

CO-OPERATIVE PERSPECTIVE

सहकार संदर्श

July- September 2017

Vol. 52 No. 2

ISSN 0302-7767
& included in
UGC List of Journals

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

SAVITRIBAI PHULE UNIVERSITY ROAD, PUNE 411 007. INDIA



Focus

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

Specific objectives of the Journal are:

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

The journal is published quarterly (April, July, October, and January) of each year. Subscribers are enlisted from any issue. The non-receipt of the issue should be reported within 2 month's time to which the issue relates.

Co-operative Perspective

Vol. 52 No. 2
(July-September 2017)

ISSN 0302-7767 &
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List of Journals

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Printed by:

The Premier Co.op.Printers
Ltd's Maharashtra Sahakari
Murdranalaya, Pune

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SEARCH FOR TALENT**N K Jain***

In this age of competition and fast changing scenario, everybody is facing a challenge in getting appropriate people who are not only efficient but are capable of taking challenges as they come and or capable of pre-empting such situations. Recently, Economic Times in collaboration with ADITYA Birla organized an event to identify young leaders from the prestigious IIMs etc. The luminaries of the business world not only attended the event but interacted with the young managers bubbling with enthusiasm and anticipation of getting to interact with such successful leaders of the business world, which may eventually give them an opportunity to work with them.

It gave me a pleasant surprise to notice the depth and understanding of the probing minds and the quality of discussions which took place there. An analytical exercise made revealed a host of expectations of the industry from these bright future leaders. This not only would help the aspiring future managers in preparing themselves to face the interview boards but will also enable the management institutes to suitably synchronize their syllabi with the expectations of the Industry. In other words, this sharing of expectations will make them more meaningful in the light of the observation made sometimes back by Sri Narayan Murthy, Founder member of INFOSYS when he had observed that the current teaching in the management institute is not in tune with the requirements of the Industry. As a result of which the intake from these institutes was dwindling.

An attempt has been made to cull out the valid and valuable expectations from young graduate leaders as also the institutes to set the tone and tenor of future managers as under:

a) Clarity:

Almost of the business executive insisted on this aspect. They expected that the young leaders should have a clear vision of what they want to do, what their life mission is and what role model they have chosen to achieve their goals.

b) Communication Skills:

All emerging leaders are required to have good and effective communication skills so that they are able to convey their thoughts to the targeted people effectively and unambiguously. Correct communication avoids lot of confusion and irrelevance.

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c) Diversity of thinking:

A good leader should have capacity to develop diversity in thinking. The routine, procedural and age old thinking may not serve the purpose today. One needs to have diverse thinking taking into account the situational needs as also to weigh the pros and cons of the impact of such thinking on the organization.

d) Conviction of thoughts:

The success of any action depends on the conviction behind the thought. Every thought must be well reasoned and based on the facts so as to give confidence to the implementer. The person should be steadfast in his views.

e) Analytical reasoning:

An aspiring leader should have the capacity to analyze any proposal on its own merit besides its impact on his organization over a period of time. He should be able to examine it from the point of view of its practicability, applicability and utility.

f) Passion:

Many industrialists emphasized on this issue. They felt that unless a person has a burning desire to succeed and work hard with passion, he would not succeed. It was put very succinctly that a person should have the fire in belly. He should have success oriented behavior.

g) Can do attitude:

The positivity of action can be reflected by this attitude of 'can do it'. One has to have confidence on his own capabilities of facing any challenge. Everybody likes to work with a person to whom toughest problem can be thrown with the expectation of getting a solution from him. This is possible only when the person has this attitude of 'Can do it'. In other words, perseverance in approach even in the face of adversity is what is required in a successful aspirant.

h) Team spirit and management:

A successful leader is always able to take his team together. He always connects with people and is able to show /demonstrate potential for people management. He listens to his colleagues and convinces them to go along so as to maintain consistency and progress. Taking people along removes all possible dissensions and half hearted cooperation in implementation

i) Capacity to build rapport:

Entrepreneurs are now looking for people with orientation for tackling any situation inasmuch as they are able to build rapport even with an adversary who is sitting on the other side of the table. No doubt, it is said easier than doing but it is not something which is unattainable. Much depends on the mental maturity, tact and understanding of human nature.

j) Candid self appraisal:

This attribute has to be consciously developed so as to be able to identify one's own weaknesses and drawbacks besides taking conscious steps to work upon them. Normally, human nature resists such admission and invariably fails to take corrective steps. Hence, one has to be dispassionate in this area to show strong character. He should be able to question status quo i.e. not to become prisoner of processes and his own beliefs.

k) Personality:

People are looking for a holistic well rounded personality in future leaders. He has to have multifaceted experience in life so that he does not get too much bothered with the fast changes taking place in business environments.

l) Emotional Intelligence:

While in practice, people look for good personality, good back ground and appropriate qualifications in a young leader, there are few who are looking for emotional intelligence level of the candidate, his level of empathy to others and ability to socially engage with others to motivate them.

m) Decision Making skills:

Today, there is a need for fast decision in this competitive world. Many a times, there is no time for consulting others and the decision has to be taken spontaneously and immediately. As such, one has to develop an acute acumen for such capability.

n) Speed:

Now the concept of working in the corporate world is changing. Speed is the governing principle. Execution has to be speedy even at the cost of slight efficiency and cost. One has to compete with others and that is possible only when you are focused on the speed of execution and attaining results.

o) Quality of learning and unlearning:

This quality denotes the art of keeping up to date as far as changes are taking place in the business world, government policies, expectations of the customers etc. One can't hold on to the systems and procedure learned over a period of time. One has to constantly unlearn what he had learned earlier and learn new concepts and practices to update him.

p) Egoless attitude:

Ego oriented people are now a matter of past. To succeed one must be rational, reasonable and adjustable. Ego pulls down the success. To get along with people and make them comfortable, the person must give up ego oriented attitude. In all good organizations, the system of mentorship is practiced so as to help and guide new entrants. A good leader not only willingly works as a mentor, he also appreciates

reverse mentorship as he gets opportunity to learn from new entrants who look at things from a unbiased approach/angle.

q) Ability to focus and prioritize:

In the complex jungle of modern day business world, one has to keep his focus on his prime responsibilities and should be constantly able to prioritize the activities so as to keep pace with others. The art of ignoring unimportant and focusing on important need to be developed.

r) Ability to handle failure:

One can't succeed always. Many a times, despite your best efforts, you confront failure. It does de-motivate a person. But a fighter seeks lessons from each failure and uses it as a ladder for further action which leads him to success. In other words, failure has to be taken as a lesson/learning for future success. He has to bounce back from such situations and show his mettle to brow beat failures. Failure has to be used as a step to inspiration to reflect back, analyze weakness, go back to basics and do the right things and keep the sense of balance. Failure and success are ultimately two sides of the same coin.

A practical suggestion in this regard was to remember and recall the successful persons in bad times and their strategies for success. As Steve Jobs used to say, 'harder you work, luckier you get'. Winning with the right means is the right thing to do.

s) Encourage Innovation:

A good organization always encourages entrepreneurship in the organization by its employees even if they fail. Such failures have to be taken in the normal stride. This attitude has to be nurtured by the upcoming leaders in their thinking as they give much better results in due course as the employee gives their best in order to avail such opportunities.

t) Finally, one would like to look for a hard working person who is not working with the sole purpose of reaching/grabbing next promotion. Of course, elevation in the career is essential but it should not be at the cost of present assignment. Sometimes, success leads to the inertia of strategic agility.

Certainly, many more such attributes/expectations can be added to this presentation which could help the modern temples of management learning to evolve a suitable exposure to the prospective managers. Until, all out efforts to have an interface between the industry and teaching community is firmly ensured, the breach between expectations and availability will continue. Such interactions need to take place at appropriate intervals to promote excellence in business and corporate world. A beginning has already been made in this direction so that the young bright graduates

are not only equipped with conceptual knowledge but will also learn practical aspect of corporate world. Many a times, corporate CEOs offer jobs to those who come for internship in their organizations rather than searching people from academic institutes as they find these interns more suitable to meet their requirements.



EFFECTIVE WORKING CAPITAL MANAGEMENT IN CONSUMER COOPERATIVE WHOLESALE STORES -NEED OF THE HOUR

A. Pemila Vijayakumari*

D. Joel Edwinraj**

Introduction

Cooperatives have been playing a distinct and significant role in our country's socio-economic development and there has been a substantial growth of consumer wholesale stores during the past few decades. The cooperative movement in India is largest in the world spread across the country and it has been emerged as a vital segment of the economy. At present, cooperatives have been operating in various areas of the economy. The consumer cooperatives have been playing a vital role in the distribution of essential consumer goods at reasonable prices. The existence of consumer cooperatives ensures regular availability of consumer goods of daily use. It has established themselves as trend setters in supply of goods their availability at reasonable prices in their area of operation.

Management of working capital in consumer cooperative wholesale stores is one of the most important functions of cooperative management. On the other hand working capital management is the life-blood of consumer cooperatives, it is more essential as the circulation of blood in the business.

Importance of Working Capital Management

Working capital management is a very vital facet of financial management. Basically, there are two concept of working capital, namely; Gross working capital and Net-Working capital.

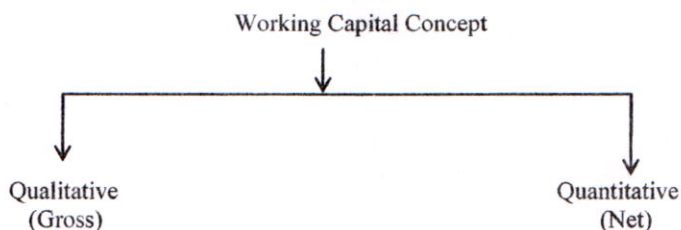
Gross working capital refers to financial resource remaining invested in current assets and net working capital represents the gulf between the gross working capital and current liabilities. The consumer cooperative wholesale stores should determine the exact requirements of working capital and maintain the same evenly throughout the operating cycle. The working capital management is sufficient in relation to current liabilities to afford a management safety in consumer cooperative wholesale stores. The following points are importance of working capital management:

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- Cash Discount
- Creation of Goodwill
- Credit Worthiness
- Return to the investors
- Security
- Liquidity and Solvency
- Increased fixed assets

Concepts of Working Capital Management in Consumer Cooperative Wholesale Stores

According to Gilbert Harold the concept of working capital management have two concepts, i.e.,



The above both concepts outlined equally important. But the gross concept of working capital is more applicable to the consumer cooperative wholesale stores, where the network of the business is reflected in the stores capital account. The gross working capital components such as: inventory, accounts receivable, short term investment and cash & bank balances are very important. It is worth mentioning that a cooperative wholesale stores have neither excess nor inadequate working capital as both the phenomena of over capital and under capitalization of working capital generate adverse effects on the profitability and liquidity of the concerned cooperative wholesale stores.

Need for Effective Working Capital Management in Consumer Cooperatives

The effective working capital management in consumer cooperative wholesale stores necessitates careful handling of current assets to ensure short-term liquidity and solvency of the business. Very particularly, neither understocking nor over stocking of raw materials, careful maintenance and tradeoff between credit receiving period from sundry creditors and credit allowing period from sundry debtors.

The consumer cooperative wholesale stores should maintain requisite cash and bank balance as per the bylaw including provision for contingency and planning both the short-term and long-term investment in appropriate manner without allowing any cash or bank balance to remain idle in the business are strictly required to be practiced by management. The following steps should be undertaken by the consumer cooperative wholesale stores for effective working capital management.

- √ Proper financial maintenance with appropriate authority and responsibility
- √ Effective coordination between production planning and control, materials management, optimum utilization of machinery and cost reduction programmes.
- √ Establishing right information and reporting system.

The manager for finance of a consumer cooperative wholesale stores have to spend more time to manage the working capital owing to its importance of profit maximisation. It has been found that the largest portion of financial managers time to utilized in the management of working capital effectively and efficiently. The effective system of working capital management demands hire of yeoman service and expertise of hard-care financial professionals.

Conclusion

The consumer cooperative wholesale stores are not in a position to arrange for working capital and they look forward to the Government assistance for this purpose. They have to borrow funds at high cost for their business operation, which they are unable to sustain and this adversely affects their viability. Unless the capital base of the consumer cooperative wholesale stores is strengthened with the contribution from the members, it will be difficult to achieve economic viability.

Keeping in view the above background, serious efforts are being made by the consumer cooperative wholesale stores to strengthen the financial management in general and working capital management in particular. The consumer cooperative wholesale stores to follow the principles of 3-Es' to manage liquidity, solvency, profitability, survival and growth of the business. Hence, effective working capital management in consumer cooperative wholesale store is need of the hour.



IMPORTANCE OF COOPERATIVE EDUCATION IN SCHOOLS AND COLLEGES

Tara Sharma*

Cooperatives are unique organizations which have a strong democratic base. They are controlled by members who form a cooperative to improve their socio-economic condition. Sikkim cooperative movement needs young blood to sustain the movement. In Sikkim young students need platforms that can engage them and direct them in a proper direction. School and college cooperatives are one set of organizations that can help achieving both the above needs. Cooperatives are autonomous, non-governmental, democratic organization in which members are the owners and controller/managers. They survive and thrive provided their services are used in which members participate in organizational and management affairs whole heartedly. We have to make an attempt to include cooperative as subject in school and college curricula, more efforts are needed to provide hands on experience to students to run students owned cooperative enterprises. Cooperative nurture the values of self help, equality, equity, honesty, caring for other transparency, social responsibility etc.

