

CO-OPERATIVE PERSPECTIVE

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

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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.

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- (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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SPECIAL ISSUE ON COOPERATIVE MOVEMENT IN SAARC COUNTRIES

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THE ROLE OF THE NATIONAL COOPERATIVE UNION OF INDIA

Chandrapal Singh Yadav*

Introduction:

Indian cooperative movement is the world's largest movement with more than 0.6 million cooperative societies and having 24 millions memberships. The movement is playing a very important role for more than hundred years support the people through active contribution in the upliftment of the people in rural areas and in the development of various sectors of the economy.

Primary cooperatives at the grassroots level are considered as the axis of growth and development in various sectors of the economy such as agriculture, banking, sugar, dairy, handicraft, health, education, irrigation, transport, textile production etc; as it has played a very important role in meaningful development. Therefore, these Primary Cooperative Societies working at the grass root level are the backbone of the cooperative movement.

Primary Cooperative Societies if they are economically viable, strong and multi functional then they will lend support to District, State and even National Level Federations. This will be possible only when the State and National Level Federations, give timely guidance, assistance and help. Then only the Primary Societies will become viable and function as a successful organisation. The viable and economically strong Primary Cooperative Societies will help the common citizens of our Country by implementing various Government schemes and programmes so as to fulfill their basic needs.

In this endeavor, the Apex Federation should help and guide the Primary Cooperative Societies. It should not be forgotten that the State and National Level Unions and Federations are formed to help, protect and develop the Primary Cooperative Societies. Every Cooperative Union and Cooperative Federation has statutory responsibilities towards the Primary Cooperative Societies.

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These Federations are statutorily bound to help, assist and guide the Primary Cooperatives. At this stage, once again we will insist that the Federations and Unions are formed only to help and protect the Primary Cooperative Societies and moreover their existence depend only upon these Primary Cooperatives. Evaluation/yardstick of performance measurements of these Cooperative Unions are nothing but the help and assistance rendered by these Cooperative Unions in the development Member Primary Cooperative Societies. Their performance will be counted on the attempts made by them for the economic development of the Primary Societies, quality of services rendered and facilities provided and moreover the exchange of resources between Primary Cooperative Societies and Cooperative Federations. The share capital, the reserves and structure of the Federation are only the secondary parameters of Cooperative federation's performance.

Meaning of Cooperative Federation:

Cooperative Union/Federation is one, whose Members are only Cooperative Societies. All the Federations/Unions follow this principle but IFFCO and KRIBHCO are the only two exceptional Cooperative Societies which are formed as Federal Societies but they are not Apex Federal Union/Federation. IFFCO and KRIBHCO are only Primary Cooperative Societies but they operate at the All-India level given their unique functions.

Apex Cooperative Unions are particularly Federal Societies. In this structure Primary Cooperative Societies become Member of secondary federation like block level or district level. These secondary federation/cooperative Unions become member of the territory federation it means State Level Federation. The State Level Federation became Member of the Apex National Level Federation. This structure is formed with only one objective that is the co-ordination and cooperation between the three levels of cooperative societies needs to be very smooth and harmonious. However, it is observed that in the Cooperative Movement this chain is neglected, overlooked due to which many structural and organisational difficulties arise in the smooth functioning of Cooperative Movement.

Type of Cooperative Unions/Federations:

In India Cooperative Unions and Federations are of two types: Vertical and Horizontal.

In the first type, it means the Vertical Cooperative Unions; the Primary Cooperatives are; connected to Apex National Cooperatives through district and state level cooperative federations. All these Cooperative Societies are vertically connected with each other. In this type of cooperative structure the principle is that the member cooperatives financially help the Federal Cooperative Society and in return Federal Cooperative Society to develop and help the member societies. NAFED, Federation of State Cooperative Banks, Federation of Land Development Bank, All India Cooperative Sugar Mills Federation, All India Cooperative Dairy Federation and National Cooperative Consumer Federation are some of the cooperative federal societies that belong to this type of structure.

Cooperative Federations are also formed by cooperative societies, State and National level Cooperative Societies horizontally, to propagate cooperative movement. By nature and working, their ideology is same and in their areas of operation they coordinate, monitor the cooperative movement. Their membership is open to all types of cooperative societies. These types of Horizontal Cooperative Societies are called as Cooperative Unions. At the district level all the cooperative societies working in the district will become member of the District Cooperative Union; all District Cooperative Unions and Multi State Cooperative Societies will become member of State Cooperative Union. In some of the States the Cooperative Societies are registered under Multi State Cooperative Societies Act and the State Cooperative Unions have converted themselves into Cooperative Development Corporations. National Cooperative Union of India, State and District Cooperative Unions are the horizontal Cooperative Federations. In this type of Unions, all Unions come together to form a federal union. Few cooperative experts term vertical cooperative federations as a Commercial Cooperative Federations and the Horizontal Cooperative Unions are called as Developmental Cooperative Federation. In addition to this National Cooperative Fisheries Federation, Tribal Cooperative Marketing Federation are considered Commercial and Developmental; Mixed Cooperative Unions.

Role of Cooperative Unions:

The above mentioned types both Cooperative Federations i.e. Horizontal and Vertical have a very active role in the development and prosperity of the cooperative movement. The Cooperative Federation's main role is to give advice to the Cooperative Societies carry out their appraisal, helping their operations and accountable to them. The serviceability of Primary Cooperative Societies mainly depends upon active, efficient and effective role of the cooperative federations. The role of Cooperative Federations can be of four types explained briefly as follows:

1. Spokesperson:

Cooperative Federations on behalf of the cooperative movement act as spokesperson and express their views on the national policy; build up the image and brand of cooperative movement; represent the cooperative movement at National and International forums through Seminars, Conferences, Congress and Exhibitions etc. The cooperative federations represent India and present the opinion, suggestions and policies on behalf of cooperative movement. More over these cooperative federations participate in the formulation of various Government policies and schemes. As a whole cooperative federation propagate and publicize the issues concerning cooperative movement.

2. Developmental Role:

Cooperative Federations under developmental role work to/attempt to form the Primary Cooperative Societies in the sectors where they are not formed so far. The revival of weak and sick Cooperative Societies; research on organisation of Cooperative Societies and cooperative movement; forming a cadre of qualified and experienced officers at various levels for the management of Cooperative Societies; organisation of professional training programmes for office bearers and officers of the Cooperative Societies; organisation and conduct of the Member Education Programmes and establishing and managing the cooperative training centres for Members; collect and publish the market related data and information for the Cooperative Societies are the major activities performed under developmental role. State Cooperative Unions run the Cooperative Education and Training Centres, exhibition, business fair, organisation of

commercial activities, run the library and information centre are the other activities federations discharge under developmental role.

3. Role as Advisor:

The main role of the Cooperative Federations as a advisor is as follows:

For the Development of Cooperative Movement the federations prepare the technical and financial plans, modernisation of business, give technical support for expansion, give support in the recruitment and selection of technical and managerial officers, assist in purchases and installation of machinery for the construction of building selections of the places and preparation of drawings, for the different cooperatives and their departments, provide the arrangements for monitoring, participation of local people, assist in managing the Cooperative Societies in a democratic and professional manner, extend all advise for ensuring social justice and so on.

4. Professional Role:

The National Cooperative Federation under professional role help the Cooperative Societies to import and export in International business and for the State Level Cooperative Federations assist in fixation and implementation price support scheme (IMPS).

It is observed that the Indian Cooperative Movement finds that most of the Cooperative Federations are finding it difficult to discharge their duties and roles appropriately due to different internal and external reasons. In the quest of earning for themselves the Cooperative Federations are neglecting the interest of their Member Societies. In many cases these federations are in un-healthy competition with Member organisation and ultimately making the Member organisation very weak. Due to this approach by federation, federalism gets weakened and deteriorates. The main reason for denying the importance to federalism in the Cooperative Movement is, most of the States, the State cooperative federal unions are managed by Government appointed Administrator or nominated Board of Directors. They do not have any statutory or moral attachments as well as responsibility with the Member Cooperative Societies. Neither they have sympathy for the poor conditions of the Primary Societies. This uncaring and neglecting attitude has made most of the Primary Cooperative Societies working in the country very weak. Further, it is observed that many of the cooperative Business

Federations working in the Country do not have faith on the usefulness and very existence of the Primary Cooperative Societies. They do not help to resolve their problems and challenges. This has adversely affected the cooperative movement. There is one more reason that the cooperative federations are not able to influence the Primary Cooperative Societies due to absence of statutory provisions in Cooperative Societies Act. It is observed that in other Countries, there is a specific statutory provision with respect to the responsibility to be discharged for Primary Cooperative Societies. As a result the Cooperative Federations are very much conscious to discharge their responsibilities towards Primary Cooperative Societies. At the end, time demands that my colleagues and brothers working in federal organisation should work hard and intensively to make their federal organisation sound and strong business and professional Cooperative Federations. This is because till the time these Federal Unions become self reliant and strong, the cooperative movement will have to struggle hard with different types of evils. It is the prime duty of all Cooperators at this time to take action and thought and to assist with all minds to make Apex Cooperative Federations a very strong, self-reliant and vibrant in all respects.

In my opinion the future is for Information Technology and services sector. All Cooperative Federations need to update and quickly focus their Management Information Systems so as to serve all the needs of the Member Cooperative Societies. All the Federal Cooperatives need to make the operation of Primary Cooperative Societies in cooperative manner, improve their managerial capacity, make them viable, strong and make them genuine societies with clean image and provide cooperative education training to the members, employees and officers at the right time and in a planned manner. Along with this the Primary Cooperative Societies also need to bring in multi functional operations and make themselves more and more professional that they are able to fulfill various needs, desire and demands of their Members so that they become Leaders of the development of rural India.

Note: This article has been translated from Hindi to English version of the paper published in the “Special Issue of Cooperative Perspective on National Level Cooperative Federations” (Jan-March 2015, Vol. No.49 No.4).



CO-OPERATIVE MOVEMENT IN BANGLADESH

Mohiuddin Ahmed*

1. The history of Co-operatives in Bangladesh dates back to 1904, when this area of the Delta of Bay of Bangal was badly affected by famine and poverty. The millions of poverty stricken poor people died of starvation and diseases that are stuck by famine. Then British Government enacted the Famine Act and which ultimately lead to Co-operative movement in this Indian sub-Continent.
2. What is Co-operatives? : According to the International Co-operative Alliance, a co-operative society is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise. Basically a cooperative society is an association of persons formed on the basis of equality and for the promotion of the socio economic conditions/interests of the members which are managed by the members themselves. The co-operatives also posses some ethical values like honesty social responsibility caring for others of the society etc.
3. In Bangladesh, Co-operatives are not for big profit making enterprises, rather its main objective in to teach and practices the concept of forming unity among the dispersed, distressed and vulnerable people to work unitedly and to fight against misconceptions of religion misinterpretations, superstitions. It also provides the members proper training of quality leadership, honesty and to run an enterprise democratically. In this way new entrepreneurs are developed self employment occurs women empowerment takes place.

