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**INTERNATIONAL COOPERATIVE ALLIANCE
TEACHERS' EXCHANGE PROGRAMME
1972**

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ICA-TEACHERS' EXCHANGE PROGRAMME

1972

Introduction

Through the kind cooperation of the Principal of the Cooperative College of Malaysia, the Cooperative Union of Malaysia and the International Cooperative Alliance, I was given the honour to participate in the ICA-Teachers' Exchange Programme. I was sent to India for a period of six weeks, extending from 12th March, 1972 to 23rd April, 1972. The study programme took me to the lengths and breadths of the country, thus enabling me to get a fair sample of the Cooperative Movement for my study.

Objectives of the Programme

The objectives of the ICA-Teachers' Exchange Programme may be listed as follows:-

- i) To acquaint with the teaching methods and techniques and curriculum adopted in the various cooperative education and training institutions in India.
- ii) To participate in the teaching programme of the Vaidhant Mehta National Institute of Cooperative Management through giving lectures on the cooperative movement of Malaysia.
- iii) To make a special study of a field of interest of the cooperative movement in India.
- iv) To initiate and promote greater exchange of knowledge, literature and ties between the institutions involved in cooperative training and education in the two countries.
- v) To make positive contribution for the progress and improvement of the cooperative movement in general and cooperative education in particular of both India and Malaysia.

COOPERATIVE MOVEMENT IN INDIA

Cooperative in India permeates the entire economy. Cooperative activities range from making perfumes to industrial production. Almost all the sectors have been invaded by cooperatives. If one wants to study diverse cooperative enterprises, I believe the Indian setting is ideal.

Cooperative is a state subject in India. As such the nature and growth of the cooperative movement varies diversely from place to place. In Delhi Union territory, the small industrial societies are very impressive, while in Gujarat and Maharashtra the gigantic cooperative sugar and dairy industries is a match for any private enterprise. In banking and credit Gujarat, Maharashtra and Tamilnadu are the best developed states.

One of the remarkable features of cooperative movement in India is the high degree to which the movement has been institutionalised at district, state and national level and also along functional lines. At the district level, the primary societies are federated to form District Cooperative Union. The District Cooperative Unions in each state have in turn formed State Cooperative Unions. At the apex level the State Cooperative Unions have formed the National Cooperative Union of India. The role of these cooperative unions is to protect the interest of the cooperative education, to publish cooperative literature and to provide auditing and other services economically on pooled basis.

The multi-tier structure of the cooperatives is also adopted along functional lines. Thus the primary marketing societies have formed the district marketing federations which in turn are affiliated to the State Marketing Federation. The State Marketing Federations of all the States of India have formed the National Agricultural Cooperative Marketing Federation. Marketing within the district is handled by the District Marketing Federation, the inter-district trade by the State

Marketing Federation, while inter-state and international marketing are managed by the National Agricultural Marketing Federation. Similarly, the primary societies have established the District Cooperative Central Banks which in turn constitute the membership of the State Cooperative Bank. The multi-tier structure of cooperatives along functional lines has contributed much towards economic use of limited resources and to the efficient working of the organisations.

The financial resources of the cooperatives are varied. When a new society is formed members contribute to the share - capital of the organisation. Besides the members, the government also contributes to the share-capital of viable cooperatives on a dollar to dollar basis. The societies could also get loans from the State Bank of India and the Reserve Bank of India and the Cooperative Central Banks. Well established societies, particularly, the Cooperative Banks and the Mortgage Banks are able to raise funds by issue of debentures. Last but not least, the savings and deposits of members play an important role in cooperative finance in India.

SET-UP OF COOPERATIVE EDUCATION IN INDIA

The National Cooperative Union of India (NCUI) is responsible for administering cooperative education in the country. Cooperative education is divided into two categories - training and member-education. The training programme is to impart technical skills in management and day to day operation of the society. It caters for the needs of personnel in the cooperative movement and for government officials in the Cooperative Department. The member-education programme is designed to propagate the gospel of cooperation, to train committee members and to educate members on the rights, duties and responsibilities, to promote the establishment of new societies, and to publish literature on cooperation.

COOPERATIVE TRAINING

The National Cooperative Union of India has set up a separate body - the Committee for Cooperative Training (C.C.T.) - to formulate and administer its training programmes. The Committee for Cooperative Training administers (i) a national institution to cater for the higher echelons of management in the cooperative movement and for senior officials in the Cooperative Department, and (ii) fourteen regional training colleges for middle management.

Vaikunth Mehta National Institute of Cooperative Management (VMNICM)

The National Institute is the Vaikunth Mehta National Institute of Cooperative Management and is located at Poona. The medium of instruction is English. The National Institute receives trainees from all over India and from foreign countries. The National Institute has the capacity to cater for three courses simultaneously. These three channels are programmed to provide a wide variety of courses to meet the diverse needs of the cooperative movement.

The courses offered by the institute may be classified as follows:

- i) Inter-sectoral and multifunctional
- ii) Sectoral
- iii) Functional
- iv) Special programme.

