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WORKSHOP REPORT

WORKSHOP ON MANAGEMENT OF CONSUMER COOPERATIVES IN MAHARASHTRA

22nd to 24th August, 1991

VIDYANAGARI - BOMBAY (INDIA)



International Cooperative Alliance, New Delhi

&

Directorate Of Marketing, Maharashtra State, Pune

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OPENING SESSION AND PROCEEDINGS OF THE WORKSHOP :

The Workshop on Management of Consumer Cooperatives in Maharashtra was jointly organised by the International Cooperative Alliance, Regional Office for Asia and the Pacific and the State Government and the Consumer Cooperative Movement of Maharashtra at the University Campus, Bombay between 22nd and 24th August, 1991.

Mr. V.S. Gopalakrishnan, IAS, Commissioner for Cooperation and R.C.S., Maharashtra inaugurated the Workshop at 9.00 a.m. by lighting a lamp. The inaugural function was graced by the presence of Prof. (Dr) P. C. Shejwalkar, Mr. U.C. Chamankar, Chairman, Apna Bazar, Mr. R. B. Rane, Vice Chairman, Sahakar Bazar and Mr. Pradit Machima, Consumer Advisor of International Cooperative Alliance. The Workshop was attended by Executives of 18 selected Consumer Cooperative Stores from different parts of Maharashtra.

Mr. Gopalakrishnan in his inaugural address highlighted three aspects of Consumer Cooperative Movement. His first point was about the dichotomy of urban and rural consumer cooperatives, vis-a-vis their problems and linkages. His second point was about the diarchy in the Maharashtra Consumer Movement and his third aspect was about the regional imbalances in the consumer sector. He urged upon the enlightened gathering to consider these problems and recommend appropriate practical and functional measures. He hastened to add that let not the workshop end up with the recommendations of advising the Government to do this and that. The present crisis of resource crunch should also be borne in mind and cooperators should not always look for Government support. The strategy should be self-help and self-reliance. In respect of the regional imbalances he emphasised that if the local leadership is not forthcoming, then the Officers of the Cooperative Department should take all possible steps to enthuse and motivate the people and wherever possible the successful Stores should come forward with their helping hands to develop the weaker Stores.

Before the inaugural address, Mr. P. A. Kambli, General Manager, Apna Bazar on behalf of the Organising Committee welcomed the participants and the resource persons, Mr. B. D. Pawar, Director of Marketing gave the introductory speech, Mr. P. Machima explained the objective, methodology and strategy of the

Workshop. Mr. Chamankar delivered the key note address and Shri Misra gave a glimpse of the Consumer Cooperative Movement in India.

The inauguration function ended with a vote of thanks by Mr. Nandkumar Naik, one of the funding fathers of the ace consumer store - WARANA BAZAR.

WORKSHOP OBJECTIVE :

The Workshop had the following objectives :

1. To train consumer cooperative managers in modern consumer cooperative management.
2. To exchange knowledge and experience among participants.
3. To promote self-help, self-education and self-development of consumer cooperative development in Maharashtra.
4. To find ways and means of improving consumer cooperative movement in Maharashtra and to help others.
5. To set up model coop. shops in different parts of the country.

MEHTODOLOGY AND PROGRAMMES :

The Workshop adopted a mixed methodology of lecture-cum-discussions supported by the resource persons and guest speakers, presentation and discussions of real situation, group discussions, study visit and action plan/exercise.

PROCEEDINGS :

Adhering to the Workshop Programme Schedule the resource persons and guest speakers presented their papers/reports and views followed by participative discussion. Mr. Pradit Machima and Mr. B. D. Pawar who were constantly present throughout the deliberations of the Workshop, guided the discussions/proceedings and maintained the schedule.

On the third day of the Workshop i.e. on 24th August, 1991 the participants were divided into five groups to discuss the following areas of consumer cooperatives.