Despite impressive growth of cooperative movement in the country, the school educational syllabus has not given due importance, it deserves. Policy initiative has to bring to popularize cooperative education. Proper understanding of strength of value cooperation is to be given to nourish the mind of child. Attempt should be made to sensitize the school and college management/teachers on the principles and values of cooperatives highlighting the achievements and functioning of cooperative organizations. The importance and strategies of action points of cooperatives is to be formulated for popularizing cooperative education in school. Honesty in cooperative can come if the subject of cooperation is taught in the school and colleges. The school children can be the potential members of cooperatives which needs member education seminar on cooperatives for schools as an effective sensitization strategy. Cooperatives as a value based economic model have huge relevance for the schools. Following steps are to be taken up for inclusion of cooperative as subject in school and colleges:

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- Full sensitization/awareness on cooperatives in school
- Need to propagate cooperatives as values based economic model in school
- Need to convert youth clubs into cooperatives
- Rules may be simplified for formation of student cooperatives
- Cooperatives can be started in school in informal way instead of institutional focus. Cooperative spirit should be propagated effectively
- Cooperative should be tie up with vocational institutions so that youth entrepreneurship can be strengthened
- Need to incorporate information on cooperatives in school text book which may have practical significance
- Cooperative Union and cooperative organizations may collaborate for holding cultural talent competitions in schools
- State cooperative Union and HRD department to work together in various areas like project formulation on cooperatives, developing illustrative school publications emphasizing on importance of cooperatives etc.
- If cooperative succeed in propagating their values in schools they can emerge as a big success story
- The school text books should give prominence to cooperatives as limited space is given to their coverage

Advocating of value based education would help students in schools about values is more important than just teaching than algebra, biology or even literature. There should be thought of imparting education for improvement in character of a child. Therefore, attempts have to be made to include cooperation as a subject in school and college curricula, more efforts are needed to provide hands-on experience to students owned cooperatives enterprises.



UPGRADING CAPACITY AND CAPABILITY OF AGRICULTURAL COOPERATIVES

Daman Prakash*

Introduction

It has been observed that the membership of agricultural cooperatives, except in few cases, consists of poor farmers who do not have enough funds and facilities to conduct their agricultural operations on their own and with their own resources. Rich farmers can manage their own operations – they can purchase and own farm machines, create their own infrastructure, and hire people to support agricultural operations. Rich farmers can also manage irrigation facilities as well as land improvement operations on their own, but such people are few and not present in all the countries.

Farmers who do not have sufficient financial resources, generally fall on their agricultural cooperatives for support – they seek loan for land improvement, purchase of inputs, harvesting operations and storage and even shipment. They harness labour force for farm operations. Agricultural cooperatives, therefore, stand by them and provide sufficient and timely support to the members by giving them timely loans and by creating agricultural infrastructure for them. Agricultural cooperatives, therefore, should have the potential to cater to the needs of their members. Members, on the other hand, to secure the services of their cooperatives, need to participate in all the activities of their agricultural cooperatives.

Participation in Business and Affairs

Participation of members is an important aspect in all agricultural cooperatives. Participation here means, participation in organizational and management and financial areas. It is necessary that members attend all meetings. Members participate in the democratic activity by electing the right types of people to the Board and other committees. Members should feel free to ask questions and make suggestions and observations on meetings. Members should come forward to make suggestions to change the bye-laws and internal regulations and other aspects of management. Members should not get influenced by the leaders of the agricultural cooperative - they are completely free and independent.

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Funds for Operations and Credit

Agricultural cooperatives and their members need credit to carry out their farming operations. Agricultural cooperatives give credit to members from their own capital and from the borrow funds. Agricultural cooperatives should, therefore, build a high level of equity and other funds to be able to give credit to the members – short or medium term loans at reasonable interest. The interest of cooperative credit, in most of the countries in the world, is cheaper than the market rates. Agricultural cooperatives should, therefore, build up a comfortable level of capital by way of increasing the share capital and other funds. These cooperatives are neither chit funds, nor kitty parties, nor any lending enterprises. The agricultural cooperatives cannot and should not make use of its entire capital. These are different from private money-lending operators. Agricultural cooperatives do not exploit their members like the moneylenders do. They offer the safer and fair credit services to farmer-members.

Agricultural cooperatives have, therefore, to increase their share capital and to obtain funds from other sources e.g., government, cooperative banks etc. Money can also be raised from voluntary and compulsory deposits from the members with assured returns.

Agricultural cooperatives, therefore, need to offer more services to their members e.g., marketing, of members' products, supplying, farm inputs and living necessities and farm guidance besides credit services. Mere lending money and from its own capital is not the only function of the agricultural cooperative. Agricultural cooperatives are not the moneylenders. They lend money to the members by generating resources from various sources, and these sources cost funds [in the form of interest].

Issues confronting Agricultural Cooperatives

There have been, in recent times, a number of issues which do not give positive and encouraging feelings. Keeping in view the glorious past of the Indian Cooperative Movement, the present trend does not present a comfortable scenario. Some of the instances are: A total disappearance of consumer cooperatives [the days of Super Bazaar, Apna Bazaar and other large-sized wholesale cooperative consumer stores and their super markets with hundreds of outlets are gone]; Marketing federations at the national and provincial levels are apparently fighting for their survival [none of them have opened any sale channels or reasonably recognizable agro-processing units] – while large companies have opened their sales outlets in all corners of cities and towns [calling themselves malls and mega stores]; Except for the milk sector there are no visible agro-processing units bringing in the market a variety of juices, jellies, jams and other packaged food products; Private enterprises have flooded the Indian market with all kinds of ayurvedic and home-use products which should have been the domain of agricultural cooperatives.

Some of the issues faced by farmer-members and agricultural cooperatives are, among others: Declining faith in expanding business operations especially in the face of present-day open market economy which calls for daring steps to be taken to counter competitive trends of the market; Monopoly by over-ambitious and discarded petty politicians to continue to hold positions in cooperatives under a 'musical chair' syndrome and making use of cooperatives as springboards to enter profitable political positions; Total disregard to professional management – extremely poor professional relationship between the Board and the managers, poor interaction with farmer-members and general public; Stronger and growing controlling influence of government in business operations; High prices of farm inputs; Acute shortage of lending capital; Fearful level of overdues; Antiquated pattern of human resource development activities; Extremely low level of agricultural extension; Inadequate avenues for training and education; Inadequate levels of professional training with no biting experience of fighting [combating] market competition; Lack of initiatives in demonstrating business skills after graduating from cooperative management institutions [some of the IIMA students have established multi-million farm products business, while there have not been any visible examples from the cooperative management institutions] etc. These are some of the limiting factors in the operation and management of agricultural cooperatives. Also these are the reasons for dwindling member interest and participation in their cooperatives.

The cooperative field is very wide and is encased with vast business and professional potentials but the training of minds is lacking. Agricultural cooperatives are legal and formal institutions but they need a variety of faithful cliental which is confident of fair business deals and active consumer satisfaction support.

Transparency and Accountability in Agricultural Cooperatives

Successful business entities throughout the world have succeeded because they had included the principles of transparency and accountability in their business operations. The cooperative must, therefore, adopt clear and transparent methods in its social and economic relationships. Nothing should remain hidden from the eyes of the members. No member should act against the interests of their cooperative and its leadership and functionaries.

Based on the analysis of reports of various cooperatives around the world, some of the aspects of transparency and accountability are the following:

- All decisions should be taken in a democratic and open environment;
- Members' suggestions and complaints should be addressed immediately;

- Meeting notice and Agenda Notes should be circulated among the members in advance;
- All members should be made aware of the provisions of the byelaws/constitution. All of them should be provided with a copy of the constitution;
- All facilities of the cooperative should exclusively be used for official purposes;
- All functionaries should be provided with their list of duties and responsibilities;
- An exhaustive Code of Conduct for all should be prepared and circulated.
- Proper receipts should be issued promptly for all payments made by the members and clients to the cooperative;
- Personal and institutional funds should be accounted separately;
- All cheque books, credit cards and passbooks should remain in the custody of members themselves;
- No duly-signed cheque book should be kept in the custody of the manager;
- All books of account should be kept up-to-date all the time;
- Proper statement of accounts should be prepared and presented at General Meeting;
- Audit should be completed in time and report presented to the General Meeting;
- All recruitments should be made in a proper manner and as per set procedures;

Any agricultural cooperative going along the principles of transparency and accountability and with due considerations to the Principles of Cooperation become efficient and respectable. Members of the community would, thus, like to get associated with such an organization.

Increasing Membership, Share Capital and Governance in Agricultural Cooperatives

In view of the clearly stated provisions of the bye-laws, identification of services of the agricultural cooperatives, members' expectations from the cooperative, recognizing the principles of transparency and accountability, it is emphasized that the increase in membership and share capital becomes inevitable and possible.

In order to enhance the membership and share capital, it is considered essential that there should be an intensive cooperative member education and propaganda highlighting the successes of cooperative enterprises. The purpose of member education is to explain the advantages of a large membership and a comfortable level of share capital to keep the business moving.

The following points might, therefore, be taken into view:

A. Increase in Membership

- Make members aware of the provisions of the bye-laws of the agricultural cooperative by holding periodic discussions on various key provisions;
- Members should have deep confidence and trust in the leadership and among themselves and for the betterment of their own cooperative;
- Make members aware of the Cooperative Principles to take the positive advantage of agricultural cooperatives, rather than be misguided by other forms of business enterprises;
- Emphasize on the members to repay their loans in full and in time and with interest. Such a practice strengthens the economic base of the cooperative as well as gives opportunity to other members to take loans;
- Emphasize on the members that if they borrow from the cooperative for agricultural production, it is necessary that they sell their produce through the cooperative;
- Implement strictly the principles of accountability and transparency to earn the confidence of members;
- Receipts must be issued promptly for all payments made to the cooperative;
- Organize member education and employees' training programmes regularly to discuss the plans of their agricultural cooperatives and invite suggestions from the members;
- Use persuasion to join the cooperative by explaining the advantages of becoming members and the benefits the members receive from the collective efforts of the agricultural cooperative;
- Enhance motivation and skills among the members and employees;

- Show benefits to the members/general public through publicity campaigns and personal meetings;
- Agricultural cooperative is the only organization which comes to help the members in hard times; Agricultural cooperative should propagate this fact to members;
- Highlight the implications of cooperative failures. Such acts provide good information and advice to members;
- Making use of self-help group, farmers groups, irrigation groups, planters' groups;
- Implement means of good governance through active member participation and respect to the byelaws and the Cooperative Principles;
- Expand member participation in democratic structure [e.g., meetings] and business operations;
- Expand employees' participation from the point of view of giving quick and efficient service to the members and to activate good interaction among the members, Board members and the employees;
- Agricultural cooperatives generate more goodwill if they purchase all products of the members [just as is done by milk cooperatives];
- Cooperative Principle No. 1 [Voluntary and Open Membership] and No. 5 [Education, Training and Information are the key principles to enhance membership. No. 3 [Member Economic Participation] is aimed at strengthening the funds of a cooperative, especially through share capital and capital accumulation. These need to be explained clearly to the members;

A higher level of participation in management and organizational structures is crucial to create goodwill for the cooperative among the members. When the services offered by the cooperative are efficient, timely and need-based many people will come to join the cooperative and participate in business development. They would be happy to purchase more shares.

B. Increase in Share Capital

It should be borne in mind that everyone, including the Board members, promoters of the cooperative, and even the government officials who help promote the agricultural cooperative, should encourage increase of share capital and savings in its capital. The capital is the treasure, and it should not be left loose to be distributed among the members indiscriminately. A lot of sound judgment needs to be made to

make a judicious use of the capital. The accumulated capital is not for lending wholesale.

Cooperative Principle No. 03 states: 'Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any of the following purposes: developing their cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefitting members in proportion to their transactions with the cooperative; and, supporting other activities approved by the membership.' In the light of this statement, all incoming funds [share capital, savings and others] need to be preserved and used in a proper way, not to be loaned out fully leaving nothing behind in the treasure of the agricultural cooperative.

The very purpose of setting up of an agricultural cooperative is to provide funds and other support to the needed and poor members. Its purpose is also to insulate members from the exploitation suffered by them at the hands of moneylenders.

-Share capital is the basic fund which is used to operate basic business activities of the cooperative.

-Cash is limited in the initial stages. This needs to be controlled for an effective use. It can be done by controlling expenses, reducing phone use, car use, courtesies, festivities, celebrations;

-Sense of ownership by purchasing more shares. It is a privilege to be a major shareholder as the member feels that the member is the promoter of higher business of the cooperative;

-Agricultural cooperatives offer better protection to depositors and offer more services. They also give a reasonable rate of interest on deposits;

-It needs a lot of planning, motivation, persuasion and hard work to harness funds for the agricultural cooperative;

-Offer incentives, discounts, gifts to increase the business. Such offers are usually linked with significant events e.g., festivals, special general meetings, national celebrations and/or local events;

-Agricultural cooperative is the only organization which comes to help the members in hard times;

-Increase the value of shares, if needed. Increased value of shares means a higher amount of loan be given to members. Members can make amendments to the byelaws to increase the share capital;

-Promotion of patronage also generates good feelings among the community thereby increasing the members. In order to conserve own resources and make more funds available for lending and business operations, it is advisable to minimize operational costs. Use more efficient equipment to increase business and services;

-Increase capital from surpluses by reserve carried forward and voluntary reserve.

C. Governance in Agricultural Cooperatives

It is a fact that all developmental activities of an agricultural cooperative revolve around the members and their interest in their own cooperative. At the same time it is also important that members' needs and aspirations are adequately met by their cooperative – this is possible only if there are proper and truly followed principles of governance and management in member handling and decision-making. In this context the following points need to be taken into consideration:

-All decisions should be based on members' wishes;

-All decisions are democratically taken;

-All members be given a place of recognition and dignity in the management and affairs of agricultural cooperative;

-There should be an open-door policy between the Board of Directors and the General Manager, and between the management and the general membership;

-All members should be made aware of the implications of various provisions of the bye-laws e.g., meetings, rights and duties etc.

