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PRODUCTION AND RURAL DEVELOPMENT
CO-OPERATIVES IN THE PEOPLES REPUBLIC OF
BENIN

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I. OVERVIEW OF PRODUCTION CO-OPERATIVES IN BENIN

(AGRICULTURAL, AGRO-INDUSTRIAL AND INDUSTRIAL CO-OPERATIVES)

1. Organizing rural communities into groupings to work on farms (self-help) or save (tontines) is a very old tradition in the Peoples' Republic of Benin.

2. That practice has often been used as an argument in favour of establishing and strengthening such groupings. This has led to experiments with several forms of pre-co-operative and co-operative movements in Benin.

3. The development of the co-operative movement could be broken down into three distinct periods:

(a) Before 1960 (year that the country became independent)

4. During this phase the development of the movement could be considered through para-co-operative organizations - the Sociétés Indigènes de Prévoyance, indigenous providence societies (SIP) and the Sociétés mutuelles de production rurale, mutual rural production societies (SMPR).

5. During the period, attention was focussed on production and marketing to the detriment of those responsible for production; consequently there was no improvement whatsoever in the living conditions of rural people.

(b) From 1960 to 1975

6. After very many attempts, many forms of co-operation emerged which sometimes obliged members (community farms, block farming, pioneer camps), encouraged them (so called free or ordinary co-operatives) or compelled them (compulsory co-operatives). The latter were later re-baptized rural development co-operatives by Decree 61-26 of 10 August 1961.

7. Village groupings and other types of co-operatives were also established during this period.

(c) From 1975 onwards

8. In November 1974, the Peoples' Republic of Benin opted for a socialist type of development based on Marxism and Leninism.

9. That option called for a number of priority objectives which included revolutionising the farming community, planning production, collectivising resources, transforming modes of production and production relationships in the countryside.

10. In its enumeration of the major forms of property, the Loi Fondamentale (basic law) of the Peoples' Republic of Benin puts co-operative property in second place immediately after State property.

11. This shows the importance that the State accords to co-operative institutions in the country's development process.

12. In 1976, the rural development department was requested to create Co-operative-oriented Revolutionary Groupings (GRVC) and to transform the village grouping into GRVCs, pre-co-operatives that later became Experimental Socialist Farming Co-operatives (CAETS)

13. These are the two types of groupings which have been put together in this document under the heading farming co-operatives which occupy 0.51 per cent of the active farm population and account for between 2 and 2.5 per cent of the land area under cultivation.

II. GOVERNMENT POLICY TOWARDS PRODUCTION CO-OPERATIVES

(a) Organization of farmers by regional institutions

14. With respect to the responsibilities of the State in organizing farmers for development, the Lui Fondamentale states among other things that:

(i) The State shall focus particular attention on the rapid promotion and development of the co-operative sector;

(ii) The State shall actively assist farmers to develop production and shall encourage them to gradually set up various types of co-operatives according to the principle of free consent.

Special institutions called Regional Action Centres for Rural Development (CARDER) are responsible for organizing the farmers to improve their productivity; the CARDER have branches in the six Provinces of the country namely: Ouémé, Atlantique, Mono, Zou, Borgou and Atacora.

(b) Tasks of the CARDERS

CARDERS are production, industry- and trade-oriented public agencies with the following terms of reference:

(i) To develop agricultural, forestry and animal production as well as related infrastructure;

(ii) To organize production units in the rural areas into GRVCs and CAETS;

(iii) To initially market or have agricultural produce marketed;

(iv) To participate in the development of agricultural credit;

(v) To provide farmers, fishermen and stockbreeders with information on production inputs and, if possible, on essential commodities;

(vi) To establish and run directly or indirectly agencies for processing agricultural, animal and forestry products and market such products.

17. It is therefore with the support of the CARDERS that the GRVCs and CAETS, Benin's prime production units, have been set up and developed. The organization of rural producers into co-operative societies permits people to be remunerated according to the efforts that they actually make and it frees farmers who thus increase their production in terms of quantity and quality moving from subsistence agriculture to surplus-producing agriculture whose aim is to modernize the rural areas.

18. That is why each CARDER includes the establishment of a number of GRVCs in its programme of activities which also includes, where possible, the transformation of some successful GRVCs into CAETS.

