooperative training;
- representing members.

The Association provides its members with specialist advice (on legal, taxation, technical and accountancy problems).

Cooperative training which first began in 1980, was consolidated in 1981 by the establishment of a training centre.

In 1982, 48 seminars were organized in various regions and 10 educational publications were issued.

There has been an increase in lobbying particularly *vis-à-vis* the Administration. The Ministries for Labour and Economic Affairs and specialist bodies such as the Directorate General for Cooperatives maintain permanent links with the Association. Its involvement in drafting new legislation on cooperatives was of particular importance. [10]

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The General Consumers' Organization represents the Association *vis-à-vis* the National Consumers Institute.

The new legislation on cooperatives provides for a supreme Cooperative Council, on which federations and confederations will have advisory status. [11]

Finally, the Association can make various informal contacts with the Administration. [12]

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

Links with Eurocoop. Membership application submitted in 1981. [13]

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

Even under the Franco régime, international relations were one of the Association's main concerns.

In 1981, it joined the International Cooperative Alliance (ICA).

It has bilateral links with a variety of US, European and Latin-American cooperatives. [14]

VII. INTERNAL COHESION

The Association is making considerable efforts to maintain internal cohesion. However, the current restructuring of the cooperative movement and the formation of large regional organizations in the autonomous regions are affecting the Association's internal cohesion and that of the entire consumer cooperative sector.

VIII. PUBLICATIONS

Publications are mainly concerned with training and information.

The most recent publications include:

Foundation course on cooperatives (2 volumes),

The economy and consumers,

The cooperative sector and consumers,
Dictionary of cooperatives,
Accountancy in consumer cooperatives,
Outline of accounts for consumer cooperatives.

IX. SOURCES

See XI. References.

X. INTERVIEWS

Mr Francisco Ceballo Herrero and Mr Mariano Gomez Sanchez, Chairman and Secretary respectively of the National Association of Spanish Consumer Cooperatives, were interviewed on 13 and 14 January 1983 by Pedro Sepulveda, ESC General Secretariat.

XI. REFERENCES

[¹] Interview, see above.

[²] Francisco Ceballo Herrero and Mariano Gomez Sanchez, *Diccionario cooperativo del consumidor*, Ed. Instituto nacional del consumidor, 1981, pp. 62 to 64.

[³] *Implementing Regulation of the General Cooperative Act*, Sections 124 and 125.

[⁴] *National Association of Spanish Consumer Cooperatives, 1982 Annual Report*, p. 11.

[⁵] Association Rules, Arts 12 and 16.

[⁶] Op. cit. note 1.

[⁷] Op. cit. note 5, Art. 2.

[⁸] Op. cit. note 1.

[⁹] Op. cit. note 4, pp. 4 to 7.

[¹⁰] Op. cit. note 4, p. 8.

[¹¹] Cooperatives Bill. Additional provision No 7.

[¹²] Op. cit. note 1.

[¹³] Op. cit. note 1.

[¹⁴] Op. cit. note 1.

B. The cooperative sector in Catalonia and the Basque country

1. The cooperative sector in Catalonia

1. Basic data (1984)

Number of members	374 851
Number of cooperatives	2 004
Total number of dwellings built under the cooperative system by 1984	138 200
Turnover of rural cooperatives	PTA 315 000 million ¹
Deposits in rural funds	PTA 39 000 million
Deposits in professional and people's credit cooperatives	PTA 18 000 million
Turnover of consumer cooperatives	PTA 2 300 million

2. Brief historical outline

The cooperative movement began in Catalonia at the end of the nineteenth century. In 1899 and 1902, the first and second conferences were held in Barcelona Fine Arts Hall and in 1899 the 'Revista Cooperativa Catalana' was published.

The cooperative movement was closely connected from the outset to the first workers' organizations and was influenced by Proudhon, Owen, Gide and the experiences of the Rochdale pioneers.

In 1899, the Catalan Regional Chamber of Cooperatives was founded. In 1920 it became the Federation of Catalan Cooperatives, whose membership included a large number of consumer cooperatives, a few production and a handful of agricultural cooperatives. Since then the Catalan cooperative movement has been affiliated to the International Cooperative Alliance (ICA). In 1929, there were 147 consumer cooperatives with a total membership of about 28 000. They published an information bulletin called 'Cooperative Action'. In 1931, the Catalan Agricultural Unions Association was founded. In 1937, this became the Federation of Catalan Agricultural Unions, comprising most of the agricultural cooperatives.

The advent of the second Republic brought with it the Cooperative Act, which came into force in 1931. This was based on the principles of Rochdale and the ICA and opened up new opportunities for expanding the entire Spanish cooperative sector. Moreover, the legislation took into account the conclusions drawn at the first Spanish Cooperative Conference, which took place in Barcelona in 1929. Later, in 1934, the Act on the establishment of cooperatives was implemented by the Catalan Regional Assembly. This Act, together with those on cooperatives, agricultural unions and mutual benefit organizations, promoted the cooperative sector in this region and underpinned its identity.

In 1935, the Catalan Federation of Producer Cooperatives was established.

The third Catalan Cooperative Conference, which took place in June 1935, changed the structure of the movement by creating a Confederation of sectoral federations. At this time, there were about 230 cooperatives in Catalonia, so the potential was already there for the cooperative movement to expand: there was a variety of cooperative bodies, appropriate legislation and they had long years of experience.

The outbreak of the civil war was accompanied by a new stage in the development of Catalan cooperatives. The civil war, which reflected the general social problems of the time, also brought the introduction of emergency legislation, which is beyond the competence of this study. It suffices to mention only that the Catalan Assembly decreed that the High Cooperative Board should carry out executive functions, have the authority to recognize new cooperatives and, in general, be involved in the running of the cooperative movement.

It seems that the force of events and pressures exerted by some sectors of the union, forced the Assembly to take certain administrative measures which went against the direction in which the

¹ Approximate figure.

cooperative movement was developing. Production and supply needs of the time led the Government to consider cooperatives as a possible solution. It was in these circumstances that a lot of new cooperatives sprang up in various fields, particularly in the consumer and production sectors. Consequently, the first special conference of the Federation of Catalan cooperatives, which took place in 1938, brought together some 350 delegates. This was the last widescale meeting of the cooperative movement before the Franco régime.

Between 1939, after the civil war had ended, and 1942, when the new Cooperative Act was passed, there was a transitional period, during which the authorities broke up countless cooperatives, directly intervened in others and abrogated both the Regional and National cooperative laws. It was a period in which much of the cooperative movement was torn apart and in which a lot of its autonomy was lost to the Government. The régime's intentions towards cooperatives are reflected in the 1942 law and its implementing regulation of 1944. Cantonal or regional federations with voluntary membership were abolished and replaced by provincial associations with compulsory membership. The directors had to be appointed by the Cooperative Union and be politically approved. The property of the cooperatives which had been dismantled was then seized, the National Union taking part in the seizure. However, in spite of such legal and political action, the cooperative movement was not quashed, although it lost the impetus of the 1930s. Demands made by the movement and international pressure led to the 1971 Cooperatives Regulation and the 1974 Act. As a result, cooperatives enjoyed greater flexibility and better conditions in which to expand, although the legal framework was still inadequate.

The advent of democracy led to the publication in 1978 of a new Decree on cooperatives; which made their structure and operating methods more democratic; a transitional period began, culminating in 1983 with the passing of the Cooperative Act in Catalonia. The Act, which takes into account the legal background and history of the Catalan cooperative movement, is intended to respect the international principles on cooperatives, adapted to the present time. In 1979, the central Government granted the provisional Catalan Assembly total authority in the cooperative sector. As a result, cooperatives received considerable support, in the shape of special cooperative information days, the publishing of studies, the drafting of a bill which has since been passed, etc. In addition, articles on cooperatives are published in the AVUI newspaper and by the Roca Gales Foundation.^[1]

3. Size and structure

The approximate data on the size of the Catalan cooperative movement has to be seen in the context of a restructuring process, shaped and motivated by the recently adopted Cooperative Act, the efforts of the autonomous government and by the activities of the cooperative movement itself.

3.1. Size

Statistics show that in 1984, the Catalan cooperative movement comprised:

2 004 cooperatives, broken down as follows:^[2]

411 agricultural cooperatives,

11 rural banks,

850 production cooperatives,

210 teaching cooperatives,

140 consumer cooperatives,

149 service cooperatives,

96 housing cooperatives,

4 credit cooperatives,

90 carriers' cooperatives,

40 tradesmen's cooperatives,

7 maritime cooperatives,

24 special cooperatives.

The number of members is difficult to gauge. However, they are estimated at:

rural cooperatives:	125 000 members,
consumer cooperatives:	36 000 members,
production cooperatives:	16 500 workers,
teaching cooperatives:	6% of the school-going population. [3]

3.2. Structure

Until the introduction of the new act, there were associations comprising 3 (or more) cooperatives, provincial or regional federations and the national Confederation.

Under the new law, cooperatives in Catalonia may voluntarily join provincial or cantonal federations in the main sectors. A minimum of 3 cooperatives is required to establish a federation. The federation is allowed to use the name of a region in its title, only if it comprises at least 40% of the sector's cooperatives in that region.

The Confederation of Catalan Cooperatives formed on 24 March 1984, is the higher representative body for cooperatives. It is made up of federations classed according to sector or type of activity. In 1983, there were consumer, production, housing, services, teaching and agricultural federations. [4]

The Law also stipulates that the High Cooperative Board is the Assembly's collaboration and consultation body. The members of the Board are nominated by the Parliament, and each cooperative federation according to sector. [5] Some of the members have to be nominated by the Assembly's executive council. The cooperatives, for their part, are divided into the following categories: rural banks, agricultural, craft, insurance, consumer, credit, teaching, housing, production and joint cooperatives. [6]

4. A sample of cooperative sectors

Agricultural, production, consumer and teaching cooperatives are the most highly developed. The main features are analysed below:

4.1. Agricultural cooperatives: background, definition, organization, size

BACKGROUND

This sector has been in existence since the inception of the Catalan cooperative movement, i.e. the end of the last century. After 1917, agricultural cooperatives were boosted by the impetus of the Agricultural Social Action of the Catalan Association. In contrast to cooperatives in other regions of Spain, Catalan agricultural cooperatives were not generally linked to the National Catholic Agricultural Confederation. The most important aspect concerns the structure of agricultural cooperatives under the 1942 and 1974 laws, which remained in force until the current legislation was implemented and the cooperative movement restructured.

Under the old structure, there was a Territorial Association of Rural Cooperatives (Uteco) in each province and membership was mandatory. In 1934, there were 540 agricultural cooperatives with 79 018 members; in 1975, there were 503 cooperatives with 83 749 members. [7]

DEFINITION

Under current legislation, agricultural cooperatives are described as 'comprising farmers or producers who have their own property deeds or share agricultural holdings and/or livestock farms and who pursue the following objectives'; a series of activities prior to and after the production stage are then listed. [8] Should the cooperatives develop a joint holding and comply with special standards, they are treated under the law in the same way as production cooperatives. [9]

ORGANIZATION

The law is very flexible as regards the organization of agricultural cooperatives. They are allowed to form provincial or general federations, whichever they prefer. The development of the agricultural cooperative sector is taking place mostly at village level with the creation of new cooperatives and with the establishment of local associations to suit the needs of each geographical region or branch of production. In Catalonia, the Federation of Catalan cooperatives and the High Cooperative Board

were set up. The same trend led to the creation of the Federation of Catalan agricultural cooperatives in 1982.^[10]

SIZE

The size of the agricultural sector of the cooperative movement makes it one of the most structured in the region. There are about 411 cooperatives and 125 000 members. The cantons with the most members are Segarra, Segria, Baix Camp, Baix Ebre, Montsia, Garrigues, Priorat etc. Wine and olives are the most developed areas of production, with 70% of total production. Fresh and dried fruit and cereals are also quite important. Livestock farming is the sector undergoing the most expansion: its vertical integration has led to such growth that some of the cooperatives are among the biggest in Spain. Overall sales are estimated at PTA 300 000 million. The federation's links with national organizations in the Spanish agricultural cooperative movement are confined to: agricultural prices, agricultural policy and representation *vis-à-vis* the Ministry for Agriculture.^[11]

4.2. Production cooperatives: definition, objectives and size

There has been a certain amount of ambiguity in the past regarding the legal definition of this type of cooperative and this is reflected in the variety of names it has been given. These include 'production and work cooperatives', 'industrial cooperatives' and finally 'associated work cooperatives'. The latter term is used in current legislation on Catalan cooperatives and describes them as cooperatives made up of 'individuals who provide economic or professional services for a third party'.^[12]

The *objective* of these cooperatives is to provide a kind of social structure in which the participants in the production process strive, as equals to meet their needs through their work, which is democratically organized. The idea of 'worker-member' is particularly encouraged and special heed is paid to principles such as 'one man, one vote' and working together. On the other hand aspects such as capital are of secondary importance.^[13]

Size of the sector. In 1984 there were 850 cooperatives, most of which had been set up since 1976. The rate at which the cooperatives were set up increased as from 1979 to 1982. The cantons with the most production cooperatives are: Barcelona, Baix Llobregat, Western Valles Maresme and Alt Penedes.^[14] In 1976, the total number of workers in production cooperatives was 2 398, as compared with 1 173 800 in industry and construction as a whole: i.e., production cooperatives employ about 0.2% of Catalan industrial workers. Some idea of the size of cooperatives can also be gleaned by comparing the output of production cooperatives with Catalonia's industrial gross domestic product — even though the figures are only approximate and compare different reference years. For example, cooperative production in 1978 compared with Catalonia's industrial GDP in 1967 amounted to 1.75%.^[15] Whatever point of comparison is used, the economic and social impact of production cooperatives remains insignificant. However, the statistics may have changed somewhat recently because of the revival in cooperatives and the drop in industrial production. Indeed cooperatives are considered by various parties as a solution to unemployment.

In 1982 the former Territorial Association was replaced by the Federation of Catalan Production Cooperatives. The association was reorganized to improve its economic activities, develop cooperative companies and create employment. The regional government is for its part looking for solutions to the problems encountered by business and the lack of funds which hamper cooperatives. In this context it is providing training courses and studying the introduction of mutual guarantee companies.^[16]

4.3. Consumer cooperatives: background, definition, organization and present size

Consumer cooperatives were first set up at the end of the last century. It was, however, not until the first quarter of the 20th Century with the introduction of the Republic, the first law on cooperatives and the Basic Law of the regional government, that any real development took place. This ended with the Civil War and the arrival of the Franco régime.

In the thirties, there were about 147 consumer cooperatives in Catalonia, with 28 000 members. This was the period in which cooperatives such as 'la Flor de Mayo', the Barcelona Cooperators Union, the 'Equitativa' of Palamos and the Central Purchasing Cooperative were set up, the latter being founded in 1935. The war period saw an artificial growth in consumer cooperatives. In 1938, 383 000 families were members of cooperatives.^[17]

A new operating system was imposed by the 1942 Law, the effects of which have been described previously. In 1943, the Territorial Consumer Cooperatives Association of Va Zona (Catalonia), which had been recently formed on a compulsory membership basis, claimed to comprise 159 operating cooperatives and 82 undergoing some kind of reorganization. In 1954, the 'Flor de Mayo' disappeared with its 14 branches, as did 'Coop Products' and their four factories. The result was that Barcelona consumer cooperative production fell to just 20% of its pre-war figure. [18]

Under the present law the cooperatives' main aim is to supply goods or services for the direct consumption of their members and their families. [19] This implies that they do not claim simply to provide goods at low prices, but also to organize consumers as a social group so they can demand that their legitimate interests as regards prices and product quality be observed.

The organization of consumer cooperatives had to pass through a transitional period after the Territorial Association of Barcelona and the remaining associations had been broken up. In 1978, a provisional Board, made up of 22 members from all the Catalan cantons, was given the task of setting up the Catalonia Federation, which came into being in 1980. [20]

Size of the sector. Taking account of statistical disparities, the following figures emerge: 140 operating cooperatives with about 36 000 members; a small number of cooperatives with between 2 000 and 10 000 members, and the majority of cooperatives, which have an average of 200 members. The biggest cooperatives include: 'la Cornella', the Catalan Consumers' Association, UCOP, 'Abacus' and the 'Universitaria Sant Jordi'. [21]

1984 sales totalled PTA 2 300 million, 60% of which were achieved by a small number of the cooperatives. Credit, tax, and management problems and the highly centralised and competitive commercial situation indicate some of the hurdles which consumer cooperatives have to overcome today. [22]

4.4. *Teaching cooperatives: background, features, definition and prospects*

This sector developed as a result of the post-war education policy. Catalan schools, which had expanded under the protection of the former Education Act of Claudi Moyano, were being persecuted, as they were believed to promote separatism and Catalan nationalism. Schools such as the Escola del mar, the Institut Escola Vallparadis, the Escola des Bosc were therefore suppressed.

The 1945 Education Act abolished municipal schools, forbade the speaking and teaching of Catalan and introduced segregated schools at primary level. It was in these circumstances that teaching cooperatives sprang up in the sixties. Some were set up by teachers, others by parents and some by a mixture of both. They chose the idea of a cooperative because it had legal status and, more especially, because it gave them the opportunity of taking democratic initiatives. Later, the 1970 General Education Act provided further opportunities by authorizing the development of cooperatives.

The main feature of Catalan cooperative schools is the general principle that education must serve the Community. Catalan nationalism in the context of the culture and history of the region, is also one of its features, as are the cooperative principles of freedom, democracy and free association as expressions of human rights. The parties concerned in school management, parents, teachers and pupils, must be competent and must not overlook the social environment in the schools, given that their existence is justified by their efforts to serve society and transform it. [23]

The definition of teaching cooperatives under the law is 'cooperatives whose objective is to organize activity concerning a branch of knowledge or technical, artistic, sporting or some other type of education'. [24]

The future of teaching cooperatives under the legislation on autonomy, which has arisen out of the new political situation, looks as though it will run along different lines. The general trend is to construct a new system of public education — a new Catalan school in which the cooperatives wish to introduce their characteristics: pluralism, cooperation, respect for different ideas, democratic management and consideration for the social environment. With this kind of reform, the cooperatives are prepared to leave the ownership of their schools in the hands of the public authorities. However, some sectors view the teaching cooperative as an alternative to the public and private sectors. [25] The teaching cooperatives, which have had a federation since 1981, will soon decide on their future plans and on their participation in the general education system. In 1984 there were 210 teaching cooperatives, which account for 7% of Catalonia's teachers and about 5% of its pupils. [26]

5. References

- [1](a) for all the historical data, see ALBERT PEREZ BARO, *Historia de la cooperación catalana*, Ed. Nova Terra, (1974), pp. 15, 30 and 239;
- [1](b) JOSEP CASTAÑO COLOMER: *Informe sobre el movimiento cooperativo*, Ed. Directorate General for Cooperatives of the Catalan Assembly, 1983;
- (c) Reply to ESC questionnaire and letter 23 July 1984.
- [2] JOSEP CASTAÑO COLOMER, op. cit. note 1b, p. 4 and op. cit. note 1c.
For other historical facts, see the study on the different sectors.
- [3] JORNADAS SOBRE LA COOPERACIO A CATALUNYA, Ed. Servicio de Publicaciones de la Generalidad de Catalunya, 1981, p. 16; op. cit. note 1b, pp. 6 and 10 and op. cit. note 1c.
For other historical facts, see the study of the different sectors.
- [4] Catalan Cooperatives Act, Arts 102 to 104 and note 1b, p. 3.
- [5] Op. cit. note 4, Arts 106 and 107.
- [6] Op. cit. note 4, Art. 73.
- [7] *Directori de Cooperatives Agraries de Catalunya*, Ed. Caixa d'Estalvis de Catalunya, pp. 14 to 16.
- [8] Op. cit. note 4, Art. 86.
- [9] Op. cit. note 4, Art. 89.
- [10] Op. cit. note 3, p. 79 and op. cit. note 1a, p. 3.
- [11] Op. cit. note 7, p. 20 and op. cit. note 1b, page 6.
- [12] Op. cit. note 4, Art. 78.
- [13] Op. cit. note 3, p. 128.
- [14] *Guia de las cooperatives de treball associat de Catalunya*, Ed. Generalitat de Catalunya, pp. 41 to 44 and op. cit. note 1b, pp. 7 and 8.
- [15] Op. cit. note 3, p. 131.
- [16] Op. cit. note 1b, pp. 3 and 8.
- [17] Op. cit. note 3, pp. 48 and 49.
- [18] Op. cit. note 1a, p. 174.
- [19] Op. cit. note 4, Art. 74.
- [20] Op. cit. note 3, p. 56 and op. cit. note 1b, p. 3.
- [21] Op. cit. note 3, p. 16.
- [22] Op. cit. note 1b, p. 9.
- [23] Op. cit. note 3, pp. 183 to 193.
- [24] Op. cit. note 4, Art. 95.
- [25] Op. cit. note 3, p. 193.
- [26] Op. cit. note 1b, p. 10.

2. Cooperatives in the Basque country (Euskadi)

1. Basic information — 1983 figures^[1]

Number of members	140 000 ¹
Number of cooperatives	180 ¹
Number of employees	20 000 ¹
Balance of the People's Labour Fund (CLP)	PTA 149 175 million
CLP credit accounts	PTA 52 654 million
Turnover of industrial cooperatives	PTA 109 400 million
Turnover of the consumer cooperative (Eroski)	PTA 22 870 million

2. Background

Cooperatives first came into existence in the Basque country in the nineteenth century. Even in the first half of the century, joint work schemes (Huazo Lan) already existed, in areas such as agriculture (Lorra) and fishing. In the latter case, fishing associations were set up. At the beginning of the twentieth century, consumer cooperatives grew in number, particularly in Bilbao, and industrial cooperatives developed in other Basque regions.

The civil war of 1936 interrupted the development of the cooperative movement.

It was not until 1956 that the cooperative movement really began to grow. It was then that the first cooperatives of the Ulgor group were set up. From then on the movement spread in the region. It was boosted by the People's Cooperative Credit Bank, the CLP (the People's Labour Fund), which was established in 1960. The associated cooperative group of Mondragon which, through its links with the CLP, acts as an umbrella organization for virtually all cooperatives in the Basque region, is an important financial and industrial entity, in economic and social terms, both for the Basque country and Spain as a whole.

The law on cooperatives in the Basque country came into force in 1982. Legislation was possible at local level because the Autonomy Act grants autonomous regions exclusive competence in the cooperative sector. The Act is based on international principles of cooperation, the country's own experience with cooperatives and the 1934 Catalan Regional Assembly's law on cooperatives. In addition, it provides for changes to enable Basque cooperatives to fall in line with those in the EC Member States.

