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The Co-operative Movement and the Welfare of the Worker

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During recent years efforts have increasingly been made in most countries of the world to promote the welfare of the workers, but much still remains to be done. In the national sphere, Governments and numerous private institutions are carrying on the work already begun ; while, in its sphere, the International Labour Organisation is pursuing the aims laid down in its Constitution by attempting to facilitate the carrying out of national programmes that will ensure proper safety and hygiene at work, a balanced diet, good housing, and facilities for recreation and cultural activities for all workers.

The contribution already made and still to be made by co-operatives to the welfare of working people is far from negligible, as is shown in the following article by examples of the direct and indirect results of co-operation as regards purchasing power, credit, food and catering, housing, health, education and recreation.

THE desire for a decent standard of living, a fair share of the goods and services which labour provides for the community, and a certain degree of security, is the common aspiration of all workers in the broad sense of the word (wage-earners, artisans, small farmers, fishermen, etc.). The statutory regulation of conditions of work has been regarded as the most certain method of achieving this aim. But, beyond certain limits, such regulation may lose its effect, irrespective of methods of production and labour ; there is a sphere of human

relations and activity in which no problem can be solved without the willing collaboration of the individual. Moreover, excessive regulation may sometimes lead in the social field to results opposite to those anticipated, by weakening the individual's sense of responsibility and his readiness to help himself.

Parallel with the social progress which may be expected to result from statutory action, the workers themselves have a means of striving for greater freedom and an improved status. This means is association, of which the most effective form is association in trade unions and the most comprehensive form is co-operative association. This article is devoted to a study of the latter, showing the great variety of types of co-operation available for the promotion of workers' welfare.

Real Earnings

It is evident that the level of nominal wages does not by itself determine the possible level of consumption by the workers. The purchasing power of the wage-earner, that is his real wages and the supplementary income represented by the social services (social insurance, maternity assistance, retirement pension, etc.), also depends on the price of the goods and services which he needs. Most Governments have therefore adopted a policy of price control, and the supply and consumers' co-operatives provide effective aid in such policies. They obtain consumer goods at relatively low prices by bulk purchases and by ordering directly from producers; they reduce distribution costs by efficient organisation and cutting down overheads; as a result, they are able to offer the consumer goods at prices lower than would otherwise be possible. Periodical enquiries in Sweden show that the housewife saves approximately 5.2 per cent. of the amount spent on food if she makes her purchases at a co-operative, and that, if the 3 per cent. dividend to which she is entitled as a member of the co-operative is added to this saving, her purchasing power is increased by 8 per cent.

When they are financially sound and well-managed, consumers' co-operatives may set a standard and be used by the public authorities to evaluate prices and keep them at a

reasonable level. Indeed, such co-operatives have a regulating influence on surrounding prices, as has frequently been shown by observation and experiment. This influence may, on the one hand, exert itself through the normal, continuous restraint on price levels, arising from the economies of co-operative distribution mentioned above. It may, on the other hand, take a more active form in certain circumstances, as is shown by the following example from the Netherlands. Immediately after the war, this country set out to rebuild the economy and, in particular, to establish some balance between wages and prices. Strict controls were imposed by the Government but, though inflation was partially checked, the situation remained precarious; during the second half of 1947 it worsened and a new increase in wages seemed inevitable, as prices were not falling. At that critical moment the central organisation of the Dutch co-operative movement launched a price reduction campaign. The prices of a whole series of articles manufactured in the main co-operative factories in Utrecht (jam, yeast, pastries, coffee, tea, soap and other cleaning products) were drastically reduced. The average reduction was between 8 and 10 per cent., and reached 30 or 40 per cent. (according to quality) in the case of coffee and tea. Though the turnover of the Dutch co-operatives represented only 8 to 10 per cent. of the country's grocery trade, the results of the campaign exceeded all expectations; private retailers, bringing pressure to bear on their suppliers, also reduced their prices considerably and the wave of reductions artificially created in this way extended to other sectors.[1]

The supply co-operatives, which are really only a special form of consumer co-operative, also have an important influence on prices. These co-operatives are becoming more and more widespread, and are of considerable assistance to workers in a number of independent occupations (farming, handicrafts, etc.). They are even used by small traders, who thereby obtain the same advantages as those enjoyed by the large private businesses (wholesale buying at cheaper rates, goods of consistently high quality, reduced effect of price and cost variations, etc.). In addition to their influence on price levels, the supply co-operatives also enable production to be

[1] *Review of International Co-operation* (London), May 1948.

increased and thereby enable more goods to be placed on the market at more reasonable prices. In India, for example, the Mysore Government has promoted the formation of a large number of multi-purpose agricultural co-operatives for the purchase of supplies by farmers, who thereby obtain high-quality seed, fertilisers and more modern farm implements.

