



Co-operatives

A Better Business Model: Emerging Opportunities

A seminar organised by the ICA Committee on
Co-operative Research for Asia-Pacific



International Co-operative Alliance
Asia-Pacific

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Cooperative Research Committee (Asia & Pacific)

"Co-operatives A Better Business Model: Emerging Opportunities"

1st Meeting
22nd - 24th October, 2009, FMDI, Gurgaon (INDIA)

CO-OPERATIVES

**A Better Business Model:
Emerging Opportunities**



**International Co-operative Alliance
Asia and Pacific**

**CO-OPERATIVES
A Better Business Model:
Emerging Opportunities**

November 2009

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Foreword

I have great pleasure that the ICA Committee on Co-operative Research for Asia-Pacific have organized a Two-day Seminar on “Co-operatives, A Better Business Model: Emerging Opportunities” at IFFCO’s Fertiliser Marketing Development Institute (FMDI), Gurgaon, 22-24 October, 2009.

Research has been and is of vital importance for the functioning of co-operative organizations. This is all the more so in the current economic crisis engulfing the whole world. Co-operatives have proved again that the Co-operative Model of Business is probably the only alternative to corporate sector surviving in the complex problems and difficulties faced by all business organizations.

I am aware that Research activities were continuing in the Asia-Pacific region since a long time, in some form or the other.

In 2000, a group of researchers in the region have got together and organized the first Co-operative Forum in Singapore, with active involvement of the late Mr. Madhav Madane, formerly working for ICA Asia-Pacific, and Mr. Akira Kurimoto of JCCU, Japan. This Co-operative Forum was followed by others in Cebu, Philippines (2002), Chiangmai, Thailand (2004), Colombo, Sri Lanka (2006), and Hanoi, Vietnam (2008).

During and after the Research Conference in Colombo, the researchers who were associated with the Forum felt the need for setting up a proper Committee for Co-operative Research under the ICA Regional Assembly. I had discussions with the late Mr. Madane and Mr. Kurimoto. This Committee was officially approved and set up at the ICA Regional Assembly held in Hanoi, on 5th December, 2009.

I am glad to note that Dr. G.N. Saxena of IFFCO, India, was unanimously elected as the Chairperson of this Committee, while Mr. Akira Kurimoto was elected as the Vice Chair. Mr. P. Nair was entrusted to provide secretarial support to the Committee and function as its Secretary.

While there was no specific activity since its inception in December, 2008, Dr. Saxena felt that the Committee should have some activity during 2009 and hence organized this two-day Seminar and a meeting of the Committee thereafter. It is heartening to note that a large number of participants, almost 50, participated at this Seminar.

The ICA and co-operative researchers in the Region greatly appreciate the support given by Dr. Saxena and IFFCO for this activity.

I am sure the researchers in this Region and elsewhere and organizations involved with co-operatives and their leaders, would find this Report useful, especially in view of the forthcoming Research Conference in China in conjunction with the next Regional Assembly.

This report would provide details on the discussions at the Research Seminar, its Programme, the presentations made at this Seminar and details of the interaction among the researchers, who were the participants of this Seminar and will prove to be a valuable resource for further research activities.

Shil Kwan Lee
Regional Director, ICA- AP
New Delhi

Message by

Surinder Kumar Jakhar

Chairman, IFFCO and Member, ICA Global Board

It gives me great sense of relief to learn about the 1st Seminar on 'Co-operatives, a Better Business Model: Emerging Opportunities for Co-operatives' under the aegis of newly formed ICA AP Research Committee lead by Dr G.N. Saxena, Director Co-operative Development, IFFCO.

We all know the globalization started with idealism and ambition. Idealism without ambition normally doesn't achieve much and on other hand, ambition without idealism becomes dangerous. The need of the hour is to combine the two in the right proportion, to have the best of the years to come. The task before the researchers is stupendously high and the role of researchers is extremely important in presenting feasible options before co-operatives to perform better and earn laurels.

The Year 2009 is gradually proving to be most difficult year in terms of finding exit strategy from the economic meltdown. The world is really passing through a difficult time and more so, the developed world.

The impact of the financial crisis is felt by the developing economies as well. Growth is slowing down in all these countries. Growth rate in current year is much lower than the previous year. Prospects for 2010 do not appear to be better. While most of 2008 escaped from the impact of global recession, but in 2009 the impact is visible and palpable.

Economic meltdown has shattered the dreams of billions of small investors who yearn to earn legitimate returns on their investments and be the proud partners in the process of globalize capitalization, that was all pervasive until 2008 over and above the socio political premise of the world.

What is most disturbing is the plight of small investors and producers. Due to shrinkage of demand size in the markets, the small investors and producers have been left with no other option but to add on to their economy of scale in a legitimate and institutional form.

There can not be any denial of the fact that the cooperatives at this critical juncture

must advocate and prove the values that distinct them as the guardians of real socio-economic growth. The time has come when cooperative practices must be understood and practiced in both conventional and non-conventional sectors so as to insulate the micro-economic development from the ills and evils of liberalized market economy.

The challenge is huge but the question is how to deal with this challenge. The value and significance of cooperatives is required to be seen in its true historical form and actionable steps have to be planned conforming to the socio-cultural aspects of the target communities.

The cooperative ideology can not be seen in isolation rather it has to become an integral part of the social norms that the local and global communities embrace as a part of the habit than the imposed conditions.

I call upon the academicians, thinkers and co-operative executives and researchers to look into the systemic peculiarities of co-operatives and suggest strategic choices both at the level of co-operatives and governments to serve the cause of billions aspiring to get benefited from the co-operative ideological advantages.

I congratulate the Regional Director of ICA Asia Pacific together with his team in the office and the Office Bearers of ICA AP Research Committee in timely organizing such a relevant seminar. I wish the seminar every success in drawing the strategic framework in the larger interest of the co-operative movements in the region.

Surinder Kumar Jakhar
Chairman IFFCO and
Member, ICA Global Board

Preface

In 2000, a group of researchers in the region have got together and organized the first Co-operative Forum in Singapore, with active involvement of the late Mr. Madhav Madane, formerly working for ICA Asia-Pacific, and Mr. Akira Kurimoto of JCCU, Japan. This Co-operative Forum was followed by others in Cebu, Philippines (2002), Chiangmai, Thailand (2004), Colombo, Sri Lanka (2006), and Hanoi, Vietnam (2008).

I have been associated with the activities of this Research Forum for some time. During and after the Research Conference in Colombo, the researchers who were associated with the Forum, felt the need for setting up a proper committee for co-operative research under the ICA Regional Assembly. I had discussions with the late Mr. Madane and Mr. Kurimoto. This Committee was officially approved and set up at the ICA Regional Assembly held in Hanoi, on 5 December, 2009.

The Research Conference at Hanoi, Vietnam, unanimously elected me as the Chairperson of this Committee, while Mr. Akira Kurimoto was elected as the Vice Chair. Mr. P. Nair, who was involved the activities of Research Conference since its inception was entrusted to provide secretarial support to the Committee and function as its Secretary.

While there was no specific activity of the Committee since its inception in December, 2008, I felt that the Committee should have some activity during 2009 and hence ventured into organizing this two-day Seminar and a meeting of the Committee thereafter. It is heartening to note that a large number of participants, almost 50, participated at this Seminar. I was also happy to note that participants from Thailand, Mauritius, UK and Nepal, apart from researchers in India, participated at this Seminar.

The Seminar had key note presentations from learned academicians and co-operative researchers like Mr. J.N.L. Srivastava, Dr. L.K. Vaswani and Mr. Christopher Imbsen from UK. Mr. Rajiv Mehta, Deputy Regional Director, ICA Asia-Pacific, was a great support to me in this activity. Apart from providing logistical support, he also kindly provided a key note address at one of the sessions and moderated the last session, which had open house discussions.

A large number of participants like Dr. Ratana Pothisuwan from Thailand, Dr. Lourdes Wilson from Coimbatore, Mr. B.M. Acharya from Nepal, Mr. Sanjay Kumar Verma,

NCUI, Mr. Mohan Mishra, Ms. Veena Nabar, Mr. A.K. Tiwari from India presented papers and discussed various research topics.

Dr. G.C. Shrotriya, Dr. Daman Prakash, Dr. S.L. Tripathi, Prof. A.P. Kansal, Dr. T. Paranjothi, Dr. Veena Nabar and several others spoke in the open session on 24th October, 2009. Dr. Ratana Pothisuwan, Ms. Veena Nabar, Mr. K. Bhurath (Mauritius) chaired the technical sessions.

I am thankful to Mr. Shil Kwan Lee, Regional Director, ICA, Asia-Pacific and Ms. Anita Manchanda, Chief Executive, NCUI for participating at the Inaugural Session and the first technical session on 23rd October 2009. I also take this opportunity to specially thank Mr. Rajiv Mehta for his involvement, enthusiasm and support he provided. Dr. S.P. Singh, the Manager of FMDI, Gurgaon and his staff, Mr. P. Nair, the Secretary, my own staff members from IFFCO, New Delhi (Mr. S.C. Jain, Mr. Girish Sharma, Mr. Antesh Kumar, Mr. Ajay Gupta) and all participants of the Seminar for providing complete co-operation and support.

I am especially thankful to Dr. G.C. Shrotriya and Dr. Daman Prakash for compiling this report. The infrastructure and financial support provided by IFFCO has helped us in organizing this event successfully. I look forward for a greater involvement of ICA Member organizations, Universities, Researchers and practicing Managers of cooperatives in the Asia-Pacific region to lend their support in strengthening the work of the ICA Research Committee.

Dr. G.N. Saxena
Chairperson,
ICA- AP Research Committee

Programme

22.10.2009 (Thursday)

1500 - 1700 hrs. Meeting of the Steering Committee

23.10.2009 (Friday)

0830 - 0930 hrs. Registration

1000 - 1100 hrs. Inauguration

Welcome by Chairman of ICA AP Research Committee
– Dr. G.N. Saxena

Greetings from NCUI by the Chief Executive, NCUI
– Ms. Anita Manchanda

Inaugural Address by the Regional Director ICA-AP
– Mr. Shil Kwan Lee

Briefing about the Conference by the
Dy. Regional Director, ICA-AP
– Mr. Rajiv I.D. Mehta

1130 - 1300 hrs.

Technical Session I

Sub-Theme: Co-operative Values as a Competitive Advantage in Open Market Economy.

Chairperson: Dr. Ratana Pothisuwan, Maejo University, Thailand.

Key-note Speaker : Mr. J.N.L. Srivastava, Formerly the Secretary Agriculture, Govt. of India and Executive Trustee, IFFCO Foundation.

Contributions by Researchers:

1. **Ms. Sudha K.**
2. **Dr. Rekha R Gaonkar**
3. **Mr. Sanjay Verma**

1400 - 1530 hrs

Technical Session II

Sub-Theme : Emerging Opportunities for Cooperatives in Development of Successful Business Models.

Chairperson : Mr. Bhuruth Khemraj, Chairman, MCAF

Key-note Speaker : Dr. L.K. Vaswani, Pro. Vice-Chancellor, KIIT School of Management (KSOM) & KIIT School of Rural Management (KSRM), KIIT University, Bhubaneswar.

Special Presentation on Tourism Promotion through Coops

– **Mr. Christopher Imbsen, UK**

Contributions by :

– **Mr. Mohan Mishra, NCUI.**

1600 - 1730 hrs.

Technical Session III

Sub-Theme : Policy Considerations for Governments to Make Cooperatives Market Leaders.

Chairperson : Ms. Veena Nabar

Key-note Address : Mr. Rajiv I.D. Mehta, Deputy Regional Director, ICA Asia Pacific.

Contributions by :

Dr. Ratana Pothisuwan, Meajo University, Thailand

24.10.2009 (Saturday)

0930 - 1100 hrs.

Technical Session IV

Open House Discussions on the main theme of the Seminar

Prof. S. L. Tripathi & Dr. X. Lourdes Xavier Wilson

Moderator : Mr. Rajiv I. D. Mehta, Dy. Regional Director, ICA Asia Pacific, supported by Mr. P. Nair.

Concluding Meeting of the ICA-AP Research Committee

1130 – 1300 hrs.

Local Sight seeing.

**International Cooperative Alliance Asia-Pacific
First Meeting of the ICA Research Committee
and Research Seminar
October 22-24 2009**

Highlights and Recommendations of the Seminar

The Research Committee of International Cooperative Alliance-Asia Pacific (ICA-AP) in collaboration with Indian Farmers Fertiliser Cooperative Limited (IFFCO) organized the Seminar on 'Cooperatives - A Better Business Model : Emerging Opportunities' from October 22- 24, 2009 at IFFCO's FMDI, Gurgaon, Haryana. The Seminar started with lighting lamp, invoking enlightenment and wisdom. The Chief Guest, Mr. Shil Kwan Lee, Regional Director, ICA Asia Pacific on this occasion said that the cooperatives have by and large remained unaffected by the global economic crisis, which otherwise has severely affected the investor owned corporate structures. He mentioned that in India AMUL, IFFCO, NCCF, Cooperative Banks and state level cooperatives have continued to achieve high level of business turnover and profits. The cooperative business model being members-owned, member-controlled and service-oriented in nature certainly deserved to be a preferred form of economic models in the context of moral crisis of capitalism. He also informed the delegates from five countries about the decision of UN to declare year 2012 as Year for Cooperatives.

Dr. G.N.Saxena, the Chairman of Research Committee of the ICA-AP and Director, IFFCO, urged the cooperative fraternity to give priority to cooperative research and studies in the region so that the cooperatives could add on to their strength and become more competitive in the era of globalization. ICA-AP Research Committee will look into the problem areas, issues and suggest feasible solutions to overcome these challenges. He welcomed the delegates of the Seminar and urged for the networking among the researchers. He also pleaded for provision of adequate funding for research projects.

Mr. J.N.L. Srivastava, Ex. Secretary, Agriculture, Government of India, delivered the key-note speech on the theme of the seminar and dwelled upon the values that cooperatives adhere to in terms of developing human capital that remains one of the biggest challenges before societies at large.

On this occasion a book "Indian Dairy Cooperatives" authored by Dr. R.S. Khanna,

Formerly working with the National Dairy Development Board, was also released.

Mr. Rajiv I.D. Mehta, Dy. Regional Director, ICA-Asia Pacific, presented the recommendations of the Eighth Ministers' Conferences on Cooperative Policy & Legislation and laid emphasis on the need of an enabling policy environment to make cooperative legislation more effective, clear, simple and crisp.

The Technical Sessions of the Seminar deliberated on the following three Sub- themes:

1. Co-operative Values as a Competitive Advantage in Open Market Economy.
2. Emerging Opportunities for Cooperatives in Development of Successful Business Models.
3. Policy Considerations for Governments to Make Cooperatives Market Leaders.

In every session there was a key note speaker who was followed by various presentations. Presentations made by experts were of high quality which made the sessions very interactive. The presentation made by Dr. Ratana Pothisuwan, Maejo University, Thailand, was very much appreciated, as Thailand's Cooperative Research model involving different cooperative wings – Cooperative Promotion Department, Cooperative Auditing Department and Cooperative League of Thailand. Maejo University provided interlinking strength and suggested ways of improving functioning of cooperatives.

The deliberations at the seminar resulted in following recommendations.

1. Cooperatives need to showcase their strength by sharing success stories of successful cooperatives to gain confidence of the stakeholders and policy makers.
2. ICA and National Cooperative Federations should institute an Award for the best research papers on cooperatives in different sectors.
3. Community Media to be made more pronounced and directional.
4. Cooperatives need to communicate more effectively with the primary members by using latest communication modes like Mobile Telephone through SMS, Voice messages for illiterate and visually impaired.
5. The students in school and colleges must be given hands-on experience on cooperatives as it would help build the social capital of the country. The course curriculum of the school and college should include Cooperative Values, Principles, Operations etc.
6. The meeting of the Research Committee should be held every year to learn from the research studies.
7. Cooperative and educational institutions need to be research and development-oriented.
8. There is a need to have a data bank of cooperative activities in the region. The research institutes and researchers on Cooperatives should also be identified.
9. Use of information technology for researchers a website/blog/e-journal should be created.
10. A Research Screening Committee in ICA-AP Research Committee should be set-up to evaluate research papers and recommend their publication/circulations.
11. Since research is a continuous and long-term process, the seminar recommended a permanent secretariat for the research committee in ICA-AP.

Welcome Speech by Chairperson, ICA-AP Research Committee

Dr. G.N. Saxena

I wish to welcome all the participants who have been able to join in this research seminar on “Co-operatives, A Better Business Model : Emerging Opportunities”, to IFFCO’S training centre (FMDI) at Gurgaon. I particularly wish to welcome delegates from other countries who have joined us in this activity.

Giving apt direction to cooperative movement has been on the uppermost mind of the cooperators. Therefore, the co-operative research has been gaining significance with Co-operators, Scholars, Academicians and others all over the World and Asia-Pacific is no exception. A large number of Co-operative researchers are devoting their time and efforts to identify problem areas and solutions for these problems in the Co-operative context.

With this view, a group of co-operative researchers got together under the late Mr. Madhav Madane and Mr. Akira Kurimoto and organised the First Co-operative Research Conference in the region in Singapore during 2000. Since then, research conferences were held in Cebu, Philippines, Chiangmai, Thailand, Colombo, Sri Lanka and Hanoi in Vietnam. All these conferences were held in conjunction with the ICA’s regional assemblies in various countries of the region.

