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Organizing Agricultural Cooperative Economy/Management

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Summary:

Three forms of cooperative economy/management and the principles of organization are explained.

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From: The Central Committee, Korean Workers' Party
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To: Comrades Chairmen of each Province, Municipal District and County Party Committee

Re: Organizing Agricultural Cooperative Economy/Management

During the course of the Fatherland Liberation War against the American Imperialist invaders and their stooge, the traitor group of Syngman Rhee, the [peasant] farmers, based on the principle of patriotic mutual assistance, purchased draft-animal and other farming instruments for communal use, organized efficient cooperative work such as oxen-sharing team as well as labor-exchanging team and implemented these methods on a wide range. The efforts were aimed at strengthening both the front and rear line, figuring a way out of shortage in human labor and livestock power, accomplishing timely and successful agricultural production, guaranteeing the daily lives of the families in the civilian front, the surviving families of the patriots and the destitute peasants, and stabilizing the lives of the above-mentioned people.

Through the living (vivid) experiences of cooperative joint work in the course of the war, the farmers have directly experienced the advantages of cooperative labor. Thus, a desire among them for cooperative economy/management [i.e. cooperatization] is expressed in various forms.

Beginning the spring of 1953, various forms of mutual-aid team based on the farmers' private/individual property, agricultural sideline cooperative with a focus on livestock farming, and also a primitive form of agricultural production cooperatives were established aside to the traditionally wide-spread oxen-sharing teams and labor-exchange teams.

The Central Committee of the Party recognizes the occurrence of the primitive and recent agricultural cooperative economy/management, being unfolded on the basis of the voluntary and mutual-benefit principles. The occurrence is a positive fact bearing significant political and economic implication in the development of advanced agricultural management system, that is the transition from private agricultural economy to collective agricultural economy, leading to a quantitative and qualitative shift in our agricultural communities, improving the economic and cultural lives/standards of our farmers, bringing about an efficient use of human labor, livestock power and farming tools in the postwar period of rehabilitation and rapidly restoring and developing agricultural management. Therefore, [the Central Committee] instructs each and each level of the Party organizations and groups to support the farmers' desire for agricultural cooperative economy/management on the basis of the farmers' rigid voluntary principle in a gradual pace and with experience, avoiding any level of impetuosity.

Three Forms of Agricultural Cooperative Economy/Management

In addition to the seasonal oxen-sharing team and labor-exchange team that had been traditionally and widely implemented for over hundreds of years, agricultural cooperative economy/management emerged among the farmers in the Northern half of the Republic beginning the spring of 1953. The cooperative economy/management can be categorized into the following three basic forms.

First - is an agricultural mutual-aid team

[The agricultural mutual-aid team] is a relatively more advanced form of the oxen-sharing team and labor-exchange team which was conventionally widespread among the farmers since the old times. Whereas the oxen-sharing team and labor-exchange team were limited types of mutual assistance unit comprised of three to five households with a seasonal character, agricultural mutual-aid team is a larger system of mutual assistance comprised of approximately ten households and is continued throughout the year. The agricultural mutual-aid team allows each farmer to cultivate one's own land and, at the same time, requires the farmer to provide labor for the cooperative as needed.

[The mutual-aid team] will facilitate a communal use of the livestock power and farming tools and, at the same time, promote cooperative farming for all participating cooperative members' land throughout the year. Each farmer will maintain the ownership to his land and receive what had been cultivated from his land. Therefore, additional settlement on distributing the cultivated resources is not to be established.

[The mutual-aid team] requires a communal use of livestock power and farming tools owned by individual farmers and the compensation shall be offset with goods or labor depending on local customs.

In principle, labor shall be compensated with labor. The calculation shall be conducted seasonally (three to four times a year) and if the labor is not offset, each cooperative unit will set a standard/rule based on local customs and compensate with goods, in principle. Especially for the servicemen's families and the remaining families of the patriots who lack sufficient labor power and suffer from economic hardships, a compensation/payment plan for labor may not be established depending on a discussion among the union members.