Similarly, a new form of farming—the joint farming co-operative—is now being developed with the object of placing landless peasants on the land and giving them work, or of modifying the pattern of farming among small-holders so as to obtain higher output, or of making the soil fit for cultivation and pasture. There is no doubt that such co-operatives have an effect on agricultural earnings and even on wages, since they promote a full-employment policy. In Argentina, Brazil, Colombia, Czechoslovakia, Israel, Greece and Turkey, they are playing a part in the process of absorption and settlement of new immigrants. In other countries, such as Austria, Bulgaria, Poland and Yugoslavia, they are using the most modern techniques (machinery, fertilisers, selected seeds and animals). Elsewhere, for example in the Belgian colonies, Brazil, Fiji and Haiti, they are opening up new land for cultivation. In every case these co-operatives lead to a higher standard of living for their members and sometimes to improved cultural and health facilities.

In this context mention should also be made of the co-operatives devoted to the extension of handicrafts. The members are often peasants in overpopulated areas or harsh climates who seek an alternative or additional income from handicrafts. The development of such co-operatives is frequently encouraged by special legislation. In Bulgaria, a fund has been formed to assist craft workers, and the current economic plan provides for the constitution of new craft associations. In both India and Pakistan the authorities envisage the widespread formation of co-operatives to develop small-scale and " cottage " industry. In Poland the need to rehabilitate the unemployed and to rebuild the economy led to the formation of co-operatives associated in a central organisation, covering all branches of production. In Czechoslovakia the plan put into execution in June 1948 emphasised the need to develop craft co-operatives, and considerable progress has been made.

Lastly, there are the workers' productive co-operatives, which have a direct influence on the incomes and earnings of the associated workers. There are various types of workers' productive co-operatives and labour co-operatives, which it is impossible to study here. But, regardless of structure and mode of operation, they all offer an interesting solution to the problem of the reform of the undertaking [1] by enabling the worker to participate in the management and profits, and by protecting his independence and dignity in his work.

In Europe (particularly in Czechoslovakia, Denmark, France, Italy, Switzerland and the United Kingdom) and also in Israel, there are workers' productive co-operatives in many fields, especially in the building and construction industry, where they have accomplished much with very small resources.

The organisation of industrial co-operation in Bombay Province (India) is of interest, covering as it does both handicraftsmen working individually and groups operating joint workshops. A great many of the members of the industrial co-operatives in Bombay belong to the former category. Where, however, there is a distinct advantage in joint production, efforts are made to induce the societies to organise the production of their members on a joint workshop basis.

In 1948 there were 479 industrial co-operatives in the province, of which 223 were weavers' and 74 tanning and leather workers' societies. A Provincial Industrial Co-operative Association was founded in 1946, to promote *inter alia* new industrial co-operatives and provide services to existing ones, such as training in co-operative administration and accountancy, improvement of working techniques and equipment, standardisation of products, and assistance in the procurement of raw materials and the marketing of goods. By 1950 some 159 societies were affiliated to the provincial association. Many of them are also grouped in district associations, which the provincial body is endeavouring to extend throughout the province, principally for the organisation of technical and commercial activity in their respective areas. In view of the rapid growth of industrial co-operatives and the difficulty of

[1] Cf. *International Labour Review*, Vol. XII, No. 5, November 1925, pp. 650-67 : " The Commandite : Co-operative Work in the French Printing Industry ", by Charles MARAUX.

raising loans for such co-operatives (as compared with others), consideration is being given to the establishment of a special financial organisation to advance credit to industrial co-operatives.

In Japan a law on industrial co-operatives was promulgated in June 1949. A council for the " emancipation of women home workers " had already been established earlier for the purpose of organising women occupied in home industry on co-operative lines so as to remove them from the clutches of the home work contractors and improve their wages and working conditions.

In many countries labour co-operatives have been used to deal with certain social problems. In New Zealand, for example, they have been used for over 50 years in connection with public works, and the co-operative organisation of labour is regarded as a weapon in the war against unemployment.[1]

Even co-operatives of unemployed have been successfully formed in certain countries, such as China, Czechoslovakia, Poland and the United States, during periods of more or less prolonged depression.

CREDIT

If the welfare of the workers is to be promoted, protection must also be given against the risk of indebtedness, which is so baneful to households with small incomes. Here again co-operative methods can be applied with success. The part which the rural credit co-operatives play in this field is well known, but the less-known role which has been and is still being played by co-operative institutions in urban and industrial areas is far from negligible.

Credit in Urban Areas

Among the business rules of consumers' co-operatives there is one to which attention is not always paid—the rule that purchases must be for cash.