The inter-sectoral and multifunctional courses offered are the Diploma Course in Cooperative Business Management, Orientation Course for Senior Officers, and Refresher Course for Senior Officers. The diploma course in Cooperative Business Management extends over a period of nine months and subjects covered by this course are cooperative principles and practice of management, economic systems, agricultural economics, personnel management, marketing management, financial management, materials management, production management, and specialised study of one of the following: banking, marketing, processing, industrial cooperation and consumer cooperation. The Orientation Course for Senior Officers is a short term course of three months. Of this one month is a study tour of some of the well managed cooperative societies in Maharashtra and the neighbouring states. The Refresher Course for Senior Officers is a very short course as implied by the name. It is a one week course. Students of these courses are government officials and employees from cooperative institutions.

The sectoral courses offered by the Instituts are (i) Courses for General Managers of Consumers' Wholesale and Departmental Stores (ii) Course in Business Management of Cooperative Units, (iii) Orientation Course in Industrial Cooperation. These are short term courses varying from one to three months.

The functional courses and short term courses vary from two weeks to a month. These functional courses cater for specialised areas of management. The functional courses offered by the Institute are special Advanced Courses in Inventory Management, Material Management, Auditing and Cooperative Statistics.

Under the Special Programme the Institute organises courses at the request or suggestion of other institutes.

Besides the courses mentioned above the Institute organises seminars, conferences and workshops on subjects of interest to the cooperative movement.

The Institute also undertakes cooperative research. The results of these studies besides being valuable contribution to the cooperative movement as a whole, are also used in the training courses of the Institute.

Fellowships are also offered by the Institute for post-graduate research on cooperation. A number of research fellows have worked for their doctorate under this programme.

Cooperative Training Colleges

There are fourteen Cooperative Training Colleges throughout India and are located at the following cities: Bangalore, Bhubaneswar, Hyderabad, Indore, Kalyani, Kota, Lucknow, Madras, Patiala, Patna, Poona, Rajpur, V.V. Nagar, and Nagpur. The latest addition is, of course, the college at Nagpur. These institutions cater for the needs of intermediate managerial personnel in the Cooperative Movement.

Diploma Course

All the Colleges conduct a General Basic Course leading to Higher Diploma in Cooperation. The duration of this course is 36 weeks. There are also diploma courses in specialised fields, such as marketing, banking, auditing and industrial cooperation, though not all these courses are available in every College.

The Colleges in Bangalore, Patna, Poona and Rajpur offer a Diploma Course in Cooperative Marketing. The Diploma Course in Cooperative Banking is offered in Madras. The Colleges in Indore, Madras and Patna provide facilities for the Diploma Course in Cooperative Audit, while the Diploma Course in

top and middle level management, as in the hierarchical structure of management personnel, the number of junior personnel predominates.

The management of these Cooperative Training Centres varies from state to state. By and large the Cooperative Training Centres are administered by the State Cooperative Unions. The Cooperative Training Centres are financed from a cess on the profits of cooperative societies in the state. In addition, the state governments also give financial assistance.

The nature of courses offered by these Cooperative Training Centres vary from centre to centre according to the needs of local cooperative personnel.

Cooperative Bankers' Training College

The Cooperative Bankers' Training College has been established by the Reserve Bank of India to provide training in banking for the personnel in the cooperative banking industry. It is important to note that this institution does not come under the control of the cooperative movement. Nevertheless, the Cooperative Bankers' Training College works in liaison with the cooperative movement.

The Cooperative Bankers' Training College is situated at Poona in the Reserve Bank of India Building which also houses the Vaikunth Mehta National Institute of Cooperative Management. The Cooperation between these two institutions is further reflected by the fact that both institutions have a common head. The Principal of the Cooperative Bankers' Training College is also serving as the Director of the Vaikunth Mehta National Institute of Cooperative Management.

The courses of the Cooperative Bankers' Training College are more technical - emphasis being more on banking. The College facilities provide for three courses simultaneously. The

Industrial Cooperation is available in Banglore, Bhubaneswar, Kota, Patiala and Poona.

Functional Courses

Nine of the Colleges offer functional courses of two-weeks duration. There are at the moment three types of functional courses available:

- i) Grading, Storage and Warehousing.
- ii) Fertiliser, Consumption and Distribution.
- iii) Cooperative Processing with special reference to Rice Milling.

The College in Rajpur conducts all the above three courses. The Colleges in Banglore, Kalyani, Patiala, and Poona provide only the first two courses, in Kota and Madras only the first course is available, while in Indore and Patna the Colleges provide for the second course only.

Refresher and Orientation Courses

Practically all the Colleges conduct Orientation and Refresher Courses for cooperative personnel in the intermediate managerial level.

Courses for Principals and Lecturers of Cooperative Training Centres are offered by the Cooperative Training Colleges in Bhubaneswar, Hyderabad and Kota.

Cooperative Training Centres

While the Vaikunth Mehta National Institute of Cooperative Management and the Cooperative Training Colleges cater for the needs of senior and intermediate management in the cooperative movement, the Cooperative Training Centres meet the needs of cooperative personnel at the junior level.

There are altogether sixty-eight cooperative training centres dispersed throughout the country. It is quite natural that the number of institutions catering for the junior management is large in comparison to the number of institutions for training

trainees are derived not only from managers and chief executive officers of State Cooperative Banks, Cooperative Central Banks, Cooperative Land Development Banks and Urban Cooperative Banks but also from managers and chief executive officers of commercial banks taken over by the government recently.

