CHAPTER - II

HISTORY OF CO-OPERATIVE IDENTITY AND VALUES:

2.1. INTRODUCTION:

The specific challenges confronting to the international co-operative movement made an articulation of the co-operative identity necessary and beneficial in 1995.

Between 1970 and 1995, the market economy had expanded its impact dramatically around the world. Traditional trade barriers had changed significantly and many of those changes, such as the creation of free trade areas, decline in government support for agriculture, and the deregulation of the financial industry, threatened the economic framework within which many co-operatives had functioned for decades. To prosper, in many instances merely to survive, co-operatives had to examine how they would react to these in changed circumstances.¹

Such changes also meant that, most of the co-operatives were facing much more intense competition. Using the advantages of modern forms of communications, capital has roamed the modern world with minimum interference, seeking out the most prosperous
investments\(^2\). Economically, this meant that many co-operatives found themselves directly confronting large transnational firms, many of them possessing capital and legislative advantages which they did not have earlier.

On intellectual and attitudinal levels, co-operatives were also confronted by international media and educational institutions that proclaimed the predominance of business controlled by investors. Within those contexts, the value of enterprises controlled democratically in the interests of the people had been brought into question. In fact, the celebration of capitalist enterprises challenged the confidence of many within the co-operatives, particularly, in the North Atlantic Countries. In the face of that challenge, there was a need to provide a clear vision of what made co-operatives unique and valuable\(^3\).

In Central and Eastern Europe, the decline of the centrally-controlled economies had also brought into question, the role of co-operatives. Paradoxically though, it had simultaneously opened the way for the rebirth of co-operative enterprise, but that could only occur if there was a clear understanding of how new and revived movements should be regulated and encouraged.

At the same time, the rapid expansion of many Asian Countries, along with economic growth in parts of Latin America and
Africa, posed unparalleled opportunities for the growth of co-operatives. Indeed, co-operative leaders from those continents provided many of the new insights and fresh enthusiasm upon which much of the momentum for examining the future was derived.

All of these developments brought new perspectives to the international movement. They challenged some traditional assumptions, offered new interpretations, and suggested new solutions to old problems. For such opportunities to be seized, however, there was a need to identify clearly how co-operatives should play a role in societies undergoing rapid change.

Co-operatives confronted to other more general challenges during the 1990s that promised to be even more important in the coming decades, they were the challenges associated with fundamental changes in the human conditions around the world. They included issues raised by a rapid increase in global population, growing pressures on the environment, increasing concentration of economic power in the hands of a small minorities of the world's population, varying crises besetting communities within all kinds of cultures, deepening cycles of poverty evident in too many parts of the globe and increasingly frequent outbursts of "ethnic" warfare.

Co-operatives, by themselves, can not be expected to entirely resolve such issues, but they can contribute significantly to their
resolution. They can produce and distribute high quality food at reasonable prices. They can, as they often have, demonstrate a concern for the environment. They can fulfil their historic role of distributing economic power more and fairly. They can be expected to enhance the communities in which they are located. They can assist people capable of helping themselves escape poverty. They can assist in bringing people with different cultures, religions, and political beliefs together. Co-operators have much to offer, to the world simply by building upon their traditions of distinctiveness and addressing efficiently the needs of their members.

The statement of co-operative identity, therefore, must be seen within the historical, contemporary and future contexts.

2.2. THE ORIGIN OF CO-OPERATIVES VIS-À-VIS IDENTITIES AND VALUES:

The eternal truth is that, there have always been, in all ages, and every where, distinct classes in the society; the affluent and the poor, the haves and have nots, the exploitors and exploited, powerful and weak, dominated and dominating, producers and consumers, buyers and suppliers arises⁴. The truth is that, there has always been struggle and fight for fairness, justice, freedom, equality, etc, right from the advent of the universe. This class difference and struggle have been responsible for several kinds of socio-economic and political evolutions, revolutions, revolts, upheavals, sweeping changes,
conciliations etc, which changed the patterns of society and turned the course of history of the nations. The reactions sometimes crossed the boundaries of the country in origin, affecting several other countries, even the whole world. The origin of co-operatives was outcome of such a situation of crises, exploitation and sufferings. The common people were tolerating the intolerable in England and elsewhere in Europe. With the advent of Industrial Revolution in England, under free economic system, the industrial workers and common consumers faced worst type of exploitations and arduous situations. Children used to be employed in industries and they were forced to work for as long as 18 hours a day, while they were paid wages much less than the adults. The capitalist producers object was minimisation of cost of production in order to maximise profits, as also be competitive in the market. The plight and agony were caused further by adulteration of foodgrains under weightment, high prices, bad housing etc. There was no visible way to scape from that situation, but to endure. The government was least bothered to take measures to reduce the gravity of the situation and protect the sufferers.

