

Co-operation InternationallyTHE CO-OPERATIVE MOVEMENT IN BURMA

by

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Co-operation was introduced into Burma 1904-1905 as a Government sponsored and administered movement. The original intention was that Co-operatives should concentrate on the supply of credit, particularly to farmers. A Government Co-operative department charged with the execution of this new policy was then established.

The first Agricultural Credit Co-operative was registered in January 1905. The increase in the number of societies was slow up to 1914. From 1914 onwards, however, there was a rapid increase in the number of Co-operatives, but owing to the failure to repay the government loans an inquiry into the workings of the movement had to be conducted in 1928-29. The movement was hard hit by the great economic depression and many Co-operatives went into liquidation. Later a scheme for the reconstruction of Co-operatives was launched but it could not be implemented because of the Second World War.

Success in the State Colonies

The agricultural co-operatives that lasted till recently were those formed under the State Colonies Department which began as a branch under the Co-operative Department in 1914-15. State

Colonies were actually new States lands that were opened in the Pegu, Rangoon and Irrawaddy Divisions to settle poor landless agriculturists.

The farmers in these State Colonies were formed into Primary Tenancy Co-partnership Co-operative Credit Societies with each society owning 1000 - 2000 acres. The society rented out 25 to 40 acres of its land to each of its members who were also given credit for clearing the land and cultivation of rice. In 1941 there was a total of 193 such agricultural credit societies operating about 300,000 acres of paddy land.

The State Colonies Credit Co-operatives were formed into "The Sittang Colonies Co-operative Banking Union Ltd." which started operating in 1923. It was later renamed State Colonies Bank.

The State Colonies Agricultural Credit Co-operatives proved to be successful because of the good credit facilities combined with Co-operative marketing systems. These societies were gradually transformed into Village Co-operatives after the 1970 Co-operative Scheme.

New Co-operative Scheme 1970

The Revolutionary Council headed by General Ne Win came into power on March 2, 1962, and announced the Burmese Way to Socialism as its governing policy. The Council's attitude towards Co-operatives is clearly cited in paragraph 10 of Burmese Way to Socialism as follows:

"In order to carry out Socialist plans, such vital means of production as agricultural and industrial production,

distribution, communication, external trade, etc., shall be nationalised. All such national means of production will have to be owned by the State or Co-operatives or Collective Unions. Amongst such ownership, State ownership forms the main basis of Socialist Economy. State ownership means ownership by the people, whereas ownership by Co-operatives or Collectives means group-ownership by respective concerns but as all forms of ownership will have to operate within the framework of Socialist National Planning they are interdependent."

In accordance with the Policy declaration, the Revolutionary Council announced a comprehensive Co-operative School in May 1970, to be implemented by the Ministry of Co-operatives. The long-term aim is to expand the number of Co-operatives and increase their membership to cover all peasants and workers unifying them in the direction of eliminating the middle-man thereby serving the interest of both the producers and consumers.

Objectives of the Scheme

The main objectives of the 1970 Co-operative Scheme are as quoted in the following:

- To distribute the legitimate benefits of the Co-operatives to the producers of goods and to the consumers for their relief and welfare by doing away with the middle-man and his exploitation.

- To encourage the union citizens to carry on trade through Co-operative societies rather than individually in accordance with the necessity to trade in groups for the advancement of the national economy, and
- To encourage the peasants and workers to the active part in business by forming Co-operative societies.

In the year 1972 the demarcation of the national economy into State, Co-operative and Private Sector was announced. Then under the leadership of the Burma Socialist Programme Party and with the assistance and co-operation of the Central People Workers' Council and Peasants Council, the implementation of the Co-operative Scheme of 1970 proceeded in spite of all organisational and other difficulties.

Organisation of Co-operative Societies

According to the 1970 Co-operative Scheme there are four main types of primary Co-operative societies. They are consumer Co-operatives, village-tract Co-operatives, producer Co-operatives and saving and credit Co-operatives respectively. The agricultural and multi-purpose Co-operatives existing then were reorganised as village-tract Co-operatives, which were not only to distribute consumer goods but also to produce goods. The consumers' Co-operatives were formed in every ward of towns and cities. The heads of families permanently residing in the area were eligible for membership in the consumers' and village-

tract Co-operatives. The single purpose producers' Co-operatives can be formed in both agricultural and processing and manufacturing sectors. The employees of government departments, State economic enterprise, factories and workshops can form savings and credit Co-operatives for the purpose of thrift and of giving loans to the members.

Grouping into Township, Divisional and Central Societies

These primary Co-operative societies within the township were organised into Township Co-operative Societies. The major functions of township Co-operatives are marketing of agricultural and industrial products of its own member societies, procurement of goods and services on their behalf and also to organise promote, educate and supervise the primary Co-operatives.

The primary Co-operative societies can form into a group society to perform certain economic functions of common interest. Similarly, the Township Co-operative Societies can form themselves into a group township society or a State or Divisional Township Syndicate to undertake an economic enterprise jointly.