1. Organisational Structure of Urban/Rural Consumer Cooperatives;
2. Rural Consumer Cooperatives - in perspective;
3. Funding for Consumer Cooperatives;
4. Personnel Management in Consumer Cooperatives;
5. Role of Executives vis-a-vis Board of Directors in Consumer Cooperatives;

The group members discussed various aspects of their assignments and presented their reports before the plenary session. Their presentation was followed by suggestions and supplementary recommendations by the members of other groups and the recommendation wherever approved by the house were incorporated in the group report. Summary of the group reports is enclosed.

The plenary session was followed by the valedictory function which was graced by Mr. P. Machima and Mr. Madhu Mantri, an eminent consumer activist of Bombay who is also the President of the Mumbai Grahak Panchayat, a registered unofficial voluntary consumer forum.

The valedictory function began with a welcome address by Mr. P. A. Kambli followed by the impression of the Workshop by Shri R. S. Umbare. Mr. P. Machima explained the Objective of the Workshop alongwith the methodology followed. The valedictory address was delivered by Mr. Madhu Mantri. In his valedictory address he explained the various consumer activities carried on by the Grahak Panchayat as an effective forum of Consumer Protection and Redressal of various grievances of the Grahak Panchayat which has sponsored Janata Consumer Stores with a difference. Janata Consumer Store is the only consumer Store in the entire country with an annual sales turnover of more than Rs. 50 million without a single retail outlet. The strategy of this unique cooperative society has been to collect the indent (monthly/fortnightly) from the members in a group of 10 to 15 and to provide door delivery with lowest margin. By this system about 11,000 members have been enrolled and have been getting their supplies of 250 assorted items at a visibly cheaper price. The beneficiaries say that the price is on the whole about 10% cheaper than the prevailing market rate. This unique experiment has been applauded by the International Consumers' Union in writing and with a request that the same experiment be replicated in all the developing countries as an organised effort of consumer protection.

The valedictory function ended with a vote of thanks by Mr. G. R. Vasave, Joint Director of Marketing.

In between the plenary session and valedictory function Mr. P. Machima took the evaluation of the Workshop and feed back from the participants. In the absence of a pre-circulated format and informal approach was followed and the finding was conspicuous with the general satisfaction of the participants. The point-wise feed back is enclosed.

FINANCE ;

The Workshop was based on a self-financing basis with a view to organising similar workshops at the regional level so that the experience and expertise of consumer cooperative can be disseminated and percolated to the consumer cooperatives who needed the most all around the State.

GROUP REPORTS

1. ORGANISATIONAL STRUCTURE FOR URBAN/RURAL CONSUMERS' COOPERATIVES

MEMBERS

Mr. S. C. Misra	Chairman
Mr. R. S. Desai	Secretary
Mr. Y. Bhutkar	
Mr. B. D. Naikwadi	

- 1.01 Notwithstanding the National Level structure or the overall organisational structure of Consumer Cooperatives, mixed pattern should be encouraged for the development of Rural Cooperatives. It may be by the Primary Agricultural Credit Societies (PACS), independent big rural societies with a network of branches of the society like Warana Bazar or an Urban Society having rural branches. In Maharashtra since there are instances of success in all these patterns, this mixed approach is recommended.
- 1.02 Though RDC has failed in Tamilnadu, keeping in view the different features of Maharashtra RDC should be tried in Bombay and Kolhapur in which areas there is a conglomeration of consumer Cooperatives including big and successful ones which may take the leadership in this regard.
- 1.03 The Federal Bodies at the state Level and National Level which were expected to provide supply support have miserably failed. So they should be restructured and revamped or remodelled in the pattern of South Korean experience.
- 1.04. The Forum of Consumers' Stores which has been recently organised and registered as a Trust with the active support of the leading Stores should have more frequent meetings to discuss effective strategy to develop supply support to the consumer cooperatives.
- 1.05. Bigger Stores which have been opening branches should constitute Branch Committee for active involvement and participation of the members and also to develop leadership in the movement, in the pattern of Apna Bazar, Bombay.

1.06 Irrespective of the pattern in Urban and Rural areas the consumer cooperatives have to develop professionalisation of Management and improve their sales, service and profitability without which no structure can be sustainable.