Numerous investigations have shown that the freedom of the worker to use his earnings as he wishes, and even his

[1] Cf. *International Labour Review*, Vol. LI, February 1945, pp. 167-90 : " Co-operative Contracting in New Zealand ", by A. E. C. HARE.

independence and self-respect, are endangered by the practice of credit trade. By resisting this practice, the consumers' co-operatives have done useful work for economic and social liberation, just as they have done useful educational work by organising saving in various forms. Thanks to the provident funds which the co-operatives have often established and on which members draw in case of need, thrift with all its benefits is taking the place of borrowing.

But the consumers' co-operative savings funds cannot meet requests for the larger credits needed to set up house or to buy a sewing machine, stove, etc., and the large banks are not equipped to deal with such loans. Apart from the municipal or charitable institutions to be found in certain countries (and these have only limited means), the usual recourse for wage-earners is the hire-purchase system or a loan from the small lending agencies or usurers. It was to avoid the need for these costly and dangerous expedients that savings and credit co-operatives have been formed in urban areas. Though adapted to the requirements of the wage-earners, these co-operatives have the same general features as the rural credit co-operatives (credit on personal guarantee, borrowers all of a similar type, etc.).

There are a certain number of societies of this kind in Europe, particularly in Austria and Switzerland, but they are most frequently met with in Canada and the United States under the name of " credit unions " or " people's credit funds " (" caisses populaires "). The first people's credit fund was founded in 1900 at Lewis in the Province of Quebec. A large number of similar organisations developed later, and now cover most of the country. Most of them are rural, or mixed urban and rural. In the United States the credit unions are generally urban, although there is a current tendency for them to spread into the country. At the end of June 1950, there were 13,292 credit unions in Canada and the United States, with over five million members and aggregate assets of more than $1,000 million. Loans granted during the financial year 1949 amounted to $8,000 million.[1]

On the whole, credit co-operatives have developed more among agricultural workers than among urban workers. This is

[1] DEPARTMENT OF AGRICULTURE, Co-operative Services : *Credit Unions* (Winnipeg, 1951).

due to the greater mobility of urban workers and the need to organise their credit co-operatives on a limited liability basis, entailing greater capital participation than most of them can afford. Experience has shown that credit co-operatives have been most successful where labour is most stable. Employers have very often helped to overcome early difficulties by making grants or giving technical assistance.

Rural Credit

In agriculture and handicrafts also, usury is a scourge against which the independent or semi-independent worker has little defence. In Europe farmers were for a long time left to deal with money-lenders by themselves. They were often forced to accept loans on very hard terms, and were at the mercy of their creditors if unfavourable circumstances prevented them from meeting their obligations. As a result of Government intervention and private initiative (especially the latter) the situation altered rapidly towards the middle of the nineteenth century, but in the economically less advanced countries it remained practically unchanged until the end of the first world war. In 1854 the peasants in Germany, under the influence of Raiffeisen, started to form rural credit co-operatives based on the principle of the joint and unlimited liability of the members. This movement developed rapidly in Central and Western Europe and today there is a complete network of such co-operatives which, with or without State aid, have not only facilitated the development of saving in rural areas but also opened up external sources of credit.

In the Asian countries great numbers of small producers have similar need of credit either for development or to maintain their production at a level which will provide a decent living. Indebtedness is a chronic evil, and Governments are now tackling it with some energy. The rural credit co-operatives, which are the oldest and most widespread form of co-operation in Asia, have greatly assisted the work of the Governments. The number of these co-operatives continues to grow at a steady rate[1], and many of them are trying

[1] INTERNATIONAL LABOUR OFFICE, Studies and Reports, New Series, No. 19 : *The Development of the Co-operative Movement in Asia* (Geneva, 1949).

gradually to meet as many of the common requirements of the members as possible (supply of requisites and marketing of products). Those of the latter type are known as " multi-purpose co-operatives " and are more and more taking the place of the merchant money-lenders.

In the Near and Middle East a number of national banks for rural credit have been established. These are generally subsidised and administered by the State and are in most cases based on a network of rural credit co-operatives.[1]

Credit and savings co-operatives are thus capable of fulfilling a social function, which should be emphasised ; they can help to eliminate the risk of indebtedness—an important factor for which greater allowance should perhaps be made when preparing general social security plans, if the maximum well-being of the workers is to be achieved.

Nutrition

At its 19th Session in June 1935 the International Labour Conference adopted a resolution concerning the social aspects of the problem of nutrition, which made the following main points : (1) adequate nutrition is essential to the health and well-being of the workers and their families ; (2) in various countries evidence has been brought forward to show that large numbers of persons both in town and country are not sufficiently or suitably nourished ; (3) further investigation of the problem of workers' nutrition, particularly in its social aspects, is necessary.

