The Contribution of Co-operation and Trade Unionism to Improved Urban-Rural Relations

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Urban growth and rural exodus

URBANISATION and " the flight from the land " are problems faced, in one form or another, in developed and developing countries alike. But the race for economic growth shows up the difference in relations between town and country in the richer and the poorer nations. In the former, excessive urban congestion creates the need to decentralise industry, to seek a better population distribution and to reform the economic and social structure of rural society; the general picture is one of cities growing uncontrolled and to the detriment of peripheral and rural areas, which are very often becoming depopulated. In countries that still have an essentially agricultural economy the process of urbanisation, though not so rapid, is none the less disquieting because of the inadequacy of the agricultural sector on the one hand, and the housing shortage and lack of industrial and tertiary employment opportunities in the towns on the other.

The form taken by the rural exodus depends, moreover, on the degree of agricultural and industrial development of the country concerned. In the developing countries it is caused mainly by a scarcity of foodstuffs and not by overproduction; in the majority of cases demographic growth outstrips the increase in agricultural production. Far from offering employment possibilities this type of urbanisation results in overpopulation of the cities, with harmful economic and social consequences. In contrast, in the developed countries the economic infrastructure and the industrial base provide the means of absorbing migrants from the countryside into productive activity and facilitating a better distribution of employment.

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In spite of these differences it seems that there are certain common factors causing the flight from the land: the relatively low incomes in agriculture, the drawbacks of rural life, the attractions of the town and often the workers' desire to change their trades even if their places of origin have good development prospects.[1] As regards the incidence of demographic facts on employment, all countries have one feature in common: in developing regions the agricultural population is continuing to grow in absolute terms, whereas in the advanced countries it is diminishing even in numbers; *but everywhere its share in the total active population is diminishing.*[2]

Do the changes resulting from the new relationship between agricultural and other occupations necessarily have to take the form of a flight from the land and accelerated urbanisation? The serious disproportion between town and country in the advanced countries and the imperative necessity for a more balanced form of progress in those that are now embarking on their economic development highlight the disastrous consequences of the rural exodus, which should be counteracted—if conditions of development so permit—by an " agricultural exodus " (as defined below).

Everywhere the rural masses are on the move, pulled by the attractions of town life and pushed by the hardships of life in the country. And yet, in spite of the different forms of rural exodus and urbanisation already noted, there are undoubtedly certain circumstances that would attenuate these population shifts and favour a policy of balanced social and economic growth by preventing the gulf between town and village life from widening still further.

In the industrialised countries the enormous dimensions of certain large cities already threaten to disrupt their very structure by causing a counter-current from the town to the country—a trend greatly facilitated by increasing motorisation, a typical sign of prosperity. The very disproportion between the urban and rural sectors has already brought new advantages to agrarian regions, awakening in their inhabitants an urge to raise their living conditions to those of the town; at the same time it has aroused the interest of certain urban groups in rural community experiments that may provide new values for a grossly urbanised and industrialised society.

On the other hand, in the economically backward countries, the fact that the rural masses are in the majority holds out the hope that their demographic structure can be kept in better balance than would be possible elsewhere, thus avoiding the polarisation of society into its extreme forms: the metropolis and the village.

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[1] See I.L.O.: *Why labour leaves the land*, Studies and Reports, New Series, No. 59 (Geneva, 1960).

[2] See O.E.E.C.: *Rural manpower and industrial development* (July 1961).

The " agricultural exodus " referred to above would involve transferring manpower previously employed in farming to non-agricultural activities, but still in the rural sector. If secondary and tertiary employment can be created in the countryside, jobs will be available on the spot for manpower made redundant by progress in agriculture. The declining proportion of farm workers—an inevitable and indeed desirable result of any kind of economic progress—would then no longer lead to the growth of the cities at the expense of the villages but constitute the basis for a more balanced development of the nation.

Thus, though population shifts occur nearly everywhere, a basis for correcting resultant imbalances undoubtedly exists: in highly industrialised economies, in the potential reaction to excessive urban growth; in developing countries, in the possibility of avoiding the mistakes made elsewhere owing to the priority too long given to the development of large-scale industry.

Everywhere the rapid improvement of communications is bringing people closer together. As a result it is becoming increasingly true—paradoxical as this may seem—that town and country, industry and agriculture, and the level of urban and rural workers' wages are closer than ever before. In fact they should be regarded more and more as complementary aspects of a society tending towards a unified solution of its fundamental problems.

Trade unions and co-operation

Labour organisations have a challenging new role to play in the world we have sketched out above. To encourage a balanced " agricultural exodus " the trade unions will have to work more actively among the rural masses, helping them to adapt to new non-agricultural occupations either on the spot or, perhaps inevitably for some of them, in the towns. And just as the trade unions must sally forth from their traditional urban strongholds to strengthen their position in the primary sector they have so long neglected, so the co-operative movement must both strengthen its position in the countryside and put at the workers' disposal the many different (and still little known) ways in which it can help them to attain their social and economic aspirations. Wage-earning employment and co-operation have a closely related part to play in a policy of employment and social advancement designed to improve the conditions of the rural workers in the backward countries or to ensure them more equal opportunities in the highly industrialised ones. The divorce of the trade unions from the co-operative movement—a result of industrial evolution in the Western countries, where priority has been given to the towns, and the emphasis in the workers' struggle for betterment has been placed on class antagonism—is no longer adapted to the social and economic problems that arise today from internal population movements.

Collaboration between the trade unions and the co-operative movement is needed to diversify the rural sector; but it is needed, too, in order to strengthen the position of the rural population in relation to other interest groups. In the developed countries the need to industrialise agriculture and improve its competitive position have obliged farm workers in some countries to borrow from the industrial trade unions the technique of the collective agreement; in the developing countries, on the other hand, organisation and leadership are needed to strengthen agriculture for the economic " take off ". In both cases the time has come to rethink the mission of the trade unions and the co-operatives, whose distinct activities have long paralleled the separation of town and country life into two entirely different worlds. Nowadays, demographic trends favour a new interaction between urban and rural workers. However, these same changes raise urgent economic problems and evoke aspirations that cannot be fulfilled without concerted action on the part of the labour associations, based on their long experience and—equally important—on certain neglected aspects of labour doctrine that have taken on renewed interest today.