3. Size and structure

In 1981, industrial cooperatives employed about 19 000 persons, which amounts to around 5% of the total labour force in the industrial and construction sector of the Basque country, notwithstanding the high level of unemployment in this sector.^[2]

However, the turnover of industrial cooperatives in the same year accounted for 14.4% of the Basque country's industrial GDP, which means that this kind of cooperative is one of the most important in Spain.^[3]

In 1981, the credit accounts of the CLP accounted for 7.9% of the total figures for the Basque country's savings banks as a whole, while debit accounts represented 11%.^[4]

Eroski, the consumer cooperative, had a turnover of PTA 22 870 million in 1983, 123 389 members, 84 sales points (including a number of supermarkets), and 1 078 staffs. These figures make it the largest cooperative in Spain in this sector.

The structure of the cooperative movement, as laid down under current legislation, is very flexible. Free association of cooperatives is guaranteed, either by sector or region. The only rule is if a cooperative organization wishes to adopt a particular activity or a specific region, it has to include the majority of the cooperatives in the sector or region concerned.

¹ Approximate figure.

In practice, industrial cooperatives are structured according to *a)* the nature of their activities and to *b)* their geographical location. This creates a greater feeling of solidarity and also improves manpower mobility within groups. The result is that any short-term labour surplus in particular businesses can be absorbed by the others.

The cooperatives of the Basque country are all coordinated, advised, assisted and financially supervised by the Mondragon CLP. A small group of cooperatives which does not belong to the CLP are members of the Association of Basque Worker Societies (ASLE).

The Ministry for Labour is responsible for supervising the implementation of laws on cooperatives. Cooperatives and related organizations are represented and promoted by the High Cooperative Council, which comprises representatives of the cooperatives and the Basque Government.^[3] Its main functions are:

- to disseminate information on the principles of the cooperative movement;
- to draft reports on draft laws relating to cooperatives;
- to organize services of use to cooperatives;
- to mediate in disputes between cooperatives and their members;
- in general to put forward suggestions which could be of use to cooperatives.

4. References

[1] People's Labour Fund, Report, 1982, pp. 40, 54, 70.

[2] People's Labour Fund, *Economia Vasca*, 1981, pp. 357 to 363.

[3] Op. cit. in [2], pp. 30, 44 and 90. The estimated % is based on the Basque industrial GDP, which amounted to PTA 577 080 million a turnover of industrial cooperatives amounting to PTA 83 400 million. The industrial sector accounts for about 46% of the Basque country's GDP.

[4] *CLP, Report 1982*, p. 26 and op. cit. in [2], p. 316.

[5] Law on cooperatives in the Basque country, Article 70. As regards the number of participants and the proportion of representatives from the two sectors and the administrative bodies, the law refers back to the general rules for cooperatives on the assumption that the rules are to be drawn up on the basis of consultations between the cooperatives and the government.

Euskadi — Basque Country People's Labour Fund (CLP) and the Mondragon Cooperatives

<i>Chairman:</i>	ALFONSO GORRÓNAGOITIA GONZALEZ
<i>Vice-Chairman:</i>	JESUS MAIZTEGUI GOITIA
<i>Secretary:</i>	INAKI MALLAGARAY CORTAZAR
<i>Director-General:</i>	JOSÉ M. ORMAECHEA URIBEECHEVARRIA
<i>Deputy Director-General:</i>	JAVIER ERDOCIA LANDA
<i>Address:</i>	Paseo José Maria Arizmendiarieta, s/n Mondragon (Guipuzcoa)
<i>Tel.:</i>	(43) 79 10 44

I. ORGANIZATION

1. Date of formation

The Caja Laboral Popular (People's Labour Fund) (CLP) was established in 1959, although the first cooperative in the group (Ulgor) was set up as early as 1956.^[1] José Marie Arizmendi-Arrieta, a Catholic priest, played an important role in setting up the early cooperative groups which were to lead to the establishment and expansion of the Mondragon cooperative movement and the CLP.

2. Size and structure

The CLP plays a key role in the cooperative system.

By 31 December 1983, a total of 167 cooperatives has joined the group, representing the following sectors: manufacturing (89), food (8), consumers (1), education (44), housing (14), services (7), in addition to four community centres^[2].

Exports and investments of manufacturing cooperatives totalled PTA 20 954 and 4 255 million respectively in 1982.^[3]

The 1982 sales figure for all manufacturing cooperatives was PTA 94 484 million. These cooperatives also provided 18 788 jobs.^[4]

According to the 1983 figures for the consumer cooperative (Eroski), sales totalled PTA 22 876 million; it had total assets of PTA 63 000 million and a membership of 123 389.^[5]

At the end of 1983, PTA 97 900 million was deposited with the CLP, 15.4% in current accounts, 31.5% in sight savings accounts and 53.1% in fixed term savings accounts. The total number of accounts in 1983 was 566 338.^[6]

1983 investments were worth PTA 52 650 million, 34.2% consisting of bills of exchange and 55.8% of loans.^[7] On 31 December 1983, after distribution of net surpluses, total assets stood at PTA 148 790 million. The CLP has 132 branches in the Basque provinces, and another has recently opened in Madrid. These form the basic CLP infrastructure.^[8]

In 1979, CLP savings accounts represented approximately 10% of all savings deposited in Basque banks.^[9]

The working structure of the CLP and its affiliated cooperatives is governed by the Law on cooperatives, the rules and the membership contracts signed by cooperatives who join the CLP. Under these contracts, observance of the following is legally binding: the CLP rules, decisions taken by the CLP's general assembly, the financial conditions governing initial capital and guarantees by the cooperatives, participation in CLP's operations, financial cooperation and mutual assistance amongst cooperatives with respect to production and other programmes: cooperatives are also required to pledge their support for the principles of cooperation and the rules on trading.^[10]

Individual cooperatives have their own separate legal status, and their basic structure comprises a General Assembly, a Board of Directors and a Board of Auditors.

The Board of Directors is assisted by the social council and the management council. It is responsible for the overall management of the commercial, production, financial and personnel directorates. Each cooperative is run according to its own constitution and current legislation, under the 'one man, one vote' principle.

There is a powerful tendency amongst cooperatives to join forces. In 1965, the Ularco association was set up around the Ulgor cooperative, and today it consists of eleven manufacturing cooperatives. It is an independent body, situated mid-way between the CLP and the grass-roots cooperatives. It is primarily concerned with standardizing working conditions, capital flows, distributing aid, and granting licences and 'turn-key' factory contracts.

These cooperatives have a policy of mutual support with regard to financial matters and movement of personnel. The Halzari and Urola associations have been set up in other sectors and regions. The Larko, Goilan, Orbide, Indarko, Debako, Naeko, Nerbion, Urkoa and Urkide associations (the so-called 'social groups') have also been established, with the aim of implementing a common social policy and providing certain uniform services.

Sectors and regions tend to form associations as a means of enhancing market competitiveness; it should be pointed out that Spain's forthcoming membership of the European Community is one of the main causes of concern of these cooperatives.^[11]

3. Administrative bodies

The CLP's decision-making and management bodies consist of:

- the General Assembly,
- the Board of Directors,
- the General Directorate,
- the Board of Auditors.

The CLP is basically organized along the lines of a cooperative, though there are a number of substantial differences in view of its size and scope.^[12] In addition to decision-making and management bodies, the CLP provides consultative, information, monitoring and executive services.

The General Assembly is the supreme decision-making body, serving as the 'mouthpiece' of the members.^[13] There is one annual session, and special sessions may be convened either at the request of the Board of Directors or on notice by at least one-third of the members of the Assembly. Its main tasks are to appoint the Board and to approve the balance sheets, annual accounts and provisional budget.^[14]

The Assembly is composed of delegates from the affiliated cooperatives and CLP representatives.^[15] Delegates are appointed according to the main area of activity and size of membership of their cooperative.

The Board of Directors is composed of members of affiliated cooperatives who are elected by the General Assembly. It is the management body and representative body of the cooperative association. A Chairman (who also presides over the Assembly), Vice-Chairman and Secretary are elected from amongst the members. Two-thirds of its members are representatives of affiliated cooperatives and one-third are members of staff of the CLP. Its main tasks are: to designate the Director-General (manager); to supervise overall administration; to process applications for membership; to deal with proposals for financial assistance; to conduct external administrative relations.

The General Directorate (manager) is the organization's executive body. The Director-General is appointed by the Board. The tasks of the General Directorate are also delegated by the Board. Its role is primarily administrative. The forward plans drawn up by the General Directorate cover all the areas of cooperative activity: commerce, purchasing, manufacturing and all financial aspects (investment, evaluation, trading accounts, treasury and staff).

Alongside the General Directorate is the *Management Board*, composed of the managing director and heads of divisions and departments. The Management Board monitors budget trends, deals with major issues and coordinates the activities of the various management bodies. *The Social Council*, on the other hand, is a works or establishment committee representing members of the cooperative in their capacity as workers. It deals with all matters relating to personnel: administration, social funds, working conditions, wages and holidays etc. It also relays information between staff and management.^[16]

The Board of Auditors has a two-fold function: on the one hand it governs the management of the enterprise, in accordance with the existing laws and fiscal regulations, and on the other hand it supplies information when requested by the General Assembly or other management bodies.

The CLP also contains a Financial Division and a Business Division, each with centralized services and departments in the General Directorate. They cover banking, financial and production operations, a combination peculiar to the CLP.

4. Decision-making procedure

Decisions are taken by a simple majority, except in special cases where a qualified majority is required (a two-thirds majority is needed to wind-up the organization, for instance). Each member of the decision-making bodies has one vote.^[17]

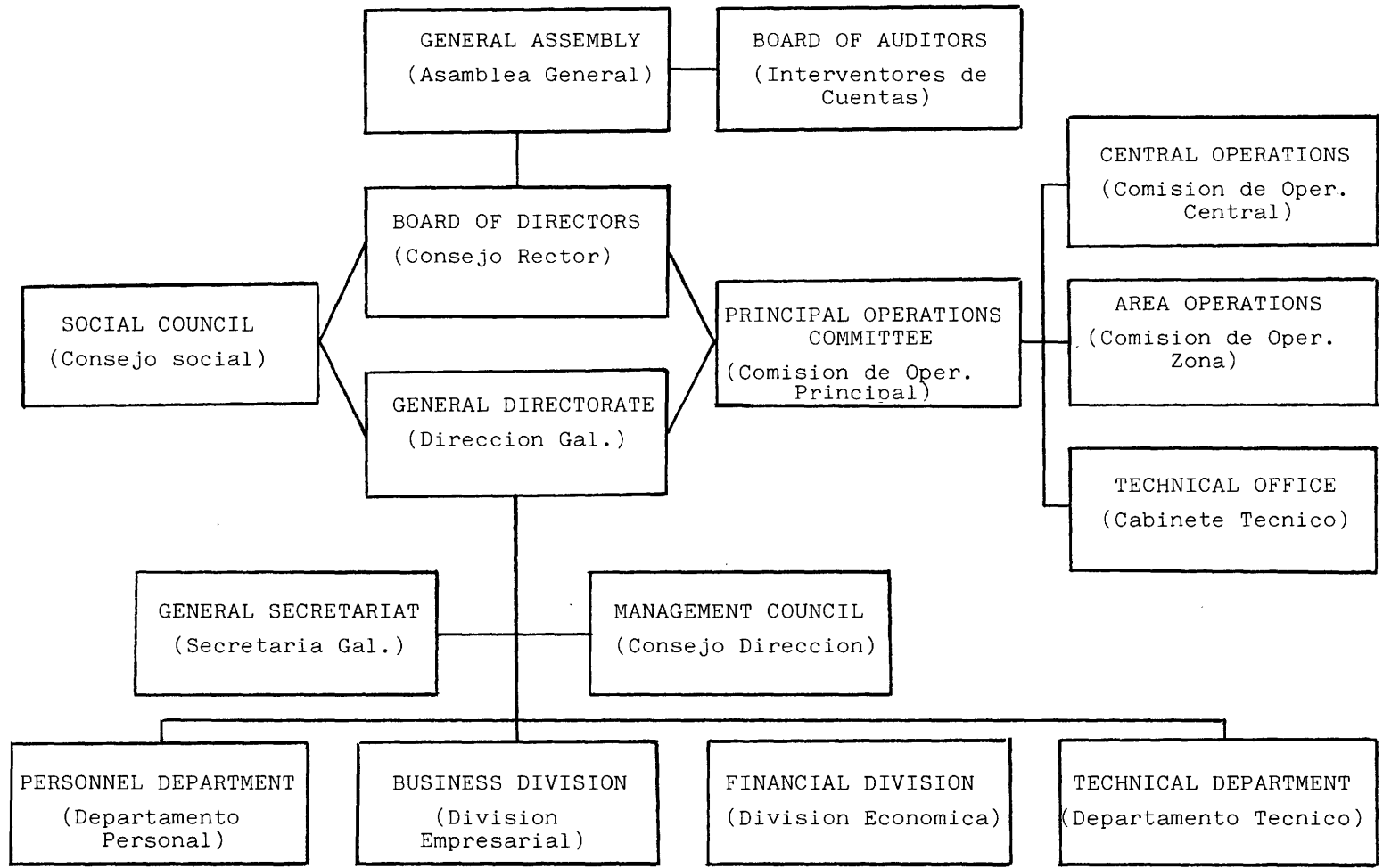
5. Secretariat and staffing

The staff of the CLP and its affiliated cooperatives have the dual status of worker/employee and cooperative member. CLP staff take part in the work of the General Assembly, the Management Committee and the Social Councils. The salaries scale has a range of 3:1 between the extremes.^[18]

6. Budget size and contribution arrangements

The 1983 budget totalled PTA 3 620 million.^[19] The main budget resources are:

- interest,
- payment for services,
- net profits (selling of assets), and
- various other sources of income.



Interest provided about 93% of the 1982 budget. [20]

Working capital consists of deposits placed in the CLP as a savings bank, contributions from cooperatives, voluntary contributions by members, State aid for job creation, payment for services, general banking operations and assistance from cooperatives as laid down in the membership contract. [21]

II. AIMS AND PRIORITY POLICIES

The general objectives of the cooperative group and the CLP are in line with the basic principles of the international cooperative movement.

The economic objectives can be seen in the common desire to further the development of the industrial, agricultural and services sectors of the region; the social objectives focus on the promotion of a type of association where the free market economy is replaced by a more balanced relationship between the factors of production; the cultural aims are to expand and strengthen the Basque culture at the same time as developing scientific and technological research. [22]

Priority policies centre on industrial production. There is however, a strong drive to develop activities in other complementary sectors: consumer policy, housing, education, agriculture and services. The CLP's main aims are therefore to build up regional savings and to distribute credit amongst the sectors referred to.

III. ACTIVITIES

Each cooperative or association of cooperatives develops its activities according to its sector. The activities of the CLP, which plays such a vital role for every sector, are described below:

1. Specific activities

A peculiarity of the Mondragon group of cooperatives is the existence of a bank assigned for the exclusive and obligatory use of member cooperatives. The CLP not only operates this integrated banking service, but also provides a savings bank service, with branches throughout virtually the entire Basque country. The CLP constitution and the contracts signed stipulate that the CLP is to intervene directly in the running of the cooperatives in the group, acting as a sort of central directorate. [23]

2. Economic activities — enterprise and services

The economic services of the CLP, as a bank and savings bank, comprise seven departments responsible for collecting savings, granting loans and endorsing bills, relations with external markets, publicity, central accounts management, purchase and sale of assets, management of investment securities and accounts between banks, inspection of and assistance to branches, staff training etc.

The Business Division provides advisory, promotion and production services. The *advisory service* covers the accounting and financial aspects of the day-to-day running of cooperatives, general legal questions and administrative back-up. The exports department is responsible for organizing exports from certain cooperatives and promoting exports from the manufacturing cooperatives linked to the CLP. The *promotion service* helps to set up new cooperatives by developing new techniques, carrying out economic and social studies and researching potential export markets. The *production service* advises cooperatives on technical, infrastructure and financial questions.

The Operations Committee advises the CLP on operations with affiliated cooperatives. [24]

3. Social and cultural activities

The constitution provides explicitly for social activities. [25] At least 10% of net surpluses is to be paid into the Education and Social Fund. Activities include promotion of the Basque language (through grants to various teaching establishments) and assistance to study centres, cultural and information centres and advisory bodies. A total of PTA 137 million was distributed by the Social Fund in 1983. [26]

On the education front, the CLP is actively involved in running three university faculties, polytechnics, vocational training and language centres, the Ikastolas (schools where teaching is given in the Basque language) and the Ikerlan Research Centre. Students at these institutions number approximately 30 000.

An additional social service provided covers medical and social security matters; originally set up by the CLP, it is now run by the Lagun-ARO, a social security cooperative. This replaces the State social security system, as under Spanish law members of cooperatives are considered as self-employed. About 45 000 people belong to the Lagun-ARO scheme.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The CLP does not take part in the work of any economic and social advisory bodies at national level.^[27] However, in February 1982 the Basque Parliament, which by virtue of its autonomous status has exclusive control over cooperatives, passed a law establishing a High Council for the Cooperatives of the Basque Country.^[28] The Mondragon group of cooperatives linked to the CLP, would obviously play a key role in the Council's decision-making procedure, as virtually every cooperative in the region belongs to the group.^[29]

V. LINKS WITH SOCIO-ECONOMIC ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The CLP is not a member of any organization.^[30] Nevertheless, informal contacts exist with COOP France, the Raiffeisenverband in the Federal Republic of Germany and the Lega Nazionale delle Cooperative e Mutue in Italy.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The CLP does not belong to any organization, but does have contacts with the ICA and the OCA (Organization of Cooperatives of America).

VII. INTERNAL COHESION

The originality of the Mondragon group lies in its common principles and the desire to expand its activities, which have received national and international acclaim. From an organizational point of view, the CLP's roles as coordinator, consultant and monitor constitute in itself an element of cohesion.

VIII. PUBLICATIONS

TU Review (Labour and Union), monthly.

Annual Report.

Catalogue (1979), edited every four years.

Studies:

The Basque Economy and the Common Market,

The Basque Economy (annual report),

The Restructuring of the Basque Economy (report produced by Norconsult AS, Hewik, Norway 1979).

IX. SOURCES

1979 Catalogue.

WORKERS-OWNERS: *The Mondragon Achievement*, Ed. Expedite Graphic Ltd., London. See also XI. References.

X. INTERVIEWS

No interviews were held.

XI. REFERENCES

[1] Answer to the questionnaire sent out by the General Secretariat (Studies and Research Division) of the Economic and Social Committee.

[2] CLP, 1983 Report, pp. 84 to 87.

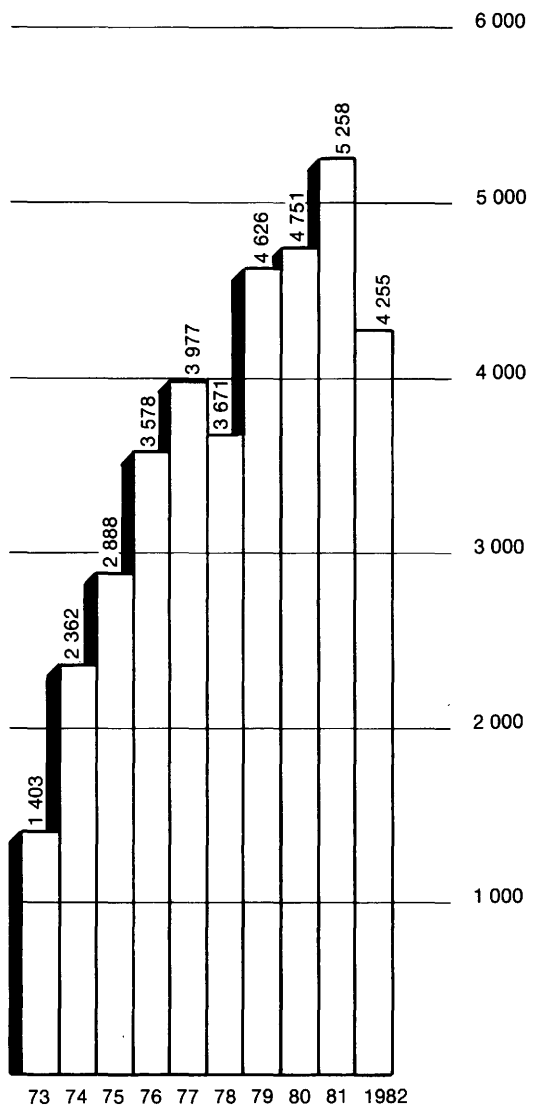
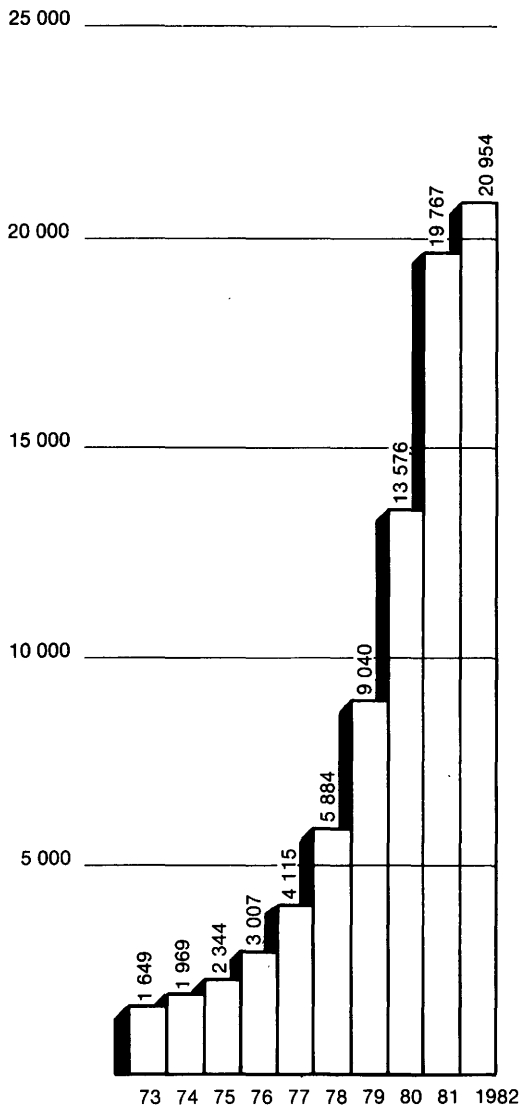
[3] CLP 1982 Report, pp. 64 and 65, see Appendix I, and op. cit. note 2, p. 69.

