

GUIDELINES FOR 56TH ALL INDIA COOPERATIVE WEEK CELEBRATIONS

Introduction

The National Cooperative Union of India (NCUI) an apex organisation of Indian Cooperative Movement celebrates and sponsors All India Cooperative Week every year from 14th to 20th November to propagate the cooperative ideology and spirit in the country. This year the Indian Cooperative Movement will celebrate 56th All India Cooperative Week on nation-wide scale. The noble objective behind the week long celebrations is giving an opportunity to all the cooperative institutions in India to review their progress, problems and highlight their achievements, policies and programmes besides developing a road map for further growth and development of cooperative sector in the wake of economic slow-down.

The commencement of cooperative week also coincides with the birthday of Late Pt. Jawaharlal Nehru, the architect of modern India who was well aware of the relevance of cooperatives in building the nation. The cooperative movement, nurtured by national leaders like Mahatma Gandhi, Sardar Vallabh Bhai Patel and others right from pre-independence days has always recognized the crucial role played by it in improving the plight of poor farmers and other vulnerable sections of the society. On the occasion of cooperative week the cooperators, leaders, farmers, workers and cooperative employees etc. rededicate themselves to cooperative values and principles, commit themselves to the cause of cooperative movement and harness the benefits of cooperative business model in serving the nation.

During week long celebrations, it is the responsibility of cooperative societies to create mass awareness regarding indispensable role being played by the cooperative sector in the field of sustainable development and climatic change. While highlighting the achievements, success and relevance of the cooperative movement, we may discuss numerous striking issues like country's self sufficiency on food front i.e. food security, role of cooperatives in bringing green revolution and white revolution in the country, poverty alleviation, social justice and empowerment of women, youth and other marginal class. The message of these achievements must be disseminated from the level of primary level cooperatives to district, state and national level cooperative organisations.

This year the cooperative week is being celebrated with the theme “**Cooperatives as an Efficient and Effective Business Model in Global Economic Slow-Down**”. The theme is relevant when economies of the world and cooperative movements in various countries are facing the worst phase of slow-down and economic recession. It may be noted that most of the cooperatives in India are unaffected with the impact of the slow-down. Rather the organizations like IFFCO, KRIBHCO, AMUL and other cooperatives have not only witnessed rapid growth in their turnovers and profits but also have shown stability and sustainability in the economic slow down. This was possible due to our faith and trust in cooperative values and principles. In today's context the cooperative model based on trust and values is more relevant than the capitalist model where profit is the sole motive of the organization. The cooperatives have been the most effective and efficient organization even in the period of slow down as they have diversified in new areas and have come up with joint ventures of all types. In fact economic slow down has given an opportunity to cooperatives that they can successfully compete with other form of business organizations.

The cooperative model of economy has proved to be the safe and secure model which can provide a ray of hope to the common masses. Due to strong roots in the community in which the cooperatives are embedded, the cooperative model is governed by community consciousness. The cooperative model of development is unique as it does not depend on external influences like stock markets. It is a model which is owned and controlled by the people. The democratic principles of cooperatives are its life-blood. Every step is taken to ensure that the cooperatives do not fall prey to the evil influences of market. However, the present economic crisis shows that the cooperative model of development can fulfill the aspirations of the common people. The policy initiatives of the government in every field must explore the possibility of involving cooperatives so that the inherent strengths of cooperatives are allowed to flourish.

The cooperative movement in India has had a very long and illustrious history. During these 105 years, the movement has diversified manifold and has played a significant role in bringing about important socio-economic changes in different sectors of the economy. It is now a major force in important sectors like sugar, dairy, credit and fertilizers. Several cooperative brands have already become a house-hold name, not only in India but also abroad. However, with the advent of the market economy, the functioning of cooperatives has undergone a change. They are now transformed through adoption of professional, financial and administrative skills. The cooperative movement has proved to be an effective economic development model, which ensures inclusive growth.

Cooperative activities need to be carried out with credibility in order to win the confidence of the public. It is also necessary to take note of the emerging problems and realities and to equip oneself to cope up with such challenges effectively and with confidence. The Cooperative Week Celebrations should be marked with debates and deliberations on the theme of the cooperative week; the general public should be motivated to join the cooperative movement to strengthen the economy by making the cooperative movement truly as a people's movement.