Moved by worker's sufferings, some kind of hearted humanitarian and industrial philanthropists and thinkers gave serious thought to be problems and they mooted the idea of promoting self-help rganisations against sufferings. Important among them were Robert Owen, harles
Fourier and Louis Blanc, known as "Associationists", wanted to change the very environment through "associations" of individuals. Robert Owen was the tallest among them, whose name is eternally associated with co-operation. The greatest captain of industries of his time, Robert Owen had his interest in the welfare of his workers. He made certain practical experiments. He believed that, with a change in the environment, the individual will definitely change. According to him the first necessity was to change the environment, abolish 'profit', which was the essential evil, original sin and injustice. In his experiment of elimination of middlemen and bringing producer and consumer in direct contact had evolved mechanism of sale and purchase at the cost of production, "no less and no more". A number of co-operatives were organised between 1820s and 1830s but they faced many odds. There was little legal protection for their fund, some officials were dishonest. Working men, in their short leisure, found it difficult to master the techniques of efficient management, book keeping and control of credit. While the experiments failed, but Owen's success was in identifying the need to eliminate middlemen and profit to change the environment. That (elimination of middlemen and profit) became the basic approach subsequently by the Rochdale Pioneers. The other two associationists, Charles Fourier and Louis Blanc had not contributed so distinctly to the co-operation as a concept to grow, as could do Robert Owen. Earlier to Rochdale Pioneers, efforts were made to organise co-operatives. "The Rochdale
Friendly Co-operative Society of flannel weavers was formed in 1830, but it could survive with difficulties until 1835 only. Thus, earlier experiments failed, because the organisers were not clear in their perception and functional vision.

The credit, to give birth to a global self-help movement was destined to 28 weavers as a group, popularly called, the Rochdale Pioneers, who had organised in 1844, a consumer store christened as "The Rochdale Equitable Pioneers Society", at Rochdale near Manchester in England. The experiments succeeded due to varieties of reasons. However, it is noticeable that they did not use the word "co-operative". The Rochdales succeeded because they themselves were the victims of exploitation, who had envisioned in coming together a potential means by which exploitation of many by a few in the process of supply of human needs could be resisted and encountered by common or giant-action, beginning with the supply of their daily needs. The sufferers discovered an instrument to fight against exploitation. They succeeded, because they worked in a business like manner. With "no credit sales", they avoided maintenance of credit accounts. Book-keeping and cash control were closely supervised. Each member's relationship with society was clearly identified by 'receipts' given for each purchase. Dividend on purchases was a strong inducement for promoting loyalty towards the "Society". Rochdales had evolved 'principled - working', and to deviate from hat.
They also succeeded, because they all were men of outstanding qualities and moral values. They had all the elements needed for achieving success in a new experiment, viz, clear vision, enthusiasm, initiative, determination, sincerity of purpose, courage, self-denials, perseverance, dedication, one mindedness, mutuality etc. They were individually and collectively most honest and their conduct was transparent, which promoted and cemented mutual understanding and faith among the group members. They were highly dedicated realists. These are basic imperatives for the success of group-working. Thus, Rochdales became the founders of a world-wide, self-help movement, viz, the co-operative movement, while others were only forerunners. The pioneers, however, had no intention to launch an economic movement nor did they know that they were laying the foundations of a practical economic concept. The store has been preserved at its original place and in its original form as a historical monument. It stands as a place of pilgrimage and source of inspiration to all who believe in self-help and mutual-help. As said earlier, they did not call their store as co-operative, nor themselves as co-operators. The store perpetuates their memory.

Nothing succeeds like success, so aptly goes the saying. Rochdale's success crossed the boundaries of England and the concept had been adopted under every economic system in a diversified economic fields and activities to eliminate exploitation, which was a common feature besides all over the world. Besides
Consumer Co-operatives, which had its beginning in England, Workers Co-operatives were organised in France, Agricultural Credit Co-operatives in Germany, Agricultural Co-operatives in Denmark, Service Co-operatives in industrialised European countries etc.

2.3. IDENTITY CONCEPT:

With the origin and spread of co-operatives in a given background, the concept of co-operative identity may better be analysed and understood. It may precisely be deduced that the following constitutes the identity of Rochdale Equitable Pioneers Society.

- Elimination of profits,
- Elimination of middlemen,
- Practising of self-help and mutual-help,
- Honorary democratic management,
- Honesty in business (supply of quality goods, correct weighment, fair price),
- Principled working,
- Dealing with members only,
- Cash trading,
- Freedom and autonomy,
- Voluntary character,
- Equality,
- Equity,
-Fraternity,
-High moral character 5.

In the environment, that was the Pioneers Society stood as distinct entity and identity with the above elements. It became popular far and wide, as against private shops. However, with more experiences gained in the process of organisation and working of co-operatives, evolution of co-operative theories and thoughts; changes and developments in economic, social and political fields in various countries, other elements have been added to cooperative identity of Rochdale model.

Subsequently, the I.C.A. has incorporated in its Standing Rules, defined co-operative, which specified co-operative identity as: "any association of persons or of societies, shall be recognised as a co-operative society, provided that it has for its object the economic and social betterment of its members by means of exploitation of any enterprise based upon mutual aid and that it conforms to the co-operative principles, as established by the Rochdale Pioneers and as reformulated in 1966 by the 23 Co-operative Congress of ICA."

According to this definition, the four elements of a identity of co-operative were as under,

(a) that co-operative is an association of persons and not of capital;
(b) that it aims at socio-economic betterment of its members;
(c) that it is based on mutuality of members, and
(d) that it adopts co-operative principles.