This question was studied systematically and the conclusions reached are still valid.[2]

Among the institutions attempting to improve the nutrition of the workers, the co-operatives appear particularly well qualified to deal with the problem.

Briefly, the problem is one of making adequate food of proper quality and variety available to the greatest possible number of persons, and of providing the knowledge and facilities which will enable that food to be used economically and

[1] Regional Conference for the Near and Middle East (Teheran, 1951), Report II : *Co-operative Organisation* (I.L.O., Geneva, 1950).

[2] INTERNATIONAL LABOUR OFFICE, Studies and Reports, Series B, No. 23 : *Workers' Nutrition and Social Policy* (Geneva, 1936).

with the greatest benefit to health. It is not only a problem for hygiene experts, but also a problem of production, prices, quality improvement and control, and involves the education of the consumers. It is therefore to a great extent a task which must be performed by the agricultural producers' and consumers' organisations.[1]

In many countries private organisations, particularly in the form of co-operatives, are often responsible for a considerable part of the production and marketing of certain essential commodities; the arrangements for the distribution of the goods consumed by the workers are also frequently provided by the co-operatives.

Agricultural Co-operatives

When seen as a whole, the methods used by the agricultural co-operative organisations to improve, standardise, control and guarantee the quality of the products which they supply, form an unbroken chain. The process starts in connection with the various factors which influence the quality of the product from the outset—soil, quality of seed, plants and breeding animals. These varied tasks are performed by the great central organisations of the agricultural marketing co-operatives, through the elimination of defects or through research and the breeding of better strains, or more often by a combination of both methods. Denmark is the country where seed research and the production and distribution of selected seeds have been carried furthest, and a specialised co-operative ("Danske Landboforeningers Frøforsyning") exists for this purpose.

A considerable number of agricultural co-operative societies also undertake scientific research into methods of manufacture or cultivation and train technicians. The central organisation of dairies in Finland ("Valio"), for example, has developed chemical research relating to the dairy industry in its own laboratory.

Again, most of the agricultural co-operative societies, particularly in Europe and the United States, exercise strict control over both raw and finished products. A large number

[1] INTERNATIONAL LABOUR OFFICE, Studies and Reports, Series B, No. 24: *The Co-operative Movement and Better Nutrition* (Geneva, 1937).

of central marketing organisations have given their support to this practice by creating brands or trade-marks that give an absolute guarantee to both producer and consumer. The use of the brand is governed by strict conditions and the right to employ it may be withdrawn if the user does not maintain the standard. In exporting countries the withdrawal of the right to use the brand is tantamount to a prohibition to export. Brands are often created and awarded by the State, but in most cases this is done at the request and with the collaboration of the co-operative organisations.

Consumers' Co-operatives

The main task, and even the primary purpose, of consumers' co-operative organisations is, as they say themselves, to supply their members with sound goods of fair quality at reasonable prices. The methods they adopt fall into two main categories. If the foodstuffs have been processed in the factories of the co-operative, the latter ensures that they are produced in the best hygienic conditions. If the goods are purchased, the co-operative takes great precautions in the purchasing, warehousing and distribution. Simultaneously, the consumers' co-operatives carry on a process of education among employees, members and the public at large.

There is a marked tendency among consumers' co-operatives to produce more and more of the commodities and articles sold. The retail co-operatives have taken part in this trend, and some of them own dairies (Switzerland), mineral-water factories (Finland), butcheries (United Kingdom), establishments for the production of pork products (France). However, as regards most of the transportable staple foodstuffs, all or part of the supplies are produced by the wholesale co-operative organisations ; the English and Scottish co-operative wholesale societies, for example, produce almost all the staple foodstuffs required by their members : flour and meal, butter, margarine, cheese, canned foods, pork products, biscuits, etc.

Where the retail co-operatives and their central organisations have developed a production side, the object has been to take advantage of the economies of large-scale processing and pass the benefit on to their members. To a subsidiary extent, it has also been done with a view to distributing goods

of the best quality, satisfying all the requirements of hygiene, as is shown by the care taken in manufacture and the methods of control adopted. The system of supervision covers not only the finished product but also the raw materials and the process of manufacture itself.

Lastly, in order to be of maximum service to the households they comprise, co-operatives have increasingly engaged in spreading merchandise knowledge among members and senior and junior employees with the object of guiding them in the purchase and preparation of foodstuffs. Various means are used for this purpose; articles in the co-operative press, broadcasts, films, lectures, exhibitions, tastings, demonstrations, etc., have been employed with some success in most countries.