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4. Types of Co-operative societies in Bangladesh: There are three types of co-operatives namely Primary Co-operative societies, Central Co-operative societies & National Co-operative Societies. These Co-operatives societies are engaged in various types of business & service oriented activities. In Bangladesh the activities of the Co-operatives are highly dominated in the housing, agriculture, Banking, retail shop keeping, milk production, fishing, credit co-operative, transport and many more service oriented business sectors. Though there are three stage/types of co-operative societies are prominent in Bangladesh but two types co-operative societies are also visible or seen working successfully in Bangladesh. In the year 1972 two type i.e primary co-operative societies forming central co-operative societies were introduced in the Agriculture sector by the Bangladesh Rural Development Board which was the brain Child of Dr. Akter Hamid khan, founder of the Bangladesh Academy for Rural Development. The agriculture sector of Bangladesh which was heavily subsidized by the Government and the total agricultural credit were channeled through the co-operative sector. By this way once famine hit country now easily glides through food sufficient Country.
5. Numbers of Co-operative societies in Bangladesh
There are 1, 76,129 nos of co-operative societies in Bangladesh. It seems the number is very high. But this is because the late President, father of the Nation, Bangabandhu Sheikh Mujibur Rahman had taken the initiatives to organize the total population of the country under one umbrella to provide the services from the Government. That's for why in the constitution of the People's Republic of Bangladesh the co-operative sector was incorporated. By this way the co-operatives can posses the property and can exchange it as if it is a person. The competitors like NGO's, Government Agencies were given the same types of responsibilities to deliver same types of services in course of time. There are 1 million (plus) individual members of the co-operative society in Bangladesh. All are Adult, male and female folk of the Country.
6. Functions and Activities of Co-operative Societies: The functions and activities of any Co-operative society are well defined in the approved bye-laws of the Co-operative societies. This approval is given by the Co-Operative Department which is entrusted for giving registration, auditing, settlement of disputes (if arises) conducting election, approval of budgets for each year and so-on.

The primary societies which constitute minimum 20 individual members are managed by the elected Board of Directors numbering 6 or 9 or 12 members. This types of co-ops are administered by the District Co-operative officers. Who are government officials and are posted at the District level. The Central Co-operative societies are constituted by minimum 10 numbers of primary societies which is managed by an elected Board of Director also administrated by the Joint Registrar of Co-operative societies. Who are also government officials and the chief Administrator of the co-operative societies is called the Registrar, who is also a government official and he directly administrate the National/ Apex Co-operative societies. There are 22 nos of National/Apex Co-operative societies in the Country.

7. The laws, the rules & the type Bye-laws: - The parliament has approved the Co-operative societies Act, 2001 and the Co-operative societies rules 2004. the other rules of any Co-operative society i.e. its internal rules to manage any co-operative society in called bye-laws. This bye-laws are approved by the registering authority as mentioned in the earlier paragraphs. The Co-operative societies are to obey these rules & laws strictly but other laws and rules are also applicable if the activities of any co-operative society falls within the preview of that law. As for example if any society works in the Banking sector then Banking Rules are also applicable same like any co-operative society that are working in the insurance sector insurance laws & rules are also applicable for that co-operative society.
8. Statistics of Co-operative Societies of Bangladesh:-
According to the 2013-2014 financial year and Annual Report published by the Department of co-operatives Government of Bangladesh.
The number of co-operative societies are as follows :

National Co-op. Society ..22	.. All Audited
Central Co-op.Society ..1080	.. 1071 Audited
Primary Co-op.Society ..176129	.. 119149 Audited

As on 1st June 2014 the number of registered co-operative societies in Bangladesh is 1,76,129. Out of which 175097 are primary co-operative society. The rest are Central & Apex or National Co-operative society. These Co-operative Societies consists of 1,02,97,081 persons. Total paid-up capital of these co-operative societies are 3083420 million (equivalent to 380 million/USD). Total Deposit in about (5511070 million Taka

equivalent to 700 million/USD). All these Co-operative societies possess 870 million USD equivalent 70840 million of Bangladesh Taka worth of property.

The employment generated by all these Co-operative societies are 1,09,481 persons in the year 2014.

9. Training of co-operative societies: The training of the members/leaders/entrepreneurs are provided by the co-operative Development fund Created out of the profits of the co-operative societies at the rate of 3% of the net profit. The Bangladesh Government also provides some revenue budget at the National budget to train the co-operatives, but the amount is meagre.

There is a National Co-operative Training Institute called Bangladesh Co-operative Academy, situated at Comilla, 10 zonal training institutes are under its direct management to conduct the training to the Government officials and the general co-operatives/leaders/managers of Co-operatives and the Board of Director of the Co-operative societies. The calendar of the training programme is made before the starting of the co-operative year which starts from 1st July of any calendar year and ends at 30th June of the next calendar year. The net income of any Co-operative society is taxable at the rate of 15%. But the Companies are to pay as much as 42% according to the Taxation Act and rule of Bangladesh.

10. Notable sectors of Co-operative Societies in Bangladesh:- There are a numbers of Co-operative Societies in Bangladesh. Among them many Co-operative societies are very much successful societies other are either inactive societies or losing Co-operative societies. The notable sectors which contribution Co-operatives are very much visible are:-

1. Agricultural Co-operative Societies.
2. Industrial Co-operatives.
3. Fishing Co-operative Societies.
4. Women Co-operative Societies.
5. Youth Co-operative Societies.
6. Housing Co-operative Societies.
7. Milk producers Co-operative Societies.
8. Insurance Co-operative Societies.
9. Credit Co-operative Societies.
10. Water management Co-operative Societies.
11. Housing and settlement Co-operative Societies etc.

Conclusion

Though the Co-operative movement in Bangladesh dates back to 1904 i.e. the Co-operative movement in Bangladesh is more than 100 years old, this movement contributed very much to the agricultural production and makes Bangladesh a self sufficient Country in the food production. This agriculture production has surpassed the geometric growth of population and now feeding approximately 160 million people with less cultivable land than that of the year 1971, in which year it was liberated from Pakistan. The reduction of cultivable land is due to construction of roads, bridges, houses, industrial of different types and many more reasons that presently exist for 21st century social needs. The last five year the growth of share capital, deposit in the co-operative societies increased nearly 100 per cent. This increment in the co-operative sector is natural and need based according to our social and economic needs of Bangladesh.



COOPERATIVE MOVEMENT IN BHUTAN*

Introduction

In 2009, the Cooperative (Amendment) Act of Bhutan 2009 was passed and the Ministry of Agriculture and Forests (MoAF) was entrusted with the responsibility to implement the Act. Subsequently the Department of Agricultural Marketing and Cooperatives (DAMC) was established in 2010 to execute this mandate. Prior to 2009, the mandate of implementing the Cooperative Act, 2001 initially was vested with the Ministry of Home and Cultural Affairs. By July 2010, the Cooperative Rules and Regulation, 2010 and Guidelines for registration of Farmer Groups and Cooperatives were in place. It is also the policy of Royal Government of Bhutan (RGOB) to promote farmers groups and cooperatives as a means to bring about sustainable socio-economic development of the Bhutanese society.

Prior to- 2010, informal groups existed in the communities such as water user groups, agriculture groups, livestock groups, savings groups, forest management groups, etc. The DAMC commenced formal registration of Farmers Groups (FGs) and Primary Cooperatives starting August 2010. Since then, the Cooperatives Development Division (CDD) of the DAMC has been involved in registration and development of Farmer Groups (FGs) and Cooperatives, liaising with International agencies for development/strengthening of FGs/Cooperatives, promoting and strengthening Cooperatives/FGs through capacity building programmes, facilitating of Cooperative funding and access to credit services and facilitating institutional linkages and communication. The DAMC also became an Associate member of the International Cooperative Alliance in July 2013 opening up avenues for further alliance.

The DAMC is not the lone agency in the development of Farmer Groups and Cooperatives in Bhutan. Local Government official - at all levels working in the planning, agriculture, livestock and forestry sectors - right down to the Gewog (Block) level are involved in the formation of groups and co-operatives and its sustainability.. Even Civil Society Organizations (CSOs) play a major role in promoting Farmer Groups and Cooperatives to achieve their mandates.

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Status

The following figures represent sector wise distribution of FGs and Coops registered with the DAMC.

Fig I: Sector-wise Distribution of Farmer Groups

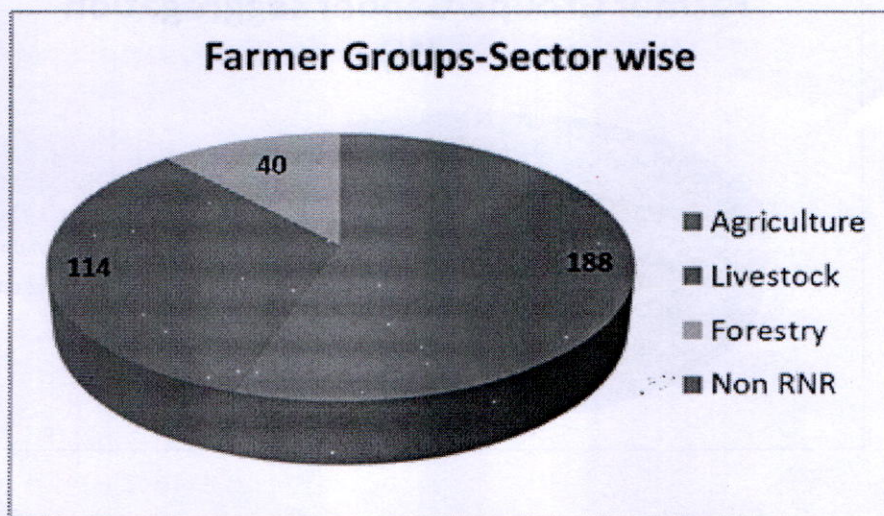
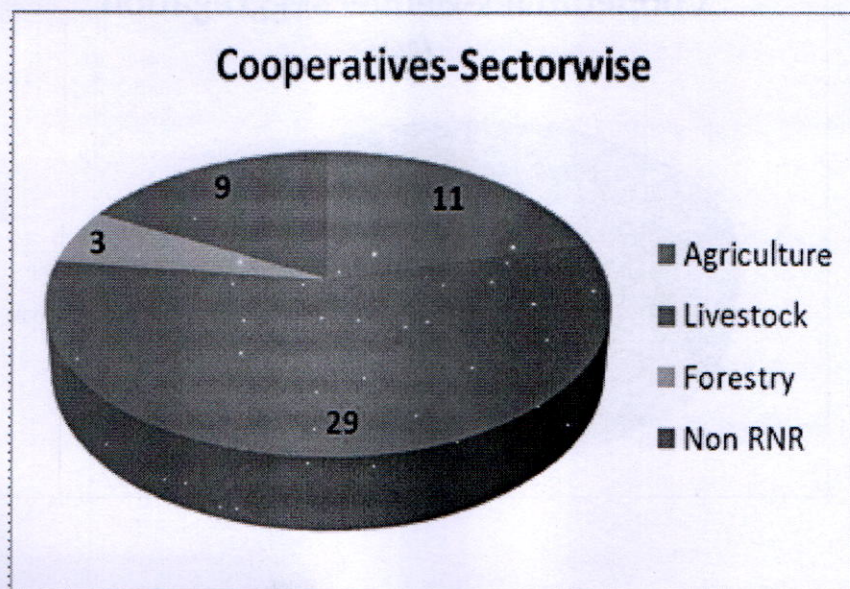


Fig.II: Sector-wise Distribution of Cooperatives



Cooperatives venturing in non-RNR include savings and credit cooperatives, marketing cooperatives, artisan's cooperatives and eco-tourism cooperatives.