(c) GRVCs

19. The Co-operative-oriented Revolutionary Grouping (GRVC) is a voluntary association of rural folk coming together to carry out activities involving several crops or other specific activities (stockbreeding, fishing, handicrafts); under such activities, they gradually pool their means of production such as land, animals, canoes, tools, labour and other factors of production and share the income in a manner commensurate with the labour provided by each member.

20. There are however two types of GRVCs. The first type comprises blocks where even if work is disciplined and equipment or investments are sometimes jointly used, plots, labour and income are acquired, negotiated and earned on an individual basis. Such GRVCs are usually found in the Atacora, Borgou and Zou provinces. The second type of GRVC comprises blocks where land and labour are used collectively and income is shared in a manner commensurate with the work done. These are found in the Atlantique, Mono and Ouémé provinces.

21. The criteria proposed for GRVCs which could be adapted to suit each province are the following: have at least seven members; have a cultivated surface area equal to or greater than 0.5 hectares (when there are other activities, two to three days work have to be done on the co-operative); a minimum of two crops or one crop and another activity such as stockbreeding; two crop seasons; a minimum system of checking and accounting kept by members of the co-operative.

(d) CAETS

22. The CAETS is an association of rural people with the following characteristics: individual and voluntary membership; improved cropping techniques; collectivisation of most of the means of production; collective, disciplined and organized work (production plans); democratic management in the hands of the members of the co-operative and a system of income distribution in accordance with work done by the membership.

23. The GRVCs and CAETS are prime units of production to which the political and administrative authorities of the provinces devote special attention; the authorities do their utmost to expand, promote and ensure the success of such units.

III. ASSESSMENT OF THE EXPERIENCE AND IMPACT OF PRODUCTION CO-OPERATIVES
IN THE RURAL AREAS

24. The GRVCs and CAETS which are farming co-operatives definitely contribute to the development of the rural areas. Their numbers certainly vary from province to province and depending on the dedication of their members, particular GRVCs are either converted into CAETS or particular associations withdraw from the co-operative movement. But in actual fact farming co-operatives, especially GRVCs are generating greater interest everywhere because they offer farmers the ideal framework for organizing their work to produce better yields and hence improve their standard of living.

(a) Improvement of productivity

25. Let us consider for example the results of the 1981-1982 and 1982-1983 crop seasons in two different provinces, Atlantique in the south and Borgou in the north.

(i) Atlantique province

26. In the Atlantique province, the main crops produced by the co-operatives were maize, cassava, beans and groundnuts.

1981-1982 crop season:

27. Thirty-nine of the 41 rural co-operatives officially recognized by the province are farming co-operatives; there is one co-operative that processes cassava into garri and one fishing co-operative.

28. The thirty-nine agricultural production co-operatives (1 CAETS and 38 GRVCs) which have a membership of 400, planted 244.63 hectares out of 118,693 hectares of land planted with the same major crops throughout the province during the 1981-1982 seasons. The breakdown of the planted land is as follows: (estimates in hectares)

Level	Crops	Maize	Cassava	Beans	Groundnuts	Total
Province		95,194	15,480	2,652	5,367	118,693
Co-ops		182	11.85	11.60	39.19	244.63

29. Thus the co-operatives as a whole sowed 0.19 per cent of the land under maize in the province, 0.08 per cent of land under cassava, 0.44 per cent of the land under beans and 0.73 per cent of that under groundnuts.

30. The following table indicates the tonnage of the above crops obtained at each level:

Level	Crops	Maize	Cassava	Beans	Groundnuts	Total
Province		66,635	92,880	1,060	2,683	
Co-ops		163	26.51	8.12	27.43	

31. Compared to the total quantities produced by the province during 1981-1982 season, the farming co-operatives units produced:

- (a) Maize: 0.24 per cent using 0.19 per cent of the estimated land;
- (b) Cassava: 0.09 per cent using 0.08 per cent of the estimated land;
- (c) Beans: 0.77 per cent using 0.44 per cent of the estimated land;
- (d) Groundnuts: 1.02 per cent using 0.73 per cent of the estimated land.

32. Therefore, even at this level it can be seen that the productivity of co-operative units is definitely superior to that of individual farmers.