-All payments received and made should be fairly and effectively recorded and nothing should remain hidden from the members;

-Implement means of good governance through active member participation and respect to the bye-laws and Cooperative Principles;

-All members should be exposed to member education on a regular basis, and all employees should be exposed to professional training;

-The principles of transparency and accountability should be effectively followed;

-The Board of Directors should remain always accessible to the members.

-It should be the duty and total endeavour of the Board to encourage the members to bring in new and additional members and also to take part in the finances of the agricultural cooperative. Good, objective and honest governance are the key to enhance membership and finances in an agricultural cooperative.

-There is a strong need for the education and training of government officials and promoters on the philosophy and practices of agricultural cooperatives in relation to the Principles of Cooperation. They should understand clearly the difference between the cooperative and private enterprises.

Conclusion

Agricultural cooperatives all over the world are the greatest contributors to the welfare of people. They have performed well in times of need. Their management, in recent times, especially in a country like India has faltered to some extent and given away their operational territories and initiatives to private operators taking the advantage of competition. Agricultural cooperatives have not kept pace with the demands. Their leaders and manages are fighting with themselves when it comes to expansion of business and taking bold decisions. Still, farmers need to grow, farmers need to dispose off their produces and consumers always need products at home and for their own survival. Agricultural cooperatives are still believed to be fair and honest business organizations.



CHALLENGES FACED BY FOREIGN BANKS OPERATING IN INDIA FOR RAPID GROWTH OF FINANCIAL SERVICES POST RBI ROAD MAP 2005

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ABSTRACT

The aim of this paper is to assess the role of foreign banks operating in India specifically post RBI Road MAP 2005. Financing function of foreign banks is summarized in the form of allocation of advances, investments, India's GDP figures and inflation rate during the period covering financial years 2003-04 to 2012-13. The compilation of data indicates that along with the basic target of profitability, foreign banks presence in India has helped the host and home country to increase domestic and foreign trade volume by availing the necessary financial services. It is highly significant to relate foreign banks presence in India with application of specific business practices models and steady rise in India's domestic and foreign trade during the last decade.

Key Words: Finance, Financing Function, Foreign Banks, RBI Road MAP 2005.

1. Introduction

The story of foreign banks in India goes back to the 19th century when the colonial economy brought with it the need for modern financial services, uniform currency and remittances by British army personnel and civil servants. The earliest financial institutions, joint stock banks, agency houses and the presidency banks, established by the merchants during the East India Company regime largely catered to this growing need. While the agency houses and joint stock banks largely failed and disappeared, the three presidency banks would later merge to form the State Bank of India (SBI), India's largest lender. British owned and controlled, these early banks may be considered India's first 'foreign banks'. It was decades after their establishment that the first bank owned and controlled by Indians, the Allahabad Bank, would be established.

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The opening of the Suez Canal in 1869, shift in the balance of global east-west trade flows through Indian ports, introduction of the railroad and telegraph and other infrastructure improvements, all contributed to growing interconnectivity of the Orient with the Occident, as the colonial powers of Europe spread across Asia and Africa. This was followed by a phase of numerous Indian or foreign banks coming up to service different segments of the economy.

2. Milestone events for Foreign Banks in India: - These are as follows:-

- 2.1 The passing of the Reserve Bank of India (RBI) Act, 1934, the creation of the central bank in 1935.
- 2.2 Bank nationalization in 1969 and 1980. This did not impact foreign banks much. They adapted well to the changing economy and retained their niche as service providers and employers of the elite; bringing capital, innovation and best practices from their home countries.
- 2.3 The first phase of banking reforms, triggered by recommendations of the Narasimhan Committee in 1991 and the licensing of the new private sector banks through the next two decades inaugurated an era of change.
- 2.4 The opening-up of the economy in 1991 led to increased participation by foreign players created greater opportunities for foreign banks to work with their multinational clients in India.

3. Foreign Banks' outbound expansion:

Foreign banks continued to look for the best possible role they can play amidst the challenging political economy, heightened competition and changing financial services regulations. Foreign banks have less than 1% of the total branch network in banking sector but about 7% of the total banking sector assets and a sizeable 11% of profits. With 334 branches in all, the share of foreign banks branches is less than 1%. A representative sample of collected secondary data for the foreign bank- HSBC for years 2008 to 2013 is as under:-

Table No. 3.1: Profile of Hongkong & Shanghai Banking Corporation

| Items | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------------|---------|---------|---------|---------|---------|
| No. of offices | 47 | 50 | 50 | 50 | 50 |
| No. of employees | 7446 | 6685 | 6373 | 5166 | 4726 |
| Business per employee | 96.18 | 113.55 | 122.17 | 165.89 | 188.99 |
| Profit per employee | 1.61 | 1.17 | 2.32 | 3.47 | 4.04 |
| Capital and Reserves & Surplus | 112143 | 121352 | 136875 | 149537 | 151958 |
| Deposits | 499703 | 557478 | 541067 | 614233 | 568660 |
| Investments | 311538 | 412891 | 372791 | 403238 | 451787 |
| Advances | 275887 | 234748 | 274006 | 355123 | 357087 |
| Interest income | 63269 | 51659 | 51950 | 62626 | 70332 |
| Other income | 26994 | 21355 | 17886 | 22008 | 17242 |
| Interest expended | 26610 | 19147 | 18591 | 25168 | 30006 |
| Operating expenses | 21947 | 19501 | 21909 | 24183 | 24646 |
| Net Interest Margin | 4.30 | 3.51 | 3.67 | 3.74 | 3.74 |
| Cost of Funds (CoF) | 4.82 | 3.17 | 3.06 | 3.83 | 4.09 |
| Return on advances adjusted to CoF | 8.81 | 7.19 | 6.41 | 4.91 | 5.85 |
| Wages as % to total expenses | 18.01 | 21.28 | 21.59 | 19.35 | 19.95 |
| Return on Equity | 13.13 | 6.94 | 11.83 | 13.88 | 12.84 |
| Return on Assets | 1.51 | 0.88 | 1.68 | 1.97 | 1.81 |
| CRAR | 15.31 | 18.03 | 18.03 | 16.04 | 17.10 |
| Net NPA ratio | 1.42 | 2.31 | 0.91 | 0.62 | 0.33 |

Source: - <https://www.rbi.org.in/Scripts/Publications.aspx?publication=Annual>

Table 3.1 shows that there is an increase in advances for a period 2003 to 2006

4. Raghuram Rajan Committee Report (2008)

As per Raghuram Rajan Committee Report on Financial Sector Reforms (FSR), 2008, opening up to foreign financial institutions and other financial firms and to foreign direct investment in the financial sector has many potential benefits. These include the introduction of financial innovations and sophisticated financial instruments by foreign banks, added depth in domestic financial markets due to foreign inflows, and more efficiency in the domestic banking sector through increased competition. For most foreign banks, their relationship with Indian corporate clients is pivoted around their ability to provide access to global capital and debt markets. Although data relating to individual institution's exposure to India through onshore credit and offshore External Commercial Borrowing (ECB) and trade finance is not available, taking the total External Commercial Borrowing (ECB) data as a proxy for offshore exposure, it is interesting to see the consistent upward trend line for external debt. Understandably, the onshore exposure and its growth are related to the performance of the economy and market share of foreign banks.

5. Challenges for Foreign Banks

Although foreign banks largely operate at higher levels of efficiency and maintain low net Non-Performing Assets (NPA) ratios, due to exposure to the same group of clients, the risks are co-related. Interestingly, one of the biggest challenges facing foreign banks is client selection. Although the Indian economy has grown at a healthy rate, there are only a handful of Indian corporate with credible governance processes and global reputation required to pass muster with the credit divisions of these institution. Increasingly, such clients are also being pursued by domestic banks with larger single obligor limits and greater autonomy to take decisions locally. This automatically segments foreign banks as 'niche' service providers which often collide with the 'universal financing' policy regime. Due to the local branch regime and the operating model of choice, foreign banks have, for the large part, remained niche players, focusing on trade finance, external commercial borrowing, wholesale lending, investment banking and treasury activities. Some large foreign banks have focused on capturing the retail market but have remained confined to the high end of private financing and wealth management, while a few others have created valuable niche offerings in the areas of transaction financing, cash management and remittance products. The financial landscape changed dramatically post the entry of new private sector financial institutions. Not only did foreign banks face competition from the new private sector financial institutions that were often run by their own ex-employees with the opportunity to take quick decisions and upscale in a fostering environment using local technology, but also from some of the public sector financial institutions that did well on the back of what was then called 'computerization' and a better way of engaging with the customer.

6. Foreign Banks' Contribution

With India emerging as a major Information Technology (IT) service provider in the 21st century, many foreign banks set up Business Processing Offices (BPO) in India; primarily to take advantage of the low-cost technology and availability of English-speaking employees. Some foreign banks also created Centers of Excellence (CE) that provided services at the higher end of the value chain. These operations of foreign banks have created attractive and large-scale employment opportunities for educated Indians and have been an interesting part of India's economic, social and cultural landscape. With the growing importance of IT to financial institutions, foreign banks BPO centers in India have expanded the scope of their services, providing data analytics, and data-backed solutions, which contribute to the efficiency and profitability of these institutions globally. Liberalization of Foreign Direct Investment (FDI) norms for financial services provided further strategic entry routes for foreign financial institutions in the form of Non-Banking Financial Companies (NBFCs) that could provide specialized non-banking financial services such as stock

broking, merchant banking, leasing and finance and others to specific segments of the economy. In addition to setting up the first formal financial institutions in India, foreign banks have made considerable contribution to the financial sector over the years by bringing capital and global best practices as well as grooming talent.

7. Opportunity utilized by Foreign Banks

The Indian banking system consists of 27 public sector banks, 26 private sector banks, 46 foreign banks, 56 regional rural banks, 1,574 urban cooperative banks and 93,913 rural cooperative banks, in addition to cooperative credit institutions. Public-sector banks control more than 70 per cent of the banking system assets, thereby leaving a comparatively smaller share for its private peers. Banks are also encouraging their customers to manage their finances using mobile phones.

Foreign banks' groups present in India as branches also took this opportunity to set up separate entities to provide specialized services. This led to the formation of financial conglomerates or large franchises with multiple entities. In the absence of flexibility on expanding the branch network, the lending NBFCs also created an opportunity for foreign banks targeting retail clients to create the level of outreach required for their operations.

8. Effect of RBI Guidelines

However, the 2006 guidelines on "Financial Regulation of Systemically Important NBFCs and 'Financial Institutions' relationship with them" and subsequent regulations have significantly limited this opportunity by stipulating consolidated capital market limits and otherwise frowning upon what regulators consider to be 'regulatory arbitrage' between a financial institution and an NBFC engaged in an activity permitted in the financial institution.

9. Innovative marketing by Foreign Banks

Foreign banks have been innovative in identifying specific needs of the market, creating products, and developing organizational constructs. A good example is the cash management offering in the early 1990s that targeted inefficiencies in cash collection and check processing, identified as a specific issue for the Indian market. Built around this were products such as Citicash and Citicheck. More importantly, this foreign banks had a dedicated division in the organization to address the needs of this market and after a successful stint in India; the product was successfully introduced in other emerging markets.

Table No 9.1: Average values for Business, Advances and Investments of foreign banks which are operating consistently during 2003-2013 as per profile of banks given by RBI (INR Million)

| No | Name of Foreign Bank | Business | Advances | Investment |
|----|---|-----------|-----------|------------|
| 1 | AB Bank Limited | 689.20 | 374.33 | 127.86 |
| 2 | Abu Dhabi Commercial Bank Limited | 7597.23 | 2021.00 | 4178.72 |
| 3 | Antwerp Diamond Bank N.V. | 5592.99 | 5399.19 | 1603.60 |
| 4 | Bank of America NA | 81790.70 | 42689.60 | 43381.06 |
| 5 | Bank of Bahrain and Kuwait B.S.C. | 8109.92 | 3580.48 | 2139.22 |
| 6 | Bank of Ceylon | 1717.35 | 586.24 | 408.86 |
| 7 | Barclays Bank PLC | 71792.28 | 51374.34 | 62156.03 |
| 8 | BNP Paribas | 71871.31 | 37821.67 | 26126.57 |
| 9 | CTBC Bank Co.,Ltd. | 2651.91 | 1637.60 | 401.47 |
| 10 | Citibank N.A. | 757288.94 | 345373.51 | 230106.83 |
| 11 | DBS Bank Ltd. | 70173.18 | 46119.61 | 67793.86 |
| 12 | Deutsche Bank AG | 243959.31 | 92063.16 | 69540.06 |
| 13 | JPMorgan Chase Bank | 35019.65 | 17135.28 | 70139.71 |
| 14 | Krung Thai Bank Public Company Ltd. | 917.28 | 114.91 | 282.61 |
| 15 | Mashreq bank psc | 618.35 | 355.27 | 739.81 |
| 16 | Mizuho Bank Ltd. | 19109.32 | 16092.98 | 3969.87 |
| 17 | Shinhan Bank | 8699.00 | 4332.52 | 1887.69 |
| 18 | Societe Generale | 15232.36 | 5664.84 | 14498.80 |
| 19 | Sonali Bank Ltd. | 353.18 | 89.93 | 56.04 |
| 20 | Standard Chartered Bank | 758245.01 | 369421.38 | 170748.12 |
| 21 | State Bank of Mauritius Ltd. | 7215.56 | 3994.01 | 2201.44 |
| 22 | The Bank of Nova Scotia | 66185.25 | 44802.37 | 19798.60 |
| 23 | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 42134.03 | 30815.38 | 13493.78 |
| 24 | The Hong-Kong and Shanghai Banking Corpn.Ltd. | 651544.67 | 241832.05 | 260351.51 |

Source: - <https://www.rbi.org.in/Scripts/Publications.aspx?publication=Annual>

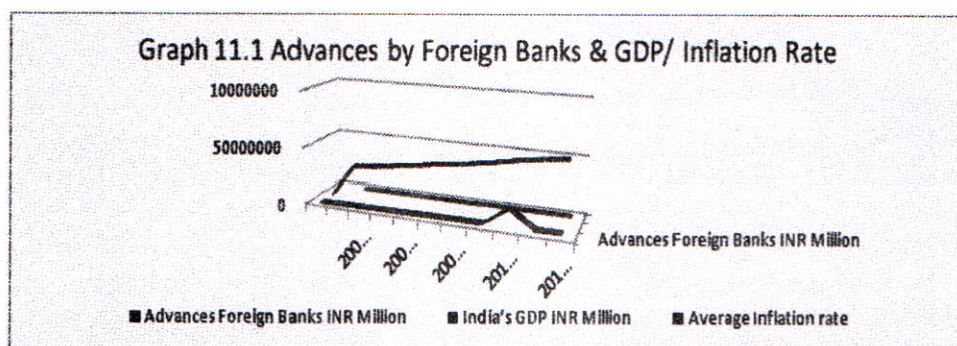
Table 9.1 indicates that there is substantial increase in their business, advances and investment during this period.

