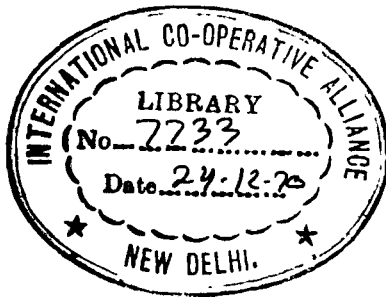


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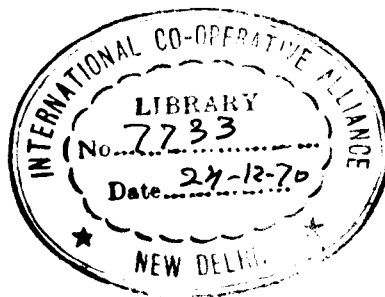
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PRE-SEMINAR

FOR THE PARTICIPANTS OF MINI-SEMINARS ON COOPERATIVE EDUCATION AND THE MANAGEMENT OF DEPARTMENT STORES

New Delhi, India - 7 - 12 September, 1970

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R. G. Mathur



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International Co-operative Alliance
Regional Office & Education Centre
for South-East Asia
43, Friends' Colony, New Delhi-14

3 September, 1970

LIST OF PARTICIPANTS OF PRE-SEMINAR
7-12 September, 1970

I Participants of the Mini-Seminar on Cooperative Education

- CEYLON 1. Mr. S.J.S. Banda
Principal
School of Cooperation
Polgolla.

- INDIA 2. Mr. P.R. Dubhashi
Director
Vaikunth Mehta National Institute of
Cooperative Management
Reserve Bank Building, Ganeshkhind Road
Poona-16

- KOREA 3. Mr. Kang-Tae Lee
Assistant Professor
Agricultural Cooperative College
38-27 Wondang-Ri, Wondang-Myon
Koyang-kun

- MALAYSIA 4. Mr. Chong Thin Huatt
Lecturer
Malayan Teachers' College
7, Coombe Hill
Penang

- PAKISTAN 5. Mr. Syed Abdul Ola
Principal
Cooperative Zonal Institute
Khulna (East Pakistan)

- PHILIPPINES 6. Mrs. Violeta C. Saguin
Instructor & Head of the Member
Education Division
Agricultural Credit & Cooperatives
Institute
University of the Philippines
College, Laguna

- ICA RO & EC 7. Dr. Dharm Vir
New Delhi Joint Director, Education Centre
ICA Regional Office & Education Centre
for South-East Asia
43, Friends' Colony
New Delhi-14

II Participants of Mini-Seminar on the Management of Department Stores

INDIA

8. Mr. N.N.P. Sinha
Joint Registrar (Consumers) &
Chairman, Patna Central Consumers'
Cooperative Stores and Member of
the Executive Committee, Apna Bazar
Patna (Bihar)
 9. Mr. K.G. Mathur
Chief Director (CC)
Department of Cooperation
Ministry of Food, Agriculture, C.D.,
and Cooperation
Government of India
Krishi Bhavan
New Delhi-1
 10. Mr. K. Narayanan
General Manager
Kamadhenu - The Cooperative Super Market
Mount Road
Madras (Tamil Nadu)
 11. Mr. Sheokaran Singh
Chief Executive Officer
Haryana State Federation of Consumers'
Cooperative Wholesale Stores
Shop-cum-Office No.4, First Floor
Sector 17-E
Chandigarh (Haryana)
 12. Mr. S.K. Salwan
General Manager
Central Cooperative Consumers Store
Amritsar Super Bazar
Amritsar (Punjab)
 13. Mr. T.H. Sengupta
Business Manager
National Cooperative Consumers'
Federation Limited
25, Ring Road, Lajpatnagar IV
New Delhi-24
- ILO Fellows :
14. Mr. V.P. Sethi
Deputy Chief Director (Cons.Division)
Department of Cooperation
Krishi Bhavan, New Delhi-1
 15. Mr. K.K. Taimni
Reader, VM National Institute of
Cooperative Management, Reserve Bank Bldg.
Ganeshkhind Road, Poona-16 (Maharashtra)

INTERNATIONAL COOPERATIVE ALLIANCE
Regional Office & Education Centre
for South-East Asia
43, Friends' Colony, New Delhi-14 (INDIA)

SWEDISH COOPERATIVE CENTRE
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Stockholm 15
Sweden S/

SCC MINI-SEMINARS ON MANAGEMENT OF DEPARTMENT STORES
AND COOPERATIVE EDUCATION

Programme for the Pre-seminar in New Delhi

7 - 13 September, 1970

Course Leader : Mr. Ragnar Arvidsson, ICA

Monday, 7th Sept.

Forenoon	Registration of participants (at Vikram Hotel, Ring Road Lajpat Nagar, New Delhi-24).
1.00 - 3.00 p.m.	Luncheon at the Vikram Hotel
4.00 - 5.00 p.m.	<u>Opening Session at the ICA Office</u>
	Introductory remarks by Mr. P.E. Weeraman, Regional Director. Remarks by Mr. Ragnar Arvidsson, Course Leader.
5.00 - 5.30 p.m.	Tea
5.30 - 7.00 p.m.	Film Show

Tuesday, 8th Sept.

9.00 - 11.00 a.m.	<u>Sweden, its history, geography and culture.</u> Introduction by: Mr. Folke Lövgren, Royal Swedish Embassy.
11.00 - 11.15 a.m.	Tea
11.15 - 1.00 p.m.	<u>Social Development and Government Economic Policy in Sweden</u> Introduction by: Mr. Folke Lövgren, Royal Swedish Embassy. (Reference material: (i) Some facts and views on Social Development and Government Policy in Sweden, (ii) Facts about Sweden, (iii) The Swedish Law for Economic Societies)
1.00 - 2.30 p.m.	LUNCH
2.30 - 3.45 p.m.	<u>Swedish Cooperative Movements</u> Introduction by: Mr. Ragnar Arvidsson, ICA (Reference material: (i) The Cooperative Movement, (ii) In Your Own Hands, (iii) Agriculture and the Consumers' Cooperation.)

Tuesday, 8th Sept.

3.45 - 4.00 p.m.

Tea

4.00 - 5.30 p.m.

Structure of the Consumer and Agricultural Cooperative Movements in Sweden

Introduction by: Mr. Ragnar Arvidsson, ICA

(Reference material: (i) Cooperation in Sweden,
(ii) Cooperation in Development
(iii) Proposals for the future organisation of the
Swedish Consumer Cooperative Movement.)

Wednesday, 9th Sept.

9.00 - 11.00 A.m.

Model Rules for Cooperatives in Sweden (with particular reference to Consumer Cooperatives)

Introduction by: Mr. Ragnar Arvidsson, ICA

(Reference material: (i) Model Rules for Local Consumer
Retail Societies,
(ii) Model Rules for Agricultural Marketing Societies.)

11.00 - 11.15 a.m.

Tea

11.15 - 1.00 p.m.

Financing and Capital Formation of Cooperative Movements with particular reference to Consumer Cooperatives.

Introduction by: Mr. Ragnar Arvidsson, ICA

(Reference material: (i) Capital accumulation of the
Consumers' Cooperative Movement,
(ii) Financing of Cooperative Activities,
(iii) The Swedish Cooperative Union & Wholesale Society
(KF) - 1969 Results,
(iv) Some Facts and Figures of KF.)

1.00 - 2.30 p.m.

LUNCH

2.30 - 3.45 p.m.

Sweden as viewed by Asians

Impressions of: (1) Mrs. Kaul, Norwegian Embassy, Delhi.
(ii) Mr. Prakash Sandra of Near & Far East (News) Asia Ltd.
(iii) Mr. Lionel Gunawardana, ICA / New Delhi.

3.45 - 4.00 p.m.

(Reference material: (i) How do you do in Sweden
Tea

4.00 - 5.30 p.m.

Sweden as viewed by Asians (Continued)

Thursday, 10th Sept.

9.00 - 11.00 a.m.	<u>Introduction of Working Papers by participants and discussions thereon.</u>
11.00 - 11.15 a.m.	Tea
11.15 - 1.00 p.m.	<u>Introduction of Working Papers by participants and discussions thereon (Continued)</u>
1.00 - 2.30 p.m.	LUNCH
2.30 - 3.45 p.m.	<u>Introduction of Working Papers by participants and discussions thereon. (Continued)</u>
3.45 - 4.00 p.m.	Tea
4.00 - 5.30 p.m.	<u>Introduction of Working Papers by participants and discussions thereon (Continued)</u>

Friday, 11th Sept.

9.00 - 11.00 a.m.	<u>Discussions on similarities and differences between the Cooperative Movements in South-East Asia and the Cooperative Movement in Sweden.</u>
11.00 - 11.15 a.m.	Tea
11.15 - 1.00 p.m.	Discussions continued.
1.00 - 2.30 p.m.	LUNCH
2.30 - 5.30 p.m.	<u>Study Visits</u>
7.30 p.m.	Dinner by the Regional Director at his residence at 95, Sundar Nagar, New Delhi-3.

Saturday, 12th Sept.

FREE

Sunday, 13th Sept.

Departure of participants to Sweden by flight BA-923 at 0205 hours

International Cooperative Alliance
Regional Office & Education Centre for
South-East Asia
43, Friends' Colony, New Delhi-1 (INDIA)

5th August 1970

PRE-SEMINAR OF THE SCO MINI-SEMINARS ON MANAGEMENT OF
DEPARTMENT STORES AND COOPERATIVE EDUCATION,
New Delhi, India - 7 - 12 September, 1970

LIST OF WORKING PAPERS TO BE PREPARED BY PARTICIPANTS

Sr. No.	Name of the Participant	Subject of the Working Paper
------------	-------------------------	------------------------------

CONSUMER COOPERATION GROUP

1. Mr. K.G. Mathur
Chief Director (CC)
Department of Cooperation
Ministry of Food, Agriculture
C.D., & Cooperation
Government of India, New Delhi. Present and Future Role of Consumer Cooperatives in the Indian Economy.
2. Mr. V.P. Sethi, Dy. Chief Director
Consumer Division
Department of Cooperation
Ministry of Food, Agriculture,
C.D. & Cooperation
Government of India, New Delhi. Government assistance in procuring supplies of consumer goods from the manufacturers to Consumer Cooperatives.
3. Mr. N.N.P. Sinha
Joint Registrar (Consumers)
Chairman, Patna Central Consumers
Cooperative Stores and Member of
the Executive Committee
Apna Bazar, Patna. The Role of the State Government and the Registrar in the development of Consumer Cooperatives in the State..
4. Mr. T.H. Sengupta
Business Manager
National Cooperative Consumers'
Federation, New Delhi. The Role of the National Cooperative Consumers' Federation (NCCF) as the apex organisation of the Consumer Cooperatives.
5. Mr. Sheokaran Singh
Chief Executive Officer
Haryana State Federation of
Consumers Cooperative Wholesale
Stores, Chandigarh. The Role of a State Federation as the apex body of the Consumer Cooperatives in a State.

Sr. No.	Name of the Participant	Subject of the Working Paper
6.	Mr. S.K. Salwan General Manager Central Cooperative Consumers Store Amritsar Super Bazar Amritsar (Punjab)	Achievements and Problems of a Coopera- tive Department Store. (Super Market) (A Case Study of Amritsar Department Store)
7.	Mr. K. Narayanan General Manager The Cooperative Super Market Coimbatore-2 (Tamil Nadu)	The Functions and Problems of a General Manager in a Successful Department Store. (A Case Study of Coimbatore Store).
8.	Mr. K.K. Taimni Reader Vaikunth Mehta National Institute of Cooperative Management, Poona.	A Review of the business practices followed in Cooperative Department Stores in India with particular reference to Sales Management, Inventory Management and Personnel Management.

COOPERATIVE EDUCATION GROUP

9.	Mr. P.R. Dubhashi Director Vaikunth Mehta National Institute of Cooperative Management, Poona. (INDIA)	Cooperative Education and Staff Training in India: Problems and Prospects.
10.	Mr. S.J.S. Banda Principal School of Cooperation Polgolla (CEYLON)	Cooperative Education and Staff Training in Ceylon: Problems and Prospects.
11.	Mr. Kang Tae Lee Assistant Professor Agricultural Cooperative College Koyang-kun, (Rep. of Korea)	Cooperative Education and Staff Training in Korea: Problems and Prospects.
12.	Mr. Chong Thin Huatt Lecturer Malaysian Teachers' College Penang. (MALAYSIA)	Cooperative Education and Staff Training in Malaysia: Problems and Prospects.
13.	Mrs. Violeta C. Saguin Instructor & Head of the Member Education Division, Agricultural Credit and Cooperatives Institute College, Laguna (PHILIPPINES)	Cooperative Education and Staff Training in the Philippines: Problems and Prospect.

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S-104 65 STOCKHOLM 15 TEL. 08/44 90 60

10th International Co-operative Seminar

(Mini)

September 14th - October 24th, 1970

Management of Department Stores

Host of the day Day/Date	9.00 A.M. 12.00	14.00 P.M.	Evening
<u>Monday</u> September 14th. (Week 38, joint session 10th and 11th seminar)	General Information Mr. M. Önsson	cont'd (photo)	
<u>Tuesday</u> September 15th.	Consumer Co-operation in Sweden Review of activities during the seven decades. Mr. H. Lamm	Background information. Domus Department Stores. Mr. Börje Lööv	
<u>Wednesday</u> September 16th.	Agricultural Co-operation in Sweden. Federation for Swedish Farmers Association (SL). Mr. H. Kristersson	Sight-seeing Stockholm.	Welcome , Dinner
<u>Thursday</u> September 17th.	Management education for co-operative managers. Mr. Lars Gunnar Lindberg	Co-operative education in Sweden. Mr. Alf Carlsson Mr. H. Lamm Mr. T. Pettersson	
<u>Friday</u> September 18th.	Culture Communication. Prof. Karl-Erik Knutsson	Swedish International Development Authority (SIDA) Mr. Bo Kärre Swedish Cooperative Centre Mr. Alf Carlsson	
<u>Saturday</u> September 19th.	Information groupwork	Free	
<u>Sunday</u> September 20th.	Free	Free	

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10th International Co-operative

Seminar (Mini)

September 14th - October 24th, 1970

Management of Department Stores

Host of the day Day/Date	9.00 A.M. 12.00	14.00 P.M.	Evening
<u>Monday</u> September 21st	Establishing of Tumba Department Store Mr. Pettersson	Planning of a department store Mr. Kjell Johansson KF	<u>Group work:</u> Selected problems on establishing a Department Store.
<u>Tuesday</u> September 22nd	Study visit to Tumba Department Store Mr. Gustavsson Mr. L.G. Lindberg	Group discussions Report writing Mr. L.G. Lindberg	
<u>Wednesday</u> September 23rd	Consumer Co-op Society Södertörn (General Information)	Study visit, Retail trade from shop to discount- house	
<u>Thursday</u> September 24th	Operational Department KF, their activity connected with Department Stores.	Investment-Finance, and operational budget. Auditing Dept., KF	
<u>Friday</u> September 25th	Department Store (Comparative study, Indian conditions) Mr. C. Savas, KFAI	Department Store, furniture and fixture Mr. L.O. Pylander, KFAI	<u>Groupwork:</u> To plan a Department Store in India
<u>Saturday</u> September 26th	Groupwork Report writing	Free	
<u>Sunday</u> September 27th	Free	Free	

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10th International Cooperative Seminar (Mini)

September 14th - October 24th, 1970

Management of Department Stores

Host of the day Day/Date	9.00 A.M. 12.00	14.00 P.M.	Evening
<u>Monday</u> September 28th	How is a Department Store organized? Mr. D Sjödin, KF	Comparative studies at the Tumba Department Store	
<u>Tuesday</u> September 29th	Composition of assortment for Department Stores, KF	Fruits and Vegetables (LC-buying)	
<u>Wednesday</u> September 30th	Assortment (RFD) Groupwork Tumba Department Store 1. Material (meter-varor)	2. Soap, washing powder 3. Towls 4. Baby food	
<u>Thursday</u> October 1st	Shop inventory	Study visit to Co-op warehouse, LC	Groupwork report writing Mr. L.G. Lindberg
<u>Friday</u> October 2nd	Groupwork Tumba Dept. Store 4 sales groups with different articles, Rate of conversion, Cost calculation	cont'd System of price reduction	22.30 Departure for Oslo/Norway
<u>Saturday</u> October 3rd	Programme in Oslo, NKL	Free	
<u>Sunday</u> October 4th	Sight-seeing Oslo		

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10th International Cooperative Seminar (Mini)

September 14th - October 24th, 1970

Management of Department Stores

Host of the day Day/Date	9.00 A.M. 12.00'	14.00 P.M.	Evening
<u>Monday</u> October 5th	Buying activity Co-op Dept.Store, Fredrikstad Mr. Fagerberg	cont'd	19.30 Departure Fredrikstad for Södertälje
<u>Tuesday</u> October 6th	Information on controlsystem (BOF) Organization and function in Dept. Store.	Groupwork Tumba	
<u>Wednesday</u> October 7th	Central Sales Planning Mr.F Karlström Study visit Laboratories	cont'd Test kitchen, KF	
<u>Thursday</u> October 8th	Sales planning at Tumba Dept. Store Co-ordination national-local	Groupwork report writing Mr.L G Lindberg	
<u>Friday</u> October 9th	Buying Dept.KF Central Warehouse section, contact with Dept.Stores.	Personnel policy, Recruiting education KF	
<u>Saturday</u> October 10th	<u>Groupwork:</u> Preparing a sales plan for a co-op wholesale organisation in India Mr. L.G.Lindberg	Report writing	
<u>Sunday</u> October 11th	Departure for Linköping	Study visit Old Linköping	

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10th International Cooperative Seminar(Mini)

September 14th - October 24th, 1970

Management of Department Stores

Host of the day Day/Date	9.00 A.M. 12.00	14.00 P.M.	Evening
<u>Monday</u> October 12th	Personnel policy (local level) Consumer Co-op Society, Linköping Mr. R. Holmgren	Job analysis Personnel planning/ Budgeting Mr. R. Holmgren	Departure for Södertälje
<u>Tuesday</u> October 13th	Personnel budgeting Organizational Dept. KF	Follow-up at Tumba Dept. Store	
<u>Wednesday</u> October 14th	Study visit Vår G	Correspondence School (Brevskolan) Annons Svea	
<u>Thursday</u> October 15th	Budget and result calculation (Marginal pricing) Mr. L.G. Lindberg	cont'd	
<u>Friday</u> October 16th	Control system at the Tumba Dept. Store Mr. L.G. Lindberg	<u>Groupwork</u> : Apply control system to Indian conditions	Report writing
<u>Saturday</u> October 17th	Discussion on control system Mr. H. Lamm Mr. L.G. Lindberg Reportwriting		
<u>Sunday</u> October 18th	Free	Free	

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10th International Cooperative Seminar(Mini)

September 14th-October 24th,1970

Management of Department Stores

Host of the day Day/Date	9.00 A.M.	12.00	14.00 P.M.	Evening
<u>Monday</u> October 19th	Discussions on groupreport Mr.H Lamm Mr R.Holmgren		Cont'd	
<u>Tuesday</u> October 20th	Discussion on groupreport Mr.H.Lamm Mr. R Holmgren Mr. L.G.Lindberg		cont'd	Farewell Dinner
<u>wednesday</u> October 21st	Free		Departure for Copenhagen	
<u>Thursday</u> October 22nd	Programme in Denmark (joint)		contd'd	
<u>Friday</u> October 23rd	Programme in Denmark (joint)		cont'd	
<u>Saturday</u> October 24th	Closing up		Departures	
<u>Sunday</u> October 25th				

SWEDISH CO-OPERATIVE CENTRE

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11th International Cooperative

Seminar (Mini)

September 14th - Oct 24th, 1970.

Cooperative Education

Host of the day Day/Date	9.00 A.M. 12.00	14.00 P.M.	Evening
<u>Monday</u> September 14th (Week 38, joint session 10th and 11th seminar)	General Information Mr. M. Jönsson	cont'd	
<u>Tuesday</u> September 15th.	Consumer Coopn. in Sweden. Review of activities during the seven decades. Mr. H. Lamm	Background information. Domus Department Mr. Börje Lööv	
<u>Wednesday</u> September 16th.	Agricultural Co-operation in Sweden Federation for Swedish Farmers Association (SL) Mr. H. Kristersson	Sight-seeing Stockholm.	Welcome Dinner
<u>Thursday</u> September 17th.	Management Education for cooperative Managers. Mr. Lars Gunnar Lindberg	Cooperative Education in Sweden. Mr. Alf Carlsson Mr. H. Lamm Mr. T Pettersson	
<u>Friday</u> September 18th.	Culture Communication. Prof. Karl-Erik Knutsson	Swedish International Development Authority (SIDA) Mr. Bo Kärre Swedish Co-op Centre Mr. Alf Carlsson	
<u>Saturday</u> September 19th.	Information Groupwork.	Free.	
<u>Sunday</u> September 20th	Free.	Free.	

<u>Monday</u> September 21st.	Staff training and Education (philosophy) Panel Discussion Vår Gård	cont'd Study visit Vår Gård	
<u>Tuesday</u> September 22nd.	Staff Training and Education (national)	Staff Training and Education (central) Agricultural Co-op Branch organisations Mr. F Dahl, SLR Mr. B Hjalmarsson, SJF	
<u>Wednesday</u> September 23rd.	Study visit (joint)	Consumer Co-op Society Södertörn	
<u>Thursday</u> September 24th.	Staff Training and Education (national) Agr. Co-op College, Sånga-Säby Mr. T Pettorsson Mr. A Secher	cont'd	
<u>Friday</u> September 25th.	Teaching methods. Mr. Lennart Ek Mr. Peter Mörk	cont'd	
<u>Saturday</u> September 26th.	Groupwork Report writing	Free	
<u>Sunday</u> September 27th.	Free	Departure for Malmö	

<u>Monday</u> September 28th.	Staff Training and and education (local) Agr. Co-op Society Skånska Lantmännens Centralförening	cont'd Mr. Svendedt	Return from Malmö
<u>Tuesday</u> September 29th.	Staff training and education (local) Consumer Co-op Society	Report writing	
<u>Wednesday</u> September 30th.	Study visit Correspondence School Mr. G Levin	cont'd Annons Svea	
<u>Thursday</u> October 1st.	Member education and Information (Philosophy) Panel Discussion Prof. K F Svärdström Mr. O Moberg	Member education and information (national) Mr. G Larsson, Vi-skolan	
<u>Friday</u> October 2nd.	Member education and information (national) SL Mr. A Secher	cont'd LT Mr. K F Björn	
<u>Saturday</u> October 3rd	Group work Report writing	Free	
<u>Sunday</u> October 4th.	Free	Free	

<u>Monday</u> October 5th.	Member Education and Information (central) Mr. Folke Dahl, SLR	Member Education and Information (local) Consumer Co-op Society	
<u>Tuesday</u> October 6th.	Member Education and Information Agr. Co-op Society Mr. P Jacobsson, MC	cont'd Reportwriting	
<u>Wednesday</u> October 7th.	Study visit (joint) Laboratories (spec. goods) Mr. F Karlström	Laboratories (food) Test Kitchen KF	
<u>Thursday</u> October 8th.	Adult Education Vuxenskolan, Södertälje	cont'd	
<u>Friday</u> October 9th.	Group work Reportwriting	cont'd	
<u>Saturday</u> October 10th.	Departure for Finland by boat (Svea Jarl)		
<u>Sunday</u> October 11th.	Programme in Finland		

<u>Monday</u> October 12th.			
<u>Tuesday</u> October 13th.			
<u>Wednesday</u> October 14th.	<u>Study Programme in Finland (separate programme)</u> <u>October 10th - October 17th, 1970.</u>		
<u>Thursday</u> October 15th.			
<u>Friday</u> October 16th.			
<u>Saturday</u> October 17th.			Departure Finland by boat (Ilmatar)
<u>Sunday</u> October 18th.	Arrival Södertälje Reportwriting	Reportwriting	

<u>Monday</u> October 19th.	Discussion on groupreport Mr. T Pettersson	cont'd	
<u>Tuesday</u> October 20th.	Discussion on groupreport	cont'd	Farewell Dinner
<u>Wednesday</u> October 21st.	Free	Departure for Copenhagen	
<u>Thursday</u> October 22nd.	Programme in Denmark (joint)	cont'd	
<u>Friday</u> October 23rd.	Programme in Denmark (joint)	cont'd	
<u>Saturday</u> October 24th.	Closing up	Departures	
<u>Sunday</u> October 25th.			

gs/4th Sept.70

INTERNATIONAL COOPERATIVE ALLIANCE
 Regional Office and Education Centre
 for South-East Asia, PO Box 3021
 43, Friends' Colony, New Delhi 14
 India.

COOPERATIVE EDUCATION AND STAFF TRAINING IN CEYLON
PROBLEMS AND PROSPECTS

By

S.J.S. Banda
 Principal,
 School of Cooperation
 Polgolla, Ceylon.

Background Information:

(Country: Ceylon; Land Area: 25, 332 sq.miles;
 Population: 12,000,000 (approximate);
 Density of Population: 470 per sq mile;
 No.of Societies: 14,762 (on 30.9.1968); Primary Societies: 14,478;
 Membership in Primary Societies: 1,956,794; Secondary Societies 284;
 All Island Societies: 6; Turnover : Rs.2048.0 millions)

Introduction:

In Ceylon, the Department of Cooperative Development has imposed upon itself the responsibility for cooperative education and staff training. In discharging this responsibility, the Department also assists the non official sector of the movement (i.e. Cooperative Federation and District Unions) to carry out educational and training programmes on their own. During the early period of the Cooperative Movement in Ceylon, the Cooperative Inspectors provided the necessary know-how to manage the small single purpose cooperative societies. They explained to the members the cooperative principles, the Ordinance, rules and by laws. Periodical classes, conferences and seminars were held to educate the members and officials of societies.

This responsible task of education is carried out even today under the surveillance of the Department. The Cooperative Federation of Ceylon which is the central body whose main responsibility is education depends on the Department for many of its educational activities. The District Unions who are its members arrange for Member Education through group discussions and conferences in collaboration with the Department. The staff of the Publicity Section of the Department make use of the radio, and the press for educational work. All types of educational aids are made use of for member education.

It was only after 1943 when the School of Cooperation, Polgolla, was established that staff training was undertaken on a systematic basis. Since its inception the School of Cooperation has been concentrating on the training of :

- (a) staff of the Cooperative Department and other Government Departments;
- (b) employees of Cooperative Societies.