Member Education

The member education programme comes directly under the management of the National Cooperative Union of India. It draws up the nation wide programme, coordinates and supervises it. Of course the implementation of the programme is through the close cooperation of the State Cooperative Unions and the District Cooperative Unions which form part and parcel of the super-structure of the National Cooperative Union of India.

The object of the programme is to

- i) educate the honorary office-bearers of primary societies in the philosophy and practice of cooperation, elements of cooperative law, business techniques and accounting procedure.
- ii) educate the committee members of their rights, duties and obligations.
- iii) impart some knowledge to the members and potential members on the economic and social benefits of cooperatives.

The Member-Education programme is financed by the Central Government of India but the funds are channeled through the State Governments as cooperatives comes under the jurisdiction of the States. The State Governments in turn disburse the funds for member education programme through the State Cooperative Union.

The National Cooperative Union of India has established the All-India Cooperative Instructors' Training Centre in New Delhi. The objective of the Centre is to train the 600-odd instructors

who are responsible for implementing the membership education programmes at the field. From time to time a number of these instructors are recalled to the Centre and given opportunity to further their knowledge on the latest techniques of adult education and preparation of audio-visual aids.

The 600 - odd instructors are under the direct supervision of the District Cooperative Unions but where there are no District Cooperative Unions, the State Cooperative Union, District Cooperative Central Bank or other ad-hoc committees perform the supervisory function.

The whole country is divided into five zones and in each zone there is a Zonal Education Officer appointed by the National Cooperative Union of India. The main function of the Zonal Education Officer is to guide the member education programme in the area under his jurisdiction.

The instructors under the member education programme are mobile units moving from village to village, and from one cooperative society to another organising classes and study circles.

STUDY VISITS

The study visits formed an integral part of the programme. My visits carried me to a wide cross-section of cooperative societies and cooperative educational institutions in the country and enabled a frank exchange of views with the people in the field at grass-root level and the higher echelons of the cooperative movement.

Under the programme I visited the following societies and institutions:

Marketing Societies

- i) Narela Cooperative Marketing Society Ltd. Narela, Delhi.
- ii) Cooperative Cold Storage Ltd., Rao, Indore.
- iii) Devi Shri Ahilya Cooperative Marketing Society Ltd., Indore.
- iv) Malwa Milk Producers Cooperative Union Ltd., Indore.
- v) Mahabaleshwar Beekeepers' Cooperative Society "Madhusagar", Mahabaleshwar.
- vi) Madhya Pradesh State Cooperative Marketing Federation Ltd.
- vii) National Agricultural Cooperative Marketing Federation Ltd. Delhi.

Multipurpose Societies

- i) Rana Cooperative Multipurpose Society Mukmelpur, Delhi.
- ii) Services Cooperative Society Ltd., Barlai, Indore.

Industrial Societies

- i) National Copy Manufacturing Cooperative Industrial Society Ltd. Chitla Gate.
- ii) Vijay Cooperative Industrial Society, Paharganj.
- iii) Bari Basti Cooperative Industrial Society Ltd. Paharganj.

Consumer Societies

- i) Cooperative Supermarket, New Delhi.
- ii) Sahakari Bhandar, Bombay.

Cooperative Banks

- i) Indore Premier Cooperative Bank Ltd. Indore.
- ii) Indore Paraspar Sahakari Bank Ltd., Indore.
- iii) Cooperative Bank of Tirunelveli, Tirunelveli.
- iv) District Cooperative Central Bank, Poona.
- v) Tamil Nadu State Cooperative Bank, Madras.
- vi) Tirunelveli District Cooperative Central Bank, Tirunelveli.
- vii) Tamil Nadu City Cooperative House Mortgage Society Ltd. Madras.
- viii) Tamil Nadu Home Mortgage Society Ltd., Madras.

Cooperative Unions and Educational Institutions

- i) District Cooperative Union of Indore, Indore.
- ii) Maharashtra State Cooperative Union, Bombay.
- iii) Tamil Nadu State Cooperative Union, Madras.
- iv) Committee for Cooperative Training of NCUI, New Delhi.
- v) National Cooperative Union of India, New Delhi.
- vi) All India Cooperative Education Instructors' Training Centre of N.C.U.I.
- vii) Cooperative Training College, Indore.
- viii) Cooperative Training Centre, Poona.
- ix) Cooperative Training College, Poona.
- x) Vaikunth Mehta National Institute of Cooperative Management, Poona.
- xi) ICA - NCUI Field Project in Cooperative Education, Indore.
- xii) International Cooperative Alliance Regional Office and Educational Centre for South-East Asia, New Delhi.

Marketing Societies

The Manager of the Narela Cooperative Marketing Society Ltd. has been seconded to the society from the Cooperative Department. In just over ten years the society has established itself and has expanded considerably. The society handles a wide variety of the farmers' produce ranging from wheat to unprocessed sugar.