- [4] Op. cit. note 3, p. 55, see Appendix II, and op. cit. note 2, p. 68.
- [5] Op. cit. note 3, p. 70 and Froski, Cooperative Association 1983 Report, pp. 23 and 31.
- [6] Op. cit. note 2, p. 14, see Appendix III for year 1982.
- [7] Op. cit. note 2, p. 16, see Appendix IV for year 1982.
- [8] Op. cit. note 2, pp. 46 and 20.
- [9] Pierre Servey, 'Les coopératives de Mondragon', ed. Interprofessions service, Bayonne, p. 148.
- [10] Op. cit. note 9, pp. 44 to 47.
- [11] Op. cit. note 9, pp. 58 to 67.
- [12] See organigram.
- [13] CLP, Constitution, Art. 30.
- [14] Op. cit. note 13, Art. 32.
- [15] Op. cit. note 1, and op. cit. note 13, Art. 30.
- [16] Op. cit. note 13, Arts. 41 to 50 and op. cit. note 1.
- [17] Op. cit. note 13, Art. 38.
- [18] Op. cit. note 9, p. 22.
- [19] Op. cit. note 2, p. 32.
- [20] Op. cit. note 2, p. 33.
- [21] Op. cit. note 9, pp. 39 to 44.
- [22] (a) Op. cit. note 13, Art. 2, and
(b) 1982 Law on the cooperatives of the Basque country Explanatory Statement.
- [23] Op. cit. note 9, p. 34.
- [24] Op. cit. note 2, describing activities as a whole.
- [25] Op. cit. note 13, Art. 64.
- [26] Op. cit. note 2, pp. 22 and 34.
- [27] Op. cit. note 1.
- [28] Op. cit. 22 (b), Art. 70.
- [29] *Official Bulletin of the Basque Country* No 33, of 10 March 1982, p. 402.
- [30] Op. cit. note 1.

APPENDIX I

EXPORTS (millions of pesetas)

INVESTMENTS (millions of pesetas)

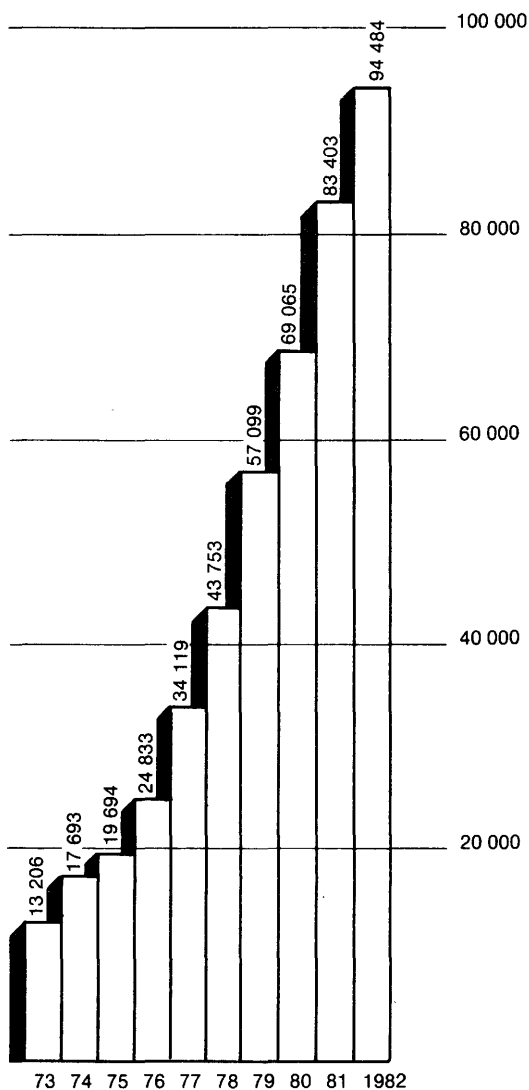
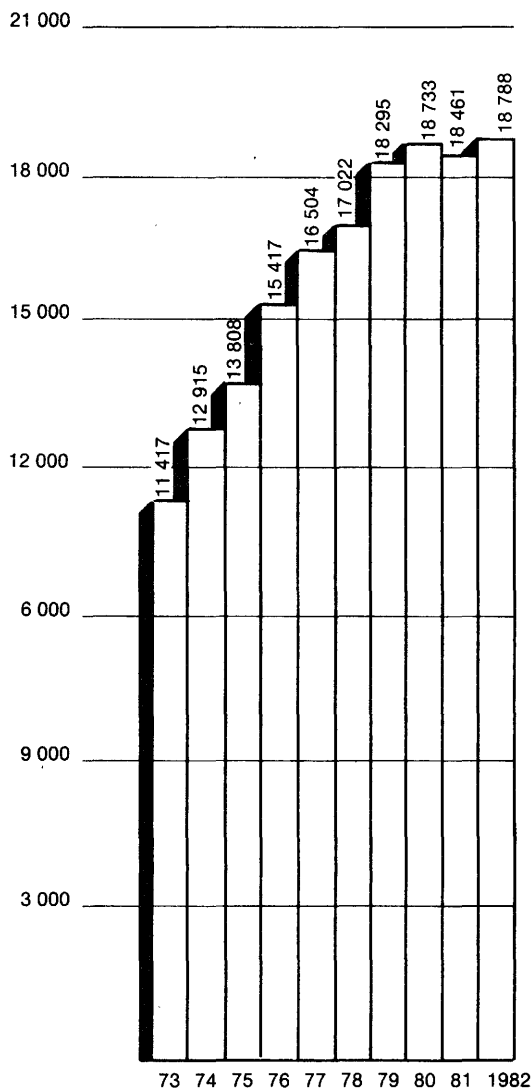


Source: Caja Laboral Popular.

APPENDIX II

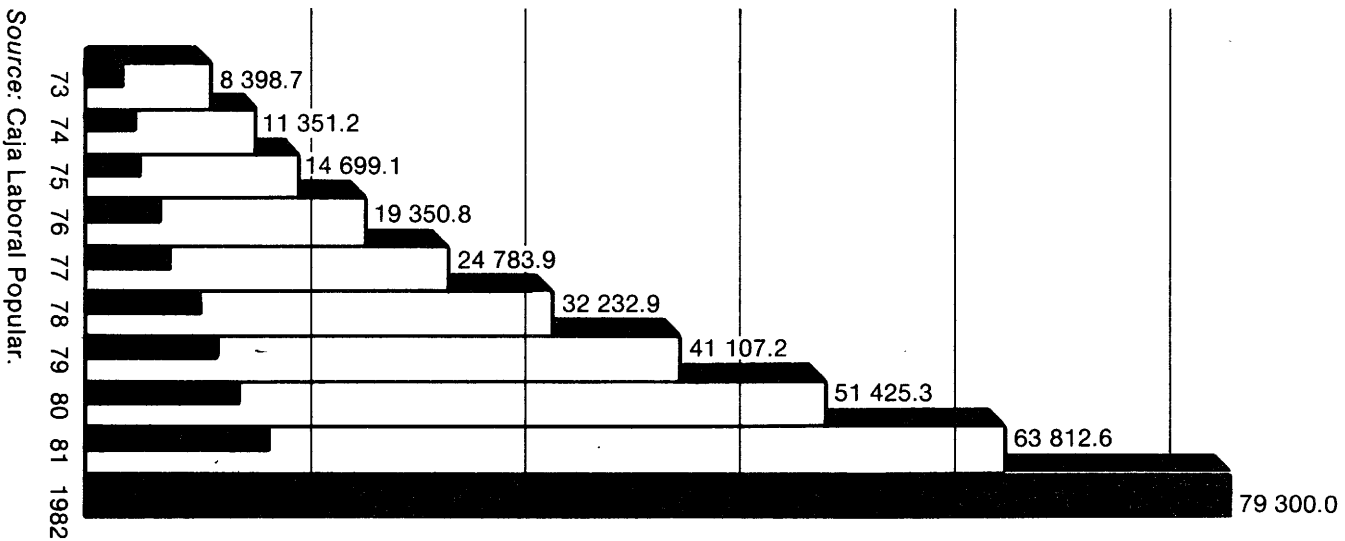
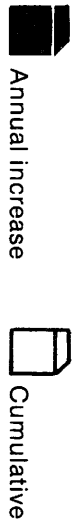
EMPLOYEES

SALES (millions of pesetas)



Source: Caja Laboral Popular.

ANNEX III

EVOLUTION OF RESSOURCES
(in millions of pesetas)

Source: Caja Laboral Popular.

	1981		1982		Growth	
	Absolute	%	Absolute	%	Absolute	%
Current account	8 362.3	13.1%	11 680.1	14.7%	3 317.8	39.7
Savings (sight)	23 705.3	37.1%	26 889.1	33.9%	3 183.8	13.4
Savings (term)	31 745.-	49.8%	40 730.8	51.4%	8 985.8	28.3
TOTAL:	63 812.6	100.-%	79 300.-	100.-%	15 487.4	24.3

Resources: in PTA millions

ANNEX IV

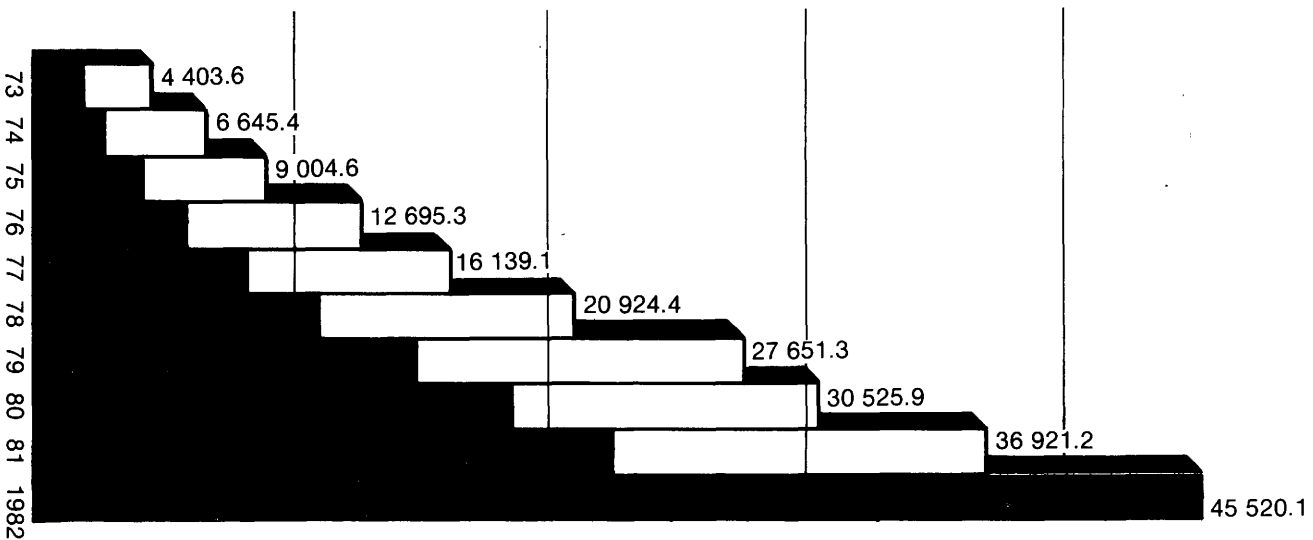
GROWTH OF INVESTMENTS
(in millions of pesetas)

Credit



Holdings

Investments: in PTA millions



	balance on 31.12.81	balance on 31.12.82	Growth	
			absolute	%
Bills of exchange	14 412.6	17 180.5	2 767.9	19.2
Loans	22 508.6	28 339.6	5 831.-	25.9
TOTAL:	36 921.2	45 520.1	8 598.9	23.3

C. *The mutual benefit sector*

The mutual benefit sector (Introduction)

1. Basic data

Mutual provident societies (1981)

Number of member organizations:	1 200
Number of beneficiaries:	5 million
Total premium income:	PTA 65 000 million

Employers' mutual industrial accident insurance funds (1982)

Number of member organizations:	168
Number of members:	700 000
Number of beneficiaries:	4 810 532
Number of employees:	8 827
Total premium income:	PTA 98 144 million
% of premiums for entire sector:	63.8%

Mutual insurance companies (1981)

Number of member organizations:	145
Number of beneficiaries:	5 million
Number of employees:	5 050
Total premium income:	PTA 51 233 million
% of premiums for entire sector:	16%
Number of policies:	8.3 million

2. Brief historical outline

The religious brotherhoods of the 12th century, the 'Brotherhood Aid Fund' and the 'Assistance funds' known as 'Montepios', of the 15th and 18th centuries respectively, were the earliest precursors of today's mutual provident societies and industrial accident insurance funds.

In terms of legislation, the mutual provident societies are subject to the law of 6 December 1941. The industrial accident insurance funds are covered by the general law on social security of 30 May 1974.

The first mutual general insurance companies did not appear until the mid-nineteenth century. They aimed to pool the risks arising from commercial activities. The law of 19 October 1969 was the first legal instrument officially recognizing and protecting this particular kind of company. At present, the mutual insurance companies are subject to the insurance company law of 16 December 1954. A new Bill has been in the discussion stage in the Cortes since early 1983. The Bill provides for important amendments, the management of mutual insurance companies, as well as mutual organizations in general.

At this moment the Spanish mutual movement is going through a restructuring process. This involves:

- (a) the adaptation of the structures and ideas underlying the mutual movement to the requirements of the modern economy and,
- (b) the creation of better conditions for the integration of the mutual system into the European Community.

3. Size and structure

The 168 employers' industrial accidents funds are involved in the management of the social security system; they collect 63% of the total premiums for risks arising from accidents at work and occupational diseases: 4 800 532 employees benefit from their services.

The 1 200 mutual provident societies complement the State social security system. They have five million members. They are mainly concerned with sickness benefits, maternity and family benefits and old age benefits.

The 145 mutual general insurance companies collect 17% of total premiums in the sector. They have five million members. They are particularly active in life assurance, motor vehicle and fire insurance.

The mutual sector plays a significant role in the Spanish economy. The employers' industrial and accident insurance funds are very dynamic.

In terms of structure, the mutual movement is organized around the specific branch activities mentioned above. The mutual provident societies are organized within the seven federations of the National Confederation of Mutual Provident Organizations. The employers' industrial accidents insurance funds are organized into two national organizations: some are affiliated to the Confederation and the federations mentioned above and others belong to the Mutual Association for Insurance against Accidents at Work within Unespa (Spanish Union of Insurance, Reinsurance and Investment Companies).

This dual membership springs from the fact that affiliation to the National Confederation of Mutual Provident Organizations is compulsory while the membership of the Association is voluntary.

The mutual general insurance companies are organized within the National Group of Mutual Insurance Companies attached to Unespa. They belong to the five territorial federations of Unespa.

The Ministries for Labour and Finances are responsible for supervising the running of the mutual organizations. The Ministry of Labour grants recognition and ensures that mutual provident societies and industrial accident insurance companies observe the law. The Finance Ministry supervises the mutual general insurance companies.

National Confederation of Mutual Provident Societies (Confederacion Nacional de Entidades de Prevision Social)

<i>Chairman:</i>	LUIS ALVAREZ ALVAREZ
<i>General Secretary:</i>	ENRIQUE VALENZUELA DE QUINTA
<i>Address:</i>	Padilla, 19 Madrid
<i>Tel.:</i>	431 55 95

ORGANIZATION

1. Date of formation

The National Confederation of Mutual Provident Societies (the Confederation) was founded on 8 July 1947. [1]

2. Size and structure

The Confederation embraces mutual provident societies from the social welfare sector, i.e. the sector which either complements the State social welfare scheme or cooperates in the management of that scheme. Hence it links the mutual provident societies and the employers' industrial accident insurance funds. Affiliation to the Confederation is obligatory for the mutual provident societies.

The basic provincial structure of the Confederation comprises the territorial federations of which there are seven. These federations embrace around 1 200 mutual provident societies and five million

members benefit from their services. The 168 employers' industrial accident funds cover 700 000 enterprises and 4.8 million employees.

Up until 1977, the Confederation was the only national organization in the mutual sector and so its influence was considerable. However, since that date the employers' industrial accident funds have been affiliated to Unespa, and the Confederation's influence in this sector has diminished considerably.^[2]

3. Administrative bodies

The Confederation has three administrative bodies:^[3]

the General Assembly,

the management committee (Junta de gobierno) and

the Presidency.

The general assembly is the Confederation's supreme decision-making and representative body. It is made up of the chairmen of the seven federations, one representative from the Ministry of Labour and representatives elected by each federation on a proportional basis (defined by the Rules of Procedure). In 1983, the assembly had 50 members. Its main functions are to:

elect the chairman, the two vice-chairmen and the members of the management committee;

adopt the annual financial report and the annual accounts;

fix the membership fees for the member organizations.

The management committee comprises one representative from each federation (the chairman), one representative from the Ministry of Labour and 13 members who are elected on a proportional basis by the general assembly to represent the different kinds of affiliated mutual provident societies. The main functions of the management committee are laid down by the general assembly. They include:

preparing the annual report and the annual accounts;

authorizing contracts and other legal instruments where the responsibility of the organization is involved;

deciding on all staff-related matters;

issuing opinions or proposals either on its own initiative or at the request of the Ministry of Labour, on all aspects of social security and mutual benefit activities.

The Chairman, elected by the General Assembly from the members of the management committee represents the Confederation in dealings with the government and with all public and private bodies. His main responsibilities are:

to convene the General Assembly and the management committee and to implement decisions taken by these bodies;

to monitor the administrative and technical operations of the organization.

4. Decision-making procedure

Decisions are taken by a simple majority.^[4]

5. Secretariat and staffing

The general secretary, appointed by the management committee, is responsible for administrative and technical operations. He reports to the chairman. The Confederation employs 17 people: six technical staff, seven administrators and four unskilled staff.^[5]

6. Budget size and contribution arrangements

In 1984, the budget amounted to PTA 70 million.^[6]

The budget stems from the membership fees of the affiliated organizations. The level is fixed by the general assembly. It is geared to each organization's resources and has to be approved by the General Directorate for Social Security.

II. AIMS AND PRIORITY POLICIES

The aims of the Confederation are to:[⁷]

represent the mutual provident societies;

ensure that the federations and all affiliated organizations observe the current legal, administrative, financial and accounting regulations;

promote the establishment of mutual provident societies and encourage solidarity amongst organizations in the mutual sector;

advise affiliated organizations in all areas related to their objectives;

propose to the Ministry of Labour the adoption of legal and administrative regulations calculated to improve the social security scheme and, in general, brief the General Directorate for Social Security on any matter concerning the social welfare scheme.

III. ACTIVITIES

The Confederation:[⁸]

provides technical services for the affiliated organizations (mainly legal, accounting, financial and statistical services);

compiles reports and publications on all aspects of social welfare;

provides the Ministry of Labour with statistics on the management of the mutual provident funds;

organizes seminars and conferences on social security.

In 1983, the Confederation:[⁹]

organized the 'European days on the mutual movement and social security';

hosted the first meeting in Madrid of the Management Committee of the International Association for Mutual Assistance;

published the financial reports of the Employers' Industrial Accident Funds and the mutual provident societies;

submitted critical comments on the draft law on insurance. The Confederation opposed the inclusion of the mutual provident funds in the proposed new insurance scheme. These comments were entitled 'Critical analysis of the repercussions of the Bill on private insurance on the socio-economic situation of mutual provident societies in Spain';

compiled a 'Critical analysis of the draft ministerial decree on the running of employers' mutual provident societies' in response to a request for an opinion from the Ministry of Labour.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The Confederation has direct links with the Ministry for Labour through the General Directorate for social security. It has consultative status *vis-à-vis* this Ministry.[¹⁰]

V. LINKS WITH ORGANIZATIONS AND ENTERPRISES IN THE EUROPEAN COMMUNITY

None.[¹¹]

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

The Confederation is a member of the International Association for Social Security and the International Association for Mutual Assistance. It maintains permanent contact with the Ibero-American Organization for Social Security.[¹²]

VII. PUBLICATIONS

The Confederation published the quarterly 'Cuadernos de mutualismo social' and reports on specific social security problems. In 1983, it published 'A new social security scheme against the background of the Constitution and International Treaties'. [¹³]

VIII. SOURCES

Law on mutual provident societies (6 December 1947).

General Law on Social Security (1974).

The Mutual Benefit Movement. A report compiled by the National Confederation of Mutual Provident Societies (1980).

IX. REFERENCES

[¹] Reply to ESC questionnaire, p. 1.

[²] Op cit. note 1, p. 2.

[³] Rules of Procedure, Art. 56-10.

[⁴] Op cit. note 3, Art. 12.

[⁵] (a) Op cit. note 1; and

(b) Confederation, report 1983, p. 95.

[⁶] Op cit. note 1, p. 1.

[⁷] Op cit. note 3, Art. 3.

[⁸] Op cit. note 1, p. 2.

[⁹] Op cit. note 5b), pp. 22, 27, 38, 73 and 96 to 100.

[¹⁰] Op cit. note 1, p. 2.

[¹¹] Op cit. note 1, p. 2.

[¹²] Op cit. note 1, p. 2 and op. cit. note 54, p. 89.

[¹³] Op cit. note 1, p. 2.

National Association of Employers' Mutual Industrial Accident Insurance Companies (Agrupacion Nacional de Mutuas Patronales de Accidentes del Trabajo) (Amupa)

Chairman:

MATIAS SALVA BENNASAR

Secretary General:

JOSÉ MANUEL ELOSEGUI ALDEA

Address:

Nuñez de Balboa, 101
Madrid 6

Tel.:

262 47 30

I. ORGANIZATION

1. Date of formation

Amupa was founded in 1980 as the result of a merger between the national Association set up in 1977 within the Spanish Union of Insurance, Reinsurance and Investment Companies (Unespa) and the National Association of Mutual Industrial Accident Insurance Companies (Agrumat) which was also set up in 1977 but independently of Unespa.^[1]

2. Size and structure of the organization

Law 19 on the freedom to form associations which was adopted on 1 April 1977 enabled Amupa to become the most representative organization in its sector. With its 150 affiliated mutual companies, Amupa in fact embraces virtually all the mutual industrial accident insurance funds.

Amupa is one of Unespa's national associations. It has its own management bodies which oversee at national level the activities and specific interests of mutual industrial accident insurance funds. At the

provincial level, these mutual companies are affiliated to the five territorial unions which were set up by Unespa.^[2]

3. Administrative bodies

The administrative and management bodies are:^[3]

the General Assembly;

the Management Committee ('Junta Directiva') and

the Presidency.

The General Assembly includes representatives from all the affiliated mutual companies; each company has one delegate. Its main functions are:

to elect the chairman and vice-chairmen of the Management Committee and also an advisory body for this committee (maximum of 15);

to monitor the work of the Management Committee;

to approve the annual report, the normal and special budgets and the annual accounts.

The Management Committee is made up of the chairman, the vice-chairmen and twenty ordinary members, 15 of whom are elected by the general assembly and five appointed by the territorial unions of Unespa. Its functions cover all aspects of the management of the organization:

drawing up the annual report, the budget and the financial report before these are submitted to the general assembly;

setting up *ad hoc* committees for specific activities or reports;

mediating in any disputes between the mutual-benefit societies;

supervising the running of administrative and technical services.^[4]

The Presidency comprises the chairman and as many vice-chairmen as the assembly chooses to appoint. Their main functions are:

to convene and preside over management bodies;

to supervise the implementation of decisions taken by the assembly and the Management Committee;

to represent the Association *vis-à-vis* third parties (Government, etc.);

to submit the Annual Report to the Assembly.

The vice-chairmen advise the chairman in the exercise of his functions.

