

CO-OPERATIVE PERSPECTIVE

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**VAIKUNTH MEHTA NATIONAL INSTITUTE
OF CO-OPERATIVE MANAGEMENT**

UNIVERSITY ROAD, PUNE 411 007, INDIA



Focus

The Co-operative Perspective is a 'must' for co-operative executives, office-bearers, academicians and students. It provides in a capsule form latest thinking on all aspects of co-operative movement. The Journal provides a ready source of knowledge and information relating to rapidly expanding and diversifying co-operative enterprises.

Specific objectives of the Journal are:

- (a) to disseminate information through articles on latest developments in the co-operative movement in India;
- (b) to appraise the readers about the current co-operative literature through articles and book reviews.
- (c) to furnish library documentation of articles on co-operation/management and allied subjects derived from various sources of publication;
- (d) to give glimpse of training activities of the Institute to build up trained manpower for the co-operative movement; and
- (e) to provide opportunity to the readers and specially ex-trainees to exchange experience through feature 'Readers' forum'.

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EDITORIAL

Sustainable Development Goal

The United Nations, way back in 2000, has set the motion for ending the poverty, removing inequalities by framing the Millennium Development Goals (MDGs) and ensure the achievement of the following goals by 2015.

1. Eradicate extreme poverty and hunger
2. Achieve universal primary education
3. Promote gender equality and empower women
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria and other diseases
7. Ensure environmental sustainability
8. Develop a global partnership for development

Some studies highlighted that developing countries made some progress in achieving the goals but still lot to be done. Despite being neither involved in the design of MDGs nor in the delivery mechanisms for realizing them, cooperatives have contributed to the realization of the positive outcomes of MDGs. This is partly because these goals are consistent with the fundamental values associated with cooperatives: freedom, equality, solidarity, tolerance, respect for nature and shared responsibility. Thus, the convergence of values allowed cooperatives to make important contributions to the MDGs.

Though the MDGs have arguably succeeded in mobilizing the world to face the challenges of eradicating poverty, the timeframe for these goals ends at the end of 2015. The widespread recognition among national and international actors that the MDGs have significantly contributed to the progress in reducing poverty around the world has led to the resolution that a globally agreed agenda to fight poverty should continue beyond 2015. To this end, a number of initiatives have been set in motion to formulate the post-2015 development agenda. And one of the UN steps was formulating the Sustainable Development Goals (SDGs). These are as follows:

1. End poverty
2. Empower girls and women and achieve gender equality
3. Provide quality education and lifelong learning
4. Ensure healthy lives
5. Ensure food security and good nutrition
6. Achieve universal access to water and sanitation
7. Secure sustainable energy

8. Create jobs, sustainable livelihoods and equitable growth
9. Manage natural resource assets sustainably
10. Ensure good governance and effective institutions
11. Ensure stable and peaceful societies
12. Create a global enabling environment and catalyze long-term finance

In total, worldwide about one billion people are involved in cooperatives in some way, either as members/ customers, as employees/participants, or as or both. Further, Cooperatives employ at least 100 million people worldwide. It has been estimated that the livelihoods of nearly half the world's population are secured by cooperative enterprises. The world's 300 largest cooperative enterprises have collective revenues of US\$ 2 trillion, which are comparable to the GDP of the world's ninth largest economy - Italy (ICA, 2013c). As value-based and principle driven organizations, cooperative enterprises are, by nature, sustainable and participatory forms of business. They place emphasis on job security and improved working conditions, pay competitive wages, promote additional income through profit-sharing and distribution of dividends, and support community facilities and services such as health clinics and schools.

Cooperatives foster democratic knowledge and practices and social inclusion, making them well-placed to support the achievement of sustainable development. Cooperatives have also shown resilience in the face of the economic crises. Hence, cooperatives are well-placed to contribute to the proposed triple bottom line plus governance agenda; no less because they are enterprises that endeavor to meet the economic progress of their members while satisfying their socio-cultural interests and protect the environment. This has been partly illustrated through their positive contribution to sustainable development. They offer an alternative model for enterprise, with contributions to sustainable development well beyond job creation. Since cooperatives' share in GDP and total enterprises is currently relatively small in most countries, their promotion and expansion could be an important instrument for achieving the Sustainable Development Goals (SDGs). The governance modalities for linking the household to the global level through equitable participatory processes, transparency and accountability are well-engrained in cooperative principles. The cooperative model, therefore, seems to be one of the means through which the envisaged sustainable development goals be realized in the post-2015 period.

Er. Sanjeeb Patjoshi, IPS

Director-VAMNICOM & CICTAB

&

Dr. R. Elangovan

HoC-R&P

Prime Minister's remarks at the Inaugural Session of RBI Conference on Financial Inclusion

The Prime Minister, Shri Narendra Modi, today urged the Reserve Bank of India to take the lead in encouraging financial institutions to set concrete targets for financial inclusion over the next 20 years, to help transform the quality of life of the poor. "I come as a representative of the poor, underprivileged, marginalized and tribals; I am one among them; I seek on their behalf and trust you will not disappoint me," the Prime Minister said, at the RBI Conference on Financial Inclusion, which also marked the completion of 80 years of the Reserve Bank of India.

He encouraged RBI to set goals on intermediate targets: of 2019, when the country will celebrate the 150th anniversary of Mahatma Gandhi; 2022, 75 years of independence; 2025, 90 years of RBI, and 2035, 100 years of RBI.

The Prime Minister said the success of the Pradhan Mantri Jan Dhan Yojana and the Direct Benefit Transfer of LPG subsidy, had shown the potential of the enormous role that the banking sector can play in ensuring financial inclusion.

The Prime Minister called for making financial inclusion a "habit." He asked banks to take inspiration from the success of women self-help groups. He asked banks to keep in mind the requirement of youth who needed either knowledge or skills. He also gave the example of the soon-to-be-launched MUDRA initiative in this regard. He urged banks to come up with creative financial inclusion instruments to help prevent farmer suicides.

The Prime Minister said that along with economic and social parameters, there is need to think of a geographical parameter as well for financial inclusion. He said eastern India had immense economic potential, and the banking sector should recognize and plan for this.

Appreciating the role played by RBI over the last 80 years, the Prime Minister complimented the RBI Governor Dr. Raghuram Rajan, for his grasp and clarity on economic issues.

As part of the Make in India initiative, the Prime Minister urged RBI to take the lead in ensuring that India starts to manufacture the paper and ink that are used to print currency notes.

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Speaking on the occasion the Finance Minister, Mr. Arun Jaitley lauded the RBI's role in management of country's monetary policy, inflation management, regulation of banking system and management of public debt. Talking about the Financial Inclusion the Minister said Prime Minister's Jan Dhan Yojana was a tremendous success and said the next phase of the challenge was to provide the certain amount of social security to the holders of these accounts in terms of accident and life insurance and an alternative pension system for the under privileged sections with the support of public exchequer, banking system and other institutions. He said, the banking system and the RBI as a regulator of the system will have an important role in all these developments.

The RBI Governor, Dr. Raghuram Rajan outlined the developments of RBI over the last 80 years from its inception in 1935. He also said the RBI was ready technological in the changed scenario and said the need of hour is to take banking to the poor.

The Governor of Maharashtra Shri Vidyasagar Rao and the Chief Minister of Maharashtra Shri Devendra Fadnavis were present on the occasion.



Financial Inclusion Conference

आदरणीय प्रधान मंत्री श्री नरेंद्र मोदी जी, महाराष्ट्र गवर्नर श्री विद्यासागर जी, वित्त मंत्री श्री अरुण जैटली जी, मुख्य मंत्री श्री देवेंद्र फड्णवीस, अन्य विशिष्ट अतिथिगण, मेरे RBI के साथियों, देवियों और सज्जनों ।

आज भारतीय रिजर्व बैंक ने अस्सी वर्ष पूरे कर लिए हैं । आदमी के जीवन में अस्सी वर्ष काफी लंबा समय होता है । दक्षिण भारत में अस्सी वर्ष पूरे करने पर सदाभिषेकम नाम से एक समारोह मनाया जाता है । तो एक तरह से आज हम भारतीय रिजर्व बैंक का सदाभिषेकम मना रहे हैं । लेकिन इसका मतलब यह नहीं है की अब रिजर्व बैंक की जिम्मेदारियाँ समाप्त हो गई हैं, आज तो केवल हमारे सफर के शुरुआत की समप्ती है ।

The Reserve Bank was set up in 1935 when India was under British rule. But the RBI was certainly not a British institution, and has been working right from the outset for Indian economic interests.

It has also nurtured Indian talent. In 1943, Chintaman Dwarkanath Deshmukh, one of India's finest financial minds, was appointed as the first Indian governor of the Reserve Bank. Amongst the problems he had to confront was how to deal respectfully but firmly with the debts the colonial power had accumulated to India during World War II.

Over the years, the Reserve Bank has been blessed with a number of such great leaders, a reflection also of the importance the government places in having a strong central bank. The list of past governors and deputy governors reads like a who's who of the Indian economic establishment, with governors like Benegal Rama Rau, M. Narasimham, Dr. I.G. Patel, Dr. Manmohan Singh, Dr. Rangarajan, Dr. Bimal Jalan, Dr. Y.V. Reddy, and Dr. Subba Rao, ably assisted by deputy governors such as SS Tarapore, Vepa Kamesan, Dr. Rakesh Mohan, K. Udeshi, Shyamala Gopinath, and Usha Thorat. The RBI's board has also been superb, with people like Sir Purshottamdas Thakurdas and Yezdi Malegam guiding it.

Interestingly, many of the governors were from the administrative services, with only one, M. Narasimham, from the RBI itself. Nevertheless, all understood that the Reserve Bank's role is to safeguard the monetary and financial stability of the country even while working towards its financial development. There has always been a constructive dialogue between the Government and the Bank, informed by their respective time horizons and attitudes

Opening Remarks by Dr. Raghuram G. Rajan, Governor, Reserve Bank of India on the occasion of RBI 80th Anniversary Celebrations on 2nd April, 2015.

towards risk. And history records that successive governments have invariably appreciated the wisdom of the Reserve Bank's counsel.

Over the years, the Reserve Bank has had addressed many concerns. Inflation control has been foremost – and the Reserve Bank has done an admirable job over time, despite the price pressures created by food shortages, oil prices and wars.

Financial sector development has been another concern. The RBI's role has included setting up new institutions, encouraging the use of technology, developing markets, and expanding financial inclusion.

In the coming year, we will have many new players in the banking eco-system, such as payments banks, small finance banks and possibly a postal bank competing with existing universal banks, regional rural banks, cooperative banks, and a variety of non-bank finance companies.

The use of technology has also expanded from the days when accounts were maintained manually in ledgers and unions called for strikes at the very mention of the word computers. Today, some banks allow customers to do all their banking transactions on a mobile phone, without entering a branch or touching a pen.

The Reserve Bank's intent is to create an ownership neutral, institution neutral, technology agnostic level competitive arena. For example, technologies enabling touch-and-go payments will find use even as banks focus on acquiring and analysing information and reducing transactions costs as they compete to extend financial services to all. The RBI's state-of-the-art payments system will support technology, even as the RBI strengthens its cyber-supervision and cyber-security.

We also need deep markets to absorb risks that stay too often in banks or in corporations. Here too our track record has been strong. Though many developing country governments are forced to borrow only in foreign currency, the Reserve Bank has fostered a liquid rupee government bond market, where the government today is able to contemplate issuing 40 year bonds. The rupee is truly becoming international as foreign institutions queue up to issue rupee denominated bonds. New products supported by the RBI, such as the recently introduced interest rate futures contract, are doing a roaring business on exchanges.

Our tasks are far from over. The nation has enormous financing needs in infrastructure, and far too many of our banks already have too much exposure. Big corporate infrastructure players have also taken too much debt. The required national push to finance infrastructure should not override financial stability, which is key to national security. Going forward, we need to develop new sources of risk capital so that our infrastructure needs can be financed with moderate amount of debt, even as we help the system deleveragem.

Perhaps the country's most important financial challenge, which is the theme of the Conference today, is to bring financial services to every doorstep and to every small enterprise. The poor are still too far away from, or too uncomfortable stepping into, bank branches.

With government initiatives like Pradhan Mantri Jan Dhan Yojana and the MUDRA Bank, as well as new technologies, new institutions, and new processes such as direct benefits transfers, I am confident that our country can empower the poor and the small with both choice and opportunities. The Reserve Bank in turn has to ensure greater consumer protection and consumer literacy.

Finally, if the Reserve Bank is respected today, it is because of the many thousands who have worked over the years for the Bank, with capability and dedication. Let me recognize two. Rani Durve, a DGM in the Bhopal office, has created numerous films, books, and street plays on themes such as fictitious emails and excessive interest rates so as to educate and inform the public. Nirmal Pattnayak, an AGM in the Department of Information Technology, enabled the pan-India electronic transfer of funds for government departments through the national electronic payment systems, thus overnight making the government one of the largest users of electronic payments. Both have gone beyond the ordinary call of duty, but they are only representative of many others in the Bank.

The RBI is also respected for its integrity. It is a matter of great pride for me today that when someone enters our building to persuade us to change a regulation, they come armed not with money but with arguments about what is right.

Let me conclude. Strong national institutions are hard to build. Therefore existing ones should be nurtured from the outside, and constantly rejuvenated from the inside, for there are precious few of them. In the 81st year of this great institution let us rededicate it to helping the nation secure prosperity and economic opportunity for all. Thank you for joining us in this celebration.



Recommendations of the National Conference on Strengthening of Cooperative Education and Training Systems in India

The National Council for Cooperative Training, New Delhi organised a National Conference on Strengthening of Cooperative Education and Training Systems in India at Regional Institute of Cooperative Management, Bangalore on 20th January, 2015 the recommendations related to strengthening of JCTCs of India, Capacity Building of Faculty Members/Instructors of JCTCs, Supports to RICMs/ICMs by the Central/State Governments, Recognition of Higher Diploma in Cooperative Management of NCCT by the State Governments, Proposal for Development of a Portal for Integrating State Cooperative Departments JCTCs, NCCT, NCUI with Ministry of Agriculture, Govt. of India and Miscellaneous Recommendations are given below:

I: Strengthening of JCTCs in India:

1. Most of the JCTCs have been operating under severe financial problems and due to this the JCTCs are finding it difficult in conduction of training programme as per the demand of target group. Hence for smooth operation of JCTCs to conduct effective programmes for user cooperatives a substantial Corpus Fund should be created by the Central Govt. for Strengthening the JCTCs.
2. The Government of India under the Central Sector Scheme is providing 50% financial support to JCTCs through NCUI for their specified programmes. The financial support to JCTCs should be enhanced to 100% and should be released as full grant instead of the back ended scheme. The JCTC/State-wise status of utilization of the scheme, its impact, the constraints faced and other aspects may be studied by an expert team constituted by Govt. of India, thereafter, may be moved to modify/improve the scheme, if needed.
3. The Govt. of India Ministry of Agriculture has a flagship Scheme for Rastrya Krishi Vikas Yojana (RKVY) for the development of Agriculture with a huge budget and the implementing agency is respective State Govt. It is recommended by the Conference that out of the total allocation of scheme to the State Govt. 5% of the total budget of the Scheme should be earmarked for Human Resource Development and Capacity building through the Cooperative Training Institutes in the State including RICMs, ICMs & JCTCs and for this if required suitable necessary amendment may be made in RKVY scheme.
4. The NCCT Committee constituted by the Govt. of India should also review the training system and activities of JCTCs for strengthening and Professionalization of Training Programmes.

5. Infrastructure for training facilities should be improved. Infrastructure upgradation should be assisted by the Central/State Governments. The bench mark infrastructure requirement should be decided for all the JCTCs and at least Rs.1 crore should be earmarked for developing the infrastructure uniformly in all JCTCs.
6. In order to complete in the market JCTCs should have modernized training tools/ computer, LCD, Projector etc. which shall be funded by the Central/State Govt. through various schemes.
7. Few JCTCs should be identified as Centre of Excellence so as to enable the other JCTCs to follow the good practices by them.
8. Cooperatives should find ways to divide their profits for development of Education and Training. Enhancement of contribution to Cooperative Education Fund up to 5% should be kept mandatory for the cooperatives to contribute their share to the Cooperative Education Fund.
9. Need based Training programmes in different areas should be designed by JCTCs in consultation with RICMs/ICMs.
10. Up gradation of training techniques, training materials, standardization of training syllabus and material should be done by JCTCs regularly.
11. The State Governments should provide 10% of the budget earmarked for the cooperative Department for regular funding of the JCTCs every year for smooth running of the Junior training centres.
12. Activities and funds should be sought from the Private/Corporate/Cooperative Institutions under the funds earmarked for their corporate social responsibility.
13. The JCTCs should focus on training areas of cooperative entrepreneurship development, identification of new opportunities for business diversification preparation of project proposals and the process to seek assistance of various schemes. The JCTCs should organise skill development programmes for their viability and to develop cooperative entrepreneurship.
14. The concerned State Govt. should consider for recognition of Diploma organised by JCTCs in the recruitment and promotion of junior level functionaries of Cooperative Department and Cooperative Institutions in order to create demand for trained personnel.

15. A Core Committee at the state level should be formed to look after the training requirements of cooperative employees at the state level and to allocate training programme and training budget to the Cooperative Training Institutes accordingly.
16. To improve the quality and competencies of faculty, they need to be continuously trained in all new and relevant areas of concern. All the leading national/apex level institutions/cooperatives like NCDC, NABARD, IRMA, VAMNICOM, IFFCO, KRIBHCO, AMUL etc. may be approached to work out an arrangement for training of faculty of cooperative training institutions on their core areas/schemes, programmes etc. at their cost in view of the financial constraints in the JCTCs.
17. With the advent of IT and its increased application in learning and training, the possibilities of its use to improve the quality of training in cooperative training institutions be studied and a suitable strategy/approach be evolved and adopted.

II: Capacity Building of Faculty Members/Instructors of JCTCs:

1. Training of trainers on latest techniques of teaching methodology latest trends in cooperative development computer application including legal aspects should be organized for the JCTC faculties on regular basis for which the funds may be provided by the DOAC, Ministry of Agriculture, Govt. of India. This will give ample opportunity to the faculties of JCTCs to upgrade the teaching skill in different areas.
2. Exposure visit to successful/Good Working Cooperatives and training institutions should be arranged for the faculty members of JCTCs so as to enable them to have practical experience and broadening their training horizon.
3. HRD Policies and mechanism should be introduced and applied in all cooperative training institutions including JCTCs by providing the pay scale at par with State Government scale with the respective State Governments. This will enable the JCTCs to attract more qualified and experienced faculty member.

III: Supports to RICMs/ICMs by the Central/State Governments:

1. The RICMs/ICMs of NCCT have been facing problems in up keeping the present infrastructure as most of the infrastructure required repairing and expansion due to rising demand of full fledged infrastructure and modernized class-room facilities. As the present funding position of NCCT through its corpus fund does not have any provision for infrastructure development, support should be given by the Central Government at least Rs.1 crore for each institute for up gradation of training infrastructure, class room, Hostel, Computer Lab, Library etc.

2. State Government should make exclusive training plan for the middle level cooperative personnel and also allocate the adequate funds for training their respective department/institutes.
3. Preference may be given to RICMs/ICMs for preparation of project work and research studies and consultancies.
4. State Governments may provide financial support (at least just to cover the cost of training, boarding and lodging) to participants belonging to weaker sections like Women Cooperatives, SC/ST Cooperatives, Dairy Cooperatives, and Fisheries Cooperatives etc.
5. State Governments may consider for earmarking a training budget by the Cooperative and other allied departments for training their employees on computer application as well as other functional areas at the RICMs/ICMs as they are having well equipped computer lab and faculty team.
6. The Cooperative Department and other Allied Departments in the State should sponsor more number of programmes/seminar/workshops to RICMs and ICMs for strengthening of Cooperative Movement at the state.
7. To develop professionalism and provide constant guidance on training inputs methods and materials, RICMs/ICMs may provide academic guidance to JCTCs, operating under their respective jurisdiction.
8. The Institutes of Cooperative Management at Kannur, Madurai and Nagpur which are getting 50% grant from the respective State Governments and 50% from the NCCT regular funding, have been facing financial crisis due to long pending due amount from the concerned State Governments. The conference recommended to request the concerned State Governments for release of long pending due amount and release the earmarked grant regularly.

IV: Recognition of Higher Diploma in Cooperative Management of NCCT by the State Governments:

1. State Governments should amend the recruitment rules of the concerned cooperative Departments/Institutions to incorporate Higher Diploma in Cooperative Management (HDCM) as an essential qualification at the entry level.
2. Incentives such as promotion, advance increments should be provided to the existing personnel in cooperatives, who completed HDCM course of NCCT in the RICMs/ICMs.

V: Proposal for Development of a Portal for Integrating State Cooperative Departments JCTCs, NCCT, NCUI with Ministry of Agriculture, Govt. of India:

The Government of India under the NeGP (National e-Governance Plan) have developed various MMPs (Mission Mode Projects) for the benefit of Indian citizen and various stakeholders.

The Ministry of Agriculture, Department of Agriculture and Cooperation, Govt. of India developed numerous e-Governance projects such as DACNET, FARMERS', PORTAL, KISSAN SMS, AGMARKNET etc.

Taking cue from these examples the Conference recommended that a one stop portal may be developed for integrating Cooperative departments, State and District Cooperative Unions, JCTCs, NCCT (covering RICMs/ICMs) and NCUI for the benefit of all stakeholders. As NIC (MoCIT, GOI) plays a major role in designing and development of all MMPs it may be roped in for development of such portal which will not only be beneficial but also cost effective.

It was decided that Govt. of India the Department of Agriculture and Cooperation, Ministry of Agriculture, Govt. of India may be approached to develop the above portal through NIC.

Miscellaneous Recommendations:

- √ Result oriented training should be organised regularly for managing Cooperative Societies efficiently.
- √ Institutions like VAMNICOM, Pune should be established in northern and southern states so that people of these states be benefitted by good quality of education and training.
- √ More Cooperative Training Institutes should be opened to develop professionalization of lower and middle level cooperative officials.
- √ Training programmes should be organised on regular basis for the non-officials in order to create awareness about the rights, duties, responsibilities and functioning of Cooperatives.
- √ School Syllabus should be restructured by CBSE in such a way that specific chapter on cooperatives should be included to popularize the cooperative model amongst the youth.