The first two relate to human beings, who are members of the co-operatives, while other two related to the functional nature of co-operatives. The definition and the elements of identity continued to be in vogue till September 1995, when the 31st I.C.A. Congress held at Manchester, recommended an amended definition and co-operative identity to the I.C.A. Assembly for adoption. The assembly subsequently approved and adopted it.

2.4. THE I.C.A. STATEMENT ON THE CO-OPERATIVE IDENTITY:

The International Co-operative Alliance, at its Manchester Congress in September, 1995, adopted a statement on Co-operative Identity. The statement included a definition of co-operatives, a listing of the movement’s key value, and a revised set of principles intended to guide co-operative organisations at the beginning of the twenty first century.

The new definition of a co-operative was accorded as under :-
“A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically controlled enterprises.”

This definition is intended as a minimal statement, it is not intended as a description of the “perfect” co-operative. It is intentionally broad in scope, recognizing that members of the various kinds of co-operatives will be involved differently and that members must have some freedom in how they organise their affairs. Hopefully, this definition will be useful in drafting legislation, educating members, and preparing text-books.

The definition emphasizes the following characteristics of a co-operatives:

(a) “The co-operative is autonomous, that is, it is as independent of government and private firms as possible.”

b) It is “an association of persons.” This means that co-operatives are free to define ‘persons’ in any legal way they choose. Many primary co-operatives around the world choose only to admit individual human beings. Many other primary co-operatives admit “legal persons”, which in many jurisdictions includes companies, extending to them the same rights as any other
c) member. Co-operatives at other than the primary level are usually co-operatives whose members are other co-operatives. In all cases, the membership should decide how it wishes the co-operative to deal with this issue.9

d) The persons are united "voluntarily". Membership in co-operative should not be compulsory. Members should be free, within the purposes and resources of the co-operatives, to join or to leave.

e) Members of a co-operative "meet their common economic, social and cultural needs". This part of the definition emphasizes that, co-operatives are organised by their members, for their members. Members needs may be singular and limited, they may be diverse, they may be social and cultural as well as purely economic, but whatever the needs, they are the central purpose for which co-operatives exist.

f) The co-operative is "a jointly-owned and democratically controlled enterprise". This phrase emphasizes that ownership is distributed among members on a democratic basis. These two characteristics of ownership are particularly important in differentiating co-operatives from other kinds of organisations, such as capital controlled or government controlled firms. Each co-operative is also an "enterprise" in the sense that it is an
organised entity, normally functioning in the market place, it must strive to serve its members efficiently and effectively.

The new definition, however, does not make any mention of "self-help" and "mutual aid" and co-operative principles, as essential elements of co-operative identity. It argued that mutuality or mutual aid are implied in joint-ownership and democratic control. The two concepts viz, (i) "self-help" and "mutual aid" and (ii) joint-ownership and democratic control are different in their meaning and content. Omission of Co-operative Principles may cause confusion, as if it is not mandatory to base the working of co-operatives on co-operative principles.

"Co-operation" said the great economic historian, Charles Gide, "has for its motto both "self-help" and each for all (mutual aid)." Self-help means the pride of supplying one's own needs by one's own resources, of being one's own merchant, banker, money-lender and employer. "Each for all" means to seek liberation, not only for oneself but for and through others, not to desire merely one's own well being."

No, specific mention of "self-help and mutual aid" may be interpreted as if these elements were no more essential and co-operatives can be formed without these aspects. That would mean that co-operatives need not to have basic spirit behind them. This is
the real field situation, by and large. In most countries co-operative spirit is missing, which was the greatest supporting force with the Rochdale Pioneers. Omission of specific and clear mention of these elements in definition will give a wrong message. Wherever co-operatives have made a landmark, it was because of co-operative spirit of members. Co-operative spirit is the most important identity of co-operatives. In its absence co-operatives lose their distinction and direction. "Self-help and mutual aid" spirit is the very basic philosophy of co-operatives. The more it is emphasised, cultivated and manifested functionally, brighter would become the identity of co-operatives. To strengthen the identity of co-operatives, people should have clear understanding and vision of co-operation. In developing countries the most difficult problem is promotion of co-operative spirit, the spirit of self-help and mutual-help. Co-operative identity has human aspect, dealing with human aspirations, managerial aspect emphasizing democratic governance, business aspect in providing goods and services to members and non-members, and value aspect bringing in ethical elements in every activity.

2.5. FACTORS INFLUENCING CO-OPERATIVE IDENTITY:

There are several factors and elements which influence co-operative identity. Each factor independently contributes to strengthen it. Some of the more important factors are briefly mentioned below:
1. Leadership:

Leadership is the very first element that influences the identity of a co-operative. Co-operatives conceptually constitute a movement. A movement, whatever be its sphere-social, political, cultural, economic or other, depends on equality, competence and commitment of its leaders. Leaders exert influence with their own personal conduct, character, vision, dedication, sacrifice, courage, conviction, personal values etc. The formation, success or failure of a co-operative is often identified and associated with the name of the person or persons leading it. Strong leadership is a source of strength, whereas weak leadership allows development of distortions. The test of leaders is the extent members of co-operative and others have faith in him and he magnatises non-members to join the co-operative. Strong leadership resents and opposes Government interference and intervention to protect autonomy and independence. Behind each successful co-operative anywhere in the world, there was strong and dedicated leadership, that took the initiative, mobilised the people and resources, built the organisation, motivated and strengthened the second line of leadership for its own replacement as and when needed, so that there would be no vacuum in leadership. Without competent leadership a co-operative run by Government will not be co-operative, it may be something else even if the unit is functionally and economically sound. The word
leadership is to be properly understood. It connotes both honorary elected and top paid leadership.