Fig. III : Gender Segregation of Farmer Groups

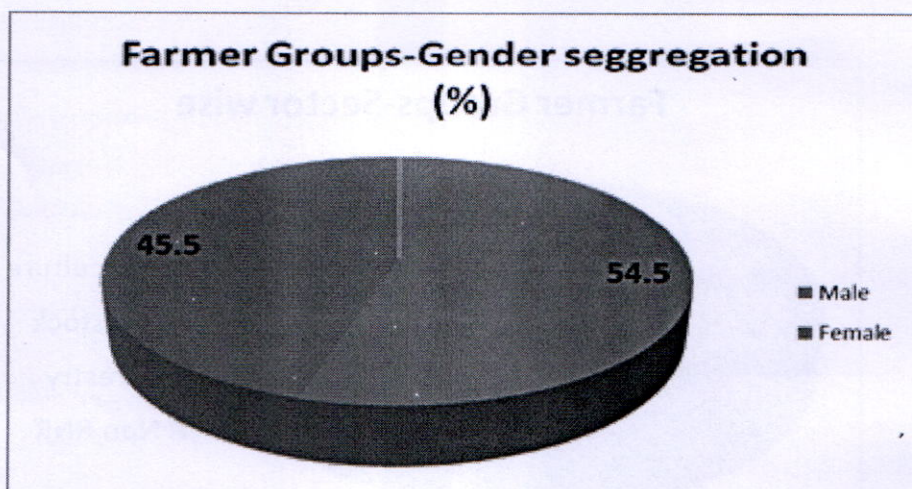
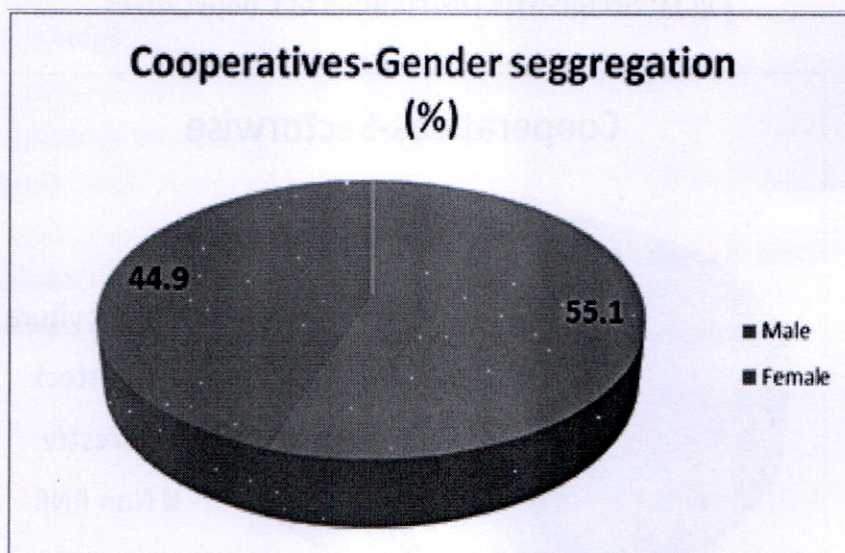
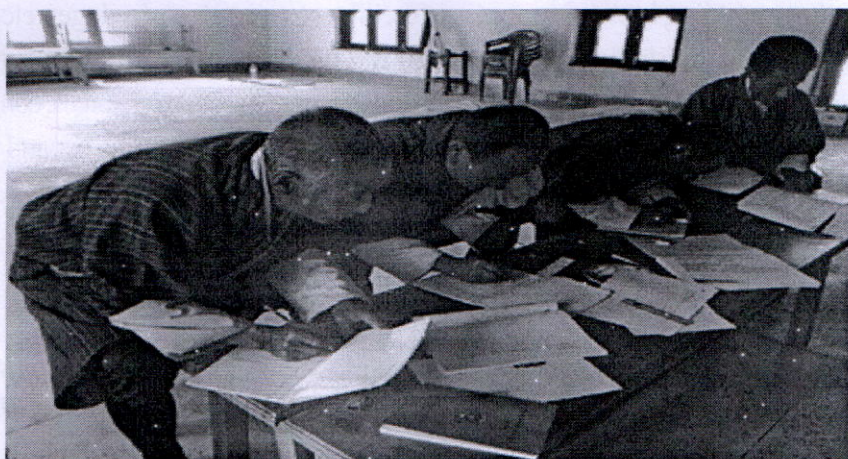


Fig. IV: Gender Segregation of Cooperatives



As can be drawn from the figure III and IV above, Cooperatives provide equal access to opportunities for both male and female. The RGOB lays utmost importance to leadership, women and youth empowerment for which Farmer Groups and Cooperatives provides the platform wherein women and youth can participate and benefit.

Picture : I - Capacity Building



Picture : II - Capacity Building



Capacity Building of Members of Co-operatives

Besides the technical training required, members of Farmer Groups and Cooperatives are also provided capacity-building training on various subjects such as Cooperative Management and Governance through trainings in Leadership, Book Keeping, Marketing, Governance, Group formation and mobilization, etc. Cooperatives and Farmer Groups have been given special impetus by the Royal Government of Bhutan from all avenues: Provision of start-up capital, Access to labour saving devices/equipment, construction of market infrastructure, access to capacity building initiatives, access to credit, tax incentives/privileges, etc.

Cooperative marketing has increased the income level of members through increased return for their efforts, efficient utilization of time and resources, community vitality, better value for products, better linkages. Many co-operatives and farmers groups are linked with assured markets such as schools and institutions and this program will be further continued.

Conclusion

Though the cooperative movement is comparatively new in Bhutan, citizens are realizing the benefits of working together. Cooperatives have provided a sense of purpose to the youth, women and other aspiring individuals who have the innate skills but lack the means and the direction. As a Bhutanese Proverb says, 'BaypMaan, TaagSey' which means, "If a considerable number of frogs come together, they can overcome a tiger".

Picture III: A Savings and Credit Cooperative in the Highlands



Picture IV: A Youth Cooperative venturing in Eco-Tourism and Value Addition



Picture V: A Youth Marketing Cooperative with the Honourable Minister of Ministry of Agriculture and Forests, Bhutan



Picture VI: Few products of Farmer Groups and Cooperatives in Bhutan



Picture VII: Cooperative Milk Marketing



Picture VIII: Members from Cooperatives and Farmer Groups coming together on International day of Cooperatives, 2015 to plant trees in Thimphu, Bhutan



□ □ □

COOPERATIVE IN INDIA, PAKISTAN AND BANGLADESH: AN OVERVIEW

Muhammad Sharif Bhaiji*

The history of cooperative movement can be traced back to 1498, when the first cooperative Society was established in Aberdeen, which is claimed to be the world's first cooperative Society. However, in modern form the cooperative movement began in 19th century, primarily in England and France. By 1830 several hundred cooperative societies were formed, some were initially successful but most of them have failed. Robert Owen (1771-1858) is considered as pioneer of cooperative movement as he believed in putting his workers in good environment with access to education for themselves and their children. William King (1786-1865) a physician by profession took the idea of Owen and made efforts to make cooperative societies more workable and practical.

In abroad based concept cooperation means living, thinking and working together to accomplish a common goal through cooperative principles. Consequently any organization formed by people to work together to achieve the objects for which it is formed through cooperative principles is called cooperative society. The concept of cooperation envisages a group of persons having one or more common economic needs who voluntarily agree to pool their resources both human and material and use them for mutual benefit through an enterprise managed by them on domestic lines.

Cooperatives are generally defined as community based and member owned, managed and controlled organization. Cooperative movement is as old as human endeavor. This is because human beings have the inclination to jointly overcome, what cannot be solved individually. H. Calvert says that cooperative society is form of organization in which persons voluntarily associated together as human being on the basis of equality for promotion of economic interest of themselves. The International cooperative Alliance has defined cooperative as an autonomous association of persons, united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

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During last two centuries the cooperatives have been transformed into an institution all over the World, providing essential services which otherwise were not attainable. Roughly at present in 90 countries of the world one billion people are associated with cooperative institutions one way or the other.

In order to give cooperatives legal cover in Indo-Pak sub-continent Cooperative Credit Societies Act 1904 was enacted to enable formation of Agriculture Credit Cooperative Societies. The law was aimed at to save the tillers of the solid from clutches of indigenous money lenders. Later on, it was felt to enlarge the scope of said law so as to facilitate formation of cooperative societies for the promotion of thrift and self-help among the agriculturists, artisans and persons of limited means. Thus Cooperative Credit Societies Act 1904 was repealed and replaced with Cooperative Societies Act 1912. The new law was applied to all kind of economic activities, which resulted in organizing different type of cooperatives in the field of agriculture, marketing, dairy farming, housing fisheries and cottage industries. The law was enforced in the entire region, which now consists of three independent states India, Pakistan and Bangladesh.

In 1919 with introduction of Reforms Act 1919, cooperative subject was transferred to provinces so that cooperative could develop according to local circumstances and requirements. The provincial Governments enacted their own cooperative laws, which gave further impetus to cooperative movements. Later on multi unit cooperative societies Act 1942 was introduced. Presently in India every state has its own law of in addition to the Federal law of multi state cooperative societies Act 1984. The purpose of federal law is to consolidate and amend law relating to cooperatives with objects not confirmed to one state and serving the interests of members in more than one state to facilitate the voluntarily formation and democratic functioning of cooperatives as people's institutions based on self-help basis and mutual aid and to enable them to promote the economic betterment.

The Bombay Cooperative Societies Act 1925 was enacted in 1925 and Cooperative Societies Rules were framed in 1927. In August 1947 with end of British rule, Pakistan and India became two independent States. Four provinces of Pakistan and India became two independent states. Four provinces of Pakistan i.e. Punjab, Sindh, Baluchistan and NWFP (now Khyber Pakhtunkhwa) adopted Cooperative Societies Act 1925. It has been amended from time to time and is still in operation in these provinces. East Pakistan (now Bangladesh) which was part of Pakistan till 1971 on acquiring independence inherited Bengal Cooperative Societies Act 1940, which was later on replaced with Cooperative Societies Ordinance 1984, which is presently in vogue there.

As Pakistan, India and Bangladesh are located in same region and have been part of Indo- Pak sub-cotient they inherited common cooperative philosophy and structure. They have similarities in their culture, social norms, language economy and needs of common man. Majority of the population of all three countries lives in rural areas and engaged in agriculture of economy directly or indirectly , thus making agriculture the backbone of economy of these Countries. With this background success and failure of cooperative movement in India, Pakistan and Bangladesh is discussed in this article.

Modern cooperative in India have been working for last one Century and had made significant progress as presently 230 million members are associated with cooperatives in India. Credit societies and agriculture institutions formed on the basis of cooperatives have been successful to great extent in helping people associated with agriculture sector . 70 percent of population of India lives in rural areas and engaged in agriculture and allied sectors contributing major share in country's economy. The cooperative credit system in India has largest network which is evident from the fact that cooperatives have advanced more credit in agriculture sector in India than country's commercial banks.

Cooperative Societies in India are playing multi-functional role both in urban and rural areas. The village cooperative societies provide strategic inputs for agriculture sector, consumer societies meet their requirements are concessional rates, marketing societies help farmers to get suitable prices for their produce and cooperative processing's units help in value addition to the raw products.

In India four types of cooperative societies i.e. Agriculture Credit Societies. Agricultural Non-Credit Societies , Cooperative Marketing Societies and Cooperative Farming Societies are most active. These societies have been successful to great extent in helping farmers to overcome their burden of debt and keep them away from the clutches of money lenders, providing proper marketing system ensuring suitable prices for their produce and bringing together various sections of society to achieve their common goals. In certain areas the cultivators have been successful in getting benefits of large-scale farming through cooperative farming.

The bottom teir of cooperative structure in India are primary societies , large number of which are related to agriculture sector and found in the rural areas. Approximately eighty percent of agriculture societies deal with credit. Credit is provided by the cooperative banks and central banks. On whole the credit system is supervised by the State Credit Bank, which is the apex bank, controlling the

working of central banks and providing finances to them. It also act as link between Reserve Bank of India, Central Banks and primary societies . In addition to medium term and short-term loans, long-term loans are also advanced by the Land Development Banks, which have network of their branches all over the Country.

Agriculture being backbone of economy of India has valuable support from the cooperative societies . Various activities of providing quality inputs on reasonable rates, well-knit marketing system and distribution and supplies is being done by the cooperative societies. Cooperatives have made significant progress in three sectors, which are fertilizer, dairy farming and sugar. The India Farmers Fertilizer Cooperative (IFFO) has 35 percent share. In dairy farm production cooperatives have major share. The cooperative sector in India is also engaged in activities involving hand-weaving sector, processing, marketing and distribution of edible oil. Recently cooperatives have been allowed to enter into Insurance business.

Pakistan inherited cooperative philosophy and its legal framework which was in vogue in colonial rule in pre-partition days. After independence in August 1947, the Provincial Governments adopted the Cooperatives Societies Act 1925 and encouraged the establishment of cooperatives in different fields. Initially the focus of movement was on supply of credit to solve the problem of rural indebtedness but with passage of time number of cooperative societies increased manifold working in different fields.