Hotels, Restaurants and Canteens

In addition to the consumers' and agricultural co-operatives, whose influence on the nutrition of the general public varies in directness, there are other types of co-operatives specifically designed to deal with the problem—co-operative hotels, restaurants and canteens. Such co-operatives are often extensions of consumers' co-operatives, but occasionally they are separate societies existing independently.

Recently the International Labour Office again stressed the need to develop canteens and similar services, particularly in the Asian countries.[1] In this matter also, the co-operative movement has played a useful part and a place may be assigned to it when planning for the development of social services in economically backward countries. For example, the Committee on Wages appointed by the Indian Government has recommended that the establishment of co-operative canteens for workers should be encouraged. In Singapore, the Department of Social Welfare is promoting the provision of approved restaurants by factories and businesses for their employees, to be run usually on a co-operative basis.

More commonly, however, services of this kind have been introduced by existing co-operatives for their own staffs and also for the public. In Finland, 326 co-operative restaurants

[1] Asian Regional Conference, Nuwara Eliya (Ceylon), 1950, Report II: *Provision of Facilities for the Promotion of Workers' Welfare* (Geneva, 1950), pp. 51-4.

were being run in 1948 by consumers' co-operatives; the turnover of the co-operative restaurants in Finland before the war was 14 per cent. of the total turnover of all the restaurants in the country. Co-operative restaurants and canteens have also been successfully developed in France, Sweden, Switzerland and the United States.

The experience gained by the various kinds of co-operative organisations in providing the workers with a better diet might be drawn upon with advantage in other countries where malnutrition and deficiency diseases are still unfortunately widespread.

Housing

For many reasons the housing question occupies an important place in the programme of Governments. In spite of the progress made in certain countries during the last twenty years, the problem of housing families in the lower income groups has nowhere been completely solved. The situation has been worsened by the stoppage or reduction of building during the war, by vast movements of population as a result of political events, by the drift to the towns and by the general increase in population.

The problem in itself is not a new one; but the present dimensions are unparalleled. The nature of the problem varies, moreover, from one country to another on account of differences in climate, resources, manner and standard of living and other factors.[1] Moreover, any solution of the problem by individual efforts is practically impossible. It seems likely that the co-operative organisations, which are flexible enough to adapt themselves to local circumstances and have all the advantages of group action, could help to overcome the difficulties inherent in the problem of workers' housing.

Building by Consumers' Co-operatives

In industrial areas, the consumers' co-operatives have been doing useful work in connection with housing for many years. The town-dwellers have to a certain extent made use of

[1] *Provision of Facilities for the Promotion of Workers' Welfare, op. cit.*, pp. 40-4.

co-operative action in obtaining housing as well as food. And quite frequently (at least in the initial stage) both needs have been supplied by a single organisation—in some cases by a society formed from the outset as a retail distributive and housing co-operative, and in others by a consumers' co-operative which later expanded to include housing. The oldest consumers' co-operative in Argentina, " El Hogar Obrero ", has been the model for all the distributive, credit and housing co-operatives in that country ; it still builds small family houses and large blocks of flats for its members. In Switzerland, the village of Freidorf near Basle was built at the end of the first world war by the Swiss Union of Consumers' Co-operatives. Similar efforts have been made in the United Kingdom and in the Scandinavian countries, as a result of which thousands of members of consumers' co-operatives have become house-owners.

Building by Specialised Co-operatives

The difficulty of carrying on simultaneously such widely different activities as house building and the retail food trade led the consumers' co-operatives to reduce their activity in the field of housing. On the other hand there has been a fairly rapid growth of specialised co-operatives, very often with the support of the consumers' co-operatives, to meet the housing needs of the workers. These co-operatives are of more recent origin ; there are a variety of forms but they can be classed in two main groups : (1) savings and credit co-operatives which grant their members the advances necessary for building or the purchase of material ; (2) building co-operatives which sell or let the houses they build to their members. The latter type is most widespread in Europe ; it proved its effectiveness during the period between the two wars and is still doing so in Denmark, the Netherlands, Norway and Sweden.[1] In the United States the housing co-operative movement has developed with the aid of the trade unions.

Various types of building co-operatives are also found in the economically underdeveloped countries of Asia, Latin America

[1] INTERNATIONAL LABOUR OFFICE, Studies and Reports, Series H, No. 5 : *The Co-operative Movement and Present Day Problems* (Vol. II) (Montreal, 1945). See also " Co-operative Housing in Europe " in *Review of International Co-operation* (London), July 1948.

and the Near and Middle East; the Governments assist in the formation and running of such co-operatives.