Under (a) the School conducts a 5 month training course for the new recruits to the Grade III of the Inspectorate. These Inspectors have to come back to School fortified with field experience to undergo a further five months' training before they are considered for promotion to Grade II. All Inspectors are called upon to participate in numerous short-term orientation courses, seminars and group meetings conducted at the School. Depending on the accommodation and facilities available officers of other Government Departments, school teachers and corporation officers who are working/dealing with cooperative organisations are given a training in cooperative work.

Under (b) the School conducts a 9 month course for the Higher Level of the Cooperative Employees Certificate Examination. This course is conducted in Tamil at the Jaffna Cooperative Training School run by the Northern Division Cooperative Federation.

Two courses for the Junior and two courses for the Ordinary Level of the Cooperative Employees Certificate Examination are conducted at the 24 Education Centres affiliated to the School. These Centres conduct week-end classes for lower grades of Cooperative Employees. The School is also the venue for seminars and study groups on topical cooperative subjects.

Problems and Prospects:

It was pointed out that the Department is mainly responsible for implementing educational programmes. But the Department in practice has not given any priority to education on the excuse that education was the responsibility of the Cooperative Federation and the District Unions. While this non official sector, lacking in initiative and depending on the Department for both funds and staff has more or less limited its activities to publication of a few journals and representing the movement's interests at national and international levels. According to the findings of the Royal Commission on the Cooperative Movement in Ceylon "non official cooperators have failed to assert their rights and assume their responsibilities mainly because they have not been in a position to employ personnel for education. " The Commission also adds that "educational programmes have been starved by an archaic system of financing."

It is significant that no mention is made of cooperative education and propaganda in the policy statements of the government after the Throne Speech of 1955/56. When a movement's activities are largely determined by the State the degree of importance attached to any aspect of its development also largely depends on the attitude of the policy makers including those who spearhead the Movement.

The failure on the part of those who are in the vanguard to brief the policy makers on the importance of education is perhaps one reason for the low priority given to cooperative education today. As a consequence an accepted national plan for cooperative education is conspicuous by its absence. All educational programmes undertaken

hitherto have been on an ad hoc basis. The absence of a national plan for cooperative education in turn has created problems in financing educational programmes. Hence the expenditure on education is also based on ad hoc arrangements.

Unlike the arrangements for general cooperative education the staff training programmes are undertaken on a more systematic manner. While the non official sector is starved of men, money and material for education, the official sector is better equipped with the machinery and material for training both employees and officials attached to the movement. Since the inception of the School of Cooperation in 1943 regular courses have been conducted for inspectors as well as employees and officials of Cooperatives. However the objective of fulfilling the Movement's requirements of skilled staff is not yet realised.

Problems

1. The difficulty of keeping the trained personnel within the movement.
(The certificate issued by the School is an added qualification for employees to find jobs outside the Cooperative Movement. In fact some Corporations and Government Departments prefer to give jobs to those trained at the School.)
2. Societies find it difficult to realise their employees both for fear of losing them and for fear of incurring additional expenditure.
- 3.(a) The absence of a separate teaching staff who are specially trained for teaching. With the decentralisation of education and extension those inspectors who are unfit for audit and development work are sometimes put in charge of education centres while those who are capable teachers are entrusted with the work of implementing urgent government plans.
(b) Lack of incentives for teaching staff. Officers selected for teaching work have to forego travelling allowances which are an attraction in government service.

4. Absence of attractive salary scales, security of service etc. in cooperatives causing an erosion of talent in two ways:
The trained employees in service try to get out of the Movement while others who have undergone training at the School and Education Centres seek employment in Cooperatives only when other avenues are blocked.
5. Lack of opportunities for the lecturing staff to get acquainted themselves with the latest developments in those fields in which they specialise. They also lack the opportunities to gain practical experience in the field.
6. Lack of suitable buildings to conduct classes and to accommodate trainees. Very few education centres have adequate facilities for conducting classes while none has residential accommodation. "On the whole they are bare; unattractive and lacking in the amenities and equipment that are so valuable for a stimulating educational environment." (Royal Commission Report)
7. Failure of committees to recognise the value of having in their societies educated and trained employees.
8. The absence of a suitable scheme for providing regular funds for educational programmes. At present the Movement depends on the Government for both funds and guidance.
9. Lack of coordination with other educational institutions, e.g, the Universities. Connections with the social sciences departments of Universities would be of much use to the Cooperative Educational Institutions.
10. Dearth of efficient cooperative organisations where practical training could be given to employees and officials.
11. Lack of integral relations between the primary societies and their central organisations.

Prospects:

The problems enumerated above are only those which need immediate attention. They are of course, not insurmountable. If a change of attitude is brought about among the cooperators a number of problems mentioned above would be automatically solved. On the other hand no change of attitude would be possible without further education. In this respect it must be said that the standard of literacy in Ceylon is comparatively high and that once the educated younger generation finds its way into the Movement there will be a better environment for solving many of these problems. Injecting young blood into the movement is felt necessary to solve a number of other problems as well.

The Royal Commission has recommended that there should be three Cooperative Colleges to serve as centres of training, extension work and special educational services for the whole island, to be located at Polgolla in the Centre, Jaffna in the North and Galle in the South of Ceylon. All three Colleges should be residential with accommodation for all trainees who wish to live in residence. The Commission recommends that lecturers should rotate from time to time to other positions to give them an opportunity for practical experience in the field. A national Board of Trustees, two appointed by the Federation, two by Government, and two coopted Universities or other educational institutions will provide general guidance and expertise in the operation of the Colleges.

It is interesting to note that the Commission has recommended that each of the three Colleges should have a well developed extension programme with a carefully selected group of extension workers in the field but with offices at the Colleges. It was pointed out earlier that the extension services are undertaken both by the Department and the Federation. As the basic question -Who is ultimately responsible? remained unanswered the Commission commented. "If education has fallen from the high place it once held in the movement, it is mainly because it has fallen between two stools". The recommendation of the Commission

therefore, should be acceptable especially as experience has shown that the best period of cooperative educational activity was when extension work came under the School of Cooperation.

With the restructuring of the movement to have larger primary societies it is expected that financing of educational work would be easier and that there would be better coordination between the primaries and the central organisation. The Commission has recommended a national fund for financing education and training. While recognising the obstacles like the disinterestedness of Universities the Commission is emphatic that there is a solid foundation to build on; great need, fairly widespread literacy and certain traditions of solidarity.

In the opinion of the Cooperative Commission all educational and training activities should be undertaken by the proposed three Cooperative Colleges. Already there are two Cooperative Colleges in existence engaged in educational work with more emphasis on staff training. With or little more encouragement by way of finance and staff these Colleges can even today undertake extension work on a small scale. The School of Cooperation at Polgolla was once the centre of all educational activities and there is no reason why it cannot or why it should not embark on those activities again.

Within the short period of office of the present government the Cooperative Movement is asked to shoulder more and more responsibilities. This gesture of faith in the Movement should be adequate encouragement to those in authority to convince the government of the urgent need of launching a national plan of Cooperative education for Ceylon to meet the present day requirements.

INTERNATIONAL COOPERATIVE ALLIANCE
Regional Office & Education Centre
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43, Friends Colony, New Delhi-14

4 September 1970

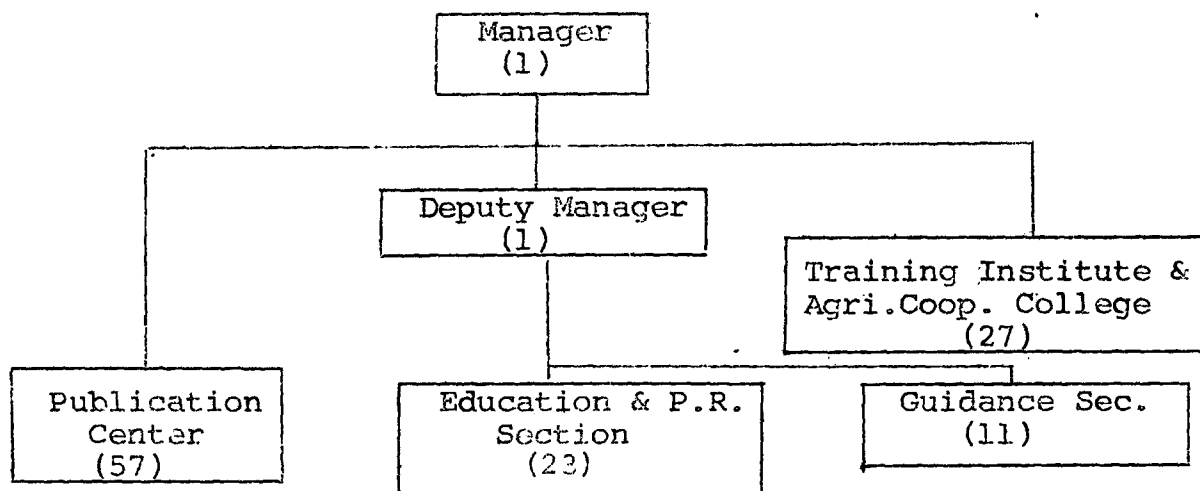
COOPERATIVE EDUCATION AND STAFF TRAINING IN KOREA

by
Kang-Tae Lee

I. Status of Education Work in the National Agricultural
Cooperative Federation (NACF)

1. Organisation and staff of Education Department

(): Number of staff



- | | | |
|----------------------------------|------------------------------|-----------------------------|
| 1. New Farmers Branch | 1. Employee Training Branch. | 1. Organisation Branch. |
| 2. Agricultural Coop News Branch | 2. Member Education Branch. | 2. Management Branch. |
| 3. Other Publication Branch. | 3. Audio-visual Aids Branch. | 3. Mutual Financing Branch. |

II. Introduction of Training Institute & Agricultural Cooperative College.

A. History

1. December 1961 : Established Agri. Coop College by the Kunkuk University Foundation.
2. February 1966: National Agricultural Cooperative Federation (NACF) took over the College.

3. July, 1966 : NACF established the Training Institute at the College.
4. Sept., 1966 : College and Institute moved to the present place.

B. Educational Objectives

1. To foster pioneering rural leaders.
2. To educate agricultural primary societies' employees.
3. To train employees and officers of agricultural cooperatives.

C. Educational Principles

College:

1. Lecture based on prereview and practical use.
2. Emphasized on practical education.
3. To educate pioneering agricultural cooperative employees.

Institute :

1. To instil the basic objectives of agricultural cooperatives.
2. To improve business ability through case study.
3. To give new business techniques.

D. Special favour to College Students

1. Free of entrance and tuition fees.
2. Dormitory.
3. After graduation, employed by agricultural cooperatives or financial aid for farming.

E. Course

College : 1. Agricultural Cooperative Course (2 years)

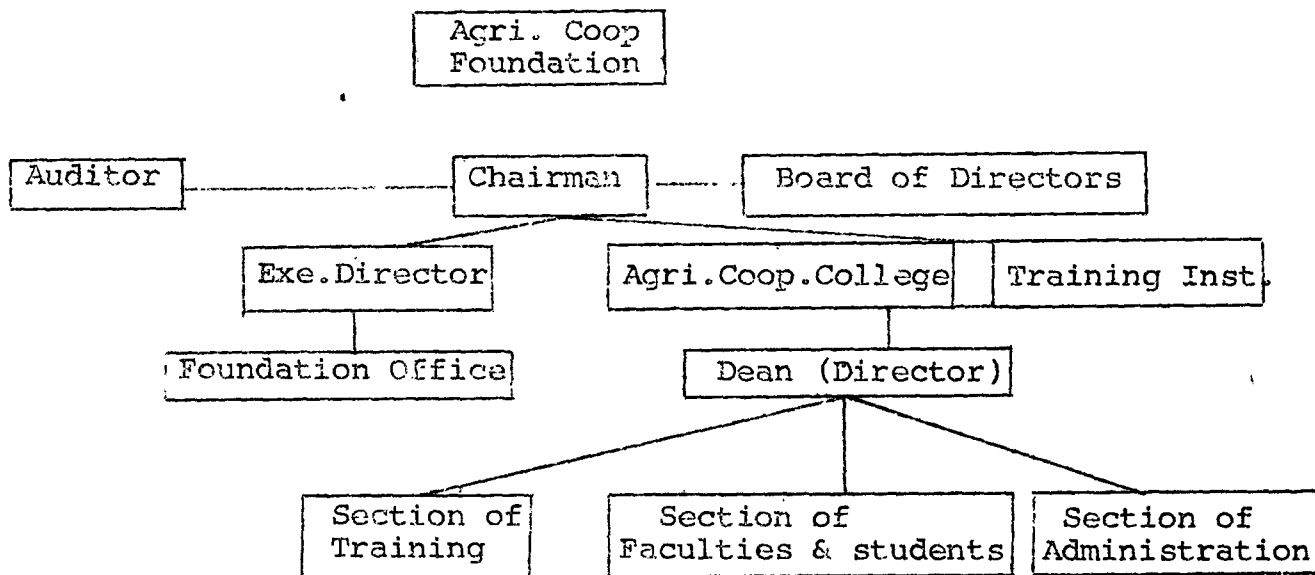
2. Number of students : 200

Institute : A. Course

- | | | | | |
|----|----------------|---|-----|--------|
| 1. | Seminar Course | (| 1-2 | weeks) |
| 2. | Senior | " | 2-3 | " |
| 3. | Junior | " | 2-3 | " |
| 4. | Basic | " | 4 | " |
| 5. | Special | " | 1-2 | " |

B. Duration, number of trainees, subjects, etc. are different according to each course.

F. Organisation



III. Accomplishments : as of end of 1969

A. Education and Training

1. National level :	1,312	persons
2. Provincial level :	4,895	"
3. County level :	162,354	"
4. To overseas :	25	"
5. From overseas :	22	"
6. In other Institutes:	119	"
Total :	168,727	"

B. Publication

1. "New Farmers" (Monthly magazine): 220,000 vols in a month
2. "Agri. Coop News" (Weekly Newspaper): 4,260,000 copies in a year.
3. Others: 56 kinds

C. Production of Audio-Visual education material

1. Movie films , 7 kinds
2. Slides : 6 "

D. Operation of Screen-cars : Once each Provincial Branch Office of NACF.

IV. Problems and Prospects

1. Problem: Member education of many primary societies except excellent ones has been not active because of the following reasons:

- i) Shortage of educational budget due to dull activities.
- ii) Impossibility of study group by member farmers due to the lack of rural leaders.
- iii) Impossibility of self-administrative activities in the village cooperatives due to unfavourable financial situation and other reasons.
- iv) Technical aspects are rather emphasized for the training of the employees and officers of the village cooperatives than spiritual aspect.
- v) Educational material and facilities for the member education are not sufficient.

Prospect: For wide and positive cooperative activities, NACF is conducting a specific seminar once a year at the national level for 4-H leaders, voluntary rural leaders, agricultural school teachers and staff of the Rural Development Office, and so the effects are expected for the coop development in the country.

2. Problem: The agricultural cooperative college conducting a long coop educational course and the training institute conducting various short coop courses have been concurrently established at the same campus by NACF. The purpose of the college consisted in educating rural leaders. However, many graduates of the college were not engaged in the rural developing activities because there were many short facts to encourage them in the rural areas. Seeing such a result of the college education, there has been revised to educate pioneering cooperative employees.

Prospect: Close educational connection between the college and the institute will be sure to be in the future.

3. Problem: Because the contents of the college education is, forced to follow the educational law, the college is not enough

to pursue the cooperative leadership. On the other hand, the lecturers of the college have not much experience in the cooperative movement, so their lectures are liable to be theoretical.

Prospects: The contents of the college education is expected to change into leadership education from the present theoretical one and the lecturers are desired to be composed of those who have much experience in the agricultural cooperative movement.

4. Problem: Teaching methods at the college and the Institute have been rather lecture-style by the text books.

Prospects: Case study, group discussion, audio-visual aids, etc. will be conducted.

5. Problem: Most part of the educational expenditures of the village coops is not charged by the village coops themselves, but subsidized from NACF through the county agricultural coops.

Prospects: The degree of the self-charging for the educational expenditure by the village and county coops will be increased by and by with their increasing business.

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New Delhi.14

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COOPERATIVE EDUCATION AND TRAINING IN MALAYSIA

Chong Thin Huatt
Hon. Secretary
Coop Education and Training Committee
Cooperative Union of Malaysia

Malaysia Setting

The history of cooperative development in Malaysia is no different from those of many countries in that it was created out of basic injustices that existed when the weaknesses of a certain class of people were being exploited to the maximum by a small and more sophisticated class. At the turn of the present century the problem of indebtedness was so acute that the then British Colonial Government, realising the economic plight of the agriculturists who fell easy prey to vicious middlemen and the wage-earners who were harassed by money-lenders, decided to introduce the cooperative system in the country. Legislation was enacted providing for "the encouragement of thrift, self-help and cooperation amongst agriculturists, artisans and persons with needs in common". The rural sector, the bulk of whom were Muslims, were slow to respond until the question of "halal" on interest was settled. The wage earners in the urban areas, on the other hand, were quick to take advantage of the new legislation and cooperative credit societies were formed and increased in large numbers. Generally, the expansion of cooperatives before World War II was moderate. There was, however, a phenomenal rise in rural cooperative credit societies in the post-war years. Today the movement in Malaysia has well over 3,000 cooperatives with a membership of over 500,000 that is, about 6% of the population of nine million.

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Malaysia

Cooperative Education

Present Position

As cooperatives were formed in the early days merely to meet one particular need which was to get out of the clutches of money-lenders and not in appreciation or understanding of the ideas and ideals of cooperation, there did not appear to be a need for cooperative education and training as it was a simple matter of receiving money from members and lending it to other members who were in need of it. Employees were unnecessary and there was no requirement of any specialised knowledge or ability to conduct such a simple business. This attitude prevailed until quite recent years. By that time the movement has grown to such great proportions that it had become quite a colossal task to organise cooperative education and training.

The Department of Cooperative Development, with its limited resources and personnel, provides advice and assistance in the organisation and promotion of cooperative societies. The rapid expansion of the movement, however, made it almost impossible for the Department to provide the education and training so very necessary in the formative years and to maintain these services. With the establishment of the Cooperative College at Petaling Jaya in 1956, much of the education and training was taken over by the college which provides residential courses of study from one to four weeks duration to meet various needs including the training of development officers of the Department of Cooperative Development, elected officers of urban and rural societies as well as special orientation courses for village leaders, senior officers of government and those involved in the country's vast rural development programme. The purpose of these orientation courses is to keep the public and officials of Government informed about the aims

organisation and methods as well as the achievements and plans of the cooperative movement so that they would understand and be more sympathetic with the role the movement is playing in the economic and social life of the urban and rural people. The College also provides courses for women cooperators to encourage them to play a more important role not only in the development and expansion of the movement amongst women in the country, but also in the social and economic upliftment of the people. The annual recurrent expenditure of the college is met from contributions by the movement (2% of the annual net profits of cooperative societies) and any deficit is met by the government. In the last three years, though, the expenditure of the college was wholly met by the movement itself.

There has been a lack of interest and an indifference on the part of the movement itself in the past to educate its members in appropriate ways. A large proportion of the members are completely ignorant of the principles which embody the spirit of cooperation. They are only passengers in a bus and do not care nor are they interested in the condition of the bus or the ability of the driver or the road worthiness of the bus or who owns the bus. They are only interested in reaching their destination in the quickest possible time and with the least inconvenience. In spite of its large membership and following the movement does not seem to play a large and vital role in reshaping the economic system of the country. Cooperative education and training has been, till now, in the back-waters of the activities of the movement.

Problems Encountered

It is because of the shortcomings of the movement in Malaysia that the leaders of the movement have realised that inadequate emphasis has been placed on cooperative education and training for a long time.

Societies have failed due to poor management and to poor or lack of training of officials and employees. Because of the foundation on which cooperatives has been built it is, at this stage, a very difficult task to organise and plan cooperative education and training. The existing members present the major problem as most are in an age group (over 45 years of age) who would not easily accept any changes to their own ideas of cooperation as they feel that it would encroach into their rights and domains. It is to the younger age group that we lay our hopes and efforts. They would be more amenable to a reassessment of their views on the functions and purposes of cooperation.

The task of educating the general membership cannot be left entirely to the cooperative college and the department of cooperative development which have their hands full as they are. The job must be tackled on many fronts and principally by the movement itself. In a movement that has not provided training for its members in the past, there is a dearth of trained personnel and instructors who could be called upon to promote cooperative education. There is not a body of cadres who could bring the message of cooperation and the cooperative way of life to the general membership. While the movement can successfully organise seminars on a more specialised field, it has not the resources nor the personnel to undertake the enormous task of spreading the message of cooperation to the general membership. The need to train such a core of cadres who would be available at the national, state and district levels for the propagation of cooperative education is great.

Literature that can be easily absorbed by the general membership and elected officials with their limited education in their mother tongue is not available. Specialised knowledge and trained personnel are required

to prepare and make such material available for the consumption of the general membership as well as the public.

For a number of years the cooperative college conducts courses throughout the year with hardly any vacation breaks. This has put a great strain on the small tutorial staff of three lecturers. There is a crying need for additional tutors to meet the present and future needs of the movement. The time has arrived when the college should provide not only short-term courses, but also professional certificate and diploma courses of longer duration. There is great need for research in general but specifically in the content of the courses now offered by the college as well as the needs of the movement at the present moment and the immediate future. //

Future Development

The plan of the movement at the moment is to educate and instruct elected officers in the ideals of cooperation, business knowledge and the proper methods of applying cooperative principles. For this purpose a number of seminars at the national level and week-end or mini-seminars at the state level are being organised. Later in the year a training seminar cum course will be conducted for a selected group of cooperators so as to ensure that there is in every locality a nucleus of alert, reasonably well-informed cooperators who would spearhead the programme of cooperative education at the state and district levels. They would work with the State Cooperative Education Committees to organise and promote cooperative education for the general membership and elected officials of societies as well as local leaders and others. The ultimate aim is for primary societies to have their own cooperative education programme.

Plans are afoot to make the college meet the increased demands of the cooperative movement and to take on the added responsibilities of cooperative education as a result of the far-reaching programmes of the movement. Additional specialist staff will be recruited and selected young people will be encouraged to pursue degree courses in cooperation in universities abroad so that on their return they can serve the college. In the meanwhile the cooperative movement in Malaysia will look to the International Cooperative Alliance and its member countries for tutors to serve short terms at the college as well as other fields of cooperative endeavours.

An attempt is also being made to bring cooperation and its theory and practice to the knowledge of school children and students of higher learning in the country. Books and materials on the subject of cooperation will have to be prepared and in this the movement in Malaysia will look for guidance and inspiration from abroad. It is in this area of activity that the cooperative movement in Malaysia will meet its greatest challenge of bringing the message of cooperation and its objective of a balanced society and a way of life to the younger generation of the country.

INTERNATIONAL COOPERATIVE ALLIANCE
Regional Office & Education Centre
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COOPERATIVE TRAINING PROGRAMME IN INDIA WITH SPECIAL REFERENCE
TO VAIKUNTH MEHTA NATIONAL INSTITUTE OF COOPERATIVE MANAGEMENT

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I. Evaluation of Cooperative Training Programme in India

Training organisation in India has a chequered history. The beginning of the Cooperative Movement in India followed the passing of the Cooperative Societies Act in 1904 and later on of the Act of 1912. The developments under these two Acts were reviewed by an Expert Committee on Cooperation headed by Sir Edward Maclagan in 1915. It attributed most of the defects of the cooperative societies to lack of teaching both before and after their registration. Following this recommendation several Provinces in India-and the programme of Cooperation fell within the jurisdiction of the Provinces rather than that of the Central Government-established cooperative institutes or federations. A number of Provincial Committees on Cooperation and the Royal Commission on Agriculture in 1928 stressed the need for highly educated and well trained staff of officials to provide expert advice and build up the movement. In pursuance of the recommendations of the Committee, several Provincial Governments undertook the programme of providing cooperative education and training facilities. Though the cooperative movement in all the States was the product of the action of colonial administration, the different traditions and cooperative leadership in different states did give different shape to the programme of cooperative training. Thus in the State of Madras, with a

comparatively more dominating administrative structure the initiative in training the personnel of the cooperative institutions no less than that of the cooperative departments came from the State Government. It established a central cooperative training institute as a departmental institution under the control of the Registrar of Cooperative Societies to train candidates recruited by the Madras Public Service Commission for appointment as Junior Inspectors of the cooperative department. It also started later on a course for officers of the next higher category. The training of non-official staff of central banks, urban banks, wholesale stores, etc., was given by the non-official mofussil institutes. No stipend was given to these candidates. The resources of these institutes came from grants from central banks, provincial cooperative union and from the tuition fees. The institutes were further assisted by Government through provision of free services of departmental staff to function as superintendents and lecturers and meeting the pay and allowances of the non-official lecturers appointed by the institutes themselves. On the other hand in Bombay a comparatively more independent cooperative leadership led to the emergence of a more autonomous cooperative training programme for the non-officials. While the Government cooperative department undertook the training of its own staff, the Bombay Provincial Cooperative Institute arranged for the education and training of the staff of cooperative organisations. The Bombay State administration with a progressive outlook on the cooperative movement, took further steps to entrust the programme of cooperative training to the cooperative movement. A concrete step in this direction was taken in 1947 when the structure of the cooperative training in the Bombay state was extensively reorganised as a result of the recommendations of the Cooperative Education and Training Committee of 1946 which was appointed by Government of Bombay for the purpose of examining the existing arrangement for cooperative training

and for the training of the staff of the cooperative department and various types of cooperative institutions. As a result of the recommendation, the Bombay Provincial Cooperative Institute was placed in sole charge of imparting cooperative training and education to officials and non-officials connected with the movement in the State. Thus the dichotomy between the official and non-official training which was pronounced in a State like Madras was removed in the State like Bombay which had a unified programme of training for officials and non-officials alike. The other States in India also initiated the programme of cooperative training under the stimulus of a scheme of the Central Government which was introduced following the recommendations of Sir Malcolm Darling.

The economic depression of the 1930 s affected adversely the progress of the cooperative movement and even in advanced states like Bombay and Madras, the number of training centres were cut down. The training organisations suffered a further set back when the grants of Government of India ceased from April 1943 and the Provincial Governments drastically reduced the facilities for training. However, the cooperative training programme received a new lease of life when the postwar development schemes drawn in 1944 included provision for training of a large number of cooperative personnel both departmental and institutional. The provincial governments restored facilities for training and education. Thus upto 1945 the following were the characteristic features of cooperative training and organisation: (a) variety of training arrangements existed in different States, (b) there was no national organisation responsible for systematic and integrated programme of cooperative training, (c) there were different arrangements for official and non-official training with different financial provisions for each, (d) the training programme was exposed to the

vicissitudes of changing economic fortunes and administrative policies.