Main function of agriculture credit cooperative societies have been providing credit facility of their members. prior to 1976, there was three tier cooperative credit system in four provinces of Pakistan. Under this system primary societies formed the basis and were affiliated with the district level Central Cooperative Banks. This system could not yield desired results because of the banking standard of district level banks was not upto the mark, managing committees of these societies were misusing their local influence in utilizing resources for their own benefit or benefit of their kith and kin.

In order to overcome these problems the Federal Government established Federal bank for Cooperatives and reconstructed the banking system for agriculture sector. Accordingly all central cooperative banks were dissolved and one provincial bank in each province was allowed to function. At the time of establishment of Federal bank for cooperative 42000 cooperative societies were affiliated with the system to get the loans. The new system under which Federal Bank for cooperatives was acting as conduit between the State Bank of Pakistan and provincial cooperative banks could not deliver and finally abandoned in 2004.

The performance of provincial cooperative banks other than provincial cooperative bank Punjab has not been satisfactory, thus they were also put in to liquidations and dissolved. Presently the credit facilities to farmers is being extended by commercial banks of Country under a liberal loaning policy set out by the State Bank of Pakistan. Since the involvement of Cooperative Societies in this arrangement is negligible, therefore the most of beneficiaries are big land owners and influential persons.

Another sector in which cooperative in Pakistan are actively engaged is housing. In 1947 when Pakistan become an independent State, there was influx of millions of people from India to newly established State. Majority of people preferred to migrate to Karachi, being the biggest city and capital of new State. Rehabilitation of millions of people was a gigantic problem, which government alone was not able to solve. The local bodies with their meager resources were also not in a position to meet this challenge. Thus government found it fit to involve cooperative sector to help solve the housing problem and supplement governments efforts in rehabilitation of people who migrated from India. The Karachi Cooperative Housing Societies Union Ltd was formed and registered in 1949 under Cooperative Laws. It acted as apex body of 24 Cooperative Housing Societies . The main object of K.C.H.S. Union Ltd was to acquire land from government, develop it and lease out plots to its member societies. The Federal government allotted 1175 acres of land to K.C.H.S. Union Ltd, which was further sub-leased to its 24 member societies, who carved out 9300 residential, 73 amenity, 1070 commercial and allotted to their members. The land comprising 24 housing societies is now fully developed. Similarly government also allotted 1345 acres of land to another cooperative housing society (PECHS). Its membership was restricted to government employees, as Karachi being capital of the Country has to cater needs of residential accommodation for government employees. In addition to above two societies a large number of housing societies were established, out of which those who were able to acquire land and develop it have flourished while other have become dormant. Another government sponsored scheme for housing is Gulzar-e-hijri in Karachi, it was initiated in 1979. 5000 acres of land was allotted to 130 registered cooperative housing societies on nominal rates. Unfortunately the scheme has not been fully developed even after 35 years because of incomplete infrastructure and lack of interest by member of cooperative societies with the result half of the societies in Gulzar-e-Hijri have not been able to takeoff. Barring few examples, overall performance of housing cooperative society is far from satisfaction . In other three provinces a small number of housing societies were formed. Housing needs in those provinces were being met by private land developers.

A big blow to cooperative movement in Pakistan came in 1990 when a scandal surfaced in cooperative housing societies in Punjab affecting number of cooperative housing societies and shattering the trust of millions of members of cooperative movement as they were deprived of their investment in housing societies. Government intervened in the matter. A high level enquiry was conducted. Persons responsible were made to return money to affected people in installments. But damage done to cooperative movement could not be repaired.

History of cooperatives in Bangladesh is also hundred years old. In initial days of movement though cooperative have confronted opposition from landlords, traders and money lenders, however changes in law and awareness in masses brought positive changes. Cooperative activities which were restricted to agriculture sector in rural areas only are now working in other economic spheres and urban areas also. After independence in 1971, government has encouraged and patronized cooperative movement recognizing it as most important sector of economy. There has been continuous growth in number of members have also increased manifold. Dr. Akhter Hamid Khan has credit to familiarize cooperative movement in most of the areas of Bangladesh. Camilla credit programme has been effective in productive use of credit through there have been bottlenecks of low literacy rate, lack of professional management and political interference but overall cooperative movement in Bangladesh has proved that it can play in important role in socio-economic development of the Country.

History of rise and expansion of modern cooperative system in this region (India, Pakistan and Bangladesh) is spread over a century. India and Pakistan became sovereign states in 1947 and Bangladesh acquired independence 1971. Adhering to the basic principles, each country developed its own organizational structure, operational mechanism and institutional infrastructure in context of prevailing socio-economic conditions and cultural values. Thus level of achievement varied in all these countries. However one this is common that they have achieved considerable success in cooperative credit system contributing economic development of these Countries.

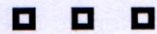
In general terms cooperatives have inculcated new spirit of hope, thrift and mutual help into its members. The members of credit societies have saved themselves from the burden of higher interest charges. The cooperative credit system of India is one example to follow under which cooperatives have advanced more credit in agriculture sector than commercial banks. Similarly cooperatives engaged in fertilizer, dairy farming and sugar industries have made major contribution in India economy. In Pakistan cooperatives of province of Punjab have played similar role in providing

credit to farmers whereas in Sindh Province Cooperatives have played major role in housing sector. In Bangladesh agriculture sector has received significant support because of credit cooperative societies working across the Country.

The cooperative movement has reached at a level where it can be counted as a factor in the socio-economic development in India, Pakistan and Bangladesh. The movement has helped to break the money lenders monopoly. Credit facilities have been extended to small farmers to enhance their productivity. It has promoted agricultural development, given boost to cottage industry and shown spectacular progress in sectors other than agriculture. India Pakistan and Bangladesh all the three countries have basically agrarian economy with more than 60 percent population residing in rural areas and majority of which is associated with agriculture directly or indirectly. Therefore activities of cooperative working in agriculture sector have been dominating. Though there has been manifold increase in number of cooperative societies and their members, the overall progress in these countries is not very impressive. The main causes of poor performance are governments interference, political involvement, lack of awareness, poor infrastructure, predominance of influential person with vested interests, little know how to professional management and large number of dormant cooperative societies. Female constitute half of the population in these countries but unfortunately female participation in cooperatives is comparatively less than male participation.

Cooperatives are a century old institution in this region. it is now time to examine and analyze its successes and failures, its progress and shortcomings and its problems and future prospective. There is need to introduce reforms in order to overcome shortcomings and consolidate the strengths of cooperatives. For efficient working of cooperative societies their scope be extended and diversified, weak and inefficient societies be wound up, small societies be merged in larger societies, organizing multi-purpose societies be encouraged, a system of check and balance be evolved to ensure that loans advance by credit societies be used correctly for productive purpose. If needed existing laws be amended suitable to meet the requirements of present times. It is also necessary to launch campaign to spread to cooperative movement as people's movement. To dispel the impression that it is part of government, people should own it. Government's support and continuous monitoring can help overcome the difficulties and constraints. Desired results according to sprit of cooperatives can only be achieved when cooperatives be organized on the principles of cooperatives recognizing its autonomous character with priority to professionalism. It is an admitted fact that cooperative system in

India, Pakistan and Bangladesh has capacity and potential to act as vehicle for reforming social structure and an instrument of economic, social and cultural development. the lesson should be learnt from the past mistakes and new targets be fixed to make cooperatives a tool for common good.



COOPERATIVE MOVEMENT IN NEPAL

Keshav Prasad Badal*

1. Introduction

Nepalese people have a long tradition in co-operation taking many forms of labour sharing in villages, informal mutual aid groups and rotating savings and credit associations. Agriculture is the mainstay of the Nepalese economy. It is the source of livelihood of 60 to 70 % of the population, accounts for 32% of the GDP and is the main contributor to export earnings. It is therefore logical that most of the co-operatives in Nepal are related to agriculture following savings and credit cooperatives. Subsistence farming is still widely spread. Land distribution is uneven. The overall average size of operational land holding is slightly above one hectare. The small and marginal farmers who constitute the majority, operate between 0.28 and 1.03 hectares. The Agricultural Census 1991/92 reveals that nearly 70 percent of the total number of holdings are of less than 1 hectare size and account for about 31 percent of the total crop area.

The common problems that farmers are facing in Nepal and which could possibly be solved by working together the co-operative way, are:

- Poor supply and frequent shortages of essential agricultural inputs,
- unreliable and insufficient supply of water,
- irregular and thinly distributed extension services,
- limited access to credit facilities,
- lack of markets and price guarantees for their produce and erratic provision of minimum support price to the farmers and
- lack of insurance services for animals and crops.
- poor implementation of agriculture development strategy.

Furthermore co-operatives would be the most appropriate organization of farmers to pool their resources, their demand and their produce and to represent their interests vis-à-vis the government and commercial firms.

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2. Introduction of “Modern” Co-operatives:

Modern co-operatives began in Nepal in 1954 when a Department of Co-operatives (DOC) was established within the Ministry of Agriculture to promote and assist development of co-operatives.

The first co-operatives formed in Nepal were co-operative credit societies with unlimited liability created in the Chitwan District as part of a flood relief and resettlement programme. They had to be provisionally registered under an Executive Order of HMG and were legally recognized after the first Co-operative Societies Act of 1959 was enacted.

The history of co-operatives in Nepal is closely related to Government's initiatives to use co-operatives as part of its development programmes. Therefore, the development of co-operatives will be described in eight phases corresponding to eight plan periods.

3. Development of Co-operatives by Plan Periods:

During the First Five-Year-Plan (1956/7-1960/1) Government embarked on an ambitious programme to organise 4,500 agricultural multipurpose co-operatives. In fact only 378 co-operatives were organised. The important achievement during this period was that the co-operative development programme was integrated into the overall rural development programme.

During 1961/62 the Country was without a Plan. As far as co-operatives are concerned, 203 new societies were organised. In the course of the following years a government machinery for co-operative development was established: Co-operative Societies Rules were framed in 1961, a Co-operative Training Centre was created in 1962 and in the same year a Co-operative Development Fund was set up within the DOC. The total number at the end of this period stood at 581.

During the Second Three-Year-Plan (1962/63-1964/1965) a Land Reform Act came into force in 1964 including a compulsory savings scheme, according to which farmers had to save a portion of their crop. The co-operative programme was integrated into the land reform programme. A total of 542 societies were organised during the Plan period. A Land Reform Savings Corporation was established in 1967 to accept compulsory savings and advance loans to farmers. This led to a rapid numerical growth of co-operative societies of which, however, two thirds were soon defunct. A Co-operative Bank was established under the

Co-operative Bank Act of 1963 to finance the reorganisation of agriculture and to provide credit facilities to various small scale production, marketing and other societies organised in co-operative form. This bank was converted into the Agricultural Development Bank/Nepal (ADB/N) in 1968, in order to meet the overall credit requirements of agriculture and to provide credit to co-operatives and to individual farmers.

During the Third Five-Year Plan (1965/66-1969/1970) the total number of co-operatives reached 1,489 operating in 56 out of 75 districts. Many of these co-operatives were formed in a hurry without taking economic feasibility and social viability into consideration. By the end of the Third Plan most of these co-operatives were defunct. A Co-operative Review Committee assessed the viability of the existing co-operatives and presented a report, grading the co-operatives as follows:

- *17% good (Class A)
- *18 % with potential to develop (Class B)
- * 65 % in poor condition (Class C)

The Committee reported among other things that the co-operative system had failed to perform in accordance with the expectations outlined. Most of these co-operatives failed to mobilise the desired member participation and to open up new business opportunities.

During the Fourth Five-Year Plan (1970/71-1974/75) a massive reorganisation programme launched already in 1969 was pursued, placing emphasis on the quality rather than on the quantity of co-operatives. The Plan gave priority to 28 districts where the Intensive Agricultural Development Plan was to be implemented. This "Guided Co-operative Programme", which was later turned into the "Programme for Strengthening Co-operatives" stressed the need for business efficiency (but still ignored social viability). The 1,489 co-operatives merged or were liquidated so that at the end of the process only about 250 societies survived. The management of the co-operatives was handed over to ADB/N. The Bank provided loans amounting to more than Rs 110 Million. However, small farmers secured only 32% of these loans whereas 68% were given to medium and big farmers. As a result of these measures the business of the co-operatives increased but the loan recovery ratio reached a low of only 49.3 % (down from 90.3 % under the First Plan and 73.4 % under the Third Plan).