Agricultural labor cooperative is a yearly system of mutual assistance, and therefore, it is possible to pursue a simple and primitive production plan. It can also promote division of technical labor to a small extent through gradually combining labor cooperation and skills enhancement. The cooperative also allows for a limited amount of private ownership while maintaining a joint ownership of the farming tools and livestock power. In addition, the labor cooperative allows for sidelines/subsidiary works such as livestock farming, beekeeping, sericulture, and also the production of high-level products. The capital for the sidelines/subsidiary works is drawn from the cooperative members. In regards to distribution of the profit, the expenses will be deducted from the profit first and the remaining will be distributed adequately.

Agricultural labor cooperative is the most primitive form of cooperative economy/management. However, it provides the preliminary conditions to advance into a more developed form of cooperative economy/management. It assists the establishment of individual's agricultural base through the acquisition of land as a result of cooperative reclamation, collaborated purchase of livestock power and farming tools, the management of a sideline/subsidiary work cooperative, accumulation of a certain level of shared property, as well as the division of labor and technical skills.

Second Form - is an agricultural cooperative economy/management maintaining the private ownership of land and at the same time promoting the investment of the land [as communal use]. Thus, it can be called as a (farm) land cooperative.

Cooperative members included in this form shall invest all of their land, excluding a given number of fruit trees and a small area of vegetable farm for consumption, based on local customs. The land shall be jointly invested as a part of the cooperative and be subject to a collective joint economy/management.

All operation/work in the integrated farmland shall be conducted collaboratively. The evaluation and calculation of labor will be conducted daily according to the quantity

and quality of the labor provided by each cooperative member and their family. Therefore, a standard in the quantity of each operation/work, an accurate calculation of the days, which the fixed quantity of labor is fulfilled, as well as the aggregate, is necessary.

In terms of the livestock power and farming tools, joint-ownership by the cooperative as well as private ownership by cooperative members is approved. When privately owned livestock power and farming tools are utilized by the cooperative unit, the usage will be compensated through goods or monetary means according to the local customs at the end of the year.

In some cases, if the individual owner wishes, the livestock power and farming tools can be jointly purchased by the cooperative and the owner. The cost will be compensated annually with cash or goods. In terms of harvest distribution, production costs, such as the cost for the seed, fertilizer, ploughing and irrigation fees, tax-in-kind for the goods and others shall be jointly deducted first. Certain amount of joint accumulation and the social and cultural fund for future development of the cooperative shall be deducted as well. Finally, [the profit by] the harvest shall be distributed according to the field-size and the labor each member contributed, or the field-size, the points measuring the fertility of the field and labor days of each member. The distribution rate on land [contribution] shall be maintained as less than 20 percent of the total yield, in which the production cost, tax-in-kind for the goods, public accumulation and the Social and Cultural Fund is deducted. The distribution rate on labor days shall be maintained as less than 80 percent of the total yield.

However, in cases when the owner of the land is unable to provide more than 120 days of labor in a year period, the owner is unable to participate in the harvest profit distribution based on land [contribution] and is merely authorized to participate in the distribution based on labor days. In cases where the insufficient labor contribution is due to a long-term illness or other accidents, it is calculated as an exception. In cases it is due to travels for cooperative management such as obligatory labor, the member will receive some [profit] share according to the cooperative rules.

Public accumulation shall be maintained between 5 and 10 percent of the net harvest and net earning. The Social and Cultural Fund shall be maintained between 2 and 3 percent. Such cooperatization allows various sublines/subsidiary works in addition to the members' own livestock and sericulture. Therefore, the distribution of the profit by sublines/subsidiary works will be distributed according to the members' labor days regardless of the land size the members contributed.

Accordingly, the second type of cooperative economy/management includes several significant characteristics of the first type, which is labor cooperative, in a more expanded perspective/scale. Such characteristics include the combination of agriculture and sublines/subsidiary works, the simple production plan, technical division of labor, and communal use of livestock power, farming tools and property. While it is not significant, this form includes some amount of joint accumulation [of funds] as well as improved farming tools, division of labor, and also jointly developed new fields and irrigation facilities. Therefore, a holistic use of land is required/essential.