Relations between trade unions and co-operatives

Both trade unionism and the co-operative movement officially saw the light in an urban environment during the first half of the nineteenth century, at a time when large groups of workers were being uprooted in conditions analogous to those prevailing in many of the developing countries today. Rapid urbanisation and the difficulty experienced by the slum-dwellers of the European cities in adapting themselves to their new surroundings, to the industrial environment and to the anonymity of wage-earning factory employment led the workers to band together in associations whose aims were necessarily manifold. As we shall see further on, however, a summary examination of the question shows that the analogy is only true in part, and that in some countries—especially in Africa—definite possibilities exist for the workers to avoid duplicating the evils of Western urbanisation.

History teaches us that the birth of trade unions and co-operatives in towns and cities had been preceded by a number of earlier attempts at social organisation. The ancient Jewish labour communities that arose on the shores of the Dead Sea, certain religious communities in the Middle Ages, the craftsmen's corporations in the trading cities of medieval Europe and the achievements of the utopian movements in the eighteenth and nineteenth centuries are examples of attempts—in varying forms—to find solutions to labour problems, as well as to provide mutual aid and to enrich social and economic activity with ideological aims.

On many occasions it was actually in the countryside that attempts at radical reform were made; although limited in scope, the return from the town to the countryside, in which intellectuals often played a part, is inseparable from the history of labour. Integral co-operation, attempts to diversify agricultural employment, the mystique of the return to the land: these are only a few of the characteristic traits of the long quest of the workers' movement, crowned by the beginnings of socialism and the work of the Rochdale Pioneers. Indeed, it is precisely in the light of present circumstances that we should assess the work of Robert Owen in " New Lanark " and " New Harmony " and his efforts to unite the co-operatives and trade unions in 1833 and 1834, Charles Fourier's dream of siting factories throughout the countryside, and the First Law of the Rochdale Pioneers in 1844.

The growing concentration of capital and the new dimensions of the workers' struggle caused the towns—towards 1870 or 1880—to become the principal arena of trade union activity and brought about the latter's separation from the co-operative movement. Distrust of the methods of production co-operatives, difficulties within the co-operatives themselves, the trade unions' attitude towards the employees of consumer co-operatives, the political and ideological divergencies between co-operation and trade unionism, and to an even greater extent among trade unionists themselves—all these often hindered collaboration between the two movements. However, one should beware of underestimating the efforts for union and collaboration that continued to enrich labour thought, even after the abandonment of a common leadership.[1]

Types of relations between trade unions and co-operatives

In an attempt to classify existing relations between trade unions and co-operatives in certain countries [2] we shall come across cases where unity exists and others where it does not.

In the United States we find a case of a single co-operative movement and a single trade union movement in a market economy. Supported by powerful trade unions and by highly developed consumer and housing co-operatives, relations between the two movements are cordial in the towns. On the other hand, as we shall see further on, the urban trade union structure and the rural co-operative organisation contrast with the weakness of the trade union movement in the countryside.

[1] To mention only a few names, Ernest Poisson (" trade union doctrine is the twin sister of co-operation "); Beatrice Potter-Webb and the theoreticians of English guild socialism; above all, the contribution of the Belgian school (Louis de Brouckère, De Paepe and others) towards an entente between co-operation and the labour movement. In Belgium there was, in fact, up to the Second World War almost complete fusion between the political wing, the co-operative movement and trade unionism.

[2] Antoine ANTONI: " Syndicalisme et coopération ", in *La coopération de production et l'industrialisation du Tiers Monde* (Paris, Editions C.G.S.C.O.P., 1962).

United States experience helps to throw light on relations between co-operatives and trade unions even beyond its borders. In the field of production, certain co-operatives that were set up to combat low wages or as a result of the dismissal of workers kept very much to themselves and refused to open their doors to new members. There are also cases where co-operatives were established in relatively unprofitable branches without taking competition from private firms into account; when the management could not pay wages higher than those that had led the workers to leave their trade unions, the ensuing discontent resulted in their closure. This might have been avoided if collaboration with the leaders of the trade union movement had been closer. Producers' and service co-operatives were often set up to overcome the difficulties created by strikes and lockouts by providing employment and keeping up the strikers' morale. Very often, however, once normal conditions were re-established, the co-operatives were sold or abandoned. In these cases intervention by the trade union turned out to be a two-edged sword: the fact that management was restricted to unionised workers gave these co-operatives valuable assistance but, at the same time, constituted an obstacle to widening the ranks of leadership.

As regards consumer policy, the American trade unions often took the initiative of opening shops, particularly on big work sites or at mines. However, a certain mistrust of consumer co-operatives, suspected of helping to keep wages at a low level, is apparently typical of a trade union movement that prefers " to act as a corrective and an auxiliary of capitalism " [1] rather than take the place of the private sector in economic and social activities that would be in proportion to its strength.

Thus, in spite of the considerable assistance given by the labour movement to housing co-operatives, the relations between trade unions and co-operatives in the United States would not be close enough to sustain a flourishing economy based on these two movements.

Great Britain and Scandinavia provide examples of countries with a single co-operative movement and a single trade union movement in a mixed economy. The characteristic traits of these countries are: the high economic potential of the two movements, their joint action at the political level, projects undertaken in common, mutually advantageous economic measures and the large membership of both movements in relation to total population.

The efforts made in England to bring about a union of the workers' movements were fraught with difficulties. When in 1920 and 1921 the advantages of a political union between the co-operative and trade union movements were discussed, its opponents declared any such union to be impossible since the interests of the trade unions were those of the

[1] ANTONI, op. cit., p. 73.

producers, whereas those of the co-operatives were those of the *consumers*. Subsequently it was admitted that it would be illogical to claim that the co-operatives provide conditions for wage earners at least equivalent to and perhaps even better than those obtaining in the capitalist sector, and in the same breath that the co-operative movement is not an integral part of the workers' movement as a whole.

In England the members of the co-operative movement and of the trade unions have reached a level of reciprocity that is facilitated by a long tradition of consultation and arbitration for the settlement of disputes, and by a common political terrain within the Labour Party. The present understanding between the two movements, however, is but a pale reflection of the erstwhile enthusiasm in a country that gave birth to the modern workers' movement, which had its finest hour in the era of guild socialism.