1.07 Since the General Manager is a key personnel and provide a link between the elected and executive management he should have a say in the policy formation level also. So he should preferably be designated as Managing Director.

2. RURAL CONSUMER COOPERATIVES - IN PERSPECTIVE MEMBERS

Mr. R. S. Umre	Chairman
Mr. Sham Dharmalkar	
Mr. Ashok Sawant	
Mr. D. P. Porc	Member Secretary

2.01 Since the Rural Distribution Scheme launched on project basis by the NCDC UNDER Link Lead Societies has not been taken up in any part of India and more so in Maharashtra. The scheme should be analysed by a Committee comprising of the representatives of the beneficiary Societies, State Government, Government of India, N.C.D.C. and N.C.C.F. should be set up to look into the problems and to suggest suitable measures to reformulate the scheme.

2.02. Wherever the Lead Society or District Level Society can afford they should operate mobile shops for the benefit of the vulnerable section of the community residing in far flung hilly and tribal areas which may be supported by N.C.D.C. and Government of India.

2.03 Lead Society or the District Level Society especially the successful ones should set up a few model self-service shops in deserving villages where there is a population of about 10,000 and for such projects N.C.D.C. and Government of India should extend necessary financial assistance.

2.04 C and P Cell of N.C.C.F. should be strengthened and they should extend their consultancy services to the rural cooperative shops also.

2.05 A visit of managers of select Societies should be arranged to South Korea where the Rural Consumer activities have taken roots and they should recommend suitable measures for implementation and experimentation in India.

2.06 A monitoring cell should be created at the level of the State Government, Central Government and N.C.D.C comprising of the representatives of the concerned institutions and they should not hesitate to recommend modification of any scheme wherever necessary.

3. FUNDING FOR CONSUMER COOPERATIVES

MEMBERS

- | | | |
|----|----------------------|------------------|
| 1. | Mr. U. J. Jambhale | Chairman |
| 2. | Mr. N. N. Srivastava | Member |
| 3. | Mr. N. B. Buva | Member |
| 4. | Mr. Philip F. Lamos | Member |
| 5. | Mr. S. K. Phatak | Member Secretary |

3.01 To meet the growing need of increased capital, the management of consumer cooperatives should be encouraged to develop a sound capital base of their own which can be possible by increased participation of its members.

3.02 The participation of the State Government in the equity of the consumer cooperatives which is at present Rs.10,000/- per Primary Stores and Rs. 1.00 Lac for the Central Stores should be increased to Rs. 50,000/- and Rs. 5.00 lacs respectively, keeping in view the devaluation of the rupee and the increasing need of the Share Capital.

3.03 The present statistics show that in case of Primary Stores, Central Stores and State Federation, the equity participation of the Government with reference to their total sale works out to 23.5% , 75.9% and 91.1% respectively. But the Federations are mostly in loss irrespective of the huge Government assistance. So instead of providing more money or financial support on the basis of structure, assistance should be provided on the basis of potentiality and performance.

3.04 At present there is no provision to get the block capital finance from any source other than Government of India. In view of the revenue generation and employment generation potentiality of consumer cooperatives, the District Coop. Bank and/or Nationalised Banks should be advised to provide the required block capital finance to deserving societies where Government assistance is not forthcoming. Such loans should be treated as a priority Sector and should entail low rate of interest.

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3.05 To improve the own funds of Consumer Cooperative, Societies should be permitted to accept deposits even from non-members who are beneficiaries of consumer cooperatives. If necessary the relevant portion of the Banking Regulation Act which debars consumer cooperatives from this facility may be suitably amended.

3.06 At present District Cent. Coop. Banks have been charging interest 13.5% on the Cash Credit Accommodation that is provided to consumer cooperatives. With the recent revision in bank rate this rate of interest is likely to be increased to 18% to 20% creating a big liability on the consumer cooperative. This changed scenario may upset some of the consumer stores which are otherwise viable. So there is an urgent need for the Govt. of India and the Reserve Bank of India to provide concessional credit to the consumer cooperatives which have been working as a bulwark of consumer production.