**My Association with the Indonesian Cooperative Movement
- An exercise in self-development [1997]**

Daman Prakash*

PART-I. [WRITTEN IN 1997]

The Association:

During nearly 35 years of my professional work in the Cooperative Movement, eight good years were devoted to the service of the Indonesian Cooperative Movement. I have been one of the very few Indians who had the opportunity of working for the development of the Cooperative Movement of this country.

For five years I had worked and led the ILO-UNDP and ILO-Swiss KUD Development Projects together with the Department of Cooperatives [DEPKOP] and the Dewan Koperasi Indonesia [Dekopin]. [KUD=Koperasi Unit Desa, village level multipurpose agricultural cooperative]. During these projects we were able to develop, install and experiment with the concepts of Cooperative Management Consultancy [CMC] and self-supporting Member Education activities. A large number of CMC consultants and member education trainers were trained who were subsequently deployed by cooperatives in the field. Happily, these activities are still in operation.

For almost two years, I also worked as a Senior Technical Consultant on a JICA/JA-Zenchu-Japan-sponsored team on Project for Integrated Development of KUD in Indonesia [with DEPKOP]. The rest of the period was spent on various developmental activities in Indonesia of the International Cooperative Alliance [ICA], with which I have spent a major portion of my life, including the organisation of the 2nd Asia-Pacific Cooperative Ministers' Conference held in Jakarta in February 1992, which was inaugurated by President Suharto.

In my professional work I had also the pleasure of associating myself with senior level cooperative leaders, government leaders and officials, scholars, managers, trainers, field extension workers and basic members of all types of cooperatives, especially the KUD. I had also participated in a number of seminars, conferences and technical meetings organised by the Dekopin, the Department of Cooperatives, universities, and institutions of higher learning and cooperative institutions.

My best associations were with the basic members of cooperatives and the field extension workers. These simple people were real, objective, sincere and full of enthusiasm. My contacts with them were very rewarding. During the course of my work in the country, more intensively from 1981 onwards, I drank the waters of Indonesia Indah from Banda Aceh, the West-most tip to Irian Jaya, the East-most tip of the country, and saw for myself, unfolding before me, the secrets of the fascinating blending of the culture and religions of Indonesia with those of my own. It was heart-warming for me to visit KUD Temple in Yogyakarta, in the

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vicinity of the world-famous Buddhist Borobodur Temple, which was once visited by none other than the President of India.

Based on my interaction with the individuals, institutions, studies and observations, I have also written several articles and produced some teaching manuals and training packages, some of which were translated into Bahasa Indonesia and published. I do not claim that I have a comprehensive knowledge and understanding of the Indonesian Cooperative Movement, but I do appreciate the situation and follow the trends in its development.

Indonesian cooperatives had the advantage of receiving technical advice on their development from a number of international organisations and cooperatively-advanced countries. Major contributors have been the ILO, UNDP, FAO, JICA, FES, ICA, CCA, CCD, Swiss Development Corporation, and others. The government and the Movement had participated in all these development-oriented exercises. A number of institutions have been created. I had the benefit of observing all these developments during my extensive travels in the country and having close interaction with the people and officials.

On the learning side, I was able to absorb the finer points of the Javanese and Balinese cultures and the way of life of the Indonesians.

Based on these first-hand professional experiences, I would like to bring a few points to the attention of policy-makers, cooperative workers, leaders and co-professionals with the objective of strengthening further the Movement and making it more member-driven and service-oriented. Cooperatives, particularly the rural cooperatives, are today standing on the crossroad - to sustain themselves or to perish. They are re-evaluating their strategies in the context of open market economic forces. Many of them are afraid and many of them assert that they can withstand the pressures of competition because they think that their members are with them and they conduct business with them and the country at large.

The Broad Spectrum of the Movement

The Indonesian Cooperative Movement has two principal segments- the KUD segment and the non-KUD segment. The KUD [Koperasi Unit Desa] are the rural multipurpose cooperative institutions at the primary level with a higher level of involvement of rural population- the farmers, farm workers, small traders, fishermen, dairy farmers including women cooperative leaders and workers.

The non-KUD segment covers the rest of the lot, for example, thrift and credit cooperatives of civil servants, armed forces, industrial workers, professionals, traders and all other types of cooperatives. The KUDs are structured vertically in provincial business federations of KUDs [the PUSKUDs] and the national federation [the Inkud]. Milk cooperatives and KUDs doing milk business are federated into a national federation of dairy cooperatives [the GKSI].

There are nearly 16 national level business federations of all types of cooperatives. All of them are the affiliates of the Dekopin. The non-KUD sector is regarded to be self-sustaining, self-propelling and self-supporting, and consequently does not look for financial support

from the government. They finance their own programmes from their own resources and provide to their members a variety of services, like consumption loans, consumer goods, housing assistance, medical care, consultancy, member education and staff training. One of these federations established its own commercial banking institution. Some federations have their own production units, sales outlets, and fairly large business operations, like batik federation and dairy federation.

The Rural Cooperatives Sector

In the rural sector, nearly 10,000 KUDs service roughly 20 to 30 percent of the national population, and roughly 50 per cent of rural Indonesia. The KUDs were conceived with three principal objectives in view:

- [i] It was necessary that the farmers are structured, organised and provided with some full-time remunerative opportunities;
- [ii] The existing land resources be appropriately re-organised with a view to ensure that a constant flow of food-grains to the people is maintained; and
- [iii] An institution, like that of a KUD, be installed to help the farmers to make the best use of their land resources and serve as a link between the farmer-producers and the consumers through the national food-stock agency-Bulog.

The KUDs were established by the government with the main objective of maintaining national food supplies in collaboration with the Bulog. These institutions were procuring rice and other grains from the farmers, doing simple processing, rice milling, and distributing essential commodities including farm inputs. In order to ensure that the supply and distribution functions operate smoothly, they were provided with several services and facilities, warehouses, rice milling units, drying floors, transportation equipment, monopoly on distribution of chemical fertilisers and disbursement of farm credit.

They were also given incentives by way of commissions on fertiliser distribution and farm credit disbursement with the objective of strengthening their capital base and business operations. It was envisaged that KUDs would eventually become economic centres for rural Indonesia and, also strengthen democratic management practices in the country. Since a large number of members, management members, managers, employees were involved in the KUD sector, the government also created and operated a set of training and development institutions at the provincial and national levels, the Balatkops [provincial level cooperative training centres] and the Puslatpenkop [national level cooperative training centre].

To cater to the needs of the entire Cooperative Movement, with the support of the government the Movement created several development institutions, the IKOPIN [the Institute of Cooperative Management-national level], the AKOPs [Academies of Cooperatives], and Dekopin's LAPENKOP [Institute of Cooperative Education] to support human resource development activities.

President Suharto has consistently advocated the expansion and development of KUDs in the country. He had once said: *"Cooperatives must be built up to be a proper means to gather power for the economically-weaker group...Through cooperatives we want to distribute, equally, development output which will lead towards social justice."*

This sentiment echoes the feelings of Pt Jawaharlal Nehru, the first Prime Minister of India, himself a strong advocate of the Cooperative Movement, when he said: *"...but my outlook at present is not the outlook of spreading this Cooperative Movement gradually, progressively as it has done. My outlook is to convulse India with the Cooperative Movement, or rather with Cooperation: to make it, broadly speaking, the basic activity of India, in every village as well as elsewhere; and finally, indeed, to make the cooperative approach the common thinking of the country... Therefore, the whole future of the country really depends on the success of this approach of ours to these vast numbers, hundreds of million of people."*

During my work in Indonesia, I had watched President Suharto, with great admiration and respect, speaking to the farmers in remote villages, explaining to them, like a teacher using a very simple language, the advantages of cooperative action, and its great force in improving the living conditions of rural populace of Indonesia [On three occasions I had the honour of attending his interactive sessions with KUD members and farmers in South Kalimantan, South Sulawesi and Bali].

As the executive head of the country and as prime-mover of national economic development, the President had provided strong support to the KUD and motivated the farmers to get into the fold of these rural cooperative institutions. He wished that a KUD becomes a centre of economic activity at the village level and members make the best possible use of its services - be they social or economic.

The five-year national economic development plans have made special mention of these institutions and made handsome financial allocations for their promotion. The government, at the moment, however, believes that cooperative institutions should become self-reliant by undertaking more of business, and thereby generate funds for themselves and for providing services to their members.

The 1945 Constitution of Indonesia recognises the Principle of Cooperation - which, by itself, is a unique provision in any national Constitution. Cooperatives in the country are currently regulated by two distinct laws - the Cooperative Law of 1992 and the Presidential Decree No. 4/1984 [especially for the KUDs]. The Ministry of Cooperatives and Small Enterprises Development implements the laws and is responsible for the registration and guidance of cooperative institutions through its field offices.

The National Apex - The Dekopin

The Dekopin is the national apex of the Indonesian Cooperative Movement. There are provincial and district level cooperative councils, called the Dekopinwil and Dekopinda respectively.

This network has the responsibility of safeguarding the principles and values of cooperation, enriching cooperative thought, advising the government on current cooperative thinking, consulting with the government on various problems faced by various sectors of the movement, promotion of cooperative institutions, organising member education programmes, issuing publications and journals on current topics, and holding national cooperative congresses.

Cooperative institutions are obliged to pay a certain percentage of their profits to the Dekopin network to undertake promotional activities. The Dekopin also represents the Indonesian Movement at various for a including the International Cooperative Alliance [ICA], a Geneva-based world confederation of cooperatives of all types. The Dekopin is also a co-founder of the ASEAN Cooperative Organisation-ACO.

Challenges Faced by Rural Cooperatives

Almost 90 per cent of the KUDs are engaged in rice procurement and distribution of farm inputs and consumer goods. Farm products in Indonesia are varied - some include high-value commodities like coffee, tea, cloves, rubber, oil palm, coconut and the others deal in rice, maize, soybeans, fruits and vegetables, fisheries and dairying.

The economic situation of the KUDs has considerably weakened since the introduction of open market system, withdrawal of farm subsidies, and restricted purchase of rice by Bulog from the local farmers. With the deregulation of farm chemicals, chemical fertiliser except Urea, seeds, the business levels of KUDs have gone down considerably.

The KUDs, which hitherto had enjoyed full protection from the government and a considerable amount of monopoly in some commodities, are finding it difficult to survive. The KUDs outside Java are facing difficult times. This is due to several reasons. In Java, the KUDs have better marketing opportunities, more of business ties with private enterprises, communication and transportation facilities are better and an easy access to high consumption areas, more experienced management, and application of post-harvest methods and techniques, and a somewhat higher level of technology.

KUDs outside Java have several limitations, like a limited number of members, larger geographical area of operation, limited range of farm products, lack of farm machines, inexperienced board members and untrained employees and lack of infrastructure, transportation and communication. Due to inadequate business operations, KUDs have lost credibility in certain areas. They lack capital, equipment and market access.

Credit supply has become expensive. Deposits received from the members are not productive due to "no interest" or very low interest given. Voluntary deposits in KUDs are negligible. Farm credit on concessional terms is not available to the farmers. The Bukopin, a cooperative-owned commercial bank, does not extend farm credit on concession rates. There are no district or provincial cooperative banks, except the BRI-Bank Rakyat Indonesia, a government-owned bank. This serves only as a government channeling bank.

The business linkages between the KUDs and the Puskuds on one hand, and between the Puskuds [provincial federation of KUDs] and the Inkud [national federation of KUDs], on the other, are very thin and weak. The Puskuds often tend to compete with their own affiliates there by killing their initiatives and business. Horizontal linkages among the KUDs and among the Puskuds is also absent. They do not have the advantage of any business information system.

Finding market for the members' product is becoming difficult. No KUDs, except for the milk cooperatives, undertake any "value-addition" or "agro-processing" activities. The GKSI [Dairy Union] acts as a main coordinator for the supply of fresh milk to private milk processing companies. It also operates its own milk treatment plant in Bandung of a limited capacity. It has also promoted production of balanced cattle-feed in association with some of its affiliates.

The current main business of a majority of KUDs, Puskuds and Inkud revolves around government-sponsored programmes, like the procurement of cloves, distribution of chemical fertiliser and disbursement of farm credit. Procurement of cloves is a KUD monopoly. Puskuds and the Inkud are the main players in association with the BPPC - national cloves procurement agency. Many clove farmers have complained of a complicated price settlement system. Clove-cigarette manufacturers are obliged to procure their entire cloves supplies only from the BPCC.

Processing activities like cattle-feed manufacture, rice milling, fruits and vegetable processing are not undertaken so extensively. Even in the province of Kalimantan where oranges are widely grown, or in apple-growing areas of Malang in East Java, no KUDs or the Puskud has undertaken any processing activity.

The KUDs, located as they are in rice-growing areas and whose main business is rice, have made no significant efforts to create a brand-name of the product to accelerate its marketing to the advantage of their members. As a result, much of farm products become unremunerative for the farmer-members.

Although there is a government classification of KUD - Mandiri and Mandiri-Inti - [there is a 13-point criteria developed by the government for the KUD to fulfil to graduate to these higher categories: from a simple KUD to KUD Mandiri and from KUD Mandiri to KUD Mandiri-Inti]. The quality and range of business of these KUDs need improvement. Cooperatives which do not conform to the Mandiri criteria need to be merged with stronger ones.

The process of amalgamation thus becomes inevitable if the members have to be serviced. The amalgamated cooperatives could perhaps become specialised branches of the main KUD and provide more efficient services to the members. Cooperatives could pool their resources to become strong and efficient.

**Role of Cooperative Leaders and Policy-Makers
-An Opportunity for Self-Evaluation**

Looking at the current situation of the KUD sector, and the problems faced by them and their members, it is necessary that the policy-makers and cooperative leaders evaluate the roles of the two segments of the Indonesian Movement. There cannot be a better timing for this than the 50th Indonesian Cooperative Day [1997]. The following issues might be of some interest:

- Examine critically and to the best advantage of the members, the entire relationship between the KUDs and the Puskuds, and between the Puskuds and the Inkud, from the viewpoint of economic business rather than of a formal membership by holding some serious and professional type of national conventions attended by KUD basic members and leaders;
- With a view to activate KUD business; introduce the concepts of Joint Marketing, Joint Purchasing, Joint-Use Facilities, Joint Use of Capital and members' accounts settlement procedures. This will encourage KUD-KUD relationship at the horizontal level;
- Encourage KUDs to enter into joint ventures with private enterprises to overcome the shortage of working capital, in some selected sectors such as horticulture, fruits and vegetable processing, poultry, livestock etc.;
- Members' deposits with the KUDs should be made more attractive by giving market rate interests, especially on voluntary deposits. This will strengthen the working capital base and enhance members' participation in KUD business;
- Farm credit be made available on concession rates to increase agricultural production and to strengthen economic position of farmer-members. For this, establishing a chain of district/provincial level cooperative financing institutions becomes inevitable;
- Comfortable funds be provided for undertaking member education, farm extension and KUD staff training programmes;
- With a view to consolidate education and training programmes and strengthen related institutions, a National Council of Cooperative Education and Training [NACOCET], under the joint patronage of the government and the Dekopin, be established, and provided with adequate funding. The government is, in any way, obliged to educate and train the cooperative members and employees;
- The NACOCET could be assigned the tasks of research, training, education, cooperative extension and development for the entire Cooperative Movement. This will, hopefully, streamline the HRD efforts instead of maintaining a host of present HRD institutions and funded by the government;

- The Inkud, in association with other business federations and the government, to establish a Market Information System, for the benefit of cooperative institutions in the country;
- Special grants or 'no-interest' or 'low-interest' funds be made available to the KUD and KUD members in some sectors like rattan processing, rubber processing, sugarcane cultivation, horticulture, cattle-feed production, up-grading of existing rice milling units, land-tilling and transportation equipment;
- Weak KUDs be amalgamated with others to create stronger units for providing better services to their members. The amalgamated KUD could then serve as technical service branches of the main KUD. They will eventually work together with private enterprises in Agro-processing sectors;
- The quality of advisory and other services from specialised institutions like the insurance and audit cooperative be further improved and the costs be made more reasonable for the KUD/cooperative to be able to afford;

These are not perfect solutions to the problems I perceive, but I strongly feel that the vast natural resources, the high quality of farmers, the strength of education and training structure and the capacity of cooperative leaders enable the Indonesian cooperatives to face the challenges of the open market economy. The KUDs have now to face stiff competition to survive.

The spirit of tolerance and Panchashila has kept the country together for so long, promoted its social and economic institutions, and given courage to the people to carry on further the missions of national heroes.

It should be clearly understood that cooperative institutions still continue to provide strength to any national economy whatever economic policies and political methods are pursued by any nation. They involve a large number of people from the rural areas, they undertake a wide range of business and are a significant link in the national economy.

They are all the more relevant to the developing economies in present-day context of open market economy, Indonesia being no exception.

Indonesian leaders and intellectuals have the capacity, capability and wisdom to strengthen their own cooperative institutions, which are the heritage of Indonesian culture, thought and tradition of 'Gotong Royong'

[Note: This part of the paper was published in: [i] The Jakarta Times [daily newspaper], special feature entitled 'Our UN Experts'; [ii] PIP monthly journal as a special feature entitled "Meet our friends"; [iii] Jogja Daily News, as a special feature entitled "Our Rural Development Experts...", [iv] DepKop News issued by the Department of Cooperatives under a special feature "Our KUD Experts...", [v] "COOP Dialogue" issued by ICA ROAP; and, [vi] Fifty-Years Commemorative Volume of Indonesian Cooperative Day [Movement] issued by Dekopin. The paper was also issued by the ICA/ UWCC [University of Wisconsin Cooperative Centre, USA].

PART-II [WRITTEN IN 2005]**Reengineering of the Indonesia Cooperative Movement****-Avenues of Collaboration and Technical Cooperation****Status of Indonesian Rural Cooperative Movement - Some Observations**

- 01 The Government has recently decentralized the organisational structure of the Cooperative Department. While the central level Department of Cooperative and Small Medium Enterprises remains under the charge of the Minister, the provincial structure has been placed under the Governor and the district level structure goes under the control of the Bupati [district collector]. Enactment and implementation of cooperative legislation and formulation of policies remain under the domain of the central government;
- 02 There is a general feeling among the cooperative institutions, leaders and basic members that there is a little flow of information, guidance and assistance from the centre to the base levels. The decentralization of the Department has liquidated the tempo of rural cooperatives [KUDs]. The KUDs are operating everywhere in the country and most of the farmers are members of these institutions. The KUDs are the multifunction agricultural cooperatives which have, until recently, been used by the government for procurement of foodgrains for the national foodstock and distribution of essential commodities among the rural population;
- 03 With the privatisation of Bulog [the National Food Agency] and decontrolling of fertiliser, the income of KUDs has gone down considerably. There is no restriction on the import of rice and other foodgrains. [Indonesia had claimed to have become self-sufficient in rice production]. The number of essential commodities has also been reduced. The role of the KUDs has consequently got drastically reduced in the supply and marketing chain;
- 04 The KUD system is projected as the legacy of the previous administration and the institutions are seen as collaborators. They are viewed as corrupt, inefficient and ineffective. The KUDs have, as a result, started changing their names and faces. Many of them are now called KSUs [multipurpose business cooperatives] to avoid negative influence;
- 05 In the past the Ministry of Agriculture had promoted Farmers' Groups with a view to increase agricultural production and to take care of all agricultural extension services. In the wake of changes in political scenario, open market policies, withdrawal of and/or reduction in farm subsidies, granting freedom of operations to agricultural cooperatives, the Farmers' Groups were viewed as alternatives to

KUDs. These groups are now called Farmers' Cooperatives [Koperasi Tani – Koptan]. These KopTans are small in size [about 10-15 farmers] and their area of operation is one village – in some cases there are two KopTans in one village. The authorities seem to perceive these institutions as alternatives to the KUDs. There have been rumours even to dismantle the KUD structure;

- 06 The KopTans have not been able to develop any linkages for marketing, procurement and supply of credit. Their business networking is too weak. There is no federation of these institutions. They tend to operate in isolation;
- 07 The KopTan credit business has run into difficulty because there is no reasonable credit line available to them. Open market credit is too expensive for these small institutions. Several of them still have business linkages with the KUDs;
- 08 The KopTans, because of their young age, size and lack of experience do not have the requisite capacity and capability to manage their farm production and marketing activities;
- 09 The Puskuds and Inkud continue to work in isolation and their business operations have not increased. In several cases, as was the case even in the past, they continue to compete with their affiliates;
- 10 The Dekopin [the National Cooperative Council of Indonesia – the national apex] has gradually expanded its area of influence through HRD, JUK [Cooperative Business Network], and Lapenkop [National Institute of Cooperative Education]. It has developed active relationship with its affiliates and with the government;
- 11 The Puslatpenkop [the national level cooperative training and development centre] and the Balatkop [provincial level cooperative training and development centres], government institutions, due to the decentralization and weak financial situation of rural cooperatives, have lost a lot of their bite. Several of them have either been closed down or transferred to local government bodies for other purposes. As a consequence there is no training and development structure for the entire Cooperative Movement. The popularity of the Cooperative Academies [AKOPs] has also gone down. They operate like any other commercial educational institutions;
- 12 Mainly due to the weak financial situation of cooperatives and the general belief that cooperatives are no good employers and that there are limited chances of career development, new admissions to various professional courses offered by the IKOPIN [the national institute of cooperative management – a foundation] have been too few this year [about 40 against the normal intake of 100-150 students]. Students prefer to enter universities and professional management institutes.

- 13 The milk sector, which has strong potential for business development, has still not expanded its processing and marketing activities. The milk unions continue to supply fresh milk to processing plants of foreign milk processors;
- 14 There is no technical assistance programmes for cooperative development as the traditional donors like the ILO, CCA, Cooperative Centre Denmark, JICA, FAO continue to be worried about the political and economic environment, or none from the Cooperative Movement or from the Government has approached any of the potential donors. It may be noted that the donor agencies do not normally come with their contributions on their own, they need a formal agreement which meets donors' perceptions and capabilities and donees' willingness to absorb technical contributions.