Regardless, such form is a cooperatization based on the use of land. The contribution of field/land shall also be based on the principle of voluntary mutual-benefit and therefore, in case when a member withdraws [from the cooperative], the member shall return equal amount and quality of field.

The second form of cooperative economy/management is appropriate for the management of land under a unified plan. It is beneficial for effective use of land as it allows the farmers to cultivate crops depending on the land. It also eliminates the

boundary of land [ownership], therefore, beneficial in adopting mechanization in agriculture.

Third Form - is the most advanced agricultural cooperative economy/management

Under this system, farmers incorporate their entire land as well as livestock power and farming tools to the cooperative. Entire agricultural activities are conducted cooperatively and the farmers are eligible to maintain sidelines/subsidiary works as well.

On the other hand, each member is allowed to possess vegetable field, fruit trees, pigs, sheep, poultry, bees and a few cows (one or two). In terms of profit distribution, the production costs such as seeds, fertilizer, ploughing, and irrigation fees, and also tax-in-kind are initially deducted. 10-15% of the net earning is allocated as public accumulation of the cooperative, 2-3% is utilized as Social-Cultural Fund, and the remaining 82-88% is distributed according to the days and quality of the labor the cooperative members and their family provided.

Organization Principles in Agricultural Cooperative Economy/Management

The Central Committee of the KWP notes that the above-mentioned three forms of cooperative economy/management in agriculture are not clearly distinctive depending on different geographical locations and that it is possible for different forms of cooperative economy/management among the public, to co-exist due to the different conditions and customs in diverse regions. Thus, the Central Committee of the KWP recognizes that each level of the Party organizations and groups shall start from the following principles in the organization of the cooperative economy/management.

☐☐☐ Various forms of agricultural cooperative economy/management shall be organized under a strict voluntary principle of the labor farmers. Slightest enforcement or pressure in the process shall not be permitted. Each farmer shall be allowed to enter and withdraw from the cooperative management when they wish.

☐☐

☐☐☐ Each member is preserved the legal ownership of the land they offered for the cooperative as well as the right to inherit the land to their successor. In the case of withdrawal from the cooperative, the farmers are given the right to receive the same amount of land they offered as well as the livestock power, farming tools or the equivalent.

☐☐

☐☐☐ In the organization of agricultural cooperative economy/management, the economy/management system will be determined after an accurate analysis of the community's detailed conditions and the preparedness of the farmers. Based on the resource needs/conditions, the most appropriate form among the three shall be implemented. In addition, the local circumstances and farmers' demand can be taken into account and also the system can be slightly altered, on the basis of the three forms.

☐☐

☐☐☐ The size of the cooperative economy/management shall be maintained as more than 10 percent in general.

☐☐

Considering the lack of staff and experience in cooperative economy, organizing a massive scale cooperative economy/management from the beginning is to be avoided. Organizing a cooperative economy/management that is appropriate for the capacity is required. Nonetheless, organizing an excessively small-size cooperative management that is inadequate for proving the advantages of a cooperative

economy is to be avoided likewise.

The cooperatization of agriculture shall not initially attempt to invest a large sum of resources to purchase livestock power, farming tools and animals. The plan shall aim at a continuous development of the cooperative management. It shall consider the finance and profitability of the cooperative at all times to promote an increased profit for the members.

□ Agricultural cooperative economy/management shall be fully organized under the principle of a democratic autonomy. All of the guiding organization of the cooperative shall hold elections and to be summoned through the cooperative assembly. In addition, the assembly shall determine all the principle issues, that is, issues regarding production plan, profit distribution of work/labor norm and so on.

□□

Individual members of the cooperative shall have equal right disregard of the contributions they have made to the cooperative and shall have suffrage and electoral eligibility for their guiding organization.

□ Agricultural cooperative economy/management is to uplift all kinds of production, therefore, strive to improve the materialistic lives of the cooperative members. The evaluation of the cooperative's operations will be determined by an observation on the efficiency of the labor, return (harvest) rate, and also the overall profitability.