2. Unity:

Co-operation is unity. Taking of a share in a co-operative is just symbolic of the willingness to join the group having common needs, which motivates the group for unity. Unity has wide connotation, unity of thought, unity of purpose, unity of outlook, unity of action etc. Unity means openness, respect for each other. The last “Shloka” of Rug Veda aptly and beautifully lays down the unity concept. It exhorts: Let us go together, let us speak together, let our minds be all of one accord, let our hearts be one, let our thoughts be united, let us have common purpose, let our resolve be the same, so that we achieve our object. Unity to that high extent would highlight the identity of co-operatives. No other form of economic organisation is built on such a unity foundation as co-operatives.

3. Government:

Government is an important single factor, which influences and affects co-operative identity. It all depends on what is the kind of attitude, approach and outlook of policy makers and administrators in the government towards co-operatives. If it is positive and constructive co-operatives get their genuine character and identity, if
the attitude is hostile and negative, co-operatives get distortions. In case, it is neutral, co-operative identity is left to the co-operatives themselves.

4. Co-operative Laws:

The nature and framework of co-operative laws is very powerful instrument to determine the true shape of co-operative identity. The moment law accords registration, legal identity of co-operatives is established. The other marks of identification, more important and essential than legal form, such as autonomy, independence, freedom of decision-making, opportunities to members for participation and their involvement, development of sense of belongingness, structural integration, working and strengthening of co-operatives as a system etc. All depends to a major extent, on the nature of various provisions of the co-operative laws and how the laws are enforced and administered. A positive co-operative law crystallises co-operative identity, whereas a restrictive, negative and not co-operative friendly law clouds the essential aspects of co-operative identity.

5. Culture:

Co-operation is unique concept. It harmonises individualism and altruism. Co-operative motto and approach is “each for all and all for each”. Every one is, by nature, individualist. It is one’s personal interest that motivates and moves him to act. But one
cannot isolate and seclude oneself from the society. Man is essentially a social animal. The society is composed of different cultures. Even if basic tenets are common, yet several values, faiths, beliefs, traditions, convictions, conventions etc. do make cultural distinctions and differences. People feel proud of their respective cultures and they resist any kind of invasion on it. By nature, people like to live in their own cultural groups. Co-operatives may be formed with distinct cultural entity to meet their economic as well as cultural needs such as national or group culture, peace, sports, other cultural activities etc. That is why, the new ICA definition of co-operative has included, inter-alia, “cultural needs”. Co-operatives are to preserve and protect the group culture in the process of their working. Cultural affinity promotes sense of belongingness, commitment, co-operative spirit, mutual understanding, loyalty and solidarity, the elements essential for co-operative identity. In several countries co-operatives have been sponsored and promoted by the people themselves or by the Governments for people having common culture or belonging to a particular community or religious groups. One of the reasons for the success of Rochdale Society was that all the 28 weavers had, besides common economic needs, common occupational and social background and culture. A society, having broader outlook and cultural heritage, ensures grater tolerance and mutuality, even if, as an individual, a person may be individualist. Indian philosophy emphasises and advocates the ideal of happiness for all to the extent
of treating the entire universe as one world. This kind of culture and idealism strengthens the group identity in a co-operative.

5. General Environment:

The identity of co-operatives is also dependent on general environment in the country. Environment in its entirety has political, social, economic aspects and also general conduct and character of the people. In an environment of political opposition to the co-operatives, dominance of political considerations and factor influencing all walks of life, absence of social cohesion and increasing individualistic greed, public and private sector oriented policies of the Government, self-conceited conduct and character of people, dependence on government for every thing and all kinds of services and infrastructure, co-operatives lose their identity. Conversely, positive political support to co-operatives, social peace, recognition of co-operatives as an important segment of economy and moral boosting and support to strengthen co-operative, people adhering to moral values, general attitude and approach to solve their problems themselves, to be self-reliant etc, build a very conducive and congenial environment for the development of co-operatives with genuine character and identity.
7. Enlightened Members:

Enlightened members are light poles of a co-operatives. Such members are those, who are knowledgeable. They know about the concept, ideas, philosophy etc, of co-operation, know the provisions of bye-laws of co-operative. They are vigilant like a watchdog, keep themselves well informed about the working, working results and problems of co-operative. They have the willingness to contribute towards the progress of co-operatives. Such membership ensures member participation in the business and managerial affairs of co-operatives. Vigilant members prevent committing of financial irregularities and emergence of vested interest in co-operatives.

Thus, the health of co-operatives improve. As against enlightened members, ignorant, sleepy, inactive, non-participative and indifferent members become a problem in themselves. They are prone to exploitation by the cleverly elements in the society, co-operatives become agency to benefit a few. Equality, a significant element of co-operative identity, get distorted. The more enlightened is membership, greater will be the manifestation of identity of co-operatives.