Points for Consideration for the Development of the Indonesian Cooperative Movement

In view of the above observations, my long association with the Indonesian Cooperative Movement, and based on the discussions held with various cooperative leaders, government officials, basic level members, extension workers and cooperative teachers, the following points have been made for the reengineering and development of the Movement:

- 01 Whatever be the merits or demerits of the origin of the KUD system, it is well recognised that KUDs are widely represented throughout the country and a majority of farmers are in their membership fold. These institutions cover all the villages in the country. KUDs have contributed significantly in stabilizing prices of farm products. These institutions still continue to be rallying points for the farmers to fulfil their farm inputs needs and marketing of their products. They are still trusted and relied upon by the farmers. There is no other cooperative structure in the country which could provide services to the farmers. It sounds illogical and highly dangerous to dismantle the KUD structure at this stage. They need to be strengthened and revamped;
- 02 It is absolutely essential for the government to protect the interests of the farmers. The dismantling of KUD structure will only add to their miseries. The supply of farm inputs is gradually falling in the hands of private traders [which means high costs to be paid by farmers.];
- 03 KopTans are no alternatives to KUDs because of their very weak organisational structure, small size and few in number. KopTans have not been able to develop marketing and credit linkages to be economically sustainable;
- 04 The government must establish a credit line for farmers. Such a credit line can operate through the thrift and loan service window of the KUDs. Such a credit service can be termed as Rural Bank/Mini Bank;

- 05 In order to strengthen the services of the KUD the concept of self-help groups should be introduced among the cooperative membership. Such self-help groups can work as interest groups;
- 06 The positive initiatives like that of PT Bank Koperasi-Jawa Barat should be replicated at a faster pace in order to fulfil credit needs of the cooperatives and their members;
- 07 The government must, as its public duty, fund and encourage HRD and extension activities at all levels. It is logical that the cooperative membership in the country is provided with education, training and development opportunities. The Dekopin, as a national apex of the Movement, should be supported to undertake such capacity building activities. The activities presently being carried out by the Lapenkop should be strengthened;
- 08 The agricultural production must be exempted from taxation to encourage production;
- 09 The business transactions between cooperatives and cooperatives and between cooperatives and members should be exempted from taxation;
- 10 Cooperatives should be encouraged to take up more of agro-processing activities and enter into joint ventures with other cooperative and private enterprises.

Strengthening Dekopin's Education and Training Programmes

During my interactions with the senior leaders of the Dekopin, Director and faculty members of the Lapenkop, I felt that a more intensive interaction with the cooperatives and local basic members would be necessary with a view to make cooperative education work more effective. The following suggestions are made:

- 01 There is a strong need to produce some reference and teaching material on the organisation, management and business operations of the KopTans vis-à-vis the KUD/KSU. This can be achieved by carrying out at least five case studies in five different operational locations, and then comparing and summarizing their results. During my visit to the KopTan in Bogor I learnt that such cooperatives have not developed any proper marketing channels and they do not have any reasonable credit lines to sustain their business. I have also found that KopTans still make use of the KUD [for procurement of fertilisers and consumption goods]. Such an analytical study would produce a lot of pointers not only for the field staff but also for policy makers and cooperative leaders;

- 02 In the context of the current operational problems and financial conditions of KUD/KSU, what could be the best guidelines which could continue to provide some business opportunities and security. I understand that some people in the country [in the government and outside] have begun to talk of dismantling KUDs. This is a dangerous development, and if, by any chance, such a thought gets implemented, the farmers in Indonesia would suffer immensely. At present there is no alternative 'service and development' institution available to the farmers, except for the too-young and too-inexperienced KopTans. [The KopTans have not yet been able to emerge as effective 'service and development-cum-marketing' institutions for the farmers]. There is no credit line for either of them. There is, therefore, a strong need to revamp and strengthen the KUDs rather than deleting them from the rural Indonesia. A couple of 'brainstorming' events with the basic members of KUDs in different locations would produce some guidelines which could be a good teaching/extension material not only for the field staff but also for the policy makers and cooperative leaders;
- 03 During my observations I found that more than 150 self-help groups have been operating in West Java under the patronage of the Dekopin. I would urge rather strongly that a study of this experiment should be carried out urgently so that their experiences are made use of;
- 04 For an institution like that of Lapenkop and the dedicated band of its young field officers it becomes easy if they are able to 'break ice' effectively and scientifically. The approaching extension worker must have the full information about the target group and their surroundings – social and economic [and even, political], before talking about 'solutions of their problems'. Such a step is essential to make a proper and more respectable 'entry point' by carrying out a Participatory Rural Appraisal [PRA]. Many NGOs have used such a technique successfully. In India, in several of the cooperative development projects, the PRA exercises have produced very effective and lasting results. It is, therefore, recommended that the field staff gets properly acquainted with the techniques of PRA;
- 05 The KUD/KSU and the KopTans have no effective 'credit lines'. Open market credit lines are not only expensive but also demand a variety of collaterals which the farmers often find it difficult to offer. Self-Help Groups [SHGs] are the institutions of choice to play their role as 'micro-credit' institutions. Their operations are modest. Their membership is not only small but also comparatively poor. If properly developed, nurtured and nourished, they can be very useful. I also noticed that a new financial institution [PT Bank Koperasi-Jawa Barat] has now been operating. How far are such institutions feasible, possible and effective, needs to be studied. The results can be disseminated widely and co-related to the credit needs of the farmers. Another view is the strengthening of thrift and credit services offered by various rural cooperatives. Such services could be reengineered into 'Rural Banks' with the cooperation and collaboration of the government and some of the private

banks. A study by Lapenkop will go a long way to discuss the various alternatives to provide some credit lines to the farmers' organisations.

- 06 It has been observed that banks do not entertain transactions with the self-help groups as they are not registered anywhere. In fact, there is no need for them to be registered. If it is enough if the Central government, as a policy, issues instructions to the banks to recognise them and let them be registered if the SHGs provide the banks with an authentic resolution passed by the general body of the groups.
- 07 The SHGs could also be encouraged to form their own associations [ten groups can get together and get their association registered under a societies' registration act, as an NGO]. Such associations collect funds and deal with the banks and fertiliser and seed suppliers. They can perform the same functions as can be done by KUDs or KopTans. The advantage is that these associations are more free in their decision-making matters as compared with the government-registered or government sponsored cooperatives.
- 08 In order to bring about some greater amount of credibility to Lapenkop it is necessary to carry out some national and provincial level 'think-tank' type workshops to strengthen the hands of the Lapenkop, its field staff, Dekopin and cooperative leaders.

The greatest needs of the farmers are timely and adequate supplies of credit, fertiliser, seeds and marketing channels. Although agricultural cooperatives all over the world render such services yet there are problems of participation of farmer-members in their organisational and business matters. In a majority of cases cooperatives suffer from lack of funds and business linkages and the participation of members because of certain restrictions placed on them by governments.

The Lapenkop had conducted a number of member development programmes, and it had produced a large variety of supporting material and also introduced various new methods of communication. The Lapenkop had also experimented with self-help groups. Several such groups were formed in and around Bandung which responded to the needs of the farmer-members. The SHGs were providing agricultural extension including disbursement of farm credit and also some funds to meet some of the consumption needs of the members. The recovery was high. Members, on their own, were willing to enhance their financial stake in their groups.

Self-help groups and their associations are free and autonomous organisations in which farmer-members participate more actively. It has been found that almost 92% of loans extended by the SHGs are repaid in time. The element of social pressure works wonders in such groups while in cooperatives such pressures are weak and have personal influences of leaders. Indonesian farmers are intelligent and hardworking and they would be more than willing to form their own small and efficient organisations.



Climate Change, Agriculture and Role of Agricultural Cooperatives**Bishwa Mohan Acharya*****ABSTRACT**

Climate change is a globally accepted and experienced phenomenon. The unimpeded growth of greenhouse gas emissions is raising the earth's temperature accelerating the pace of climate change, combined with global population and income growth threatening food security everywhere.

Agriculture is extremely vulnerable to climate change. Temperatures eventually reduce yields of desirable crops while encouraging weed and pest proliferation. As global warming accelerates, it is expected that agricultural adaptation to climate change can only be meaningful, if irrigated agriculture gains prominence. Unfortunately agricultural practice in Nepal is still predominantly rain-fed and therefore particularly vulnerable to the impacts of climate change. The consequences are that the increasing frequency and severity of droughts are likely to cause: crop failure; high and rising food prices; distress sale of animals; de-capitalization, impoverishment, hunger, and eventually famine.

With increasing climate variability, development interventions that do not attend to vulnerability, adaptive capacity, and resilience may end up worsening the situation of those who seek to benefit. Efforts to address vulnerability of the poor and to improve adaptive capacity require deeper attention to institutions at multiple scale, and careful planning to ensure that institutions can work to help poorer groups who are most at risk from increasing volatility in climate phenomena and their human impacts.

The role of agricultural cooperatives can be found to be relevant at all five stages of the disaster response cycle: disaster preparedness, disaster mitigation and prevention, rescue and relief, rehabilitation/reconstruction and development. When responding to the disaster situations, in particular at complex emergencies, there will be many pressures and obvious priorities, which arise from the most immediate need to save lives, provide food, water and shelter, and bring back some semblance of normality to the lives of the affected population.

Key words: Climate Change, Impacts, Adaptation, Mitigation and Preparedness, Agricultural Cooperatives, Role of Agricultural Cooperatives in Response to the Climate Change

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Introduction

Climate change is a globally accepted and experienced phenomenon. Various studies show that its impact is more concentrated on developing and underdeveloped countries where majority of poor people are dependent on subsistence agriculture. Nepal carries a very special case because within very short distance, there is huge altitudinal diversity and simultaneous diverse climate change impacts can be found (Manandhar, Vogt, Perret, & Kazama, 2011).

The popular consensus on the reality of climate change, its human causes, and the severity of its impacts may not be very old, but most scholarly and policy literature holds that poor, natural resource dependent rural households will bear a disproportionate burden of adverse impacts (Kates 2000, Mendelsohn et al., 2007, Ribot et al., 1996, Smith et al., 2003, and Thomas and Twyman, 2006).

The unimpeded growth of greenhouse gas emissions is raising the earth's temperature. The consequences include melting glaciers, more precipitation, more and more extreme weather events, and shifting seasons. The accelerating pace of climate change, combined with global population and income growth, threatens food security everywhere (Nelson et al., 2009).

Agriculture is extremely vulnerable to climate change. Higher temperatures eventually reduce yields of desirable crops while encouraging weed and pest proliferation. Changes in precipitation patterns increase the likelihood of short-run crop failures and long-run production declines. Although there will be gains in some crops in some regions of the world, the overall impacts of climate change on agriculture are expected to be negative, threatening global food security.

Climate change is one of the most serious environmental threats facing mankind worldwide. It affects agriculture in several ways, including its direct impact on food production. Climate change, which is attributable to the natural climate cycle and human activities, has adversely affected agricultural productivity in Asia. It is noted that one of the major causes of poverty is destruction of natural resources, leading to environmental degradation, high temperature, drought and consequently reduced productivity.

As global warming accelerates, it is expected that agricultural adaptation to climate change can only be meaningful, if irrigated agriculture gains prominence. Unfortunately agricultural practice in Nepal is still predominantly rain-fed and therefore particularly vulnerable to the impacts of climate change. The consequences are that the increasing frequency and severity of droughts are likely to cause: crop failure; high and rising food prices; distress sale of animals; de-capitalization, impoverishment, hunger, and eventually famine. Households will probably try to cope with their cash and food shortage by cutting and selling more firewood thereby exacerbating land degradation and accelerating the onset of desertification, and by moving temporarily or permanently to more favored areas. Land tenure and fragmentation systems could also limit the capacity of farmers in climate change adaptation.

Climate Change

Climate change is one of the most serious environmental threats affecting agriculture in several ways, including its direct impact on long-term food production, global and even life threatening. Climate change is happening together with rapid changes in the global economy, communications and social support structures, which generate additional threats and opportunities for climate risk reduction and response. The problem is not only environmental but also encompassing social and economic issues within, which need to be addressed without delay.

Climate change refers to sustained changes in the earth's climate including temperature, precipitation, wind and weather patterns. Global warming refers to the rise in the average temperature on the earth's surface. Carbon dioxide levels are higher than at any time in the past which has been caused by human activities such as the burning of fossil fuels (oil, gas and coal), indiscriminate use of natural resources and their wastage and destruction of forests and natural biomes. The International Conference on Climate change hosted by the University of Copenhagen in 2009 have made alarming predictions from some of the world's leading scientists that sea levels could raise by one meter or more by the end of the century.

The core manifestations of climate change comprise gradual changes in mean temperatures and precipitation, greater range in seasonal and inter annual variation, increased frequency and intensity of extreme events, and potentially catastrophic transformations of ecosystems (Tompkins and Adger, 2004). These manifestations will correlate with both slow one-set hazards such as erratic rainfall, sea level rise, water level changes, and increasing temperatures, and rapidly unfolding phenomena such as draughts, floods, failure of rains and crops, and storm. They will lead to greater exposure and sensitivity of rural populations through three major impacts on their livelihoods: increase in environmental risks, reduction in livelihoods opportunities, and in consequence, greater stresses on existing social institutions (Agrawal, 2008).

Climate change is a serious emerging threat to food and rural livelihood security. The IPCC estimated that man-made greenhouse gases (GHG) emissions have risen by 70% over the past three decades and will increase notwithstanding current climate change mitigation policies and related sustainable development practices (IPCC, 1988).

In 1988, the Intergovernmental Panel on Climate Change (IPCC) was formed by the World Meteorological Organization (WMO) and the United Nations Environment Program (UNEP). There are two IPCC studies on climate change (1990; 1995). A Third Assessment Report was made in 2001.

The Fourth Assessment Report of IPCC (2007) states that "climate change is projected to impinge on the sustainable development of most developing countries of Asia, as it compounds the pressures on natural resources and the environment associated with rapid urbanization, industrialization, and economic development".

The Fifth Assessment Report of IPCC (2013) revealed that concentrations of CO₂, CH₄, and N₂O have now substantially exceeded the highest concentrations recorded during the past 800,000 years. Despite the fact that its share in GHGs emissions is negligible (0.025 % of global emissions) compared to the global emissions, Nepal is hit hard disproportionately by the impact of climate warming compared to its size and contribution to the GHGs emissions. The impact may even be worse because of the fact that it lies between world's emerging and two of the largest economies (India and China) in the world. Warming of climate system including rise in surface temperature, erratic rainfalls, frequent increase in the extreme events such as drought and floods are some of the effects Nepal is experiencing in the past several decades, similar to what rest of the world is experiencing.

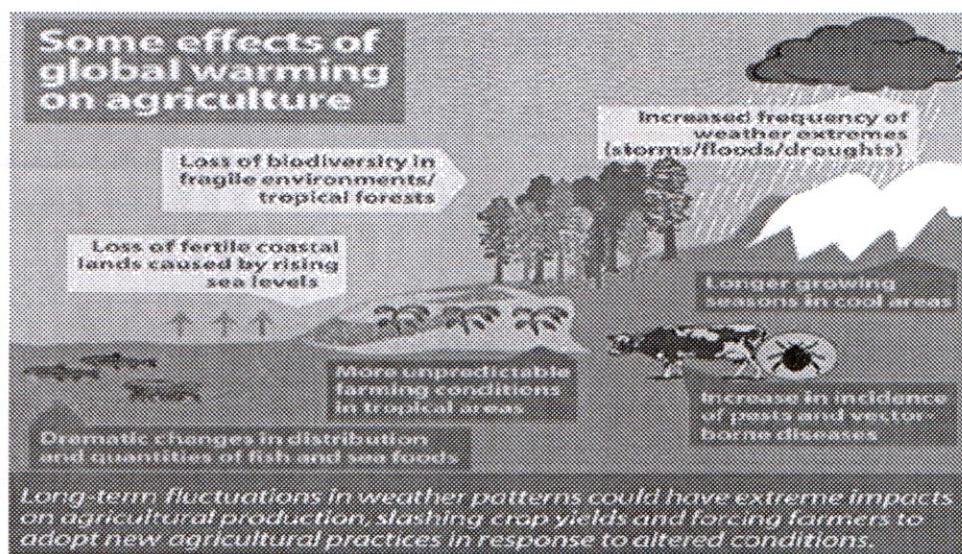
Overall Impacts of Climate Change

Impacts of climate change are multidimensional, which includes agriculture and food security, water resources and energy, climate induced disasters, forests and biodiversity, public health, urban settlement and infrastructure, and many more.

The overall impacts of climate change on agriculture will depend on the balance of various effects. The change takes place at a time when there is increasing demand for food, feed, fiber and fuel which has the potential to irreversibly damage the natural resource base on which agriculture depends. Agriculture is one of the sectors most vulnerable to climate change impact. Therefore, it is crucial to increase the understanding of the actual climate change dynamics on agricultural activities and on the societies at the lower levels.

Agriculture is highly dependent on specific climate conditions. Increases in temperature and carbon dioxide (CO₂) can be beneficial for some crops in some places. But to realize these benefits, nutrient levels, soil moisture, water availability, and other conditions must also be met. Changes in the frequency and severity of droughts and floods could pose challenges for farmers and ranchers. Meanwhile, warmer water temperatures are likely to cause the habitat ranges of many fish and shellfish species to shift, which could disrupt ecosystems. Overall, climate change could make it more difficult to grow crops, raise animals, and catch fish in the same ways and same places as we have done in the past. The effects of climate change also need to be considered along with other evolving factors that affect agricultural production, such as changes in farming practices and technology.

Further, rising temperature and humidity can also increase the development rates, speed, and distance of travel of fecundity of insects and fungi including locusts, aphids and various species of parasites, all of which thrive in warmer weather. Effects of global warming on agriculture can be depicted as follows:



Source: <http://dornsife.usc.edu/>

Impacts of Climate Change on Nonagricultural

Impacts of climate change on agriculture would adversely affect on human health and ability to provide labor for agriculture with increased risk of malaria, and on non-farm livelihood strategies for many rural people in developing countries, including negative impacts on tourism in the developing countries, which have already been projected.

In general, however, the location of a large body of smallholder and subsistence farming households in the dry land tropics gives rise to special concern over temperature-induced decline in crop yields, and increasing frequency and severity of drought. These lead to the increased likelihood of crop failure, increased diseases and mortality of livestock and /or forced sales of livestock at disadvantageous prices, livelihood impacts including sale of other assets, indebtedness, outmigration, and dependency on food relief, possible feedbacks through unsustainable adaptation strategies into environmental degradation including loss of biodiversity; and eventual impacts on human development indicators, such as health and education.

Adaptation, Mitigation and Preparedness of Climate Change

Adaptation is a combination of the actions and adjustments undertaken to maintain the capacity to deal with stresses induced as a result of current and future external changes (Nelson et al., 2007:396, Alland, 1975).

With increasing climate variability, development interventions that do not attend to vulnerability, adaptive capacity, and resilience may end up worsening the situation of those they seek to benefit. Efforts to address vulnerability of the poor and to improve adaptive capacity require deeper attention to institutions at multiple scale, and careful planning to ensure that institutions can work to help poorer groups who are most at risk from increasing volatility in climate phenomena and their human impacts. They live close to subsistence margins, and variations in earnings and livelihood capabilities are far more likely to plunge them below the margin in comparison to the relatively well off who can draw upon a variety of capital, assets, and institutional networks in times of stress (Acharya, 2008).

In considering climate impacts and capacity, it is necessary to attend to their frequency, periodicity, intensity, and timing to understand how they impact adaptive capacity. The adaptive capacity of a household or community may be significantly depleted as a result of a recent major shock to its livelihoods and assets. Similarly, communities and households that face regular occurrences of particular climate hazards are more likely to have developed adaptive responses over time as long as the scale of the hazard is not such as to wipe them out (Davies, 1996).

The basic coping strategies in the context of environmental risks to livelihoods can be classified into five analytical categories of adaptation responses and their combinations: mobility, storage, diversification, communal pooling, and exchange (Halstead and O'Shea, 1989 discuss four of these).

Mobility is perhaps the most common and seemingly natural responses to environmental risks. It pools risks across space, and is especially successful in combination with clear information about the spatial and temporal distribution of precipitation.

In the context of climate change, mobility has sometimes been viewed as a maladaptation, in which climatic stresses lead to involuntary migrations on a massive scale with attendant of social and political instabilities (Tickell, 1990). For agricultural populations, mobility is often the last resort in the face of environmental risks and disruption of livelihoods (McGregor, 1994). Efforts to limit mobility could lead to greater vulnerability and lower adaptive capacity (Agrawal, 1999; Davies and Bennett, 2007).

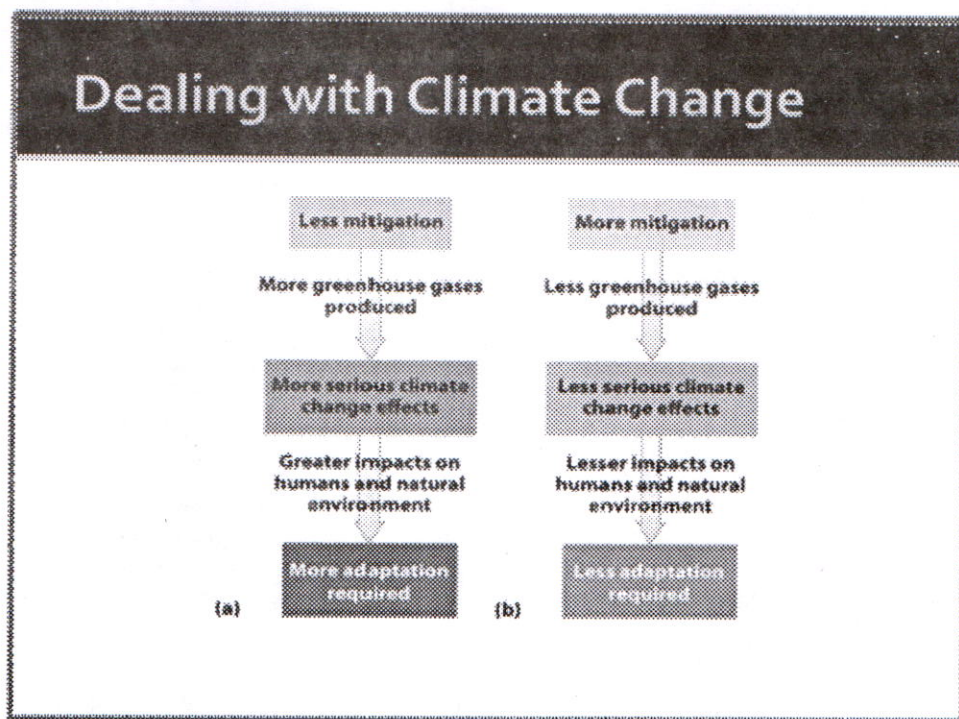
Storage pools risks across time. Storage is relevant to individual farmers and communities, and to address food as well as water scarcities. In the case of significant losses of food and other perishable commodities, improvements in storage technologies and institutions have immense potential to improve rural livelihoods (Agrawal, 2008).