During and after the research conference in Colombo, Sri Lanka, the researchers impressed upon ICA Asia & Pacific that a separate committee set up for “Co-operative Research” in the region. With this view, some of the researchers, including the late Mr. Madhav Madane, had worked on developing an appropriate constitution for such a committee. This matter was further discussed with the ICA regional director and the regional office. To culminate these efforts, the ICA regional assembly held in Hanoi, Vietnam has officially approved the setting up the ICA committee on co-operative research for Asia and the Pacific. This committee came into existence on 5th December, 2008.

The committee wishes to involve Co-operative Leaders, Academicians, Researchers, Practitioners and likeminded people in the activities of the committee, which is basically research into matters and issues pertaining to Co-operatives. More than 65 individual

researchers have joined the committee as its members. In addition, the member organisations of the ICA in the region can also nominate their representatives to the committee for its Conferences, Seminars and Meetings.

Since the committee is in its formative stage, I thought it necessary that the committee holds this seminar to stimulate the minds of researchers and help us draw our strategy synchronising with the need of the hour and also the global strategy of ICA. It was in this background that this research seminar has been organised. Due to a number of reasons, we were compelled to postpone organising of this seminar and possibly due to this fact, the number of participants at this seminar is not very large as expected.

However, I am happy to note that more than 45 researchers from India and various other countries like Thailand, Mauritius, Philippines and Nepal have been able to participate in this seminar.

We have also been able to involve a number of well known resource persons to present their views to us. I am encouraged by the gracious presence of Mr. JNL Shrivastava, Mrs. Anita Manchanda, Mr. Vaswani, Mr. Bhurath from Mauritius, Mrs. Ratana from Thailand, Mrs. Nabar & My friends from NCUI & NCDC present here. I hope the participants will be able to gain valuable insight into contextual issues before Co-operatives, their working, their problems and possibly solutions for these problems.

As I have mentioned earlier, the theme for this seminar is “co-operative, a best business model: emerging opportunities”. We have identified 3 sub-themes, which are:

- Co-operative Values as a Competitive Advantage in Open Market Economy
- Emerging Opportunities for Co-operatives in Development Successful Business Models.
- Policy Considerations for Governments to make Co-operatives Market Leaders.

Dr. JNL Srivastava, a well known co-operator and managing trustee of IFFCO Foundation would talk on sub-theme one, while Prof. L.K. Vaswani of Kalinga institute of Rural Management will talk on sub-theme two. Mr. Chris Imbsen will add value to this sub-theme with his speech on tourism Co-operatives. Rajiv Mehta will cover sub-theme three.

I also anticipate a number of participants will make presentations on these sub-themes and with the Presentations, Interventions, Question and Answer Sessions and Open Discussions, we will be able to substantiate our view that Co-operatives are a Better Business Model in the Current Crisis-Ridden Economy of most of the countries. Highlighting various emerging opportunities will certainly add value to co-operative businesses and for co-operative development.

I appreciate the support of International Co-operative Alliance, Asia-Pacific in supporting us in this activity. I am thankful to Mr. Shil Kwan Lee, the regional director and Mr. Rajiv I.D. Mehta, the deputy regional director for their presence and support.

A number of my own colleagues and staff at IFFCO has been instrumental in making excellent arrangements for this conference and I wish to thank one and all of them. Mr. P. Nair has been acting as the secretary to the committee since its inception, though Mr. Nair was involved with all previous research conferences.

I appeal to the participants to actively participate in the deliberations at this seminar and contribute your valuable thoughts, exchange views and come out with concrete suggestions which would be useful to all concerned.

My colleague, Mr. S. P. Singh is In-charge of this Institute. He has very ably assisted me in Crystallising & Finalising various arrangements. In case anyone of you needs any sort of assistance, please contact Mr. S. P. Singh and I am sure he will be able to resolve the same.

I wish all of you a successful research seminar and wish the outstation participants a comfortable stay at FMDI.

Inaugural Address by Mr. Shil Kwan Lee

Regional Director, ICA Asia Pacific

In the present context, there are big opportunities for the cooperative movement. The opportunity for development comes from new markets that are based on new needs of consumers. In many sectors, cooperatives are able to do what multinationals don't do and rather cooperatives do it better than multinationals.

Innovation is an essential feature of the Co-operative Movement because "movement" means consistent innovation and "cooperative" means an economic model based on cooperative and ethical values convulsing with competitive spirit.

The ethical behavior of cooperative leaders, members and managers translates thinking into action through a futuristic vision installed on local and global perspectives thereby recognizing wishes and expectations of stakeholders and involving them in the process of change and development.

The cooperators must consider values as the true leaders of the co-operatives that strengthen their usefulness for members and society and ensure the loyalty of stakeholders through a strong sense of ethics and integrity. Cooperatives spread the culture of solidarity. The co-operative values and principles at the roots inspire the dreams and needs of people throughout the world enabling them to live in harmony with others and with nature. The co-operatives as such prove to be the best suited form of enterprises in facing the problems of present times, both in developed countries as well as in developing ones.

Co-operatives undoubtedly are idealistic forms of business enterprises. The world, we all know, cannot manage its contradictions without co-operation and collective coherent actions, fundamental aspects of cooperatives. To realize this, we must be using all emerging opportunities for development through cooperation guided by a well coordinated research work.

In order to position cooperative enterprises as preferred forms of business models we must propagate cooperative values & principles, launch special camps to mobilize funds to make advertisements in leading channels of television, educate general public about the benefits of cooperatives, try to persuade politicians and governments to impose cooperative legislation, ask governments to formulate new policies on

development through cooperatives and incorporate management capacity building as an integral part of the cooperative development policy.

The ICA AP Research Committee though has a big mandate but I am confident that the leadership of IFFCO will steer it through difficult times and help serve the interests of billions in the network of ICA across the Asia Pacific region.

Briefings on the Research Conference

Rajiv I.D. Mehta

Dy. Regional Director, ICA-AP

1. How to institutionalize research in cooperatives?
2. How best coops could contribute in faster recovery from the economic crisis?
3. Updated database of cooperatives is a pre-requisite to operational research. How to build authentic database?
4. How to make cooperative a house hold name without aggressive marketing?
5. How cooperatives business could be more beneficial to both the members and customers?
6. How to sensitize leaders, managers and government officials about the ideological commitments required in promoting cooperatives?
7. Identify the relationship factors between officials and non-officials.
8. How to convince co-op managers, members and leaders about their duties and responsibilities?
9. How to fund the research activities in cooperatives?
10. Ways and means to connect academicians, executives and government officials in the larger interests of community at large?
11. How to motivate leading NGOs and Civil Society Organizations to promote co-operatives through their interventions and projects?



Lighting of Lamp at the inaugural session. Seen in the photo are (l to r) Dr. G.N. Saxena, Ms. Anita Manchanda, Mr. Shil Kwan Lee, Dr. Ratana Pothisuwan, Mr. K. Bhurat and Mr. B.M. Acharya.



Dr. G.N. Saxena welcoming Mr. Christopher Imbsen.



Release of the book on 'Indian Dairy Co-operatives' authored by Dr. R.S. Khanna. Seen in the picture are (l to r) Ms. Anita Manchanda, Dr. G.N. Saxena, Mr. Shil Kwan Lee and Dr. R.S. Khanna.



Dr. G.N. Saxena welcoming Dr. JNL Srivastava.

Technical Session I

Co-operative Values as a Competitive Advantage in
Open Market Economy

**Cooperative Values as a
Competitive Advantage
in Open Market Economy**

JNL Srivastava
Managing Trustee, IFFCO Foundation

The Key words are:

Cooperation
Cooperative Values
Competitive Advantage
Open Market Economy

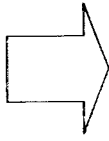
DEFINITION OF A COOPERATIVE
[Statement of Cooperative Identity-1995]

*“A cooperative is an autonomous
association of persons united
voluntarily to meet their common
economic, social and cultural needs
and aspirations through a
jointly-owned and
democratically-controlled
enterprise”*

Essential Components of the Statement

Autonomous association of persons;
 United voluntarily;
Meeting social, economic & cultural needs;
 Through joint action;
 Democratically;
 Business enterprise

COOPERATIVE VALUES



“Cooperatives throughout the world share assets of values that give them their distinctive character”

[A] Cooperative Values
SELF-HELP; SELF-RESPONSIBILITY;
DEMOCRACY; EQUALITY;
EQUITY; SOLIDARITY

[B] Ethical Values
HONESTY; OPENNESS;
SOCIAL RESPONSIBILITY;
CARING FOR OTHERS

PRINCIPLES OF COOPERATION
[Values are the Foundations]

Voluntary and Open Membership
Democratic Member Control
Member Economic Participation
Autonomy and Independence
Education, Training and Information
Cooperation among Cooperatives
Concern for Community

**The
Cooperative Movement
is a significant sector
of the World Economy**

[A] Cooperatives in the World

1.1 billion Members;
100 million Employees;
Employs 20% more people than all
the multi-nationals combined;
Over US\$1 trillion worth output;
10th largest economy in the world.

[B] Cooperatives in India [2004-05]

585,000 coops; 242m members;
Covering 71% households & all villages;
38% agri-credit disbursed thru coops;
35% fertiliser distributed;
27% fertiliser produced;
46% sugar produced;
45% ice-cream market share;
64% warehousing capacity.

**Indian Cooperatives are
World's largest**

Milk producers;
Chemical fertiliser producers
and distributors;
Agricultural credit suppliers;
Largest education
and training network

[C] 3-Icons of Indian Cooperatives

-Dairy Cooperatives
-Sugar Cooperatives
-Fertiliser Cooperatives

**INDIAN COOPERATIVES'
PROGRESS SPECTRUM**

- Established by farmers with government assistance;
- Accessed foreign collaborative resources and technology;
- Institutions based on cooperative/ethical values and local traditions

**Participation
leading to increased income
of members**

**Participation
helped in gathering views,
opinions, suggestions and
recommendations leading
to increased and objective
business development**

**Adherence to values
and principles generated
goodwill, market leadership
and acceptance by users**

Reinforcement of Values

**Fair, Free & Timely elections;
Timely audit and general meetings;
Responding to members' aspirations and needs;
Diversification of Business;
Member awareness;
Professionalisation;
Dedicated honest leadership;
Level Playing field for cooperatives.**

OPEN MARKET ECONOMY [COMPETITIVE ECONOMY]

**Freedom to engage in business;
Free movement of goods and services;
Rule-based systems of controls;
Trade regimes;
Environmental considerations;
Quality, Safety, Availability;
Reasonable prices;
Niche areas for cooperatives;
Large institutions vis-à-vis small producers.**

Limitations of Open Market Economy

**Free Trade is NOT actually free;
Globalisation generates monopolies
in distribution network;
Inequalities in growth and Income distribution;
Widens gap between sections of society
in developing and developed world.**

**Coop Values have an edge over
free market economy due to strength
of value system;**

**Help develop the concept of self-help
to ensure inclusive growth;**

Reduce gaps in income levels;

Encourage fair practices;

Ensures transparency in business;
Bubbling effect is minimised;
Prevent economic crashes;
Business and social goals
are sustainable;
Help steer through market shocks.

For harnessing competitive advantage and maintaining cooperative values and cooperatives to play desired role:
attention needs to be paid to micro-economic policies and governance;
Involvement of progressive policies, investments and institutional reforms aiming at efficiency-enhancing reforms, access to technology, infrastructure, education, human capital development, and growth.

Thank You

Cooperative Values and Principles as a Competitive Advantage – Some issues

Dr. Sudha K.

Besant Women's College, Karnataka, India

1.0 Introduction

The current economic and financial crisis, the environmental crisis, the jobless growth, the social crisis like poverty, health and education, the consequent fragmentation in the society, loss of public confidence in institutional framework - all these have posed challenges and opportunities for the cooperatives to establish their credibility and identity as a major instruments of development. It is time for the cooperatives to revisit the values and principles and understand them, so as to know whether cooperatives are a just a form of organization? or practically relevant for an effective development in the contemporary society. Members are the means to achieve the aims of cooperative values (Böök, 1989). There is a need for the cooperatives to demonstrate the practical and functional implementation of the values in terms of increased member participation and member education to win the peoples' confidence in the Peoples Movement. Only then they can lever the competitive and comparative advantage in the open market economy.

2.0 Methodology

This study is descriptive and exploratory in nature and is based on the empirical survey conducted during 2006-2009 (April). Both primary and secondary sources of data are used in the study. The study is confined to the primary cooperatives working in different sectors in five different States in India. The States are: Maharashtra, Andhra Pradesh, Goa and Karnataka. Multi-stage stratified random sampling is used for selection of area, sectors and units.

2.1 Objectives

1. To locate a member in a cooperative context vis-a vis a shareholder in the corporate context.

2. To discuss the qualities to be possessed by the members, as set by the cooperative values.
3. To analyze how member education and information, as one of the principles, is being implemented in cooperatives.
4. To suggest measures for effective member education and information in primary cooperatives.

3.0 Locating a member in a cooperative context vis-a vis a shareholder in the corporate context.

A member in a cooperative holds a very distinct, virtuous position in his organisation, as compared to a shareholder of a joint stock company. This is due to the nature and the objectives of cooperation and the underlying principles and values that govern its functions. They differ in their outlook, attitude and their mission. The members in a real sense are those who have a need and make appropriate use of the service rendered by the society to meet their needs. They link their interest to the utility of services offered by their cooperatives. But the corporate shareholder's outlook is equity centered. Their interest is limited to the extent of market value of the shares, dividend and other economic benefits. Payment to share capital is the title to membership in a company, whereas participation in the business of a cooperative by the use of service is the title to the membership in a cooperative (Dubhashi, 1970). Thus the "bond between shareholders and their companies is of cash nexus" as their main motto is to gain by investment (Watkins, 1967, p.89). In cooperatives, it is the bond of fellowship and community sentiments that binds people together on the premise of mutuality.

Members view their cooperatives not as a mere business entity. They consider it as an idealistic form of an institutionalised solution for their socio-economic problems as well as for their productive and behavioral deficiency. It is a means to express their democratic spirit. The distinct identity of members emerge from the fact that, they should nurture cooperative values and principles, which are of unique kind and are unseen in any other forms of economic organisations existing on the earth. They should accept the idea of open membership to all, who cooperate sincerely and approve the condition of holding shares of par value and have no proxy voting. They should agree to the pro rata return of net savings according to the amount of patronage (Bogardus, 1960).

In a cooperative domain, the members are not mere shareholders or users but owners of the whole organisation with the right of equality and democracy. One member one vote, instead of one share one vote in other companies, reinforces the idea of democratic control, whereby member users are bestowed equal rights of voting, participation in decisions and equal right of control over the collective assets (Krishnaswami, 1978). This is the essence of cooperative democracy, which is distinct from corporate democracy, whereby shareholders are neither treated as equals nor do they enjoy equal rights in exercising control. The shareholders acquire control by capital and the members of a cooperative gain control for just being human beings. If the former engenders conflicts, strife and acquisitive tendencies, the latter eliminates them. The members of a cooperative group together not to foster their self-interest, for they know it will not form a cooperative but form a cartel (Lambert, 1963). Thus, it is the primacy

of members over capital that makes the cooperative an unparalleled economic organisation in the world.

The members of cooperatives are not a class apart. They are men and women with all the frailties, common to human nature. When members join cooperatives they take into the Movement all the prejudices, habits and inhibitions ingrained in them throughout their lives (Fowler, 1947). The practice of cooperation through self-help and mutual help teaches members to do things on their own for themselves. They get trained in the course of self-administration, direction and control of its affairs. It helps them to shape their own economic life, meet social aims and welfare (Casselmann, 1952). Hence members are the masters of their own destiny. The progress of the members thus hinges on how well members maintain their relationship with their own organisation and to what extent they involve in the cooperative affairs. But a divorce between the ownership and management in a joint stock company makes the shareholders unaware and disinterested in its internal governance. Moreover, diffused ownership diminishes their spirit of participation. The economic future of the shareholders is thus influenced more by the stock market rather than by their self-effort as in the case of cooperatives.

The foregoing explanation states that the cooperative members should be definitely value based, principle bound and responsibility oriented. The embodiment of these, confer cooperative members a distinct identity, higher status with highest score in global context. Their inbuilt mutuality, ingrained cooperation, solidarity and element of sacrificing self-aggrandisement help them to set a new trail-blazing path in the market economy. It should be remembered that if the cooperatives have flourished down the years and are capable of being an alternative system in the country's economic policies, it is mainly due to the dedication and commitment of the enlightened members and the leaders who have been the backbone of the institution.

4.0 Qualities to be possessed by the members, as set by the cooperative values

"Values, as fundamental beliefs and basic postulates shape human and institutional behaviour, delineate the range and focus of their activities, provide basis for setting operational objectives and policies and are useful as standards to measure the success and effectiveness of results achieved, on the application of efforts and resources"(Taimni, 1993, p.14). The principles define the operational framework, provide purpose, direction and serve as an important yardstick for the performance appraisal.