In 1949, co-operative action became particularly marked in the field of housing. The Tenth Congress of the International Co-operative Alliance in Prague recommended the affiliated national co-operative organisations to study and develop the activity of housing and building co-operatives, and stressed the need to work out general principles and practical methods for continuous co-operative and inter-co-operative action in this field. In Colombia, noteworthy progress in the growth of housing co-operatives was reported for 1949; some of these were building houses and manufacturing the more important building materials (brick and stone, timber, tiles, locks, etc.). In Egypt, an inter-ministerial housing committee was appointed in the same year to examine the housing problem—one of the most serious social problems in the country; the first report of the committee brings out the need to promote co-operative organisation for the supply of building credit, or for the erection or purchase of dwellings which members can acquire by a system of hire purchase. In Greece, the Minister of Labour drafted a Bill providing for facilities to be granted to wage and salary earners for the building of cheap houses through the co-operatives. In the Netherlands, the public authorities gave a powerful stimulus to co-operatives for the construction of working-class houses; such co-operatives are now springing up throughout the country. Lastly, plans for co-operative house building are being put into operation throughout Asia. In India housing co-operatives are already functioning, particularly in the provinces of Bombay (315 purchasing and building co-operatives with 16,622 members) and Madras (176 building and renting co-operatives). Both the Bombay and Madras Governments are actively supporting co-operative housing schemes, by advancing funds, granting preferences and concessions in the supply of building materials, and facilitating the acquisition of land. In Pakistan the Government has stressed the urgency of the housing problem and has recommended, among other methods, the use of co-operatives to deal with it.

Protection of Health

Most Governments have introduced systems providing what is known today as " social security ". In this connection it may be recalled that the original purpose of many co-operative organisations was to protect their members against social risks to themselves and their families. In numerous cases co-operation developed first in the form of friendly societies to aid members and their families in the event of sickness, accident, death, etc., whereas the co-operative organisation of wholesale and retail marketing of agricultural and non-agricultural products came later.

In the majority of cases, however, co-operative institutions were first established for economic purposes; and although their leaders were aware of the non-economic possibilities of co-operative action, it was only later, when resources became sufficient, that they were able to introduce social action and so emphasise still more the real meaning of co-operation.

In countries where social security systems are well developed, the mutual aid institutions of the co-operative or friendly society type have sometimes been retained side by side with a network of official organisations, and still play an important part. In France, for example, they have been made responsible for the administration of the main branches of agricultural social security (sickness, maternity, death, retirement, family allowances).

In countries where social security systems are poorly developed, private organisations and especially the co-operatives have spontaneously worked out schemes to protect their members against loss of earning power. Co-operative societies of all types (supply, production, marketing, consumer, credit, etc.) have organised assistance of this kind for their members and employees. Other co-operatives have made it their special object to cover the risks of the workers as a whole or of particular occupational groups; and trade unions and other professional bodies have associated themselves more or less directly with this work.

In many cases, these voluntary efforts constitute in fact the only existing system of social security.[1]

[1] *International Labour Review*, Vol. LX, Nos. 5-6, November-December 1949: " Co-operation and Social Security ".

The extension of social security in general and to all workers in each country is a difficult problem, and it is one of the main preoccupations of the authorities. According to circumstances, the co-operative organisations have made, are making or will make contributions of varying importance to the development of social security.

To give an idea of the variety of co-operative activities in the sphere of health and hygiene one has only to mention the co-operative pharmacies in Belgium, Italy, Switzerland and the United Kingdom, the medical aid co-operative and the anti-malaria co-operatives in India and Pakistan, the medical service co-operatives in Canada and the United States, the co-operative hospitals in Canada, Ceylon, Japan and the United States, and the workers' provident and pensions funds in Israel.

The credit and consumers' co-operatives have also undertaken additional functions in the sphere of health and have established sanatoria and convalescent homes in Belgium, Denmark, France, the United Kingdom and Yugoslavia, medical and dental clinics in France, the Netherlands and the United Kingdom, and rest camps and preventoria, intended particularly for children, in Belgium, France and Italy.

Education

The workers must not only develop their cultural life but also learn how to form and run their own organisations, to study their own problems and to try to find solutions. It is therefore essential that they should be able to obtain instruction if they are to take an active part in running the public and private social services which are being established for their benefit in most countries.

The co-operative movement, by its very structure, is not merely an instrument for economic progress; it is essentially an educational organisation and as Dr. Fauquet, a great co-operator, has rightly said: "The initial object of the co-operative institution is to improve the economic condition of its members; but by the methods it uses and the qualities it requires of its members and develops in them, it aims at and reaches something higher. The purpose of co-operation is therefore to create responsible men with a sense of commu-

nity, so that each may develop a full personal life and all may develop a full social life." [1]

The fundamental importance which the co-operative movement attaches to the education of the people and the magnitude and scope of its educational work are therefore not surprising; co-operation and education are intermingled to such an extent that they cannot be separated one from the other.