The first land-mark in the change towards a more orderly programme was the report of the Committee on Cooperative Training and Education in Bombay which recommended an integrated set up of cooperative training under the aegis of the Cooperative Provincial Institute. The programme as recommended by the Committee consisted of regional centres for junior personnel and a cooperative college for the intermediate personnel providing a course of one year's duration leading to a Higher Diploma in Cooperation. The next land-mark in the programme of cooperative training was in 1953 when the Reserve Bank of India assumed responsibility for the training of cooperative personnel. The years following independence had witnessed an increasing interest in the programme of cooperative training by the Reserve Bank of India. In 1951 on the basis of the advice given by the Standing Advisory Committee on Agricultural Credit, the Reserve Bank of India formulated a short-term course for the training of senior cooperative personnel. The course was aided by the Reserve Bank of India and conducted at the Cooperative Training College at Poona run by the Bombay Provincial Cooperative Institute. The first course commenced in April 1952. The logical culmination of the growing interest of the Reserve Bank of India in the programme of Cooperative training was the coming into existence of a Central Committee for Cooperative Training of the Reserve Bank of India which was charged with the task of formulating plans and organising and directing arrangements in regard to the training of personnel employed or to be employed in the cooperative departments and institutions in several states. The Committee was to serve simultaneously as the Committee of the Reserve Bank of India and of the Government of India. In regard to the training of the higher and intermediate personnel the Committee functioned as a

Committee of the Reserve Bank of India while in regard to the training of subordinate personnel the Committee functioned as a Committee of the Government of India. The Reserve Bank of India undertook the responsibility for the training of higher and intermediate personnel while the Government of India was primarily responsible for the provision of facilities for the training of subordinate personnel.

In its first meeting held in December 1953, the Central Committee approved an integrated scheme for the training of employees of cooperative institutions and departments. The broad features of the scheme were -

- (i) classification of trainees as higher, intermediate and subordinate;
- (ii) an all India Centre to be formed by the extension of the existing Poona Centre for higher staff; (iii) establishment of five regional centres for intermediate staff and (iv) specialised training schemes for the subordinate staff. In addition to the five regional centres, eight more centres were established for the training of personnel required for the National Extension Service Blocks. The programme was further enriched with the institution of special courses for cooperative marketing and land-mortgage banking following the recommendations of an Informal Conference of some Principals and Registrars of Cooperative Societies which took place in 1945. Thus from 1952 to 1962 the Central Committee for Cooperative Training of the Reserve Bank of India and of Government of India occupied a pivotal position in the programme of cooperative training.

The next watershed in the evolution of cooperative training organisation was the report of the Study Team of Cooperative Training appointed by the Government of India in the Ministry of Community Development and Cooperation which submitted its report in April 1961. While the

Committee recognised the need for a central body in charge of cooperative training on which both official and non-official opinion would be represented, it felt that such a central body should have a more broad-based membership than that of the existing central committee and representation should be given to the State Cooperative Unions which are to be increasingly associated with the programme of cooperative training. Hence they suggested the replacement of the Central Committee for Cooperative Training to be set up by Government of India by a notification. The composition of the Board as recommended by the Committee consisted of President of the National Cooperative Union of India and the representatives of the State Cooperative Unions, other non-official cooperators, representatives of the universities and the Reserve Bank of India, representatives of some of the Central Ministries, representatives of the Registrars of Cooperative Societies and of the Institutes of Rural Higher Education.

The proposals were considered at the National Conference which was attended by the State Ministers of Cooperation and their senior officers, representatives of the Reserve Bank of India, non-official cooperators and the Minister and officers of the Central Ministry. The establishment of the National Board to replace the Central Committee of the Reserve Bank of India had already been opposed by the Member Secretary of the Central Committee who was a senior officer of the Reserve Bank of India. He had recorded his minute of dissent in the April 1961 report. No wonder at the national conference, also, the proposal was opposed by the Reserve Bank of India who felt that the new Board would in fact mean a greater degree of centralisation. After a considerable discussion and weighing pros and cons, it was decided to entrust the entire programme of cooperative training to the National Cooperative Union of India who should constitute a special

Committee for Cooperative Training with the concurrence of the Government of India. Thus the National Cooperative Union of India was found to be a more acceptable agency for running the programme of cooperative training and education than either the old Central Committee of the Reserve Bank of India or the National Board to be appointed by the Government of India.

The Committee for Cooperative Training (CCT) was constituted by the National Cooperative Union of India (NCUI) in 1962 and took charge of the entire integrated programme of training and education in July 1962. The set up which came into being in 1962 continues to this day. The Chairman of the Committee is the President of the NCUI and the General Secretary of the NCUI is the Vice-Chairman of the CCT. Its other members include some representatives of the State Cooperative Unions, Registrar of Cooperative Societies of the State, a representative of the University, representatives of the Reserve Bank of India and representatives of the Ministries concerned. The Director (Cooperative Training) in the Department of Cooperation of the Union Government is its Member Secretary. He is the buckle which fastens the training division in the Union Department of Cooperation and the CCT of the NCUI.

The CCT has the following functions to perform:

1. to formulate plans and to organise and direct the arrangements in regard to the training for personnel employed in the cooperative departments and institutions in the country;
2. to be in overall charge of the programme of cooperative training and education including member education programme and in particular prescribe syllabi, methods of examination and to ensure that the standards of training and education are maintained;
3. to run a central organisation to conduct research and studies in cooperation and for training of senior personnel of cooperative departments and institutions on an all-India basis;
4. to arrange for specialised courses in various subjects at the intermediate training centres;

5. to arrange for research at the central organisation and at the intermediate and other cooperative training courses, universities and other educational institutions etc. and coordinate the programme of research;
6. to run intermediate training centres in states where they are not handed over to the state cooperative unions;
7. to evaluate the various courses in cooperative training and suggest measures for improvement;
8. to generally advise the Government of India in regard to the steps to be taken to promote cooperative training and research.

The CCT receives cent per cent assistance for running the entire programme of cooperative staff training at the senior and intermediate level. Its budget is in the neighbourhood of Rs.4 million per year. The CCT also supervises some 67 junior cooperative training centres. Their cost is partly met by the grants by the Central Government and partly by the State Governments.

The present arrangements thus constitute a measure of collaboration between the Government and the Cooperative Movement. The Government assistance consists of (a) cent per cent financial support to the cooperative training programme, (b) approval to the composition of the Committee of the NCUI which is actually responsible for the programme of staff training and (c) its own Director of Cooperative Training working as the Ex-officio Member Secretary of the CCT. On the other hand, the Cooperative Movement has the following relations with the programme of cooperative training -

(a) the CCT is constituted by the NCUI, (b) it includes the representatives of the NCUI and the State Cooperative Unions, (c) the CCT is completely autonomous in operation and therefore through it the NCUI can exercise a great degree of influence on the arrangements for cooperative training.

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The CCT recruits its own staff, prescribes syllabi and takes all steps necessary for the maintenance of the standard of training. It is in touch with the State Governments and the Institutions in the different cooperative sectors. The fact that the NCUI is the exponent of the non-official opinion of the cooperative movement and has on its governing body representatives of all the National Business Federations of the different cooperative sectors, brings the CCT into organic relationship with the entire cooperative movement.

The CCT functions through two of its sub-committees - one responsible for finance and administration and other for training and research programmes. The CCT runs at the present moment two national level institutions - the National Cooperative College and Research Institute established by the Bombay Provincial Cooperative Institute in 1947 and the Central Institute of Cooperative Management for Consumers' Business meant for the training of superior personnel in the consumer cooperative movement and set up by the National Cooperative Development Corporation in 1964 and transferred to the CCT in 1966. The other 13 intermediate training centres which were run by the Central Committee of the Reserve Bank of India continue to be run by the CCT. For each of the intermediate training centre there is a local Committee which is normally presided by the Chairman of the State Cooperative Union and includes the Registrars of Cooperative Societies of the State, a representative of the Development Commissioner of the State, a local non-official cooperator, a representative of local educational institution etc. The Local Committee is responsible for providing periodical guidance to the Principals within the framework of the instructions given by the CCT.

Four of the 13 intermediate training centres have been transferred to the State Cooperative Unions, though the CCT continued to look after the

budgetary administration of the centre and is responsible even in respect of them for maintenance of the standard of training.

The organisational set up of cooperative training as it stands today may undergo further evolutionary changes, bringing GCT still closer to the NCUI. The NCUI is thinking of raising funds from the cooperative institutions to meet the cost of a more expanded national institute of cooperative management for which plans are already afoot. It might be the first important step towards the cooperative organisations coming forward to meet part if not the whole of the cost of the cooperative staff training.

II. Emergence of the Vaikunth Mehta National Institute of Cooperative Management

In 1946, when the late Shri V.L.Mehta became Minister for Cooperation, Finance and Village Industries in the Government of Bombay, one of the first acts of his, as the Minister, was to appoint a Committee on Cooperative Education and Training in April 1946 under the Chairmanship of the late Shri Janardan Madan, the Chairman of the Bombay Provincial Cooperative Institute. This Committee had recommended an integrated programme of cooperative education and training, as a part of which, cooperative training college was started on 14th June 1947. The college was intended for the training of the higher staff of the cooperative department and cooperative institutions in the then Bombay Province. It was to provide education in Principles, theory, practice and law of Cooperation, mercantile law, accountancy, agricultural marketing, economics and elements of agriculture, trade and commerce. One of the suggestions that the Madan Committee has considered was that the institution should prepare students for a University degree in Cooperation (B.Cop) on the lines of B.Com. While not ruling out the possibility of establishment at a later date of a full-fledged degree college, the Committee had recommended that to start with the college should provide only a year's course and at the end

award a Higher Diploma in Cooperation to successful candidates. The Committee had stated that if the response to the courses proved to be good and the expansion of the movement justified it, the Training college should be developed into a higher and more ambitious institution.

Though this institution had been intended to provide training to the cooperative personnel of the Bombay province, the college had extended facilities for training to candidates hailing from other states from the second session in the year 1948-49 in as much as there were no similar arrangements for training in other parts of the country. By the end of 1952, the College had trained 225 candidates of whom 45 were candidates deputed from outside Bombay State. In February 1951, at an informal conference convened by the Reserve Bank of India, it was observed that a serious limitation on the expansion of the cooperative agricultural credit was the paucity of trained personnel and therefore arrangements for training needed to be strengthened and systematised. The Reserve Bank of India appreciated the utility of the college for training of intermediate personnel from other States where suitable training facilities did not exist and also felt that the college could be utilised for providing training facilities for senior personnel as well. Accordingly the Reserve Bank of India proposed to the Bombay Provincial Cooperative Institute the conduct of two training courses on an all-India basis viz.

- (i) long-term one year's course which the college had already been conducting for personnel who were then considered senior but who were indeed of an intermediate level and
- (ii) a short-term course of six months' duration for higher officials of the cooperative department and executives of important cooperative institutions. The Reserve Bank of India undertook to reimburse the Institute for additional expenses involved in this programme of expansion. Four sessions of the short-term course and two of the

intermediate courses were conducted at the college during 1952-53 and 1953-54 and 76 officers were trained in the former and 65 in the latter. Finding that the training facilities provided at the college were useful, in order to place these facilities on a more regular basis as also for formulating an integrated scheme of cooperative training for the entire country, the Reserve Bank of India and the Government of India jointly set up in December 1953 a Central Committee for Cooperative Training under the Chairmanship of the late Shri V.L.Mehta. Though the training programme of the college was under the general supervision of the Central Committee, it was being managed by a Sub-Committee of the Bombay State Cooperative Union till April 1961 when its management was transferred to the Central Committee itself. Thereafter the Central Committee for Cooperative Training was managing this Institute through a local Advisory Committee of which also the late Shri V.L.Mehta happened to be Chairman. While the College was with the Central Committee for Cooperative Training in addition to the two courses already referred to a special course in cooperative marketing was started at this college in February 1956 on an all-India basis as a pilot course. The Central Committee later started four more training centres for the training of the intermediate level officers between 1954-1956 whereafter this college was utilised for the training of intermediate officers from the Western Zone only. Subsequently similar course having been instituted at the other training centres the marketing course at the Institute also came to be confined only to the Western Region. In 1962, on the recommendations of the Shamdhar Misra Study Team on Cooperative Training set up by the Government of India, the entire programme of cooperative training was transferred to the NCUI which appointed a Committee for Cooperative Training under the Chairmanship of Ch.Brahm Perkash.

An important step taken by the Committee for Cooperative Training of the NCUI on assumption of the responsibility of the college was its bifurcation in November 1962. The intermediate course and the marketing course were transferred to the cooperative training centre, Poona, so that the activities of the college came to be exclusively concerned with the training of the senior cooperative personnel. The achievements of the college till this stage of bifurcation may now be briefly recapitulated. Till the end of 1962, it had conducted 15 sessions of the higher diploma in Cooperative course and trained 775 candidates, 19 sessions of the senior-officers' course and trained 642 candidates and 16 sessions of the marketing course and trained 420 candidates. Though the college was started primarily to train the personnel in the cooperative department and cooperative institutions, it was realised very early that the college should also offer courses for orienting officers of other departments whose of the Government/working affected the operations of the cooperative institutions, Thus courses were organised for agricultural officers, backward class welfare officers, industrial organisers and even I.A.S officers from Maharashtra State.

This College has also been extending its facilities to the cooperators from foreign countries and neighbouring territories. Cooperative officers from the Philippines, Nepal, Sikkim, Thailand, Indonesia, Afganistan, Ceylon, Burma, Malaysia, coming to India under UN, ILO and Colombo Plan schemes, were trained at this Institute.

The Study team on Cooperative Training (1961) had recommended the establishment of a cooperative institute of advanced study and research and the CCT decided to develop this college into such an institute. A programme for its expansion was drawn up in 1963 and in tune with the development that was visualised the name of the college was changed into the National Cooperative College and Research Institute. The College continued to conduct the Senior Officers' course and between 1962-67, 10 sessions were organised

and 354 officers were trained. The Research wing was started on a modest scale in June 1965 with the appointment of a Deputy Director (Research). Since then 6 research assistants have been appointed and the research wing starting with local studies has extended its studies to wider areas including Madras, Mysore, Andra Pradesh, Gujarat and Maharashtra. The first collection of results of the studies has been published in the Studies in Cooperation. In addition 4 more studies have been completed and will be soon ready for publication. 3 Studies are in progress.

While conducting courses for departmental and institutional personnel at different levels, the Central Committee for Cooperative Training had realised that the contents of the training courses were not adequate to impart efficiency to cooperative institutions in business management. Therefore in 1958 the Committee had organised a short-instructional course in business management for the lecturers at the various training centres and thereafter introduced business management as a compulsory subject at both the intermediate and senior courses and special courses. Even this arrangement was found to be insufficient to cope with the growing requirements of the movement which was rapidly expanding and diversifying spreading from the traditional field of credit and entering into the new fields of marketing, processing, manufacturing and distribution. Competent and progressive management is the sine qua non of success in these fields. Of the various gaps in cooperative training for senior personnel, the biggest and the most noticeable was in respect of knowledge and skills in Business management. The Government of India, therefore, set up a high level Working Group under the Chairmanship of Prof D.R.Gadgil in August 1964 of which the late Shri V.L.Mehta was also one of the members. This working group came to the conclusion that there was a need for a high level institution which the comprehensive coverage paying special attention to the training in business management and also undertaking

research in cooperation. This was followed by a study in November 1964 by two experts viz. Dr Glenn Hedlund and Mr Wendell C Binkley, invited by the Ford Foundation. They underlined in their report the crucial need for the establishment of a top level institute of cooperative business management which would inject a strong emphasis on business management in its educational and research programmes and which will have such excellence in its staff and programmes as to become a recognised intellectual nerve centre for and a leading source of cooperative thought and management development throughout India. The two experts envisioned that in producing inspired enthusiastic, dedicated and qualified management of cooperatives, the apex institute would make a lasting contribution to India's total development. To give a more concrete shape to the idea of the National Institute on Cooperation, the Ministry appointed another Committee under the Chairmanship of Prof D.R. Gadgil in March-April 1965 to work out the scope and content of the courses, curricula and the staff requirements of the proposed National Level Apex Institution on Cooperation. This Committee prepared a blue print of the activities of the Institute on the basis of which this Institute is being shaped.

In the meanwhile as a part of the Centrally sponsored scheme for the development of consumers cooperation, a Central Institute of Management for Consumers' Business was set up in June 1964 in Bombay under the auspices of the National Cooperative Development Corporation. The Institute provided training to managers of the wholesale consumers stores. Till April 1966 the Institute was located at Bandra, Bombay. As a first step towards the emergence of the Institute as envisaged by the Gadgil Committee it was decided to integrate the Central Institute of Management for Consumers' Business and the National Cooperative College and Research Institute to form a nucleus of the new Institute in Cooperative Management. Accordingly the management of the

Central Institute of Management for Consumers' Business was transferred from the National Cooperative Development Corporation to the Committee for Cooperative Training of the NCUI and it was physically shifted to Poona from Bombay to combine with the National Cooperative College and Research Institute.

In view of the fact that Shri V.L.Mehta had been, in the manner described by me earlier, primarily responsible for initially starting this Institute in 1947 and had nursed this Institute throughout its infancy for 17 years and had also contributed, as a member of the High-level working group, to the idea of developing it into the Institute of Cooperative Management, it is in the fitness of things that this Institute has been named after him to commemerate him in gratitude of the entire cooperative movement in this country for his prominent contributions to the cooperative movement in general and to cooperative training in particular.

The principal objective of this Institute is to infuse a high order or enterprise management into the cooperative development. It would aim to be the leading source of knowledge on cooperative management in India. To realise its basic objective, the following subsidiary objectives are accepted as guides to policy formulation and programme development.

1. Selection and preparation of outstanding and talented mature young people for careers leading to management responsibility in cooperatives.
2. Provision of opportunities for cooperative personnel, government officials and others in middle and top level positions to acquire further training and education in management knowledge, attitudes and skills.
3. Provision of opportunities for Principals and Instructors in various cooperative training centres to upgrade their knowledge and abilities in management, so that the scope and quality of programmes in the several centres may be broadened and improved.

4. Provision of opportunity for teachers and researchers in the various colleges and universities of India to refresh and upgrade their knowledge of and ability to teach cooperative management and to do significant research in this area.
5. Conducting problem-oriented research in cooperative management and presentation of the results of such research quickly and understandably; developing competent research scholars to extend its benefits in an ever-growing circles of influence throughout India.
6. Developing an Indian literature in cooperative management through research and publication in order to provide depth and challenge to Institute programmes, and to aid other educational institutions and cooperatives throughout India and the world.
7. Providing selective consulting services to government departments and cooperatives in the major areas of faculty competence.

To implement these objectives, the Institute has been strengthened by the addition of new faculty members specialised in rural economics, personnel and business management, banking and statistics. The Business Management course has been designed to cater to the needs of cooperative personnel mentioned under first three objectives above. The detailed syllabus of the course can be made available by the Institute. The Institute will continue to conduct in addition to this course, short-term orientation course for senior officers, short-term course for managers of wholesale stores etc. It will also design and conduct a number of other short-term auxiliary courses for personnel working in the different sectors of the cooperative movement. To provide opportunities for orientation of personnel at the policy making level, seminars for functional officers in cooperative departments and apex cooperative institutions as also for Chairmen of cooperative institutions are being organised. Research programmes will be expanded as we gain more experience and it is through research that the Institute expects to make substantial contribution to the development of cooperative literature. As regards the consultancy services, it is a matter of satisfaction for the Institute that its faculty members have already started receiving requests from cooperative institutions

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and the members of the faculty have built up close contacts with the institutions and provide them the consultation they need.

III. Some General Comments on Cooperative Training Programme in India

The set up of cooperative training in India, as it stands now, has not been a matter of hot-house growth. It has evolved over years. It has broadened from precedent to precedent. In its first phase it was the outcome of piece-meal but pioneering attempts of cooperative leaders as in the States of Bombay and Madras. From 1953 onwards, however, thanks to the efforts of the Central Committee for Cooperative Training of the Reserve Bank of India and of the Government of India which was in charge of the programme till 1962, it developed into a systematic and well organised activity since July 1962. The Committee for Cooperative Training of the NCUI has been moulding its matrix to meet the modern management requirements. The programme has been nourished from time to time by the suggestions and recommendations of experts from here and abroad. It has grown in the crucible of experience. It has been chopped and changed in the light of several discussions at conferences or deliberations at meetings in which the trainers, the training administrators and the programme operators have all participated.

Broad Features

Over years, certain broad features of the programme of cooperative training have clearly emerged. First, it is a programme which is comprehensive, systematic, integrated and regular. It is comprehensive in the sense that it caters to the needs of training of personnel at all levels, senior, intermediate and junior, in Government departments as well as in cooperative institutions. It is systematic in the sense that it is carried out at well organised cooperative training institutions - the National Cooperative College and

Research Institute and the Central Institute of Management for Consumers' Business at the senior level, 13 cooperative training centres at intermediate level, and 67 centres in different states at the junior level - each of which has its definite calendar of courses announced in advance and chalked out in the context of a projection of requirements of training of the cooperative departments and institutions. The contents and syllabi of courses are worked out on the basis of expert study. Moreover, each course is treated as unique and a course plan is worked out indicating the stages in which the course would be organised, the manner in which subjects would be allocated to different lecturers, the variety of teaching techniques to be utilised, and the extent to which the services of the guest-lecturers would be drawn upon. There is also systematic programme of assessment of trainees, through terminal examinations, through mid-term periodic tests and through observation of the performance of the trainees throughout the course. The training programme is integrated in the sense that the cooperative training institutions at all levels are inter-linked, the National Cooperative College and Research Institute keeping liaison with the intermediate cooperative training centres and the latter with the junior cooperative training and education held in July 1965, has indicated the lines on which the inter-institutional collaboration could be promoted further. The integrated approach to cooperative training, whether in matters of organisation of courses, the utilisation of teaching techniques, the selection of candidates or the method of assessment, has been possible mainly because of the efforts of the central agency responsible for cooperative training, first the Central Committee for cooperative Training and now the CCT of the NCUI. Major decisions of these bodies and their sub-committees on training, research and administration have been instrumental in giving an integrated look to the entire programme of cooperative training.

The programme can be considered to be regular in more senses than one. It has already been mentioned that the courses are pre-planned and followed at regular intervals. It is regular in another sense viz. the trainees belong to the regular cadres of departmental agencies and cooperative institutions and undergo the courses which are designed for them and are considered essential for the performance of their professional duties.

Long-term and Ad-hoc Courses

Our training courses are patterned on the assumption that a long basic course is absolutely essential for all the cooperative employees. There are, to be sure, a series of short courses arranged at our centres but they are either the special courses in definite fields like cooperative banking, land mortgage banking, marketing, industrial cooperation and audit or there are ad hoc short term courses such as those in the field of labour construction cooperatives, milk pool cooperatives and weavers' cooperatives. Sometimes short duration courses are organised even for those who have not been active cooperative practitioners such as, for example, the course arranged by the NCCRI for the University lecturers in agricultural economics. The special and ad hoc courses are, however, mainly for those who have earlier undergone the general basic course. The latter is the foundation on which further specialisation is built up. This approach undoubtedly distinguishes the pattern of our courses from those prevalent in some of the advanced countries in the West although the considered opinion of the two Reserve Bank officials who were specially deputed to study the programme of cooperative training in the West is that in the context of the special conditions existing in our own country, the combination of a long general basic course with subsequent special courses as and when required is the most suitable.

Contents of Courses

The contents of our courses include cooperative principles and philosophy as well as cooperative practice and management and cooperative law and accounts. It would be misleading to describe them either as purely theoretical or purely practical. In fact we do not contemplate theory and practice as two water-tight compartments. In our cooperative training courses there is no place for theory qua-theory. At the same time mere description of practices without perception of the underlying principles is out of place in our programme. That is why class room work, campus demonstrations, five village work, observation tours and field placements, constitute in our courses stages in a single continuous though interspersed at suitable intervals.

The trainers at our courses have, therefore, necessarily to combine within themselves sound knowledge of proven principles and practical experience as well as ability to communicate. This is formidable requirement which cannot easily be met. The faculty of our training centres is drawn both from the cooperative practitioners as well as the academicians combined in such a way as to make a balanced faculty; but once they are members of the faculty they no longer remain practitioners as such or theoreticians as such. Opportunities for staff development are offered so that an academician lecturer, through special study visits and assignments, acquires an intimate knowledge of the practical programmes of cooperative development, the lecturer drawn from the field, on the other hand, develops the necessary sophistication for conceptual exposition and skilful communication.

Common Courses

One of the assumptions of our pattern of courses is that while the job charts of the cooperative personnel of departmental agencies are bound to

differ in some particulars from those of the cooperative institutions. It is advantageous to provide for common courses for trainees of both the categories. It may be worthwhile for the institutional employees to know the problems of the departmental employees and vice versa and a common programme of training may provide them an orientation which will go a long way in their future work when they, in their own jobs, have to work on the basis of mutual understanding. But the extent of participation of the institutional employees (barring such exceptions as Maharashtra) is much less than that of the departmental employees. It is only in the courses on cooperative banking that the institutional employees, join in as large a number as the departmental employees. The main reason for this lopsided composition of the participants is the absence of well built cadres in the cooperative institutions. Formation of cadres is the first step in a systematic programme of building up trained manpower.

Our cooperative training centres are residential institutions. Campus life, is therefore, as important as class-room instruction in shaping the ultimate product that turns out of the institution. The trainees run a cooperative mess and a cooperative consumer store, arrange sports and games and cultural programmes, and thus contribute to the corporate life of the Training Centre. The physical environment and amenities at our centres cannot, however, be considered as up to the standard. Indeed the working group on syllabi had opined, as far back as August 1963, that the training centres give to the visitor a neglected appearance. All of them are housed in rented accommodation. Efforts are being made to provide them with their own buildings, vehicles and other equipment. These, however, have not yet borne fruit. Efforts will have to continue and one can only hope for the best.

In the meantime, the trainers and trainees alike have to strengthen themselves by the conviction that after all it is the spirit of work that has to prevail over the external environments.

Cooperative training is in demand. Course after course, has been found on the whole satisfactory. There is little wastage of training capacity. In some cases there is even an over-utilisation. Sometimes indeed, we seem to be cramming too many courses in the annual calendar. Our 13 centres run more than 100 courses in a year - general, special and ad hoc. On the top of these, there are seminars, case studies, and the research programmes which we have taken recently. It is, however, not enough for the trainer to be fully engaged or eagerly lapping up every demand of training that comes his way. He has not only to be responsive to the contemporaneous trends in the cooperative movement but has also to look ahead and anticipate changes.