The Cooperative Cold Storage Ltd. Rao in Indore is yet another example of a successful marketing society. The society deals with a variety of farmers' produce from onions and garlic to potatoes. It has been able to obtain higher prices for the farmers. The harvest of the farmers are stored at the cold storage facilities immediately after the harvest when the supply is great and prices low. During the off-season, as the prices pick up to satisfactory levels the commodities are sold at the discretion of the farmer. The Manager of the society, Mr. V.S. Bhandari is also seconded to the society from the Cooperative Department and is doing a good job.

The Devi Shri Ahilya Cooperative Marketing Society Ltd. at Ahilya not only helps the farmers to market their produce economically, but also secures the raw materials required by the farmers such as seeds, fertilizers and other farm tools and implements at reasonable prices and offers credit facilities.

The Malwa Milk Producers' Cooperative Union Ltd. of Indore collects the milk from the cattle farmers in the locality and supplies it to the government milk processing factory where the milk is hygienically pasteurized and marketed in the city. Currently, Mr. V.N. Pandya, the Project Officer of ICA - NCUI Cooperative Education Field Project centre is encouraging the society to start a cattle-feed mill locally. If the project succeeds the productivity of the local milk farmers would increase considerably.

The Mahabaleshwar Beekeepers' Cooperative Society - "Madhusagar"

is the nerve-centre of the apiary industry in Mahabaleshwar. The establishment of the society has helped the growth of the apiary industry. The society buys the honey from the small apiarist, processes, packs and markets it. The society also supplies bee-keeping tools and implements for the beekeepers.

The Madhya Pradesh State Cooperative Marketing Federation branch is located at the whole-sale market centre in Indore. The federation buys through its member societies and also directly and handles all inter-district marketing. It also acts as agents for the National Agricultural Cooperative Marketing Federation, the apex cooperative marketing organisation. I had a fruitful discussion with Mr. Munish Goyal, the Divisional Manager and the District Marketing Officer.

The Maharashtra State Cooperative Marketing Federation in Bombay is located in the busy whole-sale market centre of the city. It handles a wide variety of agricultural produce at inter-district level through the district marketing federations. It also acts as agents for the National Agricultural Cooperative Marketing Federation, and for the Government in food-grain marketing. The growth of the activities of the federation since its establishment in 1958 is remarkable.

The National Agricultural Cooperative Marketing Federation (NAFED), the apex marketing organisation for agricultural produce is situated in New Delhi with branches in other important centres throughout the country. The NAFED was established in 1958 and in just over a decade has become a gigantic institution. The NAFED handles all inter-state trade through the State Cooperative Marketing Federations. The NAFED is also involved in international trade. It procures from the State Marketing Federations and also directly from the private sector and exports to foreign countries. The Government of India has given certain monopoly rights to NAFED. In certain commodities,

such as onions and garlic, NAFED has the exclusive right to export. The protection given by the government and good leadership are responsible for the success. My visits and discussions revealed that NAFED could do a lot more. The State Marketing Federation and the primary marketing societies feel that NAFED could do a lot more for the cooperative sector by developing the foreign trade and by more efficient management. There has been some discontent that NAFED does not show any preference for the produce of the cooperatives as against the private sector. There is also a feeling that foreign trade is too competitive and cumbersome for NAFED to manage single handed.

Multipurpose Societies

The Rana Cooperative Multipurpose Society, Mukmelpur, Delhi gave the impression that it was working below capacity. Perhaps it is too small to operate economically. However, I must admit that my visit to the Society probably coincided with the off-season.

The Services Cooperative Society Ltd Barlai, Indore is one of the societies that fall within the scope of the ICA-NCUI Field Project, currently in progress in Indore. I visited the society accompanied by Dr. Dharm Vir, Joint Director of Education ICA and Mr. Pandya, the Project Officer of the NCUI-ICA Field Project at 7.00 p.m. on 22nd March, 1972. The members usually held their meetings late in the evenings as that was the convenient time for most of them. The members of the Society under Mr. Pandya's motivation are taking up to more modern methods of farming. A number of farmers have already begun investing on tube-wells. Mrs. Pandya was doing an excellent job of conducting adult education classes for the women folks in the village.

Industrial Societies.

I am deeply impressed by all the three industrial cooperatives I visited. They are established and run by a small number of members. The size of the business is small yet it is economi-

cally viable. The industrial cooperatives play an important part in solving the urban unemployment problem.

Consumer Societies

The two consumer societies I visited were located in the cities. They were the Cooperative Supermarket in New Delhi and the Sahakari Bhandar in Bombay. They are large and are well patronized by the city dwellers who like to shop under one roof. There is, of course, a great potential for improvement, considering the style and stature of the supermarkets in some advanced countries.

Cooperative Banks

The cooperative banks that I visited all over India are really impressive. Most of the urban banks were doing all kinds of banking business comparable to the other commercial banks.

One of the remarkable features is the successful operation of the current account. Under the current account operation, members are allowed to draw cheques on the bank. By operating the current account, the cooperative banks have been able to participate in the credit creation process, and are in a strong position to meet the credit needs of their members.