According to the ICA Statement on the Cooperative Identity (1995), the cooperatives are based on the values of self-help, democracy, equality, equity, and solidarity. Cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others. The cooperative principles are guidelines for the cooperatives to put their values into practice. They are: voluntary and open membership; democratic member control; member economic participation; autonomy and independence; education, training and information; co-operation among co-operatives and concern for community.

Among these set of ideological considerations, cooperative consciousness, democracy and economic participation are identified as essential qualities that a member should imbibe along with the values and other principles mentioned above.

Cooperative Consciousness:

Thorough grounding of members in cooperative fundamentals like values and principles and practice of this basic doctrine is indispensable for the members at all times to play the decisive role of membership. Knowledge of mechanics of working of one's own society, enable them to instill faith in cooperation, to be conscious of their ownership rights, duties and responsibilities and help them judge the potentialities and the superiority of cooperation. Such knowledge help them realise the usefulness of their attendance and voting in the meeting, worth of democratic control and take interest in the election of the committed leaders. In the wake of a new paradigm shift caused by the global changes where the cooperatives have to depend on their own members, imbuing cooperative consciousness among members is found paramount to reposition them with ideological reinforcement (Taimni, 1993).

Democracy:

Democracy represents committed involvement of the members in every phase of cooperative activities in addition to their constructive attendance and intelligent voting in the meeting under the rule of one member one vote. A mere presence of the members in the meeting as a matter of ritual is not a democracy. Democracy affirms the rights and responsibilities of members to be actively involved in various committees, in setting policies, making key decisions and contributing their input in all the cooperative endeavors in terms of discussions, frank expressions, criticisms, suggestions, questions, interactions and concern on cooperative successes and failures. Democracy being the core of 'people's movement' should be practiced in the action, outlook and attitude of the members through participation (Bogardus, 1952; Lamm, 1977; Taimni, 1993; Prakash, 1988).

Economic Participation:

Members join cooperative for joint action, the accomplishment of which depends on both, the association of the people and of capital. In today's competitive market and changed technological scenario, mobilisation of capital has assumed importance to keep the organisation relevant to the contemporary context, attune to the members' changing needs and their intellectual requests. Hence the members should be responsible to invest in the cooperatives according to their capacities, "just as they have the right to benefit from the activities of their cooperatives" (MacPherson, 1995, p.14). Economic participation of the members through contribution to capital, effective utilisation of resources, exercising cautious vigilance to eliminate waste and ensuring qualitative service, participation in thrift and credit system will strengthen the socio-economic base and the competitive power.

5.0 Member Education and Information Initiatives in the Surveyed Cooperatives- An Analysis:

Cooperatives are not a passing phase in the business world. They are here to stay and grow and business should learn to understand them (Miller, 1964). The effectiveness of cooperatives that secures the competitive advantage is based upon how well they

facilitate education and information resulting in the participation of members. Hence an analysis of the implementation of such initiatives at the surveyed societies are made and the glimpses of the same is given below:

Educational efforts was lacking in as many as 86.48% of the societies, thereby depriving the large chunk of members from the opportunities of being enlightened. Study circle techniques that were once experimented on the cooperative floor and orientation courses on cooperative fundamentals, which should have been the regular activities, are isolated events in the surveyed units. Inadequate educational efforts have reflected in poor knowledge of one's own society among the members and the committee members in more than half the sample segment. Awareness of the society is crucial to use its services more productively. But most of the managements (72%) have wrongly perceived their members as cooperative conscious.

However, educational activities are well pursued in 20% of the Agricultural Credit societies, 25% of the Banking/Thrift cooperatives in Andhra Pradesh and 66.66% of the Dairy units in Karnataka. Consequently, cooperative awareness of the members of the aforesaid units was found good compared to the members in the other units. This was evident in the Annual General Meeting of Mulukanoor Women Thrift Society in the State of Andhra Pradesh, where members participated both quantitatively and qualitatively, despite majority of them being illiterate and from the lower social background.

Members of MCRB in Agriculture Credit, Men and Women Thrift Cooperatives at Mulukanoor have been receiving educational inputs through the Cooperative Development Foundation (CDF). CDF is a leading NGO in the Cooperative field in Andhra Pradesh of which MCRB is the founder member and thrift societies are promoted by it. It arranges for regular circulation of pamphlets, talks and seminars with audio visual aids. 40% of the units in Agriculture Credit sector (MCRB and Hulgol) have arranged for cooperative film show during the period under study.

In 60% of the units in Agriculture Credit Sector (MCRB at Mulukanoor in Andhra Pradesh, Tattisar and Hulgol at Sirsi in Karnataka State) education is associated with creativity and innovation'. Members were provided good exposure to modern and scientific methods of cultivation through workshops, exhibition and demonstration reflecting in high productivity and qualitative yield. A budgetary provision was made to meet different contingencies like member welfare, death, charity, culture, education, rural development and environment conservation. Societies have also undertaken research on the farming practices and development through networking with the Universities. The research findings were disseminated to the members through pamphlets, handbooks and publications. The directors of Hulgol PACS visit the houses of members during off-season in every alternate year and conduct informal survey of their socio-economic situation. This gives them an opportunity to understand their needs and problems and enables them to devise business schemes accordingly.

Warana Cooperative Sugar Industry in the State of Maharashtra and MCRB have adopted unique education and training strategies like field education on the farms of progressive farmers, project approaches, demonstration of mechanised process and

access to farming know-how through Internet. Thus the societies have paved the way for the growth of skilled and well informed farmers in their area. They have also provided good exposure to the members on the farming practices of advanced countries through workshops and seminars. Eminent resource persons from abroad are also invited and the farmer members are provided good network of interactions.

Management executives of Handattu, Karkada, Dharmasthala and Idkidu Milk Producers' women cooperatives in the State of Karnataka have been the catalyst in the rural transformation and successful in flooding the white revolution in their area. Continuous dairy extension activities, formation of self-help groups of the members and creation of income generating avenues have provided a forum for their regular participation and glued members to their cooperatives. Activities for creating general awareness are on the rise. Contemporary topics like gender, human rights, legal awareness and AIDS awareness have gained priority.

Educational initiatives to provide all support to keep the women members bond with the Potters cottage industrial cooperative at Puttur in the State of Karnataka are really laudable. This has tremendously improved their sales of modern terracotta products and women members zealously strive for the growth of their cooperatives. Some of the sample cooperatives in the Producer/Marketing sector (Rubber Producers and Honey Producers' Society) in the State of Karnataka have cashed in on the opportunities provided by the Khadi and Village Industries Board to provide unique services aspired by the members. Bhagini Nivedita Sahakari Bank in the Banking sector in the State of Maharashtra has been the pioneer in conducting entrepreneurship development activities for the women, which is unique of its kind in the cooperative banks.

Efforts in building information outlets are found to be meagre. The poor often lack access to information and support services that would directly help to increase their income in their existing production activity (Ahluwalia, 1990). On the information front, most of the units (95%) have resorted to the common tools like business circulars/notices for conveying their messages to the members, which are usually stuck to their notice boards. However, as an exception to this, Warana Wired Village Project, evolved by Warana Cooperative Sugar Industry, give ample opportunities for the farmer members spread in 82 villages, to have an easy access to pertinent information through computer networking nodes. It is a benchmarking in communication and first of its kind in Asia in the cooperative sector.

'Madhu Prapancha' (Honeybee Keepers Society), 'Grahakhith' (Grahak Peth Consumer Departmental Store) and 'Bagayatdar Vartha' (Goa Bagayatdar Sahakari Kharedi Vikri Marketing Society) are the three enlightening monthly bulletins being published by the units. Handbooks, that highlight annual review of the activities and their achievements, have gained importance in few societies (29%) representing Producer/Worker, Consumer and Agricultural Credit Sector. In 10.81% of the sample units, the management review suggestion letters periodically and take necessary actions. A committee involving ordinary members is deployed only in 5.40% of the societies to collect overdue and disseminate information on the business plans. It is distressing that the Annual Report is the only tool of providing information that exists in many societies (67%), as it is the statutory condition to be fulfilled before the Annual General

Meeting. Member relation sessions, regular informal dialogue with members and formal or informal two-way communication channels are notably absent in majority of the surveyed societies.

6.0 Suggestions

1. Cooperative Values and Principles need to be followed in letter and spirit in all the operation and functions of cooperatives. They should be the guiding dictum and the parameter to evaluate the cooperative governance.
2. Cooperative education, training and information should be conducted regularly at the Primary cooperatives. Budgetary provision should be made for the purpose and should be expended towards the cause. It should be conducted not as top-down approach as it is in vogue today but at the respective unit itself.
3. Investment on the member education and information should be ratified as an essential investment and integrated support of the Government and the Cooperative Department is paramount for the smooth implementation of the same.

7.0 Conclusion

The democratic base, educative and participatory culture for the collective action of the members with the inherent values and principles, has helped cooperatives achieve comparative advantage in the current competitive environment. This is evident in India that even in times of economic slowdown cooperatives are surging ahead in the trajectory of growth. With the democracy, development and distributive strategies cooperatives can salvage the lives of millions of have-nots (Iyer, 2008). Cooperative is the only form of Business Model that can function in any kind of economic or political system (Puri, 1979). What is required is organizational commitment to uphold the cooperative ideology and to instill the same amongst the members through education and information that will achieve meaningful and long lasting results. Only then cooperative can steer its course to its rightful destination, as a coveted centre of business excellence and hub of social entrepreneurship.

Importance of Value Education in Schools: A Competitive Advantage for Cooperatives

Sanjay Kumar Verma

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Introduction

Jawahar Lal Nehru, the first Prime Minister of India, had a vision to convulse India with cooperatives. If adequate efforts were taken to concretise his vision then cooperatives today would have been the key players of our economy. Besides, the concept of cooperatives would have strengthened the values in our society. However, today cooperatives have to struggle hard in the modern economy to make their presence felt. Leave apart the political and administrative factors which hindered the growth of cooperatives through various phases, lack of serious policy initiatives in popularising the cooperative concept has been a key factor which has hindered full development of cooperative potential in the country.

Present Scenario

The recent economic recession has shown that cooperatives have been least affected by the vagaries of modern economy. Similarly, although the policy initiatives of the government in the recent times have shown bias against the cooperatives in the formulation of policies, the economic recession has clearly shown that the cooperative principles and values are the strengths of cooperatives which have enabled them to survive the rigours of economic recession. The democratic base of cooperatives with a strong value orientation can be a strategic advantage as compared to organizations which are purely dictated by profit considerations, and which show cracks when the danger signs appear due to pressures of modern economy. The message is very clear that it is high time to identify those areas where cooperative principles and values can be used as a an effective tool to spread cooperative ideology so that those who are sensitized in cooperative values can take initiatives to form cooperatives so as to solve the socio-economic problems of our country.

Inherent Strengths of Cooperatives

Cooperatives are unique organizations which are controlled by members who form a cooperative to improve their socio-economic condition. Unlike private bodies cooperatives are not driven by purely business or profit motive. Cooperatives nurture the values of self-help, equality, equity, honesty, caring for others transparency, social responsibility, etc. These values have their own significance in strengthening the community ties. At a time when enterprises of other types are realising the importance of social values by treading on the path of corporate social responsibility, the cooperatives are already placed in a better position. Their value component provides strength to societal relations. It is not that business is not their objective, but cooperatives leverage their social strengths with emphasis on values to augment their business. The spirit of cooperation is indomitable. Cooperatives can create miracles if people learn to cooperate with each other. Value of cooperation is such that the cooperatives can even beat the multi-nationals. This is a fact which can not be brushed aside. Cooperatives provide 100 million jobs world-wide which is 20 per cent more than the multi-national companies. Over 800 million people of the world are the members of cooperatives.

School Education and Cooperatives

One of the prime reasons for weakness of the cooperative sector has been that the educational policies of cooperatives have neglected the base level ie schools. Due to lack of a popular movement in favour of cooperatives amongst the school children the school children generally look forward to a career in public or private sector as they are fully aware of the developments in these sectors. Of late due to aggressive lobbying the NGO's have created good awareness of their presence in the schools. However, the school students are not aware of the strength of cooperative movement. They are totally ignorant of the philosophical postulates of Cooperatives which have so much to offer to strengthen the basic values in a child.

Despite impressive growth of cooperative movement in the country, the school educational syllabus has not given due importance to cooperatives it deserves. Cooperation as a definite subject has failed to make its impact felt. The prime reasons for this are:

- Lack of proper understanding of strength of value of cooperation in nourishing a child's mind.
- Lack of policy initiatives to popularise cooperative education in the schools.

Due to neglect in popularising cooperative education in schools, full potentialities of cooperatives in strengthening our society and economy have not come up to the surface. If a child is well groomed in cooperative values, then he can champion the cause of cooperatives. He can be motivated to take up a career in cooperatives. Similarly, if the school management is sensitized on cooperative values, then it can provide a conducive atmosphere to a child to show his potential with the help of a cooperative. In some parts of the country the school cooperatives, particularly student cooperative consumer stores, are functioning well. But the efforts here are sporadic and there is not a uniform pattern visible.

Neglect of Value Education in School

The study of moral and ethical values that make us a person can be considered value-based education. Advocates of value-based education argue that educating students in schools about values is more important than just teaching them algebra, biology or even literature. However, there is a strong thinking that education is imparted only to enable a student earn more. There is no thought of imparting education for improvement in character of a child. Training of young minds on values has taken a back seat given its obsession with material pursuits.

Ripe Time for Cooperative Intervention

The schools today realise that in pursuit of excessive commercialization the young minds need value-based education. They are exploring various options. It is right time for the cooperatives to intervene and advocate that they can present a strong model which can not only strengthen the values of students but can also provide them good base for toning up their entrepreneurial skills. The entrepreneurial skills can be manifested in their taking initiatives to form cooperatives of various types with the help of their teachers. They can have a feel of business, or production based on modern economic thinking. Cooperative values provide an ideal ground for a child to think of starting a cooperative venture. If a child is groomed in cooperative values and is provided full information on various success stories in cooperatives then he can emerge as a cooperative leader who can work with a strong passion for cooperatives.

Cooperative Strategies

Creating awareness for cooperatives in the schools through creative ways can go a long way in popularising cooperative education in the schools. Through organising competitions of various types like quiz, debates, essays, drama, slogan, etc. the schools can be sensitised to understand the value of cooperation. The schools are always open to new creative events. The cooperative concept has to be explored fully so that it can have a good appeal for a child.

NCUI recently organised Inter-School Quiz Competition on cooperatives for school students of Delhi/NCR quite successfully for last year. The seriousness with which the young minds tried to have basic knowledge of cooperatives was an indication that if the event is undertaken on a larger scale with the participation of schools from all over the country then this can provide a big boost to cooperative education. The debates and essay competitions for school students on cooperatives has also a huge scope. Similarly, drama Competitions in schools on cooperative themes can also appeal to the young mind through popular art appeal. The production of films on cooperative values and principles and their application in cooperative functioning designed especially for children in schools can be an effective communication tool for propagating cooperative concept.

Facilitating educational visits of schools to cooperative organisations so that school children are aware of the practical functioning of cooperatives can be a very effective communication strategy. The school students must understand the factors which make

a cooperative enterprise succeed on the business front. They must also be taught how cooperative values have facilitated the growth of cooperative.

The faculty orientation on cooperatives in the schools is very important for a successful strategy of popularising cooperative concept in schools. While the activities like quiz, debates, essay, etc. would make the teachers equip themselves more with knowledge of cooperative in their efforts to prepare a child for these events, an exclusive faculty orientation programme for the school teachers on cooperatives will work wonders. A prime component of the programme here may be on cooperative values. The role of NCUI here will be very important. This can also lead to devising programmes in which the faculty members in the cooperative sector from various institutes and other professionals visit the schools to deliver lectures on various aspects of cooperation. Restructuring the school syllabus by increasing the component of cooperative study with emphasis on values and formulating cooperative inter-linkages with the school subjects for all the classes is important for giving a strong boost of cooperative education in the schools. For this strong advocacy and lobbying measures are required from the cooperative sector. There is enormous challenge of influencing the educational policies of the government in favour of cooperative education in schools.

Conclusion

At a time when the schools are searching for ways to strengthen value education, Cooperation as a concept provides them a strong model for adoption. This also provides a strategic opportunity to the cooperative sector to build up its image through its in-built values in an area which has not been explored much.

Technical Session II

Emerging Opportunities for Cooperatives in
Development of Successful Business Models

EMERGING OPPORTUNITIES FOR CO-OPERATIVES IN DEVELOPMENT OF SUCCESSFUL BUSINESS MODELS.

Prof.L.K.Vaswani
KSRM,Bhubaneshwar

Seminar on

**“Co-operatives, a Better Business Model:
Emerging Opportunities.**

COOPERATIVE RATIONALE

Cooperatives have long been used by producers to

- Address problems of market failure
- Collective bargaining
 - Individual market delivery to collective market delivery
- Countervailing power
 - Access to market and market information
 - Price access and stability
- Minimising opportunistic tendencies of other market participants

PRINCIPLES OF COOPERATIVE ORGANISATION

Three general democratic principles of use:

- **The User -Owner Principle** : Those who own and finance the co -operative are those who use the co-operative.
- **The User -Control Principle** : Those who control the co -operative are those whouse the co-operative.
- **The User -Benefits Principle** : Co -operative purpose is to provide and distribute benefits to its users on the basis of their use
What makes cooperatives unique in their abilities to *serve members*?