4. Decision-making procedure

Decisions are taken by a simple majority.^[5]

5. Secretariat and staffing

Amupa employs two people: the administrator (manager) and an administrative officer. It is also entitled to make use of common services (administrative and other) which Unespa provides for all affiliated organizations.

6. Budget size and contribution arrangements

The 1984 budget amounts to PTA 30 million. Half this budget is set aside for financing the direct costs of Amupa, and the other half is used to finance the common services of Unespa.^[6]

The resources came from the membership fees of the affiliated mutual companies. These fees are geared to their premium income.

II. AIMS AND PRIORITY POLICIES

In its capacity as a member of Unespa, Amupa promotes the participation of private initiative in the economic system in general and in social security in particular.

The aims of the association are to:^[7]

promote cooperation and solidarity between mutual organizations;

organize technical services of common interest with a view to advising and providing practical aid to the affiliated mutual organizations;

represent and defend the interests of employers' mutual associations in all areas;

promote research and staff-training with the aim of improving methods and techniques in the management of mutual enterprises;

maintain permanent contact with the Government and to suggest measures which would further improve the social security system;

check that the mutual funds observe both current legislation and the decisions taken by the Association;

establish and develop, under the aegis of Unespa, contacts with international organizations in the mutual sector.

III. ACTIVITIES

The activities fall into four main areas:

relations with the affiliated mutual organizations;

relations with the government and other organizations;

training of staff and managers;

drafting reports, undertaking research and providing aid (advice).

In 1982, principal activities were: [8]

drafting studies and reports such as: the book on 'El mutualismo patronal en España' (The employers' mutual movement in Spain), the report on 'Intervencion — auditoria de las mutuas patronales de accidentes de trabajo' (Involvement of employers' industrial accident insurance funds), the document on the Rules of Procedure for the employers' mutual companies and the report on social security which was compiled in conjunction with the National Confederation of Mutual Provident Societies;

approaches made to the General Directorate for Social Security and the Treasury, for the purpose of facilitating the settlement of debts which some mutual companies had incurred with the Treasury;

submitting the report on social security to the tripartite committee of the Ministry of Labour;

setting up a coordinating committee with the national confederation of national insurance organizations;

organizing several seminars and day workshops on social security and on the mutual industrial accident insurance companies.

Amupa maintains permanent contact with its member organizations via working committees and by issuing circulars or information bulletins on topical subjects.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

Amupa has no legal personality; it operates under the aegis of Unespa. Nevertheless, it does maintain informal contacts with two general directorates at the Ministry of Labour: the General Secretariat for social security and the General Directorate for social security.

V. LINKS WITH ORGANIZATIONS AND ENTERPRISES IN THE EUROPEAN COMMUNITY

None.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

Amupa has no direct international links. These are taken care of by Unespa.

VII. INTERNAL COHESION

The organization has proved to be very dynamic; it has succeeded in organizing all mutual industrial accident funds on a voluntary basis. [9]

VIII. PUBLICATIONS

The Association has no regular publications of its own. Occasionally it publishes reports and information bulletins. 'The Spanish Employers' mutual movement', published in 1981, is a case in point.

IX. SOURCES

General Law on social security (30 May 1974).

Royal Decree 1509 of 21 May 1976 on the involvement of employers' mutual benefit industrial accident insurance funds in social security management.

X. REFERENCES

[¹] AMUPA: *El mutualismo patronal en España.*, Ed. Unespa (1981), p. 53.

[²] Reply to ESC questionnaire.

[³] AMUPA: Rules of Procedure, Art. 13.

[⁴] Op. cit., Note 3, Arts 14 and 19.

[⁵] Op. cit., Note 3, Art. 23.

[⁶] Op. cit., Note 2 and letter 7 June 1984.

[⁷] Op. cit., Note 1, p. 54.

[⁸] UNESPA: 1982 Annual Report, pp. 105 to 107.

[⁹] Op. cit., Note 1, p. 53.

National Association of Mutual General Insurance Companies (Agrupacion Nacional de Mutuas de Seguros Generales)

Chairman: AUGUSTIN DIAZ QUINTANA

Secretary General: FRANCISCO MORANO SANZ

Address: Nuñez de Balboa, 101
Madrid 6

Tel. 262 47 30

I. ORGANIZATION

1. Date of formation

The National Association of Mutual General Insurance Companies ('the Association') was founded on 27 January 1978.^[1]

2. Size and structure

The Association is the only national organization for the sector in Spain. It is an umbrella organization for 109 mutual organizations, i.e. about 80% of all mutual general insurance companies, and is also one of the national associations of Unespa (Spanish Union of Insurance, Reinsurance and Investment Companies). The member organizations are organized at provincial level within the five territorial unions which make up the provincial side of Unespa. At the level of Unespa's national organization, the Association has its own management bodies which are elected by the mutual general insurance companies.^[2]

3. Administrative bodies

Unespa's rules^[3] give the national groupings autonomy in matters specific to their own interests. The rules provide for administrative bodies and rules of procedure. However, the management bodies of Unespa have reserved the right to intervene in certain cases. The bodies of the Association are:^[4] the General Assembly, and the Management Committee ('junta directiva').

The General Assembly comprises representatives from all member organizations and is responsible for all important organizational problems. In particular, it:

- elects the members of the Management Committee;
- supervises the running of the Committee and
- checks the special budgets.

The Management Committee is made up of 23 members: 18 are elected by the General Assembly and five are appointed by each of the territorial unions of Unespa. The president and the two vice-presidents are elected by the General Assembly. The Committee is responsible for the general running of the Association. Its duties include ratifying the normal budget.

4. Decision-making procedure

Decisions are taken by a simple majority.^[5] At the General Assembly, each organization has one vote plus an additional vote for every PTA 500 million of annual premium income.

5. Secretariat and staffing

There are three people in the secretariat: an administrator, an executive officer and a secretary (unpaid). The administrator manages the Association and is responsible for its day-to-day running.^[6]

6. Budget size and contribution arrangements

In 1984, the budget totalled PTA 6 million.^[7]

These resources are drawn exclusively from the contributions of the member organizations. Contributions are geared to total premium income.^[8]

II. AIMS AND PRIORITY POLICIES

The Association seeks to increase mutual-benefit involvement in general insurance. In this context, the main aims are to:^[9]

- promote the unity of the mutual sector;
- represent and defend the interests of the member organizations;
- participate in the activities of Unespa;
- organize and administer the necessary services for advising the member organizations;
- propose to the Government measures designed to improve the operation of the general insurance system. The Chairman of Unespa delegates certain powers to the Association to this end.

III. ACTIVITIES

The Association was involved in the following activities in 1982:^[10]

- it organized two information days on the 'Merging and Association of Mutual Companies' and the 'New Scheme for Accounts';
- it submitted comments to the Minister for Finance on the increase in taxes on mutual insurance companies;
- it monitored the discussion of the Bill on insurance companies and submitted comments to the attention of the Government and Parliament;
- it published reports on a proposal for 'rules for mutual companies' and on the 'Merging and Association of Mutual Companies';

it issued circulars and published information sheets on subjects of common interest to the mutual general insurance companies.

IV CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The Association acts as a mediator with the Government on the basis of powers delegated by the Chairman of Unespa. It is in permanent contact with the General Directorate for Insurance at the Ministry for Finance.[¹¹]

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

None.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

No international contacts are maintained. There is one indirect link via Unespa with Aisam (Association Internationale des Sociétés d'Assurance Mutuelle).[¹²]

VII. PUBLICATIONS

No regular publications.

VIII. SOURCES

Royal Decree of 2 February 1912 on insurance.

Law of 16 December 1954 on insurance.

Unespa's rules.

UNESPA: *Annual Report 1982*.

IX. REFERENCES

[¹] Answer to ESC questionnaire.

[²] Op. cit. Note 1.

[³] Unespa, rules, Arts. 39-41.

[⁴] Rules of Procedure, Arts. 11-15.

[⁵] Op. cit. note 1.

[⁶] Op. cit. note 1.

[⁷] Letter 21.5.1984.

[⁸] Op. cit. note 1.

[⁹] Op. cit. note 1.

[¹⁰] Unespa '1982 Annual Report', pp. 103 and 104.

[¹¹] Op. cit. note 1.

[¹²] Op. cit. note 1.

Portugal

Chapter I: Introduction and overview

A. OVERVIEW OF ORGANIZATIONS AND ENTERPRISES IN THE PORTUGUESE COOPERATIVE SECTOR

1. Historical background^[1]

(a) Beginnings

The Portuguese Act of 2 July 1867 was the second piece of legislation to recognize cooperatives (the first being the famous UK Industrial and Provident Societies Act of 1852).

Up to the end of the nineteenth century the cooperative movement developed roughly in tandem with the workers' association movement. Though the first ventures were workers' production cooperatives spanning a wide variety of industries, the cooperative movement found real momentum in the consumer movement and the first federation was founded in 1924 — only to disband two years later.

Without the backing of appropriate legislation, workers' production cooperatives failed to gain significant ground during the Republican period (1910-28). In contrast, a wide range of provisions was framed to encourage the formation of farming cooperatives, the most important being the Brito Camacho Act (1911), providing for the setting up of agricultural mutual credit banks.

The number of cooperatives grew throughout the First Republic (1910-28) and even during the 'New State', despite the attempts of the authoritarian Salazar Government (1928-74) to impede their activities.

The Portuguese cooperative movement has therefore experienced many ups and downs since it first started. Some setbacks have been of the kind that occur in any growth process but others are cyclical ones, triggered off by economic, social or political factors: there have been four distinct stages in the movement's development:

from its foundation up to the First Republic (1867-1910);

the First Republic (1910-28);

the 'New State' (1928-74);

from 25 April 1974 onwards.

The First Republic was 'paternalist' and support for cooperatives was sometimes conspicuously lacking. The 'New State' was a period of 'interventionism', distinguished by systematic interference and tight control over the various forms of cooperatives that already existed. The keynote of the period since 21 April 1974 is 'autonomy', since the cooperative concept was finally enshrined in the Constitution.^[2]

(b) Current situation^[3]

There are currently a wide variety of cooperative bodies in Portugal. After the April 1974 revolution the role of this movement — which is deeply rooted in popular tradition and steered by resistance to the previous political system — was acknowledged at the very highest level, namely the constitution of the Republic (1976), which contains ten articles relating to cooperatives.^[4]

The Constitution recognizes the importance and specific contribution of the cooperative movement and confirms the right to set up cooperative societies without prior authorization. It also entitles organizations complying with cooperative principles and consistent with economic planning directives to tax concessions and technical assistance from the State. Elsewhere in the Constitution tribute is paid to these organizations' role in the distribution of consumer goods and management of low cost

housing. The most important Articles are Articles 89 and 90, along with Article 100 concerning the role cooperatives can play in implementing agrarian reform.^[5]

Since 1974 each Government has in turn adopted laws, regulations and administrative provisions implementing the cooperative principles of the Portuguese Constitution:

the 1980 Act approving the Portuguese cooperative code;

the 1980 Act setting out the tax rules applicable to cooperatives;

the 1981 Acts regulating craft and consumer cooperatives;

the 1981 Acts regulating workers' production cooperatives and educational, marketing and fishery cooperatives;

the 1981 Act regulating cultural cooperatives;

the 1982 Act regulating low-cost housing cooperatives;

the 1982 Act regulating farming cooperatives.

In addition, two special bodies were set up under the Act of 2 September 1976: (a) a board responsible for helping cooperatives to obtain 'soft' loans and (b) a Centre for Advanced Cooperative Studies, whose task it is to organize degree and post-graduate courses in conjunction with institutes active in this field in other countries.

(c) Legal basis

The basic legislation, laying down general rules for the entire cooperative sector, is the Cooperative Code, approved by Decree 454/80 of 9 October 1980 and amended by Decree 238/81 of 10 August 1981. This Code supersedes the extensive web of provisions that have accumulated since 1867.

Article 2 of the Portuguese Cooperative Code defines cooperative societies as follows:

'Cooperatives are freely appointed legal entities, of variable capital and composition, set up for purposes of cooperation and mutual assistance to satisfy the economic, social or cultural needs of their members. As a secondary activity, they may conduct operations involving third parties.

These general rules are supplemented by a number of specific regulations governing the various branches of the cooperative sector.

2. Size of the cooperative sector

(a) Basic data^[6]

The only relatively recent general data giving some idea of the cooperative sector's contribution to the national economy are provided by a survey conducted by Incoop (António Sérgio Institute for the Cooperative Movement).

The authors freely admit that the survey, based on an inquiry completed in 1981, is far from exhaustive.

Despite its shortcomings, the survey gives some idea of the scale of the Portuguese cooperative movement. The figures, updated in 1983, show that the movement:

has 3 million members (30% of the country's population);

employs 92 500 (2.5% of the labour force);

has an estimated turnover of ESC 141 000 million (10.3% of GNP).^[7]

These figures should be treated with caution as reliable statistics are not always available. It should also be noted that the expansion of the cooperative movement has been hampered by undercapitalization and by organizational, managerial and training weaknesses. These factors have led to a heavy dependence on the State.

(b) Branches of the cooperative movement

The cooperative movement has 11 branches (Article 4 of the Cooperative Code):

consumer goods;

food retailers;

agriculture;

Table 1: Growth of the cooperative movement in Portugal since 1974

SECTOR OF THE ECONOMY	GROWTH OF THE COOPERATIVE MOVEMENT IN PORTUGAL SINCE 1974									
	No.					%				
	APRIL/74	JAN./79	JAN./80	JAN./81	JAN./82	APRIL/74	JAN./79	JAN./80	JAN./81	JAN./82
AGRICULTURE	401	1,203	1,286	1,284	1,361	42.2	36.7	36.0	37.9	38.1
CONSUMPTION	193	469	513	472	498	20.3	14.3	14.4	13.9	13.9
BANKING	132	132	141	155	184	13.9	4.0	3.9	4.6	4.9
FISHERIES	-	75	96	87	86	-	2.3	2.7	2.6	2.7
HOUSING	40	212	258	250	257	4.2	6.5	7.2	7.4	7.2
PRODUCTION	10	464	499	405	426	1.1	14.2	14.0	11.9	11.9
OTHERS (1)	174	719	779	733	760	18.3	22.0	21.8	21.7	21.3
TOTAL	950	3,274	3,572	3,386	3,572	100.0	100.0	100.0	100.0	100.0

- (1) Service cooperatives
 " marketing (retail) (-)
 " cultural (-)
 " educational (-)
 " crafts (-)

Table 2: The cooperative sector in Portugal

Information	Total	Sector of cooperation						
		Agriculture	Fisheries	Banking	Consumers	Housing	Production	Others (**)
Number of cooperatives	3,438	1,361	86	207	420	274	330	760
Number of members	3,065,782	1,241,232	1,800	105,000	437,500	97,164	19,526	1,163,560
Number of employees:								
members	49,763	21,776	990	525	3,500	514	11,058	11,400
non-members	45,282	34,025	-	350	1,500	771	2,556	6,080
Estimated value of output or services (1,000 ESC)	185,762,480	86,000,000	700,000	42,000,000	8,500,000	4,000,000	7,400,000	37,162,480
Estimated sales (1,000) ESC)	141,035,778	86,000,000	407,000	-	7,500,000	-	6,232,298	40,886,480
% borrowing	58.0	72.7	60.0	88.3	48.0	49.0	59.8	43.1
(*) From the survey of cooperatives conducted by INSCOOP, 1981, updated Jan. 1984								
(**) Others: Services Marketing Cultural Educational Crafts								

credit;
housing and construction;
worker-controlled production;
craft trades;
fishing;
culture;
services;
education.

Additional legislation states that cooperatives can operate in more than one branch.

3. Structure of the cooperative movement

(a) Sector-wide organizations

The Portuguese cooperative movement is in the process of revising its structure. This account is therefore restricted to an analysis of the eight branches which have a federal umbrella body and some sort of organized structure.

Some 42.2% of cooperatives are affiliated to a federal umbrella organization.

Sectoral umbrella organizations do not have an economic role. Their purpose is to represent, coordinate, help and defend their members.

(b) National organizations^[8]

In its overall economic programme of 1975, the Government elected after the April 1974 revolution emphasized the need to ensure that cooperative ventures were given maximum encouragement. The Government agency set up for this purpose is the António Sérgio Institute for the Cooperative Movement — Incoop.

Incoop is attached for administrative purposes to the presidency of the Portuguese Council of Ministers. Despite being a Government agency it has quite a large degree of autonomy. It is assisted by a 37-member committee, half of whom represent ministries,^[12] the remainder Incoop and the various sectors of the cooperative movement.

The committee has two main purposes:

to establish a dialogue and permanent contact between cooperatives and the central Government;
to oversee the running of the Institute. As a temporary measure, in the absence of an umbrella body for the cooperative movement as a whole, it also expresses the cooperatives' standpoint in discussion with government bodies.

Incoop's aims are laid down in the degree by which it was established. They are four-fold, namely, to study and plan, inform, train coordinate and assist the cooperative movement.

Incoop is governed by an executive board comprising the Institute's president and vice-presidents. Its other administrative bodies are a coordinating council and a board of Directors.

Incoop is a UNDP (United Nations Development Programme) beneficiary. UNDP aid is particularly important in the research, training and technical assistance fields.

4. Economic, social and political context in which the cooperative organizations operate

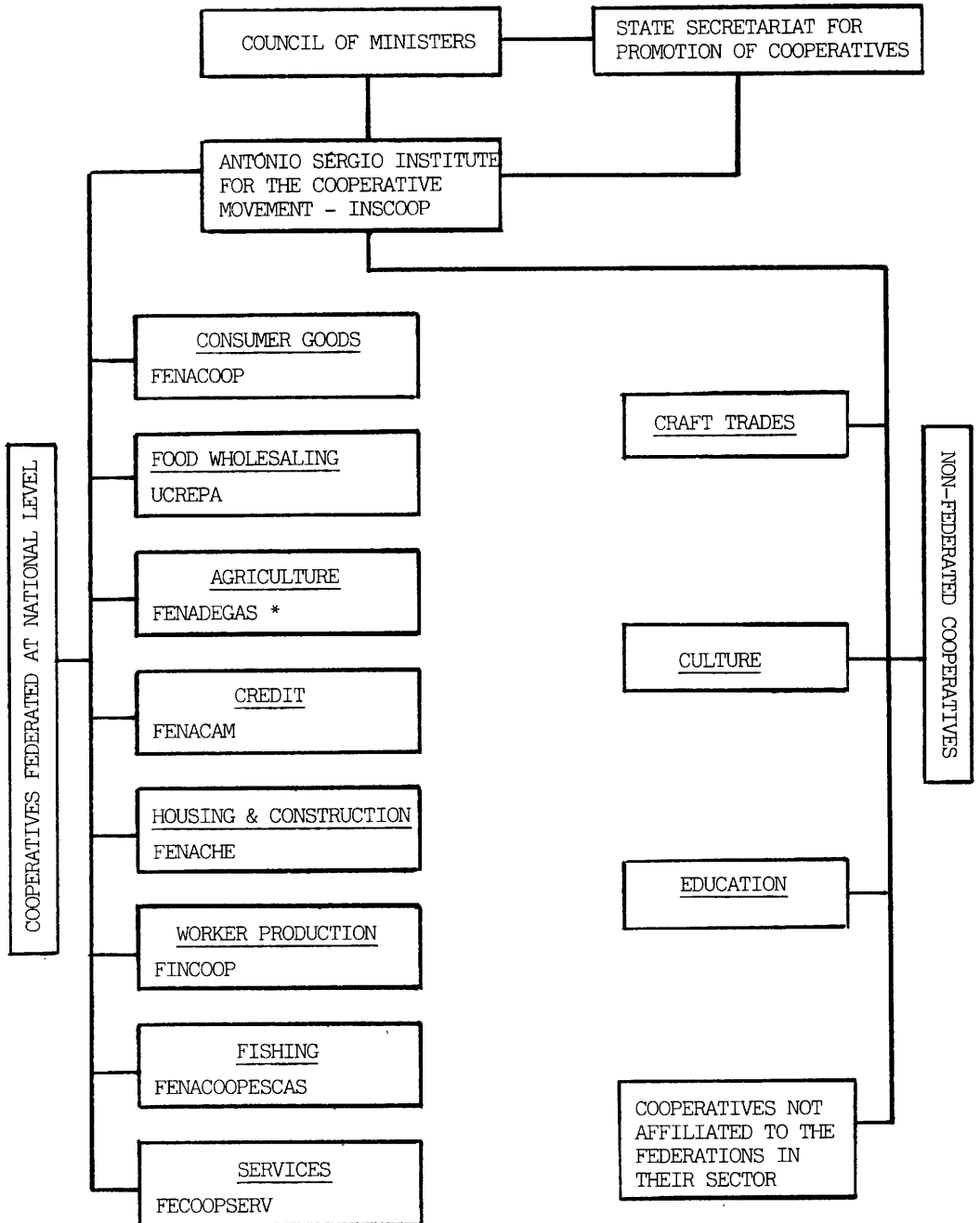
The cooperative movement in Portugal has three components: economic, social and political. It draws the majority of its members from people belonging to the urban and rural middle classes who have decided to join forces in order to improve their competitiveness and to better their standard of living.

The Portuguese cooperative movement has undergone many changes in fortune since its inception. Consequently cooperatives must be divided into two categories, in line with how most of their members think, and the way they are run:

the 'old' cooperatives, set up *before* the April 1974 revolution;

the 'new' cooperatives, set up *after* the April 1974 revolution.

Table 3: Organization of the cooperative movement



* FENADEGAS is currently the only Federation for the agricultural sector. It represents cooperative wine producers.

Before 1974 cooperatives were set up by the public authorities (agencies of the Ministries of Agriculture, Trade and Industry), semi-public bodies (such as the national wines committee) or were part of the corporatist state. As a result, cooperatives are still considered by many members as an alien administrative body, in which they have no say, except the formality of voting at the annual conference.

'Old' cooperatives have a complex organizational structure imposed by the standardized rules which were in force before the cooperative movement was regenerated by the April 1974 revolution, and which have been little changed by the current regulations.

The organizational structure of the 'old' cooperatives has the effect of blurring responsibilities, and makes it easier for factions to gain control and push through politically inspired measures.^[9]

The 'new' post-revolution cooperatives were motivated by the desire for renewal and democracy which had spread throughout Portuguese society. These cooperatives have often been taken over by political forces intent on using them for political ends. Some leftist political parties look on politicization of the cooperatives as a means of perpetuating the conflict between 'capitalists' and 'exploited' workers'.

The pre-revolutionary régime was hostile to cooperatives but subsequent governments have been anxious to strengthen them.

The cooperative movement — consisting as it does of self-managed companies which serve their members' interests but obey the laws of the market — are looked on by politicians of both the left and the right as a third force between the private and the nationalized/public sectors.

5. Definition and special functions of cooperatives in the economy

Article 89 of the Portuguese Constitution (1976), which was amended in 1982, acknowledges the existence of three sectors in the Portuguese economy:

the public sector;

the private sector;

the cooperative movement.