Under the Fifth Five-Year Plan (1975/76-1979/80) a massive Co-operative Expansion Programme was launched, the "Sajha Programme", which initially aimed at running 1,163 co-operatives in 1,827 village panchayats (now VDCs) of 30

districts, with some 808,000 members reaching 4.4 million people. Under this programme guided co-operatives and village committees were converted into Sajha societies, co-operatives were organised to cover almost all villagers. The compulsory savings raised under the Land Reform Programme were converted into shares of co-operatives societies. In this way persons became members of co-operatives against their will. Under the Sajha programme local politicians were made ex-officio members of the boards of co-operatives, a measure that alienated ordinary members from "their" society. Within a year the number of co-operatives increased from 293 to 1,053 and the number of members from 93,000 to 802,000. Many of these co-operatives became inactive after some time and their number decreased by 40 %. The main objectives of the Sajha societies were to increase production and farmers' income through improved farming systems, institutional loans (subdividing co-operatives into small groups at village level), supply of inputs, savings and marketing.

In 1978 the management of co-operative societies was withdrawn from ADB/N and handed over to their respective management committees. But the concerned people were not properly informed of the decisions. Besides they were not prepared for the take over. This led the Sajha societies to wilderness.

During the Sixth Five-Year Plan (1980/81-1984/85) an "Intensive Sajha Programme" was launched in 1981 focusing more on and made more responsive to the needs and problems of small farmers. This programme started in 20 districts of the Terai. The ex-officio representation on the boards of co-operative societies was replaced by election of office-bearers from among the members.

The basic guidelines of the programme were as follows:

- (a) more emphasis on effectiveness of co-operatives rather than numerical growth;
- (b) concentration on areas where integrated rural development programmes are applied, formation of co-operatives only after a thorough feasibility study;
- (c) major orientation on the interests of small farmers.

During the Seventh Five-Year Plan (1985/86-1989/90) efforts were made to reshape the co-operative movement. It was planned to extend co-operative services to the people through newly established service centres. Existing co-operatives were placed at service centres and where no co-operatives existed. A total of 144 new societies were formed mainly in the remote parts of the country. By the end of this plan period there were:

- 830 agricultural co-operatives in 72 districts,
- 33 districts unions and
- 54 non-agricultural co-operatives.

During this plan period structural adjustment programmes were introduced and co-operatives lost their monopoly in fertiliser trading.

4. Revitalising Co-operatives After 1990:

With the restoration of democracy in 1990 and under the Eighth Plan (1992-1997) efforts are made to revitalise existing co-operatives. A National Co-operative Federation Advisory Committee was appointed and submitted its first report in 1991.

In the same year a National Co-operative Development Board was constituted and in 1992 a new Co-operatives Societies Act promulgated which recognises the democratic character of co-operatives and ensures their operational autonomy.

4.1. The National Co-operative Development Board (NCDB):

The NCDB is a high powered body established under the NCDB Act of 1992 and composed of Government representatives from different ministries appointed and people having experience and knowledge about the co-operative movement nominated by HMG. The Board is chaired by the Minister of Agriculture.

The responsibilities of the NCDB included:

- (a) to work out suitable policy guidelines and new legislation relating to the co-operative movement,
- (b) to create organisational structures of the co-operative movement from village to national level, and
- (c) to co-ordinate activities of co-operatives.

4.2. Salient features of the Co-operative Societies Act of 1992:

The salient features of the 1992 Act are as follows:

In the preamble to the Act, it is stated that co-operative societies and unions shall be formed “for the social and economic development of the country’s farmers, artisans, people possessing inadequate capital and low-income groups, workers,

landless and unemployed people or social workers or general consumers on the basis of mutual co-operation and co-operative principles.”

Furthermore it is said in section 3 (1) of the Act that:

“A society or union may be formed ... in accordance with co-operative principles with the objective of providing services and facilities for the economic and social development of its members.”

While granting operational autonomy to co-operatives once they are registered, there are some restrictions as to registration.

In the case of primary societies at least 25 persons have to apply for registration. This number exceeds international standard requirements of 7 to 10 applicants and makes it difficult for artisans and other profession based co-operatives to use the co-operative form of organisation for their joint activities {section 3 (1) (a)}. In the case of secondary societies, single purpose unions can be formed by at least five primary societies, and (multi-purpose) district unions need at least five primary societies or single purpose unions as founder members {section 3 (1) (b) and (c)}. In the case of a central (national) single purpose union, a minimum of 5 single purpose unions or 25 single purpose primary societies are required {section 3 (1) (d)} and in the case of the National Co-operative Federation, at least 15 unions have to apply.

By the exclusivity clause of section 3 (2) it is prescribed that not more than one district co-operative union or single purpose union of the same nature and not more than one central union of the same nature shall be formed.

This complicated regimentation, which restricts the rights of co-operatives to determine their own federal structures and which may be in conflict with the constitutional rights of citizens and their freedom of association is regulated in other countries by one single sentence:

“Co-operatives have the right to federate”.

The National Co-operative Federation was established in 1993. Other Central (single-purpose) Unions were formed in the fields of savings and credit, consumers and dairy products.

The 1992 Act empowers co-operative societies to collect share capital by selling these shares not only to members and persons eligible to become members, but also to other prescribed agencies {section 23 (1)}.

This section follows a trend to open the door of co-operatives to “well-meaning” investors and sets limits (20 % of the share capital) to avoid undue influence of such investors on the management of the society. However in strict terms, this section is a deviation from the “pure” co-operative principles.

The powers of the Registrar of Co-operative Societies have been drastically reduced. Under the new Act co-operatives are autonomous to elect their office-bearers, to take management decisions and to appoint their auditors subject to the approval of the Registrar.

The Registrar still decides on the registration of new societies after conducting the necessary investigations to ascertain, whether or not the by-laws of the applicants conform to the co-operative principles {section 5 (1)} and registers amalgamated or divided societies {section 31 (2)}. The applicants have to submit a work plan and a statement of shares together with their application for registration, however, the Act is silent on the importance of these documents for the Registrar’s decision to register or to refuse registration.

The Registrar cannot interfere with elections to the board of directors, except upon request of a member of the society {section 16 (5)}. But intervention of the Registrar is not totally excluded {section 16 (6)}, if members inform the Registrars of irregularities. Other powers of the Registrar are:

- to specify information which registered co-operative societies have to send to the DOC (section 34) with a fine for non-compliance (section 43);
- to conduct an inquiry into the affairs of a registered co-operative society either on application of not less than 5 % of the members {section 35 (1)} or on his own motion, if the business transactions of a society or union are suspected to be unsatisfactory {section 35 (2)};
- to carry out an inspection of a society or union (section 36) and to make suggestions for improving the situation, however, without power to make orders to correct irregularities or to improve performance;

- to approve auditors appointed by societies or unions to audit their accounts {section 37 (1)};
- to collect arrears due to societies or unions on request of such societies or unions (section 39);
- to cancel the registration of dissolved societies on application {section 41 (2)} or on his own motion in cases prescribed by the law {section 41 (3)}.

The Act is silent on who prescribes what accounts and records have to be kept by registered co-operative societies and unions (section 33).

4.3. Numerical strength of Co-operatives:

The current 2017 figures regarding the numerical strength of the co-operative movement in Nepal are as follows:

Type of Society	No.
(A) Primary societies	
Multipurpose ..	4055
Agriculture ..	9965
Consumer ..	1461
Dairy ..	1652
Savings and Credit ..	13769
Others ..	2697
Total ..	33599
(B) Secondary Societies	
District unions ..	69
Single purpose district unions:	
- consumer ..	20
- dairy ..	35
- savings and credit ..	64
- others ..	188
Total ..	325
(C) National Societies	
National Co-op Fedn. ..	1
National Coop Bank ..	1
Subjective Central Federations..	20
Total ..	22
Total membership in 2017 :	6.01 Million members.
Total share capital :	Rs. 1080 Million.
Source: Department of Co-operatives	

5. The Role of Co-operatives:

Agricultural related co-operatives are the most numerous type of societies. Their main activity is to supply inputs, give access to production loans and special purpose loans and sell items of daily consumption, an activity which is important in the Hills and Mountains Districts, where such items are in short supply.

Co-operatives maintain 353 go-downs with a total storage capacity of 54,694 mt. However, the utilisation of this capacity is low. Marketing is a relatively new but increasing activity, depending on surplus production, mainly in the Terai.

The principal commodities sold by agricultural co-operatives either to the Nepal Food Corporation or in the open market are paddy, wheat, maize and oil seeds. However, co-operatives also purchase food grains to sell to their members during periods of shortages.

A more recent activity with important prospects for the future is processing of agricultural produce (paddy, oil seeds). In 20 districts co-operatives have installed small, efficient agro-processing plants. Their success will depend on whether or not they manage to keep the cost of processing low and to maintain a good quality. Other types of co-operatives work in the fields of:

- dairy
- consumers
- savings and credit
- craftsmen's supply and marketing

Besides these, service cooperatives i.e health, communication, transportation, electricity and other cooperatives are also functioning well.

6. Government Policies Concerning Co-operatives:

6.1. Government policies before 1990

In Nepal, modern co-operatives were introduced by Government and worked under Government control and direction. Co-operatives were utilised as instruments for the implementation of Government's development schemes, applying incentives but also administrative pressure. When analysing the different programmes, a number of weaknesses and mistakes can be identified:

- * Government mistrusted people's organisations if they were not controlled by Government and had little confidence in people's capacity to manage their own organisations.
- * The spirit and principles of co-operative self-help were largely ignored.
- * Co-operatives were organised from outside to implement national policy objectives without careful preparation (feasibility studies, member education) and without regard to the felt needs of the people called upon to become members.

Co-operatives, over the years, have been subjected to the experiment of a variety of organisational arrangements: people oriented, land reform oriented, guided co-operatives, Sajha societies etc. Too many and too frequent organisational experiments have not been healthy for the movement to prosper and grow.

The number of co-operatives and of members increased but many societies did not operate according to their own bye-laws, e.g. they did not hold annual general meetings for over three years, and members did not know their rights and obligations. Little or no attention was paid, however, to reforming the basic organisational structure to ensure the viability and sustainability of the co-operatives, once they were organised.

The guided co-operative programme worked on the assumption that co-operatives could not function properly if the members were in control. Therefore, it was decided that the management should be taken over by staff of the DOC and later of the ADB/N. The role of members diminished and public support decreased. Co-operatives were perceived by many as Government offices. Providing managers and paying their salaries was intended as important assistance to co-operatives but had the effect of alienating members from "their" co-operatives.

Provision of funds at a nominal rate of interest and relaxed standards in loan repayment did not help co-operatives to become self-reliant. On the contrary, such privileges increased their dependence on external funds and diminished the importance of internal resource mobilisation.

Where co-operatives were used as channels for ADB/N loans to individual farmers or groups, the cost incurred by the co-operatives was not fully covered by the commission paid by the Bank so that co-operatives lost own funds in the process. The Sajha Programme was a politically guided programme, with the Pradhan Panchas of the village panchayats as ex-officio Chairmen of the board of the co-operative society.

Under the Sajha Programme many people were made members against their will, when their compulsory savings during the Land Reform Programme were converted into co-operative shares. They were also not allowed to manage the co-operatives of which they were made members, because the members of the management committees or boards were ex-officio political workers of persons nominated to serve on the committees, while the responsibility for the management was with the ADB/N.

This resulted in the dominance of rich and powerful people. Mandatory membership and political predominance hurt the image of co-operatives in the eyes of ordinary co-operators and the public.