10. Advantage of Technology

Prior to 1990s, foreign bank easily distinguished themselves vis-a-vis public sector banks/ financial institutions. They used technology to their advantage to create and often maintain lead in premium services such as integrated cash management, private financing, 24-hour phone banking, internet banking, securitization, forex and interest rate derivatives trading, risk management and Know Your Customer (KYC) software solutions. The first Automated Teller Machine (ATM) in the country, for instance, was set up by HSBC in 1987. This focus on innovation helped foreign banks build profitable businesses with a relatively high share of investment and fees. In the early stages through expatriate employees, and later integrating local talent in a big way, foreign banks trained and nurtured talent in India. In the process, foreign banks' executives in India have also become a rich source of talent for their global financing networks.

11. Issue of Innovation and Growth

RBI's main worry is related to control over inflation and encourage innovation leading to stable growth. The issue of achieving low and stable inflation is a challenge for RBI and concerned financial regulators. This is done by controlling money supply and interest rates. During last three years, steps have been taken by RBI to monitor inflation while focusing on strict control over inflation. Target of economic growth can be achieved only by the application of innovative ways of creation of value added products and services leading to more surplus.



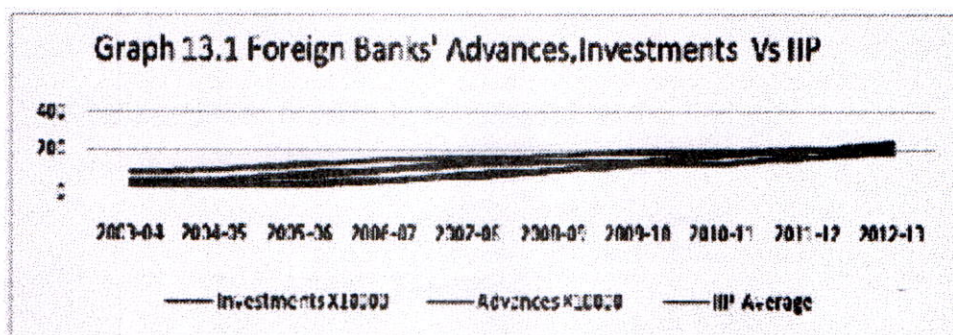
Graph 11.1 indicates that there is an increase in India's GDP with increase in advance given by foreign banks with a nominal increase in inflation rate.

12. Importance of Finance

The key issue for innovation and growth in Indian economic development is how well the financial system is able to finance new ideas, new products and new entrepreneurs. As financial systems develop, larger corporate entries can go to the market directly and financial institutions have fewer incumbents to finance and it can be expected that they would be pushed increasingly into financing more and more new products, new ideas, new entrepreneurs. (Rajan and Zingales 2003). This has happened in India also. Financial sector reforms have covered almost all aspects of banking and the capital market in India.

13. Importance of Foreign Banks as Financers

Today foreign banks have become important in domestic financial intermediation and foreign trade. In terms of loans, deposits and profits, current market share of foreign banks, is average 20 percent in Organization for Economic Cooperation and Development (OECD) countries and close to 50 percent in emerging markets and developing countries. Given the importance of foreign banks in our country India, studying business practices models of foreign banks, understanding the motivations of foreign banks to enter particularly in India, the mode by which they do so, and the impact they have on Indian financial sector development especially domestic and foreign trade and lending financial stability has become essential.



Graph 13.1 indicates linear relationship between foreign banks' advances, investments and IIP (Index for Industrial Production)

Table 13.1 Sector Wise Financing by Foreign Banks (Values in INR Million)

| Year | MSE (1) | Exports (2) | Other Sectors | Total |
|---------|---------|-------------|---------------|---------|
| 2012-13 | 283000 | 612000 | 1380906 | 2275906 |
| 2011-12 | 217000 | 586000 | 1176991 | 1979991 |
| 2010-11 | 215010 | 424870 | 1081124 | 1721004 |
| 2009-10 | 211470 | 333960 | 881132 | 1426562 |
| 2008-09 | 180630 | 315110 | 939572 | 1435312 |
| 2007-08 | 154890 | 289540 | 921045 | 1365475 |
| 2006-07 | 116370 | 207110 | 717411 | 1040891 |
| 2005-06 | 84300 | 173260 | 527640 | 785,200 |
| 2004-05 | 69070 | 123390 | 433620 | 626,080 |
| 2003-04 | 53070 | 97600 | 365150 | 515,820 |

Source: <https://www.rbi.org.in/Scripts/publications.aspx?publication=Annual>

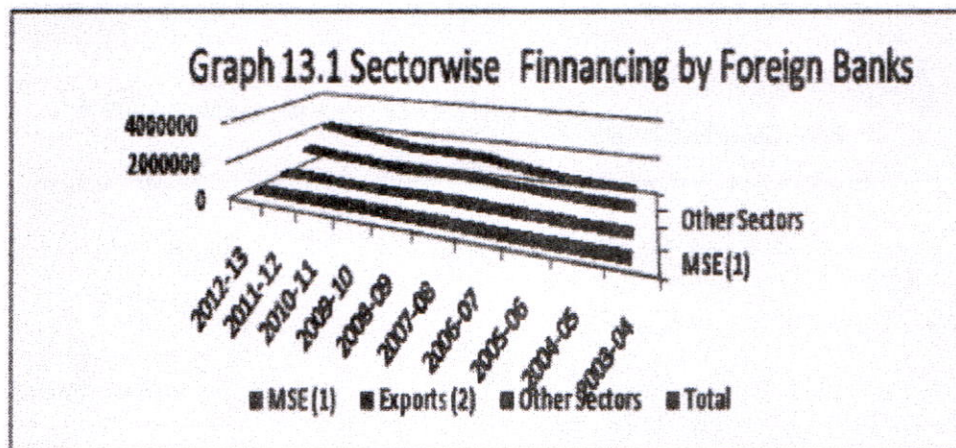


Table 13.1& Graph 13.1 shows that quantum of financing by foreign banks to sectors like MSE, Exports and other sectors, has an increasing trend.

14. Conclusion

Along with the basic target of profitability, foreign banks presence in India has helped the host and home country to increase domestic and foreign trade volume by availing the necessary financial services. It is highly significant to relate foreign banks presence in India with application of specific business practices models and steady rise in India's domestic and foreign trade during the last decade.

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RELATIONSHIP BETWEEN AGRICULTURAL PERFORMANCE AND ECONOMIC GROWTH IN INDIA

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Introduction:

Agriculture is the mainstay of the India as developing country, which supplies food and employment to the majority of the population. The anticipated decline in the share of agriculture in the GDP. Despite a fall in its share importance of agriculture has not diminished because the pressure on agriculture to produce more and raise farmers' income is high and dependence of the rural workforce on agriculture for employment has not declined in proportion to the sectoral contribution to GDP. However, there has been a renewed policy thrust from the government since mid 2000s to revive agricultural growth through various development programmes.

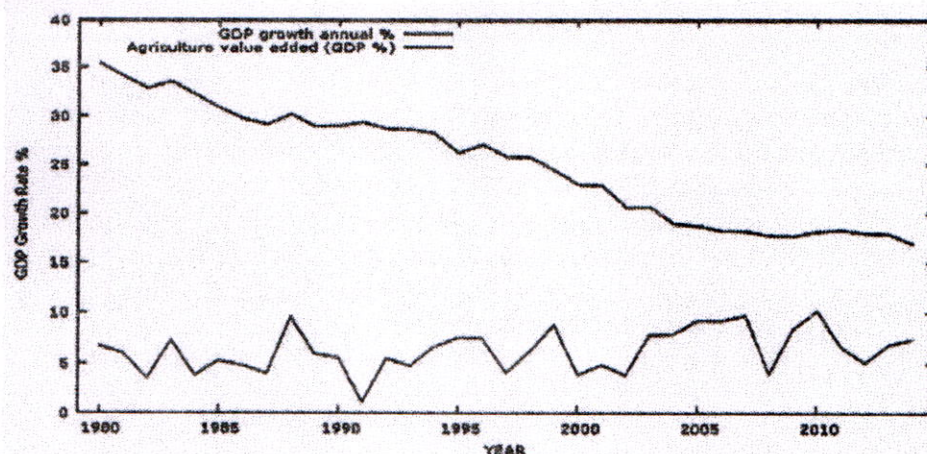
Agriculture's performance assumes greater significance in view of the recently passed Food Security Act and the ongoing National Rural Employment Guarantee Scheme. Robust agricultural growth is expected to contain inflation, support industry and services, and increase employment opportunities in rural India. It might also ease pressure on government employment schemes. Low agriculture growth pulls down overall growth because of its indirect connection to industry and services. The rises in agricultural activity were ensuring a lower pressure on public spending and employment schemes. For the common man in urban areas, this should logically lead to lower inflation. In rural areas, there will be increased demand for employment in both farm and non-farm activities. India is still home to the largest number of poor and malnourished people in the world, a higher priority to agriculture will achieve the goals of reducing poverty and malnutrition as well as of inclusive growth.

Performance of Indian Agriculture:

The agricultural sector is important for India GDP for many reasons such as high pressure of rural population, a large share of employment in the agricultural sector, the sector's contribution to the formation of national income, and production capacity of sector. In recent years, although the share of agriculture sector in GDP and in foreign trade has declined. Although there is a common view that agriculture is an important sector for an economy, there is no consensus about preference of agricultural growth in growth rate of India.

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Figure No.1: Annual Growth Rates of Gross Domestic Product (GDP) and Agricultural GDP



Above figure shows that the consequent to the spread of the HYV-seed-fertilizer strategy to more crops and almost all geographical areas, India's agrarian economy witnessed a revival during the 1980s. Compared to the initial stage of the Green Revolution, the growth rate of agricultural GDP, output and yield of a majority of crops recorded an improvement between 1980-81 and 1991-92. The GDP growth figure of 3.09% pa achieved by the agricultural sector during this period is the highest till date. Another landmark achievement was the emergence of yield as the predominant contributor to food output growth.

The economic liberalization strategy introduced in India in June 1991 had no explicit mandate to liberalize the Indian agriculture sector and integrate it with the global economy. The growth rate of output and yield of a majority of food commodities decelerated significantly between 1992-93 and 2012-14. On the other hand, the growth rate of agricultural GDP declined slightly to 2.92% pa during the same period.

Agricultural growth was more stable during the post-economic reforms period than the initial and maturing stages of the green revolution. it seems that along with the level of agricultural growth, attention must be paid to the stability of growth.

Review of Literature: The review of empirical studies related to the topic, conducted at national and international level

Table 1: A Brief summary of recent studies

| Author(s) and year | Variable used | Country, coverage, and method | Findings |
|--------------------------------|--|---|--|
| Mallick (1992) (1) | export growth and industrial development, | India; period from 1950-51 to 1990-91 Granger methodology, using techniques of co integration and error correction modeling | The results show the existence of strong co integration and Granger feedback between industrial output and exports growth. The causation from exports growth to growth in industrial manufacturing suggests about export led growth strategy |
| N.J.saleena, 2013 (2) | Service export, Information technology, capital stock, GDP | India: time series data 2004-2009 Dickey-Fuller (ADF) Test, the Ordinary Least Square (OLS) Method and Granger Casualty Test | FDI has positively influenced the growth of services export in the Indian economy, after the liberalization period. During the post liberalization period, export is largely driven by information and communication technology |
| Sarbapriya Ray, 2012 (3) | FDI; Economic Growth; India; cointegration; granger causality. | India; annual. Data for the period, 1990-91 to 2010-11, the cointegration approach and error correction modeling technique. | FDI has not contributed much to the economic growth in India for the time period 1990-91-2010-11, |
| Mete Feridun 2011 (4) | economic growth, GDP per capita and foreign direct investment | Singapore: annual data 1976 – 2002 vector auto regression (VAR) | Unidirectional causality running from FDI to GDP. |
| G.Jayachandran, 2010 (5) | Foreign Direct Investment, Exports, Imports. | India; annual data (1970-2007); mean square error (MSE) | There is no reciprocal causality relationship between these variables in India. The directions of causality relationship is from exports to growth rate and there is no causality relationship from growth rate to Exports and the direction of causality relationship is from FDI to growth rate. |

contd....

| Author(s) and year | Variable used | Country, coverage, and method | Findings |
|---|--|---|--|
| Babatunde, 2009 (6) | Merchandise exports, REER, average tariff rate, exchange rate, and imports of raw material | Sub-Saharan Africa; annual data (1980-2005); panel-fixed effect and random effect | REER stimulates exports |
| Yongkul Won 2008 (7) | FDI, Exports, and GDP, ANIEs | Korea, Taiwan, Singapore, Malaysia, Philippines and Thailand. panel data from 1981 to 2005, panel VAR models | Stronger unidirectional causality from GDP to FDI in the first generation case Korea, Taiwan, Singapore. FDI is generally attracted to the high income countries. |
| Wong, 2008 (8) | GDP per capita, exports, private consumption, government consumption, and investment | ASEAN 5; annual data (1960-1996); error correction, Granger causality | (i) A long-run relationship exists between variables (ii) Bidirectional Granger causality between exports and GDP; private consumption and GDP per capita |
| Ranjan Kumar Dash and Chandan Sharma 2007 (9) | FDI, Trade, Causality, Toda-Yamamoto test, Linear Decomposition. JEL classification | Toda and Yamamoto Amatory in [1995] for the period 1996Q4 to 2007Q4 Vector Auto regression (VAR) model applying Ganger non-causality test | the linear feedback between export and FDI (67 per cent) can be accounted for by Granger-causality from FDI flows to export (46per cent) and from export to FDI (21 per cent). |
| F. S. T. Hsiao and M. C. W. Hsiao, 2006 (10) | Real FDI inflows, real GDP per capita, and real exports | China, Korea, Hong Kong, Singapore, Taiwan, Malaysia, Thailand, and the Philippines; annual data (1986-2004); panel VAR | Bidirectional causality between exports and GDP |

Theoretical Consideration:

There are the several theories that have pointed out the various factors that plays important role in the growth rate of the country but the neoclassical theories of growth based on the Solow's growth model has emphasized on growth. The agriculture sectors that have contributed most to the growth rate of the economy for the period 1980-2014. Importance of the agriculture sector to the economy will be measured from its contribution to the overall GDP. The starting point of conventional economic growth theorisation is the neoclassical model of Solow (1956).