'Social-solidarity private institutions' (social solidarity cooperatives, mutual associations and associations of a social character) are recognized by a law passed in 1979. This law does not however create a special sector, it merely constitutes political and legal recognition of the existence of these institutions.

The cooperatives sector is the only one characterized by 'social ownership', as opposed to 'collective ownership' and 'private ownership'.

In other words, the cooperative movement is the only officially recognized sector of the Portuguese economy which seeks to further the economic interests of its members through mutual solidarity. Its economic activities fit neither into the public nor the private sector.

Article 3 of the Cooperative Code defines cooperatives. It lays down two basic features;

Freedom of membership

Membership must be unrestricted and optional, the only condition being compliance with the cooperative's rules. Members must be free to resign.

Democratic management

There must be a 'one person, one vote' rule, i.e. each member must have one vote regardless of his share of the cooperative's capital and of his religion, class, race or political beliefs.

B. FUNCTIONS OF THE PORTUGUESE COOPERATIVE MOVEMENT

See subsection 2b (above).

C. MEMBERSHIP OF EUROPEAN GROUPINGS

<i>Portuguese cooperative organizations</i>	<i>European associations to which they are affiliated</i>
National Federation of Wine Producers' Cooperatives (Fenadegas)	
National Federation of Milk and Dairy Product Cooperatives	
National Federation of Agricultural Mutual Credit Banks (Fenacam)	
Central Bank for Mutual Agricultural Credit	
National Federation of Cooperatives for Food Retailers (Ucrepa)	UGAL — Association of Retailer-Owned Wholesalers of Foodstuffs
National Federation of Fisheries Cooperatives (Fenacoopescas)	
National Federation of Workers' Production Cooperatives (Fincoop)	Cecop — European Committee of Workers' Cooperative, Productive and Artisanal Societies
National Federation of Economic Housing Cooperatives (Fenache)	
National Federation of Consumer Cooperatives (Fenacoop)	
National Federation of Services Cooperatives (Fecoopserv)	
National Federation of Teaching Cooperatives (Fecoopensino)	
National Federation of Cooperatives for Art and Culture (Articula)	

D. VIEWS OF THE PORTUGUESE COOPERATIVE ORGANIZATIONS WITH REGARD TO EUROPEAN INTEGRATION

The Portuguese cooperative movement is divided on the issue of accession to the European Communities. Individual members tend to react in one of three ways:

1. with virtual indifference;
2. with a mixture of interest and apprehension lest membership bring fierce competition in its wake, which the cooperative movement, as it stands, would find hard to tackle;
3. with reservations as to some aspects of the integration of Portugal into the European Communities;

The reasons for indifference lie in lack of information and in the fact that the cooperatives themselves are beset by a number of serious organizational problems.

Those who react with a mixture of interest and apprehension (by far the largest group) are aware of the weakness of the Portuguese economy and are worried about the vulnerability of Portuguese cooperatives to competition from Community industry.

Objections to Portugal's membership of the EC are the result of influence brought to bear by political parties, which have a strong grip over some national federations of cooperatives.

Given these mixed reactions, two basic points emerge:

most cooperatives have very scant knowledge of all that integration entails, and cooperatives tend to be somewhat reticent about European integration.

As regards the first of these two points, Inscoop is making a concerted effort to provide cooperatives with training and information on the subject of Portugal's accession to the EC. Inscoop has also established direct links with the State Department for European Integration, which means that the cooperatives now actively participate in drawing up sectoral dossiers which the Government is to use in the negotiations on accession.

Inscoop set up an Advisory Service on European Integration in 1982 to assist cooperatives in the preparation of dossiers.

E. SOURCES

1. Reference works

Código Cooperativo (Code of the Cooperative Movement), 1981.

FERNANDO FERREIRA DA COSTA: *As Cooperativas na legislação portuguesa* (Cooperatives in Portuguese Legislation), 1976.

FERNANDO FERREIRA DA COSTA: *Doutrinadores cooperativistas portugueses* (Theorists of the Portuguese Cooperative Movement), 1978.

FERNANDO FERREIRA DA COSTA: *Introdução e notas ao Código Cooperativo* (Introduction to and Notes on the Code of the Cooperative Movement), 1981.

INÁCIO REBELO DE ANDRADE: *Cooperativismo em Portugal* (The Cooperative Movement in Portugal), 1981.

INSCOOP: *Integração europeia – As cooperativas também são interlocutores* (European Integration — Cooperatives Also Have a Point of View), No 4, 1981.

INSCOOP: *Plano de actividades para 1983* (1983 Plan of Activities).

JOSÉ BENTO GONÇALVES: *Notas e comentários ao Código Cooperativo* (Notes and Commentary on the Code of the Cooperative Movement), 1981.

STATE DEPARTMENT FOR COOPERATIVES: *Programa do Governo* (Government Programme), 1982.

2. Rules

António Sérgio Institute for the Cooperative Movement.

3. Other texts

ANTÓNIO SÉRGIO: *Trechos Escolhidos* (Selected Texts), 1979.

HENRIQUE DE BARROS: *O Cooperativismo* (The Cooperative Movement).

SERGE KOULYTCHISKY: *Appréciation générale sur la situation des coopératives au Portugal* (General Assessment of the Situation of Cooperatives in Portugal), 1979.

F. INTERVIEWS

The following people were interviewed in December 1982:

Representing the State Department for Cooperation

Mr José Bento Gonçalves, Secretary of State.

Representing Inscoop (António Sérgio Institute for the Cooperative Movement)

Mr José Julio Ribeiro, President,

Mr Gomes dos Santos, Vice-President,

Dr João P.B. Salazar Leite, Research and Planning Division.

Representing the UNPD (United Nations Programme for Development)

Mr Luis A. Enriquez, principal ILO (International Labour Office), Lisbon-based technical adviser.

Interviews were conducted by José Miranda Relvas for the ESC General Secretariat.

G. REFERENCES

- [1] More detailed information on individual branches of the cooperative movement can be found in the historical background sections prefacing the descriptions of sectoral organizations.
- [2] See also *Cooperativismo ao Portugal (das origens à actualidade)* (The Cooperative Movement in Portugal from its Origins to the Present Times) by Inácio Rebelo de Andrade, 1981, pp. 9 and 10.
- [3] See Table 1, p. 6.
- [4] Although the Constitution was revised in 1982, no substantial changes were made to the Articles on cooperation.
- [5] See also the section on agricultural cooperatives (historical outline and chapter on size and structure).
- [6] Information taken from *Panorama of the Portuguese Cooperative Movement*, 1981, published in *Integração Europeia — As cooperatives também são interlocutores* (European Integration — Cooperatives Also Have a Point of View), Inscoop, 1982, Vol. III, p. 108.
- [7] GNP in 1981 was ESC 1.4.
- [8] See Table 2, p. 7.
- [9] See *Appréciation générale sur la situation des coopératives agricoles au Portugal* (General Assessment of the Situation of Agricultural Cooperatives in Portugal) by Serge Koulytchisky, published by the OECD in 1977-78.

ANNEX

**António Sérgio Institute
for the Cooperative Movement
(Instituto António Sérgio do sector cooperativo)
(Inscoop)**

<i>President:</i>	MANUEL CASSIO
<i>Vice-Presidents:</i>	MANUEL A.S. NOGUEIRA MANUEL N. BAPTISTA
<i>Address:</i>	Rua D. Carlos de Mascarenhas, 46 1000 Lisbon
<i>Tel.:</i>	65 81 11/12

Chapter II: Cooperative, mutual and non-profit organizations in Portugal

A. Cooperative sector

1. Farming cooperatives

1. Basic data (1982)

1 361 farming cooperatives

1 241 232 members

21 776 member workers

34 025 non-member workers

Turnover: ESC 86 000 million

2. Brief historical outline

The forerunner of farming cooperatives in Portugal, communal farming and grazing, [1] can be traced back to the 10th century. But it was not until the late 19th century that Portuguese farming cooperatives came into existence [2] and only after the second world war that they became a real economic force.

In 1946, there were only 46 cooperatives. The movement's great expansionary period spans the years 1947 to 1957 when 369 farming cooperatives were created.

This was a period when the Salazar regime (1928-74) was experiencing economic difficulties and tried to buoy up farm wages by providing indirect help to agriculture in the form of loans to cooperatives. Support for the sector became all the more necessary with the emigration abroad of rural workers. [3]

Following the revolution in April 1974, the farming cooperatives enjoyed a new phase of expansion. Most of the new units were 'integral production farming cooperatives' evolved from the CPUs (Collective Production Units) set up under the influence of the Portuguese Communist Party during the revolutionary period. [4] Most of these are to be found in the south of the country on expropriated land in areas scheduled for agrarian reform.

Thus, by 1979, there were three types of farming cooperatives: the 'traditional' cooperatives, set up while the Salazar regime was in power (1930-74); the CPUs, Collective Production Units, which appeared after the April 1974 revolution; and the production cooperatives which evolved from the dissolution of the majority of the CPUs. [5]

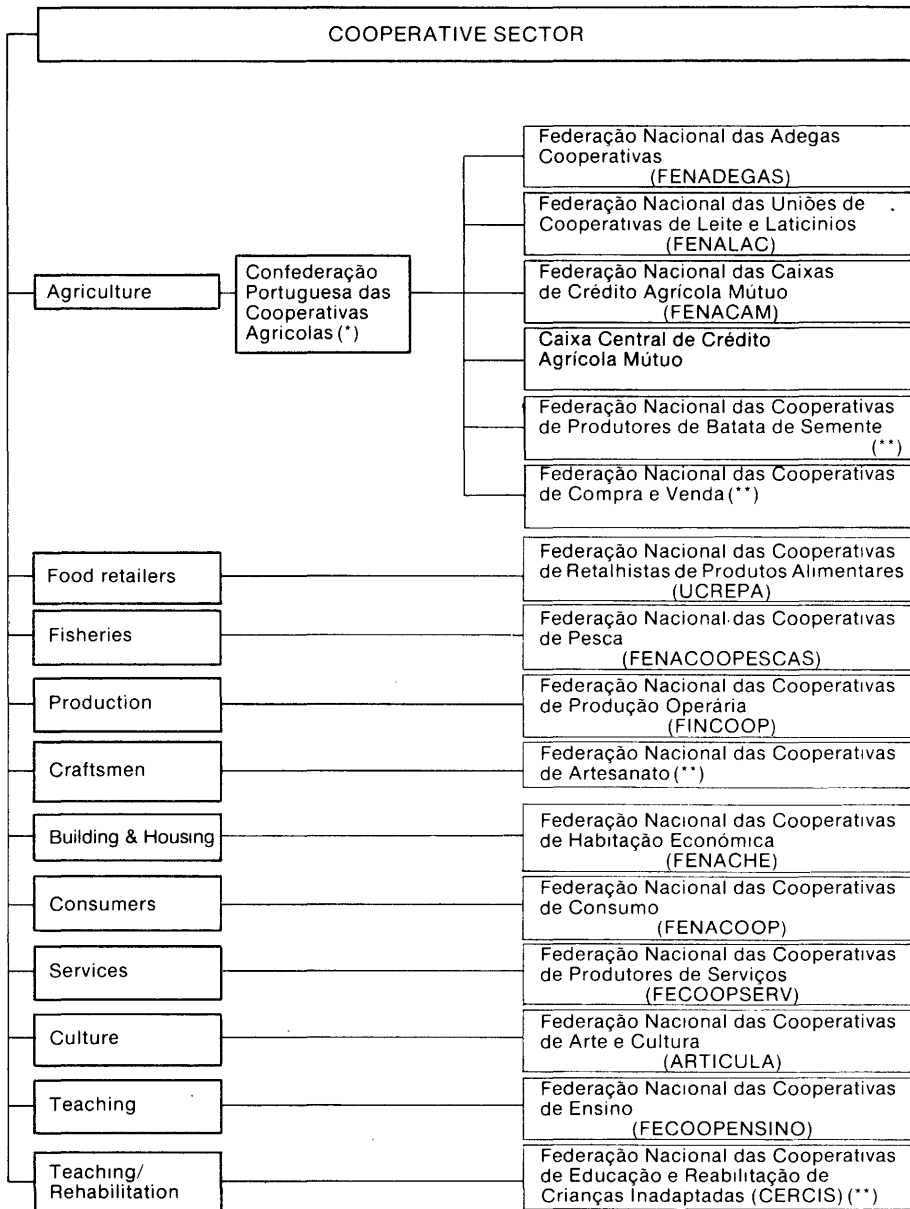
A law of 1982 laid down identical legal and structural bases for farming cooperatives. [6]

3. Size and structure

With a total of 1 361 cooperatives and some 1.2 million members, farming cooperatives currently account for 38.1% of the Portuguese cooperative sector and occupy an important place in the national economy.

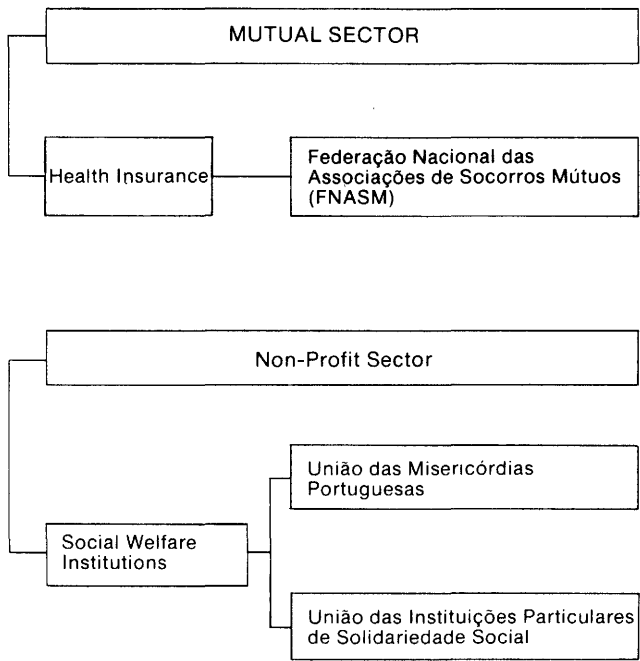
Cooperatives are to be found in most sectors of agricultural production, though the scale of their activities varies from sector to sector.

According to the 'Report on Agriculture, Food and Fisheries in Portugal', drawn up by the FAO in 1981, farming cooperatives account for 87% of national milk production, 11.2% of crop production, 22.8% of olive oil production, 43.1% of wine production, 13.9% of rice production and 13.2% of tomato production.

Table: Portugal

(*) in process of being formed

(**) not dealt with in detail in this text



There is however little feeling of unity. There are 17 more or less regional-based unions, but only one national-level body — the National Federation of Cooperative Wine Cellars (Fenadegas) (the structure and activities of this umbrella body of the wine-producing cooperatives are described in the following pages).

This lack of unity may be explained by the entrepreneurial approach of farming cooperatives.

This approach is characterized by a tendency towards independent development which has emerged as a reaction to the long period of authoritarian management of the cooperative sector in particular farming cooperatives during the Salazar regime.

The fact that there is no national confederation of farming cooperatives is largely explained by this attitude.

References

- [1] This type of association still exists in the north-eastern regions of Portugal.
 [2] The 'Basilar Law' of 2 July 1867 legalized cooperatives in Portugal.
 [3] FERNANDO FERREIRA DA COSTA: *The Cooperative movement in Portugal*, 1979.
 [4] The first legal government, after the revolution of 25 April 1974, was Communist inspired (Vasco Gonçalves — 1975).
 [5] The dissolution of the CPUs stems from a political split between groups of workers connected with the Communist Party and those connected with the Socialist Party.
 [6] Decree law 394/82 of 21 September 1982.

National Federation of Cooperative Wine Cellars (Federação Nacional das Adagas Cooperativas) (Fenadegas)

<i>President:</i>	ASDRUBAL D. CUNHA
<i>Vice-President:</i>	ARTUR PATROCINIO
<i>Secretary-General:</i>	JACINTO AUGUSTO PEREIRA
<i>Directors:</i>	JOAQUIM E. PEREIRA JOSÉ C. CARVALHO
<i>Address:</i>	Av. Infante Santo 4 — 1º Dt. 1300 Lisbon
<i>Tel.:</i>	664 144

I. ORGANIZATION

1. Date of formation

22 June 1981.

2. Size and structure

The following are members of Fenadegas:

46 cooperative wine cellars,
2 unions of wine cooperatives.

3. Administrative bodies

General Meeting,
Board of Directors,
Board of Auditors.

The General Meeting is made up of the affiliated cooperatives. The Bureau comprises a President, a Vice-President and a Secretary.

The affiliated cooperatives are represented by three delegates with varying numbers of votes depending on the number of members and production levels.

The Board of Directors is made up of five Directors and five alternates. They decide who is to act as President, Vice-President, Secretary and Treasurer.

The Board of Auditors is made up of three full members and three alternates. They are responsible for appointing their President.

4. Decision-making procedure

Decisions are usually taken by a majority of the votes cast by the members present or represented. On important issues laid down in the rules, decisions are taken by a two-thirds qualified majority.

5. Secretariat and staffing

Fenadegas has a one-man secretariat. However, it receives administrative support from the Palmela Cooperative Wine Cellars which employs 68 people and whose Secretary-General is President of Fenadegas.

6. Budget size and contribution arrangements

The Fenadegas budget is estimated at ESC 2 million.

On joining the federation, members must subscribe at least 10 shares, each worth ESC 500. They must also contribute to the Federation's budget in proportion to their production levels and profits.

II. AIMS AND PRIORITY POLICIES

The aims of Fenadegas are to:

- develop cooperative activities in the wine sector;
- represent its members and defend their interests;
- develop training and aid facilities.

III. ACTIVITIES

Fenadegas provides the following services:

- technical help (information, analyses, management studies, etc);
- studies (sectoral, legal, specialised, etc);
- training (organizing courses).

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

Fenadegas participates in the work of:

- Incoop — the António Sérgio Institute for the cooperative sector (government department for support for cooperative initiatives);
- the National Council for the Plan;
- the National Wine Committee;
- the National Committee for support to the wine sector.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

There are no links with agricultural organizations in the European Community.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

Fenadegas has no contacts with either international or European organizations.

VII. INTERNAL COHESION

Fenadegas organizes monthly meetings for cooperatives. These are held at the headquarters of each member cooperative in turn.

VIII. PUBLICATIONS

None. However, information on the wine market (prices) is provided to cooperatives.

IX. SOURCES

INSCOOP: *Inquérito às cooperativas* (Survey on cooperatives) (1981).

FENADEGAS: rules.

FENADEGAS: activity report

INSCOOP: *Information Bulletin No 2*.

Replies to the ESC questionnaire.

FAO: Report on agriculture, food and fisheries — Portugal, for the years 1979, 1980, 1981.

SOCIETY OF AGRONOMIC SCIENCES: Farming Cooperatives.

X. INTERVIEW

Mr Jacinto Augusto Pereira, Secretary-General of Fenadegas, was interviewed on 15 December 1982 by José Miranda Relvas, ESC General Secretariat, Studies and Research Division.

National Federation of Milk and Dairy Product Cooperatives (Federação nacional des uniões de cooperativas de produtores de leite e de laticínios) (Fenalac)

<i>President:</i>	FERNANDO DA SILVA MENDONÇA
<i>Vice-President:</i>	JULIO MENDONÇA CAEIRO
<i>Secretary General:</i>	TELMO M. DE OLIVEIRA PATO
<i>Directors:</i>	MANUEL ELIAS TRIGO PEREIRA AUGUSTO V.F. PINTO GARCIA
<i>Address:</i>	Rua de Restauração, 312 4000 Porto
<i>Tel.:</i>	(52) 62094

Basic data (1984)

Number of members: 4 regional associations
200 cooperative societies

Number of cooperators: 92 000

Turnover: ESC 200 000 million

Production: 850 million litres of milk per annum

Market share: 87%.

I. ORGANIZATION

1. Date of formation

Fenalac was set up on 4 May 1984.

2. Size and structure

Fenalac is made up of:

4 regional associations;

200 cooperative societies;

92 000 producer members.

Milk production in 1983 amounted to 850 million litres, or 87% of the national output. For the same year turnover totalled ESC 200 000 million.

3. Administrative bodies

The General Assembly,

Board of Directors,

Council of Auditors.

The *General Assembly* is formed by all the affiliated cooperatives: its Bureau is made up of the President, Vice-President and two secretaries.

The affiliated cooperatives are represented by three delegates and their votes vary in proportion to the number of members and levels of production.

The *Board of Directors* is made up of five directors and five deputy directors who hold the various management functions. The President and Vice-President are elected by the General Assembly.

The *Council of Auditors* is made up of three members and three deputies.

4. Decision-making procedure

Normally decisions are made on the basis of a majority of votes of those present or represented. In the special cases provided in the rules, a qualified two-thirds majority is required.

5. Secretariat and staffing

Fenalac employs nine staff. It also receives practical assistance in this sphere from the Entre-Douro and Minho Cooperative Milk Producers Association (Agros).

6. Budget size and contribution arrangements

The Fenalac budget for 1984 was some ESC 8 million. Applicants for membership have to acquire at least 20 shares of ESC 500 in the federation. They must also contribute to the federation budget on the basis of production and profits of the previous year.

II. AIMS AND PRIORITY POLICIES

Fenalac's aims are:

to develop cooperative milk production;

to represent its members and defend their interests;

to develop training and assistance schemes.

III. ACTIVITIES

Fenalac offers the following services:

technical aid (information, assistance, analysis, management consultancy);

studies (sectoral, legal, specialized);

training (organization of training periods).

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

Fenalac works with the Inscoop (António Sérgio Institute for the Cooperative Movement).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

None.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

None.

VII. INTERNAL COHESION

The cooperatives meet once a month on invitation of Fenalac, the meetings taking place at the offices of different member cooperatives.

VIII. PUBLICATIONS

Fenalac does not produce any publications, but does have a special milk market information service for cooperatives.

IX. SOURCES

FENALAC: Rules.

(INSCOOP): *Cooperative Sector Bulletin*.

X. INTERVIEW

Dr A. Serrao, Director of the Entre-Douro and Minho Cooperative Milk Producers Association (Agros) and President of the Fenalac Installation Committee, and Mr Julio Mendonça Caeiro, Vice-President of Fenalac, were interviewed on 11 July 1984 by José Miranda Relvas, ESC General Secretariat, Studies and Research Division.

2. Farmers' mutual credit sector

1. Basic data (1984)

1 central bank for agricultural mutual credit
5 regional banks
207 banks
105 000 member farmers
750 employees
ESC 26 500 million in deposits in 1982
ESC 30 900 million granted in loans in 1982
13% share of the national credit market
62% share of the national agricultural credit market

2. Brief historical outline

The mutual credit organizations have their origins in the long Portuguese tradition of non-profit associations. [1] In the nineteenth century, the pioneers of the cooperative movement in Portugal set up a mutual benefit cooperative which brought together credit associations and mutual insurance societies. [2] However, this unity was subsequently lost and the two branches developed along different lines.