The decrease in the share of loans to co-operatives in total disbursements has been caused by the increase in the number of defunct co-operative societies despite the policy declaration of the Government to promote and develop co-operatives as the basis of socio-economic development relying on the mobilisation of local resources and skills and the participation and initiative of local people.

The dominating role of co-operatives in the delivery of small production loans to farmers living far and wide in the country has become a matter of the past.

Sajha co-operatives, although they are more in terms of quantity, are not performing too well. 48% are making profit mainly on paper.

Only 30% of the total Sajha co-operatives can be considered to operate satisfactorily in terms of positive economic results.

6.2. Government Policies After 1990

With the restoration of democracy the attitude of Government towards co-operatives changed. Measures were taken to revitalise existing co-operatives on the basis of a detailed study of the situation, to solve the problems of past loans, bad debts, compulsory savings, embezzlements and accounts reconciliation and to reorient co-operatives in the changed context.

Under the Eighth Plan Government expressed its willingness to promote an autonomous and democratically controlled co-operative movement in accordance with its fundamental ideals, values and principles, and to “extricate it from the bewildered state of the past.”¹

Co-operatives are now expected to grow on their own and to expand their activities according to their own plans.

Between 1991 and 1994 the number of co-operative societies increased spontaneously and without any governmental programme by 1,155 from 916 to 2,071. In 1995/96 it stood at 3,308.

Under the new political, economic and administrative climate, many existing informal groups opted for conversion into co-operatives. Other growth factors are:

- the operational autonomy, and
- immunities and privileges granted under the 1992 Co-operative Societies Act.

A major success story are the dairy co-ops. Their number increased from 4 in 1991 to 377 in 1994 and 661 in 1995/96 with seven single purpose district unions in 1994 and 9 in 1995/96 and one Central Union.

The majority of these dairy co-operatives are self-sustaining and have grown to a stage where the country's dairy industry depends on these co-operatives.

Around 65 % of farm requisites, including chemical fertilisers improved seeds and implements are distributed through the co-operative network.

The situation is different in the case of urban co-operatives, where many new societies have been registered to qualify for tax privileges but otherwise remain inactive.

The new co-operative development policies are laid down in the Eighth Five-Years-Plan and include the following objectives:

- to mobilise the co-operative movement as a self-inspired, voluntary and autonomous movement of the people on people's own initiatives, with their participation and according to their needs and aspirations,
- to infuse co-operative spirit among people through publicity and membership education,
- to provide assistance for the establishment of an integrated, strong and effective co-operative system through maximum participation of the local people and in

particular of women in economic activities,

- to mobilise small capital and skills scattered in the rural areas,
- to encourage the formation of co-operative organisations at local, district as well as national levels adopting democratic systems of management and maintaining transparency in their business transactions,
- to give first priority to co-operatives in any programme implementation or business operation to be undertaken by any governmental or non-governmental agencies, and
- to engage co-operatives in the supply of means of production, sale and purchase of commodities and various other activities oriented towards agricultural production and industrial enterprises and to involve co-operatives increasingly in planning, publicity & programme implementation processes from the central to the district and village levels.

When supporting co-operatives in line with the above mentioned policies, the new autonomy principle of the ICA should be kept in mind.

“Co-operatives are autonomous self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.”

7. Conclusion:

The co-operative movement in Nepal has a history of being supported by government through various programmes and projects. Much of this support focused on the development of physical infrastructures like warehouses, cold storage, collection centres and processing industries. Another preferred area of support was to channel credit and agricultural inputs through co-operatives to individual farmers or groups of farmers.

Considering the enormous task to educate and train over one million co-operators as well as tenth of thousands of committee members and managers of co-operatives, relatively little has been done in the field of member education, leadership training and the development of managerial and entrepreneurial skills among co-operative personnel, based on the genuine co-operative principles,

despite the laudable efforts of the Co-operative Training Center and many NGOs and INGOs.

During the period of Government supervision and control co-operatives have acquired the image of semi-official structures implementing Government's development policies and being supported by and accountable to Government. Where Government staff was seconded to act as managers, this negative image was strengthened further.

The policy of encouraging the numerical growth of co-operatives by offering incentives like tax exemptions and concessions, e.g. regarding registration fees, import duties etc., made the public (and many co-operators) see co-operatives as a form of organisation favoured by policy makers and politicians and used by them for their own ends. The conversion of compulsory savings into co-op shares has created large numbers of involuntary members which turned out to be a burden for a voluntary movement.

After the restoration of democracy in 1990, the official policy and the law governing co-operatives were changed and new institutions like the National Co-op Development Board and National Co-operative Organisations were created, however, the image of co-operatives dating back to the time of state control and state subsidies is still present in the minds of Government officials, co-operators and the general public.

A new image of co-operative societies as autonomous self-help organisations financed, managed, controlled and patronised by their members for their own benefit has still to be created.

Seven years after the official liberalisation of co-ops, dynamic, self-managed co-operative enterprises with active participation of their members, being aware of their responsibilities for their joint undertaking, are still the exception rather than the rule.

Except for the problems related to stringent Government control and lack of autonomy, the problems of the past continue to exist:

Lack of co-operative knowledge: "A great number of people in the rural areas still think that a co-operative is a Government institution, and so they want to get maximum benefit out of it rather than to contribute to its development and growth."

· Lack of active member participation due to lack of knowledge of the principles and practices of co-operation but also due to wrong concepts about democratic management and control and bad experience in the past.

· Lack of management expertise and technical staff in small or weak societies which cannot afford to pay attractive salaries for full-time professional staff and do not utilise the advantages of vertical integration by co-operating with district unions.

· Lack of funds and other resources: This is not a real problem, if tackled in a proper way. "Co-operative societies and unions are not really poor but choose to remain so because of their failure to mobilise resources."3

· Lack of co-ordination between primary co-operatives, unions and the NCF as well as between co-operatives and public or private business partners, e.g. lack of functional level co-ordination with ADB/N and other financial and business related institutions.

All these problems continue to exist and will only be overcome, if a deliberate new start is made, based on a new concept of co-operatives as autonomous private self-help organisations and on a policy of making members fully responsible for their own co-operative organisations.

The present manual on the formation of co-operative self-help organisations is meant as a contribution to the implementation of a new, constructive co-operative development policy focusing on human resources development and encouraging self-help and self-responsibility.

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1 Shrestha, Basu Dev, op. cit., p. 193.

2 Pandey, Chhaya Datta et al., op. cit., p. 218.

3 Pandey, Chhaya Datta et al., op. cit., p. 219.



COOPERATIVE MOVEMENT IN SRI LANKA

W. Lalith A. Peiris*

At the beginning of the 20th century during British colonial rule the governor at the time appointed an agricultural banking committee to address the problems by the farming community. The Committee recommended the establishment of co-operative credit exchange societies in terms of the Co-operative societies Act No. 07 of 1911 for its incorporation and regulation.

According to the first Co-operative Societies Ordinance of 1911 the Registrar was entrusted with the powers to register co-operative societies and attend to their audits. However as the government recognized that a full time registrar was not required, the duties and functions under the ordinance were assigned to a Registrar General. A portion of responsibilities for the inspection of registration applications of co-operative societies was entrusted to government agents.

In 1904 the Ceylon Agricultural Society was formed under the Governor of Sri Lanka in order to improve the cultivation sector of the rural community. The expectation was that the co-operative Societies would improve with the promotional activities conducted by this institution. In 1911 the Department of Agriculture was established in place of Ceylon Agricultural Societies.

The implementations in 1911 were a short-term arrangement. As there were several functions to be covered in addition to the regular duties in the registration of societies, in 1913 the government appointed the Director of Agricultural as the Registrar of Co-operative Societies as well. In the same year the government appointed a control board to process loan applications made by the co-operative societies. This Board of Control comprised of the Director of Agriculture and Registrar of Co-operative Societies, Treasurer to Crown – Colonies, Government Agent of the Western Province and the Government Agent in charge of the Central Province.

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Beginning 1913 the Director of Agriculture continued to function in the capacity of Registrar of Co-operative Societies for more than 11 years. In that period the increase in the number of officers was slow. In 1921 two inspectors were recruited and the provincial agricultural officers were appointed as the Sub-Registrars in their respective areas.

The appointment of Mr. W.K.H. Campbell as the Co-Registrar of the Co-operative Societies was of significance during this period. In this new full-time post, under his guidance the co-operative enterprise received the full attention of a senior officer. In 1922, Six inspectors were appointed by the Colombo District Co-operative Society. This step was taken in order to reduce the control of officers.

In 1929, organizing of campaign activities and general inspection were separated from the Audit Division and to this end the team of inspectors was divided into two sections. This division of inspectors resulted due to the fact that, as long as auditing and other activities of the societies were conducted together it was not possible to maintain serious and in-depth auditing of the co-operative societies.

The Department of Co-operative remained a Co-department of the Agricultural Department till September 30th 1930. The Department of Co-operative was separated from the Agricultural Department on October 1st, 1930 and became an independent institution managed by a full time Registrar of Co-operative societies. Later on it was divided Island wide under three Assistant Directors. From this year onwards a Deputy Registrar was appointed to the headquarters.

The next notable development took place in 1937. Establishing the Northern Region Co-operative Main Union and opening a development and audit fund for the remaining regions were two significant events of the year. Following the opening of the Northern Region Co-operative Main Union, recovering inspection fees from the northern Co-operative Societies was assigned to this union. The Registrar was responsible for recovering the inspection fees from the other regions. Later in 1937 a Sub-Inspector post scheme was commenced. The Northern region Co-operative main union appointed these officers on a new grade to the Northern region and paid their salaries out of the inspection fees charged by the union. The Sub-Inspectors to the other regions were appointed by the Registrar and their salaries were paid from the Development and Audit fund.

At this juncture, it was noted that the appointment of Sub-Inspectors who are not paid by the Government was an initial step in spreading the number of officers of the project. With the new grade, the division of the Departmental Inspectors into

two sections as Audit Inspectors and Administration Inspectors came to a close. In the initial stage it was decided to keep the activities of these officers of both the sections separately but according to the revised programme Audit and Administration activities were kept separate, while implementing the audit activities of two regions were assigned to a single inspector. Incidentally a region was assigned to every Inspector. Although he was responsible for its administration he also had to audit the adjoining Inspector's societies every year. The expectation of implementing this new scheme was to prevent audit activities of the area being conducted by the same individual for a period of two years.

The next period of significance in the history of the Department of Co-operative was during the Second World War. During this period the Co-operative shop, society and the organization underwent a transformation hitherto not seen and the department too saw a similar prosperity during the period 1942-1945. The number of Sub-Inspectors rose from 55 to 709, while the number of Inspectors rose from 33 to 93.

In 1945 another era of development began. During this year the Department of Co-operative Development was established separately under a commissioner. The planning, development and other special activities came under the Commissioner.

The Co-operative Wholesale Institution which was begun in 1943 January also came under the Commissioner. By 1945 the Co-operative wholesale Institution had a large number of staff officers, while their salary was paid through the normal defense budget. As such it was legally not a part of the Co-operative Department Board. Four years later in 1949, the CWE became a public corporation. At this instance the Department of Co-operative Development and the Co-operative Registrars Department were amalgamated and its chief was known as the Commissioner of Co-operative Development and the Registrar of Co-operative Societies. In 1943 the Co-operative Training College commenced as a part of the department for training the departmental officers and other Government Officers connected to the Co-operative sector. This College which was started in Kandy was shifted to Polgolla in 1945. The National Co-operative federation was established in 1955. This federation required further Expansion and thus in 1971 the federation was registered as National Cooperative Council of Sri Lanka. In the early 1970s more than 5100 multi – purpose Co-operative Societies throughout the island were amalgamated into large primary societies with the mediation of the Government. During this period, the policies practiced by the state such as restricting imports, distributing numerous items including essential food items under

the import substitution policy, providing financial facilities needed for improving rural products, provision of storage facilities and marketing facilities were further improved and implemented through the Co-operative Societies. As these activities were taking place in extensively and elaborately the Department of Co-operative Development became a hive of activity. As a result there was an increase in departmental activities as well a rise in the number of staff members.