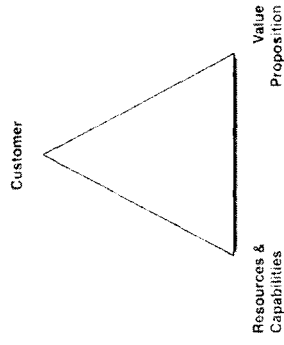
COOPERATIVE SUCCESS

- The FAQs about cooperatives:
 - Why AMUL?
 - Why Sugar Cooperatives?
 - Why not other Agricultural Cooperatives?
 - What Drives Success?

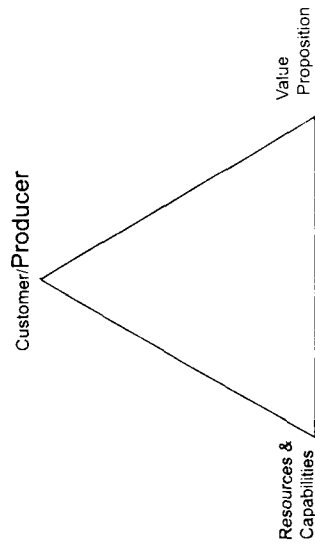
COOPERATIVE SUCCESS - PAST PERSPECTIVES

- Design
- Cultural
- Commodity Advantage?
- Cooperative Advantage?

BUSINESS MODEL



Business Model-Cooperative



CUSTOMER/PRODUCER

- Heterogeneity in the preference structure of cooperative members
- Conflicting preferences can generate problems in a co-op setting. Increasing heterogeneity in members preferences may result in
 - ▣ declining member commitment
 - ▣ decreasing member willingness to provide equity capital
 - ▣ laborious decision-making processes

PRODUCER AS CUSTOMER

- Resolving member heterogeneity issues through complex governance mechanisms may not resolve the problem
- At a more practical level, heterogeneous preferences/needs can be reconciled
 - Minimising business/service portfolio of cooperatives e.g. single commodity vs. Multi-purpose cooperatives
 - Building core competency to compete effectively

COOPERATIVES –VALUE PROPOSITION

“In an organised behavior system, the organising element is the expectation of the members that they as members of the system will achieve a surplus beyond what they could attain through individual and independent action.”

COOPERATIVES –VALUE PROPOSITION

- Co-ops have both **individual collective benefits** and **mutual collective benefits**.
- Producers who receive a higher price for their individual products when marketed at a co-op are receiving an **individual benefit** due to the joint action of farmers.
- The fact that individual farmers can raise a particular product due to being able to reach a market that no farmer could reach individually is a mutual collective benefit.
- Historically, agricultural co-ops have tended to emphasize individual collective benefits, rather than mutual benefits.

RESOURCES AND CAPABILITIES

- Capital Formation
- Cooperative Advantage
 - Organised Exchange
 - Leadership
- Competitive advantage
 - Multi-purposes Single commodity cooperatives
 - Core Competency
 - Federated cooperative structure
 - Economies of Scale
 - Professional Management

CAPITAL FORMATION IN PRODUCERS COOPERATIVES

- Cooperatives require capital to compete and grow.
- In order to secure additional lender funding, cooperative must demonstrate its ability to raise adequate capital through member funding.
- Member funding provide cooperatives with relatively inexpensive funds but difficult to gain through internal patronage
- The user owner principle enforces cooperatives in maximising net proceeds to members instead of accumulating profits

POSSIBLE FINANCING MECHANISMS

- Allocation of surplus as patronage refunds to solve the problem of too much institutional capital which can create negative implications for democratic control
- However unallocated reserves are highest quality funds available to cooperatives.
- Why not to create such funds including higher equity contributions for a shorter period of time when cooperative is in a investment phase.
- Coupled with transparency (informed membership) and periodic external audit.

CAPITAL FORMATION IN PRODUCERS COOPERATIVES

- Cooperatives principles limit the *opportunities and appeal* for non-members to provide equity to cooperatives
- The NGOs in developed countries overcame this limitation by giving members the option to sell their equity to other producers at market price
- Outsiders may purchase dividend -bearing but non-voting shares.

MULTI-PURPOSE VS SINGLE COMMODITY

- The FAQs about cooperatives:
 - Why AMUL?
 - Why Sugar Cooperatives?
 - Why not other Agricultural Cooperatives?
 - What Drives Success?
- Each commodity has its own problems of organization and operation and one cannot be solved by the experience of another though the basic problems remain the same.



Opportunities in Tourism

**Co-operatives, a Better Business Model:
Emerging Opportunities**

Technical Session II

Emerging Opportunities for Co-operatives in
Development of Successful Business Models.

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Independent marketing and training consultancy with a focus on the sustainable development and environmental management of tourism.

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Tourism strategy	PR	Business plans
Marketing Plans	Capacity building	Options appraisals

The Co-operative Experience

A Road Map for Co-operative Tourism

Christopher Imbsen

Programme Director, Dunira Strategy

Gurgaon, 23 October 2009



AGENDA

- Tourism Trends
- Opportunities for Co-operatives
- Road Map



BUT STILL HUGE INDUSTRY

TOTAL DEMAND US\$6,477.2 bn of economic activity (Total Demand) in 2006, growing (in nominal terms) to US\$12,118.6 bn by 2016. 4.2% annual real terms growth (2006-16).

Int. tourist arrivals declined 8% in Jan and Feb 09
Tourism expected to decline between 2% and 3% in 2009.
S. Asia and ME amongst the most affected sub-regions



Stimulus measures within fiscal and monetary packages to mitigate effects of crisis on tourism

Reduction in taxes and over regulation

Improvements in travel facilitation

Financial systems to support tourism enterprises, maintain/increase employment in the sector and develop infrastructure



The Challenge

Successful providers will:

- monitoring international trends
- ensure the product meets demand
- engage tourism stakeholders
- Network
- BE CREATIVE



Balanced concept versus undifferentiated supply
Opportunity for marginal areas

The Distribution Net: The impact of the internet

SUPPLIERS

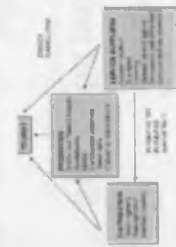
- International travel
- Accommodation
- Local transport (incl. car rental)
- Attractions

INTERMEDIARIES

- Traditional agents
- Global Distribution Systems
- Tour operators
- Online agents

CONSUMERS

- Frequent travellers
- Lastminute bookers
- Inexperienced travellers



**IN TRADITIONAL SUPPLY CHAIN
 TOUR OPERATORS WERE KING**

**NOW INTERNET HAS OPENED UP
 COMMUNICATION CHANNELS AND
 ALLOWED CONSUMER DIRECT
 MARKETING**

Opportunities for Co-operatives

Shift towards decentralised forms of tourism with emphasis on stakeholder participation

Growth in rural tourism products, e.g. agri-tourism, ecotourism, tribal tourism

Tourism as means of tackling poverty alleviation, diversifying incomes and stemming rural-urban migration

Who? What? Where?

- Identify market gaps
- Build on existing expertise and networks
- Enter tourism sectors where co-operatives may hold a competitive advantage (or level playing field)










The tourism product: the importance of clusters



Network

- Local and global networks afford firms the opportunity to:
 - network and share knowledge;
 - build on local and global expertise;
 - internalise know-how and assets that are typically internalised by larger firms with economies of scale;
 - access global markets;
 - create coherent, strong brand
- Co-operatives are networks – advocate this inherent advantage



COOPRENA RL

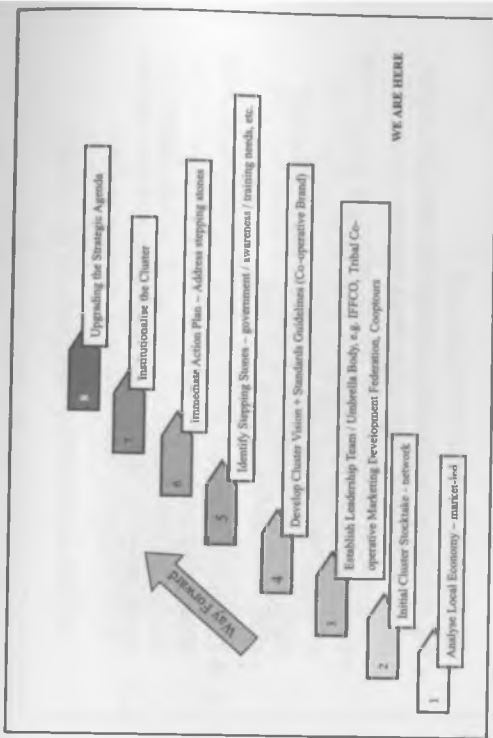
- Consortium created by 20 different associated co-ops
- Member organizations offer community-based tourism products as a complement to traditional economic activities and as a means to support ecological and cultural preservation efforts.
- Cooprena provides
 - National and international promotion and training
 - Tools for growth, e.g. courses, workshops
 - Values and standards
 - Forum for product ideas and networking, e.g. Simbiosis Tours

CoopeSilencio

- Agricultural cooperative active in agritourism since 1997.
- Main activity: production of palm oil and basic cereals
- Other activities: reforestation, environmental protection and agritourism activities.
- Agritourism activities natural extension of its existing expertise, requiring little additional investment and offering fast and sustainable returns.



Road Map





Cooperative Synergy During Economic Turbulence - Indian Experience

*Presented by
Mohan Mishra
Director*

National Cooperative Union of India

- ❖ Every nation aspires for happiness, peace and harmony for its citizens. Economic prosperity with equitable increasing distribution of growth is the key to achieving these desirable objectives
- ❖ The current global economic meltdown has quite understandably led to disquiet, unrest and suffering across the world.
- ❖ Soaring commodity prices riding on the back of raging energy led inflation was threatening global food security. The lopsided priorities to developed nations in diverting agricultural output from food to fuel had destabilised the supply – demand balance sending prices of all commodities as upward spiral.

- ❖ Another important factor was demonstration of policy mismanagement from these very same developed countries triggered an unprecedented financial crisis, leading to the current world made economic recession.
- ❖ There are enough examples in the past regarding improper regulation of financial markets in US and other western countries which is turn led to speculative supreme lending. Large scale debt defaults and subsequent credit crunch sparked off decline in demand
- ❖ Globalisation and the rest as the crises spill over to other parts of the world through integrated financial system and international marketing of trade.

- ❖ Panic buttons were finally pressed after the high profile collapse of major wall street icons
- ❖ Even developing countries were not spared, as the crisis spread through key transmission channels such as massive reversal of private capital flows and significant decline in trade volumes.
- ❖ The extent of impact an developing countries had a direct correlation with degree of integration with global markets, depending on export demand and dependency on remittances from abroad.

- ❖ The world wide economic turmoil is creating a human crises of epic proportions. As always it is the poorest and the most vulnerable who are the hardest hit. Following income and loss of employment is expected to push an addition 40 million people into poverty this year.



Global slowdown and Indian Economy

- ❖ \$1.2 trillion Indian economy, which is largely structured around its huge domestic market, is also experiencing a relative slow down. GDP growth of 7% in the last financial year is the slowest pace of growth that our economy has witnessed since 2003
- ❖ Maximum impact of the economic slowdown has been as sectors with high degree of exposure to global economies such as information technology, financial services, Pvt. Sector banks, stock markets, hotel & airline industry. Export oriented sectors have suffered a major setback (diamonds, textiles, gems of products etc is hit hard).

- ❖ Overheated sectors such as real estates, stock market and consumption credit, which were riding a wave of speculation, greed and unwarranted experience, were the first to collapse. As their bubble burst leading to erosion of wealth and shattered the confidence of consumers, also spill over into other areas of our economy.

- ❖ Massive fund withdrawal by FII's from Indian Financial Market has pushed Indian retail investors into depths of despair, IT and financial services sectors, facing substantial loss of revenue is not only downsizing but is also trimming income levels of its workforce.

Cooperatives synergy in a crises time !

The Internationally recognised definition of cooperative as established by International Cooperative Alliance (ICA) is: "An autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations, through a jointly owned and democratically controlled enterprise."



Cooperative values are as follows :

Self-help; self-responsibility; equality; equity; democracy; solidarity, Plus ethical values of honesty, openness, and social responsibility.

Cooperatives are also guided by seven principles

- Voluntary and open membership;
- Democratic member control;
- Member economic participation;
- Autonomy and Independence;
- Education, Training and Information;
- Cooperation among cooperatives;
- Concern for community.



Cooperatives synergy

- ❖ The business aims for cooperative is to meet the needs of its wider communities or stakeholder. There are two kinds of comparative advantages of cooperative, one, cooperative as members owned businesses, uniquely member owned, members controlled and exists to provide benefits to the members as opposed to profit.
- ❖ When the purpose of the business are aligned with those of member who are both shareholders and consumers of the cooperatives the results are loyalty, commitment, shared knowledge, members participation etc. These are the kinds of values any business organisation would love to have.

The cooperatives are member owned member controlled businesses operating to guarantee their members specific services and at the same time maximising the return they receive.

It peruses opportunity to grow the available market share for its member benefits whereas, the investor the own businesses exists for the sole reason of maximising the value their shareholder receive by way of dividend and market share.

Unfortunately the cooperative business model is little known and poorly understood by the society due to adverse capitalist propaganda and lack of image building by cooperatives themselves.

It gives an added advantage of marketing with cooperative difference based on cooperative values and principles i.e. built on social responsible foundation.

Impact on Indian Cooperative Movement

- ❖ If rural Indian finds itself comfortably insulated from the global turbulence, it is because of the Indian Cooperative Movement with 220 crores of its members and 5 lakhs cooperative societies across the country with 100% rural outreach and networking, building strong safety mechanism into it. Unlike IT, Real Estate, Stock Markets, the cooperatives in the country have always had it feet firmly planted on the ground.
- ❖ While safeguarding food security of our nation, cooperatives have also contributed significantly towards shielding of our rural economy from the adverse impact of this slowdown. By effectively linking rural producers/grower to large urban markets, cooperatives have ensured a safe future for the farming communities of this nation

Dairy Cooperative Movement

- ❖ Dairy cooperatives play a major role in alleviating the adverse impact of economic slowdown in India.
- ❖ Dairy coops have already generated employment for 13.4 million households in rural India, across 1.3 lakh villages
- ❖ They have further potential of generating employment for millions of additional rural families.
- ❖ Drastic job cuts have already taken place in sectors like textile, gems, jewellery and leathers which employ millions of women workers.

- ❖ On other hand dairying presents the most attractive alternate employment opportunities for these women. In case, circumstances face them to migrate back to the villages, along with their families.
- ❖ Dairy cooperative movement has always helped to provide a safety net to the most vulnerable and marginalised sections of our population, which otherwise suffers the worst consequences of any economic crises.
- ❖ Dairy cooperative organisation registered a business growth of 28% against the backdrop of global recession.

- ❖ Revenue inflow from dairying has contributed towards strengthening rural purchasing power there by giving growth impetus to rural markets.
- ❖ GCMMF (AMUL) beats recession, achieves a turnover of Rs. 6700 crores.



- ❖ GCMMF (AMUL), the largest dairy cooperative of the country has proved its efficiency of cooperatives can successfully counter the recessionary trends to the economy thereby ensuring consistent livelihood to the farmer producers and offering value for money to its consumer.
- ❖ This unduplicated turnover of the dairy cooperatives of Gujarat would be approximately Rs. 10,000 crores (\$2 Billion).
- ❖ This remarkable performance from AMUL has come at a time when the international dairy markets are reeling under the impact of world wide recession and slump in global demand.

❖ It is providing the best employment option for displaced workers from urban sector and helped to provide safety net to the most vulnerable and marginalised section of our population which suffer the worst consequences of any economic crises.



❖ Revenue inflow from dairy coops. Led by AMUL has contributed towards strengthening rural purchasing power help growth in rural economy to offset any slowdown in urban economy.

Marketing, Consumer and Agro Processing Cooperatives



- ❖ There are about 10700 marketing societies operating in the country and no. of specialised/commodity societies are 5585.
- ❖ Many societies have also setup agro processing industries. Marketing cooperatives like Markfed Punjab and HAFED in Haryana have achieved high levels of business turnover.

Marketing, Consumer and Agro Processing Cooperatives

- ❖ The Rubber mark and Rubcoo in Kerala for marketing and processing of rubber and coir based product has also registered net profit and higher level of business turnover.
- ❖ Campco for arecanut and coca in Kerala and Karnataka has registered good performance in its core areas of activities in spite of economic slowdown in the country. The campco recorded a net profit of Rs. 8.01 crores during 2008-09 as against Rs. 6.90 crore in the previous fiscal year and a dividend of 12% declared.

National Cooperative Consumers Federation Ltd. (NCCF)



This is the apex National level consumer cooperative organisation in the country. During the financial year 2008-09 the NCCF achieved a sales turnover of Rs. 857.95 crore and earned net profit of Rs. 1.95 crores. The NCCF has also expanded its economic and commercial activities like bulk procurement of agricultural commodities and other consumer goods inspite of slowdown Business, turnover and profit have gone up.