As a result, the credit associations split into two independent movements: the 'savings banks', which were set up mainly in urban areas, and the 'farmers' mutual credit banks', which were found in the countryside.

The 'savings banks', joined forces with either mutual aid associations, or with consumer cooperatives. [3] However, these banks have not met with much success on the whole.

The 'farmers' mutual credit banks', which are modelled on the German Raiffeisen associations were first set up by the 'Brito Camacho Law' of 1911. [4]

311 credit banks have been set up in the last 60 years. Closures and mergers have however reduced their number to 207. Membership in 1984 was approximately 105 000.

3. Size and structure

The farmers' mutual credit movement, which accounts for 5% of the Portuguese cooperative sector, lent the equivalent of 313 million ECU in 1983, in other words, 62% of the national total of loans to farmers. The movement has expanded rapidly over the last two years, mainly as a result of a new management system and an extremely decentralised network.

At national level, the central bank (Banco de Portugal) supervises the sector on the same basis as the System of Financing for Agriculture and Fisheries (Sistema de Financiamento à Agricultura e Pescas) (Sifap).

The national organization which represents the farmers' mutual credit banks is Fenacam, the National Federation of Farmers' Mutual Credit Banks. In 1984 a central financing body was formed, the Central Bank for Agricultural Mutual Credit.

Notes

[1] In 1576 and 1584, King Sebastiao ordered the setting up of 'communal storehouses' or royal warehouses, which were the forerunners of the credit banks. These bodies 'advanced' seed to small farmers in difficulty and were paid back in kind, with a modest 'interest rate', after the harvest.

[2] According to Sérvulo Correia (*The Portuguese Cooperative Sector*, 1970), the non-profit-making and mutual benefit movement began in Portugal in 1848.

[3] The first of these associations, the Savings Bank of Lisbon, was set up in 1844.

[4] The 'Brito Camacho Law' of 1911 gave farmers' mutual credit banks the status of cooperative societies.

National Federation of Farmers' Mutual Credit Banks (Federação Nacional das Caixas de Crédito Agrícola Mutuo) (Fenacam)

<i>President:</i>	JOSÉ BENTO GONCALVES
<i>Vice-President:</i>	JOSÉ VICENTE CARDOSO
<i>Directors:</i>	DIAMANTINO DA SILVA DIOGO FRANCISCO B. DA SILVA
<i>Address:</i>	Av. Miguel Bombarda, 7 A T/C 1100 Lisbon
<i>Tel.:</i>	55 87 97 55 86 61 55 88 91
<i>Telex:</i>	43575 Fenacam P

I. ORGANIZATION

1. Date of formation

Fenacam was set up on 29 November 1978.

2. Size and structure

191 farmers' mutual credit banks belong to Fenacam.

3. Administrative bodies

The General Meeting,

The Board of Directors,

The Board of Auditors.

The General Meeting is made up of all those members enjoying their full rights and its Bureau comprises a President, a Vice-President and two secretaries elected for a period of three years. The General Meeting is convened twice a year.

The Board of Directors is made up of 5 full Directors and 3 alternates. During the first Board meeting, the Directors decide who will fill the posts of President, Director General, Secretaries and Treasurer.

The Board of Auditors is made up of 3 full members and 2 alternates.

4. Decision-making procedure

Fenacam's decisions are taken by a majority, except in the specific cases mentioned in the rules.

5. Secretariat and staffing

Fenacam employs 16 administrative staff, 12 auditors, 27 agricultural experts, and three economic experts.

6. Budget size and contribution arrangements

The Fenacam budget for 1983 totalled ESC 67 million, and the budget for 1984 was ESC 99.4 million. The new tasks entrusted to Fenacam are the reason for this increased amount.

Funds come from members' contributions (2% of their net profits) and payment for the services provided by Fenacam.

II. AIMS AND PRIORITY POLICIES

Fenacam's aim is to:

represent and coordinate the activities of the affiliated farmers' credit banks;
encourage the development of the farmers' mutual credit cooperative movement;
encourage the banks and their staff to make technical improvements.

Fenacam's main objective in 1984 was to open up the Central Farmers' Credit Bank.

III. ACTIVITIES

Fenacam:

represents and defends the interests of its members;
encourages the setting up of new banks and revitalizes those experiencing difficulties;
promotes mutual financial help through the banks, the State, or national bodies;
is currently involved in starting up a Central Farmers' Credit Bank.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

In its capacity of a general farmer's credit organization, recognised as such by the authorities, Fenacam takes part in the work of the following bodies:

Conselho Consultivo do Projecto Integrado para o Desenvolvimento de Trás-os-Montes (Advisory Council on the Integrated Project for the Development of Trás-os-Montes);

IFADAP — Instituto Financeiro para o desenvolvimento da Agricultura e Pescas (Financial Institute for Agriculture and Fisheries);

Conselho Nacional do Plano (National Council for the Plan);

INSCOOP — Instituto António Sérgio do Sector Cooperativo (António Sérgio Institute for the Cooperative Sector), government department for support to cooperatives.

In addition, it has contacts with trade organizations and the other cooperative sectors.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

There are no links with credit organizations in the European Community. Fenacam hopes to apply for membership of the Association of Cooperative Banks of the EC.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

Fenacam is affiliated to the International Confederation for Agricultural Credit.

VII. INTERNAL COHESION

Fenacam relies on the basic ideological principles of the farmers' mutual aid and cooperative movement for strengthening the links between its members.

VIII. PUBLICATIONS

Fenacam has plans for bringing out a bulletin in the near future on the farmers' mutual credit movement and agriculture.

IX. SOURCES

Replies to the ESC questionnaire.

Survey on cooperatives, Inscoop, 1981.

FENACAM: Rules.

Portuguese Cooperative Code.

FERNANDO FERREIRA DA COSTA: *Cooperatives in Portuguese Legislation*, 1976.

X. INTERVIEW

Mr Mario F. Matias, Director General of Fenacam, was interviewed on 14 December 1982 by José Miranda Relvas, ESC General Secretariat, Studies and Research Division. Mr José Bento Goncalves, President of Fenacam, was interviewed on 12 July 1984 by José Miranda Relvas.

Central Bank for Mutual Agricultural Credit (Caixa Central de Crédito Agrícola Mutuo)

<i>President:</i>	JOAO MARTHO RAMOS
<i>Directors:</i>	JORGE NUNES MARIO MATIAS VICTOR COSTA FRANCISCO MACEDO DIOGO SEBASTIANA ANIBAL DE SOUSA
<i>Address:</i>	Av. Miguel Bombarda, 7-A 1100 Lisbon
<i>Tel.:</i>	55 87 97 55 86 61 55 88 91

I. ORGANIZATION

1. Date of formation

20 June 1984.

2. Membership

One federation of mutual agricultural credit banks,
Five regional associations,
152 mutual agricultural credit banks.

3. Administrative bodies

General Assembly,
Management Board,
Board of Auditors.

The *General Assembly* is made up of representatives of the affiliated banks. The three officers — Chairman, Vice-Chairman and Secretary — are elected for three years.

The *Management Board* comprises seven representatives of affiliated banks. They elect a President, a Vice-President, a Secretary and a Treasurer.

4. Decision-making procedure

Majority vote by the members present or represented.

5. Secretariat and staffing

The Bank is serviced by Fenacam (National Federation of Mutual Agricultural Credit Banks).

6. Budget size and contribution arrangements

The budget for 1984 has not yet been adopted. The provisional budget is ESC 1.5 million and is intended to establish the organization.

The organization is funded by profits on its various operations and services provided.

II. AIMS

There are four functions:

- (a) finance lending by member banks; coordinate the investment of their liquid funds;
- (b) obtain finance for the member banks;
- (c) represent member banks in dealings with the Central Bank;
- (d) represent member banks in dealings with public, private and cooperative bodies.

III. ACTIVITIES

- (a) Represent and defend the interests of its members;
- (b) encourage steps to work out special credit policies for the agricultural sector.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The Financial Institute for the Development of Agriculture and Fisheries (Ifadap).
National Planning Council.

António Sérgio Institute for the Cooperative Movement (Incoop).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

The organization plans to establish links with the cooperative bank groupings in the Community.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

None.

VII. INTERNAL COHESION

The organization works to establish closer links between its members, on the basis of the ideological principles of the agricultural mutual benefit and credit movement.

VIII. PUBLICATIONS

There are plans to issue a newsletter in the near future.

IX. SOURCES

Constitution of the Central Bank, Mutual Agricultural Credit.
Activity report.

X. INTERVIEW

On 12 July 1984 Mr José Bento Gonçalves, Chairman of the General Assembly, was interviewed by José Miranda Relvas of the ESC General Secretariat, Studies and Research Division.

3. Food wholesaling

1. Basic data (1983)

30 food wholesaling cooperatives

3 262 members

418 employees

3 296 sales outlets

170 000 m² sales area

Turnover: ESC 18 000 million

2. Brief historical outline

The first food wholesaling cooperatives were set up in 1960 to counter competition from the emergence of department and chain stores.

A law passed on 31 December 1974 regulated these cooperatives, within the framework of the general rules governing the cooperative movement (law of 15 May 1974).

Food wholesaling cooperatives are regulated by the cooperative Code (1980) and a law of 18 November 1981.

3. Size and structure

Food wholesaling cooperatives cover only 5% of the retail trade in Portugal (10% of the food trade).

The cooperatives can fulfil several functions:

purchasing:

as a wholesaler,

as an intermediary;

selling:

advertising,

a range of products stocked.

The umbrella organization for wholesaling cooperatives is the Ucrepa — the National Federation of Food Retailers, which retains the acronym of the organization which preceded it.

National Federation of Cooperatives for Food Retailers (Federação Nacional das Cooperativas de Retalhistas de Produtos Alimentares) (Ucrepa)

President:

JOAQUIM P. SANTA BÁRBARA

Vice-President:

JOSÉ HENRIQUE CARVALHO

Directors:

ALFREDO GEROLDES LOURENÇO

ANTÓNIO MARTINS

BASILIO ANTONIO PEREIRA

Address:

Rua Vale de Santo António, 46 - 1º Esq.
1100 Lisbon

Tel.:

84 39 27

I. ORGANIZATION

1. Date of formation

22 January 1980.

2. Size and structure

30 (nearly all) food retailer cooperatives. belong to Ucrepa.

3. Administrative bodies

General Meeting,

Board of Directors,

Board of Auditors.

The General Meeting is made up of the delegates from the affiliated cooperatives; the Bureau comprises a President, a Vice-President and two Secretaries. A General Meeting is convened every two years.

The Board of Directors is made up of five full Directors and two alternates who are elected for two years.

The Board of Auditors comprises a President, a Secretary and a Rapporteur.

4. Decision-making procedure

Decisions are taken by a majority vote.

5. Secretariat and staffing

Ucrepa employs 3 people for its administrative duties.

6. Budget size and contribution arrangements

In 1984, Ucrepa's budget totalled ESC 3.2 millions.

It is financed by the contributions received from affiliated cooperatives. These are calculated on the basis of their turnover.

II. AIMS AND PRIORITY POLICIES

Ucrepa's aims is to:

bring together and represent retailer cooperatives;

coordinate their activities;

promote their expansion.

III. ACTIVITIES

Ucrepa:

represents and defends its members' interests;

helps to form and expand retailer cooperatives;

studies any questions likely to interest its members;

keeps in touch with all the other cooperative sectors, associations and trade organizations.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

Ucrepa participates in the work of the following bodies:

the Coordinating Council of Incoop — António Sérgio Institute for the Cooperative Movement, a government body for support of cooperative initiatives;

the Incoop Technical Committee for European integration.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

Ucrepa is a member of UGAL — the Association of Retailer-Owned Wholesalers in Foodstuffs.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

None.

VII. INTERNAL COHESION

Convergent interests form the basis for an excellent understanding between the members.

VIII. PUBLICATIONS

Pamphlets containing information on the sector.

IX. SOURCES

UCREPA: *Background, present situation and prospects* (1982).

UCREPA: *Rules*.

UCREPA: reply to ESC questionnaire.

INSCOOP: *Survey on cooperatives* (1981).

Portuguese Cooperative Code.

FERREIRA DA COSTA: Portuguese law on cooperatives.

X. INTERVIEW

Mr Carlos Morais, Secretary-General of Ucrepa, was interviewed on 16 December 1982 by José Miranda Relvas, ESC General Secretariat, Studies and Research Division. Mr Joaquim P. Santa Bárbara, President, was interviewed by José Miranda Relvas on 9 July 1984.

4. Cooperatives in the fisheries sector

1. Basic data (1983)

83 fishing cooperatives

1 cooperative for collecting seaweed

2 cooperatives for the extraction, processing and marketing of sea salt

1 800 members

820 crewmen

705 employees on shore

Turnover: ESC 700 million (estimated value of 1983 catch)

2. Brief historical outline

The first Portuguese fishing cooperatives were founded in 1975.

Before the April 1974 revolution, the fishing sector was vertically organized and supervised by state-established corporatist bodies. The already low productivity in the sector dropped from 1973 onwards, under the impact of increased international competition, the oil crisis and Portugal's dependence on outside technology.

Four other factors which led to the setting up of fishing cooperatives were:

1. the post-revolutionary phase of decline and reorganization of the country's economic activities, during which fishermen, like other less privileged social groups, sought to improve their living conditions and indeed to ensure their very survival;
2. when Portugal's African possession gained independence a large number of fishermen returned to the mother country and attempted to continue with their profession;
3. the support given by the new trade union structure and political forces which saw cooperatives as a remedy for certain shortcomings in the economic system;
4. the institutional and financial support of the State.

To conclude, it can be said that the setting up of fishing cooperatives in Portugal was essentially an economic and political phenomenon which was influenced by a whole range of structural changes at national level.

3. Size and structure

There are currently 83 fishing cooperatives, 44 of which are not operational for the following reasons: the boats are still being built (in 16 cases), the cooperative has not been granted a fishing licence (in 19 cases), the necessary operating credits have not been secured or the fishing gear has been damaged in an accident (in 9 cases).

The value of the catches landed by the cooperatives in 1983 is put at ESC 700 million. This is 4.9% of the national fishing catch and 0.035% of the GDP. In the same year, there were 705 people employed in the sector, 2.1% of the national fisheries workforce.

From the geographical point of view, the cooperatives are distributed all along the coast, with a concentration in the ports of Peniche and Figueira de Foz.

The national umbrella organization is Fenacoopescas (National Federation of Fishing Cooperatives).

National Federation of Fishing Cooperatives (Federação Nacional das Cooperativas de Pesca) (Fenacoopescas)

President: CARLOS N. FREITAS MOTA
Address: Rua Marquês de Pombal, 18 — 2º
2520 Peniche
Tel.: (62) 72759

I. ORGANIZATION

1. Date of formation

31 July 1982, the date on which the rules were approved.

2. Size and structure

28 fishing cooperatives and 1 sea-weed collecting cooperative are affiliated to Fenacoopescas.

3. Administrative bodies

General Meeting;

Board of Directors;

Board of Auditors.

The General Meeting is made up of delegations from the affiliated cooperatives.

Each member of the federation is entitled to a number of votes in proportion to the number of members. One vote is allowed for every 50 members.

The Board of Directors is made up of 3 Directors who are elected for a three-year period.

The Board of Auditors comprises 3 full members elected for 3 years.

4. Decision-making procedure

All decisions are taken by a majority.

5. Secretariat and staffing

Fenacoopescas has a staff of 4:

2 administrative staff,

1 economic expert,

1 lawyer.

6. Budget size and contribution arrangements

The 1984 budget estimate is ESC 4 million.

According to the rules, the members of the Federation must subscribe for at least 20 shares at the time of joining.

II. AIMS AND PRIORITY POLICIES

The aim of Fenacoopescas is to broaden the cooperative movement in the fishing sector and maintain close links between its members in order to provide the movement with the cohesion it needs to defend its interests.

III. ACTIVITIES

Fenacoopescas:

helps its members in their dealings with the authorities and trade organizations;

provides its members with advice and information on matters of fisheries and general interest.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

Since it only commenced its activities in August 1982, Fenacoopescas as yet exerts no influence on public bodies.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

Fenacoopescas has no links with organizations in the European Community.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

Fenacoopescas has so far not established any links with any international or European organizations.

VII. INTERNAL COHESION

It is impossible to assess the internal cohesion within the Federation, given its very recent formation.

VIII. PUBLICATIONS

None.

IX. SOURCES

FENACOOPESCAS: Rules.

INSCOOP; PNUD; ILO: *Analysis of fishing cooperatives* (1982).

Cooperative Code.

X. INTERVIEWS

Mr Aleixo Braz and Mr Bertolo, Directors of Unicoopescas and members of the constituent assembly of Fenacoopescas, were interviewed on 20 December 1982 by José Miranda Relvas, ESC General Secretariat, Studies and Research Division. Mr Carlos N. Freitas Mota, President of Fenacoopescas, was interviewed on 8 July 1984 by José Miranda Relvas.

5. Workers' production cooperatives

1. Basic data (1983)

330 workers' production cooperatives

19 596 members

11 058 member-employees

2 556 non-member employees

Turnover: ESC 7 400 million

2. Brief historical outline

Workers' production cooperatives were set up by the 'Basilar Law' of 1867 but gradually disappeared in the absence of regulations allowing them to operate under the same terms as other sectors of the Portuguese cooperative movement.

The self-management movement arising from the April 1974 revolution encouraged their reappearance, and to a positive mushrooming of cooperatives. In the period from 1974 to 1976, 362 workers' production cooperatives were formed.

This expansion was not without major problems. Most of the cooperatives were set up following worker occupation of companies in financial difficulties or abandoned by their owners because of the political unrest after April 1974.

The creation of such cooperatives did not solve the companies' economic difficulties. Moreover, legal problems arose, either as a result of legal proceedings instituted by creditors or attempts by the former owners to regain control.

State support for workers' production cooperatives remained negligible. Access to credit was barely feasible in the absence of legislation in this field.

Nevertheless, the cooperatives joined together and formed a number of associations.

On 16 November 1981 a law on the creation of workers' production cooperatives was passed.

3. Size and structure

According to Inscoop (a government body set up to assist cooperatives), there were 330 workers' production cooperatives in 1982, representing approximately 13 600 jobs, or 10.8% of the Portuguese cooperative sector.

The size of the cooperatives with detailed statistics are not available, but it seems likely that workers' production cooperatives occupy a significant position in the national economy.

Workers' production cooperatives are mainly found in the coastal and southern parts of the country. They have formed five associations in the three most important branches of industry — construction and public works, metal products and printing.

The national umbrella body is Fincoop (National Federation of Workers' Production Cooperatives).

National Federation of Workers' Production Cooperatives (Federação Nacional das Cooperativas de Produção Operaria) (Fincoop)

<i>President:</i>	JOÃO AIRES MENDES
<i>General Secretary:</i>	JOSÉ CARLOS ALBINO
<i>Directors:</i>	JOÃO MANUEL GUERREIRO ROGÉRIO A. MELO PENA ANA MARIA NEVES
<i>Address:</i>	Rua Neves Ferreira, 16A — 1º 1100 Lisbon
<i>Tel.:</i>	83 74 99

I. ORGANIZATION

1. Date of formation

22 April 1983.

2. Size and structure

Fincoop is made up of 100 workers' production cooperatives grouped in four regional associations.

3. Administrative bodies

The administrative bodies of Fincoop are:

General Meeting,

Board of Directors,

Auditing Council.

The General Meeting is made up of delegations from the affiliated cooperatives and meets once every three years. Each delegation has one, two or three members, according to the size of the cooperative it represents, and each delegate has one vote.

The Board of Directors is made up of 10 members and one alternate and the *Auditing Council* of three members and one alternate, all of whom are elected for three years.

4. Decision-making procedure

Decisions are taken by a majority of the members present or represented.

5. Secretariat and staffing

Fincoop employs five staff, including two technical experts. Uniurba, an affiliated regional association, provides administrative support.

6. Budget size and contribution arrangements

The budget for 1984 totals about ESC 6.3 million.

Fincoop's funds come from contributions fixed according to the turnover and number of members of the affiliated cooperatives.

II. AIMS AND PRIORITY POLICIES

According to its Rules, the Federation represents its members and defends their interests.

The Federation also aims to

promote cultural and cooperative training activities;

promote mutual cooperation;
organize back-up services for affiliated cooperatives.

III. ACTIVITIES

Fincoop is still at the stage of organizing and establishing itself.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

Fincoop has a seat on the Coordinating Council of Incoop (António Sérgio Institute for the Cooperative Movement).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

Fincoop is a member of the European producer cooperatives' organization, Cecop (European Committee of Workers' Cooperative Productive and Artisanal Societies).

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

Fincoop does not belong to any international or European organization. It has applied for membership of the ICA (International Cooperative Alliance).

VII. INTERNAL COHESION

The solidarity within Fincoop, combined with the existence of a broad ideological consensus, gives Portugal's workers' production cooperatives a particular cohesion.

VIII. PUBLICATIONS

Fincoop produces a news-sheet providing general information entitled 'Cooperação Operaria'. It has published a number of information brochures and educational booklets on the cooperative movement.

IX. SOURCES

FINCOOP: *Rules*.

FINCOOP: *Budget for 1983*.

FINCOOP: *Plan of activities for 1983*.

FINCOOP: *Plan of Priority Programmes*.

FINCOOP: *Draft Regulations*.

UNIURBA: *Information brochure*.

First Congress of Workers' Production Cooperatives, facts and figures, 1982.

INSCOOP: *Survey of cooperatives* (1981).

Portuguese Cooperative Code.

Le coopératisme au Portugal.

X. INTERVIEWS

Mr José Carlos Albino, General Secretary of Fincoop, and Mr Amával J.R. Tenera, Director of Uniurba, were interviewed on 17 December 1982 and on 11 July 1984 by José Miranda Relvas, ESC General Secretariat, Studies and Research Division.

6. Building and housing cooperatives

1. Basic data (1983)

274 low-cost housing cooperatives

97 164 members

514 member employees

771 non-member employees

20 000 dwellings built since 1975

Turnover: ESC 4 000 million

2. Brief historical outline

The first housing cooperatives were formed in the 19th century as a direct result of the 'Basilar Law' of 2 June 1867, the charter which launched the cooperative movement in Portugal. [1] These cooperatives were involved mainly in letting and selling accommodation and were subject to the corporatist supervision of the 'New State' (1932-74).

The introduction of the 'Democratic State' following the April 1974 revolution, made it possible to expand the housing cooperative movement, mainly through the setting up of a new variety of housing cooperatives and of slum-dwellers' associations.

Thus, up until 1982, there were three types of housing cooperative: cooperatives dating back to before the April 1974 revolution; the low-cost building and housing cooperatives; [2] and slum-dwellers' cooperatives [3] set up by the popular movement born of the revolution.

The legal foundations for a new policy on housing cooperatives were laid in 1974 and 1976 by laws 730/74 and 265/76. A law adopted in 1982 regulates housing cooperatives and helps to ensure uniformity.