Diversification pools risks across assets and resources of households and collectives. It is reliable to the extent benefit flows from assets are subject to uncorrelated risks (Behnke et al., 1993; Ellis, 2000; Sandford, 1983). Diversifying households typically give up some returns in exchange for the greater security provided by diversification.

Communal pooling refers to adaptation involving joint ownership of assets and resources; sharing of wealth, labor or incomes from particular activities across households, or mobilization and use of resources that are held collectively during the times of scarcity. It pools risks across the households with joint action, which increases the range of impacts in comparison to that with which the households could have coped individually. As advocated by Tompkins and Adger (2004), to enhance the capacity of social groups to adapt to the impacts of future climate change that dependent on natural resources for livelihoods.

Exchange is perhaps the most versatile of adaptation responses (Agrawal, 2008). Markets and exchanges are a characteristic of almost all the human groups, and are a mechanism not just for adaptation to environmental risks but also critical or specialization, trade, and welfare gains that result from specialization and trade at multiple scales. Exchange based adaptation practices can substitute for the first four when rural poor have access to markets.

access.



Source: Colin Mattis, 2013.

Adaptation practices depend on social and economic endowments of households and communities, and their ecological locations, networks of social and institutional relationships, institutional articulation and access, and access to resources and power. Occupational diversification into agricultural activities may reduce the long term adaptive capacity of pastoralist groups in contrast to diversification into part time wage employment or even investment in market exchanges during the times of rainfall stress. However, such diversification may be impossible if access to agricultural land is unavailable.

Climate varies much more from place to place, than over time. Human ingenuity has brought about successful adaptation everywhere. Though the main concern about adaptation is it takes time and may be costly.

There are two main reasons for the imperative of adaptation. First, the impacts of climate change, and hence its danger to the society can be modified by adaptations of various kinds. Second, adaptation is considered to be an important policy option or response strategy to concerns about the climate change complementary to reducing net emissions of greenhouse gases (Smit et al., 1999).

To avoid the worst of climate change, CO₂ levels must be stabilized at 550 ppmv, which can be managed by two ways. One is mitigation, which focuses on limiting greenhouse gas emissions to moderate global climate change. In the language of the emergency preparedness community, mitigation means to cause to become less harsh, hostile, severe painful; to moderate or secondarily, to carry out sustained action to reduce the risk of life, property and the environment from disasters of all types (Agrawal, 2008). Next is adaptation, which focuses on learning to live with to the environmental changes and societal consequences brought by global climate change.

Role of Agricultural Cooperatives in Mitigating and Adapting Climate Change

Agricultural cooperative is an association of farmers and other rural households who have voluntarily joined together to fulfill a common socio economic objective (basically raising income) by undertaking suitable business activities, making contribution to the capital required and accepting fair share of the risks and benefits of the business according to the principles of cooperation as reformulated by the International Cooperative Alliance (ICA). They can operate and expand their business and service activities through the process of networking as primary, secondary and/or tertiary cooperative (Acharya, 2008).

Agricultural cooperatives constitute the main segments of the cooperative sector in most of the countries of the world, particularly in Asia and the Pacific Region. These cooperatives have been providing investment and infrastructural support for enhancing productivity of agriculture and income level of their member farmers. Activity wise important segments of agricultural cooperatives are credit cooperatives, marketing cooperatives, agro-processing cooperatives, integrated cooperatives and service cooperatives.

Community based organizations like agricultural cooperatives have considerable potential to fill the social vacuum through provision of services which are needed by the community efficiently and in time and which are based on high principles of management and ethics of the Principles of Cooperation.

There are 29,526 primary cooperatives in Nepal with a total membership of nearly 4.35 individual members. Out of total primary cooperatives, 7,095 are agricultural cooperatives. This shares 21.03 per cent of the total primary cooperatives. A majority of the farmers obtain credit, input supply and marketing services from their cooperatives. Cooperatives in Nepal are broad based and thus can influence agriculture production system and make necessary contribution.

Most of the climate changes are considered man made. Excessive deforestation by any nation can change the rainfall pattern of the area. Therefore, individual efforts with collaborative strategy have to be adopted for minimizing these effects. Climate change and natural disasters are a reality and communities have to prepare in advance to save themselves, agriculture and natural resources.

Some initiatives have been taken nationally to mitigate or reduce the impact of climate change. Though at government level there are initiatives but at the community level they are not visible. Cooperatives are the community-based and member oriented organizations. In the Principles of Cooperation "Concern for Community" has been highlighted. Therefore, the cooperatives also have a responsibility towards helping the community in preparing for climate change risk management. There is a strong need to be pro-active to take adequate measures. It has to be about creating awareness or developing certain action plans. For initiating any such activities, "will to serve" the community is required (Shrotriya, G. S. and Daman Prakash, 2008).

Role of agricultural cooperatives in adaptation of climate change can be viewed through the three sets of factors by considering utmost important. They are: the nature and goals of such institutions, patterns in how specific types of institutions facilitate the particular types of adaptation strategies, and their linkages with each other and with different rural households. These three aspects help identify the characteristic features of institutions relevant to successful adaptation outcomes.

Agricultural cooperatives are obviously critical to adaptation. The relative absence of systematic, comparative work to enable targeted policy initiatives can strengthen agricultural cooperatives and enhance adaptive capacity, which is more striking.

There is a multitude ways that the agricultural cooperatives can be involved in the process of helping to prevent the occurrence of crisis in mitigating the effects of climate change through the process of protecting natural resources and preventing environmental degradation, providing savings and insurance buffers against crisis events, developing locally owned enterprises as a defense against the flight of capital in the case of financial downturns, lobbying to secure essential changes that can prevent future crises, strengthening the coping capacities of the members and communities, providing essential services and employment/livelihoods for crisis affected members, strengthening the capacity

of the members to cope in times of crisis to act on behalf of the crisis affected population, increasing disaster preparedness involving in forecasting and taking precautionary measures to an imminent threat and by organizing the delivery of timely and effective assistance, reducing the vulnerability of those groups of persons and communities with a propensity to experience substantial damage, disruption and casualties as a result of a hazard, rehabilitation and reintegration by enabling to a crisis affected population to relatively quickly resume a more or less normal pattern of life by supplying services and employment/livelihoods when investor controlled (profit driven) businesses may be unwilling or unable to do so.

Recovery and reconstruction by the agricultural cooperatives can provide the basis of development interventions that do not simply seek to restore the damage or return to the status quo appertaining pre-crisis, and address long term development needs assisting directly in the reconstruction process by rebuilding communities or assist in financing rehousing programs. Agricultural cooperatives also help to bring together the communities that have been torn apart by a crisis, carrying out awareness programmes about ill-effect of climate change on agriculture and prepare for change in cropping pattern to be practiced and introduction of tolerant varieties, adopting risk mitigation tools e.g., crop insurance, weather insurance, alternative options for livelihood.

It is necessary to provide services to member-farmers in agriculture cooperatives so that they are benefited by these risk management tools, taking up natural resource conservation activities like afforestation, water harvesting and conservation, initiating activities which will reduce contribution to greenhouse gases like best management practices in crop cultivation, developing linkages with the related agencies so that the farmers could be informed in advance about the incoming disasters, identifying natural warning system, its documentation and dissemination, and creating a cooperative hub for networking with already established national and international systems and disseminate information to grassroots level cooperatives.

Agricultural cooperatives often become the only credible organization able to play a serious role in bringing about peaceful change. They tend to strengthen and solidify peace and reduce the risk of a relapse into conflict. The collective effort and the active participation of people from different factions involved in the act of practical cooperation can help to create more cohesive communities. Agricultural cooperatives can play a part in the reconciliation process following the cessation of conflicts. It is often to be found that where communities prior to a conflict valued cooperative approaches, they can be relatively quickly resurrected once the conflict is over.

Conclusion

The role of agricultural cooperatives can be found to be relevant at all five stages of the disaster response cycle: disaster preparedness, disaster mitigation and prevention, rescue and relief, rehabilitation/reconstruction and development. When responding to the disaster situations, in particular at complex emergencies, there will be many pressures and obvious priorities, which arise from the most immediate need to save lives, provide food, water and shelter, and bring back some semblance of normality to the lives of the affected population.

Agricultural cooperatives are effective partners in managing community level responses to natural disasters and climate change. Cooperative enterprises can promote local prevention and adaptation practices that reduce the impacts of natural hazards and climate change. For example, alternative production practices, non-farm rural livelihood options and enterprise diversification can increase the resilience of rural communities when confronted with climatic hazards.

Cooperatives organizations can also assist in linking rural communities with higher scale public and private institutions. They can, for instance, communicate with rural people to ensure timely early warning about disasters or to promote mitigation strategies. However, there is no "one size fits all" solution, particularly at the local level. The proximity of cooperatives and producer organizations to rural people and their capacities to achieve economies of scale by grouping multiple, small producers mean that they have a key role to play in ensuring rapid, effective and sustained responses to climate change.

Agricultural cooperatives in different parts of the world can help to enable members to manage climate risks and adapt to climate change. By adhering to environmental standards and promoting local production and marketing as opposed to long distance transport, consumer and producer cooperatives can help to limit greenhouse gas emissions. The large size of their membership places cooperatives in a unique position to raise member awareness about the importance of reducing their carbon footprints and to lobby governments to significantly reduce their greenhouse gas emissions (UN, 2005).

The nature has never been resentful to any living and non-living creatures. Climate change is mostly human made. But the climate change has provided many other alternative opportunities too, which should be rationally managed and utilized. Therefore, Ministry of Cooperatives and Poverty Alleviation, National Cooperative Development Board (NCDB), Department of Cooperatives, Cooperative Training Centers and the concerned government agencies and agricultural cooperatives of Nepal must focus their concentration in mitigating and adapting climate change issues through the means of training and education, observation tours, field visits and replicating the success stories of the national and international agricultural and other cooperatives concerned with the climate change.

Research and study on the impact of climate change to the members of the agricultural cooperatives can be a strong and effective feedback to formulate and reformulate the cooperative policy and plan and programs, especially focusing on the migration, livelihoods, production, poverty, and positive and adverse effects on the income level of the members.

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Study of Rupee Cooperative Bank Current Status and Possible Outcomes

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Rupee Cooperative Bank (RCB) began to show signs of distress. In 2002, the bank faced a liquidity crisis due to non-recovery of loans, prompting RBI to appoint an administrator for the bank. This involves the bank coming under the supervision of the administrator, and is usually accompanied with the bank losing the freedom to carry on certain basic functions, such as accepting deposits or giving out loans.

In the case of RCB, after five years under the 'supervision' of administrators, fresh elections were held and a new board of directors was elected. The task at hand for the new board was to recover overdue loans of Rs 360 crore. As things turned out, they could not recover the full amount. Over the years, RBI's watchful eye on the bank did not wane. In 2011, RBI imposed a fine of Rs 5 lakh on RCB for violating its directives regarding the limits and scope of business permitted to be carried out by cooperative banks. The violations included discounting a cheque for an amount higher than Rs 25,000; and releasing a loan of over Rs 25 lakh for land purchase which exceeded the general limits set by RBI for cooperative banks. In 2012, another similar fine was imposed because RCB had unauthorisedly sanctioned cash credit facility exceeding Rs 1 lakh to four customers.

With effect from close of business on 22 February 2013, RBI placed RCB under harsh restrictions, under the Banking Regulation Act, 1949. There were also restrictions on banking activities - RCB would not be able to grant or renew loans and advances, make investment, incur liability (i.e., borrow funds or accept fresh deposits), disburse or agree to disburse payments, enter into compromise or arrangement and sell, transfer or otherwise dispose of any of its properties or assets, and so on. RCB has not as yet lost its license, according to the RBI, which issued a clarification that the directions should not be construed as cancellation of banking license.

Before the directions were issued, six directors of RCB had resigned in early February 2013 "over differences on loan recovery". A day after the directions were issued, on February 24, the six directors withdrew their resignation "to work in the interest of the bank". RBI would not have any of it, and dissolved the Board of Directors on 26 February. In its place, it appointed a two-member administrative board, chaired by a career bureaucrat, and an experienced administrator, who had earlier handled the merger of another bank with a public sector entity. Director Sugar Commissionerate Sanjaykumar Bhosale and chairman Vidya Sahakari Bank Vidyadhar Anaskar had been appointed administrators of the cooperative bank

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Following is the summary of the some of the key financials for RCB

Feb 2013 Bank Closed for normal operations	Amounts and Description
NPA	Rs. 357Cr
Accumulated Losses	Rs. 570Cr
Deposits	Rs. 1425.5Cr
Loan Disbursements	Rs. 628.5Cr.
Number of Deposit holders	6 lakh approx.
Number of share holders	55000

Attempts to Merge the bank with other banks are in pending status

Banks that have shown interest are Allahabad Bank, Saraswat Bank, Cosmos Bank

The bank has been under the administration of cooperation commissioner representative, Sanjay Bhosale, after the Reserve Bank of India suspended the banks board of directors in February 2013.

As per new Directive by RBI extension has been granted till May 2015 for above administrators.

Possible Outcomes

There are four possible outcomes which can be thought of given the present condition of the bank.

1. Merger with a larger bank- Number of banks have shown interest in acquiring the distressed bank like Allahabad Bank, Saraswat Bank, Cosmos bank. Merger would be one of the better ways to ensure the safety of deposit holder's money. Also a larger bank would be in a better position to either write off the NPAs or recover them.
2. Bankruptcy/Liquidation- This could be a possible outcome which might not be one of the best outcomes; there is a risk of Deposit holders losing their money. Deposit Insurance and Credit Guarantee Corporation insures the deposit up to 1 lakh rupees. But this process could be long and stressful for the depositors.
3. Continue with the current administration of cooperation commissioner representative but that means the bank losing the freedom to carry on certain basic functions, such as accepting deposits or giving out loans.
4. Appointment of an outside consultant or independent body who might be able to turn around the conditions of the bank. The appointed consultant could be able to look at the NPA on case by case basis and suggest either to restructure it or in some cases to write off it.

(Disclaimer: - The data used in the above reports is collected from public sources such as news papers and blogs and not from the bank directly and hence may be biased or partly inaccurate. The author and the guide are not responsible for any liability financial or any other arising out of this report.)

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Performance of Pandyan Grama Bank - An Overview

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ABSTRACT

The regional Rural Banks in India have a history of 40 years. They occupy an important role and essential place in the rural economy in India and it is one of the most important Financial Institution in Indian financial structure. Pandyan Grama Bank is one of the Regional Rural Bank operating in Tamil Nadu covering 16 districts. In the recent years the functions of the Bank in rural areas of Tamil Nadu are very remarkable. On the result of Financial Sector Reform this bank was recapitalised of Rs. 25 Lakhs from their share holders in the year 1996-1997 on the recommendation of Narasimham Committee and also capital infused by the share holders on the alternate years. During 2012-13 the bank received recapitalised amounting of Rs. 39.39 crores and this amount kept in Share Capital Deposit. Adopting of the reform process the bank attaining continues growth and this bank got best performer award from NABARD in the year 2012. As a part of Revamping of the RRBs, the Pandyan Grama Bank identified 64 number of loss making branches due to location disadvantages and started relocated 44 branches in the year 1995-96. The performance in Financial Inclusion of bank is also notable one. The major reform measure based on Narasimham Committee 1992 and Narasimham Committee 1998 are taken place. By considering the above, this study overviews the performance of Pandyan Grama Bank from the year 1992-1993 to 2013-14.

Regional Rural Bank

The Regional Rural Banks were established in the year 1975 “with a view to “Developing the rural economy by providing, for the purpose of development of agriculture, trade, commerce, industry and other facilities, particularly to the small and marginal farmers, agricultural labourers, artisans and small entrepreneurs and for matters connected therewith and incidental thereto.” The RRBs started their journey with 5 banks of 17 branches in 5 states in the year 1975 and as on 2014 it reached all the states of India with 56 Banks of 19082 numbers of branches after facing many hurdles and changes.

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Pandyan Grama Bank

Tamil Nadu has two RRBs namely Pallavan Grama Bank and Pandyan Grams Bank. Pandiyan Grama Bank is a scheduled Bank in the public sector in India under RRB act 1976, established on 9th March 1977, at Sattur in the beginning, and then shifted to Virudhunagar, Tamil Nadu State, India on 16.07.1993. The administrative office has started functioning in its own building from 31.10.2000 onwards. During 1992-1993 the Bank had 161 Branches which spread over 5 districts. At end of March 2013, Bank has opened 11 new branches. At present it has 224 branches spread over 16 district in which Urban Branches, Semi Urban Branches and Rural Branches. This bank is sponsored by Indian Overseas Bank. The share holders of the bank are Government of India, State Government of Tamil Nadu and Indian Overseas Bank in the ratio of 50:15:35 respectively.

Share Capital

According to section 5 of the RRB Act 1976 the Authorised Share capital of the bank is Rs.5 Crore divided into fully paid-up of 5 lakh shares of Rs.100 each. The Issued and paid up share capital is Rs.1 Crore, held by Government of India (50%) Government of Tamil Nadu (15%) and Sponsor bank of Indian Overseas Bank (35%) share capital and share capital deposit received from the share holders.

Share Capital Deposits

Share capital deposit is nothing but an additional share capital. Share capital Deposits refers to the amounts up to Rs.39.39 crores in terms of share capital (That is recapitalised by the share holders) received during different periods and kept in the name of share capital deposits account, as per the NABARD directions, till the statutory limits of Authorised capital of Rs. 5 crores is increased.

Performance of Pandyan Grama Bank

The performance of any bank depends on the credit growth, profitability, overall growth and certainty. The performance of Pandyan Grama Bank has been analysed in terms of owned fund of the bank, brach expansion, total deposit, total advances and profit/loss of the bank. This study covers the period 1992 -93 to 2013-14 based on two major reform activities i.e. capital infusion and increase branch network.

Owned Fund

Owned funds of the bank consist of Share Capital and Reserves. Total share capital includes share capital and share capital deposits. Owned Fund reflects financial strength and stability of the banks. The steady increase in the owned funds reveals that sound financial position and brings out the fact that the bank depends very less on external borrowings.

Table: 1 Composition of Owned Fund

(Rs. In lakhs)

Year	Share Capital	Share Capital Deposit	Total Share Capital	Inc/Dec	AGR	Reserve- & Surplus	Inc/dec	AGR	Owned Fund	Inc/ Dec	AGR
1992-93	75.00	0	75.00	-	-	117.28	-	-	192.28	-	-
1993-94	75.00	0	75.00	-	-	117.28	0	0	192.28	0	0
1994-95	75.00	0	75.00	-	-	117.28	0	0	192.28	0	0
1995-96	75.00	0	75.00	-	-	0	-117.28	-100	75.00	-117.28	-60.99
1996-97	100.00	0	100.00	25.00	33.33	0	0	#DIV/0!	100.00	25.00	33.33
1997-98	100.00	735.87	835.87	735.87	735.87	0	0	#DIV/0!	835.87	735.87	738.87
1998-99	100.00	1395.67	1495.67	659.8	78.94	0	0	#DIV/0!	1495.67	659.8	78.94
1999-2000	100.00	2841.74	2941.74	1446.07	96.68	0	0	#DIV/0!	2941.74	1446.07	96.68
2000-01	100.00	2939.67	3039.67	97.93	3.33	32.72	32.72	#DIV/0!	3072.39	130.65	4.44
2001-02	100.00	2939.67	3039.67	-	0.00	68.76	36.04	110.14	3108.43	36.04	1.17
2002-03	100.00	2939.67	3039.67	-	0.00	503.43	434.67	632.15	3543.10	434.67	13.98
2003-04	100.00	2939.67	3039.67	-	0.00	897.00	393.57	78.18	3936.67	393.57	11.11
2004-05	100.00	2939.67	3039.67	-	0.00	1905.00	1008.00	112.37	4944.67	1008.00	25.61
2005-06	100.00	2939.67	3039.67	-	0.00	3155.85	1250.85	65.66	6195.52	1250.85	25.3
2006-07	100.00	2939.67	3039.67	-	0.00	5188.53	2032.68	64.41	8228.20	2032.68	32.81
2007-08	100.00	2939.67	3039.67	-	0.00	5992.80	804.27	15.50	9032.47	804.27	9.77
2008-09	100.00	2939.67	3039.67	-	0.00	7921.61	1928.81	32.19	10961.28	1928.81	21.35
2009-10	100.00	2939.67	3039.67	-	0.00	10475.73	2554.12	32.24	13515.40	2554.12	23.3
2010-11	100.00	2939.67	3039.67	-	0.00	14982.73	4507.00	43.023	18022.40	4507.00	33.35
2011-12	100.00	3439.67	3539.67	500.00	16.45	18623.17	3640.44	24.30	22162.84	4140.44	22.97
2012-13	100.00	3939.67	4039.67	500.00	14.13	24748.79	6125.62	32.89	28788.46	6625.62	29.9
2013-14	100.00	3939.67	4039.67	-	0.00	34898.57	10149.78	41.01	38938.24	10149.78	29.9

Source: Annual Reports of Pandyan Grama Bank

Table: 1 reveals that, this bank received additional share capital of Rs.25 lakhs from their share holders in the year 1996-97. The issued capital was raised from Rs. 75 lakhs to Rs. 1 crore in the financial year 1996-97. The bank also received Share Capital Deposit of Rs.7.36 crores from its shareholders in the year 1997-98. Till 2000-2001 recapitalisation was up to Rs.29.39 crores. During 2011-12 the bank also sanctioned additional capital of Rs.10 crores. The total addition capital of Rs.39.39 crores was maintained in the name of Share Capital Deposits. The reserve fund also increased from year to year. This shows the stability of the bank.

Expansion of Branch network

Branch expansion is one of the methods to develop the business and progress of the bank. There was a continuous increase in the number of branches throughout the study period. The expansion of branch network is furnished in Table: 2.

During the year 1992-93 as a part of Revamping of the RRBs, the Pandyan Grama Bank identified 64 loss making branches due to locational disadvantages and among them 44 branches were relocated in the year 1995-96, again 4 branches were relocated and 2 loss making branches were merged with nearby branch in the consecutive financial year. In 1997-98 one loss making branch was merged with a nearby branch and two branches were relocated. In the year 1998 – 99 two new branches were opened. Table 2 clearly brings out that the bank spread their activities and opened new branches at regular intervals in many areas. As on date 31st march 2014 their branches are spread in 16 districts with 246 branches.