With the establishment of the Research Wing at the National Cooperative College and Research Institute, a beginning has been made with a number of research studies of regional and local character some of which have been entrusted to the cooperative training centres. This has added a new dimension to the activities of these centres. Cooperative research is envisioned as organically linked up with cooperative training and, at a later stage, with consultative activities of the Cooperative Training Centres. Cooperative research, training and consultation will have to be closely coordinated. Apart from providing meaningful conclusions pregnant with possibilities of reforms to be introduced by the policy makers and programme operators, researchers are expected to provide rich material for training and to help the trainees develop a depth of knowledge and a sense of confidence. We are eagerly awaiting the results of the series of case studies in cooperative management taken^{up} by the various cooperative training centres.

Cooperative research, in the very nature of the case, has to take its own time before the harvest can be gathered but it is hoped that in the fullness of time the National Cooperative College would emerge as the cornerstone of concerted research in all aspects and sectors of cooperation.

New Horizons in Training

What is going to be the shape of things to come? The cooperative sector is expanding and diversifying. The erstwhile identification of the cooperative movement with the distribution of agricultural credit would soon be out of date. Cooperative Movement will very much progress from the fields of the farmers to the market place. Cooperative marketing and processing, through functional cooperatives and consumers' cooperatives would soon assume responsibility for business whose size and operations could well be compared with those of the private enterprise. Cooperative training can no longer confine themselves to the administrative procedures of registration, liquidation, revitalisation, fixation of the limits of credit etc. They would have to concentrate on such managerial concepts as cost benefit analysis, feasibility studies, location of markets, factors determining the size of business, shop lay out and window display, inventory control and salesmanship. Cooperative courses will have to contain more and more managerial economics, business and personnel management, market intelligence and statistics etc. New roles and functions call for new ideas and language. The cooperative sector has already realised this. Much thought has gone into the formulation of project report of the apex institute on Cooperative management which is expected to be the foremost centre of study,

training and research in cooperative management and which would give a lead in the transformation of training courses at intermediate and junior centres so that the modified courses provide knowledge, skill and competence to the cooperative managers of the future. There is a challenging future for the cooperative movement but the cooperative movement cannot fulfil its promises unless among the policy makers as well as among the programme operators at all levels, whether in the government agencies or in business organisations, there is a clear realisation that trained manpower is the key to success. The requirement of manpower, year after year, has to be assessed in advance, cadres have to be formed, panels of personnel for training have to be kept ready in advance, training opportunities have to be suitably created and trained personnel have to be utilised over some considerable period of time and in an optimum manner in the specific field in which they are trained. It is for the programme operators to make **constant** demand on the training institution and it is for the trainers to rise to the occasion and provide an assortment of training courses which would fully meet the practical requirements. This demands much more active interplay between the trainers and the programme operators than has been forthcoming so far. It is to be hoped that through their fruitful collaboration the basic condition for the success of the cooperative movement would be fully met with. We have such an elaborate apparatus of training as the one which even some of the most cooperatively advanced countries in the West do not possess. It is a great asset and the cooperators in India should fully draw upon it.

COOPERATIVE EDUCATION AND STAFF TRAINING IN THE PHILIPPINES:
PROBLEMS AND PROSPECTS

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The problems and prospects of cooperative education and staff training in the Philippines can perhaps be better analyzed and appreciated if one first understand the present status of the cooperative movement in the country.

i

The cooperative movement of the Philippines, which experienced the earliest notable beginnings in the early 1900's, may be primarily characterized as, firstly, being segmentalized and compartmentalized in its development and structure, and, secondly, as one undergoing major transformation in its overall scheme.

In development and structure, the movement has been divided since 1952 into the "non-agricultural cooperative sector" and the "agricultural sector".

ii

Non-agricultural cooperatives include over 1,302 operating credit unions^{a/}, 46 industrial cooperatives both of the factory type and the

^{a/} Data as of December 31, 1968. Taken from the Cooperatives Administration Office 22nd Annual Report, 1967-68.

craftsmen category, 23 service, housing, and other cooperatives. These also now include seven provincial federations, one regional federation, a cooperative wholesale society on national basis, a national federation of credit unions, and a central cooperative supplies (forms, stationery, etc.) society.

These cooperatives are governed by a legislation of their own. Promotion, organisation, registration, and supervision are assigned by this law to the Cooperatives Administration Office (CAO).

Financing of the cooperatives is supposed to be taken care of by the Philippine National Cooperative Bank.

iii

On the agricultural cooperative movement sector, there are now a total of 825^{b/} cooperatives on the primary society level, 20 provincial federations, two national federations, and a national union. Of the primary societies, 389 are rice farmers marketing cooperatives, 250 are tobacco, 58 copra, 32 sugar, 39 poultry, 15 fruits/vegetables, 12 fish, 5 coffee, 3 fiber, 3 garlic, 2 are processing cooperatives, 2 are supply co-ops, and 15 are irrigation cooperatives.

These cooperatives are governed by a set of legislations. The Agricultural Productivity Commission (APC), the government agricultural extension arm, is charged with the functions of promotion, education, and organization of these cooperatives, while the Agricultural Credit Administration (ACA), a government agency, takes care of credit to both cooperatives and farmer-members, as well as supervision. Registration is handled by the Securities and Exchange Commission, which also

^{b/} Data as of June 30, 1970. Taken from the unpublished Annual Report 1969-70, of the Cooperatives Division of the Agrl. Productivity Commission.

-3-

registers other forms of business organizations such as partnerships and corporations.

iv

A further amplification of the division of the movement mentioned above is the fact that lately, coconut agro-industrial cooperatives - their promotion, organization, and supervision - are the functions of another government agency, the Philippine Coconut Administration. Furthermore, electric cooperatives are now promoted, organized, registered, and supervised by the National Electrification Administration.

Another department of the government, the Presidential Arm on Community Development, which has fieldmen in all the barrios (villages) of the Philippines, actively promotes cooperatives in rural areas. In urban areas, the Department of Social Welfare personnel are likewise active.

v

Any discussion on the Philippine cooperative movement would be remiss if the role of voluntary organizations is omitted. The Catholic and Protestant churches through their various social action programs in the country play a major role in promoting and organizing cooperatives. Also, the Philippine Rural Reconstruction Movement, a private foundation, organizes and guides cooperatives in their project areas in rural villages.

vi

This year, major changes which will undoubtedly hasten the development of the movement may be expected. There is now pending in the national legislature of the Philippines a bill which provides for the consolidation

of all government cooperative programs under the proposed Cooperative Development Authority. Under the scheme, the functions of promotion, organization, supervision of all types of cooperatives will be assigned to a Cooperative Development Commission (now the CAO). The ACA will be converted into the Cooperative Financing Commission, and cooperative educational system will also be reorganized, as we shall study later.

vii

The term "cooperative education" is used further in this paper in the context of all programs which such to help cooperative members (including prospective members), officers and committee members, employees including managers, etc., develop themselves in the knowledge, skills, and attitudes necessary for the satisfactory performance of their respective roles in the movement. This definition would therefore omit publicity and promotional programs. While one may consider the training of government office bearers at various levels involved directly in cooperatives activities as necessarily falling under "cooperative education" programs, their development along this line we shall better categorize as "staff training".

viii

From the discussion of the status of the movement above, one may glean the obvious multiplicity of agencies and organizations involved in cooperative education in the country.

Each cooperative society is required to have an "Education Committee" of at least three members to plan and implement education programs for their members. In many cases,

, primary societies have informal

arrangements for joint education programs. In some areas, these are done on a regional basis, coordinated by a regional education committee which holds seminars, educational meetings, and study groups for members.

Besides these informal arrangements, there are also education programs, mostly on the member and officer/committee member levels conducted by various organizations and government agencies. There are presently more than thirty-five such agencies and organizations active in cooperative education. These include the federations, social action organizations mostly sponsored by the churches and many of which have their own training centers and intensive programs for cooperative education on a provincial basis, local governments, the government agencies mentioned above, and others. Their activities range from the sponsorship of or even actual conduct of seminars, to well-integrated programs for study circles or discussion groups, to the actual operation of cooperative training centers.

Viewed from the point of level of activities among the notable cooperative education centers, besides the Agricultural Credit and Cooperatives Institute (ACCI), are the Southern Philippines Educational Center for Cooperatives (SPECC) which offers, among others six-month courses for organizers and managers of cooperatives in, as the name implies, the southern regions of the country and which is presently financed mostly by donations, the Southeast Asia Regional Social Leadership Institute (SEARSOLIN), which emphasizes cooperatives in its programs patterned after the Nova Scotia approach.

It should also be mentioned that for non-agricultural cooperatives, as provided for by the legislation covering them, there exists a Central Cooperative Educational Board composed of the Administrator of the CAO and representatives of the movement which administers a fund composed of

remittances of one-half of the educational fund of the societies (10% of net savings each year build up the educational funds of the societies) for the production of materials for cooperative promotion and for financing cooperative seminars, mostly promotional, sponsored by the Board.

ix

The segmentation of the movement and the multiplicity of agencies and organizations involved in cooperation education have given rise to obvious problems.

With scarce resources in terms of high-caliber trainers, financing, facilities, equipment, and personnel available to the movement, the apparent lack of an overall long-range coordinated scheme for cooperative education has certainly not brought about the maximum possible results for the inputs. Cooperative education activities are often widely and superficially dispersed. Often, the different organizations have little knowledge about the activities of others, resulting in duplication and overlapping of programs.

Several attempts have been made in the recent past to improve coordination among the organizations and agencies. A series of annual conferences among their representatives have been initiated by the Agricultural Credit and Cooperatives Institute. National seminars have also been conducted among them in order to standardize the course offerings.

With the projected consolidation of the movement, one may venture that these problems will greatly be alleviated. A continuing program for cooperative education is envisioned. The ACCI will be converted into a Cooperative College under the University of the Philippines. Initially, it will continue, but on an expanded basis, its programs for training of cooperative officers and committee members and cooperative employees.

- 7 -

Eventually, its programs will emphasize on the training of trainers in cooperative education. A National Cooperation Education and Research Center with ten regional centers to be administered jointly by the different agencies will complement the cooperative education activities of the Cooperative College. Eventually, this Center will be turned over to the co-op federations. Also, more regional committees to coordinate local cooperative education activities are being established.

The Central Cooperative Educational Board shall be formalized into a corporate body which shall finance the educational and research needs of the cooperatives.

X

The problems related to staff training in the Philippines today take on a somewhat different shade. While it is true that there are many government agencies involved in cooperatives, these agencies have more or less standard requirements for acceptance into positions. For Commercial Cooperatives Officers, for instance, the minimum educational attainment required is completion of a bachelors degree in business administration, commerce, education, or law. For Agricultural Cooperative Agents, it is bachelors degree in agriculture, business administration, or commerce. For auditors of all types of cooperatives, the requirement is that the applicant be a Certified Public Accountant. The training required is more of orientation on their specific cooperative functions.

There was a written agreement, for instance, among the principal cooperative agencies that no applicant for cooperative officer would be appointed unless he has passed a preliminary civil service examination for cooperative officers. The examination would cover co-op theory (60%), co-op laws (20%), bookkeeping and accounting (20%). After selection and

appointment on a probational basis, those chosen would spend four weeks on an induction course conducted by the agency concerned. This would be followed by eleven weeks of apprenticeship to an experienced field officer, then ten weeks of residential training at the Agricultural Credit and Cooperatives Institute. During the last week of residential training, the candidate would undergo evaluation by the agency concerned and the ACCI. Those satisfactory completion of the Phase I training above would be appointed as cooperative officer.

Upon completion of two years of service as cooperative officer, the staff member would be qualified for a 13-week advance training course at ACCI. Then he would be eligible to take a Senior Cooperative Officer civil service examination. Only those who have passed this would be appointed to supervisory position.

Only the pre-entrance civil service examination and the induction course have been followed as of today. The residential courses have been limited to two-to four-week seminars for new officers. Once in a while, the agencies also request the ACCI to conduct two-to four-week refresher courses for its field officers, or one-to two-week executive or supervisory development seminars.

xi

It would not be incorrect to state, therefore, that there is a systematic and well-planned program for staff training in the Philippines. The ACCI, with additional funding, can cater to the all the demands for its services along these lines.

The present problems have their roots in the lack of specific financial allocation for training of its cooperative personnel in the agencies concerned.

Expenses for allowances of personnel attending seminars are usually taken from whatever savings remain in the general budget of the agency at the end of the budget year. As a result, seminars are usually crammed during the last weeks of the said year. Worse, the duration of the seminar and the size of attendance is oftentimes determined by the amount of funds available.

xii

The new approach to cooperative development in the country and the expected changes in the administrative structure of agencies involved in cooperative under the consolidation scheme for cooperatives will surely give rise to new and increased demands for staff training.

For one thing, it is expected that the program for recruitment and for training discussed above, perhaps with some minor modifications, will be strictly implemented.

The reorganization scheme will also result in the creation of new middle supervisory positions. The implications of this in terms of training cannot be ignored.

The new emphasis on cooperatives as an instrument for social and economic progress in programs of the government will necessitate expansion in terms of personnel, particularly field officers.

And hopefully, too, the changes will also include increased and specific allocations for staff training.

xiii

Although some aspects of its activities have been partly dealt with above, focus is now brought on the Agricultural Credit and Cooperatives

Institute.

The Institute, which was established primarily as a regional center for cooperative and agricultural credit education and research, is also the apex training center of the Philippine cooperative movement.

A more detailed discussion on the structure and activities of the Institute is contained in APPENDIX A of this paper.

#

APPENDIX ATHE AGRICULTURAL CREDIT AND
COOPERATIVES INSTITUTE

The Need for an Agricultural Credit and Cooperatives Institute

High interest rates, inadequate credit facilities, and lack of efficient marketing facilities and services have been recognized as the major deterrents to agricultural and economic development in the region of Southeast Asia, resulting in low returns from agricultural pursuits and a depressed rural economy. Recognizing this basic problem, the United States Government has included in its foreign aid program in the countries of the region substantial assistance in the development of adequate and efficient credit and cooperative organizations, while the countries in Southeast Asia are developing or have developed credit and marketing programs designed to improve existing conditions and stimulate agricultural production.

Under these conditions, facilities were expanded more rapidly than could personnel be trained for credit and cooperative work. The net result was a tremendous need for adequately trained and well qualified personnel, at all levels, to carry out agricultural credit and cooperative programs effectively, for in-service training of existing employees, officials and staff members, and for research in the field of credit and cooperatives.

Efficient organization and operation of credit agencies and cooperatives, effective training of personnel, and a strong research program directed at finding practical and workable solutions to current problems being faced by credit institutions and cooperatives are essential if farm production is to be increased, and the standard of living of the rural people in the Southeast Asian countries improved. The successful expansion and development of credit and cooperative organizations in all countries in the region will depend heavily upon the implementation of a practical, progressive and continuing training and research program. This calls for the establishment and maintenance of an institution that is adequately staffed and equipped to serve as a permanent center of full time training, research and extension services for agricultural credit and cooperatives.

An agricultural credit and cooperatives center, so envisioned, will provide significant benefits to the credit and marketing programs of the countries in the region of Asia and the Far East, through in-service training of employees and officials of such organizations, through holding regional seminars and workshops for selected groups of officials and other personnel, through conducting research studies on management and other problems confronting these institutions, and through providing technical information and guidance credit and cooperative institutions and agencies. The holding of regional workshops, seminars or conferences is particularly important in that it permits the free exchange of ideas on problems encountered in the organization and operations of agricultural credit and cooperative institutions, solutions to such problems, methods of operation and related matters as well as provide major economic, social and cultural benefits which result from international conferences.

OBJECTIVES

The Institute has been established primarily as a regional center for the training of officials and employees of government agencies dealing with the promotion and supervision of agricultural credit and cooperative institutions, and of leaders and personnel of credit and cooperative organizations; for the holding of seminars and workshops to discuss operations, management and problems of these organizations; for the conduct of scientific research specifically directed toward solving current problems of credit and cooperative agencies and organizations; and for providing extension services, including advisory and consultatory services, to cooperatives and credit organizations in the rural areas.

Specifically, the fundamental objectives of the Institute are:

1. To encourage and assist government agencies and private organizations in the Philippines in the South-East Asia area in the accomplishment of their programs by:
 - a. Conducting training courses, seminars, and workshops for groups of persons as requested by government agencies and private organizations. These training courses may be held at the headquarters of the Institute, or at such locations as may be appropriate.
 - b. Training officials of government agencies and private organizations in the conduct of training programs, especially in the use of instructional materials prepared with the assistance of the Institute.
 - c. Conducting research activities specifically directed toward solving current management problems in the field of agricultural economics. Special emphasis shall be given to policy problems in developing successful programs for providing short, intermediate and long-term credit to small farmers and their organizations. Similar attention shall be accorded managerial problems in the users of such forms of credit and to problems involved in marketing farm produce.
 - d. Preparing informational and educational materials, subject courses and training aids for use in the conduct of specific training programs. These services may be provided for staff members of government agencies and private organizations which request assistance including cooperative organizations and officials and members of these associations. Also, within the limits of the Institute's financial resources it may make informational, educational, and training materials available for public distribution.
 - e. Implementing any training programs that involve activities within the scope of the Institute's objectives.
2. To assist the University of the Philippines in developing a curriculum in the fields of Cooperative Education and agricultural credit; and the management of

agricultural organizations, especially cooperatives and federations of these associations; the marketing of agricultural produce; the management of small farm units; and the development of small industries utilizing agricultural produce and by-products of such produce.

Specific courses to be added which will supplement and strengthen offerings in the Department of Agricultural Economics, University of the Philippines, College of Agriculture include agricultural banking, credit unions, agricultural prices, principles of accounting, farm and loan appraisal, agricultural business management, cooperative wholesaling, cooperative retailing, management of farmers' cooperatives, cooperative personnel administration, cooperative membership relations, farm loan supervision and administration, rehabilitation of distressed cooperatives, executive training, and others.

3. To provide special training courses, seminars, and workshops for students and for employees and officials, of credit and cooperative organizations from other countries in the South-East Asia region.

To create a pool from which agricultural credit agencies, cooperatives, and related agricultural organizations may draw adequately trained personnel, to assist these agencies in the pre-service and in-service training of their officials and employees, and to help them solve their problems through research and extension services.- these are the goals to which the activities of the Agricultural Credit and Cooperatives Institute are directed.

Administration

The Agricultural Credit and Cooperatives Institute is a semi-autonomous institution headed by a Director and placed under the supervision of the University of the Philippines. It is located on campus of the College of Agriculture at Los Baños, Laguna, Philippines about 67 kilometers south of Manila. It is attached to the University of the Philippines, Office of the Vice-President for Agricultural and Forestry Affairs for administrative purposes. Policy supervision over the Institute, except with respect to academic policies of the University is exercised by an Advisory Council composed of the Vice-President for Agricultural and Forestry Affairs as Chairman and nine members from:-

1. The Agricultural Credit Administration
2. The Agricultural Productivity Commission
3. The Cooperatives Administration Office and Central Cooperative Educational Board.
4. The Central Bank of the Philippines
5. The Rural Bankers Association of the Philippines
6. The Development Bank of the Philippines
7. The Philippine National Cooperative Bank
8. The Central Cooperative Exchange
9. Philippine Federation of Consumers Cooperatives

The Vice-President for Agricultural and Forestry Affairs is responsible for exercising supervision over the Institute in accordance with policies adopted by the University of the Philippines and the Advisory Council.

FINANCES

The Institute operates on the basis of an annual budget and its fiscal year coincides with that of the National Governments, i.e., July 1 to June 30. As stated in the Charter, funds for its establishment and operations may be derived from the following sources:

- a. Appropriations of the Philippine Government, including any funds allocated by the Board of Regents of the University of the Philippines.
- b. Grants-in-aid received under the ICA-NEC (International Cooperation Administration-National Economic Council) assistance program.
- c. Grants from government agencies desiring to help the Institute.
- d. Organizations for which the Institute performs services. Such charges are based upon the cost of the services rendered, and the extent to which the Institute's regular resources cannot be used to defray the expenses incurred.
- e. Grants from private sources including financial institutions and foundations authorized to make available assistance of the type or types needed by the Institute. Such funds are to be expended by the Institute upon the recommendation of the Director and approval solely by the Advisory Council.

TRAINING PROGRAMS

Depending upon the particular needs of the group being trained, courses are arranged to include subject matter areas which will be most useful to the participants in terms of enabling them to perform their specific duties and responsibilities more efficiently. The faculty of instruction consist:-

- (a) Full-time staff members of the Institute
 - (b) Specialists from the University of the Philippines College of Agriculture
 - (c) Technicians from Credit and Cooperative Agencies and Organizations
- and (d) Resource persons invited from other agencies and Institutions both public and private.

English is the medium of instruction used in all courses. Lectures, panel discussions, demonstrations, field trips, workshop methods, and on-the-job activities constitute the principal techniques used in the training programs.

For officials and employees of Philippine cooperative and credit institutions, the following courses are offered:

1. Agricultural Cooperatives

Training courses for:-

- | | |
|--------------------------------|-------------|
| (1) Managers | (8 weeks) |
| (2) Secretary-Treasurers | (4 weeks) |
| (3) Bookkeepers | (3 weeks) |
| (4) Warehousemen | (3 weeks) |
| (5) Directors (field seminars) | (1 week) |
| (6) Workshops | (1-2 weeks) |

2. Non-Agricultural Cooperatives

Training courses for:-

- | | |
|----------------------------|----------|
| (1) Directors | (1 week) |
| (2) Education Committees | (1 week) |
| (3) Supervisory Committees | (1 week) |

- | | |
|----------------------------------|-------------|
| (4) Bookkeepers | (1 week) |
| (5) Treasurers | (1 week) |
| (6) Voluntary Leaders | (1-3 weeks) |
| (7) Managers | (1-2 weeks) |
| (8) Workshops | (1 week) |
| (9) Field seminars (specialized) | (1 week) |

3. Government Officers

Training courses for:-

- | | |
|--|------------------|
| (1) Cooperative Officers under training from ACA, APC and CAO | (2-10 weeks) |
| (2) -ditto - (refresher courses) | (2-4 weeks) |
| (3) Loan Supervisors ACA | (2-4 weeks) |
| (4) Auditors ACA | (2-4 weeks) |
| (5) Extension Workers & Agents of APC | (2-4 weeks) |
| (6) Other categories of officers of ACA, APC and CAO as may be necessary | (to be arranged) |
| (7) Loan Appraisers & Credit Examiners, Central Bank and the Development Bank of the Philippines | (3-10 weeks) |
| (8) Officials of Government agencies related to cooperatives | (2-6 weeks) |

4. Other Institutions

Training courses for:-

- | | |
|--|------------------|
| (1) Rural Bankers | (1 week) |
| (2) Asian Labor Leaders | (1 week) |
| (3) Personnel of agencies preparing for executive or supervisory positions | (to be arranged) |

5. Third Country Participants - Training courses for:-

Staff of training institutions

Official and non-official personnel of cooperatives

Graduate students of foreign universities and colleges

6. Special Courses

- (1) Conferences, seminars or workshops (1-2 weeks) on specific problems for specific types of employees and officials of credit and cooperative organizations
- (2) Regular college courses for undergraduate students specializing in credit, marketing or cooperatives and advanced courses for graduate students leading to a degree course in cooperation and business science.

7. Courses intended primarily for foreign participants:

- | | |
|--|-------------|
| (1) Agricultural credit supervision and administration | (8 weeks) |
| (2) Management of agricultural and non-agricultural business | (6-8 weeks) |
| (3) Farm and loan appraisal | (6 weeks) |

Note. These courses are subject to negotiation between the ACCI and the countries concerned. In addition, foreign participants may also join any of the local training programs for specific officials, employees and other personnel of Philippine credit and cooperative agencies as indicated above.

From the recommendations and resolutions passed during the past workshops on agricultural credit in the Far East the ACCI was intended to be a regional training center to serve the needs of all countries in the region for trained personnel of credit and cooperative institutions. This could possibly be done either in a single group or by groups of countries within the region and focussed on the specific problems of particular interest in the field of credit and cooperatives inviting at the same time specialists from the Philippines and other countries to act as resource persons or discussion leaders. It is expected that this regional center held annually would eventually replace the Far East Agricultural Credit Workshop held every two years.

Library:

The Institute has a spacious airconditioned library with over 1000 books and publications excluding pamphlets and periodicals. This was made possible through generous contributions from the International Labour Office (I.L.O.), Asia Foundation, U.P. College of Agriculture and Department of Agricultural Economics, Cornell University. From time to time more recent publications on cooperatives and related subjects are purchased from the funds of the Institute.

Books by main categories cover:-

- | | |
|--------------------------------------|-------------------------------|
| 1. Cooperatives | 10. Accounting |
| 2. Management | 11. Banking |
| 3. Marketing | 12. Credit Unions |
| 4. Purchasing | 13. Consumers Coops |
| 5. Retailing | 14. Credit |
| 6. Salesmanship | 15. Economics |
| 7. Securities | 16. Finance |
| 8. Sociology and
Public Relations | 17. Discussions |
| 9. Statistics | 18. Hand books and
Manuals |

Adjoining the library there is an airconditioned audio-visual room which houses the photographic equipment and films used by the Institute for audio-visual aids and publicity work.

Living Arrangements and Costs

Participants in the training programs of the Institute reside in the ACCI Dormitory situated on the left side of the "International House" on the campus. The original building is designed to accommodate 40 persons at any one time, and, recently a second new building also capable of accommodating 40 persons is being constructed with a view to it being utilized also for women participants. The ACCI Dormitory is equipped with individual spring beds with mattresses, and has a large lounge. Each room is provided with individual built-in lockers and study tables and chairs. Nine of the rooms are big enough to accommodate four persons each and two rooms are for two persons each.

Trainees are charged at the rate of P3.00 per person per day at the dormitory.

Registration, library, medical and administrative charges per participant is ordinarily without extra items, P50.00 for every four weeks or fraction thereof of training period.

Regular as well as special meals are served in the International House next door to the Dormitory. The cost of meals ranges from P1.50 to P2.00 per meal (special meals cost more). Prices are however, subject to change.

Refreshments and snacks are available at the College Cooperative Store and in a number of stores outside the College campus.

Laundry services are available at the dormitory at various prices on a piecemeal basis.