Among the very varied means of co-operative education [2] an important part is played by the co-operative press. There is a large number of co-operative periodicals in most countries in the world, including a few which are international in character. Some of them are devoted to general news and are widely read; others, of a more technical nature, are designed for the managers of co-operative organisations; and others, in a more popular style, are particularly intended for the co-operators themselves and their families.

Reading-rooms (which are found for example in Canada, Finland, France, Sweden and the United Kingdom), publishing co-operatives (found in Denmark and France), lectures, broadcasts and films are also used by the co-operative movement for educational purposes.

But one of the most frequently employed means of co-operative education is still the organisation of regular or seasonal classes and correspondence courses. Special colleges and schools have been set up in many countries to give advanced instruction in co-operative theory and history and in other subjects. The co-operative colleges in the United Kingdom and at Freidorf in Switzerland, and the Vår Gård School in Sweden are remarkable examples.

Correspondence courses have also been successfully organised, particularly in Finland, the Netherlands, Sweden, and the United Kingdom. In Sweden 89,185 students attended the courses during the year 1947/48.

In addition, the co-operative movement has developed special instructional methods for young persons and women, and special techniques of adult education.

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[1] Dr. Georges FAUQUET: *Le secteur coopératif* (Paris, Les Presses Universitaires de France, 1942), p. 44.

[2] INTERNATIONAL LABOUR OFFICE, Studies and Reports, Series H, No. 4: *Co-operative Organisations and Post-War Relief* (Vol. I) (Montreal, 1945), pp. 23-36.

The school co-operative societies should be mentioned first. These are formed by elementary and secondary school children, who usually run a small independent business supplying their common material and cultural needs and the needs of the school itself.[1] These co-operatives have very varied activities: the supply of school requisites, printing, restaurants, woodwork, metalwork, pottery, knitting, weaving, etc. They are fairly widespread in Europe and the Americas.

The young farmers' clubs, 4H clubs and other similar organisations, which are found chiefly in the Anglo-Saxon and Scandinavian countries, also belong to this movement. They are found in Africa, Latin America, Central America, North America and several European countries. It is estimated that there are now between 90,000 and 100,000 such clubs.

Women have not been neglected in the educational work undertaken by the co-operative movement. The creation of guilds has enabled suitable education to be given to housewives, who are rarely in a position to attend regular courses. From the beginning, such education, based on lectures and discussion, had a practical aim. The topics discussed include housing, maternity and child welfare, public education, labour legislation, etc. Enquiries into a considerable number of social problems have also been undertaken.

The first guild was founded in England in 1883. Similar organisations were rapidly founded in more than twenty countries and in 1921 the International Co-operative Women's Guild was founded. This body very rapidly established contact with women's organisations in many countries and encouraged the development of national guilds.

The technique of discussion and study groups used by the guilds was some years ago extended to adult education. Sweden seems to have been the first country to adopt the method and to have developed it furthest. A study group consists of a maximum of twenty persons who exchange their experiences and pool their knowledge; in conception therefore it is totally different from classical education, as it combines active education with mutual education. Brochures and guides prepared and published by the central co-operative organisations are

[1] Maurice COLOMBAIN: *La valeur éducative des coopératives scolaires* (Paris, Fédération nationale des coopératives de consommation, 1941).

generally used as a basis for the discussions. The study-group system is often combined with correspondence courses and excellent results have been obtained by this method.

This new technique of adult education, which is capable of reaching a large proportion of the population, has spread to many countries. The Swiss co-operative organisation was, in 1934, the first to follow the example of Sweden ; a few years later the movement spread to Belgium, Denmark, France, Great Britain, the Netherlands and Poland. The movement then secured a foothold in Madras province in India and is gradually developing in the Latin American countries. But it is in North America that the movement established itself most rapidly, under the sponsorship of the excellent extension department of St. Francis Xavier University in Antigonish (Nova Scotia), which has founded more than 1,300 study groups in that province alone. The movement, known today as the " Antigonish Movement ", rapidly spread throughout Canada, and (in slightly different forms and under slightly different names) to most of the United States. Study groups have everywhere been of service in the field of general education and of social research and study.

Recreation

It has long been accepted that after working hours the worker must have opportunity for enjoyment, recreation and further education, and time to carry out his duties towards his family and society.