Growth of Deposits and Advances

Owned fund, Deposits and Borrowings are the three important sources of total funds of any Banks. The capital formation and the growth of the Bank depend on the mobilisation of deposits. PGB mainly provides Advances to priority sector, i.e. agriculture and allied activities. The growth of advances reveals that the achievements of lending to the targeted groups. Table: 3 furnishes the growth of Deposits and Advances of the Bank.

Table : 2 Expansion of Branch Network					
Year	Number of Districts Covered	Number of Branches			
		Rural Branches	Semi Urban Branches	Urban Branches	Total Branches
1992-1993	5	152	8	1	161
1993-94	5	152	8	1	161
1994-95	5	152	8	1	161
1995-96	5	152	8	1	161
1996-97	5	116	40	3	159
1997-98	5	115	40	3	158
1998-99	5	115	42	3	160
1999-2000	6	114	45	3	162
2000-01	6	112	48	4	164
2001-02	6	109	48	4	161
2002-03	6	109	49	4	162
2003-04	6	108	50	4	162
2004-05	7	111	50	4	165
2005-06	8	112	53	4	169
2006-07	8	102	63	5	170
2007-08	15	105	73	7	185
2008-09	15	107	81	7	195
2009-10	15	107	84	7	198
2010-11	15	110	86	7	203
2011-12	15	119	87	7	213
2012-13	16	123	94	7	224
2013-14	16	135	104	7	246

Source : Annual Reports of PGB, Various years.

Table: 3 Growth of Deposits and Advances

(Rs. In lakhs)

Year	Total Deposits	Increase/ Decrease	Growth Rate	Advances	Increase/ Decrease	Growth Rate
1992-1993	6639.30	-	-	6078.01	--	--
1993-94	7829.90	1190.6	17.93	6060.55	-17.46	-0.29
1994-95	9907.59	2077.69	26.54	7474.19	1413.64	23.33
1995-96	13293.25	3385.66	34.17	10018.13	2543.94	34.04
1996-97	16799.42	3473.17	26.13	12910.32	2892.19	28.87
1997-98	22073.20	5306.78	31.65	14314.63	1404.31	10.88
1998-99	27200.29	5127.09	23.23	15626.43	1311.8	9.16
1999-2000	35009.57	7809.28	28.71	18860.02	3233.59	20.69
2000-01	41744.85	6735.28	19.24	25145.89	6285.87	33.33
2001-02	49373.16	7628.31	18.27	33139.53	7993.64	31.79
2002-03	56828.96	7455.8	15.10	42452.41	9312.88	28.10
2003-04	63694.03	6865.07	12.08	53657.86	11205.45	26.40
2004-05	67755.86	4061.83	6.38	65442.35	11784.49	21.96
2005-06	80019.54	12263.7	18.10	78881.11	13438.76	20.54
2006-07	101005.98	20986.4	26.23	105943.98	27062.87	34.31
2007-08	129372.08	28366.1	28.08	130899.63	24955.65	23.56
2008-09	165503.75	36131.7	27.93	164050.77	33151.14	25.33
2009-10	181146.34	15642.6	9.45	185825.97	21775.2	13.27
2010-11	210288.86	29142.5	16.09	251174.01	65348.04	35.17
2011-12	249703.14	39414.3	18.74	310179.45	59005.44	23.49
2012-13	284971.66	35268.5	14.12	353971.04	43791.59	14.12
2013-14	317996.84	33025.2	11.59	323254.51	-30716.53	-8.68

Source: Annual Reports of PGB

From Table 3, it is found that, the Deposits in the year 1993 was 66.39 crores. However at the end of March 2014 the Deposit increased to 3179.97 crores. This was a 48 times increase in deposits. Table 3 further reveals that, the Advances in the year 1993 was 60.78 crores but at the end of March 2013 the deposit increased to 3539.71 crores. The growth in deposits is tremendous i.e. 58 times. This table clearly shows the growth of the bank over the 22 years.

Table: 4 Growth of Profitability			
(Rs. in Lakhs)			
Year	Profit/loss	Inc/ decr	Growth Rate
1992-1993	(-)562.27	--	--
1993-94	(-)525.91	36.36	6.47
1994-95	(-)568.07	-42.16	8.02
1995-96	(-)561.74	6.33	-1.11
1996-97	(-)548.31	13.43	-2.39
1997-98	216.07	764.38	139.41
1998-99	425.02	208.95	96.70
1999-2000	442.31	17.29	4.07
2000-01	515.74	73.43	16.60
2001-02	815.91	300.17	58.20
2002-03	1375.00	559.09	68.52
2003-04	482.00	-893	-64.95
2004-05	1008.00	526	109.13
2005-06	1250.85	242.85	24.09
2006-07	2032.68	781.83	62.50
2007-08	1101.27	-931.41	-45.82
2008-09	1928.81	827.54	75.14
2009-10	2554.12	625.31	32.42
2010-11	4507.00	1952.88	76.46
2011-12	3640.44	-866.56	-19.23
2012-13	6125.62	2485.18	68.27
2013-14	10149.78	4024.16	65.69
Source: Annual Reports of Pandyan Grama Bank			

Profitability

Profit is an indication for the best performance of any institution. Profitability is most important to any bank to sustain their business even though if they are service oriented. The working result (Profit /loss) of the bank is given in Table 4.

The bank which was running in loss during the period 1992-93 to 1996-97 and started earning profit from the year 1998-99 and it steadily increased from Rs.216.07 lakhs in 1997 to Rs.6125.62 lakhs in 2012-2013. At the end of March 2014 the profit increased to Rs. 10149.78 lakhs. The most probable reasons for increasing the profitability would be the reform measure of recapitalization and the programme of branch expansion.

Conclusion

The performance of PGB is analysed by certain selective parameters like owned fund, No of Branches, deposits, Loans and Advances of this bank and profit/loss of this bank. Thus, we find that the Pandyan Grammen Bank had developed and playing its role. It is also worth mentioning that it has diversified its activities.

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Agricultural and Rural Credit in Indian Scenario and Challenges**G.S.Rama Krishna*****P.G.Ramanujam******N.G.S.Prasad*******Abstract**

Credit is an important input in the development process. Credit is the life-blood and key input for rural development. Rural credit plays a very important role in rejuvenating rural economy. The importance of rural credit hardly needs any emphasis in view of its role in promoting agricultural and rural development. Rural credit in India is purveyed through a multi-agency system comprising cooperatives, commercial banks and regional rural banks. The institutional credit includes funds available by cooperative societies, commercial banks, and regional rural banks. Banks must also strengthen their credit delivery systems for rural India. Faced with the serious problem of deteriorating agricultural production and the rapacious moneylenders, the government set up cooperative credit societies and land mortgage banks. Rural households need access to financial institutions that can provide them with credit at lower rates and at reasonable terms than the traditional money-lender and debt-traps that are common in rural India. Usually, credit institutions provide finance for productive purposes but sometimes poor people need money for consumption or for emergency purposes, which many a time cannot be catered by the formal credit system or government sponsored poverty alleviation schemes. In rural India, it can be seen that the poorer sections of the society and destitute cannot avail of the credit from banks and other formal institutions due to their inability to deposit collateral security and mortgage property. The rural population in India suffers from a great deal of indebtedness and is subject to exploitation in the credit market due to high interest rates and the lack of convenient access to credit.

Introduction

Credit is an important input in the development process. Ensuring the provision of timely and sufficient credit to as large a segment of rural population as possible has been one of the major policy initiatives which has guided the formulation of public policy in the country. The rural credit system in India has evolved through different phases as a result of these initiatives and there has been a substantial broadening of the infrastructure for credit delivery resulting in increased outreach and reduction in the influence of informal agencies. Rural credit in India is purveyed through a multi-agency system comprising cooperatives, commercial banks and regional rural banks. The major policy in the sphere of rural credit has been its progressive institutionalization so as to ensure timely and increased flow of credit to the farm sector, reduce regional imbalances and to provide increased credit support to the special programmes.

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The importance of rural credit hardly needs any emphasis in view of its role in promoting agricultural and rural development. Despite the achievement of vast institutional network and spread in terms of outreach and coverage, the rural credit delivery system has suffered from several weakness such as huge administrative costs, heavy overdues, an unsustainable interest rate structure, managerial weaknesses, etc. Further, cumbersome lending procedures, inadequate supervision and at times the apathy of banks, have resulted in delayed and untimely credit and diversion and default of credit. The lack of skills, unawareness of economic opportunities and markets and intricate procedural requirements have constrained the poor from accessing the formal credit.

The inability of the credit institutions to deal with the credit requirements of the poor effectively has led to the emergence of micro-finance or micro-credit system as an alternative credit system for the poor. Usually, credit institutions provide finance for productive purposes but sometimes poor people need money for consumption or for emergency purposes, which many a time cannot be catered by the formal credit system or government sponsored poverty alleviation schemes. In rural India, it can be seen that the poorer sections of the society and destitute cannot avail of the credit from banks and other formal institutions due to their inability to deposit collateral security and mortgage property. At this point micro-financing or group lending is being looked upon as the instrument that can be considered as the golden stick for poverty alleviation vis-à-vis rural development.

Credit for agriculture must expand at a faster clip than before because of the compulsive need to speed up agricultural growth not only to feed a population of one billion plus but also to generate exportable surplus. Alongside, there is a need to shift product mix towards animal husbandry, fisheries and horticulture which have immense potential for income generation to rural people, besides boosting the country's export earnings considerably. The banking system and informal credit agencies would have to evolve innovative methods and schemes to stay alive to cope with the unmet credit needs to both organized farmers and the informal activities of rural people.

Therefore, ensuring an uninterrupted flow of credit to rural areas includes increasing the flow of credit to agriculture, ensuring the viability of rural lending, strengthening of rural financial institutions, improving the recovery climate and role of self-help groups (SHGs) and non-governmental organizations (NGOs) in financial intermediation.

Several reform measures were introduced for the rural credit delivery system as part of the financial sector reforms. These reform measures include, inter alia strengthening the capital base of National Bank for Agriculture and Rural Development (NABARD), introduction of prudential norms for income recognition and asset classification, and deregulation of interest rates etc. The emergence of Regional Rural Banks (RRBs) and NABARD in particular acted as milestones in bringing about much needed changes in the provision of rural credit.

NABARD's association with Rural Financial Institutions (RFIs) goes much beyond providing refinance assistance and encompasses a wide array of support and services which prepare a solid ground for RFIs to operate. While financial support through refinance window

enhances their lending portfolio, capacity building, supervision of their financial health, guidance in credit planning and such other crucial aspects of NABARD's association enable the RFIs to successfully take up challenges arising from time to time.

One of the main functions of NABARD is to extend financial support to Rural Financial Institutions (RFIs) for their on-lending operations. In addition to this, NABARD provides support to build the capacities of the RFIs to adapt themselves to the changing financial environment. It also helps the RFIs in attaining prescribed regulatory norms so as to enable them to survive and compete in rural credit market. During 2013-14, NABARD continued to support the RFIs, especially, the co-operatives and RRBs through short term and long term refinance. Apart from this, NABARD played a major role in credit planning and monitoring at district and State level. Further, it served as the inter face/nodal point/agency between the Government and the RFIs in implementation of various GoI schemes.

Agricultural credit provided by cooperative banks, commercial banks and RRBs. In the last few years, the Indian economy has emerged as one of the fastest growing economies in the world. However, the vulnerability of the Indian economy with respect to the performance of the agricultural sector despite other macro-economic indicators and sectors gaining in strength is well known. The contribution of the banking and financial sector to the current economic growth of the Indian economic is very significant.

Emerging Dimensions of Agricultural Financing

NABARD has taken the responsibility on Agriculture credit and Kisan credit, as per the report of 2013-14.

- **Agriculture Credit:** As against the target of '7,00,000 crore of credit flow to agriculture sector for 2013-14, the banking system has disbursed '7,23,225 crore as on 31 March 2014, achieving 103 per cent of the target. Commercial Banks, Co-operative Banks and Regional Rural Banks (RRBs) disbursed '5,21,496 crore, '1,18,422 crore and '83,307 crore against their respective targets of '4,75,000 crore, '1,25,000 crore and '1,00,000 crore. The achievements in respect of Commercial Banks, Co-operative Banks and RRBs were in the order of 110 per cent, 95 per cent and 83 per cent, respectively.
- **Kisan Credit Card Scheme:** The Kisan Credit Card (KCC) scheme introduced in August 1998 has emerged as an innovative credit delivery mechanism to meet the production credit requirements of the farmers in a timely and hassle-free manner. The scheme is under implementation in the entire country by the vast institutional credit framework involving commercial banks, RRBs and Co-operatives and has received wide acceptability amongst bankers and farmers. The scheme was revised in 2012 to make room for ATM enabled debit card, operation through wider delivery channels including mobile handsets, inbuilt cost escalation for assessing limits, wider coverage under crop loans, etc. As per the data available, during 2013-14 (upto August 2013), 10.78 lakh KCCs were issued by co-operative banks and the amount outstanding was '3,124.51 crore. During the same period, RRBs had issued

7.83 lakh KCCs with outstanding amount of ₹6,184.50 crore. The cumulative number of operative KCCs issued by co-operative banks and RRBs upto August 2013 were 357.65 lakh and 105.79 lakh, respectively. The amount outstanding was ₹96,732.14 crore and ₹55,864.71 crore, respectively, for the above two agencies.

Challenges for Rural Credit and Agricultural Credit

Agriculture is a matter of livelihood and food security, with nearly 58 percent of the population depending on it, at the same time, to withstand the global competition, enhanced productivity and sustainability of the agricultural sector has become imperative. Hence the role of banks in the enhancement of agriculture productivity, expansion of rural credit and poverty eradication assumes high priority.

Despite decades of efforts and experimentation in banking, the organized financial sector is still not able to meet the credit gap in the rural sector. The lower levels of per capita income, lack of infrastructure in the rural areas, focus in the urban sector and lack of proper connectivity are the main hindrances for banks to venture into rural areas. Directed lending, cumbersome procedures, delay in sanctioning loans and lack of statutory backing for recoveries are other major impediments to the growth of banking in the rural sector. To achieve the ambitious average annual GDP growth of 10 percent target set in the 12th Plan, it is important to revitalize and revamp not only the agricultural sector but also rural financial institutions. The directed lending norms that require commercial banks to allocate 40 percent of their lending to the priority sector have not generated the intended result since most of the banks get around this requirement by subscribing to other eligible instruments. Large farmers and agri-businesses seem to be able to obtain financial services from modern financial institutions but small and marginal farmers continue to depend, largely on indigenous money-lenders.

Commercial banks encourage newer concepts such as micro-credit, formation of self help groups and credit linking with a view to minimise the transaction cost in rural lending. Besides low intermediation cost these strategies have twin advantages of high recovery rate and higher frequency of recycling of funds. Cohesive group discipline and peer pressure are the intrinsic strength of the micro-financing activities through SHG.

As micro-credit has proved to be a catalyst for empowering the poor, such programmes have to be encouraged and boosted with all the vigour till the weaker sections of the community are reasonably empowered. It is noticed that even though the demand for micro-credit has been on the increase, problems continue to the supply of adequate credit to this sector. With significant growth in micro-finance activities, the effective benefit would spread to various aspects such as literacy, empowerment, entrepreneurship, employment, improvement in living standards, development of rural economy and finally poverty elimination and would help bring down the number below the poverty line.

Policy Initiatives by Government

Indian economy is predominantly an agricultural economy. Keeping in view the crucial importance of agriculture and in the context of the strategy adopted for increasing food

grains production so as to ensure food security and the need for greater involvement of banks in supporting this effort, banks were asked to step up the direct finance extended to agriculture. Rural development in the country over the years made stupendous strides, thanks to a durable institutional arrangement in the form of credit delivery system for the rural people in general and the farmers in particular. In the crucial credit delivery for promoting and sustaining agriculture and rural development, the apex body that stands in the vanguard is indubitably NABARD. It was established for greater focus on agriculture and rural development. This way, NABARD works through the regional rural banks (RRBs), cooperative banks and also through the state governments for rural infrastructure.

Dr. H.K. Bhanwala, Chairman of NABARD mentioned in the Annual Report, 2013-14, activities of NABARD now range widely, from formation of financial capital to building social capital, from infrastructure finance to micro-finance, from credit planning to supervising and building up rural financial institutions and helping them find their own space in the overall banking architecture. NABARD, thus, balances its finance and development functions in sync with the financial and real sector challenges relating to agriculture and rural development.

India's economic growth during 2013-14 remained subdued at 4.7 per cent, marking it the second consecutive year with below 5 per cent growth. Though agriculture performed much better during the year, less than expected performance in other sectors led to an overall slowdown of the economy. The important developments, issues and challenges in the agriculture sector have a significant bearing on NABARD which is a financial institution with a focus on rural sector.

Indian economy entered into the financial year 2013-14 on a sluggish note. The downturn which started since second quarter of 2011-12 continued during 2013-14. The downturn was attributed mainly to domestic factors even though global factors also contributed to this. The three main issues *i.e.*, current account deficit, persistent inflation and fall in growth rate that had engaged the attention of the policy makers in 2013, continued to pose challenges. As per Provisional Estimates of Annual National Income, 2013-14 released in May 2014 by Central Statistics Office (CSO), Government of India, Gross Domestic Product (GDP) at constant (2004-05) prices grew at the rate of 4.7 per cent during first quarter of the year 2013-14, picked up to 5.2 per cent in the second quarter, but recorded 4.6 per cent growth during third and fourth quarters. The growth of GDP for the year 2013-14 was pegged at 4.7 per cent (Table 1.1). In quantum terms, GDP at factor cost at constant (2004-05) prices in the year 2013-14 was estimated at ₹57.42 lakh crore.

- **Swarozgar Credit Card Scheme:** NABARD acted as the nodal agency for monitoring of Swarozgar Credit Card (SCC) Scheme, introduced to provide adequate, timely and uninterrupted credit to the small artisans, handloom weavers and other self-employed persons including micro-entrepreneurs, SHGs, etc.
- **National Crop Insurance Programme:** Agricultural insurance is another area which continued to engage attention of the policy makers. During 2013-14, a Central Sector Scheme of National Crop Insurance Programme (NCIP)/Rashtriya Fasal Bima Karyakram (RFBK) was formulated by merging Modified National Agriculture

Insurance Scheme (MNAIS), Weather Based Crop Insurance Scheme (WBCIS) and Coconut Palm Insurance Scheme (CPIS). As per the scheme, MNAIS and WBCIS will be extended to all districts from Rabi 2013-14 and National agriculture Insurance Scheme (NAIS) will be rolled back simultaneously with compulsory coverage of loanee farmers. The risk cover will be available for standing crops (sowing to harvesting), prevented sowing/planting risk and postharvest losses. Coverage would include food crops, oilseeds and annual commercial and horticultural crops. The insurance premium payable by the farmers shall be financed by the loan disbursing office of the bank and treated as a component of scale of finance for the purpose of obtaining loan. The scheme will be implemented by Agricultural Insurance Company of India Limited (AICI) and private insurance companies. Agriculture insurance is still in the process of evolution in India and there are certain inherent constraints/ limitations which prevent rapid growth of agri insurance. Some of the pressing issues such as coverage of farmers (especially, marginal and small farmers), compulsory versus voluntary coverage, possibility of moral hazard, determination of premium rates, continuation of subsidy or moving to actuarial regime, involvement of specialised underwriters/reinsurers, participation by private sector, co-ordination among stakeholders, etc. are needed to be resolved so as to make insurance an effective tool for risk mitigation in agriculture.

The main concern of the government and the Reserve Bank relates to the provision of credit to the rural poor so that they will be able to come out of the stranglehold of poverty through available employment opportunities leading to increased and sustained incomes. The poor need assistance in small doses, at different times suitable to them for a variety of purposes and the formal credit delivery system is not adequately equipped for the purpose. This has led to promotion of informal groups of the rural poor called the self help groups (SHGs) for pooling their small savings with a view to help themselves in financing their emergent needs. In view of the effectiveness of routing financial assistance to the poor through the self help groups, the Government of India has accorded priority to coverage of SHGs by banks with help from NABARD and the Small Industries Development Bank of India (SIDBI).

The government of India's policy initiatives for strengthening the rural credit delivery mechanism has therefore, laid emphasis on enhancing flow of credit at the grassroots level through an appropriate credit planning, adoption of region-specific strategies and rationalization of lending policies and procedures. Out of a multi-agency network of different banks, including commercial banks, RRBs etc. the cooperatives are the ones which have a vast network for supplying agricultural credit to the farming and rural community. Hence, with a view to strengthening the cooperatives a two point action plan should be implemented for increasing their outreach and improving their profitability and viability.

Weakness of Credit Institutions

While the banking system in the country has done a phenomenal job in extending credit to hitherto unbanked areas, they do suffer from some structural problems. There is a school of thought that although the interest rates from the banking system are regulated, the actual

cost of credit for the farmers is much higher due to higher transaction costs such as repeated visits to the branches from distant places. This was one of the reasons why MFIs in the State became very popular as they could address some of the issues such as delivery of bank credit at the doorstep of the farmers. It may be a good idea for the banks to borrow some of the practices followed by MFIs. The time seems to have come when experiments such as "barefoot banking" may have to be started. All these issues are likely to be examined by the Rangarajan Committee. RBI has also formed another committee to examine the feasibility of bringing moneylenders into the ambit of banking would have been unthinking sometime back. Government of India is also contemplating to make NABARD as the regulatory authority for the MFIs in the country.

Conclusion

Basically India is an agrarian country. In India the land represents the chief wealth of the nation and agricultural potential is yet to be exploited fully. From among the various factors, non-availability of timely and adequate agricultural credit is one of the reasons for low productivity.

To achieve the ambitious average annual GDP growth of 10 percent target set in the 12th Plan, it is important to revitalize and revamp not only the agricultural sector but also rural financial institutions. The lending norms that require commercial banks to allocate 40 percent of their lending to the priority sector has not generated the intended result since most of the banks get around this requirement by subscribing to other eligible instruments. Large farmers and agri-businesses seem to be able to obtain financial services from modern financial institutions but small and marginal farmers continue to depend, largely on indigenous money-lenders. Credit needs of the poor are increasingly met from the emergence of a wide range of semi-formal micro-finance initiatives. Considering various advantages, particularly the financing of the rural poor, low transactional cost and better recovery performance, the banks have a great role to play in the micro-finance sector.