Kendriya Bhandar

The Kendriya Bhandar also achieved much better performance this year inspite of the effect of economic slowdown. The highlights of the financial indicatory are as under

- ❖ Sales turnover of Rs. 306.86 crores during 2008-09 as against the sales of Rs. 253 crores in Financial year 2007-08.
- ❖ The society has achieved net profit of Rs. 201.23 lakhs in 2008-09. The society has also paid dividend to the share holders at the rate of 10% of their paid up capital. Their sales had increased in all the major segments of the business undertaken.

National Agricultural Cooperative Marketing Federation Ltd. (NAFED)

National Agricultural Cooperative Marketing Federation Ltd. (NAFED) is a national level organisation of marketing cooperatives. During the financial year 2008-09, Nafed registered a total turnover of more than Rs. 5000 crore with a record gross profit of Rs. 84 crores. All the agri-business activities of NAFED was on expanding mode



Fertiliser Cooperative - IFFCO



Fertiliser Cooperative IFFCO

The largest and biggest fertilizer cooperative giant of the country with the membership of 40,000 cooperative societies. In spite of economic slowdown the year 2008-09 for IFFCO had been an exceptional year. IFFCO did remarkably well in all the are of functioning and surpassed all its previous record in the area of production, sales, turnover and transportation. IFFCO is wholly owned by member cooperative society.

Fertiliser Cooperative IFFCO

Performance highlights :

- ❖ Highest production of fertiliser 71.68 Lakh MT
- ❖ Highest production of Urea 40.68 Lakh MT
- ❖ Highest Sale of Fertiliser 112.58 Lakh MT
- ❖ Net Profit Rs. 360 Crore
- ❖ Highest turnover Rs. 32,933 Crore
- ❖ IFFCO has been paying maximum permissible dividend of Rs. 20% to its shareholder. Considering the excellence performance of fertiliser cooperative IFFCO, it seems their no effect of economic slowdown on the performance and the productivity.

Fertiliser Cooperative KRIBHCO

It has registered all time sales record, increase productivity and quality services to the farming community. The company maintained its good performance during the year an achieved its production target i.e. 17.43 lakh MT of urea and 10.85 lakh MT of Amonia in the financial year. The net work of the society has increase from Rs. 2378 crore to Rs. 2549 crore and it has shown a net profit of Rs. 250 crore during the year. It has also diversified its activities in many areas and new businesses.

Urban Cooperative Banks

In the background of the financial turmoil the performance of the urban banking sector in the country has been quite encouraging. Deposits have increased from Rs. 138 thousand crore to around Rs. 156 thousand crore in the last 3 years. The deposits have grown at steadily accelerated pace. Their net NPAs have also reduced.

The schedule urban cooperative banks are the brand ambassadors of the urban cooperative banking sector. They provide core banking facility and employee productivity is the highest among all the bank in the sector.

Conclusion

- ❖ Against the backdrop of global economic slowdown, the cooperative movement has the strength and potential to boost the rural economy and also offsets any slow down in the urban economy.
- ❖ In the current scenario, due to the cooperative movement rural India is contributing most to the country's health in terms of employment, wealth and prosperity. By empowering cooperative sector, we empowers rural India so that the urban communities can live comfortably and peacefully.
- ❖ If our policy makers continue their sustained support to cooperative institution, not only will India emerge triumphant from the current crises, but will also create an effective safety shield against future economic turbulence.

Conclusion

- ❖ If the central and state governments continue to provide encouragement to cooperative sector and a favourable policy environment to cooperatives this sector can play a pivotal role in our national strategy to combat the current economic turmoil.



Thank You

The New Role and New Mission of Cooperative Auditing Department in Thailand

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The Background

In the past, Cooperative Auditing Department (CAD) in Thailand was auditing all cooperatives accounts. But, when there was a large number of cooperatives, CAD could not finish their duty on time. Therefore, in 1993 Thai government has provided an opportunity for the private sector to participate in the auditing of large scale cooperatives and those with high business value under CAD supervision. These included non-agricultural cooperatives such as Thrift and saving cooperatives, Credit union cooperatives, Consumer cooperatives and Services cooperatives which have operating capital of at least 200 million baht and which have good internal control. They have been allowed to hire private auditors to perform the auditing of their accounts.

In 1999, the CAD continued to expand the target cooperatives for auditing by reducing the operating capital of the cooperatives to 100 million baht. Then in 2005, the CAD announced to reduce the operating capital of the target cooperatives to at least 90, 70 and 50 million baht which have moderate internal control and has been implementing this policy since the fiscal year 2006 to 2008 respectively.

At the same time, in 2005, Thai government set up a policy of expanding its target to agricultural cooperatives sector (such as Agricultural cooperatives, Fishery cooperatives, and Land settlement cooperatives which have more complicated operations than those of non-agricultural cooperatives) which have the cooperating capital of 100 million baht and continuously net surplus for 3 years.

Statement of the Problem

With the number of cooperatives increasing and expanding rapidly, and the CAD transferring cooperative audit to the private sector, what are the suitable role and mission of CAD.

Objective of the Research

To investigate the new role and new mission of CAD in conformity to the form of transferring cooperative auditing to the private sectors.

Methodology

Data Collection

Review of documents, Questionnaire, Focus group, Expert Opinions, In-depth Interview, Workshop and Scenario Writing were the methods used. A seven-tier data collection method as mentioned below was used.

- Step 1. Review of documents form CAD Planning and mission of fiscal year 2009 – 2012
- Step 2. Questionnaires to evaluated of auditing transformation, the new role and new mission of CAD from 93 of private auditors, 474 of managers and non-agricultural cooperatives committee members, and 132 of CAD officers.
- Step 3. Focus group discussion among 228 private auditors, CAD auditors, Cooperatives managers, Cooperative committee members, CAD officers and Cooperative Experts from 5 part of Thailand, to investigate the new role and mission of CAD in conformity to the form of transferring cooperative auditing to the private sectors.
- Step 4. Expert Opinions of 12 experts about the new role and new mission of CAD.
- Step 5. In-depth interview of CAD executives about CAD Policy, new role and new mission of CAD.
- Step 6. Workshop for Scenario Writing.
- Step 7. Scenario Writing for CAD forward 10 years by 36 executive from CAD, expert from Office of the Civil Service Commission and Office of the Public Sector Development Commission Thailand.

Summary and conclusions

The nine roles and twenty-four missions of the CAD were finally summary as mentioned below.

Role 1 The CAD should serve as a learning center on finance, accounting, auditing, inspection and sufficiency economy, with the following 3 missions:

- 1.1 Conducting research for knowledge development on finance, accounting, auditing, inspection and sufficiency economy.
- 1.2 Creating and developing staff of CAD to enable them to have knowledge and ability on coaching and teaching.
- 1.3 Creating learning and teaching system on finance, accounting, auditing, inspection and sufficiency economy.

Role 2 The CAD should mainly supervise the cooperative auditing of private auditors, with the following 5 missions:

- 2.1 Implementing the transfer of cooperatives auditing to the private sector.
- 2.2 Producing private cooperative auditors by allowing the national federation of cooperatives or the Cooperative League of Thailand to be responsible for the auditing services.
- 2.3 Developing private cooperative auditors to have high standards and quality on account auditing as accepted by cooperatives.
- 2.4 Developing and improving the system of supervising the cooperative auditing.
- 2.5 Monitoring and evaluating the outcome of account auditing after the transfer activity.

Role 3 The CAD should undertake the auditing of newly-created or weak cooperatives and farmers' groups, with the following 2 missions:

- 3.1 Developing government auditors to become professional through the Institute for Auditing Development of Cooperatives and Farmer's Groups.
- 3.2 Developing the quality of account auditing.

Role 4 The CAD should develop the capabilities of the cooperatives to become organizations with strong potentials on managerial administration, finance and accounting, as indicated by the 2 missions, as follow:

- 4.1 Supporting the initial auditing fee through the establishment of the Institute for Auditing Development of Cooperatives and Farmers' Groups (to support Role 1).
- 4.2 Advocating the cooperation of cooperatives in the managerial administration of auditing in an economical manner.

Role 5 The CAD should serve as center for innovative finance and accounting, as indicated in the 4 missions, as follow:

- 5.1 Selecting, recruiting, and human development to provide knowledge and ability on computer engineering, finance, accounting, statistics and information technology.
- 5.2 Conducting researches which include the collection, analyses and syntheses of financial and accounting data.
- 5.3 Creating tools and programs on finance and accounting to strengthen the cooperatives.
- 5.4 Recommending and promoting the use of accounting and financial tools and programs.

Role 6 The CAD should evaluate the financial stability, risk surveillance and forecasting cooperative business, through the 3 missions as follow:

- 6.1 Strengthening the skills and techniques of CAD staff on financial and accounting analysis, and on forecasting financial status.

6.2 Creating financial and accounting tools and programs to assess the financial stability, guard against financial risks and business forecast of cooperatives.

6.3 Recommending and promoting the use of financial and accounting tools and programs to evaluate the financial stability, guard against financial risks and business forecast of cooperatives.

Role 7 The CAD should serve as the networking center for business data of the cooperatives to create all types of business connections of the cooperatives, with 2 missions as follow:

7.1 Establishing business data connections of the cooperatives.

7.2 Coordinating and campaigning to allow the cooperatives to serve as data network for business application.

Role 8 The CAD should act as a professional adviser in the managerial administration of finance and accounting of the cooperatives, with 2 missions as follow:

8.1 Developing the CAD personnel to have expertise on managerial administration of finance, accounting and coaching thus later becoming advisers of cooperatives and farmers' groups.

8.2 Developing the cooperative auditing offices in Region 1-10 to become consultant units for cooperatives and farmers' groups.

Role 9 The CAD should develop the accounting and auditing systems for cooperatives/farmers' groups, with the missions of developing the accounting and auditing systems and standards, planning auditing, coaching and recommending.

To achieve this, training on skills should be conducted for the CAD personnel to conform with the roles and mission as afore-mentioned.

Technical Session III

Policy Considerations for Governments to
make Cooperatives Market Leaders

Policy considerations for governments to make cooperatives more efficient business organisations

Ms. Veena Nabar

Formerly of NCDC and Former Member
High Powered Committee on Co-operatives,
Government of India

I have developed this talk on three basic premises:

- Cooperatives have an advantage over other business models, both in hard business terms and also moral vantage.
- Cooperatives have been unable to achieve their potential as a result of the law and legal changes over time which has determined their very being
- Cooperatives can achieve their potential through appropriate policy support of the State and legal changes.

Accordingly an attempt has been made to spell out State actions which can help cooperatives to actualize their potential and come into their own.

The question of whether a cooperative advantage actually exists is a much mulled over question and also widely debated in literature on the subject. In contrast to the Canberra View¹, as it is designated, which regards coops as dinosaurs, using game theory techniques *The Evolution of Cooperation*² establishes that cooperation is a winner. It is found time and again that by seeding defectors into an environment of cooperators, the defectors' numbers decrease until they disappear; on the other hand by seeding cooperators into an environment of defectors, the number of cooperators begins slowly to increase until finally the cooperators take over the environment.

The Transaction Cost school of thought stakes claim to cooperative advantage rooted in hard business terms on account of the cooperative contractual – institutional design. This determines alliances with various stakeholders, and in turn, transaction costs, inevitably incurred in a world of non-perfect markets in the process of information gathering, negotiation and enforcement of contracts³. Transaction costs would be zero if markets were to be perfect and returns to factors of production would be the same no matter the form of the organization i.e. cooperative or Investor Oriented Firm (IOF).

Hence the *raison d'être* of cooperative organizations arises in a world of imperfections, also explaining why cooperatives are most likely to be successful when formed of people who are most subject to market imperfections.

Most importantly, the internationally accepted definition of cooperatives as enunciated by ICA is a pointer to its moral advantage as an organization. That it is an autonomous, voluntary, joint and democratic attempt to meet common needs implies that by definition, although it may seem tautological, any other form of organization would, therefore, fall short in this regard. Certainly the values of self help, self-responsibility, democracy, equality, equity and solidarity are unique to cooperatives unlike other organizational forms, where the organization and its 'owners' are distanced from each other.

What then are reasons that cooperatives have not lived up to their promise and what is it that is necessary for them to be able to deliver and actualize their superior potential?

Autonomy, voluntarism and democratic control are the key words that define cooperatives. Accordingly, any law enacted that seeks to protect or safeguard or enable cooperatives, must be rooted in this cognition of the voluntary, democratic and autonomous nature of cooperatives, stated expressly or otherwise. Starting from this basic premise, one needs to take a look at India's cooperative legislation, vis-à-vis its democratic content.

It is a telling fact that in India cooperative legislation preceded the development of cooperatives. The 1904 Act was an Act 'to provide for the constitution and *control* of cooperative credit societies'. The word 'control' and the Act granting the Government among others the right to refuse registration, sole right to dissolve a cooperative, to conduct audit, supercede elected management, compulsory amend by-laws, hold enquiry and inspection reveals its intent. Although the 1912 Act was to 'facilitate' formation of cooperative societies, the older controls remained, a few new ones were added and from 29 Sections the Act grew to 50 Sections. And this unfortunately is the general tenor of all subsequent legislation and amendments.

In 1919, cooperatives were made a provincial subject and so it has continued. Today cooperatives are a State subject under the Indian Constitution, which adds to the complexity of the situation manifold. Most Acts are more or less similarly restrictive, but the actual implementation of the provisions has differed.

Beginning with these Acts, the century of cooperatives in India has been a century of various Committees, Committee Reports and multiple cooperative legislation. The British colonial minds combined with the Indian Brahmanical ones did not let the cooperatives rest. The fine-tuning of cooperative statutes and structures resulting from this mental churning is a reflection of the changing historical contexts, perspectives and developmental goals of the State. With the advent of planning, cooperatives further became the preferred organizational form for economic development. The impact of historical contexts on cooperative growth makes an interesting study which unfortunately there is no time to go into. Suffice it to say that after the All India Rural Credit Survey Committee in 1954 recommended State partnership in cooperatives, there has been no looking back.

So much so that in 1985, a Supreme Court judgment deemed cooperatives as 'creatures

of statute and of the State and therefore not able to avail of the right to form associations and unions under the Article 19(1) (c) of the Constitution. "So if cooperative members can be prevented from forming themselves into a cooperative, taking decisions regarding business, staff or for that matter dissolving themselves and relegated to being decided by someone else", what does this do to the cooperative that we see as a voluntary and autonomous association of members. Cooperatives came into existence and functioned at the behest of State governments, could be dissolved by government fiat, with the final nail in the coffin of their democratic nature being the famous power of 'veto' of the Government. For instance, can one find a more ironic state of affairs than one in which the Governor of a State can say 'because the Government money is there, I have the veto, but although your money is there, you don't have a vote'⁴.

But then the winds of change began to blow and some light showed up on the horizon. In 1990, due to the pressures from civil society and the dictates of a changing World order which made liberalization necessary, the Model Act was drawn up by yet another Committee (Choudhary Brahm Perkash Committee) and circulated to all States for adoption. Nine States have so far adopted parallel laws applicable to cooperatives which do not have government stake. This may seem like a great step forward. However, all is not hunky dory and in the State of Andhra Pradesh, dairy cooperatives were exempted by government injunction from coverage under the parallel Act. The moral drawn is that law as it exists can always be changed to suit political ends.

The Producer Companies' Act 2002, based on the cooperative principles of mutual assistance has provided an alternative legislation which can allow cooperatives greater freedom to operate while retaining their own innate cooperative nature, but there has been a general reluctance on the part of cooperatives for adopting this option.

The Government of India is quite serious about cooperative autonomy and has taken various steps over the past few years. The National Cooperative policy is a forward looking document, promising to provide an enabling environment and recognizing the cooperative definition enunciated by ICA.

The Multi State Cooperative Societies Act, 2002 was a great step forward on the path to autonomy for Multi State Cooperatives. It is being further amended. The State acts however have not changed, other than additionality in form of parallel acts. However, the situation is not all as glum as it appears and there are lessons to be drawn from various success stories, which are to be found in almost all sectors, most often nurtured by strong leaders who have managed to set up sustainable governance structures and strong organizations that work for the benefit of their members.

The pointer is to a need for a superior authority that can force state governments to fall in line. A Constitutional amendment to this end is on the cards with the 106th Amendment Bill at an advanced stage of consideration. The amendment will address the following major issues: Inclusion of cooperative principles; timely elections; maximum time for supercessions; independent and professional audit; uniform tenure of management committees; regular General Body meetings; access to information; provision for penalties for offences. Given that the Amendment is soon likely to come through, one can well ask what are the other areas which need to be given special legal consideration.