3. Size and structure

The 274 low-cost housing cooperatives scattered throughout the country (including Madeira and the Azores) have approximately 97 000 members and a turnover in the region of ESC 4 000 million.

Apart from the political and social conditions created by the April 1974 revolution, which have benefited the cooperative sector in general, there are specific factors which explain the success of the housing cooperative movement and its economic importance. These factors are:

1. the immense housing shortage inherited from the Salazar regime; [4]
2. the 1974 law promoting housing cooperatives; [5]
3. the help given to housing cooperatives by the State and the Portuguese-Swedish cooperative movement.

Fenache (National Federation of Low-cost Housing Cooperatives) is the national umbrella organization of the housing cooperatives.

Notes

[1] The first housing cooperative, the 'Sociedade Cooperativa dos Operários Pedreiros Portuenses', was set up in Oporto in 1914.

[2] These cooperatives operate in urban, suburban and rural areas and offer three housing options: communal ownership, individual ownership with a full mortgage and cooperative letting.

[3] These cooperatives, which have evolved from slum-dwellers' associations and owe their allegiance to left-wing political parties, are made up of heads of families who are building their own homes with technical and financial help from the SAAL (Local Support Service), an official body set up for this purpose in 1974.

[4] In 1974, the housing shortfall was calculated at 650 000 units; in other words, a quarter of the national housing stock.

[5] The 1974 law set out the legal system and tax advantages for low-cost housing cooperatives.

National Federation of Low-Cost Housing Cooperatives (Federação Nacional das Cooperativas de Habitação Económica) (Fenache)

<i>President:</i>	CARLOS ALBERTO DA SILVA
<i>Secretary-General:</i>	JOSÉ MANUEL R. PENAFORT CAMPOS
<i>Directors:</i>	ANTONIO ALBERTO S. POEIRAS VIRGILIO MANUEL DA SILVA JOSÉ MANUEL MARTINS GRAVE
<i>Address:</i>	Zona n/2 de Chelas, Lote 223 — Loja 7 1900 Lisbon
<i>Tel.:</i>	85 07 64

I. ORGANIZATION

1. Date of formation

23 November 1982.

2. Size and structure

90 housing cooperatives belong to Fenache. (There are 4 regional unions).

3. Administrative bodies

General Meeting,
Board of Directors,
Board of Auditors.

The General Meeting is made up of delegates from the member cooperatives. Each delegation comprises one, two or five delegates, each of whom is entitled to one vote. The General Meeting is convened twice a year.

The Board of Directors has 9 members, elected for a two-year term. At the Board's first meeting, the Directors decide who are to act as President, Vice-President, Secretary, Treasurer and alternates.

The Board of Auditors is made up of three members: the President and two alternates.

4. Decision-making procedure

Decisions are taken by a majority, except in those specific cases mentioned in the rules. The President has a casting vote.

5. Secretariat and staffing

Fenache employs 4 people: 2 administrative staff and 2 technical experts.

6. Budget size and contribution arrangements

The Fenache budget for 1984 was ESC 6.5 million.

There are two sources of revenue: members' contributions, which are fixed in line with the provisions of the rules of procedure; subsidies (if any).

II. AIMS AND PRIORITY POLICIES

The purpose of Fenache is to:

bring together low-cost housing cooperatives;
coordinate their activities;
encourage their expansion.

III. ACTIVITIES

Fenache:

represents low-cost housing cooperatives in dealings with the authorities and trade and private-sector organizations;

defends the interests of affiliated cooperatives;

provides technical aid (information, cooperative training...);

carries out studies (for instance, on sectoral, legal, specialist issues).

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

Fenache participates in the work of the following bodies:

the National Council for the Plan;

the Secretariat of the Technical Council for European Integration;

the Coordinating Council of Incoop (the António Sérgio Institute for the Cooperative Movement).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

Fenache has no links with any organizations in the European Community.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

Fenache is a member of the ICA (International Cooperative Alliance).

VII. INTERNAL COHESION

The good relations enjoyed by the members of Fenache are based on a convergence of interests and a certain ideological affinity.

VIII. PUBLICATIONS

Fenache is planning to start publishing a bulletin in 1983.

IX. SOURCES

FENACHE: *Rules*.

FENACHE: *1981 budget*.

FENACHE: work schedule, 1981.

FENACHE: *Housing Cooperatives* (1982).

Cooperative Code.

INSCOOP: *Survey of Cooperatives* (1981).

INSCOOP: *Bulletin on the cooperative sector* (1982).

X. INTERVIEWS

Mr Manuel J. Guerreiro Caço, Director of the Fenache, was interviewed on 17 December 1982 by José Miranda Relvas, ESC General Secretariat, Studies and Research Division. Mr Carlos Alberto da Silva, President of Fenache, was interviewed on 13 July 1984 by José Miranda Relvas.

7. Consumer cooperatives

1. Basic data (1983)

350 000 families, approximately 1 million people

437 000 members

3 500 member employees

1 500 non-member employees

1 regional union (cooperative society)

420 cooperative societies

500 sales outlets

200 self-service stores

4% of the retail market

Total turnover: ESC 8 500 million

2. Brief historical outline

After getting off to a very good start at the end of the last century, [1] the consumer cooperatives were unable to keep expanding at the same pace, in spite of the legislation in their favour. [2] After 1928, under the Salazar régime (1928-74), the consumer cooperatives turned into real workers' cultural centres which partly offset the impact of the ban on free trade union activity. In 1971 such 'extraneous' activities were banned by decree. [3]

The first cooperative wholesale store, Unicoop, was set up in 1955. It went into decline after 1965. [4]

Since the April 1974 revolution, consumer cooperatives have enjoyed a new lease of life. A further 117 have been set up, taking the total to 420 in 1984.

Of the 300 consumer cooperatives operating before the April 1974 revolution, about one-third were created in the late nineteenth century in the former suburban areas which had become dormitory townships for workers. Most cooperatives — about 160 — were set up under the Salazar régime in conjunction with industrial undertakings.

3. Size and structure

350 000 families (12% of the country's population) belong to consumer cooperatives, which account for 13.9% of the cooperative sector and 4% of the retail sector.

The consumer cooperatives have set up a National Federation. This is currently setting up a specialist cooperative, the 'COOP-Lisboa', the first regional supply group, as part of a project aimed at expanding the cooperative movement in the three main regions of the country.

The Federation is the body that represents the consumer cooperative movement. Its constitution states that it is to operate independently of the state, political parties and religious groupings.

Notes

[1] The first consumer cooperatives were established between 1870 and 1872.

[2] The legislation of 1871 and 1872 mainly related to consumer cooperatives.

[3] Decree Law 520 of 1971 banned meetings between cooperative members for cultural or indeed any other purposes (on the grounds that any meeting of members not provided for by their constitutions fell outside the scope of the cooperatives' economic activities).

[4] Unicoop (Cooperative Supply Union) was set up with practical help from the Swedish K.F. (Kooperativa Förbundet), under the terms of the 'Ames Plan', which took its name from its originator, J.W. Ames.

National Federation of Consumer Cooperatives (Federação Nacional das Cooperativas de Consumo) (Fenacoop)

<i>President:</i>	ALBINA RAMOS DOS SANTOS
<i>Vice-President:</i>	JOSÉ AUGUSTO G. PAIXÃO
<i>Secretary General:</i>	A. FILIPE PEREIRA
<i>Directors:</i>	ADRIANO MARTINS ADALBERTO D.C. CARRILHO VICTOR M. LOPES GONÇALVES
<i>Address:</i>	Rua da Guiné, 8 r/c. D. 1100 Lisbon
<i>Tel.:</i>	84 69 69

I. ORGANIZATION

1. Date of formation

Set up on 11 December 1978 by public act.

2. Size and structure

217 cooperative societies and 1 specialised regional society belong to Fenacoop.

3. Administrative bodies

Discussion bodies:

National Congress,
Board of Directors,
Board of Auditors.

Advisory body:

National Council.

The National Congress, the Federation's supreme body, is the general meeting of the member cooperatives which is convened every three years and sets out the broad policy outlines for Fenacoop to pursue.

The members of Fenacoop's administrative bodies are elected from the delegates representing the affiliated consumer cooperatives (i.e. affiliated to the Congress).

The National Council is an advisory body made up of 25 full members and 6 alternates.

The duties of the *Board of Directors* are carried out by a Secretariat made up of 9 full members elected from the 25 members forming the National Council.

The Board of Auditors is made up of 5 full members and 2 alternates.

4. Decision-making procedure

All decisions are taken by a majority.

5. Secretariat and staffing

Fenacoop employs 7 people:

4 administrative staff;
1 economic expert;
1 expert on training for cooperative members;
1 legal expert.

6. Budget size and contribution arrangements

The Fenacoop budget for 1984 was ESC 13.5 million.

The contribution is calculated in terms of members' turnover.

Fenacoop's funds are derived from members' contributions and any subsidies it receives.

II. AIMS AND PRIORITY POLICIES

Fenacoop's aims are to:

defend the interests of consumer cooperatives by promoting and supporting all forms of action likely to defend their rights and attain the goals of the consumer cooperative sector;

encourage and support the formation of new consumer cooperatives;

promote the most appropriate forms of cooperative and technical training for the executive staff, members and employees of consumer cooperatives;

contribute to the economic and social advancement of the population;

broaden cooperation with cooperative organizations from other countries by basing its activities on the principle of the interdependence of each cooperative organization;

develop and strengthen the links between the cooperative sector and the trade union movement;

ensure that consumer cooperatives are represented at national level;

ensure that consumer cooperatives are represented at international level.

III. ACTIVITIES

Fenacoop:

represents the consumer cooperative movement;

provides information, helps and advises cooperative societies through its specialist departments (information on legal, tax, welfare questions, etc.).

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

Fenacoop participates in the work of the following official organizations:

Secretariado do Conselho Técnico para a Integração Europeia (Secretariat of the Technical Council for European Integration);

Conselho Nacional do Plano (National Council for the Plan);

Conselho de Publicidade (Advertising Council);

Conselho Coordenador de l'Incoop — Instituto António Sérgio de Sector Cooperativo (Coordinating Council for Incoop — António Sérgio Institute for the Cooperative Sector);

Instituto Nacional de Defesa do Consumidor (National Institute for Consumer Defence).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

There are no links with consumer organizations in the European Community.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

Fenacoop is a member of the International Cooperative Alliance (ICA).

It has friendly bilateral links with numerous national cooperative movements in Europe.

VII. INTERNAL COHESION

The broad ideological consensus within the Federation accounts for its high level of internal cohesion.

VIII. PUBLICATIONS

Acção Cooperativa, a two-monthly publication.

Information and training pamphlets.

IX. SOURCES

FENACOOOP: *Rules* (1978).

FENACOOOP: *Rules, preliminary draft* (1982).

FENACOOOP: 1981 budget.

FENACOOOP: *Acção Cooperativa* (April/may 1982).

INSCOOP: *Instituto António Sérgio do Sector Cooperativo inquérito às Cooperativas* (1982) (Survey on Cooperatives).

Código Cooperativo (Cooperative Code).

X. INTERVIEWS

Mr Carlos Pereira of the Fenacoop Secretariat and National Council was interviewed on 16 December 1982 and on 9 July 1984 by José Miranda Relvas, ESC General Secretariat, Studies and Research Division.

8. Service cooperatives

1. Basic data (1983)

120 service cooperatives^[1]

5 000 members

300 employees

Turnover: ESC 1 000 million

2. Brief historical outline

Service cooperatives, in the form of associations of carriers, have been existed^[1] for a long time. They have however only recently received recognition as a specific branch of the Portuguese cooperative movement as a result of an amendment made to the Cooperative Code in 1981.^[2]

The move towards the setting up of a representative organization at national level, initiated in 1978 by a number of carriers and driving school cooperatives, helped bring about changes in the classification of sectors of cooperative activities; it also created new scope for the development of service cooperatives and clarified their functions.

The first national federation in this cooperative sector was set up in 1979.^[3]

In 1982, this federation merged with Uninorte (the regional union of service cooperatives which was itself born of the split of workers' production cooperatives into two branches — industrial production and services) to form Fecooserv (National Federation of Service Cooperatives).

Those in charge of organizing this sector officially quote the main reasons for the setting up of service cooperatives^[4] as being the maintaining or creation of jobs during the period of economic and social reorganization which followed the revolution of April 1974.

3. Size and structure

Since the service cooperatives are undergoing a process of reorganization, there is little information on which to assess the size of this sector of cooperative activity, either from a sectoral or national standpoint.

According to an Inscope (António Sérgio Institute for Cooperative Sector) survey completed in 1981, there are 120 service cooperatives in Portugal. No figures for their turnover are available.

The national organization representing service cooperatives is Fecooserv (National Federation of Service Cooperatives).

Notes

[1] Mainly taxi cooperatives operating in the Lisbon area. Most of these were founded after the second world war.

[2] The classification of sectors/branches of cooperative activities laid down by the Portuguese Cooperative Code of 1980 on the basis of the nomenclature used by the ICA (International Cooperative Alliance). Consequently, five of these branches, including service cooperatives, are listed in the 'Miscellaneous' sector.

The amendments made to the Cooperative Code in 1981 distinguish between sectors.

[3] Fecoot (National Federation of Transport and Driving Instruction Cooperatives) was the first national organization representing service cooperatives.

[4] The 1981 law on service cooperatives classifies these on the basis of their aims and their members.

As regards their aims, they may operate in the following areas:

(a) transport,

(b) the hiring of machinery and equipment,

(c) distribution,

(d) technical aid,

(e) communications,

(f) hotel, tourist or other establishments,

(g) insurance,

(h) welfare.

As for their members, service cooperatives are divided into:

(a) suppliers of services,

(b) users of services.

National Federation of Service Cooperatives (Federação das Cooperativas de Produtores de Serviços) (Fecoopserv)

<i>President:</i>	AMARINO SABINO
<i>Vice-President:</i>	ARMANDO CASA NOVA
<i>Directors:</i>	JOSÉ CAIXINHA FERNANDO MARTINHO
<i>Address:</i>	Av. Columbano Bordalo Pinheiro, 71 — 6º A 1000 Lisbon
<i>Tel.:</i>	72 24 65

I. ORGANIZATION

1. Date of formation

Fecoopserv was set up on 23 October 1982.

2. Size and structure

Fecoopserv was created from Fecoot (National Federation of Transport and Driving Instruction Cooperatives), made up of taxi driving school cooperatives and whose membership and structures it has retained, and Uninorte (Union of Polyvalent Cooperatives of Northern Portugal).

In line with the new provisions of the Cooperative Code, these cooperatives have been joined by other cooperatives from various service branches.

In 1984, Fecoopserv comprised 42 basic cooperatives and one union.

3. Administrative bodies

General Meeting,

Board of Directors,

Board of Auditors.

The General Meeting is made up of all the affiliated cooperatives represented by their delegates, each of whom is entitled to one vote.

The Board of Directors comprises 9 Directors and 2 alternates who are elected for three years. During the first Board meeting, the Directors decide on which of them will assume the duties of President, Vice-President, Secretary and Treasurer.

The Board of Auditors is made up of 3 full members and 1 alternate.

4. Decision-making procedure

Decisions are taken by a majority of members present or represented.

5. Secretariat and staffing

The Secretariat (Executive) is made up of five members of the Board of Directors, 2 administrative staff (full time) and two employees (part-time).

6. Budget size and contribution arrangements

The Fecoopserv budget 1984 is estimated at ESC 6 million.

According to the rules, the affiliated cooperatives must subscribe to at least 3 shares in the Federation. In addition, they must contribute 1% of their turnover each year to the Federation's budget. This percentage may be altered by a resolution passed by the General Meeting.

II. AIMS AND PRIORITY POLICIES

Fecoopserv aims are to:

- defend and promote the interests of affiliated cooperatives by all the legal means at its disposal;
- coordinate the activities of affiliated cooperatives in their dealings with public bodies and credit, welfare, employment institutions etc. within the framework of the cooperative sector;
- organize services of common interests aimed at involving all the cooperatives by rationalizing their respective means of action;
- settle any conflicts which might arise between the cooperatives, in accordance with the principles of the cooperative movement;
- promote activities aimed at cooperation between the various sectors and expansion of the cooperative movement;
- represent affiliated cooperatives, if the need arises, at national and international level.

III. ACTIVITIES

Fecoopserv offers the following services;

- technical help (information, analyses,...);
- studies (sectoral legal,...);
- training (organizing courses).

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

Since the Federation has not been in existence for very long, it has not yet built up any activities in this area.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

There are no links with organizations in the European Community.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

Fecoopserv has no contacts with either international or European organizations.

VII. INTERNAL COHESION

The strong internal cohesion stems from a broad ideological consensus within the Federation.

VIII. PUBLICATIONS

Fecoopserv produces no publications at present. Nevertheless, it plans to start publishing a bulletin in 1983.

IX. SOURCES

FECOOPSERV: Rules.

FECOOPSERV: replies to the ESC questionnaire.

INSCOOP: *A Survey of Portuguese Cooperatives* (1981).

INSCOOP: *Survey on cooperatives.*

Portuguese Cooperative Code.

X. INTERVIEWS

Mr Antonio Pombinho, Deputy Director, and Mr Fernando dos Anjos, Director of Fecoopserv, were interviewed on 16 December 1982 and 14 July 1984 by José Miranda Relvas, ESC General Secretariat, Studies and Research Division.

9. Cooperation in the field of culture

1. Basic data (1983)

- (a) 176 cooperatives in total
 54 cultural information cooperatives
 46 publishing cooperatives
 33 theatre cooperatives
 23 cinema cooperatives
 10 newspaper publishing cooperatives
 7 music cooperatives
 3 art cooperatives
- (b) 2 300 members
- (c) 1 600 employees
- Turnover: ESC 1 million (estimate)

2. Brief historical outline

Cooperatives have existed in Portugal since the end of the 1st Republic (1928). Throughout the period of the New State (1928-74), cooperatives in general and cultural cooperatives in particular were cultural and civic strongholds where democratic life, stifled almost everywhere else, was able to express itself publicly for over 50 years.

After the revolution of 25 April 1974 (the return to democracy), the cooperative movement which had been limited in size by bureaucratic restrictions began to grow. Cooperatives were granted special status in an effort to promote cultural projects and as a result they increased in number.

Expansion was more marked in the large conurbations than in the country, where cultural activities are in any case of a different nature.

3. Size and structure

The legal status and organization of cultural cooperatives provide the right conditions for cultural projects, such as the establishment of theatre companies, the production of films, the publication of newspapers and books and the creation of multi-purpose workshops (e.g. for the production and distribution of cultural information).

The Federation is the national representative organization for cultural cooperatives.

National Federation of Cooperatives for Art and Culture (Federação Nacional das Cooperativas de Arte e Cultura) (Articula)

President:

Prof. EDUARDO CALVET DE MAGALHÃES

Directors:

ANTÓNIO CAMPOS
 JOÃO MATOS SILVA
 HENRIQUE SILVA
 JOÃO LUIS
 DANIEL SALES

Address:

Rua Delfim Ferreira, 500 — 2º Dto.
 4100 Porto

Tel.:

(2) 67 34 66/436

I. ORGANIZATION

1. Date of formation

9 June 1982.

2. Size and structure

176 cooperatives belong to Artícula.

3. Administrative bodies

General Assembly.

Board.

Board of Auditors.

The General Assembly is made up of all the member cooperatives, represented by their delegates, each of which has one vote.

The Board comprises three directors elected for three years.

The Board of Auditors has three members.

4. Decision-making procedure

Decisions are taken by a simple majority.

5. Secretariat and staffing

The secretariat consists of five board members and two administrative employees.

6. Budget size and contribution arrangements

The 1984 budget is estimated at ESC 500 000. Income arises from contributions made by the member cooperatives.

II. AIMS AND PRIORITY POLICIES

Artícula's aims are to:

act as an umbrella organization for art and cultural cooperatives;

coordinate their activities;

promote their growth.

III. ACTIVITIES

Artícula:

represents the cooperative sector of art and culture *vis-à-vis* the public authorities and professional and private authorities;

defends the interests of member cooperatives;

provides technical help (information, assistance, training etc.);

carries out studies (sectoral, legal, specialized etc.).

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

Artícula has the automatic right to take part in the work of the following:

the National Planning Board;

the coordinating board of Inscoop (the António Sérgio Institute for the Cooperative Sector).

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

None.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

None.

VII. INTERNAL COHESION

The various members of Articula get on well together because of their common interests and similar ideologies.

VIII. PUBLICATIONS

Articula intends to publish a bulletin in 1984.

IX. SOURCES

ARTICULA: *Statutes*.

INSCOOP: *Statistical data*.

Special legislation on the cultural sector.

Documentation on Articula sent on 22 February 1984.

THE COOPERATIVE, MUTUAL AND NON-PROFIT SECTOR AND ITS ORGANIZATIONS 881

INSCOOP: *Survey on cooperatives*.

Portuguese Cooperative Code.

X. INTERVIEWS

Mr Antonio Pombinho, Deputy Director, and Mr Fernando dos Anjos, Director of Fecoopserv, were interviewed on 16 December 1982 and 14 July 1984 by José Miranda Relvas, ESC General Secretariat, Studies and Research Division.

10. Teaching cooperatives

1. Basic data (1983)

29 teaching cooperatives in preschool, primary, secondary and higher education

18 special education cooperatives (motory disabled etc.)

49 000 members

2 150 employees, 1 180 of which are teachers

45 670 students

Turnover: ESC 1 000 million (estimate)

2. Brief historical outline

Teaching cooperatives in Portugal are a relatively new phenomenon although some production, consumer and cultural cooperatives have been providing training on a quite regular basis for some time.

Some cultural associations turned their study centres into cooperatives or cooperative associations, which did not have legal status at first, but already had all the practical and social attributes of teaching cooperatives.

After the revolution of 25 April 1974, a number of teaching cooperatives were set up to ensure that crèches, day nurseries and schools of different levels, which had been abandoned by their owners, continued to function. Since there was no legislation covering this field, they did not have a legal status.

It was not until 1981, after the Cooperation Code had been published and laws had been passed on the status of cooperatives, that teaching cooperatives became a recognized sector of the cooperative movement in Portugal.

In 1982 the secretariat for the National Federation of Teaching Cooperatives was set up.

3. Size and structure

Because teaching covers a wide variety of fields and levels, teaching cooperatives vary in structure. They take the form of either:

(a) teacher cooperatives, or

(b) joint cooperatives.

Most teaching cooperatives were set up by teachers. However, in some cooperatives the teachers, students and other employees participate in decision-making, each person having one vote.

A total of 29 pre-school, primary, secondary and higher education cooperatives and 18 specialized teaching cooperatives (motory disabled etc.) have been officially recognized; 3 of them are joint cooperatives.

The Free Universities of Lisbon and Oporto number among the cooperatives in higher education.