Objectives:

The objective of the paper is to study the relationship between growth performance of agricultural and Economic Growth (GDP) in Indian context.

Hypothesis:

1. There is unidirectional causality between growth performance of agricultural and Economic Growth (GDP) = H_0
2. There is no unidirectional causality between the two variables = H_1

That means

- growth performance of agricultural does not cause Economic Growth (GDP)
- Economic Growth (GDP) does not cause growth performance of agricultural

Methodology and Data:

This study is based on secondary data. The data has been collected from the World Development Indicators and World Development Reports published by the World Bank for the period of 1980-2014 periods has used for the empirical analysis. GDP annual has determined % of and agriculture performance (annual %) has determined to Agriculture, value added (% of GDP) GDP symbolizing and Agriculture performance has been defined in terms of the variables of AGR and GDP. The study analyzes the relationship between Agriculture performance and Economic growth in India.

The effect of Agriculture Performance GDP on Economic growth will be estimated in the analysis by using the model below

$$X = \alpha + \beta + \varepsilon \quad \dots\dots\dots (1)$$

$$GDP = \alpha + \beta AGR$$

Conventional unit root tests such as the ADF. Whether the variables include unit-root or not will be tested as in the test of time series analysis Stationary of data will be analyzed with the help of the equation below.

$$\Delta y_t = \beta_1 y_{t-1} + \beta_2 \Delta y_{t-1} + \beta_3 \Delta y_{t-2} + \beta_4 + \beta_5 t \dots\dots\dots (2)$$

To test for causality between AGR and GDP, we shall estimate the following regression equations: That Y Granger-causes X. If Y causes X and X does not cause Y, it is said that unidirectional causality exists from Y to X.

$$AGR_t = \alpha_1 + \sum_{i=1}^n \beta_i AGR_{t-i} + \sum_{j=1}^m \gamma_j GDP_{t-i} + \varepsilon_t \dots\dots\dots (3)$$

$$GDP_t = \alpha_2 + \sum_{i=1}^n \theta_i AGR_{t-i} + \sum_{j=1}^m \delta_j GDP_{t-i} + \varepsilon_{t-1} \dots\dots\dots (4)$$

Where

AGR = Agriculture, value added (% of GDP); GDP = GDP growth (annual %)

If the F statistic is greater than a certain critical value for an F distribution, then we reject the null hypothesis that Y does not Granger-cause X (equation (1)), which means Y Granger-causes X.

Granger Causality:

Determining causality is an important component of modeling economic. Relationships Granger-causality tests are employed to analyze the presence and direction of causality between these two variables Identification of causal relationships among variables has been a major objective of economic research in recent years. Granger's (1969) definition of causality between two variables in a time series context has stimulated great interest among researchers. Causality in the sense of Granger implies that, given an information set, X causes Y if the past values of X and Y can be used to predict Y more accurately than simply using the past values of Y.

The Empirical Results:

The Granger test typically employs the same lag length for all variables. This presents a potential problem. There is no a priori reason to believe that the same lag length is appropriate for all variables. In general the lag length of either X or Y (or both) is over specified, the estimates will be unbiased but inefficient. Underspecified lag length of either X or Y (or both) will lead to biased estimates with a smaller variance

Dependent Variable: GDP

Method: Least Squares

Sample: 1980 2014

Included observations: 35

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|--------------------|-------------|-----------------------|-------------|----------|
| C | 9.829175 | 1.552495 | 6.331213 | 0.0000 |
| AGR | -0.141493 | 0.060371 | -2.343725 | 0.0253 |
| R-squared | 0.142702 | Mean dependent var | | 6.281541 |
| Adjusted R-squared | 0.116724 | S.D. dependent var | | 2.171796 |
| S.E. of regression | 2.041114 | Akaike info criterion | | 4.320314 |
| Sum squared resid | 137.4829 | Schwarz criterion | | 4.409191 |
| Log likelihood | -73.60550 | F-statistic | | 5.493047 |
| Durbin-Watson stat | 2.056352 | Prob(F-statistic) | | 0.025265 |

Change of AGR of 1% in period t-1 would affect the annual GDP for 9.82 % in period t. The significance of gained results can be seen in the fact that GDP is the cause of change of AGR and not that AGR is the cause of change in GDP.

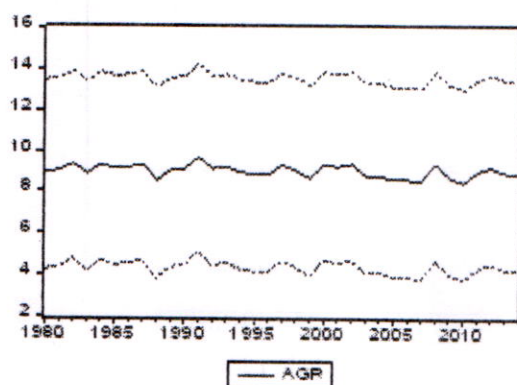
Pair wise Granger Causality Tests:

Sample: 1980 2014

Lags: 2

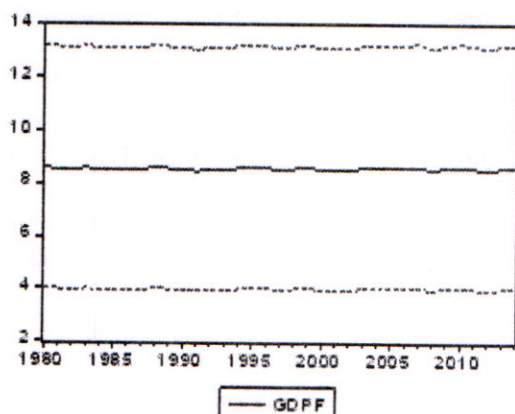
| Null Hypothesis: | Obs | F-Statistic | Probability |
|--------------------------------|-----|-------------|-------------|
| AGR does not Granger Cause GDP | 33 | 4.84687 | 0.01558 |
| GDP does not Granger Cause AGR | | 0.92099 | 0.40985 |

The results of the Granger causality tests of the model are shown in above table shows the tests used to choose the lag lengths. The joint F-statistic value in equation 1 is 4.84687 with the probability value 0.01558. From this we reject the null hypothesis of AGR does not granger cause GDP. Also the joint F-value on GDP from equation 2 is 0.92099 with the corresponding probability value is 0.40985 so we can reject the alternative hypothesis at 5% level of significance. That is AGR Granger causes GDP. The results in Table provide a convincing evidence of a unidirectional causality running from AGR to GDP for India at the 5% level of significance.



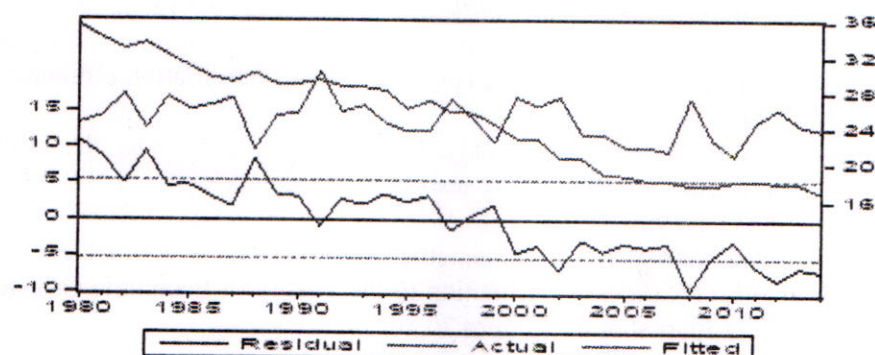
Forecast: AGR
Actual: GDP
Forecast sample: 1980-2014
Included observations: 35

| | |
|------------------------------|----------|
| Root Mean Squared Error | 3.611055 |
| Mean Absolute Error | 3.012300 |
| Mean Abs. Percent Error | 79.97290 |
| Theil Inequality Coefficient | 0.231749 |
| Bias Proportion | 0.542146 |
| Variance Proportion | 0.258981 |
| Covariance Proportion | 0.198873 |

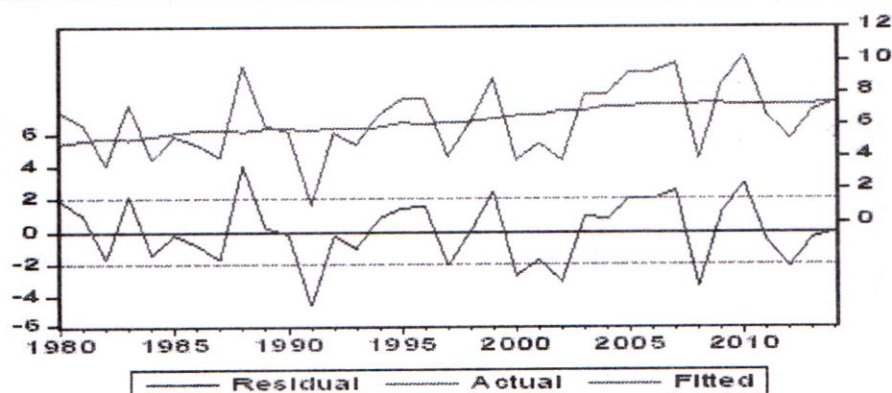


Forecast: GDPF
Actual: GDP
Forecast sample: 1980-2014
Included observations: 35

| | |
|------------------------------|-----------|
| Root Mean Squared Error | 3.100116 |
| Mean Absolute Error | 2.586080 |
| Mean Abs. Percent Error | 68.65728 |
| Theil Inequality Coefficient | 0.203948 |
| Bias Proportion | 0.542146 |
| Variance Proportion | 0.457854 |
| Covariance Proportion | -0.000000 |



The residual plot shows that heteroskedasticity is probably an issue we should take into account. The residual series confirms the existence of heteroskedasticity: the year 1980-2014 AGR and GDP is much larger compared to other observations



Summary and Conclusions

The major aim of this article has been to investigate the causal relationship, if any, between GDP and Agriculture performers. Granger causality tests were employed to analyze the presence and direction of causality between these two variables. The study provides at least some tentative results regarding the direction of causality between GDP and Agriculture performers. India being an agricultural economy where more than 50% of the population depends on agriculture and contributes 14.45% towards GDP its importance cannot be ignored. What has been seen that whenever there is the fall in agriculture GDP, it directly pulls down the overall GDP i.e. agriculture GDP has the tendency of pulling down the GDP but does not push it up at the times of higher growth rate.