An answer to this question can be found through looking at the main problems and challenges that the cooperative sector faces today. Some of these are :

- Inability to ensure active membership, speedy exit of non-user members, lack of member communication and awareness building measures
- Serious inadequacies in governance including that related to Boards' roles and responsibilities
- A general lack of recognition of cooperatives as economic institutions
- Inability to attract and retain competent professionals
- Difficulties in capital formation particularly that concerning enhancing member equity and thus member stake
- Lack of cost competitiveness arising out of issues such as overstaffing, a general Top-Down approach in forming cooperatives including the tiered structures.
- Politicization and excessive role of the government chiefly arising out of the loop holes and restrictive provisions in the Cooperative Acts

To tackle these, the State should ensure through putting in place appropriate policies, support, both in financial, albeit without the erstwhile stranglehold, and technical terms and changes in legislation the following:

- The law enacted in each State is amended in line with the Model Cooperatives Act. Even where a parallel law has been enacted, there should be a single enabling law.
- A definition of 'active member', right to vote and contest only to active members and an enabling provision for speedy exit of non-user members be introduced in law.
- To improve the effectiveness of Boards, trusteeship role and fiduciary responsibilities, and accountability, the laws should provide for clearly defined roles and responsibilities of the board *vis-à-vis* paid executives and a fair, but enforceable provision for fiduciary responsibility.
- Professionalism through cooption of experts, mandatory training for Directors within six months of being elected
- Removal of loopholes in law, which have contributed to politicization, provision for rotational retirement of Board members and restriction on contribution to political and religious organizations.
- Restriction on Ministers/MLAs/MPs to be office bearers.
- Provision in law for repatriation of government equity
- Freedom through law to enable cooperatives to take all business decisions including partnerships/alliances, linkages with other cooperative tiers, fund mobilization through appropriate financial instruments for raising capital such as tapping share capital from non-members through different classes of shares or special purpose vehicles and allocation of surplus in no less equal terms than any other organization engaged in economic activities.
- Prohibition through law of government officers being deputed to key positions in cooperatives.
- Member awareness and education programmes on a continuing basis.

Two kinds of support are very important and necessary if cooperatives are to translate their potential in abstract into reality- a growth in their capital base and capacity building of the management and staff alike. If cooperatives have to sustain, they would have to compete and with the global trend towards large integrated firms, they would have to grow, for which economic/financial viability and availability of resources are necessary conditions.

Financial constraints of cooperatives are well known, particularly in the developing countries. With cooperatives being focused on growth, the gap between member investment, incentives and cooperative capital needs leads to considerable pressure on the classical cooperative ownership form. 'Cooperative' solutions identified for this situation and being adopted by coops in many countries of the western world are: (1) Introduction of delivery rights that are subject to member investments with an adjustable capital-to-produce ratio and (2) Introduction of market-based pricing mechanisms and distributing residual earnings as rewards to production-linked, member invested capital. In both solutions, members continue to be primary entrepreneurs, i.e., producers primarily focusing on on-farm investment opportunities and investment and control relationships between member and cooperative remain bundled.

The important distinction made is that cooperative and non cooperative solutions in finding additional equity capital is not about 49% or 51% member ownership, but the principles that underlie the distributing of ownership rights specifically to residual income. So long as sensitivity to business performance is with members, proportional to their transacted volume, member interests remain intact and cooperative entrepreneurship is valid. Introduction of voluntary investment schemes which allow capturing the cooperatives' residual benefits, result in conflicting interests and member transaction relationship suffers .It would be well worth an examination and adoption of best practices in this regard.

The importance of capacity building is finally a key determinant of success of an enterprise and cooperatives would be no exception. With increasing complexities of dealings and data management and availability of fast track information through ICT, it is important that cooperatives are appropriately equipped with the recent technologies so that they can hold their own . The State should play a major role in providing all required support for training and member education to achieve this end. Investment in share capital should indeed be replaced by investment in human capital which will not only help build good cooperatives but create a moveable wealth of capacity.

The 8th Ministers' Conference stressed these various policy support measures , which are being amplified upon in the subsequent paper as also the outcome of the dialogue between governments and cooperatives held subsequently to adopt these recommendations.

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Ministers' Conferences on Co-operative Policy & Legislation

Rajiv I.D. Mehta

Dy. Regional Director, ICA-AP

In most of the Asian countries, the initiative for the organization of co-operatives came from colonial governments. The focus remained on the agriculture sector so as to meet the discontent of rural population duly ensuring that the co-operative leadership while promoting the cause of the poor farmers did not go anti-establishment. It was closely watched that co-operative leadership was either pro-colonial or politically neutral. As a result the co-operatives developed an attitude of looking at the governments for financial and preferential support to cater to the needs of the members. Governments also treated co-operatives as group of underprivileged population and overwhelmingly protected and supported the co-operatives by retaining the management control through the nominated and government appointed executives and leaders. This overprotection while on one side gave a comparative advantage to the co-operatives but on the other side arrested the business acumen of co-operatives and infected them with dependency syndrome.

It is now widely acknowledged that in most of the developing economies government support extended in the form of capital support, state subsidies, capacity building and infrastructure development has resulted into multi-faceted growth & diversification of co-ops. However, the cumulative effect of government control over the management and preferential treatment to the co-operatives in majority of cases has undermined the economic underpinnings and autonomy of the co-operative movement.

ICA-AP has been assiduously pursuing the development of conducive and progressive co-operative policies and enactment of favorable legislation reforms to enable co-operatives to adapt with the fast changing global scenario. In this context ICA AP has conducted seminal series of eight Ministers' Conferences on Co-operative Policy & Legislation from 1990 to 2007.

The principal idea behind these conferences has been to establish an effective dialogue between the policy makers and the stakeholders on critical and key areas enveloping the co-operative sector.

Each of the Ministers' Conference is preceded by an in-depth consultation **between** the cooperative managers/leaders and the government representatives **responsible** for co-operative legislation in each of the Asia Pacific member countries of ICA.

Evolution

Considering the relevance of governments in the development of co-operatives, ICA arranged a consultation of Permanent secretaries and top co-operative officials in Singapore in 1987 to deliberate on the form and type of support from the governments that must preserve the autonomy and democratic character of co-operatives and infuse required dynamism and self reliance through meaningful co-operation among co-operatives at national and international level.

The consultation process conceived the idea of Co-operative Ministers' Conference first held in Sydney from 8 to 11 February 1990 on "Co-operative Government Collaborative Strategies for the Development of Co-operatives during 90s" attended by 99 delegates (9 Ministers) from 19 countries and 10 international organizations including ICA.

The second Co-operative Ministers' Conference was held in Jakarta, Indonesia on "Co-operative Government Relationship" from 18 to 21 February 1992 attended by 164 delegates (17 Ministers) from 23 countries and 12 international organizations including ICA.

Third Co-operative Ministers' Conference was held in Colombo, Sri Lanka from 26 to 30 July 1994 on "Co-operative Government Collaborative Strategies for the Development of Co-operatives" attended by 140 delegates (15 Ministers) from 24 countries and 10 international organizations including ICA.

Fourth Co-operative Ministers' Conference on "Co-operatives in a Changing Socio-Economic Environment" was held at Chiangmai, Thailand from 18 to 22 March 1997 attended by 124 delegates (10 Ministers) from 22 countries and 9 international organizations including ICA.

Fifth Co-operative Ministers' Conference was held in Beijing, China from 11 to 16 October 1999 attended by 163 delegates (9 Ministers) from 24 countries and 8 international organizations including ICA.

Sixth Co-operative Ministers' Conference on "Establishing Relevant Legislation & Policy for Co-operatives in the New Millennium" was held in Kathmandu, Nepal from 3 to 6 April 2002 attended by 196 delegates (8 Ministers) from 18 countries and 9 international organizations including ICA.

Seventh Co-operative Ministers' Conference on "Establishing Supportive Co-operative Legislation for Sustainable Growth of Co-operatives" was held in New Delhi, India from 1 to 6 February, 2004 attended by 168 delegates (8 Ministers) from 17 countries and 9 international organizations including ICA.

8th Ministers' Conference on Co-operative Legislation and Policy was held in Kuala Lumpur from 12th to 15th March 2007. The conference was organized by the Ministry

of Entrepreneur and Co-operative Development (MECD), Government of Malaysia in collaboration with the ICA Asia Pacific and ANGKASA the National Co-operative Organization of Malaysia. The main theme of the conference was "Fair Globalization through Co-operatives".

The Conference was inaugurated by His Excellency Y.A. B. Dato' Seri Abdullah HJ Ahmad Badawi, the Prime Minister of Malaysia and specially addressed by Hon'ble Dato' Seri Mohamed Khaled Bin Nordin, the Minister of Entrepreneur and Co-operative Development, Government of Malaysia, Hon'ble Mr Ivano Barberini, the President of International Co-operative Alliance, Geneva and Hon'ble Mr Li Chunsheng, the President of ICA Asia Pacific.

In all 311 delegates from 22 countries including Hon'ble Ministers Incharge of Co-operative Development from seven countries in the region attended the conference.

The theme for the 8th conference "Fair Globalization through Co-operatives" was derived from the principles and foundation of multilateral trading system demanding fair, free, predictable, non-discriminatory and more competitive trade across the globe in agriculture, textiles and clothing, banking, telecommunications, government purchases, industrial standards and product safety, food sanitation regulations, intellectual property, and much more likely to be in place by 2010.

Multilateral trade agreements aim to support fair competition in agriculture, intellectual property and services. Since, the co-operatives are value based institutions and have inherent strength of building alliances and trading partnerships in agriculture and allied sectors through dialogue, transparency and mutual respect with better chances of acquiring greater equity in international trade, the theme "fair globalization through co-operatives" was chosen to position the co-operatives as a preferred option to trickle down the benefits of globalization to primary producers and primary consumers.

Declaration - 8th Ministers Conference on Cooperative Legislation and Policy:

- **Noting** the multi-dimensional impact of globalization on the socio-economic lives of peoples of Asia and Pacific and their institutions particularly cooperatives;
- **Taking** note that while globalization and liberalization of national economies has resulted in enhanced economic growth and prosperity, its gains have not been equitably distributed among the people particularly the poorer and more vulnerable sections of the community;
- **Appreciating** the desire of the Cooperative Movement to participate in the developmental process in harnessing the gains of globalization aimed at poverty reduction, employment generation and equitable national development ;
- **Realizing** the importance of enabling cooperative legislation and policies for creating conducive environment for development of cooperatives;
- **Appreciating** the role of ICA to continuously facilitating the dialogue between the Cooperatives and the Governments to enhance the role of cooperatives for the economic growth and prosperity in the region.

We, the participants of the 8th Ministers Conference on “Cooperative Legislation and Policy” held at Kuala Lumpur, Malaysia from 12-15 March 2007:

Urge upon the Governments to catalyze the process of re-orienting the Cooperative Legislation and Policy to strengthen apolitical and autonomous character of cooperatives and to provide a positive level playing field to cooperatives to enable them to compete in the globalised market.

Call upon the Cooperative Movements to contribute effectively in the process of economic development, amongst others, by organizing small producers including farmers, workers and protecting consumers through self-help mode and also ensuring increased participation of women and youth in the cooperatives.

Exhort Cooperatives and Governments to strengthen management capacity, participatory governance and fair business relationship for ensuring healthy functioning of cooperative system through innovative strategies.

Call upon Cooperatives and Governments in the region to periodically review the efficacy/effectiveness of Cooperative Legislation and Policy as well as to introduce appropriate reforms considering the dynamic changes and trends emerging in their respective national economies.

Recognizing cooperatives are an important and significant sector of the national economy effectively contributing to its development, **we affirm our support** for the Cooperative Movement as a sustainable and efficient institution through:

1. Encouragement of cooperative entrepreneurship by inculcating entrepreneurial spirit and skills among the members, leaders and managers of the cooperatives through education and training.
2. Attainment of economies of scale and strategic business alliances among cooperatives both domestically and internationally.
3. Role clarity among different tiers to enhance impact of the Cooperative Movement.
4. Harnessing the gains of the fair globalization and liberalization for the benefit of members.

Technical Session IV
Open House Discussions on the
main Theme of the Seminar

Emerging opportunities for marketing co-operatives - Lessons from a successful model - TCMS

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Marketing plays a significant role for the society as a whole. A high level of marketing activity is a prerequisite for a high level economic activity. It has been aptly remarked, "nothing happens until somebody sells something". At present the urgency is for *increased marketing and not merely for increased production*. This alone shows the importance of marketing as a potential force that commands high significance for society as a whole. In the words of Peter F. Drucker, "Without Marketing there can be no democratic economic development, without marketing as the hinge on which to turn; economic development will have to take the totalitarian form".

The small farmers are economically weaker from the point of view of availability of marketable surplus. A study revealed that about 35 percent of the total production is sold by the cultivator, of which 24 percent is sold to the traders and commission agents, 15 percent is disposed of in kind of wages, and nearly 8 percent is kept in reserve for seeds. It was found that the food grain markets were highly competitive. The co-operative marketing societies started to provide storage and marketing facilities to the farmers.

The Tiruchengode Agricultural Producers cooperative marketing society (TCMS) was registered on April 16 1930 to uplift the farmers and members. The area of operation of the society is confined to the whole of Salem and Namakkal distributors of Tamilnadu state. The main objectives of the society are marketing of agriculture produce of the members, advance loans on the pledge of produce, distribute input requisites, undertake processing of agricultural produce etc.

Branches

TCMS has two branches at Konganapuram and Mallasamudram, Besides 18 seasonal agricultural marketing centres.

Membership and Share Capital

The agriculturists belongs to the Salem and Namakkal districts had an opportunity as per bye law to become members of the marketing society. The traders are admitted as associate members. The total member as on 31.8.2009 was 73,066 with paid up share capital of Rs. 8.37,633 of the total members 50,010 were members and 23,056 were associate members. The Government share capital outstanding as on date is nil.

Marketing of Agricultural Produce

Important Activities

Marketing:

The main crops cultivated and marketed in the area are Cotton, Groundnut, Gingelly, Castor seeds, Coconut Kernels, Sunflower seeds and Tapioca. The season for summer cotton is from July to September and winter cotton is from December to April and for Groundnut from September to February, for Gingili from June to August and for Castor seeds from December to March.

Important Benefits to Ryots:

- a. Accurate weighments
- b. Minimum and Reasonable service charges
- c. Maximum and Reasonable price to the farmers
- d. Immediate payment
- e. No wastage of produce
- f. Godown facilities and produce pledge loans
- g. Processing facility to Agriculture produce of members

Distribution of Agricultural Inputs, Implements and Others

The society distributes agricultural inputs like chemical fertilizers, seeds, oilcakes, pesticides etc., and supplies agricultural implements to the ryots. The society distributes all these agricultural inputs through its 5 Seva Kendra's situated in the rural areas of Tiruchengode, Sankari and Idappadi Taluks.

3. STORAGE FACILITIES:

In order to market the agricultural produce brought by the farmers and to keep the stocks in safe custody until the sale proceeds dues are collected from the merchants who purchased the same in auction sales, the society maintains several godowns of its own. Besides this, to store the input requirement of the agriculturists and to store the stocks purchased in outright, the society maintains godown. Further, for storing the non controlled commodities under village shop programme and for storing the available controlled goods under PDS, the society maintains godowns. All the godowns are fully utilized for these purposes.

4. LINKING OF CREDIT WITH MARKETING

The society is implementing the scheme of linking of credit with marketing. The scheme

is implemented during the period of cotton and groundnut harvest seasons.

5. LOANS TO MEMBERS:

Produce Pledge Loan

The society is advancing loans on the pledge of produce so that the farmers can store their produce and sell them at a better price. During the year 2009-2010 upto Aug'09 the society has advanced Rs.64.57 Lakhs as produce pledge loan.

Jewels Loan

The society has got own funds of Rs. 3192.27 Lakhs on 31.03.2009. The society could use these funds only during harvest seasons. During off seasons, the society could not utilize the funds profitably but only invested in banks at a lower rate of interest without proper utilization. Hence, the society advances loans to members on the pledge of jewels from 04.10.94 onwards to get better returns. By harnessing the available funds in jewel loans, the society is now able to deploy them profitably.

PROCESSING ACTIVITIES:

The society owns an Oil Expeller and three Rottary checkkus at Thiruchengode and an inhale type Groundnut Decorticator at Mallasamudram and a cotton Ginning factory comprising of 10 double Roller Ball bearing type of Gins in its branch at Konganapuram to process the Agricultural Commodities purchased by the society in outright and from its own marketing yard and to process the agricultural commodities of its members. The society is manufacturing "ARTHANAREESWARA" Brand Agmark Gingelly oil, Agmark Groundnut oil, Agmark Turmeric Powder and Arthanareewara Brand Agmark Rice varieties packs in polythene pouches and bags and sells through its retails outlets and also supplies to other co-op. Institutions.

7. VILLAGE SHOP PROGRAMME AND PUBLIC DISTRIBUTION SYSTEM

The society owns 16 Fair price shops and Kerosene Bunk in Thiruchengode town and distributes controlled goods to the public. The society as a lead society supplies controlled goods to the 209 Fair price shops run by 37 Primary coop. Banks and 3 primary Co-operative Stores in "Thiruchengode taluk. Out of the total of 209 Fair price shops, Non-controlled goods supplies are made to 193 Fair price shops and to 16 Fair price shops owned by this society.

(b) Sale of Non-Controlled commodities

Besides the fair price shops, the society runs its own consumer branches in Tiruchengode, Mallasamaudram and Konganapuram where all Groceries and Cosmetics items are sold at Cheap rates to the public competing with the private traders. The society also sells the goods like Stationery and Electrical, Medicines and Drugs, Iron and Steel, Chappals, Milk, Cottonseed Fodder, Bran, Oil cake etc., through its own shops and through the sevakendra shops opened in rural areas to facilitate the farmer members.