National Federation of Teaching Cooperatives (Federação Nacional das Cooperativas de Ensino) (Fecoopensino)

Chairman:

Prof. EDUARDO CALVET DE MAGALHÃES

Address:

Rua Barbosa de Castro, 51
4000 Porto

Tel.:

(2) 317637

I. ORGANIZATION

1. Date of formation

10 January 1982, date on which the Committee was set up to establish the Federation.

2. Size and structure

29 teaching cooperatives are affiliated to Fecoopensino.

3. Administrative bodies

General Assembly,

Board,

Auditors.

The General Assembly is made up of delegations from the affiliated cooperatives and meets every three years. Each delegation consists of one, two or three delegates, depending on the type of cooperative they represent. Each delegate has one vote.

The Board consists of 3 directors, elected for a period of three years.

The Board of Auditors comprises three members elected for three years.

4. Decision-making procedure

Decisions are taken by a simple majority.

5. Secretariat and staffing

Fecoopensino has a staff of six. However, its work depends on the administrative structure of Uninorte, a multi-purpose regional association.

6. Budget size and contribution arrangements

The 1984 budget totals approximately ESC 200 000.

Fecoopensino's resources come from the contributions of its members, which are fixed in accordance with the rules of procedure.

II. AIMS AND PRIORITY POLICIES

The Federation's rules require it to represent the member cooperatives and defend their interests.

Fecoopensino also aims to:

promote cooperative training schemes;

encourage collaboration between cooperatives;

provide assistance to member cooperatives.

III. ACTIVITIES

Fecoopensino provides the following services for its members:

legal, fiscal, economic and social information;

research work into subjects of interest to cooperatives;

forging of links at international level with other similar organizations and scientific and educational institutions, for the purpose of developing training schemes.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

Fecoopensino sits on:

the Coordinating Board of Inscop (the António Sérgio Institute for the Cooperative Sector);

the National Planning Board.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

None.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

Fecoopensino has not yet established links with any international or European organization.

VII. INTERNAL COHESION

Since the Federation has only recently been set up, it is too early to give an opinion at this stage.

VIII. PUBLICATIONS

None.

IX. SOURCES

FECOOPENSINO: Rules.

INSCOOP: *Statistical data.*

Codigo Cooperativo Portugues.

FECOOPENSINO: dossier.

X. INTERVIEW

Mr Antonio Campos, a member of the founding secretariat of Fecoopensino, was interviewed by telephone between 9 and 16 February 1984 by Mr José Miranda Relvas, ESC General Secretariat.

B. Mutual sector

The mutual benefit sector

1. Basic data (1983)

607 000 contributors

1 000 000 insured (estimated)

4 532 employees

125 associations

97 medical centres

11 pharmacies

12 savings banks

Income: ESC 630 million

2. Brief historical outline

Although Portugal's mutual provident societies had their heyday in the second half of the 19th century, their existence in fact dates back to the foundation of Portugal as a nation (1140).

In 1297, a 'lay charitable brotherhood for mutual benefit and piety' was set up in Beja (Southern Portugal). This was the first Portuguese mutual provident society.^[1]

Corporatist mutual provident societies emerged in the Middle Ages following the growth of Portugal as a seafaring nation and the development of arts and professions encouraged by the appearance of corporations.^[2] The mutual provident societies included the 'compromissos', which were set up to help the families of shipwrecked sailors, the 'Bolsa do Comercio Maritimo de Lisboa e Porto' and the 'Companhia das Naus', which were established during the reigns of King Dinis and King Fernando, in 1324 and 1387. These organizations covered losses as a result of shipwrecks or embargoes. The corporations were motivated by religious convictions. One of their purposes was to help craftsmen in every professional body and their families. They did so by setting up hospital facilities, establishing old people's homes, paying grants to widows and the poor and covering funeral costs, etc.^[3]

With the spread of liberalism and individualist doctrines following the French Revolution, the corporations and brotherhoods were abolished in 1834.

In the second half of the 19th century, there was no public social security scheme against illness, invalidity and/or death. Mutual provident societies therefore appeared in two different forms. One was open to all-comers, while the others, along the lines of the old corporations for the arts and professions were reserved for members of specific professions (the 'Montepios').

However, in the initial stages, the revival of the mutual provident societies did not have the success one might have expected. The reasons for this include the low level of the contributions and the indifference of successive governments.

The first mutual provident society congresses did not take place until the end of the 19th Century. They were followed by the first law on mutual provident societies in Portugal (Decree of 2 October 1896). In 1931 the first significant change was made to the legislation on mutual provident societies. A law passed in the same year required the State to foster and aid mutual provident societies.

Since the introduction of compulsory social security in Portugal in 1935, interest in mutual provident societies has waned. However, they do still exist. Although the membership in organizations providing medical and pharmaceutical assistance fell to the extent that some organizations were forced to close down, those organizations which provided different benefits (life insurance, survivor's pension etc.) remained popular.^[4]

Despite the fact that the number of mutual provident societies has fallen (from 132 in 1975 to 120 in 1980), total membership has stayed at around 600 000.

3. Size and structure

Mutual provident societies in Portugal supplement the system of cash benefits paid under the compulsory social security scheme.

They provide:

(a) Death benefits, including:

- death grant,
- funeral allowance,
- survivor's pension.

(b) Sickness benefits:

- disablement pension,
- supplementary illness insurance.

(c) Old age benefits:

- retirement pension.

The mutual provident societies also provide medical and pharmaceutical services to supplement the official ones.

At the moment there are 120 mutual provident societies, providing the following services:

97 offer funeral insurance;

97 provide medical care for their members;

69 contribute towards the cost of pharmaceutical treatment (11 have their own private pharmacies);

42 offer health insurance;

23 offer life insurance;

18 provide disablement pensions;

14 provide old age pensions.

Twelve of the 120 mutual provident societies own savings banks, the profits from which are used to improve the benefits available to members.

There are about 607 000 members altogether and the income in 1983 totalled about ESC 630 million.

The organizations are found throughout the country, particularly in the North, where there are a lot of mutual funeral insurance associations ('funebres familiares').

Mutual provident societies are set up on the independent initiative of private individuals. Membership is optional. They provide welfare insurance and mutual benefits for their members and their families.

The mutual provident societies is one of the forms of organization open to institutions of social solidarity (IPSS) under the current legislation. Because mutual provident societies are involved in social welfare, they are governed by special legislation (Decree-Law No 347/81 of 22 December 1981 and Decree-Regulation No 58/81 of 30 December 1981). In addition, they are subject to the legislation on Private Social Welfare Institutions, which was adopted by Decree-Law No 119/83 of 25 February 1983.

Given their status, the organizations are treated as associations of public utility and thereby entitled to various tax exemptions, provided they register their constitution and internal rules.

Members' contributions are their main source of income. They receive no State support. The State merely provides information and guidance and supervises their finances.

4. References

[1] COSTA GOODOLPHIM: *História e desenvolvimento das Associações Portuguesas*.

[2] COSTA GOODOLPHIM: *Les institutions de prévoyance au Portugal*.

[3] Prof. Dr JOAQUIM DE CARVALHO: *História de Portugal*.

[4] GUILHERME DE SANTA RITA: *Socorros Mútuos em Lisboa*.

National Federation of Mutual Provident Societies (Federação Nacional das Associações de Socorros Mutuos) (FNASM)

<i>President:</i>	HORÁCIO PINTO
<i>Secretary-General:</i>	ANTÓNIO NUNES DA COSTA
<i>Directors:</i>	ANTÓNIO PEREIRA JUNIOR JOAQUIM MAGALHÃES ANTÓNIO JOSÉ M. DIAS CARDOSO MANUEL DA COSTA FORTES CRISTIANO CARDOTE DOS SANTOS DUARTE
<i>Address:</i>	Rua Dr Manuel Rodrigues, 1 — 1º 3000 Coimbra
<i>Tel.:</i>	(39) 22863

I. ORGANIZATION

1. Date of formation

9 August 1980.

2. Size and structure

80 mutual provident societies are members of FNASM.

3. Administrative bodies

The *General Assembly*, which is made up of delegates from the member associations. It meets at least twice a year. Each association has one vote.

The *Board* consists of 6 Directors and 3 Deputy Directors. Between them they carry out the duties of President, Secretary and Treasurer.

The *Board of Auditors* is made up of three members with three Deputies. They appoint their President, Chairman and Rapporteur.

4. Decision-making procedure

Decisions are taken by simple majority, except in special cases laid down in the internal rules.

5. Secretariat and staffing

FNASM employs one Administrative Officer.

6. Budget size and contribution arrangements

The 1984 budget amounted to ESC 580 000.

Resources come from subsidies and from members' contributions, which are geared to the financial capacity of each member.

II. AIMS AND PRIORITY POLICIES

FNASM's purpose is to represent its members and defend their interests.

FNASM also endeavours to:

- promote the concept of mutual benefit;
- coordinate the activities of the member associations;
- participate in the drafting of legislation on mutual provident societies;
- provide its members with information.

III. ACTIVITIES

FNASM:

represents its members *vis-à-vis* the public authorities;
provides technical back-up (information, advice etc.);
defends the interests of its members;
fosters the development of mutual provident schemes;
takes part in the implementation of social welfare schemes.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

FNASM sits on Government Committees set up to draft legislation on mutual benefit organizations.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

None.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

None.

VII. INTERNAL COHESION

Relations both within the organization and between it and its members have always been good.

VIII. PUBLICATIONS

None.

IX. SOURCES

Decree-Law 347/81 of 22 December 1981.
Decree-Regulation 58/81.
Internal rules of the private social welfare institutions, 1983.
Internal rules of FNASM;
1983 budget of FNASM.

X. INTERVIEWS

Dr Cicero Vicente Galvao, Director of the Ministry for Social Affairs Support Department for private social welfare institutions and Dr Luis Vilar Correia Pires, Head of the Mutual Provident Societies Department in the Directorate General for Social Affairs, were interviewed on 12, 17 and 19 May 1983, and on 8 July 1984 by José Miranda Relvas, ESC General Secretariat, Studies and Research Division.

C. Non-profit sector

1. Private social welfare institutions

1. Basic data (1983)

1 520 institutions (IPSS)

363 'misericorde' associations

480 social cooperation foundations

712 voluntary social action associations

2. Brief historical outline

Private social welfare institutions are among the oldest welfare aid organizations in Portugal.

The first real welfare institutions 'Misericordias' were set up in the 15th century. They were founded in 1498 under the auspices of the Catholic Church.

It was not until 1780 that the first royal welfare institution, the 'Cava Pia', was set up. Until then, aid had been provided exclusively by private individuals.

Before the revolution of April 1974, the State administered the institutions indirectly. It encouraged the setting up of private institutions by granting subsidies to enable them to operate, buy the necessary equipment and expand. It also monitored their activities closely.

Of these private institutions, the 'Misericordias' are of particular importance. Under the law they were responsible for hospital care and had to meet the funeral costs of the poor. In addition, they coordinated aid at district level, which meant they had the status of a semi-public body.

Before an institution could be set up, its rules had to be submitted to the State for approval.

The restoration of democracy and freedom of association on 25 April 1974, was followed by a revival of privately initiated social action. Such action sought not simply to respond coherently to the moral obligation for social cooperation, but also to find solutions to social deprivation.

Under the new Constitution of 1976, the State is responsible for organizing the social security system. However, this in no way prevents the State from recognizing how important the role of private institutions is in this field — this is clear from the fact that it both authorizes and regulates them.

In 1979, the first law on 'private social welfare institutions' was promulgated on the basis of Decree-Law 519-62/79. It provides a legal framework for non profit-making institutions in the field of social security.

3. Size and structure

Private social welfare institutions have always played an important role in preventing and relieving social deprivation in Portugal.

They take a variety of forms: charitable associations, medico-social establishments, socio-cultural establishments, mutual aid schemes, and socio-economic associations.

The following legal forms exist:

social solidarity associations;

'Misericordias';

social solidarity cooperatives;

voluntary associations for social action;

mutual-aid associations;

social solidarity foundations.

They are allowed to form associations and federations. The procedure is straightforward: the constitution is authenticated by a notary, or, in the case of Catholic institutions, a canon law decree is issued by the Bishop of the diocese.

However, privileges and tax exemptions are granted only if the IPSS files certain documents, such as its constitution and internal rules.

In 1983, the legislation on IPSS was amended by Decree-Law 119/83. The new law concerns the constitution, alteration, termination of activities and internal organization of the institutions. It also extends the scope of the private social welfare institutions, by allowing cooperation with the State in the following fields:

aid and support for children and young people;

support for families;

help with social integration and rehabilitation;

care for the old, the disabled and people with no means of support or who are unable to work;

health care: preventive and remedial medicine and rehabilitation support.

Association of Private Social Welfare Institutions (União das Instituições Particulares de Solidariedade Social) (IPSS)

<i>President:</i>	Dr ORLANDO MOTA E COSTA
<i>Vice-President and Secretary-General:</i>	FRANCISCO COSME
<i>Treasurer:</i>	ENGA CAROLINA FURRUOSO MARTINS
<i>Directors:</i>	MARIA ANGELINA ANDERSEN ANTÓNIO DE SOUSA
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<i>Tel.:</i>	(2) 66 86 14

I. ORGANIZATION

1. Date of formation

15 January 1981.

2. Size and structure

The Association has 377 member institutions. They are divided into three regional delegations.

3. Administrative bodies

The *General Assembly*, which is made up of delegates from the member institutions; it has a five-man Officer Board — the President, two secretaries and two deputies.

The *Management Board* comprises the President, a secretary acting as Vice-President, 4 members and four deputy-members.

The *Board of Auditors* consists of a Chairman, two members and two deputies.

4. Decision-making procedure

Decisions are taken by majority vote except in certain cases, as laid down in the internal rules.

5. Secretariat and staffing

The *technical office* consists of one lawyer, one psychologist and one mathematician.

The *training office* employs three social welfare experts.

The *secretariat* employs three administrative workers.

6. Budget size and contribution arrangements

The 1984 budget amounted to ESC 20 000 000.

Resources come from members' contributions, which are fixed by the General Assembly, and grants.

II. AIMS AND PRIORITY POLICIES

The Association has the following objectives:

to represent and defend the common interests of the member institutions *vis-à-vis* the State, the courts, the local authorities and any other public or private body;

to promote contact and coordination between the various institutions, so that they can achieve their objectives more effectively, particularly that of finding solutions to existing social deprivation;

to give an opinion on conflicts arising between the member institutions or within an institution, and to act as arbitrator if called upon to do so;

to make proposals to the State authorities for measures which would be of public benefit in the institutions' fields of activity;

to give opinions on cooperation agreements between the institutions or between them and national or local authorities.

III. ACTIVITIES

The Association:

represents the member institutions *vis-à-vis* public and private authorities;

provides them with assistance and support both at the planning stage and in the execution of their work, in any way possible but in particular by supplying information and technical advice;

in pursuit of the above aims, it carries out any research or training judged necessary and deals with any information problems.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The Association is consulted on the adoption of new measures concerning the legal status and activities of private social welfare institutions. It has a permanent seat on the National Rehabilitation Board.

At regional level, the Association takes part in the work of the regional social security bodies.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

None.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

None at the moment.

VII. INTERNAL COHESION

This is very good because the members are of similar philosophical persuasion.

VIII. PUBLICATIONS

A monthly information Bulletin.

IX. SOURCES

Internal Rules of the private social welfare institutions of social solidarity

Decree-Law 119/83

Internal rules of the Association

The Associations' work schedule

The 1983 budget.

X. INTERVIEWS

Dr Maria do Carmo M. Correia de Piedade of the Social Security Department and Reverend Dr Orlando Mote e Costa, President of the Association, were interviewed on 12 and 18 May 1983 and on 8 July 1984 by José Miranda Relvas, ESC General Secretariat, Studies and Research Division.

2. The social welfare organizations of the Portuguese Catholic Church (Misericordias Portuguesas)

1. Basic data (1983)

367 institutions

23 649 recipients

5 577 employees

1 235 establishments

332 hospitals

18 000 beds

673 care centres

2. Brief historical outline

See the historical outline for the Private Social Welfare Institutions.

3. Size and structure

The Catholic welfare organizations are non profit-making charitable institutions of a religious nature and are run by the civil authorities and the Catholic Church.

They supplement the profit-making services provided by the public and private sectors in the fields of health care and social welfare. They are involved in a wide variety of areas:

hospitals, out-patient services, convalescent homes;

old people's homes;

help and care at home;

aid for the handicapped;

neighbourhood services (crèches, nurseries, welfare centres);

youth centres.

The Catholic welfare organizations have adopted one of the forms of organization open to private social welfare institutions under the present law. They are controlled by special legislation and, in addition, subject to the rules governing the IPSS, which are laid down in Decree-Law 119/83 of 25 February 1983.

A number of Catholic welfare organizations joined the IPSS Association at the same time.

Association of Catholic Welfare Organizations (União das Misericórdias Portuguesas)

President:

Rev. Dr VIRGILIO LOPES

Directors:

Dr JOAO NUNES S. PEREIRA
JOAQUIM MENDES
MARILIO F. RODRIGUES
RICARDO C. NETO

Address:

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1700 Lisbon

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(1) 788805

I. ORGANIZATION

1. Date of formation

24 January 1977.

2. Size and structure

367 institutions belong to the Association.

3. Administrative bodies

The *General Assembly* is made up of the delegates of the member institutions; the officer Board comprises a President and two secretaries.

The *National Secretariat* comprises three members and three deputies, elected by the General Assembly.

The *Board of Auditors* comprises a Chairman and two Secretaries, elected by the General Assembly.

4. Decision-making procedure

Decisions are taken by majority vote (a qualified majority of three-quarters is required for any amendment to the internal rules).

5. Secretariat and staffing

The Secretariat employs 4 administrative staff and 3 executives.

6. Budget size and contribution arrangements

The 1984 budget totalled ESC 96 million.

The Association's resources come from;

members' contributions;

voluntary contributions and gifts;

legal donations and requests;

revenue from property and capital;

grants from lay and religious bodies.

II. AIMS AND PRIORITY POLICIES

The Association aims to:

promote the setting up of new Catholic welfare organizations and to decide on the legal status, according to canon law, of those which have ceased to operate;

solve internal conflicts at the request of the parties concerned;

act as an intermediary between the Catholic welfare organizations and the civil and religious authorities.

III. ACTIVITIES

The Association:

represents member organizations *vis-à-vis* public and private authorities;

organizes discussion and information meetings and training schemes;

organizes staff training;

collects funds in Portugal and abroad to support its own activities and those of its member organizations which are in the greatest need.

IV. CHANNELS FOR EXERTING INFLUENCE ON NATIONAL PUBLIC BODIES

The Association is automatically consulted on the adoption of any new regulation which affects the legal status and activities of the institutions.

At regional level, a representative of the organizations takes part in the work of the regional social security bodies.

V. LINKS WITH ORGANIZATIONS IN THE EUROPEAN COMMUNITY

None.

VI. LINKS WITH INTERNATIONAL AND EUROPEAN ORGANIZATIONS OUTSIDE THE COMMUNITY

Member of the International Confederation of Charitable Institutions (a confederation of Portuguese and Brazilian Catholic welfare organizations).

VII. INTERNAL COHESION

This is very good because the members hold the same philosophical views.

VIII. PUBLICATIONS

The 'Misericordias Bulletin', published periodically, in Portuguese.

IX. SOURCES

Internal rules of the private social welfare institutions.

Dr QUELHAS BIGOTTE: *Situação jurídica de Misericordias Portuguesas*.

Internal rules of the Association of Catholic Welfare Organizations.

Outline of the activities of the Association of Catholic Welfare Organizations.

Association of Catholic Welfare Organizations 1983 budget.

X. INTERVIEWS

The Rev. Dr Virgílio Lopes, Chairman of the Secretariat of the Association of Catholic Welfare Organizations, was interviewed by José Miranda Relvas, ESC General Secretariat, on 19 May 1983 and on 6 July 1984.

List of persons who contributed to the compilation of the text

This text was compiled by a team formed specifically for this purpose by the Studies and Research Division of the General Secretariat of the Economic and Social Committee.

The team comprised full-time staff and 'trainees' in this Division, officials from other departments of the General Secretariat of the Economic and Social Committee and assistants from academic life in various Member States of the European Communities.

I. COMPOSITION OF THE TEAM

1. Staff of the General Secretariat of the Economic and Social Committee

Division for Studies and Research

Konrad Schwaiger
John Catling
Mercédès Lavin
Pedro Sepulveda

Trainees

Milena Hasdorf
Stephan Müller
Marie-Pierre Locret
Nick Bosworth

Other Administrative Units

Maxime Lauwens
Susanne Schmidt
Fabrizio Grillenzoni
Gerard Scholte

2. Assistants

Emil J. Kirchner, Essex University
José Miranda Relvas, Brussels/Lisbon
Elmar Stuhler, Technical University, Munich/Weihenstephan
Erich H. Diederichs, Munich-Grünwald
Ernesto Tosoni, Tarvisio

II. ALLOCATION OF DUTIES

Responsibility for general planning, completion and finalization of the report

1. Konrad Schwaiger
2. The responsibility for the different kinds of work involved, analysis of the available documentation, interviews with delegates from the associations and organizations of the cooperative

movement, the composition and checking of the various parts of the text — was assigned to the following people:

Part One: General survey

Konrad Schwaiger

in conjunction with: Susanne Schmidt
John Catling
Maxime Lauwens

Documentation for tables: Marie-Pierre Locret

Tables E and F: Susanne Schmidt

Part Two: Cooperative organizations of the European Communities

Documentation, interviews and initial editing: Emil J. Kirchner

Final version: Susanne Schmidt, Maxime Lauwens, Konrad Schwaiger

Part Three: Study on the cooperative and mutual benefit movement

Belgium, France and Luxembourg: Maxime Lauwens;

Denmark, United Kingdom, Ireland and the Netherlands: John Catling, in conjunction with Milena Hasdorf (for Denmark);

Federal Republic of Germany: Susanne Schmidt and Konrad Schwaiger, in conjunction with Elmar Stuhler and Erich H. Diederichs;

Italy: Fabrizio Grillenzoni and Konrad Schwaiger, in conjunction with Ernesto Tosoni;

Greece: Konrad Schwaiger, in conjunction with Susanne Schmidt.

Part Four: The economic activities of the unions in the EC

Konrad Schwaiger in conjunction with John Catling, Maxime Lauwens, Susanne Schmidt, Gerard Scholte and Stephan Müller.

Part Five: The cooperative, mutual and non-profit movements in the applicant States (Spain and Portugal)

Spain: Pedro Sepulveda in conjunction with Mercèdès Lavin

Portugal: José Miranda Relvas

III. ENGLISH VERSION

The various sections were originally drafted in English, French or Italian depending on the native language of the various authors and in the language the basic information was available in. The original texts were subsequently translated, where necessary, into one of the three languages of publication: German, English and French. The final editing and preparation work for the English version was carried out by John Catling.

European Communities — Economic and Social Committee

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and its organizations in the European Community**

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CES: 37

This handbook defines the cooperative, mutual and non-profit sector, highlights its fundamental characteristics and lists the main national and Community-level organizations.

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