Another feature of cooperative banking in India is the three tier system - the primary banks and societies, district central banks and the State Cooperative Banks. The three tier structure has bestowed the small cooperative banks the benefits that are enjoyed by the large banks with many branches. The primary banks and societies transfer the excess cash to the cooperative central banks and borrow from them in time of need. Similarly the State Cooperative Bank which is a federation of all cooperative central banks in a state enables the optimum exploitation of the financial resources of the cooperative central banks. The idle cash at the cooperative central banks are transferred to the State Cooperative Bank which loans them to

the other cooperative central banks that need them. The primary credit and marketing societies also form part of the cooperative banking structure. These primary societies are affiliated to the district cooperative central bank. A large part of the agricultural and rural marketing activities of these societies are financed by the cooperative banks. Until recently, the cooperative banking system was the sole channel by which the Government gave financial assistance to the farmers.

The function of the cooperative banks in general is to provide short term and medium term credit. On the other hand, the Cooperative Land Mortgage Banks and the Cooperative House Mortgage Banks provide long term credit for improving or developing the land, building and renovating homes.

Cooperative Unions and Educational Institutions

The National Cooperative Union of India, the State Cooperative Unions and the District Cooperative Unions together form the basic infrastructure of the Cooperative Movement in India. They guide the activities of the cooperative societies, promote new ones, protect their interest and propagate the philosophy of cooperation through their education and training programmes and publications.

I had discussions with Dr. R.C. Dwivedi of the National Cooperative Union of India, Mr. B.K. Sinha of the Committee for Cooperative Training; Mr. T.D. Deshpande of the Maharashtra State Cooperative Union; Dr. P. Natesan of the Tamil Nadu State Cooperative Union and Mr. K.C. Choudhary of Indore District Cooperative Union. My discussions with these personalities enlightened me of the role of these institutions in the Cooperative Movement.

I had the pleasure of visiting the Cooperative Training College of Indore on a very auspicious day - the day the college held

its Valedictory session. Mr. U.M. Shah, the principal of the College gave a briefing on the activities of the College and introduced me to the staff of the College. Although the College is a small one its facilities are fully exploited. I was received by the Principal of the Cooperative Training Centre of Poona on my arrival at the Centre. After a review of the activities of the Centre I was shown around the premises. The building is extremely old and does not inspire the atmosphere of an educational centre. It is desirable to have a more suitable building.

At the Cooperative Training College at Poona I had the pleasure of discussing the training programme of the College with the Principal. The Cooperative Consumer Store run by the students of the College with the guidance of the lecturers is worthy of note. The students gain experience by running the store and are able to appreciate the practical problems of a cooperative society. The store is a good student-project.

In Madras I had a discussion with the Principal of the Cooperative Training College of Tamil Nadu. I was briefed on the curriculum of the College. The Principal, Mr. K. Aludiapillai was also keen to know about the activities of the Cooperative College in Malaysia and we had a fruitful exchange of knowledge in the field of cooperation in Tamil Nadu and Malaysia.

At the All India Cooperative Education Instructors' Training Centre, the Principal, Mr. Amba Prasad explained the functions of the College. One notable feature of the course at the College is the emphasis placed on the preparation of teaching aids for use in the students' own teaching programme.

The Vaikunth Mehta National Institute of Cooperative Management is one of the finest institutions in the country. I was at the institute for three weeks and participated in the course on Teaching Techniques and Research Methodology. Further, I had

discussions with Dr. S.B. Mahabal, the Director of the Institute and other faculty members on the activities of the Institute. The research and teaching programme of the Institute makes significant contribution to the cause of the Cooperative Movement in India.

At the Vaikunth Mehta National Institute of Cooperative Management I was given an opportunity to address the students of the Diploma Course in Business Management on the subject, "Cooperative Movement in Malaysia". The participants who came from all parts of India were eager to learn about the cooperative movement in Malaysia. It was indeed gratifying to get a spontaneous response from the participants who reflected their interest by the numerous questions they raised at the end of the lecture.

The ICA-NCUI Field Project in Cooperative Education in Indore is something that the International Cooperative Alliance and the National Cooperative Union of India could be justly proud of. Under the programme an attempt is made to study and measure the success of cooperative education in motivating the development of cooperatives. Mr. V.N. Pandya, the Project Officer is a dynamic personality. His untiring effort to motivate the selected societies under the project, deserves much credit. Some of the members of the Service Cooperative Society of Barlai have been motivated to adopt more efficient methods by irrigating their farm-land by tube-wells. The Cooperative Banks have been approached to provide the long term finance for the tube-wells. Similarly, the members of the Malwa Milk Producers Cooperative Union are being motivated to set-up a factory to manufacture their own cattle-feed. The farmers are educated in the use of the coldstorage facilities to fetch better prices for their produce.

I had a short orientation programme at the International Cooperative Alliance Regional Office and Education Centre for South East Asia in New Delhi. During this period I had the honour of

meeting and talking to Mr. J.M. Rana, the Director for Education, Dr. Dharm Vir, Joint Director for Education and other technical, and administrative staff of the International Cooperative Alliance about the role of the organisation.

On the 18th and 19th March, 1972, I visited parts of Punjab at the kind invitation of the staff of I.C.A. Regional Office in New Delhi. I am indeed grateful to them for their fine gesture of generosity and goodwill.