Further information about the ACCI may be obtained by writing to:-

The Director
Agricultural Credit and Cooperatives Institute
College, Laguna
Philippines

AN INSTITUTE IS BORN

In the light of these considerations, the delegates from the Kingdom of Cambodia, Republic of China, Republic of Indonesia, Japan, Republic of Korea, Republic of the Philippines, Kingdom of Thailand, and Republic of Viet-Nam, proposed and passed the following resolution at the First Far East Agricultural Credit Workshop held in the Philippines on June 1-14, 1956, under the aegis of the International Cooperation Administration of the United States Government:

RESOLUTION NO. _____

Far East Agricultural Credit Workshop
 Baguio City, Philippines
 June 8, 1956

WHEREAS, in the successful expansion of agricultural credit facilities the hope of all small farmers in Cambodia, China, Indonesia, Japan, Korea, Philippines, Thailand and Viet-Nam, for achieving more progressive standard of production and a better land of living;

WHEREAS, the present social, political, and general stage of development of the above countries demand, firstly, that their respective governments take an active participation in the development of credit facilities; and secondly, that the agricultural credit must at least initially, be strictly supervised;

WHEREAS, knowledge in and technique of supervising agricultural credit must be developed successfully; and in order that this be achieved, practical measures must be formulated and vigorously pursued;

WHEREAS, the 1956 Far East Agricultural Credit Workshop has demonstrated the need for coordination and the usefulness of free exchange of agricultural credit information, methods of extending rural loans, and other related topics;

WHEREAS, the development of practical techniques for expanding agricultural credit must be approached from as broad a view as possible,

NOW, THEREFORE, the delegates to the 1956 Far East Agricultural Credit Workshop hereby resolve:

THAT A FAR EAST AGRICULTURAL CREDIT AND COOPERATIVE TRAINING INSTITUTE BE RECOMMENDED TO BE ESTABLISHED IN A COUNTRY REPRESENTED IN THE 1956 Far East Agricultural Credit Workshop.

BE IT FURTHER RESOLVED, that the aims, purposes and need of and for such an institute be informed to privately or nationally or United Nations supported agencies or foundations, with invitation to support and participate.

BE IT FURTHER RESOLVED, that the host country of 1956 Far East Agricultural Credit Workshop be requested to take the initiative for the realization of the objectives of this resolution.

For the purpose of carrying out the objective of this resolution, a committee composed of Dr. Lawrence B. Darrah, Cornell Visiting Professor of Agricultural Economics at the University of the Philippines College of Agriculture; Dr. Francisco M. Sacay, Assistant Administrator of the Agricultural Credit and Cooperative Financing Administration; Mr. William F. Dickson, Chief, Agriculture Division of the International Cooperation Administration; Mr. John L. Cooper, Rural Credit and Cooperatives Advisor, International Cooperation Administration, and Prof. Pedro R. Sandoval, Officer in Charge of the Department of Agricultural Economics, U.P. College of Agriculture, prepared the groundwork for the establishment of the Institute. The committee drafted a Charter for the proposed Institute, which was subsequently accepted by the University of the Philippines and approved by President Vicente G. Sinco of the University.

A proposal was made to the International Cooperation Administration and the National Economic Council for financial assistance to provide facilities for the Institute. The International Cooperation Administration approved the use of \$175,000 out of the Asian Development Funds to finance (a) the construction of a modern building for the Institute offices, classrooms, research laboratory, library and auditorium; (b) the construction of a dormitory building to assure adequate living quarters for the trainees and the participants in regional seminars and workshops; (c) landscaping and ground improvement; and (d) the acquisition of essential equipment for the training and research programs of the Institute.

Initial operating funds for the Institute were underwritten by the University of the Philippines, the Council on Economic and Cultural Affairs, and agencies of the Philippine Government desiring to use the facilities of the ACCI, such as the Agricultural Credit and Cooperative Financing Administration, the Development Bank of the Philippines, the Philippine National Bank, and the Central Bank of the Philippines.

The Institute was formally inaugurated on April 23, 1960. The inauguration ceremonies were attended by representatives of the International Cooperation Administration, The National Economic Council, the University

of the Philippines, the Agricultural Credit and Cooperative Financing Administration, the Development Bank of the Philippines, the Philippine National Bank, the Central Bank of the Philippines Department of Agriculture and Natural Resources, and other government agencies. The Ambassadors of Thailand, India and China, and Ministers from Malaya and Indonesia were also present to witness the affair.

With this formal inauguration, the resolution passed by the delegates of eight participating nations at the First Far East Agricultural Credit Workshop for the establishment of a regional Agricultural Credit and Cooperatives Institute was translated into reality. The doors of the ACCI were opened to serve the needs of credit and cooperative organizations not only in the Philippines but in the whole region of South-East Asia, in the fields of training, research and extension in agricultural credit and cooperatives. .

gs/5th Sept.1970

INTERNATIONAL COOPERATIVE ALLIANCE
Regional Office & Education Centre
for South-East Asia, PO Box 3021
43, Friends' Colony, New Delhi 14
India.

ROLE OF STATE GOVERNMENT AND THE REGISTRAR IN THE
DEVELOPMENT OF CONSUMERS' COOPERATIVES IN THE STATE

By

N.N.P. Sinha
Joint Registrar of
Cooperative Societies
Patna (Bihar)

In India, co-operative movement started with the enactment of the cooperative societies Act of 1904. But this Act laid main emphasis on Agricultural credit cooperative societies and did not provide organisation of consumers' and other non-credit societies. However, with the passing of the cooperative societies Act, 1912, organisation of consumers cooperative societies was facilitated, but the societies registered were few in number and its growth was very slow till the 2nd World War.

The consumers' Cooperative movement had received an impetus during the scarcity period of world War II and post-War years, due to high prices and rationing of essential consumer goods. But with the introduction of decontrol policy and abandonment of rationing from 1951-52 onward, most of the consumers societies had to face financial crisis and loss in the business. The main reasons for such a set-back were (1) Too much dependence on controlled commodities (2) Weak organisational structure (3) small and uneconomic size of the stores (4) inadequacy of working capital (5) dependence on honorary services, and lack of interest in management (6) lack of trained personnel (7) inadequate loyalty on the part of members and (8) keen competition from well organised private trade and very low margin of profit.

The Planning Commission set by the National Government rightly realised the important role which properly organised administered consumers' cooperatives can play in arranging distribution of consumers goods at fair price to the people for their economic benefit. The Commission has observed - "as an instrument of democratic planning, combining initiative, mutual benefit and social purpose, cooperation must be an essential feature of the programmes for the implementation of the Five Year Plans, adopted at all level of administration. As it is the purpose of the plan to change the economy of the country from the individualistic to cooperative basis, its success shall be measured, amongst other things, by the extent to which it is implemented through cooperative institutions. If planning is to avoid excessive centralisation and bureaucratic control, and is at the same time to hold a check on the self-centred acquisitive instinct of individual producer or trader, the encouragement of cooperative enterprise must be given highest priorities".

In the First Five Year Plan, it was observed that - "in Urban areas special importance must be attached to consumers' cooperatives. It would be in our opinion in the best interest of the planned development of distributive trade that an attempt is made to build up consumers cooperatives over as wide a field of distribution, as possible.

The second plan also re-iterated the scope for development of consumers' cooperatives with added emphasis on linking the consumers cooperatives with Producers Cooperatives.

It was in the Third Plan that a precise scheme to establish consumers cooperative stores in each State with financial assistance from the Central Government and the State Government was introduced. The consumers' cooperatives were to be organised not only under the State guidance and state aid but also with State partnership. The progress in the implementation of the scheme had been slow in the beginning. This however, received a great impetus following the declaration of National emergency on account of Chinese aggression on Indian territory in October, 1962, when the Government of India sanctioned a centrally

sponsored scheme for organisation of a net work of wholesale and primary consumers' cooperative in all big towns and cities in the country, so as to ensure an equitable distribution of consumer goods at fair prices, specially in Urban areas. The main objective of the scheme was to enable the consumers to get essential commodities at reasonable prices and to reduce the margin of profit of the middlemen. The National Government took precautions at the time of formulation of the scheme to see that the causes which were responsible for the failure of the movement in the past, are removed as far as practicable. The pattern of Government financial assistance, as provided in the scheme in the shape of share contribution, working capital loan, managerial subsidy, etc. was quite liberal and comprehensive. A programme of distribution of consumers' goods in rural areas through marketing societies and village service cooperatives was under-taken simultaneously and for this purpose the marketing and village service societies are receiving additional financial assistance from the Government. With a view to minimising the chances of societies have been asked to open separate consumer section to stock and supply consumers goods in rural areas.

Considering the need for controlling the price line in big towns and cities, following devaluation of Rupees, Government of India in 1965-66, announced a scheme of setting up a Super Bazar or Department Stores, by some of the wholesale central consumers' stores on selective basis. The Department Stores consisted of various departments or sub-shops for sales under one shed of all types of consumer goods.

A scheme sponsored by the Ministry of Labour and Employment for organisation of consumers' cooperatives in industrial sector for the employees with financial assistance from the Employers is also under implementation. If the wages of the employees cannot be increased, they can be helped to great extent if purchasing power of the wages is increased, by helping organisation of consumers' stores for them.

By the end of the Third Plan all the big towns and cities have been covered by the wholesale stores, their branches and the primary stores.

The introduction of above centrally sponsored scheme can be described to be a turning point in the history of consumer cooperative movement in India.

The structure of consumers' cooperative in Bihar State consists of three tiers. There are primary stores at the lower level affiliated to respective wholesale central consumers' stores of the big towns and cities. At the intermediate level are the central wholesale consumers' stores which are federation of primary stores. At the apex level, is the Bihar State Federation of Wholesale Central Consumers' Stores. The pattern of organisation of wholesale stores could be either unitary, federal or of a mixed type. In Bihar State, the pattern of organisation of wholesale central consumers' stores is of mixed type in which membership is open to both, individuals as well as primary stores.

In the Fourth Five Year Plan, commencing from April, 1969, stress has been laid for consolidation and strengthening of the existing structural base of the consumers' cooperatives at various levels, to make them stronger and self-reliant to a much greater degree. The consumers' cooperative have to function in a big way, so that they could create an impact on the market, as well as on the consumer.

The centrally sponsored scheme of consumers' cooperatives programme was transferred to State Sector with effect from April 1969. The centre, however, will continue to give guidance and advice and indicate norms to the State Government. Now it is for the State Government to give highest priority to this scheme during the 4th Plan to maintain continuity of the programme.

Role of State Government

As Consumers' Cooperative Movement has to play an important role in the economic development, and in that context it has to function as an instrument for the execution of national policies to raise the socio-economic level of the people on democratic lines, there is need for the State Government to assume the functions of real partnership and not merely that of administrator or advisor, as the basis of the scheme of organisation of consumers' cooperative is State initiative and State partnership.

After transfer of the centrally sponsored scheme to the State sector, the responsibility of the State Government has increased manifold. It has now to allocate adequate funds in the annual plans under the Fourth Plan. Accordingly, it has provided funds for the different components of the programme, starting from helping the State Level Consumers' Federation to the Village Level Marketing Societies and Vyapar Mandals. Provisions have been made to assist the stores to set up small Industrial Units. Provision for University and College Stores has also been made.

After provision of funds, comes the responsibilities relating to the proper utilisation of the funds and that is secured by issuing guidelines, Inspection notes, Audit reports, etc. Important technical and non-technical advice is primarily State Government's duty.

Central Government will not be assisting under the Guarantee Scheme after December, 1971. In order that the business of the consumer-stores does not suffer, the State Government will have to bear the burden under the Guarantee Scheme. Similarly, the State Government will have to give substantial help towards 'price fluctuation fund' and for such other unforeseen contingencies.

It is admitted that ultimately the consumer cooperative like other cooperative will be peoples' movement and that as far as possible

it will be independent of Government interference. Government fully fully agreea qirh rha ovjective. This necessitates amendment of Acts, Rules, etc. according to changing conditions.

The most important role of the State Government is, however, the coordination with the other departments of the State Government on the one hand and the Government of India on the other. The Consumer Cooperatives have very close connection with Supply and Commerce, Industries, Salestax department, different Banks, and such other departments and institutions, for the proper working of the stores. A good relationship with the departments and institutions could only develop atleast initially, with the help of the State Government in the Cooperative Department. Similar is the position with respect to the matters relating to State and Central Government.

As long as there is shortage of trained personnel, the State Government has to depute such staff who would be useful to those stores.

Role of the Registrar.

The Cooperative Act was passed to facilitate the formation, working and consolidation of cooperative societies for promotion of thrift, self-help and mutual help among people with common economic needs. The Registrar, who is the head of the cooperative department has been given vast powers under the Act to organise, supervise, control and guide the cooperatives on right lines. His role is that of a friend philosopher and guide for the cooperative movement. He has been given powers to organise the consumers' cooperatives according to the scheme and to nominate all the members of the Managing Committee of the first Managing Committee of a newly registered wholesale stores. He has been given powers to frame model bye-laws and direct amendment of the bye-laws when found necessary.

He is also empowered to surcharge any person who had taken part in the organisation or management of a society or any past or present officer of the society. The objective of this provision is to make the

Executives of the society very much careful about the financial transaction of the society. The Act has also strengthened the hands of the Registrar by empowering him to supersede the Managing Committee of any registered society, if it is found the committee has mismanaged the affairs of the society.

Supervision, inspection and audit are direct responsibility of the Registrar under the Cooperative Societies Act. Cooperative audit like any other audit has to be objective and independent, but it must not be a mere fault-finding affair. It is expected in the process to provide education towards avoidance of such faults and to have a check on the cooperative character of the institution, instead of confining itself to accounts only. These purposes can be secured only when the audit machinery has persons with cooperative training and back ground. So, in order to achieve the objective, cooperative audit has been made the statutory responsibility of the Registrar, who maintains a separate wing in the Cooperative Department under a Chief Auditor of the rank of Joint Registrar to ensure timely audit of all types of cooperative societies including consumer cooperatives.

The Registrar has to ensure prompt and adequate supervision, audit and annual general meetings of consumers' Cooperatives to create healthy trends. The Registrar is empowered under the Rules to direct a general meeting to be held, and if his direction is not complied with, to arrange to hold such meetings through his own office. For voting secret ballot at the A.G. Meeting, Election Rules, is framed by the Registrar for ensuring fair election.

For strengthening the consumers' cooperatives for their viability, utmost help and assistance is sought from the Registrar by the non-official local leadership.

In fine, the State Government and the Registrar have to play the role of parents of the infant Consumers' Stores, the role of friend philosopher and guide when these stores are under teens and as visitors when the stores flower into healthy independent institutions.

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PRESENT AND FUTURE ROLE OF CONSUMER COOPERATIVES
IN THE INDIAN ECONOMY

By

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1. Role and objectives of consumer cooperatives

1.1 Consumer cooperatives have played a significant role in the country's economy, and an important place has been assigned to them in the national development programme for the next five years, which is likely to continue during the subsequent years as well.

1.2 The main objective of consumer cooperatives is to provide protection to the consumer against exploitation by the trade, in conditions of scarcity, or large or increased demand, as also against sale of spurious goods, adulteration, and other malpractices, such as under-weighment. They are expected to sell goods at fair and reasonable prices, maintain purity and quality of goods, and correct weighment, and set up a standard of honest dealing. This objective is to be achieved by adopting a system of business that is characteristic of a cooperative namely ; (a) eliminating the intermediary in trade at certain levels, or wherever possible; and (b) eschewing the profit motive. As the consumer himself is the owner of the shop, he expects to be able to buy his requirements at the cheapest possible rate, subject to economic viability of the business.

1.3 In this country, with its tradition of free economy, the bulk of the business in food, clothing, and house-hold requirements has been in the hands of the private trade. In times of scarcities, shortages and economic stresses, the trade has often pushed up prices far beyond the levels that could be justified by relevant economic factors, and has indulged in hoarding and profiteering, causing artificial scarcities, and other unfair trading practices. To meet such situations, regulatory measures have been adopted by the Government from time to time, including controls over prices, distribution and internal movement of goods. Statutory controls over articles of common necessity require an elaborate governmental machinery for their enforcement and implementation, with heavy burden on the State exchequer. Controls are attended

by their own evils; there are evasions by unscrupulous elements, and also shortcomings of the governmental machinery itself. Further problems arise when the controls are no longer necessary and the machinery already built up has to be disbanded. The Government have found it advantageous to place increasing reliance on cooperatives in the matter of distribution of controlled commodities, as they feel assured that the cooperatives would not indulge in evasion of regulations, black-marketing and other malpractices, as the private shopkeepers often do. The Government have not generally undertaken retail business themselves; they have, however, adopted the policy of giving preference to cooperatives in the matter of grant of licences for retail trading in controlled commodities, to the extent that they come forward to undertake this business. About 25% of the fair price shops dealing in controlled foodgrains belong to cooperatives.

1.4 In respect of consumer articles, other than those covered by statutory rationing or controls, which fall in short supply, on account of interruption in production, movement or other factors, consumer cooperatives have been found to be of great help in ensuring equitable distribution among consumers, and in restraining rise in prices.

1.5 As conditions of scarcity requiring imposition of statutory controls and rationing, and of temporary shortages and interruptions in supply of consumer goods can occur at any time, in the developing state of this country's economy, consumer cooperatives will continue to have an effective role to play in the country's economic and social development, and they are expected to have a permanent place in the retail distributive trade in consumer goods in this country. Added to this will be their contribution in introducing and spreading fair trading practices and modern business techniques. Consumer cooperatives, have, thus, had an important role to fulfil, and are also faced with a challenge for the future, in the context of the economic and social development of this country.

II. Evolution and growth of consumer cooperatives in India

2.1 In India, the first consumer cooperatives appear to have come almost with the start of the cooperative movement in this country in the beginning of this century. They received recognition under cooperative law in 1912. Under conditions of scarcity of consumer goods and high prices in the first world war, 1914-18, about 100 consumer cooperatives were set up during that period and immediate post-war years in urban areas. The growth of consumer cooperatives received a set back during the depression of the thirties. They received a fillip again during the second world war, when they were used largely by Government as agencies for distribution of rationed and controlled commodities. Under the conditions of shortages and controls, which continued in the post-war years, the consumer cooperatives reached a peak of development in 1951-52, when their number reached the figure of 9757, with a business turn-over of Rs.821.5 million (US\$ 108.67 million) as against 396 societies

with a turnover of Rs.5.7 million (US\$0.75 million) in 1938-39. A diminution in their activities set in thereafter, with progressive de-rationing and de-control - a process which continued upto 1960-61, when their number came down to 7058, with a turn-over of Rs.442.3 million (US \$58.51 million). The statistics relating to this cycle, from 1938-39 to 1960-61, are shown in the table given below:

Year	No. of stores	Membership (in 000)	Owned funds (Rs.in million Million US\$ in bracket)	Business turnover (Rs. in million Million US\$ in bracket)
1938-39	396	43	0.25 (0.03)	5.71 (0.76)
1945-46	4446	913	15.99 (2.10)	267.44 (35.38)
1947-48	5740	1125	31.35 (4.15)	405.72 (53.67)
1951-52	9757	1846	55.27 (7.31)	821.57 (108.67)
1955-56	7359	1414	49.00 (6.48)	444.82 (58.84)
1960-61	7058	1341	58.79 (7.78)	442.30 (58.51)

III. Planned development of consumer cooperatives

3.1 A programme for the country's planned development, through successive five year plans, was initiated by the Government of India with effect from the year 1950-51. While the First and the Second Five Year Plans recognised the importance and scope for the development of consumer cooperatives, a specific, though modest, programme of development was included only in the Third Plan (1961-66). In the Third Plan, the following observation was made.

"Conditions for the development of consumer cooperatives are generally favourable and, if special efforts are made, rapid progress can be achieved. This will be of the greatest help not only in the stabilization of retail prices but also in preventing the evils of adulteration in foodstuffs".

The programme envisaged revitalization of the existing primary stores and establishment of some new stores in each State.

3.2 The consumer cooperative programme was, however, taken up by the Government for large-scale and vigorous development following the Chinese aggression in October, 1962, as a measure to ensure equitable distribution of consumer articles at reasonable rates, and to check the rising trend of prices. The programme envisaged setting up of a primary consumer cooperative store, or a retail unit of a wholesale store, for every 10,000 of urban population, and a wholesale store to serve about 50,000 of urban population and to feed about 20 primary stores or retail branches.

3.3 This programme was further accelerated, after devaluation of the Indian Rupee in June 1966, as a measure to guard against any consequential rise in the prices of consumer goods. Under this programme, by June 1969 a country-wide network of consumer cooperatives, with a four-tier structure, has been built up for the general public, as follows:-

	(Nos.)
Primaries - - -	14,000
Wholesale/Central stores -	371
Branches of wholesale stores -	2472
State Federations -	14
National Federations -	1

The figure of wholesale/Central stores given above includes 18 stores organised in universities for the benefit of the teaching staff and students. In addition, there are 13 stores, organised among coal and mica mine workers, 12 stores organised among employees of large industrial undertakings, and some stores organised for Government employees, and employees of Railways, Post and Telegraph Department and other public undertakings. There are also primary stores to serve all these groups.

3.4 Under the accelerated programme, apart from completion of the institutional framework, with country-wide coverage, emphasis was laid on forging an organic link between the various tiers of the structure, and pooling of resources to gain the benefit of bulk buying. An important development was the setting up of department stores in larger towns and cities, while wholesale/central stores had been established to serve almost every district in the country with an urban population of about 50,000 and more. A programme for the setting up of consumer industries, by wholesale stores and federations, was also introduced.

3.5 A detailed statement showing the progress and performance of consumer cooperatives at various levels, during the year 1966-67, 1967-68 and 1968-69, is annexed.

IV. State aid and Sponsorship

4.1 The outline of the history of the consumer cooperative movement in this country, given above, especially for the years 1966-67 to 1968-69, when a country-wide network of consumer cooperatives with a four tier-structure has been brought into being, makes it clear that this rapid and spectacular growth has been brought about largely on account of Government's initiative. Consumer cooperatives were developed as a matter of State policy to serve as a machinery for equitable distribution of rationed and controlled commodities and articles in short supply, and sale of general consumer goods at fair and reasonable prices.

In pursuance of this policy, the Government gave substantial financial aid to consumer cooperatives, together with other assistance and facilities, including loaning of the services of Government officials for managerial and supervisory duties and arrangements for procurement of goods directly from manufacturers.

4.2 From 1963 to March, 1969, the programme for the development of consumer cooperatives was administered as a "Centrally Sponsored Scheme", under which the Central Government gave cent per cent financial assistance to State Governments, for being advanced to consumer cooperatives in the form of:

Share capital contribution: (Without insisting on matching contribution by members initially, except in the case of primaries)

Working capital, as clean credit through banks;

Loan-cum-subsidy for fittings and fixtures and for acquisition of godowns and trucks

Subsidy for managerial expenses.

The financial assistance thus released by the Government in favour of consumer cooperatives during this period amounted to about Rs.250 million (US\$ 33.06 million). The bulk of the share capital of wholesale stores, especially those running department stores, and of consumer federations, is made up of Government contribution. The scheme, however, provides for attainment of self-reliance by consumer cooperatives in due course of time. Thus, apart from the loans that are repayable with interest, Government's contribution to the share capital is also to be retired over a period of 15 years. During this period consumer cooperatives are expected to intensify their drive to enrol membership of the public and gather share capital from the members.

4.3 Consumer cooperatives enjoy the facility of drawing loans and advances from cooperative and other banks against pledge or hypothecation of goods. The Central Government has also introduced a scheme, under which they give guarantees to the banks for these loans and advances, covering 25 per cent of the risk, in consideration for which the banks reduce the margin to 10 per cent, as against the usual margins ranging from 25 per cent to 40 per cent of the value of goods pledged or hypothecated. The Government thus takes upon itself a risk in order to facilitate larger flow of working capital to consumer cooperatives from banks.

4.4 Among other facilities afforded to consumer cooperatives by Government are:

- (a) Loaning the services of Government officials to serve as managers and executives of consumer cooperatives;

- (b) arrangements with manufacturers for supply of goods to consumer cooperatives directly at the rates charged by them as at the first point of distribution;
- (c) facilities for training of supervisory personnel at training institutions set up by Government;
- (d) assistance in matters such as acquisition of accommodation, movement of goods by rail, and licences for import of certain consumer goods; and
- (e) distribution of customs confiscated goods mainly through the net-work of consumer cooperatives.

4.5 Consumer cooperatives, like other cooperative institutions, are governed by the cooperative law of the State in which they are located; they are registered with the Registrar of Cooperative Societies of the State, who exercises functions of audit and inspection, to arbitrate in disputes, and undertake supersession of the management and liquidation of the society in the event of serious mismanagement.

4.6 Subject to the statutory control of the Registrar of Cooperative Societies, the consumer cooperatives are generally managed by elected managing committees. In cases when Government investment is involved, the Government has the right to nominate some members to the managing committee, generally not exceeding three in number.

4.7 Thus, even though there is heavy financial investment by the Government, the management of consumer cooperatives is largely in the hands of non-official representatives of the consumers. Besides, by eliminating the profit motive in their business and adopting fair trading practices and modern techniques they serve the purpose, and, in a large measure, fulfil the objective for which they are intended.

4.8 With effect from April 1969, the consumer cooperative programme ceases to be a "Centrally Sponsored Scheme", and will be in the "State sector" like other cooperative programmes, to be financed out of the Plan allocation determined for each State. The need for integrated development of consumer cooperatives at all levels, and for according continued priority to the programme has been stressed on the State Governments.

V. Impact and Achievements

5.1 The impact of consumer cooperatives, especially the department stores established from July, 1966 onwards, has been considerable in the areas of their operation. The force of this impact is increasing with the process of diversification of the range of business of primaries and wholesale stores that is in progress. The business of wholesale/central stores in rationed and controlled commodities that was 88 per cent of the turnover in

1965-66 was only 66 per cent in 1967-68 and 61% in 1968-69, and this decreasing trend continues.

5.2 The department stores, which are already 101 in number, (June, 1970), have given a new dimension to the consumer cooperative movement in the country. These stores, located in larger towns and cities, command a selling area ranging from 5000 sq.ft. to 25,000 sq.ft; there is a giant store in Delhi with a selling area of over 100,000 sq.ft. They have a wide range of business, they invariably provide for groceries, textiles, toilet requisites and household goods, additional lines taken up by many stores include fruits and vegetables, meat, fish and eggs, cafeteria, drugs and medicines, stationery, cycle, scooter and motor parts, leather goods and shoes, furniture and furnishings, radios and transistors, sewing machines, and even refrigerators and airconditioners. Services such as tailoring, laundering and dry-cleaning and repairs of electrical goods and watches are also provided. Hair-dressing cum-beauty saloons, optical units and a dental clinic have also been started.