In Denmark the urban workers' movement has always evinced interest in production undertakings, which were established parallel with the rise of trade unionism and are often jointly owned by the unions and the co-operatives. In spite of the differences that arise from time to time between the two movements as regards wage policy, fruitful collaboration is well established, enabling the co-operatives to provide wages and conditions of work better than those in the private sector—a phenomenon not confined to Denmark—and facilitating the friendly settlement of disputes. An Economic Council was set up in 1936 jointly by the co-operative movement and the trade union federation for purposes of information, economic assistance and representation on matters of common interest in negotiations with the authorities.

An interesting case of collaboration between trade unions and co-operatives is found in Norway, where fishermen's trade unions backed the establishment of fish marketing co-operatives.

The favourable effects of co-operation on the purchasing power of the mass of trade unionists is demonstrated by the brilliant results obtained in Sweden, where the activities of the Kooperativa Förbundet (K.F.) have resulted in lower prices for certain basic commodities, and a consequent increase in consumption, production and employment, even in undertakings that were in competition with the co-operatives. This is, however, a rather rare marginal case which cannot be taken as being otherwise significant, in view of the very special circumstances in which it came about.[1]

The Soviet Union and nearly all the Eastern European countries form a group where there is a sole co-operative movement and a sole

[1] The wide scale of the Swedish urban consumers' movement enabled it to strengthen its position in its dealings with the workers' trade unions (see the agreement signed between K.F. and the Federation of Workers' Trade Unions (L.O.)) even more than with the agricultural consumers' and marketing co-operatives (cf. G. LASSERRE: *Coopératives contre cartels et trusts. L'expérience suédoise* (Paris, Editions F.N.C.C., 1956)).

trade union movement in a collectivist economy. After cold-shouldering the co-operative movement at the beginning of the second half of the nineteenth century the Marxist socialists changed their attitude. Already in London in 1864 the First International recognised the value of producer co-operatives as a means of obviating the need for an employer class. Subsequently the Lausanne Congress called on the trade unions to use their funds for the promotion of producers' co-operatives as the best means of utilising, for the emancipation of the working classes, the credit which they turn over at present to the middle classes and the government.

The international congress of 1910 recognised the full value of the consumer co-operatives and even the autonomy of the co-operative movement, and the way was open for a new entente.

The changes that took place in the U.S.S.R. from 1917 onwards and in certain eastern European countries after the Second World War inevitably brought about the co-existence of the co-operative and trade union movements.

We shall see in a later section what part was played by the wage earners and the co-operatives in the agricultural and industrial development of the Soviet Union.

Israel, as a special case of interaction between trade unionism and co-operation within the same organisation, merits a number of observations. The close interweaving of the two branches of the workers' movement is the consequence of unique historical and national circumstances. This structure presents certain evident advantages: a wide-scale economic and social activity financially backed by the co-operatives and the trade unions as well as by income from a variety of undertakings; an employment and wage policy that places unionised workers and the employees of co-operatives on an equal footing; centralised control of the recruitment of new workers for producers' co-operatives; a priority policy for investment in remote parts of the country that do not attract private capital; commercial co-operative activity based on the principle of reinvestment of profits and designed to safeguard the workers' purchasing power; lastly (and we shall speak of this later), joint action linking town and countryside and based on a sole contribution uniting co-operative farmers with both urban and rural wage earners.

However, such an intimate association between the co-operative movement and trade unionism has certain drawbacks; decentralisation of trade union organisation, the participation of non-worker elements in certain co-operative sectors of a monopolistic nature (passenger transport) and the nationalisation of health services. These are to be the subject of possible future reform of the activities of the Histadrut (the General Confederation of Workers in Israel). Furthermore, the right-wing parties have the complete separation of trade union and co-operative activities as part of their programmes.

France provides an example of a country with a single co-operative movement and a trade union movement divided by ideological differences dating from 1920. Whereas England and the Scandinavian countries, as we have seen, favoured the promotion of the consumer sector, French associationist tradition led, as from the first half of the nineteenth century, to a producers' co-operative movement closely linked at its start with the workers' movement. In spite of the doctrinal dissensions between the workers' co-operative associations and the trade unions from the end of the nineteenth century onwards there was a continuous flow of exchanges between the two organisations. It is also thanks to support from the rank and file of the trade unions that many of the producers' societies set up as a result of labour disputes or in periods of unemployment were able to overcome their difficulties and strengthen their position; this is quite the contrary of experience in the United States.

But in spite of trade union disunity and the lack of systematic relations with the co-operative movement, the principles of unitary action and collaboration have always guided the leaders of the workers' movement in France. As we shall see later on, these are trends that may throw fresh light on the problems of rural exodus and urbanisation that have never ceased to preoccupy the French workers' associations.

Italy provides a typical example of trade union and co-operative pluralism. There are three principal central trade union bodies and three principal co-operative unions corresponding to diverse ideological and political standpoints; these bodies have not been able to establish close collaboration, although there is some degree of affiliation between them. Their positions coincide only in certain circumstances: electoral campaigns, campaigns to safeguard the consumers' purchasing power, and workers' housing schemes. This lack of concerted action has had noticeable effects in connection with demographic problems. Some trade unions did not try to stem the flight from the land and were concerned neither with the workers' vocational training nor with their social difficulties in the large urban centres; in fact, they were principally guided by considerations of political tactics.

The developing countries are only taking their first steps in collaboration between the two branches of the workers' movement. In most of them co-operative activities are to be found mainly in the countryside, whereas the trade union movement is most active in the towns. The small development of the industrial sector also limits the trade union movement in size and restricts it mainly to organised office workers, government employees, etc. At the same time, however, the trade union movement —often the only modern democratic organisation in the country—has a responsible innovative role to play that may serve as an example for the nation as a whole. Separation of the urban trade union movement and the rural co-operative movement, inadequate leadership, dependence on government support and lack of experience have of necessity limited the

points of contact between the different branches of the movement up to the present.

However, some cases of trade union activity in initiating co-operative projects are worth mentioning. In Madagascar the Malagasy Confederation of Christian Workers has set up a consumer co-operative for the 1,000 or so employees of a sugar factory in the island of Massibé, reducing the price of rice from its prevailing retail price of 50 francs to 30. In Kenya and Tanzania the trade unions' programmes include the establishment of a wide network of consumer co-operatives. In Tunisia the General Union of Tunisian Workers has set up 27 producers' co-operatives in the fields of transport, fishery, farming and building in order to increase employment. The Workers' Bank, founded by the same trade union, is intended to promote trade union and co-operative activity throughout the country. In India the Ahmedabad Textile Workers' Union has established a co-operative bank and is now running a hospital for its members and 20 schools for the textile workers' children. In some countries (particularly in South America) co-operatives have been set up jointly by the local unions and the trade union bodies of other countries, or with the assistance of international institutions.