SUGGESTIONS

Suggestions for the Consideration of the Cooperative Movement in India

- i) The management personnel of the cooperative institutions should be sent on study tours to developed countries to study the contemporary cooperative and industrial institutions. For instance the managers of the large supermarkets of New Delhi and Bombay could pay a visit to the supermarkets of Western Europe. If that is financially not feasible at least they could visit the large supermarkets of the private sector in Singapore and Kuala Lumpur. The exchange of ideas would stimulate the management to provide better service with greater efficiency.

- ii) The National Agricultural Marketing Federation (NAFED) seems to have the monopoly of all cooperative trade with foreign countries. Further, in the case of certain agricultural produce, NAFED has the absolute monopoly in foreign trade. Monopoly in the long run would lead to inefficiency. As a matter of fact my discussions with several people connected with cooperative marketing confirm the view that NAFED is unable to handle the gigantic foreign trade single-handed. It might be worth while to accord the monopoly right of foreign trade, now enjoyed by NAFED, to a number of State Marketing Federations such as the State Marketing Federation of Maharashtra, Tamil Nadu and West Bengal. Such a decentralization would generate healthy competition and contribute to the growth of the foreign trade of the cooperative sector.

- iii) Cooperative banking is fairly well developed in most parts of India. Nevertheless I would venture to make one suggestion. The State Cooperative Banks of all the states of India could

set up a "National Cooperative Central Bank of India". All surplus funds of the State Cooperative Banks could be transferred to the proposed National Cooperative Central Bank. On the other hand State Cooperative Central Banks which are short of funds could loan from the National Cooperative Central Bank. Being a very large country, the economic activities such as sowing, harvesting, marketing and other activities in India would not coincide throughout the country. Therefore, the need for credit may occur at different times of the year in different places. Consequently when State Cooperative Banks in some parts of the country may have surplus funds, others may be in need of funds. The National Cooperative Central Bank could channel the surplus funds to the State Cooperative Banks that need them.

- iv) The Committee for Cooperative Training of the National Cooperative Union of India is handling all training while the parent body is taking charge of member education and propagation of cooperative literature. An integrated organisation in the form of statutory body - National Institute of Cooperative Education - could be established to administer cooperative training, member-education and publication of cooperative material. Composition of the council of the statutory body could be so constituted to reflect the views of the Government, the NCUI and the different functional sectors of the cooperative movement. This would give greater autonomy to cooperative education.
- v) Since India is basically an agricultural country, cooperative training and education must be designed to meet the needs of the farming community. As such it might be desirable to consider whether it is apt to set up a "College of Cooperative Agriculture and Marketing". Such an institution could train the members and office bearers in the technical aspect of agriculture and marketing and enhance the growth of the rural cooperative movement.

vi) The Vaikunth Mehta National Institute of Cooperative Management is housed in a fine building with equally matching campus. However, the same could not be said of all the other Cooperative Training Colleges and Centres I visited. It is very important that Cooperative Training Colleges and Centres be located at suitable places to create a suitable atmosphere for education. It is my humble suggestion that the Cooperative Colleges and Centres be gradually transferred to more suitable buildings and healthy environment.

Suggestions for the Consideration of the Cooperative Movement in Malaysia.

i) After studying the cooperative marketing organisations in India, it is abundantly clear that cooperative marketing is underdeveloped in Malaysia. There is a great potential for the development of cooperative marketing in this country. The table below gives the state of marketing societies in Malaysia.

Cooperative Marketing Societies
West Malaysia
1970

Type of Marketing Society	Number of Societies
Fish-Marketing	60
Rice-milling	286
Rubber Marketing	15
Pineapple Marketing	7
Others	1
	369

From the study of the above statistics it is clear that cooperative marketing is fairly well developed in the rice industry only. It is shocking that there are only 15 cooperative rubber marketing societies, considering the fact that small-holders produce 50% of the total output of rubber which is the leading sector in the agricultural economy of Malaysia.

The Cooperative Movement could sponsor rubber marketing and processing societies that could purchase the latex and scrap rubber from members and process it into high grade "heveacrumb" rubber and sell it at a premium. When this method is adopted, members would save their valuable time that they spend in processing their rubber under the conventional method and also benefit from more favourable prices. The organisation of these rubber-marketing societies can take the pattern of the Cooperative Sugar Refineries in India. The capital for the cooperative heveacrumb factories should be mobilised from (i) individual members through sale of shares in proportion to acreage of rubber held (ii) Cooperative Banks (iii) Malaysian Industrial Development Finance and (iv) from other cooperative societies.

While I emphasise the need to develop cooperative rubber marketing, other sectors such as palm oil, coffee and pepper should not be ignored. As a matter of fact, small-holders could switch over to oil-palm, sugar-cane, cocoa and pineapple cultivation to overcome the problem of falling rubber prices if cooperative processing and marketing facilities could be set up to handle these produce.

- ii) Banking and finance is the heart of any economic system. A sound banking and financial system would foster the growth of a viable economy. Similarly a sound cooperative banking and financial institution is absolutely essential for the growth of the cooperative economy.