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भारत की अद्वितीय सहकारी समिति तमिलनाडु की ईरुला साँप पकड़नेवालों की औद्योगिक सहकारी समिति- एक परिचय

किरण चाँपानेरी - सेतु*

भारत के किसान लोग खेत की मेंड़ पर अपनी तथा अपनी खेतीवाड़ी की रखवाली के लिए साँप की 'क्षेत्रपाल दादा' के तौर पर स्थापना करते हैं, पूजा भी करते हैं, हाँ क्षेत्रपाल की पूजा। नाग-पंचमी के दिन पनसाल में नाग का चित्र खींचा जाता है फिर उसकी पूजा होती है। भगवान शंकर के गले में साँप, विष्णु की शय्या के रूप में साँप, इस तरह देव-देवियों के वाहन के रूप में साँप देखने को मिलते हैं। साँप भारतीय लोगों के जीवन चक्र में अहम् भूमिका रखते हैं। पर्यावरण की दृष्टि से उसका जतन हो, उसका भय दूर हो इस कारण भारतीय देव-देवियों के वाहन के रूप में उसे अपनाया है। तथापि साँप को खेत में देखते ही खत्म किया जाता है, नगरों में साँप के नाम से ही भय के कारण लोगों में भगदड़ मच जाती है।

लेकिन तमिलनाडु राज्य में साँप पकड़नेवालों की औद्योगिक सहकारी समितियाँ, एकम् एवं अद्वितीय! 1844 ई.स. से सहकारी प्रवृत्ति का प्रारंभ हुआ। भारत में 1904 से इस प्रवृत्ति का श्रीगणेश हुआ। किसानों को सराफो-महाजनों के शोषण से उबारने के लिए, उनके चुंगल से मुक्ति दिलाने के लिए ही सहकारी संस्था का उद्भव हुआ। शुरु-शुरु में कृषि ऋण तक सीमित इस सहकारी प्रवृत्ति का समय के प्रवाह में तथा लोगों की आवश्यकता के आधार पर विकास कई क्षेत्रों में हुआ। दूध, खाद, तरकारी-सब्जी, मेडिकल, कालेज, ट्रान्सपोर्ट, जंगल, मजदूर मंडली, गैस वितरण सहकारी समिति, सौर उत्पादक सहकारी समिति और आखिर में यह 'साँप पकड़नेवालों' की सहकारी समिति स्थापित हुई।

तमिलनाडु में साँप पकड़नेवालों की सहकारी मंडली के आद्यस्थापक हैं श्री त्रिविडमणि और उनके अमेरिकन मित्र श्री रोमुलुस व्हाइटकेर। साँप के महत्त्व और उसके लाभ के बारे में प्रजा में जागृति लाने के लिए इन दोनों सज्जनों ने मित्रों ने दिनांक 2-10-1972 के दिन चेन्नईपार्क ट्रस्ट की रचना की। इस राज्य में ईरुला नामक आदिवासी जाति है, ये लोग साँप पकड़ने में तथा उसकी रक्षा करने में माहिर हैं। लेकिन चैन्नई और महाबली पुरम प्रदेश की समुद्री तट के तथा जंगल के क्षेत्र के लोगों का खानाबदोश जीवन, रोजी-रोटी का कोई ठिकाना नहीं, गरीबी और बेहाली।

चैन्नई स्नेक पार्क ट्रस्ट में कई सालों का साँप के साथ व्यवहार, अनुभव तथा इन दोनों दोस्तों को साँप, साँप के विष आदि साँप की चर्चा के बारे में पूरी वैज्ञानिक शास्त्रीय जानकारी तो थी ही, दूसरे साँप पकड़कर लानेवाले इन ईरुला जाति के लोगों की दुर्दशा, बेहाली के प्रत्यक्ष साक्षी भी थे।

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इसलिए इस ईरुला जाति के लोगों के साँप पकड़ने के ज्ञान का उपयोग इन लोगों को आमदनी हो, रोजगार मिले क्या ऐसा नहीं हो सकता? ऐसा सोचकर श्री द्रविडमणि, श्री रोमुलुस तथा सामाजिक कार्यकर रेवती मुखर्जी तीनों तमिलनाडु सरकार के इंडस्ट्रीज एण्ड कॉमर्स विभाग के रजिस्ट्रार से मिले। ईरुला जाति के बेरोजगार युवकों के लिए स्वरोजगार योजना की स्वीकृति प्राप्त की। दिनांक 19-12-1978 के दिन मद्रास से महाबलिपुरम के रास्ते पर 16 कि.मी. दूर स्थित गाँव वडनम्मलि में ईरुला साँप पकड़नेवालों की इंडस्ट्रीयल को-ऑपरेटिव सोसायटी बनी, सोसायटी एक्ट के अनुसार इसका रजि.क्र.IND-969 है।

सन 2011 की जन गणना के आधार पर तमिलनाडु में 558 लाख की कुल बस्ती में 5.74 लाख आदिवासी जाति की बस्ति है। इस राज्य में 36 उपा-आदिजातियाँ हैं। उनके ईरुला जाति की बस्ति की आबादी 1,16,850 है। आज भी यह जाति घने जंगलों में बसी है।

कुदरती रूप में प्राकृतिक ढंग से ही मिलते फल, जड़े, चिबें, और वन्य बिलाव उन लोगों का प्रमुख खुराक है, भोजन है। इन्हें शिकारी, साँप पकड़नेवाले, मदारी, साँप पुरुष व पहाड़ी शिकारी आदि विविध नामों से पहचाने जाते हैं। ईरुला जाति के लोगों को प्रणालीगत कृषि व्यवसाय संबंधी कोई तालीम प्राप्त नहीं होती। इसी वजह से आज भी वे अन्य जाति के लोगों के घर जाकर या खेत-मजदूर के रूप में काम करते हैं। इंडियन वाइल्ड लाईफ कानून ने इस ईरुला जाति के लोगों की जिंदगी को बड़ा नुकसान पहुँचाया है। उनका जीवन अस्त-व्यस्त कर दिया है। इन सभी बातों के कारण वडनम्मलि गाँव में ईरुला स्नेक कैचर्स इंडस्ट्रीयल को-ऑपरेटिव सोसायटी की रचना की गई है। ईरुला लोग इस समिति के सदस्य बनकर हर माह 5000/- से 6000/- रुपये की कमाई करने लगे हैं।

इस समिति के 345 सदस्य हैं। समिति का शेयर के पूँजी रु.12,44,750/- है। इस पूरे वर्ष के दौरान 15,00,000 साँप पकड़े गए, रु. 30,41,888/- का विष जमा किया गया। बिक्री हुई रु.12,28,10,00/- की तथा मुनाफा हुआ।

समिति स्थापना का प्रयोजन

1. ईरुला जाति के लोगों की आर्थिक स्थिति में सुधार करना।
2. साँप पकड़ना तथा साँपों की देखभाल करना तथा साँप के विष का बिक्री केंद्र स्थापित करना।
3. जिंदा साँप पकड़ना और बेचना।
4. शहद तथा वनौषधियाँ जमा करना बेचना।
5. पाठशाला तथा कॉलेज के लिए जैविक नमूनों की बिक्री करना, आवश्यक माँग की आपूर्ति करना तथा बेचना।
6. जैविक प्रणाली के अनुसार दीमक, चूँहें आदि के निर्मूलन के लिए पेस्ट कंट्रोल तैयार करना।

७. ईरुला जाति के लोगों के प्रकृति के बारे में जानकारी है उस ज्ञान का उपयोग पर्यावरणविदों, पाठशालाओं तथा सहकारी एजेंसियों को सहायता पहुँचाने में योगदान देना ।

८. मगर, साँप, गिरगिट, मेढक, मछली, पतंगे आदि प्राणियों के प्रजनन के बारे में प्रयोग और अनुसंधान करना ।

९. ईरुला लोगों को प्राथमिक सुश्रुषा की तालीम देना, आवश्यकता पड़ने पर ऋण देना ।

१०. ईरुला लोगों को कुदरती तौर पर (जन्मसे) मिली शक्ति, ज्ञान का उपयोग, टेक्निकल स्कील वैल्यू रेटिंग द्वारा शास्त्रीय ज्ञान प्राप्त टेक्निकल को तैयार करना ।

ईरुला जाति के १८ से ५८ साल की आयु मरमादा वाले स्त्री-पुरुष सदस्यों के लिए निश्चित है । विधैले साँप पकड़ने में तथा उस साँप की देखभाल रखने में जो काबिल, सक्षम हों ऐसे मुवा व्यक्ति से रुपया १/- प्रवेश शुल्क और रु.५०/- सदस्यता शुल्क के तौर पर स्वीकार करके सदस्यता दी जाती है । साँप पकड़नेके लिए समितिको तमिलनाडु सरकार के वन्य विभाग से अधिकार पत्र तथा चिफ वाईल्ड लाईफ वॉर्डन, तमिलनाडु से लायसंस प्राप्त करना होता है । हर सदस्य को व्यक्तिगत रुप से ही लायसंस धारक सदस्य से साँप, उस साँप विशेष के प्रकार के आधार पर मूल्य देकर खरीदा जाता है । इंडियन कोब्रा और रल्लस-वाईपरके रु.२०००/- तथा कोबन क्रेट और सावस्केल्ड वाइपर के ७००/- रुपए अदा किया जाता है।

जिस सदस्य के पास साँप पकड़ने का लायसंस होता है वह हर माह पाँच से छः हजार रुपए आमदनी करता है । चूहे, मेंढक सदस्यो से खरीदा जाता है । प्रत्येक का मूल्य उसके कद (बड़ा-मध्यम-छोटा) के आधार पर रु.५/-, ४/-, ३/- दिया जाता है । हर सदस्य को हर साल फाल, चाकू, जूता (१ जोड़ी) छाता, वायर बैग, कपड़े की जोड़ी, कपड़े की थैली ६, विष प्रतिरोधक शीशी-२, (हर पाँच साल के बाद) और असबाब रखने के लिए संदुक निःशुल्क दिए जाते हैं । सदस्य के निवास स्थान से साँप कार्यालय तक जाने के लइए समिति की ओर से निःशुल्क वाहन सुविधा प्रदान की जाती है ।

समिति हर साल सदस्यों में ५० प्रतिशत बोनस, ५० प्रतिशत प्रोत्साहक लाभ, एल.आई.सी का फ्री बीमा, सदस्यकी मृत्यु पर १०००/- रुपये, सदस्य को साँप काटने के अवसर पर उसकी दवाई, सुश्रुषा का पूरा खर्च, साँप काटने से सदस्य की यदि मृत्यु होती है तब उसके परिवारजनों को १०,००००/- रुपये अदा किए जाते हैं ।

भारत में २५० प्रकार के साँप पाए जाते हैं, उनमेंसे ५० प्रकार के साँप विषैले होते हैं। इन ५० जातियों में से इंडियन कोब्रा, रसल्लस वाईपर, कोमन क्रेट और सावस्केलड वाईपर अत्यंत जहरीले साँप हैं। इन चार प्रकार के साँपों के काटनेसे हमारे देश में लगभग 45000 व्यक्तियों की मृत्यु हो चुकी है। यह संख्या सिर्फ अस्पतालों में हॉस्पिटलाइजेशन, नाम दर्ज करने के आधार पर दी गई है। वास्तविक संख्या इससे भी कहीं अधिक हो सकती है। क्योंकि देहातों में लोग साँप काटने पर व्यक्ति सीधा अस्पताल नहीं ले जाते बल्कि व्यक्ति पर घरेलु औषधियाँ प्रयोग करते हैं और अंधविश्वास आधारित मंत्र-तंत्र, ओझा से झाड़-फूँक आदि करवाते हैं। दर्दी की मृत्यु होती है। ऐसे कई व्यक्ति होते हैं जिनकी संख्या ऊपर बताई संख्या में शामिल नहीं है।

सदस्यों से विषैले साँप जमा करके, खरीद करके, उस प्रत्येक साँप की देखभाल की जाती है। मंडली के कार्यालय परिसर में ही विशिष्ट ढंग से बनाए हुए गये में, हाँ साँप गये में रेत से आधेभरे मिट्टी के घड़े में / मटके में साँप को रखा जाता है। साँप की विष-थैली से सप्ताह में एकबार विष निकाला जाता है। चार सप्ताह विष निकालने पर साँप को वन विभाग के अधिकारी की उपस्थिति में आरक्षित जंगल में छोड़ दिया जाता है।

साँप की विष-थैली से विष निकालकर उस विष का पॉऊडर करते हैं। ये पॉऊडर विष प्रतिरोधक उत्पादक सहकारी संस्थाओं को या उसी तरह की निजी संस्थाओं को बेच दिया जाता है।

विष बिक्री के लिए समिति को चिफ वाईल्ड लाईव वार्डन, चैन्नई से डिलरशिप लायसंस प्राप्त करना पड़ता है तथा इस डिलरशिप लायसंस को हर साल अनिवार्य रूप से नवीनीकरण करवाना पड़ता है।

साँप के विष का उपयोग सर्प-दंश प्रतिरोधक दवा, इंजेक्शन बनाने में होता है। भारत में किंग इन्स्टीट्यूट चैन्नई, हाफकिन इन्स्टीट्यूट-पूना, भारत सीरफ-मुंबई, सीरम इन्स्टीट्यूट पूना, सेंट्रल रिसर्च इन्स्टीट्यूट-शिमला, विनस बायो प्रोडक्ट-हैदराबाद, बायोलोजिकल इवान- हैदराबाद जैसी संस्थाएँ इस समिति विष का पॉऊडर (चूर्ण) खरीदती हैं।

दिनांक 01-05-2007 से लागू विष का मूल्य निर्धारण कोब्रा का विष रु.25000/-, कोमनक्रेट का विष रु. 40,000/- रसल्लसवाइपर का विष रु.30,000/- और सावस्केलड वाइपर का विष रु.45,000/- प्रति ग्रामनिर्धारित किया गया है। इस मूल्य पर (5:5:1:1) की मात्रा में मतलब कोब्रा का विष 5 ग्राम, रसल्लस का विष 5 ग्राम, क्रेट का विष 1 ग्राम तथा सावस्केलड वाइपर का विष 1 ग्राम के औसत से विष खरीदना पड़ता है। अलग से अकेला क्रेट का विष या सावस्केलड वाइपर का विष अनुक्रम रु. 1,75,000/- एक ग्राम के हिसाब से मिलता है। विष के लिए आर्डर मिलने के बाद तथा पूरी किमत मिल जाने पर चार दिन पश्चात विष पार्सल के जरिए भेजा जाता है।

इस तरह तमिलनाडु की यह ईरुला साँप पकड़नेवालों की सहकारी समिति एक अनोखी और उदाहरणरूप है।



A STUDY OF WORKING CAPITAL AND INVENTORY PERFORMANCE OF SELECTED COOPERATIVE SUGAR FACTORIES IN MAHARASHTRA STATE

EXECUTIVE SUMMARY

Anil Karanjkar*

Swapna Chander**

I. Introduction:

Sugar is the second-largest agro-based industry in India and it is a sector of immense importance to the Indian economy. India is the second largest producer of sugar in the world after Brazil and is also the largest consumer. It gives 1% contribution to the GDP of India. India bags 22% share in world sugar production. Sugarcane is primarily grown in nine states of India: Andhra Pradesh, Bihar, Gujarat, Haryana, Karnataka, Maharashtra, Punjab, Uttar Pradesh and Tamil Nadu. The Indian sugar sector is composed of three distinct categories - public mills, private mills and cooperative mills. India had 704 sugar mills (including two standalone refineries) with major concentration in rural areas. About 50% of the sugar mills are promoted by sugarcane farmers in the form of co-operative societies. Sugar production is the primary business among farmers of the Maharashtra state. Maharashtra state has occupied a well-recognized place of pride on the sugarcane map of the country. The cooperative movement for the sugar industry started in the 1960s in Maharashtra with the announcement of 12 places in the state where sugar factories could be established. The area under sugarcane in Maharashtra is 12.16 per cent of the total area in India. Sugar industry is always facing ups and downs in its performance and is being criticized as most politicalised industry.