1982 - 1983 Crop Season

33. During this season there were 44 farming co-operative units (1 CAETS and 43 GRVCs) with 393 members.

34. They sowed a total of 293 hectares out of 116,445,000 hectares sowed in the province for the same foodstuffs during the previous cropping season. The land area under cultivation can be broken down as follows:

Level	Crops	Maize	Cassava	Beans	Groundnuts	Total
Province		96,147	12,944	2,771	4,583	116,445
Co-ops		236.45	10.60	15.57	31.05	293.17

35. In terms of percentage surface area cultivated for each crop in the province, the co-operative units respectively produced: 0.25 per cent for maize, 0.08 per cent for cassava, 0.56 per cent for beans and 0.68 per cent for groundnuts.

36. The quantities produced at each level and estimated in tonnes are:

Level	Crops	Maize	Cassava	Beans	Groundnuts
Province		62,900	77,664	1,385	2,291
Co-ops		201	76.85	10.28	193.49

37. The farming co-operative units therefore produced in terms of percentage:

- (a) Maize : 0.32 per cent using 0.25 per cent of the land sowed;
- (b) Cassava: 0.10 per cent using 0.08 per cent of the land sowed;
- (c) Beans: 0.75 per cent using 0.56 per cent of the land sowed;

(d) Groundnuts: 8.45 per cent using 0.68 per cent of the land sowed.

38. This improvement over the 1981-1982 cropping season illustrates clearly the importance of farming co-operative units.

39. Productivity is considerably improved because of disciplined work, more efficient supervision and greater awareness.

40. Despite such efforts output is low because removal of stubs from the fields is done piecemeal and hence the use of draft animals is quite limited.

(ii) Borgou province

1981-1982 Crop Season

41. During this season, there were 51 officially recognized GRVCs with 129 chiefs of operation and 17 CAETS with 224 members.

42. Here we are going to consider four crops produced by the various co-operatives during the season. There are two industrial crops, cotton and groundnuts, and two food crops, maize and sorghum.

43. The relationships between land under each crop at both the province and co-operative unit levels are estimated in hectares as follows:

	Province	Co-operatives %	Co-operative Province
Cotton	9,980	361	3.62%
Groundnuts	4,960	266	5.36%
Maize	21,355	890	4.17%
Sorghum	37,133	1,360	3.66%

44. The quantities of crops produced at each level estimated in tonnes are as follows:

	Province	Co-operatives %	Co-operative Province
Cotton	8,740	288	3.30%
Groundnuts	3,676	212	5.77%
Maize	16,922	712	4.21%
Sorghum	22,131	834	3.77%

45. If a comparison is made between the percentage of land cultivated by the co-operatives and the percentage of crops produced it will be noticed that the co-operatives perform better than the other producers; cotton is the sole exception.

46. Yields would no doubt have been better inspite of the drought if plant protection products and fertilizers had been delivered on time to the co-operatives.

1982-1983 Crop Season

47. During the 1982-1983 crop season in Borgou province there were 60 farming co-operative units with 1,612 members in (49 GRVCs and 11 CAETS).

48. The relationships of land sowed at each level for the four crops namely cotton, groundnuts, maize and sorghum in hectares are as follows:

	Province	Co-operatives	Co-operative Province %
Cotton	24,560	1,024.75	4.17%
Groundnuts	5,255	307.25	5.86%
Maize	29,720	841.50	2.83%
Sorghum	44,400	1,572.5	3.54%

49. The quantities obtained for each crop at each level in tonnes are as follows:

	Province	Co-operatives	Co-operative Province %
Cotton	14,736	717.33	4.87%
Groundnuts	3,153	310.20	9.84%
Maize	20,804	673.20	3.24%
Sorghum	25,752	943.50	3.66%

50. Despite the reduction in their number over the previous season (60 in 1982-1983 against 68 in 1981-1982) the farming co-operative units of Borgou province made considerable efforts by sowing 3,750 hectares for the 1982-1983 season as against 2,877 hectares in 1981-1982.

(b) Increase in income

51. If, in spite of the amount of work required to increase productivity the farming co-operatives have managed to increase the surface area under cultivation from season to season, it is because they are more at home with co-operatives in which each member works for the others and the others for each member. Such active solidarity creates an atmosphere which is conducive to serious group work. Thus it is up to the co-operative unit to decide what to do with the crops harvested. Certainly, industrial crops such as

cotton and groundnuts (the bulk thereof) are sold to the CARDER but foodstuffs are sold to the CARDER only if they offer remunerative prices. Otherwise the co-operative itself markets its crops outside the official circuit. The members of the co-operative do this because they want their crops to fetch attractive prices.