In the 1980s, under the 13th amendment of the constitution and after 1989, most of the activities of the Co-operative sector were given to the Provincial Councils and in response the Department of Provincial Co-operative Development was established.

As such the responsibility of establishing and administration of the Inter Provincial Co-operative Societies/Unions and in Dominant Co-operative unions at the national level was vested with the Department of National level Development. Aside from taking necessary action to formulate the National Policy and constitutional framework relevant to the Co-operative activities, Co-coordinating the Co-operative development activities at the National level and representing the Sri Lankan Government in the Co-operative business at national and international forums rested with the Department of National level Co-operative Development. In the year 2001, the Sri Lanka Co-operative College, which until then functioned as an arm of the department was removed from the parliament Act no 1 of 2001 and established as the National Co-operative Development Institution. (NICD Sri Lanka)

Although the department functioned under this Ministry linked with the agricultural sector till the year 1959, since then it functioned on and off under several ministries relevant to different sectors. At present it functions under the Ministry of Industry and Commercial.



COOPERATIVE EDUCATION AND TRAINING SYSTEM IN INDIA

N. Satyanarayana*

1. Background

Co-operative movement in India is one of the largest movements in the World. It has made tremendous progress in every aspects of the Indian economy. It occupies a major place in the sphere of the Indian economy. Initially, the cooperative movement was started with a limited scope of activities of rural credit but now it has entered in all fields of economic activity with social essence. Now the movement which has covered 100 percent villages and 75 percent rural households and functioning about 8.33 lakhs (all levels) cooperative societies with membership of more than 26 crores at all levels. About 17.80 million persons are employed to work for the smooth functioning of cooperative societies. It has been playing a significant role in disbursing agricultural credit dairy fertilizer production distribution of agricultural inputs, providing market support, processing, etc. Co-operative movement has been recognized as an effective instrument for the economic development of the rural masses and for improvement in the socio-economic condition of the poor.

2. Need and Organization Structure of Cooperative Education in India

In a rapidly changing socio economic environment, the success of cooperative enterprises depends upon their capacity to muster a combination of well informed and enlightened membership, responsible and responsive office bearers and well trained, competent employees. Cooperative education has been considered as a basic input and ingredients for development of informed and enlightened membership of cooperatives. As a cooperative organization member-centric, it is through cooperative education that membership of the organization develops understanding of the organization which leads to his/her active participation and involvement in the affairs of his cooperative. Members awareness, his/her education and understanding has been the critical elements for the successful operations of a cooperative enterprise. In the International cooperative Alliance (ICA) Manchester Congress held in September 1995, cooperative education has been emphasized

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as principle, the implementation, of which will engage the minds of the members and employees to comprehend full the complexity and richness of cooperative thought and action, contributing effectively to the development of their cooperatives.

The need for cooperative education has been emphasized by all the Commissions and Committees that reviewed the working of the cooperative movement during last 113 years. All five year plans and various expert committees on cooperation established from time to time have also been stressing the need and importance of cooperative education for members and training for employees. At the national level, the National Cooperative Union of India (NCUI) at the state level the State Cooperative Unions (SCU) and at the district level District Cooperative Unions (DCU's) are the main institutions responsible for promotion, development and implementation of cooperative education programme for the members of the cooperative, elected leaders of the cooperative organization and the paid employees at grass root level cooperatives. At present about 700 cooperative educators under the state cooperative unions are involved in this task. The financial obligations of the programme are met partly by the govt. of India and partly by the state Govt. These resources are much limited and therefore, the task of a cooperative education is strengthened through "Education Fund" raised under central and state cooperative societies Act. The formal education structure has been further strengthen by the "Cooperative Education Field Projects" specially designed for cooperatively under developed states/areas. National Cooperative Union of India is the nodal agency for the implementation of the Central Sector Scheme funded by Ministry of Agriculture, Govt. of India. At present 43 such projects are in operation and intensive efforts for cooperative development through cooperative education combined with farm guidance are the main ingredients of project approach.

NCUI Monitors Cooperative Education Programmes to popularize the principles and practices of cooperation. The overall objective of cooperative education programme is to create enlightened, participatory and responsive members and cooperative leadership to improve the management efficiency of board members and office bearers of cooperative societies to develop dynamic and forward looking leadership and to create cooperative awareness among masses particularly youth and women. At present three types of Cooperative Education Programmes are being conducted in the Country.

1. General Cooperative Education Programme for Agriculture Cooperatives.
2. Sector specific Cooperative Education Programme covering dairy, fishery, women, urban credit, consumer, housing, industrial, handicrafts, forest and labour contract construction, marketing cooperatives etc.
3. Special Cooperative Education Projects based on area development approach.

National Centre for Cooperative Education

Established in 1958 by National Cooperative Union of India, the National Centre for Cooperative Education and Training has been organizing various cooperative education programmes to cater to the needs of various cooperatives i.e Diploma, Leadership Development, Refresher and Orientation courses ranging from 3 days to 3 months. These programmes are being organized at the centre in New Delhi, at IFFCO and KRIBHCO plants located in various States and some programmes are organised in collaboration with RICMs/ ICMs of National Council for Cooperative Training at various locations.

The centre has been organizing scores of programmes in various sectors educating hundreds of office bearers, members and employees of cooperatives year after year. Special programmes tailor made for the needs of weaker sections of cooperatives, women cooperatives and exclusively for North Eastern states are also being conducted. Now, the NCCE has developed as an international centre for imparting training and educational activities for Asia Pacific Countries.

Keeping in view the present day requirements, the programmes are being redesigned on continuous basis. Eminent faculty both inhouse, drawn from reputed cooperatives and financing institutions is being deployed to give the participants the best possible education. The centre in over 6 decades of service to the field of cooperative education, has carved out a niche for itself. It is poised for steady growth in the years to come.

1. To organize Leadership Development Programmes for various States, Sectors, Institutions of the Cooperative Movement;
2. To organize trainer's training programmes for the trainers of State Cooperative Unions and other Cooperative Organisations;
3. To develop course designs and training materials for the use of State Cooperative Unions ;

4. To provide assistance to state cooperative unions to organize training programmes, seminars, for cooperative leaders and employees.

The following programmes are organized by NCCE every year and around 100 programmes are organised.

1. Diploma Programme in Cooperative Education and Development (3 months).
2. Leadership Development Programmes for the Chairmen/Directors of different sectors of the cooperative movement (3 – 5 days).
3. Refresher course for the Farm Guidance Instructors of NCUI (one week).
4. Orientation Course in Cooperative on for Lecturers / Readers of College/ University.
5. Orientation Course for the Faculty of Junior Cooperative Training Centres.

Diploma Course in Cooperation Education & Development- NCCE conducts a diploma programme for 12 weeks which includes campus training and practical study visit. The course covers the following subjects:

1. Environment for Cooperatives
2. Cooperative Education
3. Cooperative Management
4. H.R.M. in Cooperatives
5. Computer and MIS in Cooperatives

This Diploma programme is targeted to train cooperative educational personnel, trainers, member relation officers and personnel of NGOs connected with cooperative extension work. NCCE provides certain subsidies for travel and food to the participants deputed by the cooperative institutions.

State Cooperative Unions

State Cooperative Unions are apex organization of the cooperative movement at the state level. These Unions function in 30 states/UTs of the country. These operate in all states and UTs except Chandigarh, Dadar Nagar haveli & Lakshdeep. These are instrumental in developing horizontal and vertical net working within cooperative at state level. These are also constituent members of National Cooperative Union of India which being confederation of federations at national level, serve as a spokesman of the movement of the country. In nut shell, state cooperative unions does all at state level what NCUI does at national level. Theses unions are

responsible for members participation manpower planning developing human resources, publicity and propagandas vital for building a strong self sustained cooperative movement in the states.

District Cooperative Unions

District Cooperative Unions are counterpart of the state cooperative union at the district level. These are also to promote and develop cooperative movement in the district. The membership of the DCU comprises of primary and secondary level cooperatives in the district. These Unions are expected to play an important rule in member education, liaison and promotional activities at the district level. These have much crucial and sensitive role as these come into contact with members and public directly. Success or failure of the cooperative movement depends upon as to how much of efficiently these perform their function which are similar to those of state cooperative union. District Cooperative Unions do not exist in the states of Andhra Pradesh, Jammu & Kashmir, Tripura & other north eastern states, Delhi and Pondicherry.

3. Need and Organisation set up of Cooperative Training in India

In the context of economic reforms, a sound, healthy and competitiveness have become very important for co-operatives. Cooperatives need to emphasize on excellent quality management, technology up gradation, cost minimization measures which increases profitability, professionalism and strong financial resource. The co-operative in the contest on economic reforms should make themselves viable and sustainable to accept challenges and to overcome on it effectively. In order to develop and equip the personnel, member, elected leaders, of the cooperatives, the Cooperative Education and Training is of paramount importance. A basic grounding in cooperative theory, knowledge of procedure and a clear understanding of social economic environment within which a cooperative society operates are the necessary ingredients for the success of the cooperative movement.

The Training system in cooperative sector needs to re-look to formulate strategy to make it more effective for the development of human resources. Education and Training is one of the seven core ICA principles of Cooperation. Continuous education and training is the key to the long term success of cooperatives as well as to creating the possibilities of new cooperative enterprise.

A training institute is expected to conduct need based training programmes for the cooperative sector. For this purpose, a scientific method needs to be devised by National Council for Cooperative Training (NCCT) taking in to consideration and each faculty need more time for self development work like preparation of materials articles and case studies. Besides calendar of course should be prepared meticulously so that it covers most of the sectors of the cooperative movement. The training units may collaborate with other training units in their respective states to organize diversified programmes.

In order to impart training for personnel/members/elected leaders of cooperative organization there are number of training units functioning in India.

National Council for Cooperative Training (NCCT), a unit of NCUI has been at the forefront in imparting training to the cooperative personnel throughout the Country the NCCT through its network comprising VAMINCOM, Pune, National Institute, 5 Regional Institute of cooperative management and 14 Institute of Cooperative management has been committed to cater to the needs of the cooperative personnel as well as other allied organizations. It looks after the training requirements of middle level executives of cooperatives at the district level and state level. The VAMNICOM is providing training to the senior executives.

Junior Cooperative Training Centers (JCTC)

There are 109 Junior Cooperative Training Centers at district head quarters, the institutes are financed by State Cooperative unions/State Governments. In addition to that the National Council for Cooperative training have been providing academic support to these centres. These institutes are providing training for primary level cooperative personnel.

In addition to the structure of cooperative training available with NCUI/NCCT and under state cooperative unions, there are different types of training units set up throughout the country to impart cooperative training to different cadre by the different state Governments, National level Cooperative Federations and Government of India like:-

1. **Bankers Institute of Rural Development:-** Bankers Institute of Rural Development (BIRD), Lucknow is a premier institute which was established in 1983 for providing training, research and consultancy services in the field of agriculture and rural development banking in India.

2. **Topic Centre:-** It has been established by National Cooperative Development Corporation (NCDC) for imparting training to the personnel of cooperatives for which financial assistance is provided by NCDC. The organization is providing training to those cooperative societies which are taking loan/advance from NCDC.
3. **Centre for International Cooperative Training in Agricultural Banking (CICTAB):-** On the lines of recommendations of FAO Mission on CICTAB, in January 1983, the Ministry of Agriculture, Government of India set up an autonomous institution which was christened as Centre for International Cooperation and Training in Agricultural Banking (CICTAB). CICTAB as a sub-regional training centre for the sub-regional of Bangladesh, Nepal, Bhutan, Srilanka and India. The main objective of the centre is to actively promote and strengthen national system for training in agricultural banking. For the purpose, it conducts training programmes, workshops, seminars etc. for participants of the sub-region countries.
4. **Regional Training Centre:-** NABARD has set up two Regional Training Centres (RTCs) at Bolpur in West Bengal and at Mangalore in Karnataka in 1984. RTC Bolpur caters to the training needs of client banks including cooperatives in the state of Orissa, West Bengal, Bihar, Sikkim and North eastern States. Whereas RTC Mangalore caters to the training needs of southern states viz, Kerala, Karnataka, Tamil Nadu, Andhra Pradesh etc.
5. **Centre for Professional Excellence in Cooperatives:-** A Centre for Professional Excellence in Cooperative (C-PEC) has been set up within the BIRD to streamline training systems in Cooperative Credit Structure (CCS) which would ensure availability of professional staff with the cooperatives for efficient delivery of banking and financial services.