SELF SERVICE SECTION :

The society has constructed a separate 2 stored building for its self – service sales section at a cost of Rs. 18.75 Lakhs. The sales was commenced with pleasure by the Registrar of Coop. Societies on 29.3.95. Nearly 3000 items are stored in the section and the average sales amount including Stationery items, Electricals, Audio, Video and Furniture etc is Rs. 2.00 Lakhs per day.

MAANIA VIZHAI MALIGAI PORUTKKAL(Subsidised Price Products)

The Society implements the scheme of Maania Vizhai Maligai Porutkkal in the Fair price shops run by the Society. Further, the society has undertaken to Supply Ten Lakhs of 50 gram Turmeric Powder Packets to the TamilNadu Civil Supplies Corporation Ltd., Chennai for supply to the scheme and packing arrangements are being made to supply them within the stipulated time.

OTHER ACTIVITIES

(I) PERTROLEUM PRODUCTS

(a) Liquefied Petroleum Gas

The society as a distributor of Indane Gas, Distributes LPG gas cylinders, stoves and appliances to the public of Tiruchengode town from 1984. The society maintains 51,857 domestic and 1,702 Non-domestic LPG connections in Thiruchengode Town. The LPG Section of the Society has bagged the Best Distributor Award (1st Prize of Rs. 50,000) in South India for its overall standard of best performance during the year 1989-90 and Best Distributor Award (Prize of Rs.10,000) in Coimbatore area for the year 1994-95. The society has got 2nd Prize at the state level for the highest sales of commercial cylinders during the period from 1.4.2007 to 31.12.2007.

(b) Servo Stockistship (Automotive Lubricants)

The society has been appointed as a Servo oil stockist for Salem and Namakkal Districts by the Indian Oil Corporation Ltd., as per letter ref. No. TNSO /SSA/LOI dated 22.8.2003 of the Indian Oil Corporation, Chennai.

Servo oil stock such as Engine Oil, Gear Oil, Brake oil, Coolants, Greases etc. are kept in the rented godown at Salem and the oil stocks are sold and delivered to IOC Retail Outlets (Petrol and Diesel Bunks) Servo oil shops and to mechanic work shops etc. in the two Districts of Salem and Namakkal through our lorries since 12.09.2003. The society has got the privilege of extending its servo oil distribution to the nearby district 'Vilupuram' also since October 2007. The servo section of the Society has been selected and Awarded as the All India Topper 2008 in the function held at Puri, Bhubhaneswar on 24.2.2008 for its overall best performance in the business for the year 2006-2007.

(C) PETROL BUNK

The society has also been appointed as the Retail dealer of the Indianoil Corporation for the sale of Petrol and diesel in the premises of the society at Tiruchengode. It has

commenced its petrol and diesel sales business respectively on 05.02.04 and 26.04.2004 and the sales performance is very much encouraging. The society has been awarded for its best performance taking 1st Place for the sale of Petrol in Namakkal District.

(2) LORRIES AND TRACTORS:

The society owns three lorries and two tractors which are lent to members on nominal hire charges and for the use of the society.

(3) DAIRY SCHEME:

Besides its major marketing activities, the branch at Konganapuram is also running a Dairy scheme from February, 1971 in order to strengthen the economic conditions of the farmer-members. In the beginning of the scheme, milk could be procured only from 52 members and the daily average quantity of milk dispatched to the then Tamilnadu Dairy Development Corporation, Erode unit was only 95 litres. Then the scheme gained quick momentum and the value of milk procured at present rose to Rs. 58.16 Lakhs per annum by an average supply of 1200 litres of milk per day.

(4) MEDICAL STORES:

Through its medical stores, the society distributes drugs and medicines for human beings, poultry and veterinary at reduced rates offering 12% discount to the customers and that it stabilizes the market prices.

(5) STATIONERY AND ELECTRICAL GOODS SALES :

The society in the head office at Thiruchengode owns one Stationery and Electrical goods section in which all the stationery requirements of the school going children and the Electrical goods such as switches, bulbs, tubes fans etc., to the public are sold at cheap cost. Further, these stationery and electrical goods are supplied to the local bodies, schools and Government organizations also.

(6) IRON AND STEEL SALES:

For meeting the house and other building construction requirements, the society purchases ISI Mark Iron Rods from reputed concerns like TATA TISCON ranging from 6mm to 25mm and distributes to the public. The sales progress made by the society is very much appreciable, since quality products are sold at cheap cost.

(7) SEVAKENDRA SALES:

The society in the rural areas of Thiruchengode, Sankari and Idappadi Taluks is running 4 agro based goods sales Centres called Sevakendras to distribute agricultural inputs, non-controlled goods, cattle fodder items, chappals etc., to benefit the farmer-members and the general public at their door steps.

(8) FRUIT, JUICE AND ICE CREAM SALES

The society for the benefit of its members and general public has opened a fresh fruit, fresh fruit juice and Amul ice cream sales parlour in the head office at Thiruchengode on April 2007. Fruits and Juice of high quality at cheaper rates are sold appreciably.

(9) MOBILE PHONE RECHARGE CARDS AND TOPUP CARDS SALES :

The society is also acting as a Direct Selling Agent of the BSNL for sale of mobile phone Recharge cards and Top up cards and also acting as an agent of Aircell in the sale of Recharge cards from March 2007. The cards are made available to all consumer sales sections and to all the Fair price shops in rural areas.

(10) TRAIN TICKET BOOKING SERVICE:

The society has got appointed as the agent of Indian Railway catering and Tourism Corporation (IRCTC) to reserve and issue Train Tickets to the members and general public. It fulfills the requirements of the people. It fulfills the requirements of the people on service motive w.e.f 21.7.2008.

VII. MANAGEMENT:

The Management of the society is vested with the special officer with effect from 25.5.2001. The chief executive of the society i.e. the special officer is in the rank of a joint Registrar of Co-operative Societies. The total number of staff members working in the society is 204.

General:

The Society is working profitably from its inception onwards. It has got "Shield" as the best working Co-operative Marketing Society in the state during the year 1962-63 for marketing of agricultural produce. The society has thrice been awarded with Dr. Panjab Rao Deshmukh Award by NAFED, New Delhi for its best performance in marketing of agricultural produce during the year 1989-90, 1990-91, and 1993-94 In addition to this, case award of Rs.10,000 each for the years 1989-90, 90-91 and 1993-94 has also been provided to the society. Further, the society is getting Awards as the best Co-operative Marketing society in the state of Tamil Nadu every year. Further, the society is certified an ISO 9001-2000 for the best services to the public and members for providing marketing, processing, sale of Agricultural Produces, Financial Services and Sales of controlled and Non controlled consumer goods, The society pays 21% dividend to its members and Bonus as per Bonus Act to its employees. The society has continuously been placed in "A" class under Audit.

IDENTIFYING BEST CO-OPERATIVE PRACTICES:

Lessons from TCMS

The general conclusion is that the marketing system is highly explorative.

The role of an efficient marketing system in improving the socio-economic conditions of farmers was perceived long ago. Sporadic effects were made to improve the agriculture marketing system through the regulation of agricultural market. But public institutions such as regulated agriculture markets have not been very successful, particularly in providing protection to the small formers. There the co-operative marketing could play a major role by organizing the marketing functions through mutual help (Muralt 1992). Most of the small farmers, depends on bigger cultivators or commission agents of traders to sale their produce. In such a situation, the function of Thiruchengode co-operative marketing society in TamilNadu state is commendable.

CAPITAL AND CREDIT POSITION:

Capital is the life blood of the co-operative society. The All India Rural Credit survey committee and V.L.Metha committee recommended the Government to contribute its share capital to the PACS and also to the central co-operative banks. But in TCMS the Government share capital outstanding as on date (August 2009) is nil.

RELATIONSHIP WITH ENVIRONMENT:

A viable organization is one that succeeds in its relationship with environment and satisfies its members. The environment provides resources and opportunities (Hicks and Gullet, 1975:387) The TCMS, based upon the environment changed its objectives; supplementing member income through dairy business (1970), consumer business and medicines including poultry medicine (1972) iron and steel business (1989) jewel loan (1994). Fruits; Juice ice cream sales (2007) mobile phone recharge cards and Top up cards sales (2007) and Train Ticket booking service (2008) are example. The Society has convened general body meetings and organised member contact programmes in village at regular intervals. These measures provide feed back on member needs.

SPATIAL DISPERSION:

The main concern of a service organization is to promote the maximum utilization of services by clients or beneficiaries. This implies that services provided and relevant to the needs, problems and aspirations of people (Dubey and Murdia 1983:209).

Spatial dispersion becomes necessary when the organization has to move closer to the customer. The desirability of creating territorial limits depends on the degree to which physical facilities and personnel one spatially from the headquarters.

TCMS has organized two full-fledged viable branches. The business turnover of the branches is much larger than the business turnover of the head quarters.

DIVERSIFICATION OF BUSINESS:

The TCMS has achieved a great deal of diversification as evident from the different achievements undertaken by itself. Seventy percent of the turnover of TCMS comes from marketing of agricultural product and the remaining from a variety of businesses.

The principle concern for community is followed by this TMCS to extend its services to different groups.

COMMITTEE ORGANIZATION:

Committee is a widely used agricultural form which has great relevance for co-operatives. The utility of committee organization seems to have been well recognized by the TCMS which has three committees. One each for purchase, disposal and collection of dues.

INTEGRATION:

Integration is a process of strengthening the co-operative structure by applying the principle of Co-operation among Co-operatives. The pattern of integration in the TCMS is examined in two distant areas of their business: output marketing and input marketing.

OUTPUT MARKETING:

Sale of produce in TCMS is effected by two ways; unprocessed and processed. Unprocessed goods have limited sales potential as they are largely sold to private traders. Processed goods have diversified channels and can directly reach the consumers. In addition, the marketing society can reap the advantage of value addition resulting from processing.

Background integration is strong in TCMS, procurement is made either on joint venture basis or on own account or on behalf of their co-operatives. It has an elaborate procurement infrastructure with three branches and 15 seasonal procurement centers located in the premises of the PCB. The entire produce purchased on outright basis is sold only after processing.

As far as paddy is concerned, the absence of marketable surplus among the producers in the area of operation necessitates outside/institutional procurement. Owing to government regulation and movement restriction of paddy, the capacity utilization has been poor. Another obvious shortcoming is the absence of credit marketing linkage.

INPUT MARKETING:

Input marketing aims at procuring and supplying inputs required for agriculture at economical price and thereby reducing the cost of production. TCMS supplies seeds, pesticides, implements, fertilizers. It also hires out tractors and other equipment to the farmers. The supply of consumer goods is another improvement activity, TCMS procures its supplies from other apex institutions like TANFED, the Tudiyalur co-operative Agricultural services (TUCAS) and the Civil supplies corporation.

CONCLUSION:

The TCMS success helps to know about its relationship with the society. The 'concern for community' principle helped the TCMS to extend its wings through providing facilities like petrol bunk, mobile phone top up cards, Railway Reservation Centers etc. so,

based up upon the requirements the co-operative societies should provide services.

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Points made by Prof. S.L. Tripathi

Former Chief Director (Coop.), GOI, New Delhi
and Former Professor at VAMNICOM, Pune

Area for Study

1. How many Societies have been established under Mutually Aided Cooperative Societies Act and their performance (in terms of Area Coverage, membership, financial position & so on).
2. Why Cooperative Co. concept has not been accepted/became popular among cooperation?
3. An Opinion survey with "regard to reconstituting Coops. Into "Unlimited Liability" may also be conducted and report may be sent to all concerned if possible.
4. The result of implementation of modified MACS Act 2002 need to be evaluated and suggestion made for improving performance of Coops.

Suggestion

1. Coop. should be made U Ltd.
2. Govt. should provide many on easy terms i.e. concessional rate of interest
3. Subsidy should also be provided for priority sector lending as is applicable in case of other institution.

Cooperative Development Areas for Research Studies

My concern is and has been for making cooperatives self-reliant, independent and autonomous organization free from Govt. control.

How to do it is a big question? Upto 1955-56 cooperatives were unlimited liability cooperatives Consequently by the progress in regard to the establishment of Coops/Nos was very slow but were on sound footing and performance was much better.

Gandhi/Nehru visualized convulsing India with coops as an economic organization.

4. The first five year plan gave a great deal of emphasis on Cooperatives for Rural & Economic Development of farmers and rural India.
 5. It also considered village school, village panchayat & coops an essential instrument for rural development.
 6. All India Rural Credit Survey Committee report 1955 suggested for State participation in Coops in the form of membership, share capital, working capital, equity etc. Thus easy money came to the Coops. Consequently :
 - Lakhs and lakhs of Cooperatives were established in almost all the fields & areas.
 - The unlimited liability concept was changed to Ltd. removing the accountability of the Coop. Leaders.
 - Easy moving & Non-accountability made coop. leaders to siphon off/ miss manage Government money.
 - The Govt. control in the form of nominated directors on the board, suppression, came in consequently the role of RCS became very important.
 7. Prof. A.M. Kushro (Chairperson ACRC 1989) "Implementation of recommendation of AIRCSC report was the beginning of the end of the Cooperative Movement". He, therefore, suggested for liberalization of Cooperative movement and remove from the clutches of the Govt. but How.
 8. Ch. B.P. Committee in 1990 also suggested for liberalization of the movement.
 9. In 1995 and thereafter A.P., Bihar, Orissa & may other states enacted their legislation for the establishment of "Actually aided Cooperative Societies" but I do not know the progress & performance of such societies (This is a subject for study).
 10. Dr. V. Kurien during this period also suggested for formation of "Cooperative Company" but the idea has not been accepted by the Cooperative Leaders due to the fear that they not have the access to the easy money.
 11. MSCS many Act 2002 was also enacted.
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FISHCOPFED and its Operations during the Financial Crisis Facing Co-operatives

Mr. A.K.Tiwari

Director (I/c.)

National Federation of Fishermen's Cooperatives Ltd., FISHCOPFED

The National Federation of Fishermen's Cooperatives Ltd., popularly known as FISHCOPFED, is an apex level Fisheries Cooperative Federation under the administrative control of Ministry of Agriculture, Government of India which represents all fishermen and fisheries cooperative organizations/societies in the country. It is the global spokesman of Indian Fisheries Cooperative Movement. Its main objectives are to promote and develop the fishery cooperative movement of India, to educate, guide, secure and assist the fishers through the training programmes and other Schemes related to fisheries sanctioned by the Government of India. It has been observed that there are many unidentified and unorganized fishers in the country who are deprived of the benefits of various schemes sanctioned by the Government of India as well as the State Governments. Our objective is to organize them for which cooperative can play an important and effective role. FISHCOPFED has started the process to organize the fishers in the country by conducting a training programmes and workshops from time to time. In this process FISHCOPFED has opened up four Regional Offices in Bhubaneswar (Orissa), Raipur (Chhattisgarh), Guwahati (Assam) & Warangal (Andhra Pradesh). Opening up of two more offices at Mumbai (Maharashtra) and Kochi (Kerala) is on the pipeline. The main objective of our Regional Offices is to provide education and training for fishers, to help fishers in fish marketing, to provide insurance cover to all the active fishermen and to organize the fishers in the concerned region and save them from exploitation. FISHCOPFED has also submitted a proposal to the Government of India for networking of the fisheries cooperatives in all over the country.

Under the Welfare Activities, FISHCOPFED implements the most acclaimed Centrally Sponsored Group Accident Insurance Scheme for active fishermen in collaboration with the concerned state and UT fishery departments throughout the country. The Centrally Sponsored Group Accident Insurance Scheme was started since 1982. Under this scheme, 50% of the premium is subsidized by the Central Government and re-

maining 50% is borne by the State Government and for the North Eastern states 75% of the premium is subsidized by the Central Government. In case of UTs, 100% of the premium is subsidized by the Central Government. The Scheme provides for 24 hours accident cover amounting to Rs1,00,000/- against death/total disability and Rs. 50,000/- against permanent (Partial) disability due to an accident against an annual premium of Rs. 28/-. Around 30 lakh fishers are covered under the Scheme covering 19 States and four UTs in the current year. Around 15,000 families of the deceased have been paid claims in all over the country under the scheme.

Besides that in order to demonstrate fish culture in inland waters, FISHCOPFED has taken a water body from Fisheries Department of Chhattisgarh State and established its inland fish production-cum-demonstration centre at Raipur in Chhattisgarh where as the process in other potential states is under consideration. The said centre has become a model one with enhancement of production and productivity besides a centre of field level demonstrations for fishers in the region.

In order to cater to bulk requirement of fish of the Delhi Hotels of Indian Tourism Development Corporation and the valued fish consumers of Delhi, FISHCOPFED has been running a modernized fish retail shop at Delhi and supplying fish to the Hotels which are under ITDC. The network of fish retail shops will soon be expanded to other areas also. There is a plan to open up model retail outlets in metropolitan cities in the country in a phase manner.

The process of Inter-state fish marketing has been started by FISHCOPFED at Warangal (A.P.) and other Regional Offices of FISHCOPFED and efforts to strengthen the inter-state fish marketing through fishery cooperatives are being made. FISHCOPFED would like to network all the fisheries cooperatives of the States and UTs by enrolling them as nominal members so that their interests could be protected through FISHCOPFED.