52. By producing more and selling its crops at remunerative prices, the co-operative increases the income of its members. The members of the co-operative are aware of this and that is why at the end of the season the accounts are presented in a simple form by the management committee of the co-operative. After all appropriate explanations have been given the co-operative as a whole decides on the value of each task performed and on the distribution of income to each member on the basis of the tasks performed.

Satisfying the needs of members

53. The introduction of activities such as the cereals bank, poultry and sheep and goats, breeding, market gardening etc. are characteristics of GRVCs and CAETS. These are integrated co-operatives which do not give priority to the State by focussing on the production of cash crops but which gear their activities to promoting the economic and socio-cultural well-being of their members.

54. Although industrial crops provide the members of the co-operative with considerable income (if the season is not poor), foodstuffs allow them to satisfy the bulk of the food requirements of their families and to ensure the food self-sufficiency of the urban centres where the surplus crops are sent; this is also another source of income for members of the co-operative.

55. The co-operative thus enables its members to improve their standard of living not only because of increased income but also because of the continuing civic training of the members. The quality of life in the rural areas is improved because the co-operative takes the initiative to set up specific social infrastructure and build and maintain tracks and bridges, takes part in re-forestation etc...

Extent of participation of the people

56. In none of the provinces have the co-operatives attracted a huge number of members from the rural population. This is first of all due to the reluctance of people who are used to producing whatever they want on their individual fields where they do not take orders from anyone especially young extension officers who claim they can teach them new methods. Their reluctance is aggravated by the drought which belies the advice given by the rural development agencies.

57. However, the youth, who increasingly want to throw off the stifling yoke of the family find in the groupings and co-operative units means of lessening their dependence on their parents.

58. That is why in the provinces, village groupings made up mostly of youth have been set up. Within these groupings members learn about self-sustaining integrated development in order to be recognized as GRVCs and later on as CAETS.

59. Moreover, special organizations called Clubs 4D have been set up under the auspices of the Centre National d'Appui aux Clubs 4D (CNAC) as apprenticeship schools for young people who have democratically taken the decision to work towards the genuine development of their country, Benin.

60. Because of such clubs an increasing number of rural youths have been encouraged to stay in the villages in organizations that help them to increase their income and improve their knowledge and living conditions. Having become familiar with co-operative work they become model producers who inject dynamism into existing co-operative units.

IV. MEASURES TO PROMOTE PRODUCTION CO-OPERATIVES IN THE RURAL AREAS

(a) Promotion institutions

(i) CARDER

61. The CARDER which are regional development operations are the ideal framework established by the State to develop, promote and make production co-operatives succeed in the rural areas.

62. In order to operate efficiently and coherently in their dealings with both individual farmers and farmers organized into GRVCs and CAETS, the CARDER have seven divisions namely:

- (a) The Co-operatives Division (DAC);
- (b) The Training and Extension Division (DEV);
- (c) The Animal Production Division (DPA);
- (d) The Marketing, Processing and Packaging Division (DCTC);
- (e) The Appropriate Research, Planning and Statistical Studies Division (DRAPES);
- (f) The Administration and Finance Division (DAF);
- (g) The Rural Engineering Division (DER);

63. The national level is seen as a centre for stimulating, co-ordinating and guiding co-operative development policies. It therefore does not want to replace regional development operations where problems are identified and implemented on the basis of the specific problems of each province and each sector; a sector is a branch of the CARDER at the district level which is an administrative sub-division of the province. The sector itself is subdivided into sub-sectors which correspond to one or several communes. Production units, which are socio-professional structures, are at the bottom of the scale and are helped by rural development agents.

64. Co-operatives are given priority attention by the various structures of the CARDER especially the Co-operatives Division. The integrated activities of the CARDER permit co-operatives to: partially solve the problem of feeding the masses, make agriculture a key sector which could serve as the basis for industrialization and the main source of supply of urban centres, make agriculture supply raw materials to light industries and surpluses for export to cover imports of capital equipment; the CARDER structures also increase the experience of men in controlling nature and mastering new production and management techniques.

(ii) The Co-operative Activities Directorate

65. Within the CARDER, the Co-operative Activities Division is the one that reports directly to the Co-operative Activities Directorate.