The township Co-operatives were organised into the Central Co-operative Society which is the highest body in the movement. The Central Co-operative Society is to organise, educate, co-ordinate, and supervise the Co-operatives and see that they operate within

the framework of the State Economic Plan. It is merely a Co-operative federation with no commercial activity whatsoever. The Deputy Minister of Co-operatives acts as the Chairman of the Central Co-operative Society. The present structure of Co-operative Organisation is as shown in the chart in Appendix 1.

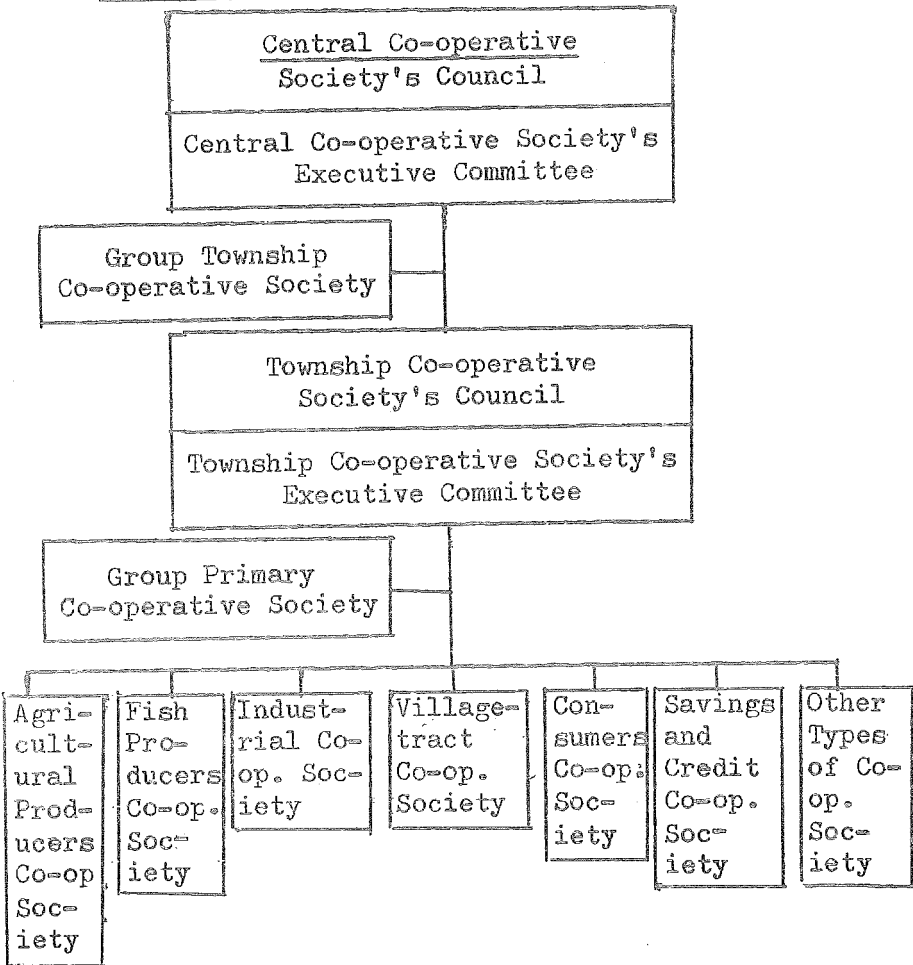
The statistics of the Co-operative movement up to 31 March 1982 are shown in Appendix 2.

Note of the Author

U. WIN MYINT has just completed the Management of Consumer Co-operatives course at the I.C.T.C. in 1983. He is a Bachelor of Commerce and his Co-operative experience has included service as a Township Co-operative officer and, now, as a Team Leader in the Co-operative Department, Rangoon, responsible for the formation and supervision of consumer Co-operative societies.

The Co-operative Movement in Burma

Appendix 1 : Organisation of Co-operative Societies



The Co-operative Movement in Burma

Appendix 2: The position up to 31 March 1982

<u>Serial No.</u>	<u>Type of Societies</u>	<u>1981-82 (provisions)</u>		
		<u>No. of Soc- ieties</u>	<u>No. of Members</u>	<u>Turnover (kyak in lakhs 1000,000)</u>
1	Central Co-operative	1	2298	-
2	Township Co-operative Syndicate	16	335	3909
3	Township Co-operative	298	18175	28868
4	Primary Co-operative Syndicate	156	1243	408
	Sub-total	471	20051	33185
5	Industrial Producers' Co-operative	706	113367	1099
6	Mineral Producers' Co-operative	38	3702	69
7	Forest Product producers' Co-operative	70	6240	74
8	Fish Producers' Co-operative	643	57333	464
9	Agricultural Producers' Co-operative	101	19991	48

Appendix 2 (cont.)

10	Co-operative Farm	1065	121719	3078
11	Village-tract Co-operative	12478	4541985	14795
12	Consumers' Co-operative	2437	1507992	15169
13	Armed Forces Co-operative	367	181209	2042
14	Co-operative Saving and Credit Societies	2676	737298	4067
15	Green Groceries	10	2100	-
16	Services Co-operatives	22	510	12
17	People's Police Force Co-operative	302	38640	290
Sub-Total		20915	7332086	41207
Grand Total		21386		74392

Note: One lakh = 100,000; one kyak = ₹