FISHCOPFED publishes a bilingual quarterly journal carrying up to date information on fishery technology as well as trends. The journal is a source of knowledge about technology and the Schemes of the Central as well as state governments oriented to the development, promotion and welfare of fishers, besides several allied subjects, news on fisheries cooperatives, fish for health, fish delicacies, etc. The journal is an effective means of publicity among its readers. FISHCOPFED circulates the journal free of charge among its members and the concerned Departments of Central and State Governments.

FISHCOPFED has also started process to establish a data bank in the country as well as at the international level. Since FISHCOPFED is global spokesman of Indian Fisheries Cooperative Movement, it is necessary to create a network for which ICA can play an important role in collaboration with the FISHCOPFED to create a network on international level for the strengthening of world fisheries cooperative movement by organizing conferences and workshops. In the past FISHCOPFED had organized several ODA seminars in India with the financial support of ICA Fisheries Committee. At present, FISHCOPFED is a member of International Cooperative Alliance (ICA) and also of the Fisheries Committee of ICA. We propose for provision of the opportunity and support to FISHCOPFED to conduct such type of programmes for strengthening fisheries cooperative movement.

Last but not the least I hope that the recommendations of the Seminar will be very fruitful for the development of cooperatives as well as the fisheries cooperatives. FISHCOPFED assures to provide all the support for upliftment of the cooperative movement. ICA Research Committee should support FISHCOPFED in its endeavor and make special consideration for the weaker sections of the society.

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Cooperatives unaffected by global economic meltdown

BY IMA
NEW DELHI, OCT 26

THE cooperatives have by and large remained unaffected by the global economic crisis, which otherwise has severely affected structures and they continue to achieve higher turnover and profits according to the Cooperative Alliance. Talking at a seminar on Cooperatives - a better Model - Emerging Trends organised here recently jointly by ICA, Asia Pacific and Ifco, Stal Kwan Lee, regional director, ICA, Asia Pacific, said that AMUL, Ifco, NCCF cooperatives have continued to achieve high level of business turnover and profits. The cooperative business model being members owned, member controlled and certainly oriented in nature is considered to be a preferred form of economic models in the context of moral crisis of capitalism. He informed the delegates from five roundtables about the decision of UN to declare year 2012 as year for cooperatives. CN Saxena, the chairman of Asia Pacific and director, Ifco urged the cooperative fraternity to give priority to cooperative research and studies in the region, so that the cooperatives could add on to their strength and become more competitive in the era of globalisation. "ICA, Research Committee will look into the problem areas, issues and suggest feasible solutions to overcome these challenges," he added.

[N] Srivastava, former secretary, Agriculture dwelled upon the values that cooperatives adhere to in terms of developing human capital that remains one of the biggest challenge before societies at large. Rajy ID Mehta, deputy regional director, ICA, Asia Pacific presented the recommendations of Ministers Conferences on Cooperative & Legislation and laid emphasis on the need of an enabling policy environment to make cooperative legislation more effective, clear, simple and crisp.

While presenting a paper on Cooperative synergy during experience, Mohan Mishra, director National Cooperative Union of India (NCUI) said that the cooperative movement has the strength and potential to boost the rural economy and also offsets any slow down in the urban economy. "By empowering cooperative sector, we empower rural India so that the urban communities can live comfortably and peacefully," he concluded.

Source : Political & Business Daily

मंदी से निपटने का सही माडल है सहकारिता : सक्सेना

नई दिल्ली, 26 अक्टूबर (भाषा)। वैश्विक संकट से प्रभावित बाजार में नरमी की घटा बताते हुए देश की प्रमुख सहकारी कंपनियाँ मंदी के खिलाफ खल बन कर उभरी हैं और सहकारिता माडल के प्रति लोगों में फिर से नया विश्वास जगाया है।

हाल के अनुभवों से उत्साहित सहकारिता क्षेत्र में अब सेवाओं की गुणवत्ता और प्रबंध के पकड़नी जा रही है। अंतरराष्ट्रीय सहकारी गठबंधन (आईसीए) के शोध समिति के अध्यक्ष जी एन सक्सेना ने एशियाई देशों के सहकारिता क्षेत्र के शोधकर्ताओं की एक कार्यशाला में सहकारिता समुदाय के एक कार्यकर्ता से अपने क्षेत्र में अब शोध एवं अध्ययन को प्राथमिकता दे। कार्यशाला में थाइलैंड, नेपाल, श्रीलंका जैसे देशों के शोधकर्ता शामिल थे। गुडगांव के इफको परिसर में 24 सितंबर को समाप्त इस दो दिवसीय कार्यशाला में सक्सेना ने कहा कि शोध पर ध्यान देकर सहकारिता क्षेत्र अपनी ताकत को बखर सकता है तथा

वैश्वीकरण के दौर में अधिक प्रतिस्पर्धी हो सकता है। सक्सेना ने आश्चर्य किया कि गठबंधन की शोध समिति समस्त आर्थिक और ध्यान देगी तथा चुनौतियों से निपटने के लिए उपयुक्त समाधान सुझाएगी।

कार्यशाला में संगठन के एशिया प्रशांत क्षेत्र के क्षेत्रीय निदेशक शिल न्जों लौ ने कहा कि वैश्विक आर्थिक मंदी के दुष्प्रभावों से सहकारिता क्षेत्र लयभंग अडकता रहा है जबकि निर्गमित खर्च को काफी दिक्कतों का सामना करना पड़ा है। उन्होंने कहा-सहकारिता माडल में व्यवसाय का स्वामित्व सदस्यों के पास होता है। उन्हीं के द्वारा निर्धारित होता है तथा प्रकृति भी सेवा केंद्रित है। पूंजीवाद के नैतिक संकट के संदर्भ में यह एक ऐसा आर्थिक माडल हो सकता है जिसे तरजीह मिलनी चाहिए। भारतीय राष्ट्रीय सहकारी संघ के निदेशक मोहन मिश्रा ने बैठक में 'आर्थिक मंदी के दौर में सहकारिता क्षेत्र का प्रदर्शन' विषय पर अपना पत्रा पेश किया। उन्होंने कहा कि वैश्विक आर्थिक मंदी के दौर के बावजूद भारत में प्रमुख द्वाय सहकारिता संस्था

अमूल का व्यवसाय 2008-09 में 28 फीसद बढ़ा और उसने 6,700 करोड़ रुपए का व्यवसाय किया। सुनौ का कहना है कि आने वाले सालों में जल्द ही इसका कारोबार 10,000 करोड़ रुपए के स्तर को छू जाएगा। इसके अलावा सहकारी हाफेड का कारोबार भी मंदी के दौर में आकर्षक बंग से बखर है। केरल में रबबरी के अलावा दूसरे रबड़ प्रसंस्करण करने वाली सहकारी संस्थाओं का कारोबार भी बखर है।

जुड़ी सहकारी संस्था कैम्पको की मंदी के दौर में भी गत वित्त वर्ष में आठ करोड़ का फायदा हुआ और उसने 12 फीसद का लाभार्जन भी दिया। राष्ट्रीय सहकारिता उपघटक महासंघ का कारोबार 2008-09 में 857 करोड़ रुपए का हुआ और उसने 2.12 करोड़ रुपए का फायदा अर्जित किया। इसके अलावा उसने 10 फीसद की दर से लाभार्जन बढ़ाया भी की। इसी दौरान नेफेड, इफको, कृषको जैसे सहकारी संस्थाओं ने भी काफी मुनाफा अर्जित किया।

Source: Jansatta

मंदी से निपटने को सहकारिता मॉडल कारगर

एजेन्सी

नई दिल्ली। वैश्विक संकट से प्रभावित बाजार में नफ़े को धरा बताने हुए देश की प्रमुख सहकारी कंपनियों मंदी के खिलाफ खल बन कर उभरी है। इनने सहकारिता मॉडल के प्रति लोगों में फिर से नया विश्वास जगाया है। हाल के अनुभवों से उन्माहित सहकारिता क्षेत्र में अब संकटों की गुणवत्ता और प्रबंध के क्षेत्र में शोध और अनुसंधान बढ़ाने की जगह जोर पकड़ती जा रही है।

अंतरराष्ट्रीय सहकारी गठबंधन आईसीए के शोध समिति के अध्यक्ष जोएन सक्सेना ने शोध समिति के सहकारिता क्षेत्र के एशियाई देशों के सहकारिता क्षेत्र के प्रबंधकों को एक कार्यशाला की संयोजित करते हुए सक्सेना ने सहकारिता समुदाय के लोगों से कहा कि वे अपने क्षेत्र में अब शोध एवं अध्ययन को प्राथमिकता दें। कार्यशाला में बहरीन, नेपाल, श्रीलंका जैसे देशों के शोधकर्ता शामिल हैं। गुडगांव के हरिके परिसर में 24 सितंबर समाप्त इस दो

दिवसीय कार्यशाला में सक्सेना ने कहा कि शोध पर ध्यान देकर सहकारिता क्षेत्र अपनी ताकत को बढ़ा सकता है तथा वैश्वीकरण के दौर में अधिक प्रतिस्पर्धी हो सकता है। सक्सेना ने आश्चर्य किया कि आईसीए की शोध समिति समझाया, मुझे की और ध्यान देनी तथा चुनौतियों से निपटने के लिए उपयुक्त समाधान सुझाएगी। कार्यशाला में संगठन के एशिया प्रशांत क्षेत्र के क्षेत्रीय निदेशक शिल क्वां ली ने कहा कि वैश्विक आर्थिक मंदी के दुष्प्रभावों से सहकारिता क्षेत्र लाभान्ना अक्षर का है जिसने निर्मित होने को काफी दिक्कतों में डाला है। उन्होंने कहा कि सहकारिता का व्यवसाय मॉडल में इसका स्थानित सदस्यों के पास होता है और उन्ही के द्वारा नियंत्रित होता है। पूंजीवाद के नैतिक संकट के संदर्भ में यह एक ऐसा आर्थिक मॉडल हो सकता है जिसे तरजीह मिलनी चाहिए। भारतीय राष्ट्रीय सहकारी संघ के निदेशक मोहन मिश्रा ने कहा कि वैश्विक आर्थिक मंदी के दौर में सहकारिता क्षेत्र का प्रदर्शन विषय पर

अपने पक्ष पेश किया। जिसमें कहा गया है कि वैश्विक आर्थिक मंदी के दौर के बावजूद भारत में प्रमुख दुग्ध सहकारिता संस्था अमूल का व्यवसाय वर्ष 2008-09 में 28 प्रतिशत बढ़ा और उसने 6,700 करोड़ रुपये का व्यवसाय किया। दूसरे अलावा सहकारी संस्थाओं में रूप के स्तर को ध्यान देना। इसके अलावा सहकारी संस्थाओं में पंजाब के मार्केट और हरियाणा के हरेक का कारोबार भी मंदी के दौर में आकर्षक बना से बढ़ा है। केवल में रखने के अलावा दूसरे बड़ा प्रसंस्करण करने वाली सहकारी संस्थाओं का कारोबार भी बढ़ा है।

कर्मिकों की कमी के व्यवसाय से जुड़ी सहकारी संस्था कैम्पको की मंदी के दौर में भी यह विलक्षण का कारण भी दिया। राष्ट्रीय फायदा हुआ और सने 12 प्रतिशत का लाभार्थ भी दिया। राष्ट्रीय सहकारिता समिति महासंघ का कारोबार वर्ष 2008-09 में 857 करोड़ रुपये का हुआ और उसने 2.12 करोड़ रुपये का शुद्ध मुनाफा अर्जित किया। इसके अलावा उसने 10 प्रतिशत की दर से लाभार्थ अदावाही भी की दौलत नेफेड, इफको, कृषको जैसे सहकारी संस्थाओं ने भी काफी मुनाफा अर्जित किया।

Source: Virat Vaibhav

सहकारिता मॉडल ने जगाया नया विश्वास, गुणवत्ता और प्रबंधन पर जोर देने का सझाव

सहकारी संस्थाओं ने मंदी को दिखाया ठेंगा

नई दिल्ली, एजेन्सी। वैश्विक आर्थिक संकट ने प्रभावित बाजार को धरा बताने हुए देश की प्रमुख सहकारी कंपनियों मंदी के खिलाफ खल बन कर उभरी है। इनने सहकारिता मॉडल के प्रति लोगों में फिर से नया विश्वास जगाया है। हाल के अनुभवों से उन्माहित सहकारिता क्षेत्र में अब संकटों की गुणवत्ता और प्रबंध के क्षेत्र में शोध बढ़ाने की जगह जोर पकड़ती जा रही है।

अंतरराष्ट्रीय सहकारी गठबंधन आईसीए के शोध समिति के अध्यक्ष जोएन सक्सेना ने एशियाई देशों के सहकारिता क्षेत्र के प्रबंधकों को संयोजित करते हुए कहा कि वे अपने क्षेत्र में अब शोध एवं अध्ययन को प्राथमिकता दें। गुडगांव के हरिके परिसर में आयोजित इस दो दिवसीय कार्यशाला में सक्सेना ने कहा कि शोध पर ध्यान देकर सहकारिता क्षेत्र अपनी ताकत को बढ़ा सकता है और वैश्वीकरण के दौर में अधिक प्रतिस्पर्धी हो

सकता है। इस कार्यशाला में बहरीन, नेपाल, श्रीलंका जैसे देशों के शोधकर्ता शामिल थे। सक्सेना ने आश्चर्य किया कि आईसीए की शोध समिति समझाया, मुझे की और ध्यान देनी और चुनौतियों से निपटने के लिए उपयुक्त समाधान सुझाएगी। इस मौके पर संगठन के एशिया प्रशांत क्षेत्र के क्षेत्रीय निदेशक शिल क्वां ली ने कहा कि वैश्विक आर्थिक मंदी के दुष्प्रभावों से सहकारिता क्षेत्र लाभान्ना अक्षर रहा है।

इसने निर्मित होने को काफी दिक्कतों में डाला है। सहकारिता मॉडल में कारोबार का स्थानित सदस्यों के पास होता है और उन्ही के द्वारा नियंत्रित होता है। पूंजीवाद के नैतिक संकट के संदर्भ में यह एक ऐसा आर्थिक मॉडल हो सकता है जिसे तरजीह मिलनी चाहिए। भारतीय राष्ट्रीय सहकारी संघ के निदेशक मोहन मिश्रा ने कहा कि वैश्विक आर्थिक मंदी के दौर में सहकारिता क्षेत्र का

- सहकारिता पर एशियाई देशों के सम्मेलन में विशेषज्ञों ने पैर किए विचार
- इस क्षेत्र में शोध और अनुसंधान को तरजीह देने की सलाह
- इफको, नेफेड, कृषको और अमूल जैसे संस्थाओं ने कमाया मुनाफा

प्रदर्शन' विषय पर अपना पक्ष पेश करते हुए कहा कि मंदी के बावजूद भारत में प्रमुख दुग्ध सहकारिता संस्था अमूल का व्यवसाय वर्ष 2008-09 में 28 प्रतिशत बढ़ा। उसने 6,700 करोड़ रुपये का व्यवसाय किया। आने वाले वर्षों में जल्द ही इसका कारोबार 10,000 करोड़ रुपये

के स्तर को ध्यान देना। इसके अलावा सहकारी संस्थाओं में पंजाब के मार्केट और हरियाणा के हरेक का कारोबार भी मंदी के दौर में आकर्षक बना से बढ़ा है। केवल में रखने के अलावा दूसरे बड़ा प्रसंस्करण करने वाली सहकारी संस्थाओं का कारोबार भी बढ़ा है। कर्मिकों की कमी के व्यवसाय से जुड़ी सहकारी संस्था कैम्पको की मंदी के दौर में भी विकले वित्त वर्ष में आठ करोड़ रुपये का कारोबार हुआ।

उसने 12 प्रतिशत का लाभार्थ भी दिया। राष्ट्रीय सहकारिता समिति महासंघ का कारोबार वर्ष 2008-09 में 857 करोड़ रुपये का हुआ। इसने 2.12 करोड़ रुपये का शुद्ध मुनाफा अर्जित किया। इसके अलावा उसने 10 प्रतिशत की दर से लाभार्थ अदावाही भी की। इस दौलत नेफेड, इफको, कृषको जैसे सहकारी संस्थाओं ने भी काफी मुनाफा अर्जित किया।

Source : Dainik Jagran





Co-operatives started out as small grassroots organisations in Western Europe, North America and Japan in the middle of the last century, however, it is the Rochdale Pioneers that is regarded as the prototype of the modern co-operative society and the founders of the Co-operative Movement.

In 1844 a group of 28 artisans working in the cotton mills in the town of Rochdale, in the north of England established the first modern co-operative business, the Rochdale Equitable Pioneers Society (photo). The weavers faced miserable working conditions and low wages, and they could not afford the high prices of food and household goods. They decided that by pooling their scarce resources and working together they could access basic goods at a lower price. Initially, there were only four items for sale: flour, oatmeal, sugar and butter.

The Pioneers decided it was time shoppers were treated with honesty, openness and respect, that they should be able to share in the profits that their customer contributed to and that they should have a democratic right to have a say in the business. Every customer of the shop became a member and so had a true stake in the business. At first the co-op was open for only two nights a week, but within three months, business had grown so much that it was open five days a week.

The principles that underpinned their way of doing business are still accepted today as the foundations upon which all co-operatives operate. These principles have been revised and updated, but remain essentially the same as those practiced in 1844.

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