66. The Co-operative Activities Directorate, which is under the Ministry of Rural Development and Co-operatives, is responsible for the policy of establishing, developing and strengthening pre-co-operative and para-co-operative societies.

67. To carry out its assigned tasks, the Co-operative Activities Directorate uses the following organs: the Assistance and Support Fund for Co-operatives (FASC) the National Committee for the Promotion of Savings and Credit Co-operative Societies (CONAPSEC) and the National Agency for Promoting the Activities of Rural Women (ONPAFR). Thus, in collaboration with the above-mentioned agencies and the CARDER, the Directorate endeavours to:

(a) Support and develop the activities of rural people in the gradual establishment of pre-co-operative and co-operative structures;

(b) Organize and participate in the elaboration and implementation of any activities designed to arrest the rural exodus especially among youth by getting them involved in productive activities based on collective work;

(c) Monitor developments in each one of the types of co-operatives or co-operative-oriented groupings in order to consider all the forms of assistance that could be provided to strengthen and develop them;

(d) Organize co-operative training courses for officials of the co-operative movement, members of co-operatives and the public;

(e) Consider questions relating to the provision of credit to farmers who have pre-co-operatives and co-operatives in collaboration with the National Agricultural Credit Funds (CNCA).

(iii) The National Agricultural Credit Fund (CNCA)

68. It should be noted that the CNCA finances production activities of the GRVCs and CAETS through the Regional Funds and Local Mutual Agricultural Credit Funds which are savings and credit co-operatives at two levels:

(a) The Regional Mutual Agricultural Credit Funds are set up at the province level;

69. (b) The Local Mutual Agricultural Credit Funds are set up in the rural communes which are administrative subdivisions of the districts.

69. In spite of the experimental nature of the new co-operative structures, the co-operative option in agricultural production appears to be a clear and irreversible orientation.

(b) Problems of the GRVCs and CAETS and proposed solutions

The GRVCs

70. The coming of farming co-operatives certainly generated enthusiasm in the rural areas.

71. The GRVCs especially have injected new life into the co-operative movement which will bring about socio-economic changes in the rural areas. They are structures which are developing normally and are easily accepted by the farmers because they help them to produce more in terms of quantity and quality, to improve their standard of living without overly upsetting what they consider as traditional values. The problems encountered are due to the rainfall which for four years has failed at sowing time and this is why some crops like cotton and groundnuts have yielded so little of late. Coupled with the poor rainfall is the lack of regular follow-up from technical extension staff and the untimely delivery of production inputs such as fertilizers and insecticides.

The CAETS

72. The experimental socialist-oriented farmer's co-operatives (CAETS) which were the main thrust of the State's agricultural policy, have been stagnating seriously and do not seem to attract members from the rural population. They were hastily set up without any prior planning. The sudden and radical change introduced is not compatible with the mode of life of the rural areas.

Problems specific to the provinces

73. The degree of development of GRVCs and CAETS differs from province to province. This is mainly due to the establishment strategy adopted by the provincial officials responsible for co-operatives. In the northern provinces of Borgou and Atacora and in the northern part of Zou province, the application of the principles of equity and equality in the CAETS has completely upset social organization and brought about problems between fathers and sons.

74. Indeed, in the rural setting the head of the family/community finds it difficult to accept that individuals under him should be put on the same footing as he and that each person should have direct access to his own income. Another handicap is that households are widespread and it is therefore not easy to mobilize all productive forces.

75. In the southern provinces of Ouémé, Atlantique and Mono and in the southern part of Zou province farmland is mostly the property of individuals who do not cultivate them and watch over them jealously. There is therefore the problem of liberating such land.

76. Thus, many of the structures set up in those regions have been set up on litigious plots, there are hence problems in developing them. Finally, the attraction of easy money and the proximity of urban centres generate various types of exodus among the younger members of the rural population.

(c) Problems common to the GRVCs and the CAETS

77. With respect to production it has been realized that working equipment in most of the co-operatives is still primitive and that production techniques are not good enough to bring about the appropriate improvements. Crop yields are affected by this.

78. The fact that agriculture which, under normal circumstances, is at a disadvantage is poorly equipped, that supply marketing circuits in the rural areas are poorly organized and that subsequent speculation is unprofitable results in lower income and hence discourages members of co-operatives.