The examples we have just given, and the many others that could be mentioned, are no more than first steps; but they serve to show that there are many possibilities for mutually beneficial action by the workers' associations.

Present situation and future prospects

This (necessarily summary) attempt at classification does not presume to exhaust all the ways and means of promoting fruitful relations between the co-operatives and the trade union movement. However, it shows that the possibilities have not been fully exploited, even in cases where —as in the mixed economies of the West—the basis for closer collaboration already exists.

As we have seen, the main source of misunderstandings and disputes lies in the relations between consumers' and producers' co-operatives and the trade unions. The consumers' co-operatives will have to seek a *modus vivendi* with the trade unions with respect to the wage-earning staff of their shops, warehouses and factories. As regards producers' co-operatives there is danger of even sharper conflict with respect either to wage earners employed by the co-operatives or, in the event of a strike declared by the unions, to the dual role of the members as skilled workers and employers.

However, protection of the workers' purchasing power is the common ground on which the consumer co-operatives and the trade unions meet. An understanding based on frequent and frank discussions, exchange of information and a common stand towards the authorities

and public opinion can only strengthen an activity made all the more vital by the competitive nature of retail trade.

It would be wrong to identify the productive process with the wage earners and their interests as defended by the trade unions, to the exclusion of the consumers' or producers' co-operatives. These two principal forms of urban co-operation must be seen as complementary to the trade union movement, whose aims they share. In the rich countries the workers' demands are ever more frequently going beyond traditional trade union objectives and touching every aspect of the worker's life and activity as a citizen: more basic democracy, more responsibility in the production process, more power as a consumer and more opportunity for social and cultural advancement. In the less developed countries the many economic and social tasks can only be tackled by concerted action on the part of the whole workers' movement.

The weakness of the link between the trade unions and co-operatives in rural areas is also generally apparent; an I.L.O. document on the world co-operative movement (1962) states in this connection: " There is no special co-operative trade union link in agriculture. Farmers' co-operatives with large paid staffs usually have a working arrangement with any trade unions of which their employees may be members, but only for purposes of negotiation and the handling of grievances. Trade unions of agricultural labourers rarely, if ever, have any connection with farmers' co-operatives." [1]

The meagre influence of the working-class movement in rural affairs compares very unfavourably with the situation in the towns. These may be thought of as a laboratory where certain forms of workers' collaboration have been discovered. The time has come to put these discoveries at the service of the rural masses. Interaction between workers' organisations in the towns and the countryside undoubtedly prospers where (as in certain European countries and in Israel) the consumers are associated with the small farmers, both in consumer and supply co-operatives and in production enterprises.

Nevertheless, the modernisation of farming, industrialisation of the rural areas and certain inevitable consequences of internal migration demand a fresh approach.

A fresh approach to the balanced development of town and countryside

Certain aspects of the problem in the industrialised countries

In the Western economies there has recently been an awakening among rural workers. Some of its aspects are worth examining here.

[1] *Developments and trends in the world co-operative movement.* Revised working paper, Meeting of panel of experts on co-operation, Geneva, 3-8 December 1962 (Geneva, I.L.O.) (mimeographed), p. 128.

In the United States urban growth (since 1950, 85 per cent. of the population increase occurred in large cities covering only 6 per cent. of the national territory) has been accompanied by sweeping changes in the organisation of agriculture requiring the provision of new non-agricultural employment for approximately 1½ million workers annually. The presence of half-a-million poorly paid immigrant workers in agriculture is in sharp contrast with the all-pervading and powerful influence of the unions in the towns. On the other hand, the new non-agricultural occupations demand a level of skill for which agricultural workers, underemployed persons in peripheral and backward regions and all those who constitute the hard core of the " islets of poverty " in the United States—Negroes, Puerto Ricans and Mexican agricultural workers—are vocationally unprepared.

That the urban trade union movement is prepared to tackle new problems created by the widening gap between the town and country was clearly expressed by a United States trade union leader [1] who pointed out that with an estimated population of 225 million in 1975 and approximately 335 million by the year 2000, the development of the economic potential of all the sections of the nation is essential if the American is to have a decent place to live and work; many workers in the rural sector probably prefer to continue to live and work in the communities where they have their roots; the land and the other production costs would often be lower there than in the congested cities; there is a growing consciousness in public opinion in favour of a strong rural economy based on a prosperous agricultural sector and an increase in the number of non-agricultural undertakings.

The high rate of industrialisation of United States agriculture (only 6 per cent. of the working population is directly employed in farm labour) brings it into direct competition with the other sectors. The agricultural sector, which is rapidly assuming business and industrial functions, thus already requires co-operative associations having powers to contract on behalf of a new " industrial " type of agricultural producer. The United States would seem, therefore, to exemplify the case of a society so highly polarised that its opposing extremes of " town and country " and " agriculture and non-agricultural sectors " are bringing about a new interaction and a new entente between trade unions and co-operatives.

In France the recently established Young Farmer' Centre aims at strengthening the French rural sector and harmonising the interests of the farmers with those of the other social groups. The new generation of French farmers envisages reform in terms of a vertical structure in which production units would be grouped into co-operatives reaching from the basic cell up to the federation wielding power on behalf of the

[1] F. L. FERNBACH (representative of the AFL-CIO) in: " Rural urban relations and labor forces in U.S.A. ", in *Goals and values in agricultural policy* (Iowa State University Press, 1961).

farmers, and a horizontal structure embracing workshops and polyvalent units and in which both economic and trade union organisation would be based on the production unit. The adoption of a constructive trade union attitude should enable the workers to participate in the management of co-operative undertakings and give them employment possibilities not limited to farming alone, but including the whole range of allied secondary and tertiary activities; in this way the farm workers may be saved from gradually becoming a wage-earning class employed by private undertakings and subject to the whim of the providers of capital. By transforming small family farms into undertakings of various sizes managed by the farmers themselves, co-operation, in its turn, will ensure them stable prices, higher profits, more efficient use of technical equipment and better organisation of work. It will also enable them " to enjoy the leisure to which they are just as entitled as the other categories of citizens ".[1]

The young French farmers' plan for integrating the agricultural sector in the economy as a whole underlines the need to find a common framework of action for the co-operative member and the wage earner. Though mechanisation of agriculture may reduce the number of wage earners to a handful of seasonal workers (as it has in the kibbutzim in Israel), the diversification of rural employment aimed at stemming the flight from the land makes collaboration between the wage earners and the members of co-operatives all the more urgent. A modernising agricultural sector including more and more industrial and commercial activities cannot dispense entirely with the wage earner as we know him in the capitalist system nor can it be based solely on the traditional co-operative system if it is to be a living community animated and supported by its members. A social structure must be found where there is room for farmers (whether or not they actually own the land) and wage earners to work together in an atmosphere providing both incentives to productivity and mutual assistance.