There are only two cooperative banks in West Malaysia: the Bank Kerjasama serves the rural sector while the Cooperative Central Bank caters for the urban sector. Both these banks receive deposits from individual and institutional members and give loans to members that need them. These banks do not offer the full line of banking services. Current account facility is notably lacking. By not operating current accounts, the banks are unable to participate in multiple credit creation. By creating credit the cooperative banks can serve the needs of their members more effectively. I would strongly urge the cooperative banks to go into current account business without any further delay.

- iii) Cooperative research and publications are lacking in Malaysia. Steps should be taken to set up a centre for cooperative research and propagation of cooperative literature. Alternatively the Cooperative College of Malaysia should set up a research and publication division with the cooperation and liberal financial assistance from the Cooperative Movement and the Government.
- iv) The Cooperative Movement in Malaysia should send the managerial staff and committee members of cooperative societies to visit cooperative and also non-cooperative establishments abroad. Such study tours would cross-pollinate the local talent and contribute to the future growth and success of the movement.

Suggestions for the Consideration of International
Cooperative Alliance
Regional Office and Education Centre for South East Asia

- i) The participants of the ICA-Teacher - Exchange Programme should be given a chance to visit a larger variety of the societies wherever possible. For instance, I regret for not being able to visit the Cooperative Sugar Refineries and the

Amul Dairy Cooperative in Gujerat. The rich experience of visits to a large number and variety of societies would be beneficial to lecturers as they could use these examples to inspire the participants who attend their courses.

- ii) In addition to the ICA Teacher-Exchange Programme, the International Cooperative Alliance Regional Office and Education Centre should offer fellowships to lecturers at post-graduate level. In the Cooperative Colleges of developing countries there is a lack of qualified personnel. As such post-graduate fellowships would be very beneficial.
- iii) Periodical international seminars for lecturers in Cooperative Colleges would be very beneficial. Lecturers from the different countries in the South-East-Asian region could come together and discuss their common problems and seek solutions. Such periodical seminars would raise the standard of cooperative education in the region. The ICA Regional Office and Education Centre is in a good position to sponsor such seminars.
- iv) If all the participants of the ICA-Teacher Exchange Programme since its inception could meet from time to time and review the development in cooperative education in the region, it would foster a strong bond between the cooperative colleges and contribute to the development of cooperative education in the region.
- v) One of the economic ways of implementing a cooperative education and training programme is through the mass media - radio, television, cinema and the press. In under-developed countries where literacy is low the television may be the best answer. The International Cooperative Alliance Regional Office and Education Centre in New Delhi could do some research on the use of television to implement a cooperative education and training programme in complement to the traditional channels.

- vi) A number of marketing societies I visited made enquiries on the prospects of exporting their goods to Malaysia. The Cooperative Coldstorage Ltd. of Rao, Indore was one such society that was keen in prospecting the export market for onions, garlic and potatoes. There is a good market for these commodities in Malaysia. The fast growing chain-store consumer cooperative societies such as Usahajaya, Utama and Shamelin, and the proposed giant cooperative Supermarket at Petaling Jaya could probably absorb all the commodities of a number of small societies. I would like to urge the Trade Division of ICA to foster a trade-link between the cooperatives on both sides for their mutual benefit.

Suggestions for the Consideration of the Government
Authorities

Indian Authorities

The television network throughout India should be developed and an effort must be made to put a television set in every home at the shortest possible time. Through the television an ETV (Educational Television) programme could be implemented for socio-economic and national development.

If most of the TV-time is allotted for ETV to implement a programme for socio-economic revolution, the expenditure on the TV network would not be a consumption expenditure but a national investment that would bring returns by more rapid economic development.

Malaysian Authorities

- i) One of the problems faced by some of the smaller cooperative societies is the lack of trained management personnel. Similar problems in India have been solved by seconding government officers from the Cooperative Department. The Cooperative Department in Malaysia could establish a cadre of trained managers who could be seconded to small cooperative societies that need trained managers.

- ii) I was greatly impressed by the massive financial help given by the government for establishing and managing Cooperative Colleges and Centres in India.

I would urge the Malaysia Government to give liberal annual grants for the Cooperative College of Malaysia just like the universities and other institutions of higher education are receiving now.

- iii) One of the main reasons for the reluctance of the cooperative banks to operate current account business is the stringent provision of the Banking Ordinance. Once the cooperative banks go into current account business, they have to come under the supervision of the central bank - Bank Negara - like any other commercial banks. They would also be obliged to make a large deposit with the Bank Negara like any other banks. The cooperative banks with limited financial resources are unable to satisfy this provision and keep off from current account business.

In order to encourage cooperative banking, special provisions must be made in the law so that the cooperative banks could be permitted to make smaller deposits. With this change cooperative banks - providing full line of banking services - could be expected to flourish in all towns with a population of ten thousand..

CONCLUSION

In conclusion I would like to place on record my sincere appreciation to all the officials of cooperative institutions who have in one way or another contributed to the successful implementation of this programme.

While it is not possible for me to enumerate all the names of these officials, I am deeply indebted to the following persons who deserve special mention for the guidance and assistance rendered during the course of the programme: -

Mr. J.M. Rana, Director (Education) I.C.A., New Delhi

Dr. Dharm Vir, Joint Director (Education) I.C.A.,

New Delhi

Dr. S.B. Mahabal, Director of Vaikunth Mehta National
Institute of Cooperative Management

Mr. V.N. Pandya, Project Officer, NCUI -ICA Field
Project Centre, Indore

Prof. Y.K. Bhushan, Vaikunth Mehta National Institute
of Cooperative Management.