3.07. Since finding suitable accommodation is a big problem and a costly phenomena, other kinds of successful cooperatives Like Cooperative Sugar Mills, Banks and other Societies who have suitable premises may be advised and encouraged to provide such accommodation to consumer cooperatives as a gesture of their goodwill in horizontal cooperation in the overall interest of cooperative movement and in the best interest of the common man who are otherwise exposed to exploitation.

3.08 Whatever financial assistance is being provided by the Govt. of India, State Govt. and the N.C.D.C. require a lot of parapharneslia and are time consuming. The procedure in this regard should be simplified so that successful projects are implemented without any unnecessary delay or dampening the spirit of the committed cooperators.

4.00 PERSONNEL MANAGEMENT IN CONSUMER COOPERATIVES MEMBERS

Mr. P. A. Kambli

Chairman

Mr. G. B. Bhagwat

Member Secretary

Mr. S. K. Chalke

Mr. J. A. Shindhhe

4.01 Since consumer cooperatives are socio-economic democratic organisations, democratic maladies often creep in during the selection and recruitment of staff inhibiting professionalisation in management. To overcome this malaise efforts should be made to set up independent Recruitment Board and qualification and experience for selection of different cadres of employers should be prescribed and adhered to.

4.02 Since training is essential for human resource development and for professionalisation of Management there should be a suitable approach keeping in view the growing training needs of the consumer cooperatives. There should be

a) on the job training/in-store training b) Institutional training c) Self Study Training, d) Study Visits to successful Stores in homogenous groups, e) Workshops, Seminars and Panel discussions on need based subjects.

4.03. Since everybody aspires career development, management of consumer cooperatives should design and formulate a need based promotion policy to sustain and maintain the morale of the staff. This can however be possible only if the Management envisages long range planning and goes for a continuous expansion programme.

4.04 To motivate the staff and to increase their productivity there should be a pragmatic incentive policy whereby more efficient workers can be rewarded by an additional income in the form of incentive. In this regard desiring consumer cooperatives may consult C & P Cell of N.C.C.F. and take their assistance.

5. ROLE OF EXECUTIVES VIS-A-VIS BOARD OF DIRECTORS IN CONSUMER COOPERATIVES

MEMBER

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|-----------------------|------------------|
| 1. Mr. V. S. Kesarkar | Chairman |
| 2. Mr. S. U. Spare | Member |
| 3. Mr. P. B. Sarnaik | Member Secretary |

5.01 It is true that the ultimate authority of a consumer cooperative vests in the General Body of Member and is by and large exercised by their elected representatives, i.e. the Board of Directors headed by the Chairman. But since they appoint a team of personnel at the cost of the Society, they should be aware of the latest management discipline and delegate necessary power/authority and responsibility to them in the best interest of the Stores.

5.02. To develop professionalisation of management and to get the maximum productivity and operational efficiency from the personnel, the Board should lay down the policy and leave the routine administration to the Executive Management.

5.03 C & P Cell of N.C.C.F. has given broad guidelines of role of Executives and Board of Directors in its manual No.3 If the elected Directors are trained in this line, then it may help to solve many of the

mis-understandings and help in developing a congenial atmosphere so far the elected and the executive management are concerned.

5.04 Modern Management demands utmost efficiency from the executives to make the cooperatives competitive and effective. The Board of Directors should refrain from interfering in the day to day business/administration of the Society. They should however have periodical appraisal.

5.05 The nominated Directors in the Board may guide the other Directors to perceive the de-marcation of jurisdiction of the Board of Directors and the Executive Management.