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New Study Group on European Cooperative Law: "Principles" Project

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Abstract

This paper presents both a new scientific network named "Study Group on European Cooperative Law" (SGECOL), and the "Principles of European Cooperative Law" (PECOL) project, which SGECOL has identified as its first research activity.

SGECOL is a European group of cooperative law scholars, established in Trento (Italy), at the European Research Institute on Cooperative and Social Enterprises (Euricse), in November 2011. SGECOL's general objective is to conduct comparative research on cooperative law in Europe, thus promoting increased awareness and understanding of cooperative law within the legal, academic and governmental communities at national, European and international level. SGECOL intends to achieve this objective through various research initiatives on cooperative law, beginning with the drafting of PECOL.

PECOL will take the form of legal provisions accompanied by explanatory comments. They will be developed on the basis of the existing cooperative law in Europe, focusing in particular on six European jurisdictions (Finland, France, Germany, Italy, Spain, UK). PECOL, however, will not simply summarize and describe the common core of European national cooperative laws. Going beyond that, the project aims to present the main general provisions through which – in the authors' view – cooperative law should be formulated to provide cooperatives with a definite and distinct legal identity vis-a-vis other business organizations.

The PECOL project does not serve a single specific purpose, still less is its goal to impose harmonization on national cooperative laws. PECOL will be a scientific and scholarly work, capable of serving many potential functions, depending on the users' particular needs.

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Keywords

Study Group on European cooperative law; Principles of European cooperative law; European cooperative law; Comparative cooperative law; European Union; Business Law; Cooperatives.

1. Introduction

This paper is divided into two parts. The first part (sec. 1) presents the background, aims, methodology and composition of the "Study Group on European Cooperative Law" (SGECOL). SGECOL is a new scientific network in the field of cooperative law, established by the authors of this paper in November 2011, under the auspices of the European Research Institute on Cooperative and Social Enterprises (Euricse). The second part of this paper (sec. 2) describes the "Principles of European Cooperative Law" (PECOL) project, which SGECOL has identified as its first research activity¹.

- 1 SGECOL web-page (<http://euricse.eu/en/node/1960>), hosted by the Euricse website, will provide constantly updated information on SGECOL and its projects.
- 2 In general SGECOL's attention will not be confined to European Union countries but extended to all European countries, although single projects might focus on European Union jurisdictions and some of these in particular.
- 3 It must be immediately underlined that from SGECOL's perspective – in line with its methodology of comparative law analysis, which will be referred to later in this text – "cooperative law" consists of those provisions normally contained in formally independent national cooperative acts (or in specific sections of more general national acts or codes) which deal with the institutional purposes and organizational structure of cooperatives. In addition, it concerns, among others, those provisions of labour-, tax-, competition-, public procurement-, or insolvency law that are specifically dedicated to cooperatives. Accordingly, "cooperative law" comprises organizational law aspects as well as other legal aspects relating, for example, to labour in worker cooperatives, cooperative taxation, etc. SGECOL will not ignore the complexity of cooperative law; on the contrary, as pointed out later in this text, it acknowledges and emphasizes the strong connection between cooperative identity, as defined by organizational law, and cooperative regulation under labour-, tax-, competition-, public procurement-, insolvency-, and other fields of law.
- 4 The first initiatives in this regard concerned contract law. The very first was the "Commission on European Contract Law", set up in 1982 and chaired by Ole Lando, which drafted the "Principles of European Contract Law" (PECL) in three parts. The last result of which was published in 2003 (see http://frontpage.cbs.dk/law/commission_on_european_contract_law/). Ten years later, in 1992, the "Academy of European Private Lawyers" was established in Pavia with the aim to "to contribute, through scientific research, to the unification and the future interpretation and enforcement of private law in Europe" and "to promote the development of a legal culture leading to European unification" (from art. 1 of the statute); thus far the Academy has published two books of a "European Contract Code"

2. The Study Group on European Cooperative Law (SGECOL): background, objectives and methodology

SGECOL is a group of cooperative law scholars from different European countries, whose first meeting was held in Trento, at the European Research Institute on Cooperative and Social Enterprises (Euricse), on 29-30 November 2011.

SGECOL aims to conduct comparative research on cooperative law in Europe, thus promoting increased awareness and understanding of cooperative law within the legal, academic and governmental communities at national, European and international level².

It intends to achieve this objective through different research projects in the area of cooperative law, beginning with the drafting of PECOL, which is a project that will be described in the next section of this paper³.

By so doing, SGECOL will fill a gap in European legal scholarship. Several private and commercial law subjects have been extensively explored by European groups of experts, particularly with a view to developing a common European private and commercial law. However, this process has not so far dealt with cooperatives and cooperative law⁴. Nor has Council Regulation (EC) No. 1435/2003 of 22 July 2003 on 4

www.accademiagiurprivatistieuropei.it). Subsequently, in 1998, the "Study Group on a European Civil Code", chaired by Christian von Bar, was established with a focus on contract law as well (see www.sgecc.net). The "European Research Group on Existing EC Private Law" (Acquis Group) was founded in 2002; it drafted in 2009 the "Principles of the existing EC contract law" (Acquis Principles) (see <http://www.acquis-group.org/>). The "Joint Network on European Private Law" was founded in 2005 within the EU sixth framework programme "Network of Excellence"; it comprises, among the others, the Study Group on a European Civil Code and the Acquis Group (see www.copecol.org). The Study Group on a European Civil Code and the Acquis Group prepared a work entitled "Principles, Definitions, and Model Rules of European Private Law. Draft Common Frame of Reference (DCFR)", whose full edition in six volumes was published by Sellier in 2009. In parallel to this, the Association Henri Capitant des Amis de la Culture Juridique Française and the Société de Legislation Comparée drafted the "Principes Contractuels Communs", whose English edition was published in 2008. Other European initiatives in this field include: *Social Justice in Contract Law: A Manifesto*, by the "Study Group on Social Justice in European Private Law" (in http://papers.ssrn.com/sol3/papers.cfm?abstract_id=605141); and the "Society of European Contract Law" (SECOLA) (see www.secola.org). See, more recently, COM(2011) 635 final and COM(2011) 636 final, both of 11 October 2011, on a common European sales law.

In other fields of private law, see, among others, the "European Centre of Tort and Insurance Law", established in Vienna in 1999 (www.ectil.org), and, within it, the "European Group on Tort Law", at Tilburg University (www egtl.org) (1992), which drafted the "Principles of European Tort Law" (2005); the "Pan European Organisation of Personal Injury Lawyers" (see www.peopil.com); the "Forum Group on Mortgage Credit" and the "Mortgage Funding Expert Group" set up by initiative of the EC (see http://ec.europa.eu/internal_market/finances-retail/home-loans/integration_en.htm); "The Eurohypoec: a common mortgage for Europe" (www.eurohypoec.com); the "Commission on European Family Law", which prepared the "Principles of European family Law" (see <http://www.ceflonline.net/>).

More general, and partially different, initiatives on private law are: "The Common Core of European Private Law" (see www.common-core.org) and the "Ius commune Casebooks for the Common Law of Europe" (see www.casebooks.eu), both started in 1994. In the specific area of company law, see the "High Level Group of Company Law Experts" (2002) (http://ec.europa.eu/internal_market/company/modern/index_en.htm), whose final report constituted the basis of 2003 EC Action Plan (http://ec.europa.eu/internal_market/company/modern/index_en.htm); the "EU Corporate Governance Forum", established and supported by the EC (2004) (see http://ec.europa.eu/internal_market/company/ecgforum/index_en.html); the "Advisory group on Corporate Governance and Company Law", set up and supported by the EC in 2005 (see http://ec.europa.eu/internal_market/company/advisory/index_en.htm); and the project named "European Model Company Act" (EMCA) (2007), to be prepared by a commission chaired by prof. Andersen and prof. Baums at Aarhus University (see [http://www.asb.dk/en/aboutus/departments/departement of business law/european model companyactemca/](http://www.asb.dk/en/aboutus/departments/departement%20of%20business%20law/european%20model%20companyactemca/)), a complete chapter of which was presented at the conference "European Company Law: The way forward", organised by the EC, DG internal market, on 16/17 May 2011 (see http://ec.europa.eu/internal_market/company/modern/index_en.htm). See also the "European Corporate Governance Institute" (www.ecgi.org).

5 On the implementation of the SCE regulation, see the study prepared, after a year-long project, by a Consortium set up by Cooperatives Europe, EKAI and Euricse (the latter as the Consortium leader) in execution of a service contract with the European Commission. The scientific direction of the study was entrusted to a committee comprising some of the authors of this paper (namely, Antonio Fici, as the committee coordinator, Hagen Henry, Hans-H Münkner and Ian Snaith) and two other cooperative legal professionals (Chantal Chômel and Agnes Mathis). The study was submitted in October 2010 and contains an analysis both of the implementation of the SCE Regulation and of the existing national cooperative laws in the 30 European countries covered by the research (27 EU MSs plus 3 EEA countries), as well as a synthesis and comparative study which, among other things, highlights on the one hand the weaknesses of the SCE Regulation and the need for its amendment, and on the other hand the great variety of cooperative laws in Europe. The Study may be found at http://ec.europa.eu/enterprise/policies/sme/files/sce_final_study_part_i.pdf, http://ec.europa.eu/enterprise/policies/sme/files/sce_final_study_part_ii_national_reports.pdf, and the Statute for a European Cooperative Society (SCE Regulation) contributed to generating a wave of European and comparative cooperative legal studies. That is probably a result of the modest use made of it in practice and of its regulatory structure where references back to national law abound. That considerably reduces the autonomy of EU cooperative law from national cooperative law and consequently the level of scholarly or scientific interest in the former as compared to the latter⁵. ⁵ <http://www.euricse.eu/it/node/256>. The specific *acquis communautaire* on cooperatives also includes art. 54 (2) TFEU, stating that "Companies or firms" means companies or firms constituted under civil or commercial law, including cooperative societies, and other legal persons governed by public or private law, save for those which are non-profit-making".

6 But see the Study mentioned in footnote 5, which was conducted by legal experts from 30 European countries, directed by a scientific committee comprising six members from different European countries (of which, as said, four are the same as the authors of this paper), and HIEZ (ed.), "Droit Comparé des Coopératives Européennes", Larcier, Brussels,

2009, which collects contributions by authors from nine different countries (four of which were written by the authors of this paper, namely, Gemma Fajardo, Hagen Henry, David Hiez, and Ian Snaith). An additional initiative, involving two authors of this paper as co-editors, is CRACOGNA, FICI, HENRY (eds.), "International Handbook of Cooperative Law", Springer, Heidelberg, scheduled for 2013.

7 In this regard, see recently KRAAKMAN, ARMOUR *et al.*, "The Anatomy of Corporate Law. A Comparative and Functional Approach", 2nd ed., Oxford, 2009, p. 4. Our method of comparative analysis may be considered "functional" insofar as the problem-based approach is emphasized. See, on this point, HENRY, "Kulturfremdes Recht Erkennen. Ein Beitrag zur Methodenlehre der Rechtsvergleichung. Forum iuris", Helsinki, 2004, especially p. 151, and more recently in English, also for the essential references to the relevant literature, DE CONINCK, *The Functional Method of Comparative Law: Quo Vadis?*, in 74 (2010) *Rebels Zeitschrift*, p. 318 ff. It is worth underlining that the critical aspects of the functional analysis, which this lastly cited article points out, in particular the impossibility for the comparative lawyer to be effectively neutral in identifying the problems through which to compare the legal systems (or, more radically, the absence of problems common to all legal systems), may partly be solved by a comparative analysis conducted by a team of lawyers from different countries, as in the SGECOL case. Of course, that assumes that (common) problems to serve as *tertia comparationis* are jointly formulated. SGECOL approach is also "normative" in the sense that – as pointed out immediately below in the text – we do not intend to limit ourselves to describing or explaining differences and commonalities among legal systems, but also wish to evaluate such differences and commonalities in order, for example, to identify and suggest "ideal rules", as the PECOL project clearly demonstrates. In this regard, it must however be observed that, at least according to DE CONINCK (*ibidem*, p. 342 ff.), the functional method may be less subject to criticism when the comparative legal research where it is applied has normative purposes.

Accordingly, SGECOL projects are also designed to favour networking between European scholars of cooperative law, who, in general, seem at present to operate independently⁶. SGECOL will use comparative research on cooperative law to explore differences and commonalities across jurisdictions, with a view to considering the feasibility of a *ius commune cooperativum*.

In general, SGECOL will take an approach to comparative cooperative law that implies⁷:

- a) identification of (old and new) common problems in the regulation of cooperatives, which may require to take account of the existing different types of cooperatives;
- b) discussion around the ways in which national cooperative laws respond to these problems, which also depends on the general features of the legal system of which the cooperative law is part;
- c) justification of commonalities and differences found across jurisdictions in solving these problems;
- d) evaluation of the most adequate way or ways – including the dichotomies between private autonomy and law on the one hand, and mandatory and non-mandatory rules of law, on the other – through which the identified problems may be solved by cooperative law;

e) connection with other business organizations and, in particular, company law problems, solutions and theories.

To clarify the last point, it must be noted that, from SGEVOL members' point of view, cooperative law cannot be properly studied and understood without having regard to other business organizations law, and in particular company law. In fact, the 6 regulation of cooperatives may reflect problems that are, at times, identical to those which other business organizations face. Moreover and primarily – since one of SGEVOL's principal objectives is to discuss the legally distinct identity of cooperatives, and by definition differentiation establishes identity – the very comparison with the law governing other business organizations and companies seems to be necessary for correctly defining the essential elements of cooperative identity.

Of equal importance – especially considering the great variety that connotes cooperative law in Europe⁸ – SGEVOL wishes to offer a common language and an analytic and conceptual framework with which to understand cooperatives and the purposes that can potentially be served by cooperative law, and with which to compare and evaluate the efficacy of different legal regimes in serving those purposes⁹.

⁸ See, on this point, the Study cited in the preceding footnote 5, as well as FICI, *Cooperative Identity and the Law*, Euricse Working Paper, n. 23/12 in www.ssrn.com.

⁹ In this respect we share the same goal as KRAAKMAN, ARMOUR *et al.*, “The Anatomy of Corporate Law. A Comparative and Functional Approach”, p. 4 f. It is worth underlining that the SCE Regulation may not substantially contribute to the development of a common language and of an analytic and conceptual framework. In part this is due to the fact that this Regulation is not sufficiently known in individual European countries, in part to the fact that many concepts are not appropriately mentioned and developed therein (*e.g.*, that of surplus distribution in proportion to the member activity with the cooperative, *i.e.*, “patronage refunds”), also as a result of the numerous references back to national cooperative law, which make many rules of the SCE Regulation not mandatory or applicable only as far as they do not contradict the national cooperative law of the country where the SCE has its registered office.

¹⁰ References would be endless and inevitably incomplete. It may suffice here to redirect readers to the numerous papers published on the European Corporate Governance Institute website (see www.ecgi.org).

¹¹ For an example of unification see the OHADA (Organization for the Harmonization of Business Law in Africa) *Uniform cooperative law* of 15.12.2010, concerning 16 Central-Western African countries (in <http://www.ohada.org/droit-des-societes-cooperatives/telechargement-droit-des-societes-cooperatives.html>). In this regard, ILO Recommendation no. 193/2002 concerning the promotion of cooperatives adopted on 3 June 2002 (in <http://www.ilo.org/ilolex/cgi-lex/convde.pl?R193>), must also be mentioned, especially considering

the legally binding force that some attach to it: see HENŘY, *International Guidelines for Cooperative Policy and Legislation: UN Guidelines and ILO Recommendation 193*, paper presented at the United Nations Expert Group Meeting “Cooperatives in Social Development: Beyond 2012”, Ulaanbaatar (3-6 May 2011). Attempts at voluntary harmonization include: in the USA the *Uniform Limited Cooperative Association Act* (2007), drafted, approved and recommended for enactment in all the states by the National Conference of Commissioners on Uniform State Laws, also known as Uniform Law Commission (in http://www.law.upenn.edu/bll/archives/ulc/uarca/2007_final.pdf); in Russia the 2007 *Model act on cooperatives and their unions* (in http://www.lawrussia.ru/texts/legal_339/doc339a672x913.htm); the *Framework Law for the Cooperatives in Latin America* (2008) (in <http://issuu.com/jcse.info/docs/frameworklaw>) (the laws of the concerned countries are published in <http://www.aciamericas.coop/-Legislacion-Cooperativa-en-las,45->).

See also HENŘY, “Guidelines for cooperative legislation”, 2nd ed., Geneva, 2005, and in http://www.ilo.org/wcmsp5/groups/public/—ed_emp/—emp_ent/documents/publication/wcms_094045.pdf; WOCCU (World Councils of Credit Unions), “Model law for Credit unions”, 2005, in <http://www.woccu.org/publications/modellaw>, and *ibidem* by the same organization the “Guide to International Credit Union Legislation”.

SGECOL does not take a strong stand in the debate on the convergence of national cooperative laws in Europe, which, however is still very limited, especially compared with that taking place among scholars of company law¹⁰. However, it is worth noting that, outside Europe, several initiatives have been undertaken for the harmonization or even unification of national or state cooperative laws¹¹.

Therefore, SGECOL hopes that its research projects might at least stimulate a discussion among cooperative scholars and relevant cooperative stakeholders on the 7 possibilities for cooperative law convergence in Europe. SGECOL may at least foster a *de facto* approximation of European national cooperative laws on the basis of good practice in cooperative regulation, whose emergence and circulation SGECOL research projects will facilitate.

There is a connection between the SGECOL project and EU policies on cooperatives. In particular, the activity of SCEGOL appears to be in line with the view expressed by the European Commission in its Communication no. 18/2004 of 23/2/2004 on the promotion of cooperative societies in Europe¹². Indeed, in this document, the EC emphasizes the need to improve cooperative legislation in Europe by contacts between the national regulators and common analysis of good or innovative practice¹³. Furthermore, in the same document, the EC on the one hand declares that, notwithstanding the differences in laws, it does not intend to make proposals for the harmonization of national cooperative legislation; but on the other hand – following the opinion of the High Level Group of European Company Law Experts, expressed in the report of November 2002¹⁴ – welcomes initiatives from national and European organizations to draft “model laws” as a means of encouraging gradual approximation of national laws governing cooperatives¹⁵.

12 See COM(2004) 18, of 23.02.2004, on the promotion of co-operative societies in Europe, in http://ec.europa.eu/enterprise/policies/sme/files/craft/social_economy/doc/coop-communication-en_en.pdf.

13 See COM(2004) 18, pp. 11-12.

14 See footnote 4 for the reference.

15 See COM(2004) 18, p. 11.

16 See footnote 5.

17 See footnote 4 for references.

18 See COM(2004) 18, p. 13.

19 See UN resolution no. 56/114 adopted on 19 December 2001, and containing "Guidelines aimed at creating a supportive environment for the development of cooperatives", in <http://www.caledonia.org.uk/papers/Cooperatives%20in%20Social%20Development.pdf>, and ILO Recommendation no. 193/2002, in <http://www.ilo.org/ilolex/cgi-lex/convde.pl?R193>.

Apart from a recent study on the implementation of the SCE Regulation, carried out under the scientific direction of most of SGECOL founding members¹⁶, the EC has not supported research and study initiatives on European cooperative law. By way of contrast, some support has been given to similar initiatives on European company law¹⁷. Therefore, SGECOL would greatly welcome EC support to its future activity, such as public meetings, conferences, and publications. This would demonstrate that the EC is concerned about the equal treatment of cooperatives relative to companies, a point that the EC has often emphasised in its official documents¹⁸.

It is also worth recalling that the United Nations and the International Labour Organization have also expressed the view that the improvement of cooperative law is an essential element of the overall strategy of cooperative promotion¹⁹.

Finally, SGECOL's work is likely to support the cooperative movement, particularly in Europe, in its efforts to gain recognition of the cooperative difference on the part of institutional actors, and to promote the role of cooperatives. From this point of view, SGECOL members believe that the legal dimension of cooperatives is essential to their defence against potential detractors and their promotion with the general public. This appears to be particularly true in those European countries where cooperatives still face a problem of visibility that a clear legal identity (as is the case for companies) and a revival of cooperative legal studies might ease. However, it is equally important in those EU countries where cooperatives benefit from particular measures, for ⁸

example under tax law, and the need regularly emerges to justify this treatment on the grounds of the cooperative difference. The European Court of Justice judgment of 8 September 2011 clearly confirms this contention, as, in the Court's reasoning, a legal text, namely, SCE Regulation, was essential to the Court's recognition of cooperative diversity and consequently of the legitimacy of a particular treatment of cooperatives by comparison with companies²⁰.

20 See European Union Court of Justice, 8 September 2011 (C-78/08 to C-80-08), particularly points 55 ff., in <http://curia.europa.eu/juris/document/document.jspx?docid=109241&pageIndex=0&doclang=EN&mode=doc&dir=&occ=first&part=1&cid=392888>.

21 Antonio Fici will assume the responsibility for coordinating the activity of the group and its members.

2.1. Structure and organization of SGECOL

The authors of this paper have founded SGECOL and are its present full members²¹. SGECOL full members set the research agenda, direct the projects of the group, deliberate on the admission and exclusion of members and other organizational issues. They will meet regularly to discuss fundamental issues, trends and developments of cooperative law in Europe. They are in charge of the drafting of PECOL.

SGECOL will also have another category of members, associate members. Associate members will contribute to the activities of the group by participating in its projects and providing information on their national legal systems and cooperative laws.

Measures will be adopted so that, after a certain period of involvement in the operations of the group, associate members can achieve the status of full members.

As already highlighted above, one of the intended outcomes of the SGECOL project is the establishment of a large European network of cooperative legal scholars. That will, of itself, foster common research and fruitful exchanges of experience and legal knowledge. Therefore, SGECOL will be a team open to all legal scholars from every European country, particularly academics, who wish to contribute to its projects and take part in its initiatives. Accordingly, the maintenance of the status of member, whether full or associate, depends on the member's participation in SGECOL activity.

SGECOL is currently financed by Euricse, which encouraged and supported its foundation, is hosting its secretariat and webpage, and will fund the PECOL project. However, SGECOL would greatly appreciate support from other organizations and institutions, notably research centres dealing with cooperatives, social enterprises or the social economy, whether as sponsors of single events, like meetings, conferences or publications, or as longer term funders of the Group.