It is indeed very gratifying to have met so many distinguished personalities in the Cooperative Movement and to have visited so many diverse cooperative institutions. As a lecturer in a Cooperative College, I feel the Exchange Programme has been of tremendous benefit to me in my daily work.

Finally, I would like to conclude by thanking Encik Mohd. Ghadzalli bin Ahmad, the Principal of the Cooperative College of Malaysia, Petaling Jaya for sponsoring me to participate in this ICA-Teacher Exchange Programme.

PROGRAMME FOR MR. A. SOLOMON
PARTICIPANT UNDER THE ICA TEACHERS'
EXCHANGE PROGRAMME, 1971-72

13th March - 23rd April, 1972

- Mon. 13th March F.N. Orientation at the ICA Regional Office
& Education Centre for South-East Asia,
43 Friends' Colony, New Delhi.
- A.N. Visit to the National Cooperative Union
of India, (NCUI) 72, Jorbagh, New Delhi-3.
Introduction to Cooperative Movement in
India by Dr. R.C. Dwivedi.
- Tues. 14th F.N. Study at the ICA Library
- A.N.
2.30 p.m. Visit to Committee for Cooperative Train-
ing, NCUI, 34, South Patel Nagar,
New Delhi.
- Introduction to Cooperative Training
Activities in India by Mr. B.K. Sinha.
- Wed. 15th F.N. Visit to the All India Cooperative Education
Instructors' Training Centre, NCUI, A-7, Kailash
Colony, New Delhi-48.
- Introduction to Cooperative Education in
India by Mr. Amba Prasad.
- Ev. Film Show at the ICA Conference Hall.
- Thurs. 16th 11.00 a.m. Visit to the National Agricultural Coop.
Marketing Federation Ltd., D-44, NDSE Pt. II
New Delhi (NAFED)
- Introduction to Cooperative Marketing in
India by Mr. G.K. Sharma.
- A.N. i. Study at the ICA Library
ii, Discussion with ICA Officers about the
programme.

Fri.17th 9.00 a.m. Visit to New Delhi Cooperative Union
31, Netaji Subhash Marg, Delhi
Department of Cooperation
Narela Cooperative Marketing Society Ltd.
Narela
Rana Cooperative Multipurpose Society
Mukmelpur
National Copy Manufacturing Cooperative
Industrial Society Ltd. Chitla Gate
Vijay Cooperative Industrial Society,
Paharganj
Bari Basti Cooperative Industrial Society
Paharganj

Sat.18th & Sun.19th Visit to Punjab.

Mon.20th A.N. Departure for Indore by morning flight
Visit to Indore Premier Cooperative Bank
Ltd. Indore
Visit to Cooperative Cold Storage Ltd, Rao,
Indore

Tues.21st F.N. Briefing by Mr. V.N. Pandya on the NCUI-ICA
Field Project in Cooperative Education.
Visit to Indore Paraspar Sahakai Bank Ltd.
Indore
Study visit to Devi Shri Ahilya Cooperative
Marketing Society Ltd, Indore
A.N. Visit to Cooperative Training College
Indore
Discussion with Mr. Choudary of the
District Cooperative Union of Indore

Wed.22nd	F.N. Visit to Madhya Pradesh State Cooperative Marketing Federation Ltd.
	A.N. Discussion with the office bearers of Malwa Milk Producers' Cooperative Union, Indore
	Visit to the Service Cooperative Society Ltd. Barlai, Indore
Thurs.23rd	Departure for Bombay
Fri.24th	F.N. Visit to the Maharashtra State Cooperative Union, Bombay
	11, Street, 2nd Floor, Behind State Bank of India, Fort, Bombay-1.
Sat.25th	F.N. Visit to the Maharashtra State Cooperative Marketing Federation
	Narsinatha Street, Kanmoor House, Bombay-9.
	Introduction by Dr. P.R. Baichwal
	A.N. Visit to Cooperative Supermarket in Bombay
Sun.26th	Departure for Poona by Deccan Queen
Mon.27th March	A. Work at the National Institute of Cooperative Management, R.B.I. Building,
to	Ganeshkhind Road, Poona-16 and
Sat.15th April	B. Participation in the relevant sessions of the following course:
	Training Techniques and Research Methodology.
	C. Lecture to the Diploma Course students on the "Malaysian Cooperative Movement".
Sat.15th April	Departure for Madras
Mon.17th April	Visit to Tamil Nadu Cooperative Union, Madras-9
Tues.18th April	F.N. Cooperative Training College, Madras-6

2.30 p.m. Tamil Nadu State Cooperative Bank
3.30 p.m. Tamil Nadu House Mortgage Society
Wed.19th 6.10 p.m. Departure for Tirunelveli
Thurs.20th April Arrival at Tirunelveli
Fri.21st April Tirunelveli Central Cooperative Bank
Sat.22nd April Study of one Primary Cooperative Urban
Bank: -
Cooperative Bank of Tirunelveli, Tirunelveli
Sun. 23rd April Departure for Malaysia.