5.3 The department stores have also given a lead in adopting modern retailing techniques, with attractive shop layout and display, price marking, pre-packing of goods, especially groceries (cereals, pulses, spices, etc.) and introduction of self-service arrangements. Orders from members are also booked; in some cases home delivery is arranged.

5.4 The apex bodies of consumer cooperatives, namely State Federations and the National Federation have started making their contribution by undertaking bulk purchases, especially of groceries and textiles, and meeting the requirements of the constituents. The National Federation distributes articles imported from abroad on behalf of consumer cooperatives, as also goods confiscated by customs. It is also developing a consultancy service.

5.5 It is estimated that consumer cooperatives now cover about 14 per cent of the population and about 9 per cent of the retail trade in the areas served by them.

VI. Shortcomings and Problems

6.1 While consumer cooperatives have rendered a useful service and generally created a healthy impact on the retail distributive trade, they have also thrown up problems of serious magnitude, as highlighted by instances of failure, unsatisfactory performance, and uneconomic results. At the primary level, about 3000 primaries would be defunct and an equal number running in loss. A sizeable percentage of wholesale stores, department stores and State Federations have also been incurring losses.

6.2 Causes of failure, losses and unsatisfactory performance of consumer cooperatives could be any of the following:-

Inexperience, lack of planning;

Bona-fide trading losses; unforeseen price fluctuations;

Poor location, display, publicity, salesmanship;

Mismanagement, lack of proper relationship between management and executives;

Financial and accounting lapses, shortages, overdues;

Injudicious purchases, overstocking, lack of inventory management, mala-fide purchases and defalcations.

VII. Remedial Measures

The deficiencies of the consumer cooperative movement and the areas to which remedial measures are to be applied can be grouped as follows:

7.1 Organisational

In consumer cooperatives, numerical expansion has taken place, without being related to local demand and potential in some cases. The primary, with its inadequate resources and meagre business, remains the weakest link in the chain. Weak primaries, which have no potential, have either to be liquidated or merged with wholesale stores. There should be a shift from the federal to the unitary pattern of organisation. (At present the structure is predominately federal; in some States the unitary pattern is in vogue; in many States a mixed pattern is being developed). A closer link should be forged between wholesale stores and primaries on the one hand and wholesale stores and State Federations on the other.

7.2 Operational

Consumer cooperatives should diversify the range of their business and deal in goods yielding a comparatively higher margin of profit, and thus cease to depend largely on business in rationed and controlled foodgrains, sugar, etc. which yield low margins and are comparatively more susceptible to shortages. Purchases should be streamlined and institutionalised, and scientific inventory control introduced. Retail units should have an attractive layout and display, with emphasis on modern business techniques and successful salesmanship. An active price policy has to be pursued, so as to be able to sell goods at slightly below the market price. Quick rotation of capital is to be ensured so as to save on bank interest.

7.3 Administrative

Business efficiency norms should be adopted and adhered to, strict control exercised on over-head expenditure, and shortages reduced to the minimum by regular stock verification and fixation of responsibility. A conscious effort is to be made to develop salesmanship, and institutional training provided to

key personnel, who should be constituted into a cadre. This should be combined with a programme of member-education.

7.4 Consumer Participation

While the consumer cooperative movement has largely been generated and sustained by Government initiative, direction and capital, the institutions are being mostly run by people who do not have a large stake in them, sometimes resulting in indifference, lack of responsibility and mismanagement. They have to be shaped into truly consumer organisation, by enlisting mass membership, leading to larger participation by the people in their finances, as also in management, so that they may run them with greater sense of responsibility and ownership.

VIII. Programme and Prospects for the Future

8.1 Examples of successful working of consumer cooperatives and the healthy impact made, even by institutions which are in loss, give rise to the belief that consumer cooperatives have come to stay as a permanent feature of the retail distributive trade in the country. They are, however, faced with stiff competition from private trade in a free economy as in this country. Their ability to withstand this competition will depend on the extent to which they are able to achieve the following:

Mass sales;

Providing for most of the requirements of the consumer under one roof;

Building up the confidence of the consumer by honest trading practices;

Adoption of modern selling techniques;

Good and efficient salesmanship and service.

8.2 A continuing programme for the development of consumer cooperatives is included in the country's Fourth Five Year Plan - (1969-74). The programme envisages consolidation and strengthening of the existing structure at all levels, future expansion being regulated according to local need and potential. Weak and un-economic primaries are to be eliminated or amalgamated in order to make them viable units. Retail outlets are to be enlarged and modernised and emphasis laid on diversification of the range of their business. Closer integration is to be achieved within the consumer cooperative structure, as also between the consumer cooperative structure and the cooperative marketing and processing units. Benefits of bulk buying are to be secured and viability of business improved by setting up consumer industries. Staff cadres for managerial personnel are to be formed, and programmes of staff training as also member-education implemented.

IX. Support from Governmental and International Organisations

9.1 The consumer cooperatives have yet to stabilise themselves and take firm roots as efficient and economically viable units. They will continue to be in need of governmental support, including financial assistance for consolidation and strengthening of their position and enlargement and diversification of their business. The Fourth Five Year Plan provides for such support and assistance, as mentioned in the preceding paragraph.

9.2 International organisations can also make a useful contribution to the development of consumer cooperatives in this country. Such assistance and collaboration has been made available in recent years, under programmes formulated by ILO, FAO, ICA, and under bi-lateral arrangements. Services of foreign experts were made available to help in formulation of business efficiency norms for department stores, developing a simplified and more efficient accounting system, and inventory and sales management. There were mostly ad hoc assignments. There is fruitful scope for collaboration by deputing experts in this country on regular assignments. They can further help in developing consultancy services at the level of the National and State Federations in the fields of management accounting, inventory and sales management, and shop layout and design. They can also help in devising measures for improving the economic viability of the consumer cooperative institutions at all levels, in view of the large incidence of losses. Another field in which international organisations have assisted already, and continue to do so, is to provide opportunities for observation and study of the working of successful consumer cooperatives in foreign countries to executives of the institutions in this country and administrative personnel in Government. Seminars, discussions and study panels for top executives and policy level civil servants will also be very fruitful.

Thus, with the internal support, already available to consumer cooperatives in this country from the Government, the banking and training institutions, and the people, together with collaboration with international organisations in selected fields, the consumer cooperatives have a good potential for development and consolidation in this country, and thereby playing a significant role in the social and economic development of the country.

(Rs. in Million and dollars
in Million within brackets)

<u>I. Position of wholesale/central stores at the end of the year)</u>	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>
1. No. of stores:			
(a) Organised	345	351	371
(b) No. reporting progress	313	341	365
2. Membership:			
(a) Individuals (Million)	0.66	0.81	0.87
(b) Primary stores (Nos.)	7052	8014	7603
(c) Other Societies/Institutions	7377	7337	12,355
3. No. of branches:	2419	2603	2472 \$
4. Paid up share capital: (a)Members contribution	26.6(3.5)	34.5(4.6)	35.4(4.68)
(b) Govt. contribution	45.5(6.0)	57.0(7.5)	72.4(9.58)
(c) Total	72.1(9.5)	91.5(12.1)	107.8(14.26)
5. Working capital	217.4(28.8)	272.0(36.0)	331.2(43.81)
6. Total value of sales effected during the year.	1736.5(229.7)	1711.0(226.3)	1602.0(211.90)

Note:- \$ Percentage of Members' contribution to total share capital is 33 for the year 1968-69.

II. Performance of the Department Stores.

1. No. of stores at the end of the year.	38	60	80
2. Value of sales effected during the year.	117.2 (15.5)	223.5 (29.6)	260.0 (34.39)

III. State Cooperative Consumer Federations.

1. No. of Federations.	14	14	14
2. No. of members (Nos.)	263	278	335
3. Paid up share capital (Including Government contribution)	5.2(0.7)	8.6(1.14)	9.6(1.28)
4. Sales turnover	61.24(8.09)	88.2(11.67)	78.74 (10.42)

IV. National Federation

1. No. of members (Nos.)	12	14	14
2. Share capital (Million)	1.18(0.15)	1.92(0.24)	2.02(0.25)
3. Sales turnover (Million)	10.71(1.33)	25.21(3.15)	28.71(3.58)

V. Total retail sales of consumer cooperative at all levels.

1962-63	400 (52.91)	1966-67	2360 (312.16)
1963-64	700 (92.59)	1967-68	2650 (350.52)
1964-65	1400 (185.18)	1968-69	2700 (350.52)
1965-66	1820 (240.70)	1973-74	4000\$ (529.10)

STargets proposed by State Governments aggregate to Rs.3820 million (505.29) but the all India target is maintained at Rs.4000 million (529.10) -----

Functions and Problems of a General Manager
in a successful Department Stores

The concept of the Indian Cooperative Department Store is to do consumer business "with a heart" in sharp contrast to the traditional business of buying and selling commodities. While profiteering is the emphasis in traditional business, the emphasis in the business of a Cooperative Department Store is mainly the following:-

- i) Supply of quality goods.
- ii) Supply of goods at reasonable prices.
- iii) Fair distribution of available goods.
- iv) Besides achieving the above three objectives,

the endeavour of the Department Stores should however be to earn reasonable profits also by adopting all modern business techniques since profit (not profiteering) is absolutely necessary for any type of business organisation to stabilise its financial position, expand its activities and withstand any possible unexpected financial calamities.

Hence the General Manager of a Cooperative Department Store has to evolve a system of management which will guarantee the achievement of the above four factors.

Supply of quality goods: The Department Store has no organisation in itself or the guidance of any other agency to study the quality of the goods it proposes to purchase and market. This is applicable for both agricultural and manufactured goods: The absence of such a facility is keenly felt in a market which abounds in imitations and spurious goods.

Advertisements released by the manufacturers of similar products are confusing. For example one manufacturer of plastic goods claims that his products are made of virgin raw material and thereby cautions the consuming public the prevalence of products made of scrap material. He also claims longer life for his products. His claim seeks to create an impression in the minds of the public that there are goods made of scrap material and they do not long last. Similar confusion prevails in respect of aluminium alloy utensils which have come recently into the market in large scale, some of them are made of aluminium alloy sheets. Some are adonised aluminium exactly resembling the colour of the alloy. In some others, a colour effect is created to resemble that of the alloy. All the three manufacturers give brand names to their products ending in "lium". They advertise widely and claim identical qualities for their respective products. But it is reliably ascertained that the utensils made of the alloy only deserve the claims of the manufacturers. Others are not; but they look almost identical in appearance and in their price range.

In the above circumstances the General Manager has to proceed very cautiously in the selection of assortment of goods. Manufacturers who are well established, who have a long business standing to their credit, who have enlisted good-will in business circles and who have local representatives (in other words who have established certain standards and popularity) generally do not resort to manufacturing substandard and imitation articles. It is they who put always new products in the market and others follow and in this process, unable to compete with the original products,

the followers resort to manufacturing sub-standard goods with seemingly identical qualities of the original product. There is therefore a built-in safety in developing business contacts with Standard and popular manufacturers for purchase of goods. It is not generally desirable to purchase the products of obscure and non-popular manufacturers. The General Manager has therefore to prepare a list of dependable manufacturers and suppliers and arrange for the purchase of the goods.

There is an added advantage in this system. The standard and popular manufacturers are financially sound and launch advertising campaigns and make their products catch the imagination of the public. Even in respect of those which are in the market for years, they carry out programmes for continuous advertisement and publicity and endeavour to keep their products popular among the customers. Therefore it is easier for the Department Stores to transact business of such goods with the customers i.e., such goods take away the effort required on the part of the Super Market to push their sales, they only recommend themselves to the customers for sales. Cooperative Department Stores are unable to attract trained salesmen owing to several reasons and handicaps. They are perforce employing lay-men who are unexperienced in their profession. These lay-salesmen need not possess product knowledge and use any persuasive tongue to convince the customers of the quality of the goods of standard and popular manufacturers. Business is also transacted swiftly and this means, higher stock turn, greater sales and less sales effort. These will surely help to place the business of the department store on sound business and financial position. Business in standard and popular commodities therefore insures against the inadequacies in the salesmanship of the sales personnel.

ii) Supply of goods at reasonable prices:

It is fundamental business economics that goods should be purchased at reasonable prices, if they were to be sold at reasonable prices. It is therefore absolutely necessary that as far as possible goods are purchased at the first point of distribution. There is no point in purchasing the goods at other points which will involve higher prices. Some manufacturers market their goods through a system consisting of "stockists" and "distributors". They compel the Department Stores to indent for their requirements from their "stockists" and "distributors". They generally do not agree to supply the goods ex-factory. In such circumstances, the "stockists" and "distributors" constitute intermediaries and the price of the commodities include their overheads and profits. This can not be avoided. Very recently, paper (both writing and wrapper) was in short supply in the consumer market. The prices shot up steeply and the dealers demanded unreasonable prices. A paper mills producing both writing and wrapper papers was approached personally on behalf of "Chinthamani" the Cooperative Super Market for supply of paper. The mill did not comply with the request. They asked us to get our requirements from their dealers in the area. The mills representative was clearly informed that the mills' dealers demanded exorbitant price and that purchasing paper from them would not be in the interests of the consumers. The representative did not give any consideration to the request (i.e., the interest of the consumer) and at last expressed himself helpless in the matter. Hence the Super Market had perforce to purchase its requirements from the "dealers" and

meet the requirements of the consumers. In the face of such "business alliance" between the producers and the private traders the Super Market is quite helpless to check the rise in prices.

There is another sort of producers. They do not give discretion to the selling agencies to fix retail selling prices. They themselves fix the retail selling prices and enforce rigidly sales at that price. They however allow big margins (upto 25%) to the retailers. A Super Market, undertaking the sales of such commodities, is entitled to a discount upto 25%. For supermarket whose operational cost is about 10% or below a discount of 25% is unwanted and it can undertake sales at a much reduced discount (say 15%) and correspondingly reduce the selling price in favour of the consumer. But the producers do not agree to this reduction by a supermarket lest such a course should displease or affect the business of private traders who are already in the distributive channel. Unfortunately, some of the popular items come under this category and supermarkets which work with an objective unwilling to burden the consumers, have not come forward to undertake the sales of such goods. The Cooperative Super Markets at Madras and Coimbatore come under this category. On account of this reservation, supermarkets lose some of the customers. These are some of the handicaps to the supermarkets in their efforts to sell commodities at reasonable prices.

The operational cost depends upon the operational efficiency. This mainly relates to the control of stocks and funds and depends upon maximising the sales within a given overheads. The General Manager of a supermarket has to keep a close watch over the above three factors in managing a supermarket. The operational cost of "Chinthamani" the Cooperative Super Market averaged at 5½% on sales during 69-70. It worked on a gross margin of 7½%; Therefore it earned a net margin of 2% on sales during 69-70. With a very low margin, it is able to sell the goods at reasonable prices which in turn helps to push up the sales turnover. In June, '70 the sales turnover was Rs. 34 lakhs for 26 working days i.e., about Rs. 1.30 lakhs per day in a town of about 5 lakhs population. In "Kamadhenu" Super Market, Madras the operational cost amounts to 10½% on sales. It works on a gross margin of 11%. It therefore works on a net margin of ½% on sales. Its daily turnover is about Rs. 30,000 only in a city of 20 lakhs population. A comparative study of Chinthamani and "Kamadhenu" super markets will reveal that the sales turnover is at the highest, if operational cost is at the lowest because the mark-up is maintained at the lowest. The General Manager should therefore keep the operational cost at the minimum and this would mean highest productivity on the sales front.

Fair Distribution: Consumer Cooperatives were set up during II World War period primarily to ensure fair distribution of essential commodities. They did their job well and established themselves as a distinct type of distributive agencies. Now scarcity conditions prevail at frequent intervals in respect of certain select goods owing to several reasons. Genuine users very often suffer unable to get supply of goods. It is well-known that, consumers enroll themselves as members of Cooperative Supermarkets besides others to avail themselves of their services in the distribution of scarce commodities. For instance a particular brand of cycle tyre or dry-cell or baby food is in very much demand. Consequently they are either out of stock or not openly put on sales in the private market. In this context the supermarket has to play a vital role to arrange to distribute such goods as far as possible to the genuine users.

If need be, regulations have to be framed and enforced and the distribution rationalised. The General Manager of the supermarket has to keep a close watch over this item of work lest it should bring adverse comments from the public. In "Kamadhenu", Madras a preferential treatment is given to the members in the distribution of such goods. Each member is given an identification card to enable him to draw the supply of such goods subject to certain regulations. This system induces in the members a sense of ownership of the organisation and this relationship goes a long way to make the organisation truly popular. It is however to be noted that such a preferential treatment of members is not in existence in the Coimbatore Super Market. Both members and non-members are treated alike. The members have their own grudge against this system. But they are given other preferential treatments such as payment of purchase rebate over the counter, free transportation ~~action~~ to and fro the super market etc., These concessions have more influenced their contact with the Supermarket than other ~~concessions~~ *Concessions*.

Profit: Profit is absolutely necessary for a Super Market. Profit is the net difference of gross margin and operational cost. It does not always follow that the gross margin in respect of every commodity sold in the supermarket should be in excess of the average operational cost. The commodities like groceries, vegetables and cosmetics should be sold with very low margins only (even nominal margins) because of a very stiff competitive market. Further the main attraction for consumers in a super market should be the above three departments. These departments should earn a good will of the consumers for the supermarket by the quality and comparatively cheap prices of the commodities sold in them. It is therefore necessary that the prices of commodities in these 3 departments are fixed up after adding just a margin to sustain the existence of the departments. In fact "Chinthamani" is selling vegetables on no-loss-no-profit basis and this department is very popular among the consumers in Coimbatore town. The cosmetics department very often conducts special sales weeks in which certain items of mass demand are sold at cost price. Most of the items in the groceries department are sold with a margin between 3 to 6%. The price factor is very important. A supermarket which runs these three departments successfully, shall work with overall success. If a supermarket is not successful in running these three departments its other departments can not get through successfully. In Chinthamani the sales turnover of these three departments put together has a share of about 40% of the total sales turnover. This means that 40% of the sales in the supermarket is uneconomic. But this deficiency has to be made up in the sale of other commodities like Textiles, Furniture, General Merchandise etc., These departments will give a margin ranging from 10 to 20% and the average margin will be about 15%. If these departments are properly organised, the profit-yield from them would be more than to set off the deficiency arising out of Groceries, Vegetables and cosmetics.

The General Manager has therefore to proceed carefully in running the Textiles, Furniture etc., departments because they constitute the supporting departments. Stagnation of unsaleable goods should be carefully avoided. Fast moving and saleable goods only should be kept in these departments. Otherwise these departments will fail to be effective enough to insure against the profit-deficiency of the grocery etc., departments.

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Equal care is necessary in organising sales in the grocery etc., departments. They should provide the attraction of quality goods at competitive price to the consumers. By this sales technique, these departments earn a good-will from customers and this position improves the sales in other departments and ultimately the super-market works in profit.

Mr. Arvidsson and dear CooperatorsIntroduction.

At the very outset, I would like to express my deep debt of gratitude to the National Cooperative Union of India and Swedish Cooperative Centre for my selection to participate in this august seminar.

I come from the state of Punjab (India) and represent the Amritsar Central Cooperative Consumer's Store Ltd., Amritsar, which is one of the best stores of the country and I have the privilege to man the affairs of this Institution in the capacity of a General Manager.

I express my deep sense of gratefulness to Mr. Arvidsson Incharge of the Pre-seminar for affording me an opportunity to address the Seminar on the subject. "Achievements and Problems of a Cooperative Department Store- ("A case study of the Amritsar Department Store") and it is my profound privilege to introduce the subject allotted to me.

History

In the wake of an armed conflict with China in November, 1962, the country was in the grip of inflation and high prices and there was a public demand for curbing the inflationary trend and holding of price line of consumer articles. On this, Govt. of India thoughtfully considered over the matter and sponsored a scheme named as "Centrally Sponsored Scheme" and under this scheme, the Stores came into existence. It was envisaged that the cities having a population of 50,000 or more should have consumer stores with branches or primaries scattered all over the city and each branch should cater to the needs of 10,000 population falling within the area of operation of that branch.

Accordingly, a plan for setting up 250 Wholesale Consumers Stores with its 50,000 branches all over the country was formulated. Prior to this, the Consumers Cooperative Movement started in India with the enactment of Cooperative Societies Act 1912, in which provisions relating to establishment and development of Consumers Cooperative Societies were incorporated. But in view of India's economy which was predominantly an Agricultural Economy, the growth and development of Consumer's Movement was not rapid. With the breaking of the Second World War, the Consumers Cooperative stores came into being in large scale in order to arrange distribution of rationed and other scarce items like sugar, foodgrains, kerosene oil etc. After the end of War, normalcy prevailed in the country and controls were lifted by the Govt. Most of the Stores withered away and the Movement received a great set-back.

In the year 1962, the Movement again gained momentum under this centrally sponsored scheme which was drafted in such a fashion that the past history may not repeat and the stores may function on formidable footings.

Objects of the Consumer Stores were:-

- a) To hold the price line
- b) To check black-marketing & hoarding.
- c) To ensure equitable distribution of consumers goods at reasonable prices.
- d) To help the consumers to become partners in this community enterprise by investing Rs.10/- as a share money and thus have an impact on the traders and manufacturers so that the sellers' market may be converted into buyer's market.

Thus in the wake of shortages and in the midst of spiralling prices, relief was brought to the consumer by opening of "The Amritsar Central

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Cooperative Consumers Store Ltd., Amritsar, on May 20, 1963. When the store was inaugurated, the membership stood at 100 and ^{has} now gone up to 13412. Board of Management had initially opened half a dozen branches but in view of the popularity, the number was raised to 12. One great advantage of these branches is that one can meet one's requirements generally in respect of eatables and general merchandise of common use and popularly in demand nearer one's own home. The consumers store achieved unexpected success in initial years and implemented centrally sponsored scheme in letter and spirit and also achieved the aimed objects when it was felt that in big cities the small branches of consumers stores could neither have adequate checks over other shops in the area nor could they effectively meet the demands of the public in respect of their requirements in full. So an idea started developing in the mind of the public and the Govt. that big cities should have departmental stores so that the people of the cities should have the facility of meeting all their day to day requirements under one roof with confidence and without wasting time. The role of consumers stores as market leaders and instruments of a distributive retailer organizer has become all the more important in the wake of devaluation of rupee in the year 1966. This devaluation brought with it an alarming rise in the prices of articles of daily necessities leading to hue and cry from the public wanting the Govt. to immediately do something about it.

In order to check the inflationary trend and rising prices, Govt. of India rose to the occasion and decided to launch a scheme of opening large departmental stores in cities with a population of two lacs or above.

(4) As the departmental stores had to be opened with utmost expedition, it was decided that following financial help be given to departmental stores in cities with a population ranging between two lacs and five lacs.

1) Share capital = 3 lacs

2) Loan cum subsidy = 2 lacs
for furniture & fittings
(75% loan, 25% subsidy)

Managerial subsidy for first two years = Rs.20,000/-
out of which Rs.15000/- in the first year.

Recommended total area = 10,000 sq.ft.

This financial help was to be made available when a suitable building for housing departmental store is acquired on the condition that parent organisation would raise at least 50% of the total amount of share capital contributed by the Govt. within a period of five years.

Achievements

Under these circumstances and in view of the demand from citizens of Amritsar and nearby villages and success of consumer's store in having a check over the private trade and serving the community to their entire satisfaction, encouraged the Board of Management of the Store to decide for opening the departmental store in Civil Lines Area.

This departmental Store was named as Super Bazar and was inaugurated significantly enough on October, 10 1967 by the Chief Minister of Punjab. On the occasion of the inaugural ceremony, a public meeting was arranged in the lawn of the Super Bazar which was attended by a distinguished gathering, of the city and the adjoining areas. The Chief Minister was the first consumer to enter the Super Bazar followed by the general public. Super Bazar was opened in a requisitioned building located on the court road in Civil Lines area. This building was

quite old and in a deteriorated condition. This building was remodelled in completely modern way according to the lay-out given by the Govt. architect. The Store spent Rs.43941.84 on additions and alterations leading to remodelling of the building. Normally, it would have taken about a year to set up the Super Bazar of a giant size which was unique shopping Centre at Amritsar but in view of Govt. desire to start functioning of departmental store in a very short period, it was opened in a perfect condition in the record time of forty days.

This building could only be got for a period of two years and was not a fit place to start the Super Bazar in view of the limitation of the period but there was no alternative as need of the hour was very important and significant than any other consideration. Hence the Management spent a sufficient amount to renovate the building so as to make it distinct and better looking than any other shopping centre in the city, in particular, and State of Punjab in general. Its lay-out was designed in such a manner that General Manager of the Super Bazar could see to shopping activities while sitting in his office. There was a long corridor and on its sides were different departments dealing in different types of articles. There were 16 departments which are given below:-

- 1) Medicines
- 2) Tinned Food
- 3) Woollens terelene and textiles.
- 4) Stationery.
- 5) Children corner.
- 6) Sari Section.
- 7) Crockery.
- 8) Grocery.
- 9) Knitting wool and Hosiery.
- 10) Electrical goods.
- 11) Ready made.
- 12) Furnishings.
- 13) Soap and washing detergents.
- 14) General Merchandise.
- 15) Cafeteria.
- 16) Perishable goods like
 - (a) Vegetables.
 - (b) Fruits.
 - (c) Meat. (e) Butter &
 - (d) Bread. (f) Eggs.

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The site of the Super Bazar was a matter of attraction and consolation to the people of Amritsar and nearby villages. People thronged to the Super Bazar as they do at the fairs and exhibitions. People who could afford to buy against cash payments travelled long way to come to Super Bazar to complete their shopping. On Sundays, there used to be an abnormal rush of customers and the Super Bazar used to give a look of picnic resort.

Commanding the selling area of 10,000 sq.ft. on the ground floor and surrounded by beautiful lawns and a car-park, it stood out as a giant complete shopping centre under one roof. It had a charm of novelty, combined with the advantage of location. It attracted the customers by its neatness and elegance well lit walls, bright counters, attractive and plentiful display of goods in shelves and show cases in a most presentable form, fixed prices prominently marked and price lists displayed and promise of selling goods at prices lower than the market which were fulfilled to a great extent.

The success of the Institution largely depends not merely on the lay out and location but what you purchase what you sell and at what prices you sell. So the basic problem before the Management was what to purchase, how to purchase and from where to purchase? For this purpose, the Committee of 3 members was formed where the general manager was the must. This Sub-Committee was assisted and advised by an Advisory Committee consisting of prominent ladies of the city. A beautiful range of products to be put up for sale in the 16 departments was purchased from proper centres of buying at most attractive and competitive rates. The articles so purchased

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were beautiful in design and of good quality and hence proved a catching eye for the public. A consumer visiting the Super Bazar really felt that he had purchased an article worth its price.