In the Soviet Union abolition of the gap separating town and countryside has always been an integral part of policy. This aim, which implies closer contact between land workers and town workers, comes up against ideological, economic and social difficulties that cannot be dealt with here. It will be enough to draw attention to the recent trends in regional development and to mention the agricultural townships (or *agrogorod*), which were aimed at doing away with the contrasts between town and country life, and their repercussions on labour problems.

Conceived to provide an alternative to the rural exodus the *agrogorod* was to consist of an agglomeration of agricultural undertakings grouped

[1] *Pour une agriculture de groupe industrielle et commerciale.* Rapport présenté par Marcel LIAUDON au neuvième Congrès du Centre national des jeunes agriculteurs (Paris, Editions S.E.P.J.A., 1964).

around a centre which would be their administrative and federative headquarters. The concentration of the undertakings would shorten the distance between farms, improve services and distribution, provide jobs outside agriculture for manpower made redundant by rising agricultural productivity, and encourage collaboration and mutual assistance between the different undertakings by means of better occupational specialisation and increased division of labour.

More recently there has been a tendency to reconcile the features of the state farm (sovkhoz) with those of the collective farm (kolkhoz) by associating the wages, which predominate in the former and establish a direct link between remuneration and productivity, with the closer relationship of the kolkhoz member with his farm, so as to engender a better co-operative spirit. The gigantic size of many state farms conflicts with the need for specialisation and leads to serious administrative difficulties. On the other hand, collective farm operations suffer from the survival of private plots in which the peasants take greater interest in spite of their often low yield and lack of specialisation.[1]

The Soviet *agrogorod* formed by the concentration of a number of kolkhozes and sovkhozes with decentralised administration; the French group-agriculture system; the Israeli regional development experiments (which we shall presently examine): all three are attempted solutions which—in spite of their great differences—have the same target, namely to attenuate the contrast between the urban and rural sectors by providing a new rural employment structure and socialising the leadership of the agricultural workers.

The case of Israel: a workers' movement at the service of rural-urban relations

The union of town and country, and social and economic development based on a multi-purpose workers' movement, these are the basic principles of the Histadrut, whose membership now includes 90 per cent. of all wage earners in Israel, and whose origins—in contrast to those of other workers' organisations—spring from the leadership of the agricultural co-operatives.

" Most of the workers' organisations throughout the world " wrote Berl Katzenelson, whose ideological contribution to the Israeli labour movement was primordial, " are urban; rural organisations are few in number. We have tried to unite town and countryside. This profound social cleavage, which for so long has made the countryside the enemy of the city, also explains to a great extent the past failure of attempts at the organisation of labour on a world scale."

[1] In this connection see René DUMONT: *Sovkhoz, kolkhoz ou le problématique communisme* (Paris, Editions du Seuil, 1964), p. 209.

The fact that trade union and co-operative functions are grouped together in the hands of the same leadership has enabled the Histadrut to set up a complex network of enterprises and organisations ranging from village co-operatives (kibbutz, moshav and moshav-shitufi) to trade unions, from supply co-operatives to industrial undertakings of very varied kinds, and from retirement funds to workers' recreational, cultural and educational facilities and institutions.

The principles of mutual assistance and collaboration between town and country have enabled definite priority to be given right from the start to a rural co-operative sector with a number of unique features, which is now capable of ensuring fairly considerably agro-industrial expansion. Fourteen per cent. of the active population is engaged in agriculture; this amounts to some 350,000 persons, of whom 250,000 are members of the Central Agricultural Union of the Histadrut; 50 per cent. of these people are wage earners and the other 50 per cent. are self-employed members of village co-operatives.[1] This gives rise to special problems because, although a sole trade union representation has the advantage of ensuring a wage policy of almost nation-wide scope, the employment of workers by the co-operative sector (moshavim and especially kibbutzim) amounts to a violation of its co-operative and egalitarian principles. But the problem of wage employment in the agricultural co-operatives must be seen in the light of the recent progress of agriculture in Israel and the industrial and regional development which are its logical and inevitable accompaniment.

Recent developments in the agricultural co-operative sector show that the moshavim and kibbutzim have adapted themselves to the exigencies of modern society in three distinct stages:

(a) the establishment of a complex network of agricultural villages dedicated to social reform;

(b) the establishment of local industry, in a sense " sired " by agriculture itself in the process of its intensification and mechanisation; and

(c) regional development, of which the kibbutzim and moshavim are the prime movers, even if they are not in every case its geographical centre.

In speaking of regional development we must distinguish between planned zones where a new predominantly rural town (processing of agricultural products, small-scale industries, services) is situated in the centre of a network of co-operative villages (a typical example is Lakhish), and the regional undertakings set up jointly by several co-operative villages and managed by them. In the first case, most of the wage earners live and work in the regional town; in the second, they very often come

[1] Figures relating to 1964.

from adjacent " development towns " and depend directly on the kibbutzim and moshavim, being employed partly in agricultural work, but principally in the regional agro-industrial undertakings. A typical case of this type would be the development region of Shaar Hanegev.[1]

It should be stressed, however, that, in the case both of a planned region, where a town is situated at the centre of a constellation of co-operative villages, and of regional undertakings managed by the villages, concerted action on the part of the co-operative movement and the trade unions is not only inevitable but is a prior condition for the success of the region.

The mass arrival in Israel of immigrants completely lacking in co-operative ideals, the need to expand the co-operative sector itself (particularly the kibbutzim) and the desire to raise standards of living by introducing industrial activities have of necessity compelled the villages to infringe certain co-operative principles.