8. Co-operative Employees:

Employees in co-operatives are an important factor to influence the identity of a co-operative. Co-operative friendly employees can discharge and not mentally hostile, while the members compose governing structure which has the responsibility and accountability
to formulate policies and programmes for achieving the objectives specified in the bye-laws and to improve the socio-economic conditions of the members. The role and responsibility of the employees is to execute them to achieve maximum result. An ideal co-operative employee is crucial factor of co-operative identity.

9. Lobbying:

Lobbing is modern technique to influence the Government. Lobbing with members of people's representative Houses, Parliament, Assemblies etc, plays an important role in building and protecting co-operative identity. Co-operatives may identify MP and MLAs having interest in co-operative developments, feed them with information and build their opinion in their favour. In several countries, like U.S.A., co-operatives do a lot intensive lobbing with senators, particularly, when legislative or administrative measures come before the Senate, which may affect co-operatives, for or against. Co-operatives get their problems and demands raised or views and opinions expressed on various issues through the Member of Senate. This had paid rich dividends. Expenditure on lobbying is, in a way, essential investment, which helps in building co-operative identity.

10. Feed Back:

A significant method of strengthening co-operative identity is regular feedback from the members and self-performance evaluation
by co-operatives themselves. Co-operatives are to serve first and mainly their members, who need to be given an opportunity to express their opinion and assessment as to what extent their needs could be met by the society, how has been the management performance, etc. So that the co-operatives reformulate their policies and programmes to provide better services to the members to meet what they need. General body meeting limits the discussion only to the agenda and does not solicit opinion and rating on various aspects. In several countries scientifically designed surveys are conducted to get feedback from the members individually in case of primaries and from constituents in case of federations. For instance in USA, NCBA conducts such surveys for its guidance. Such feedback strengthens the information system and member’s contact. Self-assessment and evaluation is valuable technique to be vigilant about the needs of members on whom sustainability of co-operative depends.

To sum up, every thing created by God or human efforts has it’s own characteristics, which make it identifiable. Each economic sector, public, private and co-operative has it’s own distinct identity in terms of object and purpose, organisational framework and management pattern, responsibility towards shareholders and community at large, relationship with government etc. These elements draw line of demarcation between three sectors. They also reflect at the micro level in the working of each unit in the concerned
sector. The identity contents of co-operatives are more complex as co-operatives have an ideological or philosophical base, basic values, socio-economic object and governing principles. Co-operatives deal with human aspirations.

2.6. CONCEPT OF VALUE:

The dictionary meaning of 'value' is "the value of a quality attitude, method etc, is it's importance or usefulness, which makes people appreciate it or want to possess it themselves". According to the Encyclopedia of Social Sciences, value refers to ethical or moral concept of value. The word value is used in different contexts and with different meanings or senses. Such as in the sense of measurement or assessment, in the sense of importance, utility, goodness, price etc. Sometimes the word value is used in various terms such as 'basic values', 'traditional values' and 'Co-operative values.'

Value, in the context of co-operative, is a comprehensive phenomenon. It encompasses in a wider sense, all that is good and virtuous in an individual co-operator and co-operatives. It is generally used in the sense of goodness, ethics or morals. Co-operatives are value-based and value oriented. They (co-operatives) are both cause and consequence of value considerations. Conceptually, co-operatives are to build moral values in the people and society. There
fore, values are the best identity of co-operatives. Co-operation is moral economy, a practical moral philosophy based on moral character and conduct of individuals. Economically most successful but without values co-operatives are just like most beautiful human body without soul. Such co-operatives will be only notional and without genuine character. Once speaking on "co-operation" great Indian saint of Naimisharanya (U.P.) Jagadacharya Swami Naradanand Maharaj said, "Co-operation, as I understand, is a matter of values, values are two, one, value of heart and the other that of commodity or market value (price). Both are inherent in co-operation. But main is the value of heart. If there is no value of heart, there is no co-operation either. Only commodity value or market value cannot be called co-operation. Value of heart is humane, market value is commercial. If co-operation is run on commercial line alone, it will have no soul. Soul is a matter of heart."12

Values form the fundamental belief of given society to influence and stimulate action. Mr.Book describes co-operative values as co-operative belief and convictions about how to achieve a "better society".13

Mr. Book mentions these values as 1. equality, 2. democracy, 3. equity, 4. social justice, 5. liberty, 6. voluntariness, 7. mutual help, 8. social and economic emancipation, 9. meeting economic needs, 10.
social responsibility, 11. internationalism, global solidarity and peace. He asserts that committed co-operators look upon these values as basic ideological framework for co-operatives.

Based on these basic ideas Mr. Book infers, basic ethics of co-operators, viz, 1. honesty, 2. caring, 3. mutuality, 4. solidarity, 5. social responsibility, 6. justness and fairness, 7 democratic mind and constructiveness called co-operative culture.

These values have been interpreted differently by different persons, in different co-operatives, in different cultural contexts. But values ought to be universally valid in all circumstances. The real cause for confusion is because of this multiplicity in the perception of values for a co-operative. The true essence, spirit and value of co-operative is eternal, permanent and ever lasting.