The Centre will get support from NABARD, GTZ and Govt. of India under "Rural Financial Institutions programmes" (RFIP) formulated as a result of Indo-German bilateral technical coordinate training efforts made by various cooperative training institute and cooperation negotiations the objective is to in the field of banking business and delivery of other financial services, to evolve uniform standards for training and curricula in cooperative training institutions for Country wide replication with appropriate situation specific flexibilities and to coordinate and leverage the efforts of various national and state level cooperative training institution by way of accreditation.

6. **Agricultural Cooperative Staff Training Institute (ACSTI):-** There are 10 ACSTIs under the control of State Cooperative banks, which impart training to their own personnel and also to personnel of district cooperative banks which are getting funding support from NABARD under special scheme known as SOFTCOB.
7. **Junior Level Training Centers:-** These training establishments are managed and run by the State Cooperative Agricultural and rural Development Bank (SCARDB) to train their own personnel and those Primary Cooperative Agricultural and Rural Development Banks (PCARDBs) which are getting funding support from NABARD under its SOFTCOB Scheme.
8. **College of Agricultural Banking (CAB):-** CAB at Pune, is run by RBI and also funded by NABARD for specific programme relevant to agriculture and rural development activities.
9. **National Institute of Rural Banking (NIRB):-** NIRB located at Bangalore is set up in 1990 by the National cooperative Agriculture and rural Development Banks Federation with funding support of Robobank Foundation, Netherlands. It provides training in specialized areas of rural credit management for personnel of Cooperative Agriculture and Rural Development Banks (CARDs) and other rural credit institutions. Specific training programmes of National bank are being funded by NABARD and some other national level institutions.
10. **North Eastern Institute of Bank Management:-** Guwahati and Manpower development and Management Institute. Shillong (NIEEBM and MDMI): These Institutes have been established for imparting training for the officers of banks operating in North Eastern region. It also partly funded by NABARD.
11. **Administrative Staff College of India (ASCI):-** ASCI is situated at Hyderabad which also conducts programme for CEOs of Cooperative banks. NABARD provides funding support to ASCI on selective basis.
12. **Integrated Training Institute, Andhra Pradesh and Rajasthan:-** These institutes are created and funded by the respective State Governments and caters to the training requirement for short-term and long-term credit structure.

13. **National Institute of Rural Development and Panchayati Raj (NIRDPR):-** NIRDPR was established by Ministry of Rural Development and situated at Hyderabad. The main objective is to facilitate the rural development efforts with particular emphasis and focus on the rural poor by improving the knowledge, skills and attitudes of rural development officials and non-officials through organizing training, workshops and seminars etc.
14. **National Institute of Agricultural Marketing (NIAM):-** NIAM is imparting training to the various levels of functionaries involved in agriculture marketing activities and conducting consultancy & research project for the sponsoring organizations, has been playing active role. And also provide advice and assistance to public and private organizations, cooperatives as well as individuals.
15. **National Institute of Agricultural Extension Management (MANAGE):-** It was established in 1987 by the Ministry of Agriculture, Government of India. It is situated at Hyderabad. Its status was elevated to that of a National Institute in 1992. The Institute imparting training to the farmers and fisherman for practicing sustainable agriculture.
16. **Centre for Cooperatives and Rural Development (CCRD), Mussoorie**

Lal Bahadur Shastri National Academy, Mussoorie, in Uttar Pradesh, is the academy for training of the Indian Administrative Services (IAS) officers who are the real policy executors at the Central and State Government level. The National Academy have created the CCRD for training of the probationary officers and senior officers who are directly involved in making policy for co-operatives and rural development.

4. **Problems and Issues before the Cooperative Education and Training:-**

A. **Problems and Issues Pertaining to Cooperative Education:-**

1. The formal cooperative education programmes in the rural areas are broadly agricultural group specific and unable to meet the diverse needs and the expectations of rural women, rural artisans forest labourers, landless labourers and tribals etc

2. Mis match between the academic contents offered and the real needs of the members and the society. The educational programmes should be completely situation specific.
3. Members do not take much interest in the programmes because there is no provision for any incentive for them. They think that it is wastage of time only.
4. The core contents of these education programmes and being implemented lays emphasis on information about rights, duties and responsibilities of the members, elected board of the directors and paid employees more like a duty chart and less as a model of role perception involving the members and office bearers in the functioning and development of the business if the cooperative concerned.
5. Lack of infrastructure particularly at the grass root level is one of the major problems regarding the implementation of the cooperative education programmes. Most of the centers do not have infrastructure like computers, internet and other upgraded technology facilities.
6. Lack of perception of implementing agencies is also one of the major reason for the non implementation of educational programmes. The government both at the national and the state level do not support that much financial support to the cooperative education sector as it should be. There is less budgetary provision for the cooperative education.
7. The curriculum cooperative education does not adequately integrate the thrust areas of development which affect the day to day life and well being of the learners. For example, the contents which can easily be integrated are adult education, child and healthcare, family welfare, applied nutrition, concerned for environment, eco-forestry and planned parenthood etc. The programmes should be developed in such a integrated way that functional cooperatives at all levels could be involved in the planning and implementation of the programmes.
8. Lack of effective monitoring and evaluation of cooperative education programme. More financial provisions should be made for effective monitoring. Officers at the headquarter level should regularly visit and participate in the programmes implemented at grass root level.

B. Problems and Issues Pertaining to Cooperative Training:-

1. Non recognition of training in recruitment of personnel in the cooperative organizations.
2. Inadequate Participants from the concerned Department for conducting training Programmes.
3. Inadequate quality staff (Faculty as well as Secretarial staff) in the Cooperative Training Institutes.
4. Inadequate fund to create infrastructure for smooth conduct of training Programme in the training institute.
5. Repetition of programme conducted by the different training institute.
6. Lack of research on emerging areas of cooperative development in cooperative sector.
7. Overlapping of programmes and systematic location of training/course content.
8. Inadequate provision for capacity building of trainers.
9. Lack of Coordinated approach in conduct of training programmes and drawing up of annual calendar of programmes to minimize overlapping.
10. Sharing the expertise available with various training institutions.
11. Optimum utilization of resources by exchange of training materials, sharing of infrastructure, exchange of faculty etc.
12. Conducting collaborative training programmes.
13. Production of quality teaching material and other audio-visual and electronic aids.
14. Lack of provisioning of budget (training) by the Cooperative Department & Cooperative Institution for Cooperative Training.

Needless to mention that there has been no paucity of Cooperative Education & Training Institute but there is overlapping and duplicity of efforts of the existing training Institutes which result in under utilization of capacity. There is need to streamlining the cooperative education and training system in Cooperative Sector to make it more effective for human resource development.

5. Conclusion

The above discussion clearly shows about the existence of different Unions and institutions for cooperative education and training and more or so they are facing a same type of problems. It's a need of the hour that the entire cooperative education and training institutions comes together, discuss their problems and Issues on a common platform and plan a appropriate strategy for the betterment of cooperative

education and training. The cooperative education and training set up shall thrive to create synergy amongst different unions and training institutions involved in cooperative capacity building. The institutes are commonly facing the problem of overlapping of activities, conduction of programmes or the common target group of trainers which is to be avoided by mutual understanding among the training institutions.



Institute News

- ✓ Convocation of Post Graduate Diploma in Management - Agri Business and Management for the 2015-17 batch (23rd Batch) was held on 1st April 2017 in the Institute's Jubilee Hall. Shri Parshottam Khodabhai Rupala Hon'ble Minister of State for Agriculture & Farmers Welfare & Panchayati Raj, Government of India, New Delhi was the Chief Guest of the Programme. Dr. Ashish Kumar Bhutani, IAS, Director VAMNICOM & CICTAB and Shri Shivajirao Patil, Ex-MP & Chairman, National Heavy Engineering Cooperative Ltd. were present on the occasion.
- ✓ The Centre for Gender Studies conducted an International programme under the MoU with NICD, Sri Lanka on "Strategies for Managing Cooperatives in Global Environment" between 3rd to 7th April, 2017 at VAMNICOM. This programme was conducted by Dr. Medha Dubhashi, Prof. & Head, Centre for Gender Studies. There were 24 participants in this Programme from Sri Lanka. They were taken to various cooperatives in Pune. The programme was successfully conducted.
- ✓ Dr. T. Paranjothi, Professor and Head -Centre for Research and Publications retired on 29th April, 2017 (30/4/2017 being a holiday) on attending age of Superannuation.
- ✓ Newly recruited 70 Assistant Directors of Bangladesh Bank attending a training programme at NIBM, Pune visited VAMNICOM campus on 11th May 2017.
- ✓ Shri S.K. Pattanayak, IAS, Secretary, Government of India, Ministry of Agriculture and Farmers Welfare, New Delhi, visited the Institute on 20th May 2017. He had interaction with the Faculty Members regarding the functioning of the Institute and the various Training Programmes, Research and Consultancy activities being undertaken by Institute.
- ✓ International Programme on Agri Value Chain Financing organised in the Institute in association with CICTAB, under the financial support of Ministry of Agriculture and Framers Welfare, GoI during 22nd to 26th May 2017. In

all 33 Participants participated in the programme (20 from Nepal, 2 from Bangladesh, 8 from Srilanka and 3 from India). Study visit was arranged to Satara District Central Cooperative Bank Ltd., Satara and Katraj Dairy.

- √ The Institute celebrated 'International Yoga Day' on 21st June, 2017. In this connection, a special session were arranged by Mr. G.C. Oswal, Yoga Teacher and Prof. A.P. Kansal in the Shivneri Auditorium. The Faculty, staff and Students of PGDM-ABM celebrate the yoga day.
- √ Institute is happy to announce that our quarterly journal Cooperative Perspective has been included in the approved list of UGC journals. 'Cooperative Perspective' is the premier quarterly publications of VAMNICOM with ISSN No.0302-7767. It is well received by Cooperators and Cooperative organisations and Management Academicians. The Journal number is 43493 listed under Cooperative under the Business, Management and Accounting the links: http://www.ugc.ac.in/journallist/ugc_admin_journal_report.aspx?eid=43493.
- √ The following five Research Studies have been completed by the Centre for Research and Publications of the Institute sponsored by National Cooperative Union of India (NCUI), New Delhi. The details are as follows:

Sr. No.	Title of the Research Proposal	Name of the Faculty	Year of Completion
1.	The Study of the Training Activities of Maharashtra Rajya Sahakari Sangh Maryadit (MRSS), Pune and its Training Centres	Dr. T. Paranjothi Professor & HoC-R&P and Dr. D.A. Divekar, Faculty Member	September, 2016
2.	A study of the Training Activities of State Cooperative Union Kerala and its Training Centres	Dr. T. Paranjothi Professor & HoC-R&P	February, 2017
3.	A study of the Training Activities of Karnataka State Cooperative Federation and its Training Centres	Dr. T. Paranjothi Professor & HoC-R&P	March, 2017
4.	Comparative Study of the Self Reliant Act of Select States.	Dr. T. Paranjothi Professor & HoC-R&P	March 2017
5.	A Study of Working Capital and Inventory Performance of selected Sugar Mills in Maharashtra State	Shri Anil Karanjkar Associate Professor	March 2017



GUIDELINES TO CONTRIBUTORS

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 will be sent for review to the Referees and if accepted then published.
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.

The Subscription amount is Rs.500/- for one year and Life Membership charges is Rs. 3000/-.