The whole question is, of course, fraught with difficulties and perplexities. We are faced with a conflict between egalitarian ideals and the necessity for economic and industrial expansion—the logical corollary of a highly intensified agricultural economy.[2]

It is to be hoped that a solution to the problem of wage-earning employment will be found along the lines envisaged in the *agrindus* system (which, incidentally, does not call for its total abolition) or by the transfer of the control of undertakings employing wage earners to a special branch of " Hevrat Ovdim " (the economic branch of the Histadrut); it seems, however, that the next stage of regional development can hardly take place without massive recourse to wage-earning employment, which is incidentally favoured by the unified structure of the entire agricultural sector.

Indeed, it is only where, in an effort to expand in harmony with local and national exigencies, the regions have broken free of the limitations of classical co-operative rules that there appears to have been any serious

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[1] Shaar Hanegev may be considered as the attempt at agro-industrial development which comes closest to the type suggested by Professor Halperin in his work *Agrindus: Integration of agriculture and industry* (London, Routledge and Kegan Paul, 1963). *Agrindus* aims at the integration of agriculture and industry in a rural milieu on the basis of a network of co-operative villages situated around a centre where the enterprises for the region are grouped together. The enterprises would be managed on a co-operative basis by the member villages and the co-participation of the wage earners would be encouraged. *Agrindus* should be able to provide a co-operative solution to the problems of wage-earning employment in the kibbutzim and moshavim. It might well also find applications even outside Israel. " The point of departure in the present volume has been co-operative agriculture in Israel, but we believe that the *agrindus* holds out a prospect for the solution of the problems of agriculture and the village in other parts of the world as well. . . . We believe that the advance of technology which has changed the dimensions of the economic unit can stimulate the development of co-operation, to become the shield of the village, protecting it from the encroachments of excessive urban centralisation " (pp. 202-203).

[2] Cf. Albert MEISTER: *Principes et tendances de la planification en Israël* (The Hague, Paris, Mouton and Co., 1962).

attempt to tackle the problems already discussed, such as the rehabilitation of the village, the dispersal of the population, the industrialisation of the countryside and above all the creation of new poles of development exerting the same attractive force as the cities either through the high living standard of the co-operative villages (which, though not urban, is far removed from the traditional rural way of life) or through new agricultural townships in many cases supplying the wage-earning manpower for local undertakings. Furthermore, though the organisation of wage earners into new co-operatives is regarded as the best solution to the problem of a wage-earning labour force, the influence that co-operative villages are capable of exerting on the towns in the region should not be underestimated.[1]

Experience in Israel has shown that wage-earning employment may be used as a transitional stage leading to full co-operation. In many of the new moshavim set up after the establishment of the State (particularly in the Lakhish region) new immigrants lacking in basic co-operative training were first employed as wage earners. It was only at a later stage, after suitable education and training by the national institutions and by members of the older villages that the new farmers could take over management of their farms and go forward into the co-operative stage.

At present, the wage-earning and co-operative sectors are working hand in hand in all aspects of agro-industrial activity in Israel. It is impossible to predict whether this collaboration will be a success or what forms it may take in the future. It is worth noting, however, that the present widespread diversification of the rural sector in Israel has been achieved thanks to the adoption by the labour organisations of largely original systems. A constructive (rather than merely defensive) trade union movement has from the outset linked its efforts to those of an agricultural co-operative organisation that has attached importance to creating a voluntary and idealogically inspired movement rather than to the " classical " principles of co-operation. In addition, an organisation representing the majority of the workers and wielding considerable economic power has provided the agricultural sector with the means of carrying through its modernisation and in consequence its integration in the economy as a whole.

It is above all thanks to the recent development of industry in certain rural areas—particularly in the kibbutzim, two-thirds of which are now engaged in industrial activities with an estimated output of nearly 300 million Israeli pounds in 1964—that these areas have won for themselves an equality or even a superiority of conditions in relation to urban society.

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[1] At Shderoth—the agricultural township from which the undertakings in the Shaar Hanegev region draw their wage earners—a campaign is being waged to encourage the younger generation to establish co-operatives.

Demography and labour in developing countries: the case of Africa

In the former colonies the problem facing agriculture is to progress beyond the stage of subsistence farming and to transform itself into a truly productive sector where the peasants would move progressively closer to the other categories of producers. The necessary changes cannot be brought about without taking into account the traditions characteristic of rural societies. Africa south of the Sahara presents a rich variety of community traditions on which the labour organisations could build in order to bring about the changes which are necessary in the rural sector.

The presence in most of the African countries of a labour force that is continually moving back and forth between the countryside and the towns results in a different type of rural exodus from the one we find in industrialised countries. Lack of vocational training, limited chances of finding employment in the towns, poor contacts with and protection from the trade unions, and the lack of any social services to help the country-dweller on his arrival in the town: these are all features of a process of urbanisation marked by high labour turnover and unemployment. On the other hand, the strong ties which many of the migrants to the towns continue to maintain with the villages they have left, the lack of a well-defined class structure and, above all, the traditions of mutual aid and solidarity found among most rural peoples are all elements that may lead to the establishment of sound relations between town and countryside and help to avoid the mistakes made in the Western countries by excessive urbanisation.[1]

Whereas modern industry is essentially based on a labour force that can claim its rights through the trade unions, even in matters unconnected with remuneration, most of the rural societies in the developing countries are still based on traditional community or tribal bonds. Research carried out among wage earners who have recently migrated to towns in Africa has brought to light their feelings of confusion, loss of bearings and inferiority in urban surroundings in which they find it difficult to settle down. Wage employment (which attracted them to the towns in the first place) fails to integrate them into a productive and creative process; the meagre wages they receive (often supplemented by food sent from their native villages) barely allows them to survive in the cash economy as they did in the subsistence economy of the farm.[2]

Against this confused urban situation must be set the vast rural masses. Since the peasants form the majority of the population, it is they who will have to shape the demographic physiognomy of the African

[1] On the possibilities of avoiding in the developing countries the errors committed during the Industrial Revolution see *Why labour leaves the land*, op. cit., p. 229.