Sugar industry is seasonal industry; the operational part of the industry needs large amount working capital throughout the year. To meet out the expectation, cooperative sugar factories have made huge capital investment in fixed assets like land, building and machinery. It also requires good investment in land leveling, creation of irrigation facility and development of sugar cane samplings. The investment is not one time but it is continuous. The sugar factory is required to arrange for harvesting of the sugar cane, transportation of the sugar cane, advance payment to the sugar cane growers and then processing expenses and others through immediate payments. Once sugar produced is not sold immediately, piled stocks of finished goods, makes the working capital challenge most serious.

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This is NCUI sponsored project.

The question of survival and sustainability of a sugar factory depend mainly on internal issues like their financial performance, raw material availability, price fluctuations, tax burden etc. Financial prudence is based on several factors, of which inventory plays a predominant role in determining the financial stability of a sugar factory.

This research study of the performance of working capital of the sugar factory throws light on the efficiency of working of the sugar factory. In this study performance of the working capital is studied through ratio analysis. Similarly, much of the working capital is blocked in current assets. The important element of the current asset is inventory and most of the funds are blocked in inventory. The study shows the inventory management practices and working capital performance of selected sugar mills in Maharashtra state.

II. Rational of the Study:

Management of Inventory is the central core of materials management. The purpose of inventory management is to ensure availability of materials in sufficient quantity as and when required and also to minimize investment in inventories. The investments in inventories are very high in most of the undertakings, especially those engaged in manufacturing activities. The amount of investment is sometimes more in inventory than in other assets. In industries like sugar, raw materials cost is as high as, around two-third of total cost. Many sugar factories have an excessive amount of cash tied up to accumulation of inventory sitting for a long period because of the slack inventory management or inability to control the inventory efficiently. Poor inventory management translates directly into strains on a sugar factories cash flow. Thus, it is necessary for every management to give proper attention to inventory management. Reducing inventory usually improves ROA, and vice versa if inventory goes up without offsetting increases in revenue. A proper planning of purchasing, handling, storing and accounting should form a part of inventory management. Having considered the rapid growth of sugar industry in India, it is considered that the study on the topic entitled "A Study of Working Capital and Inventory Performance for Selected Cooperative Sugar Mills in Maharashtra State." This to analyze the impact of inventory management practices on the working capital of the sugar factories in Maharashtra. The study will be most beneficial to the policy makers, the researchers, the cooperative sugar industry and the others concerned on the whole.

Literature Review:

Vijayakumar et al, (1995) studied the impact of working capital on profitability in sugar industry in Tamil Nadu by selecting a sample of 13 companies; 6 companies in Co-operative sector and 7 companies in private sector. They applied simple correlation and multiple regression analysis on working capital and profitability ratios. They concluded through correlation and regression analysis that liquid ratio inventory turnover ratio, receivables turnover ratio and cash turnover ratio influenced the profitability of sugar industry in Tamil Nadu.

Neeraj Kumar Gupta (2012) studied the financial wealth, health of co-operative sugar mill. The study was an attempt to analyse and compute the effect of various ratios to ascertain the degree of financial health with the help of a universally accepted hybrid ratio. It study found fluctuation in working capital, total assets of the mill were increasing regularly.

Sanjay et al (2013) in his study on "An empirical study on management practices in cooperative sugar factories of Gujarat." The researcher tried to study various professional management practices and procedures adopted in managing cooperative sugar factories of Gujarat. It was an attempt to understand the extent of authority delegated to managing directors. The study indicates that many of the scientific tools and techniques of modern management practices are used for performing general managerial functions. Modern HR practices were neglected and management of cooperative sugar factories of the state had failed to understand the strategic role that HR can play in changing agri business environment.

N. Suresh Babu et al (2014) in his study on "the Working Capital Management Efficiency in Indian Leather Industry" has investigated the relationship between the components of working capital and firms' profitability of firms in Indian leather industry. The study found that a positive and insignificant relationship of inventory conversion period and profitability and average collection period has positive relationship with leverage.

IV. Objectives of the Study

The present study has been undertaken to achieve the following objectives, with regard to working capital and inventory management in Cooperative sugar factories of Maharashtra:

- 1) To identify working capital blocked in Inventory and its trend analysis.
- 2) To analyse the functioning of selected Sugar factories in relation to working capital.
- 3) To analyse performance of current assets and fixed assets in the working of selected Sugar factories.
- 4) To propose suggestive measures for improvising the performance of working capital and assets.

V. Research Methodology:

A. Sampling:

Among the 173 operating cooperative sugar factories in Maharashtra, 28 selected cooperative factories have been selected from all direction of the state for the study. The selection of cooperative sugar factories has been made systematically and unbiased. The sugar factories have been selected from every district of the state. Emphasis has been given to very old and latest sugar factories equally. The selection of sugar factories is also based on different topology like geographical, climate, culture, urban, rural and semi urban.

B. Data Collection:

Primary Data Collection: A questionnaire is prepared comprising of questions to understand the inventory management practices. The same is administered during the visit of research team to each of the sugar factory. The data is collected through observations and by personal interview with Managing Director or General Manager, Purchase Manager, Stores Manger, Chief Accountant, Chief Chemist, Chief Engineer and EDP Manager.

Secondary Data Collection: The secondary data is collected from the balance sheets and profit -loss account from the annual reports. The Maharashtra State Cooperative Sugar factories Federation, Mumbai; Vasantdada Sugar Institute, Pune provided all the necessary secondary data.

Period of the Study: To analyze the performance of any industry it requires at least a five year period has to be chosen to know the trend but in the present study a ten year period has been chosen to observe the inventory management practices of the sample units of the study. The study period was taken from 2004 to 2015.

C. Statistical Techniques: The collected data was edited, coded, tabulated, grouped and organized according to the requirement of the study and then entered into SPSS for analysis. For analyzing the hypothesis t test was used.

VI. Findings:

The data were collected and then processed in response to minute observation during the visit and on the basis of analysis of primary and secondary data proposes the following findings:

- ❖ It was found that most of cooperative sugar factories never developed guidebook for their respective departments; purchase department, store department, user departments like chemist and engineering departments. Most of the cooperative sugar factories didn't have any proper written manuscript for the procedures to be followed by their departments. The departments perform their activities in a set pattern which their predecessor

has developed. The managers/officers in their respective department follow the previous practices and experience.

- ❖ The Board of Directors and Managing Directors of the respective sugar factories are well equipped with the requisite level of authority for majority of decision areas. But the authority of managers/officers has been restricted for certain crucial areas as these decision areas may have long term financial and social implications.
- ❖ Improper arrangements were made for maintenance & safety of inventory items in most of the cooperative sugar factories. During on-season / off-season; stores, spares & raw materials are not kept under strict vigil though these items should have been checked & verified at regular intervals.
- ❖ The study noted that materials procurement process, selection of suppliers is done on various parameters which help to assess each item of the store. The invoicing, receipt and inspection of goods, quality control, supplier appraisal, clarifying payments are satisfactory in the selected cooperative sugar factories.
- ❖ Cooperative sugar factories haven't implemented inventory control system to minimize loss by obsolescence, deterioration, damage, shortage of materials and duplicates ordering.
- ❖ Many of the scientific tools and techniques of modern management practices are not performed effectively especially general managerial functions and majority of managerial decision making areas of inventory management.
- ❖ The current ratio for most of the cooperative sugar factories reveals that the short term financial liquidity position of the factories was not very comfortable position during the study period.
- ❖ The quick ratio of most of the sugar factories reveals that the availability of cash for meeting the immediate payment is comfortable in the financial position during the study period.
- ❖ Most of the cooperative sugar factories inventory turnover position of the factory was not favorable. The balance from debtors found to be very high during the period under study for most of the cooperative sugar factories. This will lead to the financial constrains in future.
- ❖ Few of the cooperative sugar factories operating cost varied during the years under study. The factory has not taken effective measures to control

the operating cost. It is clear that the overall position of working capital of most of the sugar factories was not satisfactory, so there is a need for improvement in inventory because a major portion of the current assets are in the form of inventory.

- ❖ Management practices in selected cooperative sugar factories in the state are almost similar and do not differ significantly.
- ❖ Most of the Cooperative sugar factories don't practices modern inventory management. All the scientific tools and techniques of inventory management practices are ignored.
- ❖ The top management in cooperative sugar factories too failed to understand the strategic role that a modern inventory management can play in changing agri business environment.

VII. Recommendations:

The research team has set the recommendations in this context. If these recommendations are implemented into, "They will help the Co-operative sugar factories to turn around." The recommendations are as follows:

- ❖ Every sugar factory should give due importance to working capital management.
- ❖ Cooperatives sugar factories have to increase the current assets turnover ratio by increasing their current assets.
- ❖ Cooperative sugar factories need to increase its current ratio by increasing its current assets as it helps to maintain standard ideal ratio 2:1.
- ❖ Cooperative sugar factories should not invest more on fixed assets because they cannot be converted into cash. Most of the factories face problem of insufficient cash balance, so its suggested that the sugar factories better to invest in current assets instead of having high inventory.
- ❖ Operational manpower is not qualified and hence there is lack of professionalism. The employees are not practiced to working under stress. The manpower needs to be trained efficiently, so that you can generate optimal results.

- ❖ The employees are not skilled in operating computers; the computerized infrastructure is not being properly utilized by most of the cooperative sugar factories. There is a need for business process re-engineering.
- ❖ A well design “SOP” (Standard Operating Practice) needs to be introduced in each & every sugar factory.
- ❖ There should be proper delegation of financial authority so as to increase speedy decision making.
- ❖ Scientific inventory management techniques like ABC analysis, EOQ application and other analyses need to be implemented and provide a streamlined operation.



A STUDY OF THE TRAINING ACTIVITIES OF KARNATAKA STATE COOPERATIVES FEDERATION AND ITS TRAINING CENTERS

EXECUTIVE SUMMARY

T. Paranjothi *

Shefali Pardeshi **

1. Introduction

Co-operative Movement in India has grown up into a huge network of primary, central, state and national as federal organisations covering the various facets of the economy viz, Banking, Agriculture, Supply, Distribution, Processing, Marketing, Housing, Transportation and Small Scale Industry. It means that it covered the entire sectors of the economy such as Primary, Secondary, and tertiary. However, a notable feature is that most of the cooperatives in India are not efficiently working thereby they incur losses and have not achieved their goals. Lack of member awareness, vigilance and solidarity and the lack of professional management are some of the causes leading to dormancy or inefficiency of their performance. It was an universally accepted fact that cooperative movement in its facet is depending on education and training of its members. Cooperative education and training are interrelated and interdependent, without one the other cannot be possible. Education develops mental facilities and increases knowledge, training develops the skill, chieseles and levels it. Training gives a practical shape to all these matters. The success of co-operative movement essentially depends on cooperative education and training of members on the one hand and in the application of the principles, practice and methods of cooperation as a way of doing business, on the other hand. Both education and training are therefore essential for the proper development of any cooperative.

Cooperative Movement is first and foremost an educative and social movement, before it can be considered a system of business. The importance of co-operative education and training is loudly pronounced for the underdeveloped and developing countries where literacy is at its low level. The importance of co-operative education is also amplified by the saying namely "Create Cooperators before creating Cooperatives". Rochdale Pioneers while formulating the principles for the successful conduct of their consumer store had foresightedly recognized the importance of cooperative education and training. They included co-operative education as one of their principle.

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This is NCUI sponsored project.

Cooperatives Education and Training has been recognized from the very beginning as extremely important part of Cooperative Development. This is recognized by the Governments which have been providing liberal financial assistance since long. However the traditional education and training programme has to adapt to the growing needs of the cooperatives. Cooperative education and training techniques have drastically changed in many parts of Asia and beyond, keeping in view the felt needs of cooperatives. The social and economic values of the people at large and their outlook have changed considerably. The training programmes and member education, therefore have to be reoriented keeping in view this approach. Cooperative Education and Training Programmes have therefore, to be adjusted keeping in view the latest trends in cooperatives and their working.

1.1 Need of Co-operative Education and Training

At the initial stage when cooperation was initiated and adopted by the people themselves didn't much felt to impart the managerial skills to the employees of cooperatives, as they (cooperatives) were managed by honorary office bearers. In due course of time, it became essential to have skilled workers and experts paid employees, competent to run cooperative business. Thus grew the need of professional training of paid employees of cooperatives.

Cooperation was visualized as the most potential instrument for economic development and socio-economic transformation after independence, so as to establish a society based on non-exploitation, decentralization, social and economic justice, etc. Measures were taken, particularly after introduction of planning in the country, to make cooperation an all pervasive movement. A well conceived education and training programme was visualized and evolved, formerly for members and non official office bearers and later for employees. Cooperation being the state subject, it was considered essential to involve the State level cooperative organizations in member education while the training of junior level paid employees continued with the Government and that of senior and intermediate category was with the Reserve Bank of India.