79. The lack of a co-operative financing support policy coupled with the lack of a system of bonuses and the establishment of agricultural loans cause a very high rate of interest. Thus, instead of encouraging farmers to develop, credit has rather become a source of indebtedness to members of co-operatives.

(d) Proposals

80. The increasing efforts made by the GRVCs due to an easing of the system as well as the encouraging results achieved by the CAETS of Kansoukpa in the Atlantique province and that of Govi in Zou province, promise a better future for farming co-operatives in Benin if urgent and effective action is taken.

81. The example of the two CAETS proves the superiority of this type of organization and forces the conclusion that it is possible and even necessary to promote the development of CAETS but taking due care to respect the peasant farmer as an equal partner of grass-roots development.

82. A carefully implemented study of the rural environment should make it possible to reduce the contradictions between the objectives of the State and those of rural producers. More often than not the productivity-oriented goal of development agencies hardly takes into account all the needs and aspirations of the farmer.

83. The establishment strategy of CAETS should, above all, aim at developing GRVCs as compulsory transitional structures giving access to the CAETS stage while using teaching methods in line with the farmer's way of thinking. This stage may last between three and four years and during that period the GRVC will demonstrate its ability to adapt to modern farming techniques and to manage its own affairs efficiently.

84. A national State policy should make it possible to provide co-operatives with sufficient financing to carry out the necessary investments and guarantee better incomes for producers. In that connection, legislative measures should make it possible to free land and have such land worked by organized producers.

85. Efforts should be made to develop research on co-operatives, develop the training of extension officers and co-operative partners by increasing the material and financial resources made available by the Co-operative Activities Directorate.

86. Such arrangements imply that:

In the short term

(a) The Ministry of Rural Development and Co-operatives should draw up a plan for strengthening existing CAETS after carrying out socio-economic studies to identify how they can be made to function properly;

(b) The CARDER and the political and administrative authorities should combine their efforts to achieve a genuine development of the transitional pre-co-operatives and the establishment of more supply co-operatives to enable farmers to solve their problems relating to the acquisition of essential manufactured products and small-scale farm equipment;

(c) The national budget should contribute to strengthening material and financial resources of the Co-operative Activities Directorate to permit the Directorate to carry out its assigned tasks correctly.

In the medium and long terms

(a) The State should contribute to the establishment of agricultural insurance agencies in order to guarantee that the funds obligated to the development of co-operatives are used properly;

(b) That in developing pre-co-operatives and co-operatives, the State should give priority to carrying out a study on and implementing a plan for land reform and agricultural mechanisation.

V. SUMMARY AND RECOMMENDATIONS

87. The failure of the various experiments attempted since 1960 with respect to farming co-operatives prompted the Government of the Peoples' Republic of Benin to opt for socialist-type of co-operative movements from 1975 onwards.

88. Indeed, farming co-operatives were under State corporations which were not in a hurry to train people to take over the management of their production units (this was what happened to the Société Béninoise de Palmier à Huile, SOBEPALH, which run the rural development co-operatives) or which had made a number of errors of judgement when defining objectives; the consequences of such errors have become increasingly serious over time (this was the case of the Ouémé Valley Development Corporation, Société de Développement de la Vallée de l'Oueme, SADEVO);

89. Despite the problems of the CAETS and GRVCs which hamper their progress and prosperity, the farming co-operative movement in its present form should not be seen as a failure. Hence the training and information of co-operative farmers should be supported effectively and continuously by supplying them factors of production, granting credits and paying

remunerative prices to producers. Such measures will convince peasant farmers that the co-operative system enables them to solve their socio-economic problems better than if they worked individually.

90. In Benin, the co-operative movement of farmers is at the beginning of a long march which calls for considerable patience, creativity and firm commitment from officials at all levels. This is why a national seminar bringing together the representatives of all the partners of co-operative development, namely political and administrative authorities, technicians of regional development agencies (CARDER), researchers and trainers in the field of co-operatives and rural co-operative members should be organized to consider the organization, operation and place of co-operatives in the rural environment. If such a seminar is well prepared at the district and provincial levels, it should generate better knowledge and a critical and thorough analysis of the problems of GRVCs and CAETS. It will thus generate decisions which will lead to concrete action to encourage and stimulate production co-operatives in the rural areas.