□□

Accordingly, the agricultural cooperative economy/management is to secure new [farm]land, extend arable land, convert the ordinary fields into rice fields, improve the fields and produce and manure the provided fertilizers in a large scale. It is also to raise the harvest quota and to increase the cooperative members' profitability by efficiently utilizing the land, human labor, livestock power and farming tools, improving the labor rules, adequately organizing the division of labor, widely adopting the advanced farming method and strictly improving crop manuring and tending.

□ Agricultural cooperative economy/management is to increase the cooperative's profits by combining various forms of sidelines/subsidiary works such as livestock farming, silkworm culture (sericulture), beekeeping, poultry- raising and so on, in order to utilize the idle and incidental labor power to the maximum level.

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□ The Central Committee of the Party notes that two improper tendencies may occur in regards to organizing the cooperatization of agriculture. The Committee recognizes that each level of the Party's organizations and groups shall exercise precaution to them at proper times in the ordinary activities.

□□

The first tendency is for the people to take a passive stance towards the issues of organizing agricultural cooperative economy. Such tendency represents a failure in observing the various forms of cooperative management system among the farmers as an essential component for our Party to lead the mass farming public and to progress from the individual small-sized production economy to a gradual massive-scale collective management. Such failure is to deny the progress as a transitional form towards the communization of agriculture and at the same time it is to deny the communist element in the cooperative economy. To summarize, such tendency is inappropriate as it is a "rightist" tendency.

The second tendency is to take an impatient attitude. It is attempting to initially organize a massive-scale cooperative economy without considering the farmers' resources and the essential [pre]conditions in economy planning. It is also to deny or limit the farmers' private ownership of property and to massively and hastily organize and manage a high-level communist collective farm. Such tendency is inappropriate as it is a "leftist" tendency.

□□□ The Party line in regards to the organization of agricultural cooperative economy is to promote experiential and gradual organization [of the economy/management] through the farmers' voluntary principle as well as their sufficient experience and example without any hasty movement.

□□
Thus, each level of Party organizations and groups shall resolutely defy the two [inappropriate] tendencies in the organization of cooperative economy/management, organize approximately 2-3 units in each county experimentally, including the ones already organized and strengthen them in order to express the superiority and exemplary organization of the cooperative economy/management to individual farmers.

Since the majority of cooperative economy that is already organized or is to be organized, is at the initial stage [of organization], the economic base is weak and it lacks the experience in the management. Therefore, each level of the Party and political organizations as well as economy and lending organizations shall strengthen the economic base of the [mutual-aid] union and take appropriate measure to strengthen the general instruction tasks for the union.

Each level of political organizations, farmers' banks, plough stations, consumers' cooperatives shall guarantee priority conditions for the cooperative economy, in seeds, work cattle, breeding stocks, farming tools, fertilizer, ploughing and funds.

□□□ The Central Committee of the Party points out that organizing a small number of agricultural cooperative economy/management may weaken the leadership among individual farm economy/management as the cooperativization can infringe on individual farmer's interest. Therefore, each Party and political organizations and groups shall not neglect instructing individual farm economy/management which is the fundamental force of today's agricultural management. Rather, such instruction shall be even more strengthened and, moreover, the organizations shall not tolerate any occasion that [may] infringe on the farmers' interest.

□□

As an attempt, we shall organize more efficient oxen-sharing team and labor-exchange team, widely organized and managed in our rural communities currently, eliminate households without harvest, promote advanced farming methods and expand on the acquisition of land and high-yield movement, therefore enhance the harvest quota.

We shall not permit any involuntary practices in the agricultural cooperative economy/management, such as forcing the exchange of land in an attempt to concentrate land among union members who do not belong to the cooperative, or forcing them to contribute livestock power and farming tools, taking advantage of the priority in cooperativization.

□□□ Each province, municipal district and county Committees must seriously study the above instructions and shall put into force and implement them flexibly/practically in consideration of the local economic conditions, the farmers' awareness and local customs.

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Central Committee, Korean Workers' Party
Chairman (Kim Il Sung)

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