2.7. IDENTIFICATION OF VALUE:

Since co-operatives by nature are value based and virtuous, no attempts were made earlier to define and crystalise the values which were necessary for co-operative identity. It was taken for granted that co-operatives by nature imbibe and bring in values. However, only in 1988, the 29th I.C.A. Congress held at Stockholm for the first time had the main subject on its agenda, "Basic Co-operative Values" for discussion. The need to discuss values was felt, because the commercial and economic aspects, i.e. business turnover, profitability
and profits etc. care over weighted the value content of co-operatives, with over emphasis on economic returns, the distinction and difference between co-operatives and profit - oriented private enterprise narrowed down globally. It was a matter of concern. The then President of I.C.A. Lars Marcus presented a comprehensive paper for loud discussion and brain storming. He proposed the following as the basic values of co-operatives:

i) Self-help values (activity, creativity, responsibility, independence, do it yourself).

ii) Mutual-help values (Co-operation, unity, collective action, solidarity, peace)

iii) Non-Profit interest values (resource conservation, elimination of profit of a driving force, social responsibility, utilisation goals, not profiting from other's works.

iv) Democratic values (equality, participation, equity)

v) Voluntary effort values (commitment, creative, power, independence, pluralism).

vi) Universal values (global perspectives, openness)

vii) Education values (knowledge, understanding insight, etc).
viii) Purposeful values (benefit to the members)\textsuperscript{15}

The I.C. A. Congress held at Stockholm in 1988, however, recommended the following as the basic values, but at the same time resolved for an in-depth global study for further discuss.

I) Democracy (conscious decisions based on free will).

II) Participation (in share capital, management, deposits, business, etc)

III) Honesty (in business, management, including personnel management, etc)

IV) Caring (for members, community at large.)

By basic values would mean the values, which are above the influence of time, place and people. That is the values, which would not change. By implication it would mean that there would be some values which may change according to local needs.

The subject was further discussed in the 30\textsuperscript{th} ICA Congress held in 1992 at Tokyo. On the basis of the Study Report on the subject, the Congress identified the following as basic values:

1. Equality and equity.

3. Economic and social progress.

These recommendations are overlooked upon several other values essential for co-operative and co-operators. It confused the issue economic and social progress is the result of co-operative efforts. However, it was open to different opinions and interpretations and there was no general satisfaction and acceptability. The discussion continued. The 31st ICA Congress held at Manchester in September 1995, gave a statement on co-operative identity which included a revised definition of co-operative values and co-operative principles. Co-operative values still elude us and we do not precisely know what these values are which could universally apply to co-operatives everywhere.

2.8. THE FIRST SENTENCE OF VALUES:

The co-operative movement has a deep and distinguished intellectual history. During each of the last ten generations of human history, many theorists in various parts of the world have made major contributions to co-operative thought, and much of that thought has been concerned with co-operative values.

Moreover, co-operatives around the world have developed within a rich array of belief, systems including all the world's great religions
and ideologies. Since co-operative leaders and groups have been greatly influenced by those belief systems, any discussion of values within co-operatives must inevitably involve deeply-felt concerns about appropriate ethical behaviour.

Consequently, achieving a consensus on the essential co-operative values is a complex although inevitably rewarding task.

The first sentence on values in the 1995. reads as follows: "Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity".16

2.9. THE SECOND SENTENCE OF VALUES:

The second sentence reads, in the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.17

Thus, in all following constitute the basic co-operative values:

1. Self-help
2. Self-responsibility
3. Democracy
4. Equality
5. Equity
6. Solidarity
7. Honesty
8. Openness
9. Social responsibility
10. Caring for others

They are briefly explained as under:
1. Self-help:

"Self-help" is based on the belief that all people can and should strive to control their own destiny. Self-help means one should try to solve his problems with his own efforts within the access of means and resources available. God helps those who help themselves, is a popular saying indicating self-help as is based on the belief that people should and can do more efforts to make their own way. When faced with challenging situations, self-help develops self-confidence and strong will-power. Self-help succeeds up to a point, from there after, it needs joint efforts, with those who face the same problems. They can pool small resources and other means, so that, they become more potential. In group of individuals it becomes more powerful, he learns with experience of other fellow-men, this becomes mutual self-help. As an individual, one is limited in what one can try to do, what one can achieve. Through joint action and mutual responsibility one can achieve more, self-help and mutual-help promote co-operative spirit and key to success of co-operatives.

Self-help is not peculiar to co-operation. It is universal human trait. Everyone, except those physically and mentally disabled rely on self-help for their progress. No human existence is possible without Self-help.
2. Self - Responsibility :

Coupled with self-help and mutual self-help is the value of self-responsibility. Every office bearer, member of Board of Directors or Management of a co-operative society must take responsibility for his personal actions, for the activity as a whole and for its impact on society. Similarly, each member of co-operative should realise and accept his responsibility towards co-operative and commit himself to it. A co-operative can achieve its objectives and progress, only when every one is involved in its functioning including employees, who must feel his accountability and discharge his responsibility with commitment, dedication and sincerity of the purpose. This is what the Rochdale Pioneers have demonstrated and they have succeeded in it. The very act of co-operation results in self-responsibility.