[2] See G. ALTHABE: *Le chômage à Brazzaville* (Editions des Cahiers Orston, série " Sciences humaines ", Vol. I, No. 4, Paris, 1963).

countries—something that would no longer be possible in the economically developed countries. The action taken by the workers' organisations to help find a solution to the demographic problems we have briefly described must be aimed at giving an entirely new meaning to wage-earning employment by strengthening its links with the co-operative movement. A consideration of some of the forms that this collaboration might take will help to illustrate what is involved.

1. In spite of the reluctance of young workers to return to the land after only recently migrating to the towns, schemes for the retransfer to the countryside of young school-leavers (e.g. in Nigeria) show that small groups of these young people are quite willing to accept a rural, co-operative way of life away from their own native villages. The chance of success of such schemes would be enhanced if there were a greater feeling of confidence towards the authorities running them and a wage policy favouring the rural sectors.

Studies carried out in Brazzaville [1] have shown that, whereas the unemployed rejected the idea of returning to their native villages, a considerable percentage of them seemed interested in rural settlement schemes that would allow them to escape from the sorcery of the village and the bonds of traditional family structure. Most of those interviewed said that they would like to find employment in mechanised agriculture in a community framework or in agricultural jobs resembling as closely as possible paid employment in the towns. " A liking for organised wage-earning employment and for machinery seemed, from this brief inquiry, to be the leading motivation." [2] This conclusion is significant as regards the chances of resettling young city dwellers in rural areas and the interest of the younger generation in Africa in a policy for the diversification of occupations outside the towns.

2. The activities of the trade unions and the co-operative movement in a rural area should be comprehensive and should serve the interests of the whole of the area concerned. Steps should be taken to see that the inadequacy of the wage sector (or of co-operative organisation once it has been set up) does not result in discontent. For this reason, wage-earning employment will not only be essential at the stage preceding the establishment of co-operatives; it must be a basic component for the future development of the region: wage-earning employment in agriculture, in handicraft and industrial trades, and in the tertiary sector must all be part of a long-term trade union programme.

3. In transferring manpower from the towns for non-agricultural employment account must be taken of local food supplies; otherwise,

[1] Roland DEVAUGES: *Le chômage de Brazzaville: étude sociologique*, Documents du Conseil supérieur des recherches sociologiques outre-mer (Paris, Office de la recherche scientifique et technique outre-mer, 1959), p. 202.

[2] Ibid.

wages risk being swallowed up by rising living costs. On the other hand, much could be done to increase food supplies by encouraging the womenfolk of such workers to undertake customary agricultural activities. Here again the wage-earning and co-operative sectors have to work closely together.

4. A trade union policy directed solely at wages and hours of work can do little to solve the urgent problems of agricultural wage earners, for instance in the plantations in East Africa. To overcome the dependence of these workers on various traders the town-based trade unions can help to set up consumer co-operatives, and the more urgent problems of health and hygiene can be solved by community self-help. Later on the workers could establish building co-operatives to improve housing conditions, and co-operatives for credit, handicrafts and the local processing of agricultural produce.

The trade union movement, which in this case constitutes the worker's first contact with organised labour, may venture outside its limited field to assist a co-operative form of association based on local custom. In this way the principles of tribal solidarity would be broadened so as to contribute towards a more diversified workers' movement in the rural milieu.

5. Agricultural wage earners are a minority in the African countries; most of the peasants are small farmers for whom co-operation would be the first step towards finding their place in the workers' movement. Small-scale handicrafts and industrial co-operatives are therefore necessary to lift agriculture above the subsistence level, and agriculture itself must be organised along co-operative lines. But it is equally essential to establish close ties between the self-employed peasants and the town workers. Rural co-operatives—particularly production and building co-operatives—cannot do without the experience of the urban trade unions. This means that the trade unions must look on self-employed peasants as workers no less deserving of help and assistance than agricultural wage earners. The aid given by the town organisations (credit, purchase of technical equipment, expert advice on book-keeping, etc.) to the rural organisations would establish strong links between them; it would also help to lay the foundations for more harmonious growth, by diminishing the danger of depopulation of the countryside.

The divorce between town and country will be avoided if the co-operative movement can maintain in the villages the place it is entitled to in a balanced society. This does not imply that the terms " town ", " co-operation ", " country " will not undergo some modification in the process. In the same vein, urban workers' leaders must free themselves of the longstanding identification of trade unionism with the city. Wage-earning employment, which has long acted as a " pull " towards the towns, must be transferred to the countryside as part of a campaign,

waged with the support of the country-dwellers themselves, to stem the flight from the land.

A reappraisal of the role of trade unions and co-operatives

The division between trade unionism and co-operation has long been a subject of discussion in the literature of the workers' movement. Certain authors evoke the unity that prevailed at the start of industrialisation in Europe and see in it a source of inspiration for the future[1]: others stress the renewed topicality of the " First Law " of the Rochdale Pioneers and look to Robert Owen as the precursor of present-day regional development.[2]

Of course, a reappraisal of the tasks confronting the workers' movement may draw its inspiration from the sense of unity and solidarity imposed on the working class 150 years ago and more by special circumstances; but it should take into account all that has happened in the meantime. Dreams of total reform of society are utopian today. However, close collaboration between the trade unions and the co-operatives is indispensable to give the labour movement the comprehensive scope demanded by the present-day economy. For if we accept the fact that in certain industrialised countries it is only by a combined effort of all its branches that the workers' movement can act as a " counterweight " to the capitalist enterprises, the same must be admitted to apply to the situation we have just analysed. Everywhere we see evidence of the inability of the workers' organisations to deal—separately—with the social and economic problems of labour and, above all, to face the changes brought about by population shifts.

To be sure, in the economically developed countries the trade union and co-operative movements—each in its own sphere—have powerful means of action at their disposal. But these are means fashioned to deal with traditional labour questions: today the problem is to establish a balance between agriculture and industry, to combat excessive urbanisation, and to meet the challenge of the new technological era. In other words, the tasks to be undertaken surpass the means available.

The harmonisation of agro-industrial progress and of the relations between city and countryside goes beyond the problems of employment

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[1] See Paul LAMBERT : *La doctrine coopérative* (Bruxelles, Les propagateurs de la coopération; Paris, F.N.C.C., 1959), p. 208.