India has built a fairly good structure for the training of various categories of employee senior, intermediate and junior. The cooperative training structure has National Institute of Cooperative Management, at the national level, Institutes of Cooperative Management, Junior Training Centres and a number of Training Institutes promoted by NABARD, NCDC and State Cooperative Banks. Cooperative Training is not merely a pre-requisite but it is a permanent condition of cooperative activities said Vaikunth Bhai Mehta, one of most the most respected co-operator in India. But despite his visionary advice to Indian co-operatives, the Cooperative Education and Training has not unfortunately gained expected support and respect for such training. Co-operative training imparted by over 200 training institutes in India and all put together they organize around 4000 training programmes of different duration and training around only one lakh persons out of 140 lakh persons employed by

cooperatives in India. Thus clearly indicates there is wide gap between people employed and trained in cooperative sector.

2. Description of Selected study Area

The first co-operative society of our country was registered in 1905 at Kanaginahal village of Gadag district in Karnataka. Sri Siddanagouda Sannaramana Gouda Patil is considered as the pioneer in the Co-operative Movement as he is the founder president of the said co-operative society in our country. The Mysore Co-operative Societies Act 1959 is the first legislation in the State pertaining to the co-operative societies and has come into being from 25-05-1960. Karnataka is the first state where in Agricultural loans through co-operatives are available at 3 per cent which is the lowest in the country. This facility is also extended to the loans borrowed by weavers and fishermen. Loans are available, if borrowed through co-operatives, for self-help groups at 4 per cent. Government of Karnataka is subsidizing the co-operatives by providing Interest- subsidy through budgetary provisions.

2.1 Objective of Study

The study undertaken confines to the following objectives;

- a) To study the design and implement of training programmes organized by the various cooperative training centres in Karnataka.
- b) To analyze the performance of training centres in terms of training programmes conducted and resource generation.
- c) To suggest measures for the training centres to organize more programmes and become self-reliant.

2.2 Period of the study

The present study covers ten year of Karnataka State Co-operative Federation i.e. 2005-06 to 2015-16

2.3 Scope of the Study

Geographically the proposed study is confined itself to the selected four Cooperative Training Centre working under the Karnataka State Co-operative Federation, Karnataka. This study is related to 4 Training Centres which is situated in 4 districts namely Bangalore, Mysore, Shimoga and Moodbridri. Prescription proposed by researcher would assist cooperative training centres to improve its productivity and efficiency. A study is also helpful to identify a way to understand the problem in implementing training programme so that it would assist them to keep pace and maintain its competitive strength that could lead to desired destination.

2.4 Nature and sources of Data

The study requires profile of KSCF, various resources, infrastructure facilities at junior training centres and KSCF, Training and education activities at junior training

centre, information about the different cooperative societies, sector wise training programme arranged at training centre, Membership in KSCF, Training programme planned and conducted during 10 years, Number of participants in training, feedback from participants.

2.4.1 Primary Data:

The study is based on both primary and secondary data. In order to achieve objective of the study, the necessary primary data viz. infrastructure facility, manpower, problems in training programme, number of employees, present status of KSCF and its training centres obtained with the help of schedule by taking interview of the employees of Karnataka State Co-operative Federation and its training centres by field visit.

2.4.2 Secondary Data:

Data concerning to the profile of KSCF, information of training and education activities at junior training centre, information about the different cooperative societies, sector wise training programme arranged at training centre, Membership in KSCF, Training programme planned and conducted during 10 years, Number of participants in training programme were gathered from the published Annual reports(2004-2015) from Karnataka State Co-operative Federation and other publications. Additional data was also collected from departments like National Cooperative Union of India, Training and research institution for cooperatives in Karnataka and websites like www.cooperativeonnet.com, www.laws of India.com

2.5 Analytical tools:

To accomplish the objectives of the study, the data collected from primary and secondary sources have been analyzed by using simple statistical tools such as ranking, average, percentage, ratios to evaluate the performance of training centre in Karnataka.

2.6 Limitations of the study:

The study is limited to Karnataka state only and it's only concentrating on Cooperative Education and Training Activities of 4 Training Centre run under the Karnataka State Co-operative Federation. The performance is based on comparisons with the other training centres. That is the study assumes that other factors (viz geographical conditions in area of operation, resources, trained manpower, professional management, and active involvement of share holders in management of Co-operative Union) affecting on performance are considered as constant.

3. Findings:

1. All the Districts except Ramanagara, Chikkaballapur from Bangalore Region, Belagavi from Belagavi region and Ballari from Kalaburagi region have been able to collect more than 60 percent of the demand. The districts which have

lesser percentage of collection to demand need to improve their collection of Educational Fund.

2. The District Co-operative Union constitutes 48 percent of the membership. The State Apex Co-operative Federation and Co-operative Sugar Factories constitute 30 and 15 percent respectively out of the total membership.
3. The number of programs conducted in the year 2015-16 by all Training Centres in the State was 108. 100 need based programs were conducted and 8 DCM programs were undertaken which includes the program for ST/SC.
4. The number of trained people from 1963 to 2014 at Bangalore Training Centre was 4645. Around 62 percent of trained candidates belong to different Cooperative Institutions. 17 percent are the Departmental Trainees and remaining 21 percent are from ST/SC and private Candidates.
5. The majority of programs comprise of 5 days Short Term programs which cover the areas of credit, Multi Purpose Cooperative Societies (MPCS) and Vyavasaya Sevam Sahakara Sangh (VSSN). The Regular Cooperative Diploma course was initially a 20 weeks course till 2006-07 and since 2007-08 this course has been expanded to 34 weeks. Computer awareness programs were conducted by the Training Centre in different co-operative sectors and the duration was 15 days.
6. The sanctioned posts for all the Training Centres are not fully filled and every Centre has vacancies.
7. The number and percentage of students enrolled for DCM course since 1956 to 2016 at Mysore Training Centre was 8331. The largest share of 67 percent is of the candidates enrolled from different Cooperative Institutes followed by 13.17 percent enrolled from private and remaining from various departments, SC/ST and Special SC/ST.
8. The large numbers of DCM candidates come from the different Cooperative Institutions as compared to Government Departments and other private Institutes. The percentage of male candidates is greater than the female candidates at all Centres. Every Centre has trained more than 700 candidates over past ten years and this number is increasing every year which shows the relevance of the Training Centres and the need for Training.
9. All the four Training Centres which are covered under this study lack the basic and necessary infrastructural in this era of modernization and needs modern technology and other equipment's which are required for efficient and effective co-operative training and education.
10. Research and Evaluation Cell needs to concentrate on problems and performances of the Co-operative Institutions through a systematic research and evaluation and further attempt to collect and keep vital information of the Co-operatives and function as a Data Bank.
11. The Short term training programmes of 2-4 days are conducted by the KSCF. These training programs include seminars and workshops in the field of Credit banking, Cooperative Marketing, Dairy Cooperatives, Sugar Cooperatives, Urban

Cooperatives and Agricultural Credit. There are eight Junior Co-operative Training Centres under the Karnataka State Co-operative Federation

12. There is a well equipped library of the federation which has around 8120 number of books and seven daily newspapers. The average annual budget for acquisition of books is Rs.9000 per year. The Federation publishes a weekly news paper named Sahakara Patrike and students and members are encouraged to publish articles in various journals and magazines. The library of the training centre at present consists of books and periodicals on the subject of Co-operation and Allied subjects. The Training Centres are updated with new and latest edition of book on Co-operation and other subjects with the help of Karnataka State Co-operative Federation Ltd., Bangalore
13. Theoretical training comprises of classroom lectures and LCD power point presentation on the different subjects handled by the faculty members of the centre for DCM course. Apart from the lecture by the faculty members, guest lecturers who are expert and professionals in the field of specialization are also invited for lectures. Group discussion, Seminars, Debates are also other teaching methods used during the course of training period.
14. The Study Team observed that the textbooks in different subjects are published with the help of subject Experts by the Karnataka State Co-operative Federation.

4. Suggestions

1. The Research and Evaluation Cell should take up more research activities and needs to work actively. They should increase the number of Journals and Publications and encourage DCM students to write and publish articles in the field of Cooperatives.
2. During the field visits it was observed that in most of the Training Centres they have contract faculty. This is only an interim arrangement and it cannot be continued for a long time. The management of KSCF needs to fill up the vacancies permanently by following the due procedures and also regularize the contract faculty as per the sanctioned strength. The honorarium given to the Guest Faculty is Rs. 300 per lecture. The management of KSCF needs to deliberate on this issue and pay a respectable honorarium to the Guest Faculty.
3. The pedagogy adopted in classroom teaching is using the blackboard mostly. In the era of modernization the KSCF should come forward and provide all the new and well equipped teaching material which is demanded by the Training Centres.
4. The computer lab is totally outdated and needs to be well-equipped. Basic infrastructure facilities for organizing training and education programmes must be made available such as good class rooms, audio-visual facilities, white boards, internet, computer lab etc. KSCU can seek support from NCUI to avail financial support for upgrading their training infrastructure.

5. Use of professionally developed Audio and Video clips need to be made in order to educate members of cooperatives in more entertaining way rather than traditional methods. It can be done through social media or distributing DVDs in education programmes.
6. NCUI may take the lead in development of such audio / video material in different languages and distribute through State Cooperative Unions.
7. Use of technology on a larger scale also may be considered. NIC has developed web based application such as e-Office to enable organizations moving from traditional to paperless office. Such system can be implemented by KSCF. It will not only reduce expenditure but can also help in monitoring on training and education activities of CTCs.
8. Digitization of few books which are rare and out of print can be thought of in Libraries of CTCs. This would be an important resource for researchers and other agencies.
9. More number of Trainers Training Program and Exposure Visits within and outside the State will enrich the Trainers to showcase the functioning of successful Co-operative.
10. Among all the four Training Centres under study, the Bangalore Training Centre is operating in a rented building and needs to have its own building to reduce the cost paid towards the Rent.
11. The KSCF is mainly conducting training programs for PACS, UCBs and Dairy Societies. There is an urgent need to cover other Cooperative Societies and provide training to these untapped societies.
12. The Cooperative Training Centres give stipend to the candidates enrolling for DCM course of Rs 400 per month and this leads to increase in the cost of the Training Centre. In view of paucity of resources the management of the KSCF needs to reconsider the policy of providing stipend to the Trainees.

5. Conclusion

The first co-operative society of our country was registered in 1905 at Kanaginahal village of Gadag district in Karnataka. Karnataka occupies third position in the Co-operative Movement in India. It has been playing an important role in improving the economic condition of people involved in co-operative movement and has spread to almost all sectors of economic activities, both in rural and urban areas.

The Government of Karnataka and the KSCF are giving due importance for training. The State Government has recognized Cooperative Training in accordance with the Constitutional Amendment Act 2011. Very recently Rule 17 has been amended by the Government regarding the criteria for promotion of the employees of Cooperative Societies and the Courses undertaken by Cooperative Institutions like GDC, DCM, and DCBM etc. have been made compulsory for all

the employees. The Government of Karnataka deserves appreciation for bringing in the amendment to the Act by making Training obligatory for employees as in the.. of Kerala and Tamilnadu. There is lot of demand for the Co-operative training within and outside the State and due to the active participation of the Government the number of Training Programs and activities related to Co-operative Education has increased in the State. If better Infrastructural facilities and training material is provided to the Training Centres in the State, it will further enhance the quality and efficiency of these Centres and they can function more effectively in the field of Co-operative Training and Education.



INSTITUTE NEWS

- ✓ Institute quarterly journal 'Cooperative Perspective (ISSN No.0302-7767)' has been included in the approved list of journals from April, 2017. 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 50th PGDCBM Programme valedictory function was held on 14th July, 2017 at the Institute. Dr. A.P. Kansal, Ex-Professor, VAMNICOM presided over the function and delivered the valedictory address. All Faculty and staff were present in the valedictory function.
- ✓ Shri Shivajirao Girdhar Patil, Chairman of NHEL, Governing Council Member of NCUI and Ex-MP Minister passed away in Mumbai on 22/7/2017. It is big loss to Institute and cooperative movement in the country. He was on the Board of Several National Level Cooperative Federations.
- ✓ First Year of PGDM students organised cultural programme on occasion of 75th year of 'Quit India Movement' and 70th year of 'India's Independence' from 9th to 30th August 2017 at the Institute.
- ✓ In Institute *Hindi Day* was observed on 14th September, 2017. On this occasion, Dr. Rajendra Shah, Ex- Principal, Mudhoji College, Phalatan, Dist Satara, Maharashtra was the Chief Guest. During the Hindi Pakhwada various Hindi Competitions were organised for employees and students of PGDM-ABM of this Institute. Prizes were distributed on concluding day on 28th September, 2017 to the winners as well as to the participation certificates also distributed to the participants by Dr. Neela Borwankar, Professor and Head of Hind Department, Abasaheb Garware College, Pune. A Hindi Workshop was organized for faculty and staff of this institute on 19/9/2017. Dr. Suneel Devdhar, Additional Director, Aakashwani, Pune was Guest Speaker.

- ✓ The candle light freedom march was conducted in the evening of 14th August 2017 from the main gate of VAMNICOM to VAMNICOM Bhavan. All the students have participated in the event and also celebrated Ethnic Dress Day on 14th August 2017 at the Institute.
- ✓ As per AICTE guidelines this year also a cultural programme was scheduled in association with SPIC-MACAY on 15th August 2017 at 9.00 am to 10.00 am at the Institute.
- ✓ As a part of Swachhta Pakhwada during 1st to 15th August 2017 an interaction session with officials of Swach and Bodhisattva Learning Pvt. Ltd. on 'Swachha Pune' was conducted on 5th August 2017 at 12.15 pm at Jubilee Hall of the Institute.

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/-.