3. The Principles of European Cooperative Law (PECOL) project: contents and objectives

During its first meeting in Trento, SGECOL deliberated on the first major project to be undertaken in the next few years – the drafting of “Principles of European Cooperative Law” (PECOL). This section of the paper outlines its contents and objectives. ⁹

PECOL will take the form of legal provisions accompanied by explanatory comments. They will be developed on the basis of the existing cooperative law in Europe, focusing in particular on six European jurisdictions (Finland, France, Germany, Italy, Spain, UK). PECOL, however, will not simply summarize and describe the common core of European national cooperative laws. Going beyond that, the project will provide the main general provisions through which – in the authors' view – cooperative law should be formulated to provide cooperatives with a definite and distinct legal identity *vis-a-vis* other business organizations.

This strategy involves a number of features and assumptions.

Firstly, PECOL provisions, in their authors' view, must not be regarded as “legal principles” in the sense of legal philosophy, but as “ideal” provisions of cooperative law. Therefore, they will not necessarily reproduce rules (or the “better” rules) found in the existing cooperative law, although the latter constitutes the main source of inspiration for the drafters. In this sense, the approach taken in the drafting of PECOL is “normative” rather than

descriptive, in line with the methodology that, in general, SGECOL intends to use in its comparative analysis of cooperative law²².

22 See above § 2 and footnote 7.

23 There are, in fact, additional justifications for the use of this term instead of that of “rules” or similar. First, “principles”, more than “rules”, conveys the idea of provisions that are “fundamental”, which is in line with PECOL drafters’ intention to concentrate on the identity of cooperatives as the fundamental aspect of a cooperative regulation (see immediately below in the text). Second, “principles”, more than “rules”, conveys the idea of provisions that have been formulated by scholars also (or primarily) for pure scientific purposes and that, therefore, are not legally binding.

24 See COM(2004) 18, of 23.02.2004 (quoted in footnote 12); and more recently EU Court of Justice, 8 September 2011 (C-78/08 to C-80-08) (quoted in footnote 20), as well as COM(2011) 206 of 13 April 2011 on Single Market

Moreover, being “ideal”, PECOL provisions do not necessarily need to be detailed, which mainly justifies the use of the term “principles”²³. Therefore, PECOL might also be eventually formulated in a way that allows for their integration and/or adaptation by those (*e.g.*, legislators) who wish to make use of them. In some cases, multiple optional principles may be provided.

Secondly, PECOL will not cover all the possible aspects of a cooperative regulation, but will only concentrate on those aspects that relate to the identity of cooperatives.

SGECOL, indeed, maintains that focusing on cooperative identity, at least in this initial stage of its activity, is paramount, since the main problem in the regulation of cooperatives is providing cooperatives with a definite and distinct legal identity *vis-a-vis* other business organizations. There are many reasons for that, ranging from the protection of the legal brand *per se* to the shaping of specific policies in favour of cooperatives. The latter is perhaps the most delicate issue. The principle of equal treatment would require that the nature of the organization be relevant under tax, labour, competition, state aid, public procurement, insolvency law, *etc.*, in order to treat the organization fairly. Therefore, if the organization has features distinguishing it from all the others, although within the same genus (*e.g.*, business organizations), it may deserve specific treatment, which thus cannot be considered “preferential” but rather “fair” or “adequate” in the context of the particular subject matter.

In the case of cooperatives – but the problem exists also with regard to social enterprises – legislators and policy makers, especially in some European countries and, to a lesser extent, at the EU level²⁴, are still unaware of the cooperative¹⁰

Act, pp. 14 f. (in http://ec.europa.eu/internal_market/smact/docs/20110413-communication_en.pdf), and COM(2011) 682 of 25 October 2011 on Social Business Initiative (in http://ec.europa.eu/internal_market/social_business/docs/COM2011_682_en.pdf).

25 See, on this point, FICI, *Cooperative Identity and the Law* (quoted in footnote 8).

26 See, on this point, the Study cited in footnote 5, as well as FICI, *Cooperative Identity and the Law* (quoted in footnote 8).

27 See the Study cited in footnote 5.

28 In <http://www.ica.coop/coop/principles.html>.

29 See quotation in footnote 19.

difference and cannot even imagine themselves shaping legislation and policies accordingly. One problem is that the cooperative law in force in some European countries either does not provide cooperatives with a distinct legal identity or attributes a legal identity to them which does not completely correspond to the generally understood characteristics of cooperatives²⁵. The fact that cooperative law varies from country to country in Europe²⁶, and that the SCE Regulation has only had a limited success in practice²⁷, certainly does not help build an image of cooperatives different from that of for-profit investor-owned business organizations.

PECOL drafters are conscious that, in any inquiry into “ideal” principles of law, and in this case on the “ideal” legal identity of cooperatives, elements of subjectivity may always appear and influence the results. This risk cannot be completely avoided but only limited by recourse to external, possibly objective, factors as *tertia comparationis*.

To this end, PECOL drafters have identified a set of elements whose synthesis will serve as *tertium comparationis* for the elaboration of the “ideal” legal identity of cooperatives. Namely, these elements are:

- the common European culture as stemming from national cooperative laws and EU cooperative law (*i.e.*, the SCE Regulation);
- the Statement on the Cooperative Identity in the last version adopted by the International Cooperative Alliance in 1995²⁸, and ILO Recommendation no. 193/2002 concerning the promotion of cooperatives, which incorporates ICA Principles and goes beyond that²⁹;
- best practice in cooperative articles of association and by-laws;
- and finally business organization law, particularly company law, as cooperative legal identity might also need to be delineated by contrast with the legal identity of other business organizations.

It is also worth noting that work conducted by a team, where the team comprises persons from different countries and legal cultures, may itself reduce the influence of subjectivity, especially when the methodology applied, as in the case of PECOL, forces researchers to go beyond their national law and to adapt their concepts to a trans-national analysis.

According to the number of relevant areas of interest for the cooperative identity as identified by the drafters, PECOL will be divided into five chapters, which are:

- 1) cooperative social object;
- 2) cooperative governance;
- 3) cooperative financial structure;
- 4) cooperative control;
- 5) cooperation among cooperatives.

Each chapter will be divided into a number of sections depending on the number of points that comprise the area of interest.

Interim reports and the draft PECOL will circulate outside SGECOL and particularly among cooperative professionals and representative organizations, as well as non-legal experts, notably economists.

PECOL will be eventually published in its full and final version and presented at a final conference of the project.

Some final considerations as regards the objectives pursued through the PECOL project are worth mentioning.

The idea of establishing European groups of experts with a specific mission of drafting common European principles of law is not new³⁰. Although a variety of approaches may be found, the common objective of these initiatives is to lay the foundations for a common European regulation of contracts, torts, companies, *etc.* This process has not involved cooperatives so far, which is one of the reasons for SGECOL's initiative in this field. PECOL is a scholarly and scientific project. As such it is not specifically intended to promote the harmonization of national cooperative laws. When cooperatives and cooperative law are the matters at hand, a project like PECOL finds sufficient justification in the promotion of a better understanding of cooperatives and cooperative law.

30 See footnote 4 for references.

31 2012 has been recognized as the International Year of Cooperatives by the United Nations, in consideration of their capacity to build a better world (cf. United Nations General Assembly Resolution A/Res/64/136; see <http://www.2012.coop/>).

Notwithstanding their strong presence in the marketplace and their capacity to contribute to sustainable development³¹, cooperatives, as a business structure, are still relatively unknown in some European countries. That is also true of cooperative law.

Therefore, PECOL has been conceived both as a basis for discussion if the issue of unification, harmonization or approximation of cooperative laws in Europe arises, and as a purely scientific and scholarly work aiming to advance knowledge and understanding of the subject matter under examination. The comments accompanying PECOL may help in this direction.

Being a scholarly and scientific project, PECOL may serve several purposes depending on the users' needs. For researchers it may provide a basis for understanding foreign cooperative laws or undertaking deeper comparative analysis of cooperative law; for legislators, a collection of model rules for improving national or EU cooperative laws; for policy-makers, a device for better understanding cooperatives and cooperative law; for cooperative advocates and representative organizations, a further instrument for defending and promoting the distinct identity of cooperatives relative to other business organizations.

30 See footnote 4 for references.

31 2012 has been recognized as the International Year of Cooperatives by the United Nations, in consideration of their capacity to build a better world (cf. United Nations General Assembly Resolution A/Res/64/136 see <http://www.2012.coop/>).



**The Association of Community Development Finance Institutions
The Bharat Microfinance Report 2014
Support by NABARD**

In a bonanza for farmers, the government today raised agriculture credit target by Rs 50,000 crore to Rs 8.5 lakh crore for 2015-16 fiscal and also announced financial support to enhance irrigation and soil health to achieve higher agriculture productivity.

"Farm credit underpins the efforts our hardworking farmers and I have therefore set up an ambitious target of Rs 8.5 lakh crore of credit during the year 2015-16. I am sure banks will surpass (this target)," Finance Minister Arun Jaitley said while presenting the Budget for 2015-16 fiscal.

Farmers have been availing crop loans upto Rs 3 lakh at 7 per cent interest rate. However, the effective rate of interest for farmers who repay on time is 4 per cent. As against the target of Rs 8 lakh crore for this fiscal, banks have disbursed over Rs 3.7 lakh crore till September.

To support agriculture sector with the help of effective and hassle-free agricultural credit with special focus on small and marginal farmers, the Minister said: "I propose to allocate Rs 25,000 crore in 2015-16 to the corpus of Rural Infrastructure Development Fund set up NABARD."

He also announced an allocation of Rs 15,000 crore for long term rural credit fund, Rs 45,000 crore for short term cooperative rural credit refinance fund and Rs 15,000 crore for short term RRB (regional rural banks)refinance fund.

To boost irrigation and soil health, Jaitley said, "Our commitment to farmers runs deep. We have already taken major steps to address two major factors critical to the agriculture production - soil and water. I propose to support the Agriculture Ministry's organic farm scheme 'Parampara Krishi Vikas Yojana' and 'Pradhan Mantri Gram Sichai Yojana (PMGSY)'...I am allocating Rs 5,300 crore to support micro irrigation watershed programmes and PMGSY," he said and urged states to chip in substantially in this vital sector.

PMGSY is aimed at irrigating the field of every farmer and improving the water usage efficiency to provide per drop more crop, while ambitious soil health card has been launched to improve soil fertility on sustainable basis, he added.

Stressing the need to improve farmers' income, Jaitley said, "While farmers are no longer in the clutches of local traders, his produce still does not command the best notional prices. To increase income of farmers, it is felt that we create a national common market which will have incidental benefit of moderating prices. I intend this year to work with states in Niti for creation of unified national agricultural market," he said.

Noting that increase in productivity and realisation of reasonable price of agri-production is essential for the welfare of rural people, the Minister said, "We should commit to increase irrigation area, improve efficiency of distinct irrigation scheme, promoting agro-based industries, value addition, increasing farm income and reasonable prices for farmers produce."



Tribute to ShriAppasaheb Alias S.R. Patil – A Doyen of Cooperatives

ShriAppasahebPatil commonly known asS.R.Patil was born in a small village 'Jambli' in Kolhapur District on 11th December 1921. He was a strong supporter of socialism and was closely associated with well known socialists from Maharashtra like Shri S.M. Joshi, ShriAchutraoPatwardhan, Shri G.P. Pradhan, ShriMadhuDandavateHowever, in the political environment he was a strong leader of congress party. The sugar factory established near Shirolin Kolhapur district viz. Datta Cooperative Sugar Factory became a nucleus for his developmental activities andhe emerged as a great cooperative leader.The uniqueness of this sugar factory amongst all the sugar factories can be visualizedfor its cleanliness, gardening, beautification , impressive administrative building.The progress made by the sugar factory under the visionary leadership of ShriAppasahebPatil and its developmental activities undertaken for the benefit of members , and others is a true example of one of the remarkable success story for cooperatives. The establishment of ancillary units, consumer store , Hospital ,Industrial Training Institute ,Polytechnic college etc. The leadership of ShriAppasahebPatil has made significant impact not only for members ,employees but also to the common people living in nearby area.ShriAppasahebPatil always preferred white color as his pet which signifies color of perfection safety, purity, and cleanlinessand positive connotation and all these characteristics reflected in each and everything he used including his daily wear ,car ,entire office infrastructure etc. He waselected MLA from Shirol Constituency thrice.His contribution can be noticed from recognition for achievements of the sugar factory both at state and national level including best sugar factory in India, best sugar factory for high recovery, best cooperative society in India. ShriPatil received many awards instituted by various institutions in Maharashtra which prominently includes life time achievement award, SahakarSakharUdyogBhushan, Aryabhushan. He represented many institutions actively involved in agricultureand cooperatives in different capacities viz. expert Director, Director, Chairman, Hon.Secretary, Trustee, etc. During his long and untiring career, he could visit various countries in the world to study the modern techniques related to sugar factory, agriculture, industries, distillery, etc. He devoted his entire life as a social worker, true cooperator and learned sugar industry person. His devotion to the sugar factory is noteworthy, he used to spend every dayalmost 15 hours and was keen to ensure

that development remains a continuous process. In spite of the crisis in the sugar industry, he always maintained the balance between stakeholders of the sugar factory viz. farmers, employees and other associates. He passed away on 1st April 2015. As per his wish the body was donated to Government Medical college at Miraj for the benefit of the students undergoing medical course.

The VAMNICOM family express gratitude and pay tribute for his great contribution to the cooperative sector.

Dr. Y S Patil
Associate Professor & HoC-IT
VAMNICOM, Pune



Business Terms and its Meaning

Aggregate Demand

Total level of demand for desired goods and services (at any time by all groups within a national economy) that makes up the gross domestic product (GDP). Aggregate demand is the sum of consumption expenditure, investment expenditure, government expenditure, and net exports.

Aptitude

Acquired or natural ability (usually measurable with aptitude tests), for learning and proficiency in a specific area or discipline. Aptitude is expressed in interest, and is reflected in current performance which is expected to improve over time with training.

Addendum

Document or information attached or added to clarify, modify, or support the information in the original document or written work. In construction industry, for example, an addendum issued by a client during the bidding process becomes part of the contract documents when the contract is awarded.

Bandwidth

Rate at which electronic signals can travel through a medium, such as a wire, cable, or channel. Bandwidth may be thought of as the width of the 'pipe' through which data travels: greater the width, larger the amount of data that can flow through it. Technically, it means the difference between two frequencies. In analog transmission (such as of voice signals over copper telephone lines) bandwidth is measured in cycles per second (or Hertz); for example, a telephone conversation requires about 4,000 Hertz (4KHz) of bandwidth. In digital transmission (such as of data from one computer to another) bandwidth is measured in bits per second (BPS); for example, modern modems can send and receive data at 56,000 bps (56 Kbps) over ordinary telephone lines. For the same amount of data, digital transmission requires more bandwidth than the analog transmission, and different types of data require very different bandwidths. For example, full motion video normally requires about 10 million bits per second (10 Mbps) bandwidth which is sufficient to carry 1,200 simultaneous telephone conversations.

Capital Expenditure (CAPEX)

An amount spent to acquire or upgrade productive assets (such as buildings, machinery and equipment, vehicles) in order to increase the capacity or efficiency of a company for more than one accounting period. Also called capital spending.

Cash Flow Statement

A summary of the actual or anticipated incomings and outgoings of cash in a firm over an accounting period (month, quarter, year).

It answers the questions:

- Where the money came (will come) from?
- Where it went (will go)?

Cash flow statements assess the amount, timing, and predictability of cash-inflows and cash-outflows, and are used as the basis for budgeting and business-planning.

The accounting data is presented usually in three main sections:

1. Operating-activities (sales of goods or services),
 2. Investing-activities (sale or purchase of an asset, for example), and
 3. Financing-activities (borrowings, or sale of common stock, for example).
- Together, these sections show the overall (net) change in the firm's cash-flow for the period the statement is prepared.

Lenders and potential investors closely examine the cash flow resulting from the operating activities. This section represents after-tax net income plus depreciation and amortization and, therefore, the ability of the firm to service its debt and pay dividends.

With balance sheet and income statement (profit and loss account), cash flow statement constitutes the critical set of financial information required to manage a business.

Context

1. Background, environment, framework, setting, or situation surrounding an event or occurrence.
2. Words and sentences that occur before or after a word or sentence and imbue it with a particular meaning.
3. Circumstances under which a document was created, including its function, purpose, use, time, the creator, and the recipient.

Competition

Economics: Rivalry in which every seller tries to get what other sellers are seeking at the same time: sales, profit, and market share by offering the best practicable combination of price, quality, and service. Where the market information flows freely, competition plays a regulatory function in balancing demand and supply.

Cohort

Group whose members share a significant experience at a certain period of time or have one or more similar characteristics . People born in the same year, for example, are the birth cohorts (generation) for that year. Similarly, married men or those who smoke are cohorts of the other married men or other smokers.

Dislocated Worker

An individual who meets one of the following criteria:

- has been laid off or terminated, or received notice of termination or lay off and is unlikely to return to previous industry of occupation,
- has been terminated or laid off, or has received a notice of termination or lay off, as a result of permanent closure of, or substantial layoff at a plant or facility,
- was self-employed and now unemployed because of a natural disaster,
- was self-employed (including farmer, rancher, or fisherman), but is unemployed as a result of general economic conditions in the community in which he or she resides or because of a natural disaster, or
- is a displaced homemaker.
- Liability
- 1.Finance: A claim against the assets, or legal obligations of a person or organization, arising out of past or current transactions or actions. Liabilities require mandatory transfer of assets, or provision of services, at specified dates or in determinable future.
- 2.Accounting: Accounts and wages payable, accrued rent and taxes, trade debt, and short and long-term loans. Owners' equity is also termed a liability because it is an obligation of the company to its owners. Liabilities are entered on the right-hand of the page in a double-entry bookkeeping system.
- 3.Law: (1) Responsibility for the consequences of one's acts or omissions, enforceable by civil remedy (damages) or criminal punishment. (2) An obligation to do or refrain from doing something.

Empowerment

A management practice of sharing information, rewards, and power with employees so that they can take initiative and make decisions to solve problems and improve service and performance.

Empowerment is based on the idea that giving employees skills, resources, authority, opportunity, motivation, as well holding them responsible and accountable for outcomes of their actions, will contribute.

Financial Leverage

The use of borrowed money to increase production volume, and thus sales and earnings. It is measured as the ratio of total debt to total assets. The greater the amount of debt, the greater the financial leverage.

Since interest is a fixed cost (which can be written off against revenue) a loan allows an organization to generate more earnings without a corresponding increase in the equity capital requiring increased dividend payments (which cannot be written off against the earnings). However, while high leverage may be beneficial in boom periods, it may cause serious cash flow problems in recessionary periods because there might not be enough sales revenue to cover the interest payments. Called gearing in UK. See also investment leverage and operating leverage.

Fiscal Policy

Government's revenue (taxation) and spending policy designed to (1) counter economic cycles in order to achieve lower unemployment, (2) achieve low or no inflation, and (3) achieve sustained but controllable economic growth. In a recession, governments stimulate the economy with deficit spending (expenditure exceeds revenue). During period of expansion, they restrain a fast growing economy with higher taxes and aim for a surplus (revenue exceeds expenditure). Fiscal policies are based on the concepts of the UK economist John Maynard Keynes (1883-1946), and work independent of monetary policy which tries to achieve the same objectives by controlling the money supply.

Intranet

Internal or private network of an organization based on internet technology (such as hypertext and TCP/IP protocols) and accessed over the internet. An intranet is meant for the exclusive use of the organization and its associates (customers, employees, members, suppliers, etc.) and is protected from unauthorized access with security systems such as firewalls. Intranets provide services such as email, data storage, and search and retrieval functions, and are employed in disseminating policy manuals and internal directories for the employees, price and product information for the customers, and requirements and specifications for the suppliers. Some intranets are confined to a building whereas others span continents.

Liability

1. Finance: A claim against the assets, or legal obligations of a person or organization, arising out of past or current transactions or actions. Liabilities require mandatory transfer of assets, or provision of services, at specified dates or in determinable future.
2. Accounting: Accounts and wages payable, accrued rent and taxes, trade debt, and short and long-term loans. Owners' equity is also termed a liability because it is an obligation of the company to its owners. Liabilities are entered on the right-hand of the page in a double-entry bookkeeping system.
3. Law: (1) Responsibility for the consequences of one's acts or omissions, enforceable by civil remedy (damages) or criminal punishment. (2) An obligation to do or refrain from doing something.

Marxism

A system of economic, social, and political philosophy based on ideas that view social change in terms of economic factors. A central tenet is that the means of production is the economic base that influences or determines the political life.

Under Marxism, outdated class structures were supposed to be overthrown with force (revolution) instead of being replaced through patient modification. It held that as capitalism has succeeded feudalism, it too will be removed by a dictatorship of the workers (proletariat) called socialism, followed quickly and inevitably by a classless society which governs itself without a governing class or structure. Developed in the 19th century jointly by two lifelong German friends living in London - Karl Marx (1818-1883) and Friedrich Engels (1820-1895) - it forms the foundation of communism.

Mercantilism

Body of economics thought popular during the mid 16th and late 17th centuries. It held that money was wealth, accumulation of gold and silver was the key to prosperity, and one nation's gain was another's loss. Supported by economists such as Gerard de Malynes (1586-1641), Edward Misselden (1608-54), and Sir Thomas Mun (1571-1641) in the UK, Jean Baptiste Colbert (1619-83) in France, and Antonio Serra in Italy (1570-?), it exhorted governments to maintain surplus of exports over imports through tariffs (duties), colonialism, and other such measures. Mercantilism's demise was initiated by David Hume, Adam Smith (who coined the term), and other classical economist (see Classical Economics)

who saw it as serving only the merchant class and argued that real wealth was to be equated with full employment through greater production of goods and services. In more recent times, the mercantilism dogma was revived by the UK economist John Maynard Keynes (1883-1946) when he stated that a surplus in balance-of-trade stimulates demand, thus increasing the national wealth. When corporations, politicians, and unions demand control over imports through higher-duties to protect local jobs and industries, they are resorting to mercantilism. See also *laissez faire* economics.

Null Hypothesis

A proposition that undergoes verification to determine if it should be accepted or rejected in favor of an alternative proposition. Often the null hypothesis is expressed as "There is no relationship between two quantities."

For example, in market research, the null hypothesis would be "A ten-percent increase in price will not adversely affect the sale of this product." Based on survey results, this hypothesis will be either accepted as correct or rejected as incorrect.