[2] See Henri DESROCHE: *Coopération et développement. Mouvements coopératifs et stratégie du développement*, Collection " Tiers Monde " (Paris, P.U.F., 1964), pp. 121-145. The author stresses the topicality of the stipulations of the First Law of the Rochdale Pioneers, and in particular its fifth paragraph, in the light of community experiments in the People's Republic of China, Yugoslavia and, above all, Israel (rural development based on the kibbutzim and moshavim).

and the economic relationship deriving from it. In many European countries, for example, the peasants feel their very existence to be menaced by other sectors and aspire to raise their standard of living to that of the urban population, which greatly outnumbers them; this gives the problem a human dimension. Socialisation of labour cannot be limited to workers' participation in management or the establishment of cordial relations between wage earners and members of co-operatives; it must take its place in a truly democratic system in which the workers play a direct part in the basic decisions affecting their conditions of work and—more important—of life outside working hours.

The growing interest evinced by trade unions in economic and social matters in the advanced economies, and the extension of co-operative action to new fields open new horizons in rural-urban relationships. The search for community solutions in the new residential quarters of the cities, the organisation of holidays and leisure on co-operative lines, and the need for new green spaces for the urban population whose living conditions the trade unions have improved at the expense of excessive urbanisation—these are all fields in which the workers' movement could contribute effectively to closer relations between town and countryside. For, if it is indeed the trade unions' mission to " urbanise the countryside ", there are many ways in which the co-operative movement could help to " ruralise the towns ".

In the developing countries any attempt on the part of the workers to close their ranks so as to reappraise their tasks would come up against the structural shortcomings to which we have already referred, and could only be brought about gradually. Trade union action outside the towns needs the support of the authorities. It is in the latters' own interests to stem the rural exodus, the dangers of which have already been pointed out.

The interest of the trade unions in increased development of the countryside is no less evident. Labour mobility—a factor that weakens even the urban trade unions—must be decreased and the underemployment and unemployment resulting from mass migration to the towns eliminated; but this requires trade union support of co-operation in all its forms. The success of consumer co-operatives set up by trade unions depends, to a great extent, on their size and their source of supplies; hence the need to link them with rural marketing co-operatives. In this way, profitable commerce would develop between the city workers and the rural producers. A consumer co-operative set up to raise the purchasing power of the workers in a rural factory (an example was cited above in the case of Madagascar) could not remain an isolated case but would have to be followed up by assistance of the same type to the plantation workers supplying the raw materials to the factory. Everywhere the trade unions should support government action to promote the co-operative movement.

The countryside, however, would be the ideal terrain for the integration of the labour movement's activities. A balanced relationship between town and countryside postulates the existence of a workers' movement capable of negotiating efficiently with the other interest groups concerned—state enterprise, barter, agrarian capitalism, and money lending.

Mamadou Dia, of Senegal, has defined the conditions of this relationship in an ambitious yet viable formula for what he terms " contractual socialism "; this would involve a process of give and take " between two partners: a planning machinery guided from above, and a co-operative movement animated from below " and would bring the public authorities face to face with the workers' organisation, above all with " the peasant masses grouped in co-operative associations inspired and backed by a trade union movement dedicated to that revitalisation of the countryside that is the trade unionism of development ".[1] Leadership in rural community development might be the starting-point of a reappraisal of its mission by the workers' movement. In the process the traditional aims and structures of trade unionism would, of course, have to be reconsidered so as to equip it to be " the prime-mover of a profound and rapid transformation of co-operation, conceived of as the chosen instrument " for social change.[2] What is required, then, is not a movement concerned merely with defending the workers' occupational interests, but one representing the interests of the rural masses and in which co-operation would no longer be a separate branch but " a permanent school for the leaders of a new economy ". In this way the classical structure of the labour organisations would be abandoned so as to provide for the peasant masses, who after all constitute the majority of the population, a multipurpose instrument for mutual assistance.

The practical application of this idea of rural development would, of course, have to be adapted to the specific conditions in each country. It was conceived on a national basis in Senegal, but it might well be implemented elsewhere on a regional basis with a view to subsequent extension to the rest of the country.

The necessarily limited scope of an article prevents us from exploring further these considerations, which merit more thorough research. What has already been said about certain African countries may nevertheless be usefully amplified by the following remarks, which apply equally to other essentially agricultural economies:

(1) Those responsible for promoting rural development should give particular attention to wage employment—to which, as already noted, young country people attach great importance—in order to increase the

[1] DESROCHE, op. cit., p. 272.

[2] ANTONI, op. cit., p. 80.

attraction of rural life and lay the foundations of future trade union organisation.

(2) From the start the village community structure should be such as to enable owner-farmers to establish systems of co-partnership with the wage earners. Self-management by the peasants cannot be attained without co-management. Wages and co-operative participation in the form of shares or the supply of land, livestock, etc., must go hand in hand. In this way incentives to increase production can be coupled with the principle of workers' participation whether in non-agricultural producer co-operatives (bonuses for output above the fixed minimum), in agricultural co-operatives (immediate payment on delivery, supplemented by premiums depending on sales) or in consumer co-operatives.

(3) Unified dues, payable by wage earners and members of the co-operatives alike, might encourage their joint efforts and play a decisive role in promoting economic and social activities.

(4) The wage earners should be encouraged to the greatest extent possible to join one or more kinds of co-operatives. Since it would obviously be difficult for all members of co-operatives to join the trade union movement, the urban trade unions—acting in conjunction with the public authorities—could appoint local workers' leaders to represent the interests of all the workers in the region. These leaders could constitute the nucleus around which a general workers' organisation, both trade union and co-operative, could subsequently be established.

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It is evident that no unique solution or facile generalisation can be applied to the problems we have examined in this brief survey. The harmonisation of relationships between town and countryside and the renovation of rural society are problems that both industrialised and developing countries must tackle; to solve them satisfactorily will require action on many fronts. Here, we have stressed the importance for labour organisations to review certain standpoints and structures that are no longer in tune with the times.

It is, above all, the need to strengthen the position of the countryside vis-à-vis the city that has led us to insist on the present-day importance of multi-purpose community organisation as exemplified in the various experiments briefly described. For, whereas in the cities social and economic structures are in a process of continuous evolution but are stifled by the congestion of the urban environment, the rural regions

almost everywhere offer wide scope for both change and growth. Here, between city and village and unconstrained by the traditions of either, can be created an agro-industrial community that would be neither urban nor rural in the accepted sense of the terms, and that would provide a new link between town and country. That is why such great importance attaches to the original solutions that a popular movement for the diversification of rural employment can offer to the problems of labour, regional development and the whole structure of modern society.