EVALUATION

Questions	Participants' Reaction
1. Adequacy of Invitation time	Participants unanimously said that the time was adequate. However, some of them said that there was no guidelines for preparing the case study.
2. Clarity of the Objectives	Clear - Unanimous
3. Adequacy of time for preparation,	Adequate according to the members of the Organising Committee.
4. Accommodation	There were some problems. Because some participants who usually prefer to stay outside required accommodation at the last moment. However, the physical facilities were satisfactory.
5. Presentation of Papers	By and large the time for individual speakers allotted was adequate. According to most of the participants, some speakers whose talks were educative, interesting and directly relevant to develop operational efficiency should have been given more time. Some participants suggested that if the papers of the experts would have been circulated earlier it would have been much more useful for them in order to have better understanding.
6. Adhering to the time Schedule	In order to regulate the proceeding of the Workshop, every Session should be chaired by a Presiding Officer capable of maintaining discipline, time schedule and fuinding the proceedings.
7. Food arrangement	Good, Alright - Unanimous.
8. Other services	Answers were not forthcoming.
9. Equipments	Needs improvement.

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| 10. Learning Process | Should be supplemented with audio-visual aids, wherever possible. |
| 11. Participation | In general good and active. Majority of the participants took active interest in the deliberation. |
| 12. Participants appreciation | There was unanimous appreciation, Self-financing system, participating method, mutual experience - sharing and problem-solving approach were reclaimed by the participants. |
| 13. Other suggestions | <p>a) In case of case studies, reasons of success and failure should be analysed and discussed to make it educative.</p> <p>b) Apart from the core participants, representative of Cooperative Banks Cooperative Union, Cooperative Training College etc. Should be associated in this kind of Workshops/seminars.</p> |
| 14. Action Plan | <p>Participants came out with the idea of organising seminar. Workshops, Panel discussion for a group of Stores in contiguous areas and on a regional basis with self- financing system to share their experience and expertise on need based topics/subjects and to spread new ideas and techniques for implementation in their respective Stores. They also said that such and endeavour should be on a recurring basis and leading Stores of the area should co-ordinate such programmes.</p> |

RESOURCE PERSONS AND GUEST SPEAKERS

Sr No.	Name and Designation	Name of the Institution
1.	Mr. Pradit Machima Consumer Advisor	ICA, New Delhi
2.	Mr. B. D. Pawar Director of Marketing	Maharashtra State Pune
3.	Mr. S.C. Misra Consultant	NCCF, Calcutta
4.	Mr. Nandkumar Naik Managing Director	Warana Sahakari Setkari Sakhar Karkhana Ltd., Warana Nagar.
5.	Mr. Girish Virgi, Joint Controller	Legal Metrology, Maharashtra State, Bombay
6.	Dr. P. C. Shejwalkar, Director	Institute of Management Education, Pune
7.	Mr. Shirish Deshpande	Activist & Incharge of Study & Research Group, Mumbai Grahak Panchayat, Bombay
8.	Mr. V. S. Kesarkar, General Manager	Warana Bazar, Warnanagar,
9.	Mr. P.A. Kambli, General Manager	Apna Bazar, Bombay
10.	Mr. S. S. Samant Chief Purchase Manager	Apna Bazar Bombay

ORGANISING COMMITTEE

1.	Mr. V.S. Gopalkrishnan, IAS Commissioner for Cooperation RCS	Maharashtra State Pune
2.	Mr. Pradit Machima, Consumer Advisor	ICA, New Delhi
3.	Mr. B. D. Pawar Director of Marketing	Maharashtra State Pune
4.	Mr. Nandkumar Naik, Managing Director	Warana Sahakari Shetkari Karkhana, Warana Nagar,
5.	Mr. P. A. Kambli, General Manager	Apna Bazar, Bombay

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| 6. | Mr. N. N. Srivastava
Senior Consultant | NCCF
Bombay |
| 7. | Mr. B. Bapuji,
Regional Director (West) | N.C.D.C.,
Pune |
| 8. | Mr. A. R. Sapre,
Reader | V.M.N.I.C.M.
Pune |
| 9. | Mr. Suryakant Pathak,
Managing Director | Grahaak Peth,
Pune. |