Organizational Culture

The values and behaviors that contribute to the unique social and psychological environment of an organization.

Organizational culture includes an organization's expectations, experiences, philosophy, and values that hold it together, and is expressed in its self-image, inner workings, interactions with the outside world, and future expectations. It is based on shared attitudes, beliefs, customs, and written and unwritten rules that have been developed over time and are considered valid. Also called corporate culture, it's shown in (1) the ways the organization conducts its business, treats its employees, customers, and the wider community, (2) the extent to which freedom is allowed in decision making, developing new ideas, and personal expression, (3) how power and information flow through its hierarchy, and (4) how committed employees are towards collective objectives.

It affects the organization's productivity and performance, and provides guidelines on customer care and service, product quality and safety, attendance and punctuality, and concern for the environment. It also extends to production-methods, marketing and advertising practices, and to new product creation. Organizational culture is unique for every organization and one of the hardest things to change.

Patent

1. Clear or obvious on the fact of it.

2. Limited legal monopoly granted to an individual or firm to make, use, and sell its invention, and to exclude others from doing so. An invention is patentable if it is novel, useful, and non-obvious. To receive a patent, a patent application must disclose all details of the invention so that others can use it to further advance the technology with new inventions. Patentable items fall under four classes (1) Machine: apparatus or device with interrelated parts that work together to perform the invention's designed or intended functions, (2) Manufacture: all manufactured or fabricated items, (3) Process: chemical, mechanical, electrical or other process that produces a chemical or physical change in the condition or character of an item, and (4) Composition of matter: chemical compounds or mixtures having properties different from their constituent ingredients. In most of the world, patents are granted on the 'first to apply' basis, with a protection period of 7 years (India) to 20 years (European Union). In the US, they are granted for 17 years on the 'first to invent' basis. Responsibility of identifying, locating, and suing the patent violators, however, rests solely with the patent holder; patent law provides only means of prosecution and determination of just compensation.

Referendum

Ballot by which people directly decide between (usually two) alternatives on a major issue, such as whether or not to join a particular community of nations.

Ad valorem tax levied on sale of goods or services. Unlike a value added tax (VAT, levied only on the net increase in price at every point a good or service moves from one seller to the next purchaser) sales tax is a cost and involves double taxation (tax on tax) because it is imposed on the gross price (seller's net cost price + sales-tax paid by the seller + seller's profit) at each point of sale.

Sales Tax

Ad valorem tax levied on sale of goods or services. Unlike a value added tax (VAT, levied only on the net increase in price at every point a good or service moves from one seller to the next purchaser) sales tax is a cost and involves double taxation (tax on tax) because it is imposed on the gross price (seller's net cost price + sales-tax paid by the seller + seller's profit) at each point of sale.



Institute News

- ✓ Institute celebrated Convocation Ceremony of PGDM-ABM 2015 Batch. Shri Mohanbhai Kalyanbhai Kundaria was the Chief Guest and also released Cooperative Perspective Special issue on National Level Cooperative Federation in Jubilee Hall on 1st April, 2015.
- ✓ Er. Sanjeeb Patjoshi, IPS, Director, VAMNICOM & CICTAB graced the event of Career Guidance and Counseling to the Students of SSC, HSC and Universities at Pune University on 27th April, 2015.
- ✓ Er. Sanjeeb Patjoshi, IPS, Director, VAMNICOM & CICTAB was Hon'ble Chief Guest of 3rd Real Convention of Bharatiya Sugar and spoke on Indian Sugar Industry and also presented awards on 27th May, 2015 at Yashwantrao Chavan Sabhagruha, New Shivaji University, Kolhapur.
- ✓ The Programme on Financial Inclusion-Capacity Building of Directors & Senior Officers of District Central Cooperative Banks (all India) in collaboration with NABARD H.O., Mumbai was inaugurated by **Shri Lalit Jadhav, Dy. General Manager NABARD, Pune** and **Shri Shri Shibnath Choudhury, Chairman, Nadia District Central Co-operative Bank Ltd, Nadia** presided over the programme. **Dr. Medha Dubhashi, Professor & Head, Centre for Gender Studies** coordinated the programme on 2nd & 3rd June, 2015. There were 22 participants.
- ✓ The 2 days "**State Level Post Budget Consultation on Gender Budgeting**" was conducted for the Secretaries / Principal Secretaries/ Senior Officers in collaboration with Ministry of Women and Child Development, New Delhi and Maharashtra State Commission for Women, Mumbai at our Institute on 8th & 9th June, 2015. **Shri A. N. Tripathi, IFS, Member Secretary, Maharashtra State Commission for Women, Mumbai & Dr. Paramita Majumdar, Senior Consultant (GB), Ministry of Women and Child Development, Govt. of India** inaugurated the Programme. **Er. Sanjeeb Patjoshi, IPS, Director, VAMNICOM & CICTAB, Pune** was also present for the Inauguration.

Dr. Medha Dubhashi, Professor and Head, Centre for Gender Studies coordinated this programme. There were 24 Participants who attended the Programme. Shri Tripathi gave his valuable guidance to the participants on Women Development Constraints and Schemes in Gender Budgeting

Dr. Paramita Majumdar gave the highlights of the State Budget 2015-16 for women in particular, an overview of violence against women in Maharashtra and the details of Manodhairya Scheme and its impact on women beneficiaries.

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The valedictory function of the Post Graduate Diploma in Cooperative Business Management -PGDCBM (48th Batch) was held on 15th June, 2015 at VAMNICOM. Shri Pema Tshering, Managing Director, Bhutan Development Bank, Thimpu was Chief Guest for the said function. The certificates and awards of prizes were distributed to the successful participants of the PGDCBM. Presidential address delivered by Er. Sanjeeb Patjoshi, IPS , Director, VAMNICOM & CICTAB.

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Dr. T. Paranjothi, Professor and HoC-ME participated and presented paper titled "Legal Aspects and Grass Root Level Cooperatives in the UGC" sponsored two days International Conference on Development Goals at the Grass Roots : Policy Perspective and Challenges (JCDGG-2015) on 22-23 June 2015 at Gandhigram Rural Institute, Gandhigram, Tamil Nadu.



ABOUT THE INSTITUTE'S PROGRAMME

website: www.vamnicom.gov.in

Sr. No.	Name of the Programme	Duration	Programme Dates	Programme Director	Eligibility Criteria
1	Post Graduate Diploma In Management - Agri Business Management (MBA) - 2015-2017 (23rd Batch)	52 weeks	1st July 2015 to 9th June 2016	Dr. T. Paranjothi	Any Graduate with CAT /MAT / XAT / ATMA / CMAT of AICTE
2	Diploma in Cooperative Business Management (49th Session of DCBM)	36 weeks	31st August, 2015 to 7th May, 2016	Kh. Somorendro Singh	Cooperative In-service participants
3	Diploma in Management of Computer Operations (DMCO)	12 weeks	1st December, 2015 to 29th February, 2016	Dr. Y.S. Patil	Cooperative In-service participants



TRAINING PROGRAMME FOR THE YEAR 2015-16

Sr. No.	Name of the Programme	Programme Date	Programme Director
1.	Programme on Credit Appraisal/Project Appraisal, Documentation, Society, Auditing Recovery & NPA Management for Officers of District Central Coop. Bank Ratnagiri at Ratnagiri	1/7/2015	Dr. Y.S. Patil
2.	Programme for the Officers of District Central Cooperative Bank Ltd, Pune	29/6/2015 to 3/7/2015	Dr. D.A. Divekar
3.	Youth Leadership Development Training Programme sponsored by BARTI, Pune	29/6/2015 to 5/7/2015	Mrs. M. Kadam
4.	Youth Leadership Development Training Programme (Samatadut) sponsored by BARTI, Pune	5/7/2015 to 11/7/2015	Dr. M. R. Joshi
5.	Programme on Recovery Management & SAARFAESI Act 2002	7/7/2015 to 9/7/2015	Mr. K.C.S. Kutty
6.	Programme for Directorate of Municipal Administration Govt. of Maharashtra	7/7/2015 to 9/7/2015	Dr. Y.S. Patil
7.	Programme for Leadership Development for the Office Bearers & Board of Directors of Sugar Factories	10/7/2015 to 12/7/2015	Mr. A.M. Karanjkar
8.	Programme on Loan Recovery & NPA Management for Chairman & Secretaries of Multipurpose Cooperative Societies under District Central Cooperative Bank Ratnagiri at Dapoli	14/7/2015	Dr. Y.S. Patil
9.	Programme on Loan Recovery & NPA Management for Chairman & Secretaries of Multipurpose Cooperative Societies under District Central Cooperative Bank Ratnagiri at Khed	15/7/2015	Dr. Y.S. Patil
10.	Programme on Awareness for Cooperatives	18/7/2015	Dr. T. Paranjothi
11.	Programme on Loan Recovery & NPA Management for Chairman & Secretaries of Multipurpose Cooperative Societies under District Central Cooperative Bank Ratnagiri at Mandangad	16/7/2015	Dr. Y.S. Patil
12.	Youth Leadership Development Training Programme sponsored by BARTI, Pune	15/7/2015 to 21/7/2015	Dr. R. Elangovan
13.	Programme on Loan Recovery & NPA Management for Chairman & Secretaries of Multipurpose Cooperative Societies under District Central Cooperative Bank Ratnagiri at Guhagar	21/7/2015	Mr. K.C.S. Kutty
14.	Training Programme for Trainers under State Cooperative Unions	20/7/2015 to 22/7/2015	Dr. T. Paranjothi
15.	Programme on Loan Recovery & NPA Management for Chairman & Secretaries of Multipurpose Cooperative Societies under District Central Cooperative Bank Ratnagiri at Chiplun	22/7/2015	Mr. K.C.S. Kutty
16.	Programme on Accrual based Double Entry Accounting System for Auditors & Accountants of Urban Local Bodies in Maharashtra	23/7/2015 to 25/7/2015	Dr. Y.S. Patil
17.	Programme on Legal Aspect of Outsourcing of Human Resource	27/7/2015 to 29/7/2015	Mr. K.C.S. Kutty
18.	Programme on Information Technology updates & IT Security Challenges for Board Members, GM/CEO & Officers of Coop. Banks at GOA	28/7/2015 to 30/7/2015	Dr. Y.S. Patil

Sr. No.	Name of the Programme	Programme Date	Programme Director
1.	Programme on Customer Centric Culture in Cooperatives-	3/8/2015 to 6/8/2015	Mr.V.Sudhir
2.	Programme on Loan Recovery & NPA Management for Chairman & Secretaries of Multipurpose Cooperative Societies under District Central Cooperative Bank at. Devrukh Dist.Ratnagiri	4/8/2015	Dr.Y.S.Patil
3.	Training Programme on Successful Cooperative Model-U.K.(International)	4/8/2015 to 8/8/2015	Dr. T. Paranjothi
4.	Programme on Loan Recovery & NPA Management for Chairman & Secretaries of Multipurpose Cooperative Societies under District Central Cooperative Bank at. Lanja Dist.Ratnagiri	5/8/2015	Dr. Y.S. Patil
5.	Management Development Programme for Agricultural Assistant & Scientists on Climate Change in Indian Agriculture Sector	20/8/2015	Mr. A.M.Karanjkar
6.	Programme on Database Management for Cooperative Rural Financing of Institution(Collobration with CICTAB)	10/8/2015 to 14/8/2015	Dr. Y.S. Patil
7.	Programme on Municipal Administration Govt.of Maharashtra	17/8/2015 to 19/8/2015	Dr.Y.S. Patil
8.	Short Term Programme on Regulatory frame work and Compliance with NAFCUB	19/8/2015 to 21/8/2015	Shri K.C. S. Kutty
9.	Management Development Programme for Agricultural Assistant & Scientists on Climate Change in Indian Agriculture Sector	1/8/2015 to 22/8/2015	Mr. A.M.Karanjkar
10.	Training Programme on Future Bazar and forward Marketing	21/8/2015 to 22/8/2015	Dr.M.R.Joshi
11.	Seminar on Cooperative Governance-Corporate Governance Practice for Cooperatives at Goa	23/8/2015 to 25/8/2015	Dr. R. Elangaovan
12.	Programme on Branch Management	24/8/2015 to 27/8/2015	Shri K.C. S. Kutty
13.	Programme for the Officer of District Central Cooperative Bank,Pune	24/8/2015 to 28/8/2015	Dr. D.A. Divekar
14.	Proogramme on information Techonology Goverance for Business growth of Coop. Bank- Andman- Nicobar	26/8/2015 to 28/8/2015	Dr.Y.S.Patil

Sr. No	Name of the Programme	Programme Date	Programme Director
1.	Programme on Municipal Administration	31st to 4th Sept. 2015	Dr.Y.S.Patil
2.	Programme on Renewable Energy Management for IFS Officers	3rd to 4th Sept. 2015	Dr.D.Ravi
3.	Programme on Competitive advantage through Human Resource Management	2nd to 4th Sept. 2015	Mr.V.Sudhir
4.	Programme on Sugar Futures Trading	Date to be decided	Dr. R. Elangovan
5.	Programme on Cooperative Reforms	7th to 9th Sept. 2015	Dr.T.Paranjothi
6.	Programme on Business Communication and Customer Relation	7th to 9th Sept. 2015	Dr.K.H.S.Singh
7.	NCDC Programme	7th to 9th Sept. 2015	Mr.A.M.Karanjkar
8.	Management Development Programme for Sr./Jr.Officers of Pune District Central Cooperative Banks	7th to 11th Sept. 2015	Dr. D.A. Divekar
9.	Big Data Analytics	8th to 10th Sept. 2015	Dr.D.A. Divekar
10.	Programme for Bhartiya Sugar	12th to 14th Sept. 2015	Mr.A.M.Karanjkar
11.	Programme on H.R. & Legal Aspects of Business for Cooperative & Rural Financing Institutions	14th to 18th Sept. 2015	Mr.K.C.S.Kutty
12.	BARTI Programme	25th Sept .to 3rd Oct. 2015	To be decided
13.	Programme on Security Concerns for e-delivery channels & Security Policy Inclusions	22nd to 23rd Sept. 2015	Dr.Y.S.Patil
14.	Micro Finance for Urban Coop.Banks	22nd to 24th Sept. 2015	Dr.M. Dubhashi
15.	Programme on Developing Strategies and Action Plan to meet Challenges in Industrial Coop.	22nd to 24th Sept. 2015	Mr.A.M.Karanjkar
16.	Programme on Municipal Administration	28th to 30 Sept. 2015	Dr.Y.S.Patil
17.	Bench Marking of Micro Finance & Micro Enterprises Practices in Cooperatives	Date to be decided	Dr.M. Dubhashi
18.	Programme on Challenges in Dairy Cooperative	Date to be decided	Mrs. M. Kadam
19.	Exposure visit - Srilanka Delegates	28th Sept. to 2nd Oct. 2015	Dr.D.Ravi

Sr. No.	Name of the Programme	Programme Dates	Programme Director
1.	Strategic Management and Management of Change	5th to 8th Oct. 2015	Mr.V.Sudhir
2.	Programme on Municipal Administration	5th to 7th Oct. 2015	Dr.Y.S.Patil
3.	Programme on Leadership Development	5th to 8th Oct. 2015	Mr.K.C.S.Kutty
4.	IFFCO Programme		Dr.M.R.Joshi
5.	Programme on Municipal Administration	8th to 10th Oct. 2015	Dr.Y.S.Patil
6.	Programme on ATM in application in Coop. Banks with Special Focus on Customer Convenience	12th to 14th Oct. 2015	Mr.P. Chattopadhyay
7.	Seminar on FIU-IND, KYC & AML for CEOs & Sr. Officers of UCBs(NAFCUB)	12th Oct.2015	Mr.K.C.S.Kutty
8.	Programme on Municipal Administration	12th to 14th Oct. 2015	Dr.Y.S.Patil
9.	Programme on Corporate Governance for Financial Coops.-Training of Board of Directors of DCC Banks	13th to 16th Oct. 2015	Dr. M. Dubhashi
10.	Prog.on Financial management & Tax Planning	14th to 16th Oct. 2015	Dr.R.Ravi
11.	Prog.on Impact of Information Technology on Business performance through Exposure visit to Surat DCC Bank for State & Dist Coop.Banks-Surat	15th to 16th Oct. 2015	Dr.Y.S.Patil
12.	Vishkha Guidelines-Information & Implmentation	19th to 20th Oct. 2015	Dr. M. Dubhashi
13.	Prog. On Commodity Trading	Date to be decided	Dr. R. Elangovan
14.	Programme on Renewable Emgery Management for Dairy Cooperatives	21st to 23rd Oct. 2015	Dr. D. Ravi
15.	Leadership Development Programme for employee Cooperative	26th to 28th Oct. 2015	Dr. T. Paranjothi
16.	Programme on Municipal Administration	26th to 28th Oct.2015	Dr.Y.S.Patil
17.	Management Development Programme for Sr./Jr.Officers of Pune District Central Cooperative Banks	26th to 30th Oct. 2015	Dr. D.A. Divekar
18.	Programme on Business Communication and Customer Relation	28th to 30th Sept. 2015	Dr. Kh.S.Singh
19.	Programme on Municipal Administration	29th to 31st Oct. 2015	Dr.Y.S.Patil
20.	Prevention for Alcohol/Anti Addiction	30th Oct. 2015	Dr. M. Dubhashi

Sr. No.	Name of the Programme	Programme Dates	Programme Director
1.	Programme on Competitive advantage through innovative products & Services	2nd to 5th Nov. 2015	Mr. V. Sudhir
2.	Management Development Programme for Coop. Leaders	2nd to 4th Nov. 2015	Mr. P. Chattopadhyay
3.	Programme on Municipal Administration	2nd to 6th Nov. 2015	Dr.Y.S.Patil
4.	Management Development Programme for Sr./Jr.Officers of Pune District Central Cooperative Banks	2nd to 6th Nov. 2015	Dr. D.A. Divekar
5.	Programme on Municipal Administration	16th to 20th Nov. 2015	Dr.Y.S.Patil
6.	Climate Change and Role of Cooperatives	18th to 20th Nov. 2015	Dr. M. Dubhashi
7.	Programme on Human Resource Development	18th to 21st Nov. 2015	Mr.K.C.S.Kutty
8.	Programme on prevention & Detection of Frauds in Computerized Environment & Technology Risk Management for UCBS	18th to 20th Nov. 2015	Dr. D.A. Divekar
9.	Single Women/Women Household's Problems and its Solution	20th Nov. 2015	Dr. M. Dubhashi
10.	Programme on ALM for UCBS	23rd to 25th Nov. 2015	Dr. R. Elangovan
11.	Information Technology Update for Board of Directors, CEOs, of Non-IT background need of core banking system for New Age Banking	24th to 26th Nov. 2015	Dr.D.A. Divekar
12.	Leadership Development Programme on Organizational Development	26th to 28th Nov.2015	Dr.K.H.S. Singh
13.	Programme on Municipal Administration	26th to 28th Nov. 2015	Dr.Y.S.Patil
14.	Workshop on De-addiction	27th Nov. 2015	Dr. M. Dubhashi
15.	Exposure visit cum Training Programme for Coopertive Banks	30th Nov. to 4nd Dec. 2015	Dr. N. K. Dubey
16.	Management Development Programme for Sr./Jr.Officers of Pune District Central Cooperative Banks	30th Nov. 4th Dec. 2015	Dr. D.A. Divekar

Sr. No.	Name of the Programme	Programme Date	Programme Director
1.	Programme on Business Strategies for Coops.	2nd to 4th Dec.2015	Mr. V. Sudhir
2.	Programme on Legal Issue & Aspects affecting UCBs	2nd to 4th Dec. 2015	Mr. K.C.S.Kutty
3.	Programme on Municipal Administration	7th to 9th Dec. 2015	Dr.Y.S.Patil
4.	Programme on Issue Enhancing Profitability and Productivity for Chairman & Directors of UCBs	8th to 10th Dec. 2015	Mr. A. M. Karanjkar
5.	Training Prog.on Financial Inclusion with Special Focus on Application of Information Technology (IT) in Implementation of FI	7th to 9th Dec.2015	Mr. P. Chattopadhyay
6.	Programme on Municipal Administration	10th to 12th Dec.2015	Dr.Y.S.Patil
7.	Financial Inclusion Through Cooperatives	14th to 16th Dec. 2015	Dr.M. Dubhashi
8.	Programme on Municipal Administration	14th to 16th Dec. 2015	Dr.Y.S.Patil
9.	Application of Information Technology for Rural Financing Institutions & Coops. In Collaboration with CICTAB- Min. of Agril. Govt.of India	14th to 18th Dec. 2015	Dr.D.Ravi
10.	Management Development Programme for Sr./Jr.Officers of Pune District Central Cooperative Banks	14th to 18th Dec.2015	Dr. D.A. Divekar
11.	Programme on Municipal Administration	17th to 19th Dec. 2015	Dr.Y.S.Patil
12.	Programme on Labour Laws	21st to 23rd Dec.2015	Shri K.C. S. Kutty
13.	Programme on presentation skills and Leadership Development	21st to 23rd Dec.2015	Dr.K.H.S. Singh
14.	Programme on Municipal Administration	21th to 23th Dec. 2015	Dr.Y.S.Patil
15.	Boosting office Productivity through Technology	21st to 24th Dec. 2015	Dr.D.A. Divekar
16.	Programme on Municipal Administration	28th to 30th Dec. 2015	Dr.Y.S.Patil
17.	Programme on Municipal Administration	28th to 30th Dec.2015	Dr.Y.S.Patil
18.	Programme on Municipal Administration	31st Dec. 2015 to 2nd Jan. 16	Dr.Y.S.Patil

GUIDELINES TO CONTRIBUTIONS

1. Two copies of the manuscript typed in double space and soft copy along with an abstract of 100 words should be sent to the Managing Editor, Co-operative Perspective, VAMNICOM, University Road, Pune 411 007.
2. The articles are sent for review to the Referees.
3. Name (s) and affiliation (s) of author (s) should be provided in a separate page along with title of the article.
4. Papers sent for publication should not have been published or sent for publication elsewhere.
5. Five off prints of the article and a copy of the journal are provided.
6. All remittances may be sent to Director, Vaikunth Mehta National Institute of Co-operative Management, University Road, Pune 411 007 or it can be transferred at Saraswat Cooperative Bank Ltd., VAMNICOM Branch, Pune 411007 A/c. No. 110200100001763 / IFSC Code SRCB0000110 and details sent by email.

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