The Super Bazar prices were the town prices as the Management was following the active price policy and the customer was welcomed with a smile. Helpers were also provided with baskets to assist the customers in shopping and carrying the goods to their vehicles. The sales were unprecedented and the enthusiasm of the consumers was indescribable. A visit to Amritsar was thought to be incomplete without a visit to the Super Bazar. Super Bazar was dealing in almost all the items starting from a needle to a radio-set. There is hardly any item of general demand which is not kept in the Super Bazar. Note books have been given to each salesman incharge of each departments to note the demands of the public in case of non-availability of any thing in his department. Next day, note books are shown to the general manager and such items as are in demand are arranged for putting them on sale. Suggestion books were also provided on all the counters in which the customers can record their feelings or impressions. These books are also considered as guiding principles in running the Super Bazar on proper lines.

In order to fix the price, the market rates from three different shopping area of the city are collected and prices are fixed keeping in view the market rates. Guiding principle is that where the prices are to be kept a little lower than the market prices, the maximum profit in any item should not exceed ten percent.

It will be noted with interest that as and when any article of common use goes underground by way of hoarding, people expect Super Bazar/Cooperative Store to come to their rescue and the Super Bazar always

rises to the occasion in those difficult days ~~are~~ to ensure regular supply of such articles at reasonable prices which are usually below the suggestive prices indicated by the manufacturers. During this period of less than 3 years of its existence, it has happened in case of vegetable ghee, kerosene oil, pure ghee of Punjab Dairy Development Corporation, sun light, life buoy and Pears Soap, Erasmic blades, cycle tyres and tubes etc.

In this hour of difficulty, good offices of the Deputy Commissioner Amritsar, who is also the President are used in requisitioning reasonable quantity of these articles and Super Bazar arranges their sales. Certain manufacturers who are really interested in building their reputation also like to come to the Super Bazar for distribution of their products as they are convinced that these Institutions are very rigid in fair distribution of consumer's articles in the days of scarcity.

This happened in the year 1968, when vegetable ghee went underground and big firms like Hindustan Levers imposed drastic cut on production of Dalda, the most famous brand in vegetable ghee. The Amritsar sugar mills famous for production of Vanaspati ghee under brand name of Rose ghee in 16½ Kgs pack was directed to suspend that pack and to start 4 K.G. pack under the brand name of Time Piece with an idea that demand of four families be met with one tin of 16½ Kgs. 1000 tins of Time Piece used to be put on sale in Super Bazar and people from every nook and corner of the city as well as from the adjoining villages flocked to the Super Bazar to get Vanaspati ghee. In 1968, the same thing happened with kerosene oil and its sale was arranged during such period till scarcity prevailed. Five persons were deputed on its

sale, daily.

Immediately, on the opening of the Super Bazar, Management decided to prepare sweets to be sold on Diwali festival. Diwali is a very important festival, celebrated in commemoration of Lord Rama on his return from exile after killing demon king Ravana. On this festival, both rich and poor will buy sweets for their homes. Management decided to sell sweets at the rate of Rs.4.50 per Kg. against the market price of Rs.8/- per Kg. Restriction on quantity (one Kg.) for one customer) was imposed. For eight days, ten halwaies continued their preparation for 16 hours a day and the entire production was sold in 1½ days. Similarly Phenians, a most delicious item of eatables required by every Hindu family on Karvachauth Varat were prepared and sold at the rate of Rs.4/- per Kg. against the market price of Rs.6/7 per kg.

On opening of the Cafeteria in Super Bazar, price of tea cup and samosa was fixed at 15 paise for each item against the market price of 25 paise. No customer was allowed to take Samosas home as it was noticed that Samosas were purchased by tuck shops for the purpose of resale. Espresso Coffee cup was sold at 45 paise against 90 paise in the market. During the post-budget period of February, 1970, Dalda and other vegetable oils became scarce and Super Bazar was the only Institution to provide these items to the customers. Similarly, toilet soap, particularly sunlight, lifebuoy, and pears soap started to fetch higher prices in the market and retailers started to buy these soaps from the Super Bazar posing as normal customers for the purpose of resale. Super Bazar had to put restriction on their sales and each consumer can buy at one time three cakes of each brand. This situation still continues to be the same. These are solitary examples, otherwise once in

two/three months, such conditions do prevail in respect of one item or the other and Super Bazar regulates the sale of such items in a most effective manner.

Super Bazar also educates the customers by persuading them to switch over to substitute when a particular item of a particular brand becomes scarce. Super Bazar also develops the likings of the consumers by sponsoring new products such as transistors at a cheap price of Rs.80/- per transistor, bush shirts and kurta pyjama (Shirts and trousers) sweater and pull over @ Rs.5.10, and 10.75, Rs.11/- and Rs.24/- respectively. In this way, a common person is benefited.

It has been noticed since times immemorial that the price of the foodgrains and other agricultural products are at the lowest ebb at the time of harvest and four to five months before the arrival of new crops, the prices register an abnormal rise. In order to overcome this difficulty, and to save them from paying higher prices, the scheme was introduced by the store in the year 1966-67, whereby, a customer intending to buy a year's requirement in respect of wheat was required to deposit ten percent of the total cost of his requirement and against that, the store was to buy the wheat as per quantity indicated by him. This wheat was to be sold to him at a cost price plus one percent as handling charges (Cost price will include interest at bank rate and warehouse charges on storage).

Govt. has not declared the Super Bazar and Cooperative stores as approved sources for the purpose of supplies to Govt/Semi Govt. departments. The Sugar Bazar has given a flat offer to all the Institutions like hospital, jails, Municipal Committees etc. that Super Bazar will supply things at 1% less than the lowest quotation tendered by any contractor and the goods would be the same as sold at the counters of the Super Bazar.

Super Bazar is very particular so far as the

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quality of goods is concerned and in respect of eatables, where there is a large scale of adulteration, they are sold in 4g mark packing.

Goods on credit are supplied to the workers of the Amritsar Rayon and Silk Mills, employees of the Punjab Roadways and employees of General Post & Telegraph Office. The branches of the store are functioning in their respective premises. The credit limit is fixed at 50% on their basic pay and the Management of the said Institution has given in writing that they would deduct the amount of credit sales from their salaries.

In first three months, full attention was devoted to the sales and every endeavour was made to maintain the supply line. The level of the sale was determined on the basis of the sales on Ist three months of each department. On the basis of the sales, the level of minimum and maximum stocks, was also fixed. The economy of the Super Bazar was assessed, keeping in view the income and the expenditure. It was decided as a matter of policy that the expenditure of the super bazar should be compatible with the income and the expenditure be based on the level of the sales so measured. Thus in January, 1968, Management concentrated in reducing the running cost through economy in staff and amalgamation of departments.

Electrical Section was merged with Crockery, Knitting and Wool, Hosiery Sections were combined with the ready modes and soap and stationery sections were merged with general merchandise department.

In perishable goods department, the sections dealing in meet, vegetables and fruits proved to be a losing proposition. Neither the consumers enjoyed any reasonable benefit from these sections nor super bazar gained any thing except exercising a check on the market prices. The main reason being that these things are required in the morning and super bazar timings start from 9 A.M. so customers in limited number used to make purchases of these

items. Opening of this department in the morning without waiting the opening of the Super Bazar also did not help at the customers did not like to travel so long a distance in order to get vegetables, fruits and meat from the super bazar when these items are easily and abundantly available in the early hours of the day, nearer their homes, they being wholly uneconomical and unserviceable were closed. Since the Management was quite cautious to regulate the working of the super bazar at proper economy so the expenses were brought to such a level so as to fit in the income.

The first year ending 30.6.68 with a working period of about nine months proved very successful as the super bazar showed a profit, contrary to expectations of the public and retail trade, although the expenses in the first year are normally higher and no shop Cooperative or private is expected to yield profits. There is a general belief among the private traders that a shop tends to yield income in the third year of its existence. As the saying goes (Pahlay sal chatti, Ist year loss, Dusraysal hatti, second year shop, tesaray sal Khatti, third year income).

Analytical data for the year 1967-68, 68-69 and 1969-70 is appended below:-

	1967-68 in lacs.		1968-69 in lacs		1969-70 in lacs.	
	Supar Bazar	Store	S/Bazar	Store	S/Bazar	Store joint.
Purchases.	29.30	54.50	20.38	49.74	138 lacs.	
Sales.	22.80	60.91	23.84	52.02	144 ""	
Income.	2.18	2.33	2.17	2.52	5.69 "	
Expenditure.	1.82	2.50	1.93	2.43	4.47 "	
Percentage of income on sales.	9.5%	3.8%	9.1%	4.8%	3.9%	
percentage of expenses on sales.	7.9%	4.1%	8.1%	4.6%	3.1%	
Net Saving.	0.36	(-) 0.17	0.24	0.09	1.22 Lacs.	

At the top, there is a Board of Management called as Managing Committee. The members of the managing Committee were nominated by the Govt. right at the time of the inception of the store and this managing committee continued till December, 1969, when the election of the Managing Committee was held and elected board came into

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existence. In this nominated board, the D.C. was nominated as Chairman by the Govt. In the present Board, there are nine elected members and four zones are still vacant. With the election in these zones, there would be 13 elected members.

One member of the Board represents 1000 members. The area of operation of the store is divided into zones having 1000 members in each zone. Each zone is further divided into ten groups having 100 members in each group. Each group is to elect 5 delegates by show of hands. Delegates from a particular zone will elect one Director through secret ballot which would represent his zone in the board of management. There are three Govt. nominees in the board of management. They are, D.C. Amritsar, District Food and Supplies Controller, Amritsar, Assistant Registrar, Coop. Societies, Amritsar. Assistant Registrar Consumers Store is an ex-officio member and the general manager is a member-secretary. At present there are 14 members in the board. Normally, the Board meets once a month and the policy decisions are taken besides discussing General working of the store and the Super Bazar. Day to day work is carried on by the general manager. Then there is an Executive Committee consisting of 8 members constituted by the Managing Committee. Certain important matters are discussed by the Executive Committee and put up to the Managing Committee for final decision.

Next comes the purchase sub committee constituted by the Managing Committee having 9 members. Purchase sub Committee normally meets twice a month and formulates programmes for the purchases. Purchases are the direct function of the general manager and Assistant General Manager and no officer below this status is entrusted with this job.

In order to safeguard the interests of the super bazar against possible pilferage at the hands of

the salesmen and the store keepers, cash security of Rs.1000/- and tangible security of Rs.20,000/- are obtained from a salesman and a store keeper before his appointment. Besides, this insurance covers in the shape of fidelity. Guarantee is also taken. In case of pilferage by the salesman, the amount is recovered from his security/surety in addition to the criminal proceedings against the wilful defaulters.

Stock-takings are normally carried over once in month in all the sections except cloth and medicines. These sections are physically verified once in six months.

Hardly, we had completed the working period of 18 months when our main attention was concentrated on a basic point that where to shift and how to shift when our term of building expired in June, 1969. It has already been mentioned that this building was for a specific period of two years. Out of this, three months were spent in civil litigation between the Management of the Super Bazar and the owners of the building and the building did not remain in use to either of the two parties. Knowing fully well that the super bazar has to shift in June 1969, the management managed to purchase a plot from the Improvement Trust at a reserve price on court road just opposite to this super bazar. Earnest money amounting to Rs.25000/- was deposited against this transaction but when this transaction was referred to the Govt. for approval, it was not approved. No alternative site was readily available where the super bazar could be shifted. Ultimately, it was decided by the board of management in April, 1969 that it should be shifted to a building on Cooper Road (the building being already in possession of the cooperative store-parent body). During this period of 3 months starting from April to June 1969, the attention was more on the arrangement necessary for the shifting than on actual business. The branch of the cooperative store was shifted from this building and after carrying out necessary renovations, the shifting of super bazar was started in June, 1969, and completed in August, 1969. Shifting was so arranged that Super Bazar was not closed for a day even

and people continued making purchases.

Both in the physical size and volume of business, the super bazar constituted the biggest single retail enterprise in Amritsar where all the possible needs of a customer are met. It has made a visible impression on the trade and its emergence, as a price leader, in the local market is established. While the prices have been its main concern, quality of items and variety sold has received equal attention. Super Bazar has, however, done more than mere selling of goods. It has persuaded the consumers of Amritsar to accept modern concepts of retail trade. Pre-packing of items, like pulses, spices etc. in polythene bags containing slips indicating the weight of each packet visible from outside and atta in cloth bags, has added to the consumers comfort and staff efficiency. Counter scales are also provided to satisfy the consumers about the accuracy of the weights.

Prompted by the success, citizens residing in the walled area of the city compelled the management to start another super bazar in the city area. The management, knowing fully well that opening of another super bazar will divide the clientage and adversely affect the economy of super bazar, succumbed to pressure and opened another Mini-super bazar in Hall Bazar, on 2nd August, 1968 (the main city shopping centre). This has been done without getting any financial help from the Govt.

In nut shell, by pursuing active price policy and regulating supplies of articles of scarcity, super bazar has done tremendous service to the community by saving her from the clutches of hoarders, black-marketers and kept a check on unrestricted rise in prices in the days of inflation and also earned profits in all the three years' period.

Problems

Although the consumers' movement has got a vast strategy behind it, the consumers at large consider these stores and super bazars as an agency meant for supplying scarce items at cheaper rates than the market rates and in this context, the object of these institutions regarding supplying of consumer articles at reasonable prices has been taken as cheaper prices. At the start, it was the intention of the drafters of the scheme that the store/super bazar should follow the market prices but this did not gain any ground among the consumers and they expected things at cheaper rates than the reasonable rates. Thus the Store/Super Bazar has to start selling of items at the cost of proper economy. As a result of this, many departmental stores have sustained operational losses.

Problems confronting the departmental stores are manifold but I would like to touch only those which are of very significant nature.

Lack of membership Loyalty

With the green revolution in the country, the production in the agricultural field has increased considerably. The pace of industrialisation in the country has been beyond expectation during this post-independent period of about 23 years. The country which was completely dependent on imports is becoming one of the few exporting countries of the world.

As a result of these economic factors, the conditions of supply has improved considerably culminating in the stablization of the prices. The consumer begins to say "why should I go all the way to super bazar when I can get things at almost the same rates at the street corner shop." It would seem as if the good work done by the Super Bazar goes against its own interests but its purpose is fulfilled. This idea, if continued to grow in the minds of the consumers, the pace of the development will become slow and the movement will receive a big jolt. Until and unless the consumers own the institutions and decide

to buy each and every item required by them from the super bazars, they will not develop. Their visits to the departmental stores only for getting scarce items will go against their interests.

Inadequate Share Capital

The value of one share is Rs.10/- only and one member is required to buy one share. The total share capital of 13412 members amounts to Rs.1.79 lacs against Govt. share capital of Rs.6.93 lacs which is to be retired in 15 equated yearly instalments starting from the 5th year of the sanction. Such a meagre share capital from the members is a big handicap in the proper functioning of the super bazar as a result of which it cannot stick to its buying programme effectively. Besides, no Institution can run economically which is dependent on borrowed capital on which a normal rate of 9½% interest is payable, which is very difficult to get out of the normal margin between purchase and sale. There is hardly any retail trade in the country which is dependent on the borrowed capital to the extent, the Super bazars are depending.

Absence of Manufacturing Unions.

In consumers sector, the departmental stores are wholly depending on the private manufacturers who have not mentally adjusted themselves to the establishment of these super bazars. It is their fear that these stores tend to disturb their retail price structure. They supply the goods, though reluctantly, at the same price at which they supply to the private trade. In many cases, the terms are even less favourable for the departmental stores. It is an admitted fact that there is very small margin at the level of the retailers and most of the profits are retained at the level of manufacturers. In the absence of the manufacturing units in the consumer sector, these departmental stores are not able to reap the benefits of an entrepreneur thus unable to give handsome relief to the

consumers in the matter of prices which is necessary to get their loyalty as the price is the main consideration in our country.

Unlike Sweden, we do not have a factory manufacturing the washing powder the price of which was reduced by 22% after its taking over by the KF from formerly German owned Hankel factory.

Lack of effective
competitive Power

Departmental store does not have the effective competitive power with the private trade due to their high over-head cost of establishment, rents, promotional and developmental expenditure, audit fee and miscellaneous expenditure which is on a very high side as compared to a private retailer. Thus they compete at the cost of economy.

Small Shopkeepers.

Certain unscrupulous private traders also indulge in the mal-practices like sale of sub-standard goods, short weightment, concealment of taxes in a neck to neck race for existence, Whereas, the departmental stores are meant to ensure fair trading practices.

Lack of proper
Accommodation.

The departmental stores are housed in the rented buildings and their rents are abnormally high. Moreover, they are located in places which are not very suitable for business. Super Bazars are also required to make additions and alterations in those buildings according to their requirements which are ultimately beneficial to the owner. Smooth and efficient working of a departmental store requires its own building constructed according to its requirement. The total cost of the building will not exceed the normal rent payable by the store in a period of about ten years.

Buying Policy.

With the introduction of the centrally sponsored scheme, the Govt. of India created a cell in the Ministry of Agriculture and Cooperation headed by supplies Commissioner whose main function is to settle terms with the manufacturers and arrange supplies from them.

This cell has, as a matter of principle, decided with almost all the big manufacturers of the country, to supply goods to the stores at the producer's price, i.e. price charged at the first point of distribution on priority basis. Later on, the Federations at the States level and Federation at the National level were formed with an idea to augment the supplies to the stores at the best available price. These Federations by and large, approached the same sources from whom these stores were getting supplies in accordance with the terms laid down by Govt. of India prior to the establishment of these Federations. In arranging the supplies the Federations do have their commissions which is necessary for their existence but sharing of the commissions by the two Institutions i.e. State Federation and National Federation, out of the same price as was charged by the suppliers on the direct supplies to the stores is not in the interest of the Movement as it increases the buying cost. They will be doing the real service to the Movement only when they establish their manufacturing concerns as envisaged in the Scheme and maintain their existence out of the profits earned by manufacturing and supply the goods at active price policy, to the departmental stores.

Price Factor.

Price factor is most important factor in Indian Economy. No customer would like to pay more price for an article when purchased from a better shop, which has spent reasonable amount on its maintenance and up-keep. So the departmental stores cannot afford to sell either at par or at slightly higher than the market price as an allowance for its up-keep and high operational cost.

Credit Sales.

Purchasing of goods on credit basis, besides a matter of necessity with persons of middle means, has become a fashion in higher circles of society also.

(20)

The stores as a matter of policy, do not sell any thing on credit with the result that they cannot attract large clientage.

Lack of Trained personnel.

The departmental stores suffer for want of trained and efficient staff. Our salesmen are no comparison with the salesmen in private trade who are usually the owners. They lack qualities of aggressive salesmanship which has got great values and also lack interest due to their position as employees if compared to the private owner who owns his own shop. Sense of aggressiveness is further marred by a fear of pilferage and counter thefts during the process of sales as the shortage is the direct responsibility of the salesman.

Lack of effective relationship between the customers and employees.

In view of the increasing competition and present market conditions, the consumers attach greater preference to personalized services which the employees of the stores do not give and this relationship can be created only if the salesman and other employees of the store endeavour to endear themselves to customers by prompt and willing service and courteous behaviour. The real success of the departmental store lies in the relationship between the store and the customer.

Inconsistency of Law with business.

Rules and procedures prescribed under the law are so rigid that they do not allow any flexibility in the business. In many ways they hamper the growth of the Movement and create hurdles in the smooth and efficient working of the stores. They further lead to high operational cost resulting in unbalanced economy. This happens probably for want of practical knowledge and business aptitude.

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ROLE OF NATIONAL COOPERATIVE CONSUMERS' FEDERATION

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The Consumer Movement in India is predominantly federal in character. Under the existing set up it is a four tier structure with NCCF operating at national level, State Federations at State level, Wholesale Stores at district level and finally Primary Societies and Branches at the retail level. The role and rationale of the functioning of NCCF as the Apex Body of consumers' cooperatives has to be appreciated in the context of the federal character of the movement, where each Institution is autonomous and NCCF has no unitary control over these lower bodies in the hierarchy.

NCCF, the apex organisation was the youngest to appear on the scene. Registered in 1965, it actually started working from 1966. All the fourteen affiliated State Federations are represented both on the General Body and Board of Directors of NCCF whose jurisdictions are numerically co-terminus.

Some basic bio-data about this organisation are given hereunder:

	<u>Amount in thousand of rupees</u>		
	<u>1966-67</u>	<u>1967-68</u>	<u>1968-69</u>
1. Number of member federations	11	14	14
2. Paid up share capital	1180	1922	2024
3. Reserves and other funds	Nil	120	372

The vastness of the country and the wide disparity in standard of living, aggregate income, pattern of production and consumption as between various regions has largely contributed to this four tier system. It is, therefore, all the more necessary to define and demarcate the area of functioning of various tiers including NCCF in the present set up.

Those functions which involve negotiations at national level with government departments, textiles mills, manufacturers, suppliers etc. are the appropriate fields of activities of NCCF,

Such activities include handling of imported goods, lifting and distribution of confiscated goods, negotiations with Textile Mills, suppliers and Government Departments for supply of woollen and cotton textiles and other branded manufactured items.

Most of the agricultural commodities in India are produced in one region but consumed in others. Such trading involving enter-state movement and negotiations constitutes rightful area of functioning for NCCF. The current business activities of NCCF have to be evaluated in terms of these economic and administrative considerations.

Groceries

NCCF has been in grocery business right from the beginning. It procures pulses and spices from the producing areas in the season time, builds up its own stock to ensure continuous supply to the cooperative stores throughout the year. NCCF also undertakes purchases on behalf of indenting stores as per firm orders against levy of nominal service charge. The NCCF is expanding its grocery business through the Head Office and branches and has been able to create steady clientele for the same.

NCCF had engaged Dal Mills in North and Central India on trial basis and is going to set up two such Dal Mills in North and Central India in the coming year. It is imperative that more and more processing activities should be undertaken to ensure supply of daily necessities to the consumer stores at reasonable prices.

Textiles

Cotton textiles mills are mainly located in Ahmedabad, Bombay and Madras. NCCF has entered into negotiations with the textile mills through government departments. As a result, NCCF now supplies cotton textiles in bale lots to the cooperative stores at ex-mill prices on a very nominal service charge.

Further, NCCF has its own buffer stock of popular textiles of reputed mills which are not otherwise available to the cooperative stores except at high premium. This is a great service to the cooperative stores as ready stocks of popular varieties which are scarce otherwise are available from the ready stock.

Readymade Garmets

"Challenge" is the brand name of the shirts that NCCF has got fabricated in collaboration with Government Factory of Defence Department and marketed through the chain of cooperative stores. The project is going to be enlarged in keeping with the encouraging off-take of the products.

Imported Goods

NCCF imports each year dryfruits and dates and other items like slide rules, hearing-aid batteries, water colours etc. for distribution among consumers cooperative stores as per norms evolved by the Ministry and Board of Directors of NCCF.

Confiscated Goods

NCCF lifts confiscated goods from all the Customs/Central Excise ports of the country and distributes the same among the consumers stores according to the norms prescribed for the purpose.

Sales Turnover

Sales turnover of NCCF has recorded consistent improvement over the last few years.

The table below indicates the comparative figures of various trading activities and sales turnover of NCCF over the last few years.

	Amount in lakhs of rupees			
	1966-67	1967-68	1968-69	1969-70
Total Sales Turnover	107	249	287	43
i) Grocery	33.6	47	54.25	104
ii) Textiles	63.4	133	131	188
iii) Imports	10.0	57.5	55.25	46.30
iv) Confiscated goods			6	105
Profit	1.66	4.55	7.16	3.20

Purchase Rebate & Dividend

NCCF has been one of the few institutions of the country to allow dividend on sales to its members including the government right from the beginning. NCCF has also been pioneer in allowing purchase rebate to its purchasing members on their purchases from 1967-68. Infact, some of the State Federations received more by way of purchase rebate than they contributed in the form of share capital.

Another promising feature of NCCF is its reliance more on institutional finance than on assistance from Government which now is of the order of only Rs.15 lakhs in the shape of share capital.

Particulars regarding purchase rebate and dividend declared by NCCF so far are given below :

	1966-67	1967-68	1968-69
Dividend	5%	4%	4%
Purchase Rebate	2%	1½%	3%

Though the sales turnover of NCCF has reached the order of 443 lakhs in 1969-70, it constitutes barely 30% of the total purchases made by the state federations. There is scope for institutionalising the purchases

of the cooperative stores and reaping the advantage of centralised purchases through NCCF.

Also there is scope for NCCF to enter into new lines of business in items like paper, stationery, stainless steel, vegetable oil etc. But such expansion should follow the process of consolidation of the existing activities.

Promotional activities

NCCF is quite alive to the reality of the fact that as a national federation it has as much as responsibility to nurse the cooperatives through its affiliated as much as to improve its own operational efficiency. Though the federal system, as also because of cooperatives falling in the domain of state governments, the scope of NCCF as directly controlling the cooperatives is very much limited, yet NCCF has already made grounds in assisting the stores in various technical and promotional matters.

NCCF brings out a monthly news bulletin each month which contains not only offers and informations about NCCF but also includes marketing intelligence and survey reports, stories of successful stores and various other informative items of interest as are beneficial to the cooperative stores.

NCCF has brought out important publications like 'Report on Department Stores' by Mr. Schubert, 'Serving our Members', 'How to Reduce Leakage' etc., all dealing on subjects connected with management of cooperative stores.

NCCF has evolved a management accountancy system for the department stores which reflects readily operational results of the stores. Because of this usefulness this accounting system is gradually finding favour with various department stores all over the country. Starting with a pilot project this system was further improved through evaluation and trials and has been followed up by induction courses. Now this system is being tried in various department stores of the country.

The consultancy services of NCCF also opened a sales management wing which surveyed the working of the personnel policies followed by the department stores and they brought out their findings which would be of great help to cooperative stores.

The four tier system limits the scope of economy in price margins and hence amalgamation of institutions at primary and wholesale levels is engaging loud thinking.

In the commercial field NCCF has been trying to expand and diversify its activities so that most of the requirements of cooperative sector could be met by NCCF directly or through its good offices.

NCCF is also the spokesman and projects the unified image of the cooperative sector. But since Cooperation is a State subject, the efficacy of this apex organisation has become rather limited. Hence, NCCF has to make its existence felt through consultancy services and technical guidance that it can render and bargains it can strike with suppliers in obtaining better terms and ensuring better supply of consumer goods to the consumers cooperatives of the country.