PARTICIPANTS

- | | | |
|-----|---|--|
| 1. | Mr. Yogiraj Bhutkar
Manager | Karad Urban Coop. Central Cons' Stores Ltd.,
Karad, Dist. Satara. |
| 2. | Mr. Shyam Dharmalkar,
Manager | Janata Cent. Coop. Cons' stores Ltd.,
Akola |
| 3. | G. B. Bhagwat,
Manager | Samarth Cent. Coop. Cons' Stores Ltd.,
Thana |
| 4. | Mr. Philip F. Lamous
General Manager | Vasai Taluka Cent. Coop. Cons' Stores
Ltd., Vasai, Dist. Thana |
| 5. | Mr. D. B. Pore,
General Manager | Satara Zilla Madhyawarti Sahakari
Sangh Ltd., Satara |
| 6. | Mr. B. D. Naikwadi,
Manager | Bhagwant Sahakari Purwatha Mandali Ltd.,
Barshi, Dist. Solapur. |
| 7. | Mr. R. S. Desai
Managing Director. | Maratha Aikyawardhak Cent. Coop. Cons' .
Stores Ltd., Bombay |
| 8. | Mr. P. D. Sarnaik,
General Manager | Shribaug Cent. Coop. Cons' Stores Ltd.,
Alibag. |
| 9. | Mr. Suryakant Pathak
Managing Director | Janata Madhyawarti Sahakari Grahaak
Bhandar Ltd., Pune |
| 10. | Mr. S. U. Sapre
General Manager | Colaba Cent. Coop. Cons' Stores Ltd.,
Ltd., Bombay |
| 11. | Mr. Vijay S. Kesarkar,
General Manager | Waranvibhag Cent. coop. Cons'
Stores Ltd. Waranagar |
| 12. | Mr. N. B. Buwa,
General Manager | Kolhapur Janata Cent. Coop. Cons'
Stores Ltd., Kolhapur. |
| 13. | Mr. J. A. Shinde
General Manager | Bharati Madhyawarti Sahakari Grahaak
Bhandar Ltd., Pune |

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| 14. Mr. Ashok Sawant,
Managing Director | North Bombay Cent. Coop. Cons'
Stores Ltd., Bombay |
| 15. Mr. Ulhas J. Jambhale,
General Manager | Ahmednagar Cent. Coop. Cons' Stores
Ltd., Ahmednagar. |
| 16. Mr. R. H. Sharma
General Manager | Malegaon Sahakari Madhyawarti Grahak
Sangh Ltd., Malegaon. |
| 17. Mr. Shirang K. Chalke
Manager | Karad Taluka Cons' Coop. W/S. & Retail
Stores Ltd., Karad, Dist. Satara. |
| 18. Mr. P. A. Kambli
General Manager. | Mumbai Kamgar Madhyawarti Sahakari
Grahak Mandal Ltd., Bombay |

OBSERVERS

- | | |
|---|---------------------------|
| 1. Mr. R. S. Umre
Retired Chief Director | N.C.D.C. New Delhi |
| 2. Mr. G.R. Vasave
Joint Director of Marketing | Maharashtra State
Pune |

INVITEES

- | | |
|---|--------------------------------------|
| 1. Mr. K. G. Sankhye
Joint Director of Marketing | Maharashtra State
Pune |
| 2. Mr. S. G. Ahire,
Joint Director of Marketing | Maharashtra State
Pune |
| 3. Mr. D. V. Wagh
Deputy Director of Marketing | Marketing Research Officer
Bombay |
| 4. Mr. R. B. Rane
Vice Chairman | Sahakar Bazar,
Bombay |
| 5. Mr. V. Vaidyanathan
Branch Manager | NCCF
Bombay |

ACRONYMS

R.C.S	Registrar of Cooperative Societies
C & P Cell ...	Consultancy & Promotional Cell of N.C.C.F.
N.C.C.F	The National Coop. Cons' Fed. of India Ltd.,
N.C.D.C	National Cooperative Development Corporation.
V.M.N.I.C.M	Vaikunth Mehta National Institute of Cooperative Management.