The regulation of hours of labour in the great majority of countries has improved the situation of the worker in this respect, but at the same time it has accentuated the problem of the use of leisure. The need for organised recreation is mainly felt in the urban and industrial areas, where life and work are less intermingled than in the country. The problem is of particular importance in the case of young workers, who are unaccustomed to continuous fatigue and for whom recreation and physical relaxation are essential, and of heavy workers and persons employed on tasks where machinery has replaced human intelligence and led to the adoption of mass production methods.

The co-operatives have participated in the general effort to provide organised recreation, and the many forms of social work undertaken by the co-operative movement as an extension of normal functions or as a separate undertaking are well known. In most countries, the co-operative institutions publish illustrated magazines for families and organise social evenings (concerts, films, plays). In Belgium, Czechoslovakia and Finland, for example, the co-operative societies have established a number of community centres with meeting rooms, reception halls and libraries. In Denmark there are theatrical organisations run on co-operative lines. In France the National Committee on Recreation arranges festivals and study trips, and has founded sports clubs and music schools ; in Great Britain exhibitions of arts and crafts, choirs, drama clubs and film shows are also organised by co-operatives, while in the United States cinemas have been established with the support of the consumers' co-operatives.

Lastly, as regards holidays, co-operatives organise travel at home and abroad (frequently in collaboration with the trade unions), and sometimes even establish hotels, hostels and holiday homes and camps.

Conclusion

The foregoing sketch of the action undertaken by the co-operative movement for the welfare of the workers has in part taken the form of a review of the main forms of co-operation—consumption, supply, marketing, credit, etc. What stands out is the great variety and flexibility of the co-operative institutions which, inspired by common principles, are tackling with uniform success nearly all the problems involved in the promotion of workers' welfare.

The various elements thus revealed now enable us to answer the question : how far and by what methods can the co-operative organisations contribute to the promotion of workers' welfare ?

What the co-operatives offer the workers is aid in their constant struggle for independence and better conditions. The natural vocation of the co-operative institutions—which are the offspring of necessity, born of the people, created by the

people and for the people—is to protect the people and, above all, to enable them to satisfy their legitimate social aspirations.

It is true that co-operative organisation has met with varying success. It depends on the men who plan the organisation and inspire it, and on economic (and sometimes even political) circumstances; legislation, for example, may help or hinder its development and activity. That is why certain experiments have succeeded beyond the hopes of the people who undertook them and are universally recognised; it is also the reason for certain failures, which have sometimes been misinterpreted.

As a general rule, however, it is a fact that working people in all countries are obtaining and will continue to obtain considerable advantages from co-operation. Both Governments and employers' and workers' organisations have understood this; they are showing considerable interest in the development of co-operation and often give practical and effective assistance in the foundation of workers' co-operatives.

Official departments for co-operation exist in many countries, and in some there are special ministries which encourage the extension of the co-operative movement in collaboration with semi-official or private institutions. Their role is less important in the economically developed countries, where the workers are organised and already possess a well-planned network of co-operatives; but it is of prime importance in the underdeveloped countries where the workers are frequently unorganised and need to be trained before they can form and manage an association. This question deserves consideration, particularly at a time when technical assistance to underdeveloped countries is being undertaken.

If the maximum use is to be made of the co-operative movement in promoting welfare in these areas, arrangements for teaching co-operative principles must first be made and an adequate number of persons trained to fill the main posts in the co-operative structure. It will then be necessary to give advice and guidance to the workers, and finally, in many cases, to provide machinery for financial and technical assistance to support the infant co-operative institutions.

A certain number of employers have tried to promote the development of co-operative organisations among their employees. They have given not only moral support, but also

considerable practical assistance by advancing the necessary capital or making loans at minimum rates, by providing halls, storehouses and transport facilities, and by providing book-keeping and other services. However, the voluntary nature of co-operation must not be forgotten; success or failure will depend on the extent to which the workers accept responsibility in the co-operative undertaking and on the diligence which they show in exercising their rights and fulfilling all their obligations.

In this connection the trade unions have a considerable part to play, and in most countries where industry is well developed the workers have realised that collective action to increase their well-being is almost as important as collective action to obtain improved employment and working conditions.

In the underdeveloped countries, the unions can and should (as some already do) assist the co-operative movement by propaganda in favour of co-operation and by encouraging educational activities among the workers. They can persuade their most active members to accept administrative posts in the co-operatives; or they may take direct action like the trade unions in the United States, which have planned and are conducting a campaign for the development of co-operative institutions among the workers. These unions and the central co-operative organisations have set up a joint action committee for the purpose. The result has been a considerable increase in the number of credit unions and other co-operative societies of various types.

Greater understanding of the immediate and future possibilities offered by the co-operative organisations, on the part of public opinion, those who represent it, and those directly responsible for ensuring social justice, will enable the fullest use to be made of the beneficial effects of co-operation on the welfare of the workers.