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GOVERNMENT ASSISTANCE IN PROCURING SUPPLIES OF
CONSUMER GOODS FROM MANUFACTURERS TO THE
CONSUMER COOPERATIVES

By

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Earlier Arrangements

1. The Government of India sponsored a special scheme for organisation of consumer cooperatives in urban areas in November, 1962. The scheme was continued during the remaining period of the Third Plan. In addition to the organisation of primary consumer stores, a net-work of wholesale stores was also created with a view to ensuring proper arrangements for supply of various articles needed by the primaries. These wholesale and primary consumer cooperative stores took up essentially supplies of controlled commodities such as foodgrains, sugar, cloth etc, to the consumers. These commodities were made available to these wholesale stores by the State authorities.
2. In respect of other consumer articles which the wholesale stores needed ad hoc arrangements were made. A few selected manufacturers were requested by the Government to arrange supplies of their products to these wholesale stores. These manufacturers undertook supplies to the wholesale stores through their local stockists, distributors etc. The latter treated in fact the wholesale stores at par with the retailers in the town. This was not a satisfactory arrangement as it did not enable the wholesale stores to arrange supplies to primary stores on competitive terms. The

distributors/stockists of the manufacturers at the time of scarcity completely ignored the wholesale stores and diverted supplies to normal trade outlets. In view of the very nature of the arrangements there was no contact point between the wholesale stores and the manufacturers.

Arrangements following devaluation

3. In the wake of de-valuation in the year 1966, the need to keep the prices in check became paramount. Amidst others an accelerated programme in respect of consumer cooperatives was taken up which envisaged a number of new schemes including setting up of department stores in large cities/towns, consumer industries, consumer cooperatives in Universities and Colleges etc. Unlike the earlier arrangements as per which wholesale and primary stores were essentially concentrating on supplies of controlled commodities, it was contemplated, that in addition to diversification of business of them, department stores in particular should meet all types of requirements of the consumer. The need to ensure adequate and regular flow of supplies of various consumer articles including essential commodities to the wholesale stores/department stores as such assumed great importance. It was realised that the success of the accelerated programme including the department stores was very much dependent on the regular and adequate availability of supplies from the proper sources and at the most economical and favourable terms.

Creation of a Supply Cell

4. A number of commodities including consumer articles become scarce from time to time. Availability of these at fair prices to the consumer has to be ensured. Under the Essential Commodities Act, Government ensures regular production, distribution and prices of the scarce commodities, which are brought under the purview of the Act from time to time. Whereas Civil Supplies Organisations were in existence in the States a decision to create a similar organisation in the Centre was taken following

de-valuation. A control room was set up in the then Ministry of Commerce alongwith the appointment of a Commissioner Civil Supplies. To ensure proper arrangements with manufacturers for adequate supplies to the consumer cooperative stores on best available terms a Supply Cell was created in the Department of Cooperation.

Arrangements regarding Essential Commodities

5. The Supply Cell in the Department, in collaboration with the Commissioner Civil Supplies and other concerned Technical Ministries etc., took up negotiations with Associations of manufacturers of essential commodities for supply of their products to the consumer wholesale stores. The associations of the manufacturers of essential commodities were in fact persuaded to agree to meet the demand of the wholesale/department stores on a priority basis, and to arrange supplies of their products to the wholesale stores directly (and not through their stockists/distributors etc.) at prices as generally charged by them at the first point of distribution. In pursuance of this understanding arrived at with the associations of manufacturers of essential commodities, details of their products, terms and conditions of supplies, minimum unit etc. were obtained by the Supply Cell from the various member manufacturers of associations. These were communicated to the State Governments, wholesale stores, department stores etc. so that the latter could obtain their requirements of various essential commodities from the manufacturers directly and at prices as charged at the first point of distribution.

Reservation of quotas

6. As mentioned earlier, certain consumer articles become scarce from time to time due to different reasons. In the past, at the time of scarcity supplies to consumer cooperative stores were completely denied by the manufacturers/their distributors etc. With a view to ensuring that the consumer cooperative wholesale/department stores obtain adequate

supplies of these scarce commodities, the Supply Cell in the department, in collaboration with the other Technical Ministries, persuaded the manufacturers to earmark a part of their production for distribution through consumer cooperative wholesale stores. Items covered under these arrangements presently include cycle, cycle rickshaws, scooter tyres and tubes, baby-food, dry battery cells, razor blades, vanaspati, cycles etc.

7. The manufacturers at the instance of the Supply Cell have agreed to lay aside 10 to 30% of their production for supply to the consumer cooperative wholesale stores. Under these arrangements, the cooperatives' share of a particular product of a manufacturer is intimated to the State Consumer Cooperative Federations which in turn re-allocate the quantities amidst various wholesale/department stores depending upon their need etc. Supplies, under these arrangements, reach the wholesale/department stores directly. Periodical reviews are conducted by Supply Cell about the actual availability of the supplies and where necessary larger allocations are being obtained from the manufacturers so that wholesale/department stores being newly set up are able to get their share without adversely affecting the share of the others.

8. It may be added that under these arrangements wholesale/department stores are obtaining a sizeable share of branded products of various manufacturers of items referred to earlier. In fact, the availability of a reasonable share of the total supplies of these scarce branded items through cooperative outlets has resulted in as an indirect check on the prices being generally charged by the retailers.

Other than essential commodities

9. A number of leading manufacturers of consumer articles (other than those procured essentially under the Essential Commodities Act) which are generally needed by consumers have also been persuaded by

the Ministry to supply their products to the consumer cooperative wholesale stores directly on preferential basis and at prices as charged at the first point of distribution. Arrangements entered into with the leading manufacturers of these other goods generally needed by the consumer stores have been made in collaboration with the representatives of the Technical Ministries concerned.

Arrangements for cotton and woollen fabrics

10. At the instance of the Government, the composite cotton textile mills earmark part of their production of cross-section of cloth for supplies on priority basis to consumer cooperative stores at ex-mill rates. Similar arrangements have also been devised with the manufacturers of woollen fabrics, hosiery and yarn etc. for supply of part of their production to the consumer cooperatives. Both the composite cotton textile mills and woollen mills arrange supplies of their fabrics on ex-mill prices and without the involvement of their selling agents/intermediaries etc. Supplies of both cotton and woollen fabrics are coordinated through the National Consumers Cooperative Federation. Normally such arrangements should enable NCCF to command a position of bargaining in view of the total size of the demand. However, a number of wholesale/department stores continue to obtain supplies because of various reasons from local agents/distributors of the mills.

Public Sector Undertakings

11. A number of public sector undertakings in the country produce consumer goods. Arrangements have been made with these undertakings for supply of their products (consumer) to wholesale stores all over the country. Indian Oil Corporation who import/produce and market kerosene oil, Indane gas had in principle agreed to give preference to the consumer cooperatives in their appointment as agents for distribution of its products. Cooperative/department stores in a number of cities are already functioning as agents for distribution of Indane gas, as a result of the policy of preference agreed upon.

12. Coffee Board which releases coffee seeds for internal consumption earmark a part of the total quantity (15%) for supply to the consumer through the net-work of cooperatives in Southern States. A special discount is also given by the Coffee Board to the consumer cooperative stores. Cooperative stores do not have to participate in the auctions conducted by the Coffee Board for sale of the Coffee seeds and in fact obtain supplies, as mentioned earlier, on concessional basis.

13. M/s. H.M.T. which are producing watches have at the instance of the Government agreed to restrict sales thereof directly to the consumers through a few outlets already established by them in selected cities. In respect of rest of the country, supplies to the consumers are now being diverted through wholesale/department stores where the latter have taken up this activity. Sale of these watches is made by the wholesale/department stores to the members and others on prices fixed by the H.M.T. The stores obtain a special commission for this activity. It is envisaged that 1/3rd of the production of the H.M.T. Watches will be routed through cooperative outlets under these arrangements.

Import facilities

14. A number of consumer articles such as text-books, technical books, artists' brushes, hearing-aid batteries, contraceptives as also wet and dry dates, dry fruits etc. are being imported in the country. The established importers who already have to their credit past performance are entitled to import these. Licences are issued by the concerned authorities, at the instance of the Ministry to the NCCF for import and distribution of these permissible items through consumer cooperative stores.

Confiscated Goods

15. Large quantity of luxury and consumer goods is confiscated by the Custom/Excise authorities in different parts of the country. These items which are previously being auctioned and sold through the shops

especially set up by Custom/Excise authorities are now offered under the arrangements finalised by the Department with the concerned Ministry, to NCCF for sale to the consumers through the net-work of cooperative stores. NCCF ensures equitable distribution of these items throughout the country at prices as fixed by the Custom authorities. A very large quantity of items such as watches, transistors, fabrics, etc. is made available under these arrangements to the cooperatives.

Allotment of fair price shops

16. In pursuance of the decision taken by the Government preference is given to the consumer cooperative stores by the State authorities in the matter of allotment of ration/fair price shops. A large number of consumer wholesale stores are acting as wholesalers for import and distribution of sugar. Relaxations have also been made in favour of these stores by the authorities to enable these stores to deal both in controlled and free supplies of sugar.

Link with Agricultural Cooperatives and other facilities

17. As a result of various measures taken by the Ministry a beginning has been made in establishing a close link between the agricultural cooperatives and the consumer cooperatives in the matter of supply of agricultural commodities by the former to the latter. The State Federations of Consumer Cooperatives as also the NCCF maintain contacts with their counter-parts with a view to obtaining their requirements of foodgrains, pulses, spices etc. Priority for movement by rail of agricultural produce is made available to the NCCF and the State Federations. Information relating to areas of concentrated production, harvesting time, price structure etc. is made available by the Ministry to the consumer cooperative wholesale stores all over the country with a view to serve as guidelines to them.

Periodical review of the arrangements

18. These arrangements are under constant review by the Government in consultation with the State Governments, Federations of Consumer Cooperatives, associations of the manufacturers etc. and such modifications which are necessary are brought into vogue from time to time.

19. A constant watch is maintained in the Ministry through compilation of statistical information being called from the manufacturers of essential commodities about their total production, over-all supplies through trade and cooperative channels in different parts of the country. Where necessary, remedial measures to ensure proper flow of the supplies to the consumer stores are taken up with the help of the concerned Ministries.

Conclusion

20. A perusal of the preceding paragraphs would indicate that as a result of various measures taken by the Government, supplies of consumer articles both scarce and otherwise have started flowing to consumer cooperative stores directly from the manufacturers on priority basis and at prices as generally charged at the first point of distribution. This has not only enabled the wholesale/department stores to maintain a direct liaison with the manufacturers but has also enabled them to obtain facilities normally offered by the manufacturers to their authorised stockists/distributors who have been in position for decades. Due to availability of definite quantities in respect of scarce commodities wholesale/department stores have been able to satisfy to a very large extent the demand for otherwise scarce items from the consumers. In fact, as and when a commodity becomes scarce the consumer essentially diverts his attention to the wholesale store which due to its contact with manufacturers and availability of a definite share is able to meet the demand at fair price. The availability of the manufactured goods at prices as generally charged at the first point of distribution has enabled the wholesale/department stores to follow the active price policy.

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ASPECTS OF MANAGEMENT IN SUPER BAZARS IN INDIA
 (With special reference to Personnel, Sales
 and Inventory Management.)

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Managerial talent and managerial practices and consequently the three specific aspects of management, i.e. personnel, sales and inventory, in any organisation, more specially in a trading organisation are invariably deeply influenced and tempered with by two all-pervasive constraints, namely that of cultural environments and quality of organisational planning. Both exercise a decisive impact on the success of management practices. A few words on these would be useful for a better grasp of the subsequent discussions on the three operational aspects of management towards which this paper is directed.

Some of the important characteristics which distinguish the institution of Super Bazars are :

- (a) absentee ownership;
- (b) creation of the government ; (Dr. Gadgil calls them Government shops with a facade of Cooperation)
- (c) democratically managed, and controlled; and
- (d) stabiliser of prices.

Each one of these aspects is in a way responsible for the development of practices which discount the well-known concepts of scientific management - professional management, clearly defined

attainable objectives, objectivity in decision-making process, survival in the market with steady growth and the like, in the Super Bazars in India. In view of the absence of these management essentials no worthwhile attempt especially on organisational planning designed to obtain more efficient utilisation of resources, has been possible. None of the above four characteristics can however be said to be responsible for the existing situation per se, but given the limitations as mentioned below, healthy practices somehow could not be developed.

It needs to be stressed here that the urgency that attended the organisation of these Super Bazars was so great and the available expertise in the field of management of general retail shops in the country so limited that any course other than the one adopted by the Super Bazars would have defeated the very objective of setting up of these organisations.

The following discussions are therefore based on the experience gained within the country in this field since 1965 and is intended to initiate meaningful discussions thereof. No solutions have, however, either been attempted or offered here.

I. PERSONNEL MANAGEMENT

Management of personnel can be discussed under two separate heads, (a) selection, retaining and development of the right personnel for manning different positions in the organisation, and (b) motivating the various employees working in the organisation with a view to achieve desired objectives.

Organisational Structure

The success of a system designed to make optimum utilisation of human resources in an organisation depends on the organisational planning that precedes such an exercise. Organisational planning, i.e. defining the various positions - their inter-relationship - job

specification and job descriptions, line and staff relationship etc is an aspect which greatly influences the operational efficiency, economic viability and productivity of the personnel.

A few Super Bazars notably in the southern States of the country have over the years developed organisational structures more in response to the demand that has come to be made on them by the competitive pressure than as a result of any conscious planning. Many others have ignored this aspect with the result that positions are created and abolished with the least consideration for the process of personnel planning, recruitment procedures, induction system and career development of the employees. Ad hocism has been a convenient refuge of many a management. Even existing training facilities are not fully utilized to improve the quality of employees' performance.

Large sized retail business undertakings demand skill in planning, analysis and interpretation of available statistics and the chief executives have necessarily to look to these important aspects leaving the major burden of decision-making in operational matters to other subordinate executives. The Janata Bazar, Bangalore, provides a possible model for developing an organisational structure for Super Bazars in the country.

In the case of the Janatha Bazar, the structure consists of four hierarchies with the General Manager at the top assisted by three Department Managers of Textile, Households and Groceries, besides the Administration and Accounts personnel. Under the Department Manager are the floor supervisors and salesmen. Each Department Manager is responsible for purchases, sales and maintenance of sales accounts and stocks. Decisions are taken after due consultation with the General Manager and the Managing Director of the State Federation of which the Janatha Bazar is a unit.

Positions are created in this Super Bazar, keeping in view the sales potential, available margin of gross profit and the type and quality of services to be offered to the customers. Efficiency norms are also looked upon when needed.

Personnel Management Practices

The other aspects of personnel management, especially that of motivating the employees, have however been generally overlooked. Employees are considered more or less expendable.

Three important aspects which influence and can play a decisive role in motivating employees are -

- (a) Compensation Policies and Financial Benefits;
- (b) Communication Systems; and
- (c) Procedures for Redressal of Grievances.

It is assumed that managements have the necessary competence and steadfast commitment to the super bazars, for no bigger damage is done to the morale of the employees than with display of lack of competence or integrity on the part of the senior management personnel. Professionalisation of management is of-course the prerequisite for the success of Super Bazars in India, but it has not been achieved that senior positions in the Super Bazars continue to be occupied by officers on deputation from the State governments.

Compensation

Compensations offered in various Super Bazars in this country vary, for understandable reasons, from place to place. In most of the Super Bazars compensation offered is more than what a private shop of the equivalent size does in the same place. But barring a few notable exceptions, it does not compare favourably with that offered by the State agencies which, incidentally, are the biggest employers in the country. Thus, there is often a steady flow of talented personnel

from Super Bazars to these agencies. It will not be out of place to point out here that recruitment of suitable personnel alone is not sufficient; their retainment is also equally important.

Communication

The era that we have entered is that of permissiveness and participative management. It is of paramount importance that employees assigned with the objects of showing results, especially in organisations with absentee ownership, are involved in the process of decision-making. Only a few Super Bazars hold staff meetings of the senior personnel to discuss matters before taking crucial decisions. Suggestions are seldom welcomed from the staff and meetings are occasionally held with the result, one suspects, a chasm exists between the senior personnel and the workers.

Redressal of Grievances:

It is well known that even minor grievances of the employees, if left unattended to, can cause irreparable damage to the health of the organisation. Under the impact of socio-political environments, trade unions have been organised among the workers in few cases, but it has been the experience that these unions have not played their role adequately in getting the grievances of the employees redressed. Managements have also not shown any awareness towards this crucial aspect of personnel management. Such minor grievances as provision of rest rooms, toilet facilities for female employees etc., have been allowed to linger on indefinitely in some of the bigger Super Bazars in the country.

Motivating Factors

Among the important motivating factors that have been tried in the Super Bazars are (a) incentive pay linked with sales performance; (b) internal promotions, (c) just attitude of the management while dealing with the employees problems.

It is difficult to hazard a guess on the actual impact that these factors have been able to make on the performance of the employees.

II. SALES MANAGEMENT

The sales strategy of a retailer is greatly influenced by the competitive pressure that he faces to carry out his business and survive in the market. Every retailer decides his trading level, i.e. the price and quality of goods to be offered for sales before the start of business. Super Bazars cannot be an exception to this.

Clientele Identification

The trading level of the shop is determined on the basis of the clientele in the catchment area - its income, occupational, social and educational background, preference, tastes and habits etc - and to the extent the retailer develops a profile of the average customer, the trading level becomes sharper.

Only a few Super Bazars have made intelligent attempts on clientele identification without which sales planning and policies cannot be formulated. An outstanding example where such attempt has led to a phenomenal success is that of Chintamani at Coimbatore. By giving a rural orientation to the sales management in view of tremendous potential in rural areas around the town, besides many other imaginative measures, the management has developed business of the store to the present level of Rs. 1,20,000 per day.

Competition

Competition is fought in retail business on two planes - by service and by price. In practice, however, in the case of most of the articles, especially branded and known ones, prices generally tend to be the same for all shops and thus the focus of competition obviously shifts to service aspect which assumes crucial significance in the overall strategy of sales management.

Pricing

Pricing is an instrument by which the management generates business, woos the customers, projects its image in the market covers the costs and generates surplus for growth and development. Pricing is an extremely delicate instrument for it is operated.

on the basis of anticipated sales turnover, actual costs and above all on clientele reaction.

Three determinative factors of pricing are (i) investment pattern and volume of business, (ii) cost structure, and (iii) plans for growth and expansion in future.

Each one of these aspects can only be ignored at the peril of the future of the Super Bazar. Under a variety of constraints the managements of Super Bazars in India, have been trying to sell articles at a price that is a little lower than the one offered in the market, often without taking into consideration the attendant risks and complications such as employees' morale, insufficient internal resources, weak financial structure, stagnation in business, poor capacity to innovate and change in response to the demand and the like. Long term interests seem to have been sacrificed for doubtful short term gains by many a Super Bazar.

Service

The service aspects in a retail shop include its approach and location; its layout and placement of departments and goods, width and depth of assortment; opening and closing timings, lighting arrangements and hygienic conditions, credit facilities, packaging and home delivery system; quality of sales personnel and a host of others.

Approach and Location

By and large the approach and location of Super Bazars in the country are suitable, as these are operating in the main market centres of the towns, but a grim departure has taken place in the case of those Super Bazars which have sales section on the first, second and third floors of the buildings. Sales at these floors have not even caught up in the Western countries and to expect that the customer would patronise sales sections in floors other than the ground with the same vigour have proved a little misplaced in India. Same is the experience of those Super Bazars which are not located on the main thoroughfares of the towns.

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Lay-out and Placement

No standardized pattern exists for the lay-out of the Super Bazars and placement of goods thereat. Each shop seems to follow its own pattern, flouting in quite a few cases the elementary principle governing space occupancy within the shops. Convenience goods, low-margin yielding goods and slow moving articles have been given the most prized areas within the shop much to the detriment of operational efficiency of these organisations. Studies reveal that customers by nature like to see and purchase goods at the most convenient place and therefore it follows that sections/articles with higher profitability should be located at such convenient places. This has not always been observed.

Another aspect, i.e. allocation of space to articles within the shelves has also been generally ignored. Space occupancy is related to the anticipated sales and profitability. Similar is the case of exact placement of articles in the shelves. This has again been generally overlooked. Eye-level space has not been exploited by many of the Super Bazars.

Other Facilities

A major cause for concern is, however, the management's apathy towards customers as is reflected in their practices and procedures, that are generally not attuned to suit the convenience of the customers. Pre-packing of groceries, however, stands out as the major innovation made by the Super Bazars in the country.

Credit terms are not generally extended to the individual customers and home delivery facility is sparingly made available.

Selling Systems

Most of the Super Bazars continue to follow the old counter-sale system in all types of commodity groups but a few others that have introduced self-service selling system in the grocery sections and self-selection sale system in textiles have found the experience rewarding - the attendant handicaps notwithstanding. It is well said that 'no salesman' is better than a rude or indifferent salesman.

Sales Promotion Techniques

This has perhaps been the most neglected field in the management of Super Bazars. Display arrangements in most of the Super Bazars are not of the required standard, prices are not shown and little attention has been spared for colour schemes, lighting arrangements and interior decor.

Advertisement in press is rarely done. Publicity is often carried out through handbills and at times through cinema slides. Both have, however, been found to be unimaginative.

Periodic sales schemes have been introduced in a few Super Bazars. A notable example is that of the Sahakari Bhandar, Bombay where every week a new article is sold at attractive rates in order to boost up sales by generating additional traffic.

Well-planned sales campaigns are not launched, though around festivals special measures are taken to cope up with the increased turnover.

Most of the Super Bazars launch clearance sales to dispose of accumulated stocks at reduced rates. This has proved successful in almost all the cases.

Super Bazars have rarely launched joint sales campaigns with the manufacturers to boost up company sales, though display windows have been rented out by a few Super Bazars to the manufacturers.

Loss leader policy has also not been widely practised.

Obviously no intelligent attempt is made on sales planning in most of the Super Bazars.

III INVENTORY MANAGEMENT

This aspect can be divided into two parts, i.e. (i) purchasing and related aspects and (ii) inventory control and other techniques.

Purchasing

It is well known that retail margins in the country are too low and if competition is to be fought in a market where unscrupulous traders abound, it has to be on an efficient merchandising policy. Here the purchasing plays a crucial role in the success of such a policy. Unfortunately, by and large, the Super Bazars have not been fully backed by the wholesale organisations in the matter of procurement with the result that they have to act both as retailers, as well as wholesalers, thus carrying an additional heavy burden which wholesaling does entail. To expect Super Bazars to face the competition without adequate backing from the wholesale structure within the movement is entirely illogical. Failure to provide a complete and alternative, strong and streamlined distributive machinery in the market is at the back of poor performance of many of the Super Bazars in the country.

Most of the Super Bazars therefore resort to local buying/ buying from the nearest wholesalers for most of the commodities and thus retain only a marginal edge over their competitors who too get their goods from the same sources.

Managements in most of Super Bazars also do not recognise that purchasing is a specialised function and should better be left to the properly trained and skilled professional management. To find Purchase Sub-Committees of the Boards of Directors meddling in this affair is too common.

Assortment and Master-stock List

As stated earlier, clientele has not been identified and thus managements make attempt to meet the demand of the entire clientele, heterogeneous as it always is. Coupled with this serious drawback is the fact that management often purchases goods on the basis of their own estimates of what the consumers can buy rather than of what they actually buy.

This has resulted in accumulation of huge stocks, wholly in disproportion to the nature and quality of actual demand of stock. Instances are not lacking where goods equivalent to 2 to 3 years requirements have been bought either because of over enthusiasm or inexperience on the part of the managements or as a result of the bait offered by the manufacturers under various incentive schemes.

Master stock-lists have not been prepared in a formal manner and assortment policies have not been formulated. Stock productivity is low. There are frequent stock-outs and customers do not always get the goods demanded by them. There are, however, a few notable exceptions to this general phenomenon, specially in the States of Tamil Nadu and Mysore and the city of Bombay.

Inventory Control

Scientific inventory management systems, viz. working of economic ordering quantities, fixation of maximum and minimum levels of stocks safety stocks, models showing relationship between demand potential and purchase have not by and large been developed in most of the Super Bazars.

Stock Leakages

The most gnawing problem faced by the managements, however, is that of stock leakages, which have, if anything, been steadily mounting preventive measures of the management notwithstanding. Leakages occur because of three factors (a) because of lack of proper checks, controls and record keeping; (b) incidental to business, i.e. bulk-breaking, pilferage by customers, breakage, evaporation etc, and (c) on account of lack of integrity on the part of the employees.

Stock leakages are not considered as elements of cost in many Super Bazars and thus these are neither included in the costs nor allowed to the staff while holding them accountable. Some of the Super Bazars have been able to keep the incidence of leakage at the

nominal level by evolving necessary systems of organisational and operational controls and personnel management. A case to commend with is that of Janatha Bazar, Bangalore where physical verification of stock is carried on every month without fail and results are compared; the Department Managers and Floor Supervisors exercise necessary control and check over the staff, they also sit within the sales sections and employees are paid compensation equivalent to what others holding similar positions in the State Government get.

Last year, in this Super Bazar, 85% of the total leakages were found to be genuine and were written off, thus causing the least harm to the employees.

The problem of leakages needs to be tackled both at the organisational level as well as at the human level - the latter aspect seems to have been completely ignored in most of the Super Bazars in India.

Codification

Stray attempts have been made to give codes to various articles with a view to provide an additional means to exercise check on the goods held under value control system, under which the retail price is otherwise the only means of control.

Purchase Budget

Purchase budgets are not prepared and ad hoc arrangements exist for procurement of most of the goods. Role of the federal bodies has not been very encouraging in such matters either, because of many reasons, largely stemming from lack of cooperation & mutual appreciation between organisations at different tiers.

I have essayed to give a very broad picture of the practices being followed in the vast fields of personnel, sales and inventory management in Super Bazars in India, and may have skipped over, of course without intention, some of the otherwise vital points in these fields. The same may be supplemented by my fellow participants in the seminar.

3. Which part of the programme was relevant to the objective ? Please tick mark your answer.

i) Lectures: Most relevant; Relevant; Not relevant.

ii) Discussions: Most relevant; Relevant; Not relevant.

Please give your suggestions how each or any of these parts can be improved.

4. What alternatives would you suggest in order to establish a link between conditions in the Region and training imparted in Sweden, specifically with regard to the role of the ICA Regional Office and Education Centre in this ?

5. Do you think that there is need for this group of participants to meet again after the seminar in Sweden to discuss and review the usefulness of the Swedish Seminar and also to work out a plan of action with regard to the adaptation and implementation of some of the ideas and innovations you have observed in your study in Sweden ?

6. Any other criticism, comment or suggestion ?