3. Democracy :

Democracy is a basic value of a co-operatives. In the context of co-operatives, the essence of democracy is “conscious decision” based on “free will”. “Conscious decision” means understanding the logic or rational of taking decisions and be aware of the possible consequences of the decisions and their impact on individual and institution. “Free will” means no forcing of the decision from outside. Both the elements “conscious decision” and “free will” are vital. If the decision is not taken ‘consiously and is not expressive of “free will”
of individual members, the concept of democracy will be negative. It means that the individual understands the consequences of decision taken and no outside factors have forced him to take particular decision. However, it does not prohibit seeking consultation or advice from others. "Take your-own decision" is the basic thing. Mere equality of voting right is not enough for democracy, unless it is safeguarded and supported by the exercise of "free will". More often than not, "pressures" or government interference restrict excuse of free will. In such eventualities, the democracy is kept in abeyance, and the concept of democracy becomes farcical and inconsistent.

Participation is an other integral aspect of democracy. In a wider view participation does not confine itself in attending general body or Board meetings. It also includes actively giving once opinion on various matters and issues effecting the society. It also encompasses participation in strengthening the internal financial strength of co-operative business transaction, deposits and other activities. Members participation is basic element of co-operative identity.

4. Equality:

Co-operatives are based on equality. The basic unit of the co-operative is the member, who is either a human being nor a grouping of human beings. Equality means equal right and opportunities. Members have right of participation, a right to be informed, a right to
be heard and right to be involved in making decisions. Members should be associated as equal as possible, without any kind of discrimination of gender, religion, caste, creed, race, amount of share capital contribution, deposits, political affiliation etc. That is ‘one member one vote’ is the principle, which establishes equality. Sometimes a difficult challenge in large co-operatives. In fact, concern for achieving and maintaining equality is a continuing challenge for all co-operatives.

6. Equity:

Achieving equity within a co-operative is a continuing or never ending challenge. Equity refers to how members are treated within a co-operative. They should be treated equitably in how they are rewarded for their participation in the co-operative, normally through patronage dividends, allocations to capital reserves in their name, or reductions in charges. Equity ensures social justice.

6. Solidarity:

The last operational value is “Solidarity”. This value has a long and hallowed history within the international movement. It is an important base of co-operative. Solidarity is collectivity. Management have the responsibility to ensure that, all members are treated as fairly possible, that the general interest is always kept in
mind, that there is consistent effort to deal fairly with employees (be they members or non-members) as well as the non-members associated with the co-operatives.

Solidarity means co-operative has a responsibility for the collective interest of its members. In particular, it indicates to some extent, the co-operative’s financial and social assets belonging to the group. It is the outcome of joint energies and participation. Solidarity also means, co-operatives and co-operators stand together. They work together to present a common entity before the public and government. They accept that there is a commonality among all co-operatives regardless of their diverse purposes and their different contexts.

7. Honesty:

This is most important for survival of co-operatives. Rochdale Pioneers, had a special commitment to honesty. Indeed, their identity in the market was distinguished partly, because they have insisted upon honest business, honest measurement, high quality and fair prices. Co-operative’s ideology is honest against all dealings with members and non-members. Therefore, co-operatives are biased towards openness. They regularly review to their members and other informations related to their performance. Scope of honesty is much wider in co-operatives than, what generally is understood.
For individuals, honesty is not a monetary honesty only, but also honesty of thoughts, commitments, behaviour and conduct, no hypocrisy and falsehood, no underhand dealings or false promises, no dishonesty in elections. In co-operatives honesty also encompasses correct maintenance of accounts and balance sheet, correct information to the member's objectivity and fairness in personal matters. It prohibits undue favours of any kind to anyone. Individual co-operators honesty, business honesty, managerial honesty brightens the image of co-operatives and their identity. Without honesty co-operatives have no cause to exist, no future to sustain themselves. Co-operatives will be in peril and danger of self-liquidation without honesty.

8. Openness:

Openness means co-operatives are open to their members of community they serve. They have a commitment to serve and assist individuals in helping themselves.

9. Social Responsibility:

In fact social responsibility and caring for others are overlapping concepts. It means, co-operatives should move beyond caring for members only. They should financially assist or organise activities beneficial to the entire community. Co-operatives have been taking such activities since long. It is not a new concept for co-operatives. It
was stated as early as in 1911 at the London ICA, 8th Congress, that distributive societies had successfully undertaken the care of the sick and the maintenance of the public health by the establishment of dispensaries, creches, and convalescent houses, insurance institution, opened libraries and reading rooms, arranged lectures and courses of study and counteracted the colportage of harmful novels by circulating good literature, they had taken their share in philanthropic work either by subscribing to the support of public institutions or in founding new ones. They had started people's houses, taken part to fight alcoholism and also established lodging-houses and night shelters for the poor. However, such activities can be taken up, when co-operatives have surplus (profits).

10. Caring For Others:

It means to take interest in and care for other people. This concept stems from humanism. Co-operatives are human by nature though their main concern is to achieve economic objectives but go beyond economic objectives. The underlying idea is human consideration. Co-operatives are to serve primarily their members. But, at the same time, they can also and they can undertake activities for the community as a whole. Out of their economic surpluses, e.g. participate in environment protection by promoting social forestry, establishing hospitals, helping non-government organisations engaged in promoting people's welfare, such as work for
disabled. Caring for others is important value consideration in co-
operation.

These value concepts can only be in an individual who is an altruist, pluralist, self-denialist, large hearted, broad minded and above all a humanist, whose eyes become wet seeing others sufferings, whose conscience revolts seeing other's being exploited, whose heart throbs seeing the destitutes and the oppressed, who get happiness and satisfaction in helping to others. To such people, co-operation becomes a mission and means to solve the problems and enable the weak to become collectively strong. These cannot be in an egoist, selfish and self-conceited person. The values, which Marcus suggested and the Stockholm Congress revolved about (democracy, participation, honesty and caring) touch of the heart of an individual and do not belong to the realm of mind alone.

2.10. VIRTUES:

Virtue is another term which is akin to positive values. In the paralance of ethics, values and virtues have subtle distinction. There can be value in human beings as also in commodities. Virtue is inner habit of the mind. It is goodness. It relates to human beings. To be virtuous means to have a character so developed that one habitually chooses to act in a right manner. To be virtuous means to be righteous and what is righteous is morally ideal. Just as there are
co-operative values, likewise there are also basic virtues. Their
development and manifestation in the functioning of co-operatives
makes them (co-operatives) morally ideal and sound and distinct
organisations, Plato had perceived the following as cardinal virtues,
which are very relevant to the co-operators.

1. Wisdom (prudence, vigilance, foresight, clear thinking,
rationality etc.)

2. Courage (fortitude, resolution, confidence, self-reliance,
etc.)

3. Temperance (self-restraint, self-control, self-denial
or self-sacrifice, forbearance)

4. Justice (righteousness, honesty, fairness, fair play,
impartiality lawfulness).18

Inculcation of these virtues in individual co-operators promotes
qualitative changes, in the working of co-operatives, minimises
chances of development of aberrations in co-operatives builds a
virtuous environment and healthy image of co-operatives.19

2.11. FACTORS INFLUENCING VALUES AND VIRTUES:

All the factors mentioned in the this chapter, which influence
the co-operative identity, also influence values and virtues. However,
there are some significant additional factors which exert influence on these elements. Briefly, such factors may be identified as under:-

1. Education for Character:

   Morally upright character and conduct of individuals, associated with co-operatives, whether as members, office-bearers, members of management or as employees is a crucial factor for strengthening values. Such character and conduct is built in an individual through various means, methods and instruments. Education changes the psychology and behaviour of an individual. Character or conduct is a composite whole. It is reflected in every action of an individual. Truthfulness, righteousness, sense of responsibility and accountability, courtesy, altruism, sympathy, self-sacrifice, etc. are the important tenets of morally ideal character. Where general or adult education aims at character building the values get strengthened.

2. General Value Environment:

   Co-operative values are also influenced by the general moral and ethical standard of people in general and value atmosphere in the society as a whole as also various communities. A society having austerity, simplicity, high thinking, unity, mutuality, sociability, social cohesion based on fellow feeling etc. as its common norms of behaviour, co-operators in normal course exhibit moral temperament
in dealing with members. Co-operatives in such an environment Perpetual, function with values. In such an environment, possibilities of distortions, financial irregularities and lapses, personal ego, favour-distribution are the least. The management of co-operatives work with a high sense of responsibility, accountability and trusteeship. Member’s interest guide the working of co-operatives. As against this, if selfishness, dishonesty and deception is a normal feature of society, co-operatives develop aberrations and are bound to witness self-peril.

Every nation has its own inherited cultural values, which are coming from ancient times, and are passed on from one generation to another. These values become identity of that nation. These are so firmly deeprooted and stands strong that, they cannot be destroyed. They carry a lot of sensibility. They set out the ideals to be followed and provide the basis and guidance as to how to lead the life. People feel proud of them. They remain in the sub conscious mind of individuals and become active, when get proper environment and opportunity. People are reminded of them more frequently by community leaders, religious leaders, social reformers through education. These values greatly influence people’s mind and behaviour as members of society and organisations including co-operatives. National co-operatives should identify them to integrate them with the working of co-operatives. Nations do have such values which will strengthen co-operative identity
It is difficult to say that such and such are the only co-operative values and others are not. Each value has its own place and importance. It is more appropriate to say that certain values have greater relevance to co-operatives and co-operators.

The International Co-operative Alliance has done a significant job by drawing the attention of co-operators world over towards essentially of values as an element of co-operative identity. A lot of churning of thoughts was done globally and in each country. Finally, the Manchester 1995 ICA Co-operative Congress identified them for co-operatives and co-operators.

2.12. CONCLUSIONS:

Values are the best identity of co-operatives. These values are eternally, which could universally apply to co-operatives everywhere, but some values which may change according to local needs. No human existence is possible without values. But the difficult task is to motivate co-operators and co-operatives to adopt and apply these values in the day to day conduct and dealings, most challenging and arduous task, indeed. These values should reflect in national co-operative laws. This necessitate, convincing the Governments to amend the concerned laws. Again, this also is not an easy task. However, laws can only support. What is needed is change in the individual’s own behaviour pattern, which is basically an individual’s own making. His mental make up is influenced by his background.
social, educational, religious, political, economic, family heritage etc. Emphasis should be an acquainting co-operative member with these values and impressing on him the need to adopt them for the identity of co-operatives and for his own identity as co-operators.

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17. Ibid. P.7.


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