During this week long celebrations cooperatives may organise awareness camps, seminars, road shows, exhibitions and publicise their achievements so that the contribution of cooperative movement is highlighted and projected in a most effective manner. The broad guidelines of the celebration of 56th All India Cooperative Week are elaborated under datewise nomenclature. Based on these guidelines, the state cooperative unions, district unions, state level cooperative federations, Institutes of Cooperative Management, Regional Institutes of Cooperative Management, Junior Cooperative Training Centres may chalk out a comprehensive plan for celebration of the Cooperative Week. ■

Cooperative Democracy and Good Governance

(14.11.2009)

Cooperatives have their unique distinction from other forms of economic enterprises in being democratic and autonomous. “Membership” is the most important entity in any cooperative. Being democratic means the members have all the right in the decision-making process of the society. However, since authority comes with responsibility, it becomes the duty of the members to make “informed decisions” by equipping themselves with the requisite knowledge and training. Good governance provides the structure through which the objectives of the cooperatives are set and the means of attaining them are in the interest of the society.

Governance in an investor-owned company is aligned with profit maximization while that in a cooperative is based on the cooperative spirit of providing service to its members. Since the members also happen to be “owners” of the cooperative, democratic control is an integral part of cooperative governance. Crucial to cooperative democracy is that any member can stand for and be elected to the board. There is a risk, however, that the need for qualification and experience could be compromised and the cooperative becomes management-driven. The answer to this dilemma is to co-exist with democracy and the necessary qualification and experience by adhering to the following guidelines :

For Members

- Provide and promote cooperative education.
- Promote and facilitate member participation and control.
- Equal and timely access to information concerning the cooperatives.

Regular and proper training of members would ensure that they are empowered to understand and manage their cooperatives whenever the need arises.

For Directors

- Clearly define their role and responsibilities alongwith the required and desired competencies.
- Strive to attract directors with appropriate qualification and expertise.
- Provide ongoing training.

Accountability of the Board

Except for very small cooperatives, the members are not expected to participate in all the decisions of the cooperative. In electing a board, the members confer on the board the authority to make decisions. The board is, however, accountable to the members about :

- ◆ What and why decisions have been made?
- ◆ What cooperative resources have been used?
- ◆ What results have been achieved and how?

Business Performance Indicators

Performance indicators are signposts that help a board to decide whether the cooperative is moving closer to its mapped objectives or away from them. Each action should be based on an expected outcome and the things that might help the cooperative decide whether there is reasonable progress.

Have performance indicators been identified and used? What are these performance indicators? Is outcome being assessed against indicators?

Regular introspection on the above lines would ensure a professionally managed cooperative society that can and also ensure transparency in the operations of the cooperative as the members viz. owners are aware of the working of the cooperative. ■

Urban and Rural Credit Cooperatives and Economic Development (15.11.2009)

The cooperative credit structure is one of the most important and oldest sectors of cooperative movement in India. The institutional rural credit system for agriculture comprises of (i) Short Term and Long Term Credit Institutions (ii) Commercial Banks (iii) Regional Rural Banks (iv) National Bank for Agriculture & Rural Development (v) Reserve Bank of India. The institutional credit delivery system for urban areas comprises of (i) Commercial Banks (ii) Urban Cooperative Banks and (iii) Urban Cooperative Credit Societies. Undisputedly, there is no other alternative other than cooperative credit structure so to serve the needs of the rural economy. The cooperative credit structure was the first to realize that increasing rural incomes through enhancing agricultural production, generating employment in non-farming activities etc. has been critical for expanding marketing accelerated investment and industrial growth. This has helped in boosting the growth rate of economy by providing a fillip to agricultural production in the country. The short term cooperative institutions alone have the capabilities to meet and cater to the agricultural needs of the farmers. Cooperatives with less than 6% of the deposits of the total banking sector in the country cater to around 50% of the short term agricultural needs of the farmers. They alone have issued the largest number of Kisan Credit Cards which are around 65% of the total Kisan Credit Cards issued in the country.

A large number of measures have been initiated to ensure growth and development of cooperative credit institutions and also to make them strong, viable, vibrant, self-reliant, dynamic and democratic. However, these institutions needs to be further strengthened. The problem of imbalances, imposition of several seasonality disciplines, administered interest rate structure on both advances and deposits till 1994, mounting overdues due to poor loan recovery, lack of professionalisation, weak HRD policies, absence of democratically elected management, continuous interference by government, politicization of credit, etc. are some of the major problems faced by the short term cooperative credit institutions.

The urban cooperative credit sector not only meets the credit needs of middle classes and weaker sectors of societies located in urban areas but also inculcates in them the habit of thrift & familiarizes them with banking practices. In the year 1966, urban cooperative banks were brought under the purview of Banking Regulation Act 1949, as applicable to cooperative societies. During last four decades, there has been tremendous growth in the sector in terms of number of banks/branches, membership, share capital, deposits, loans and advances. Although vast network of branches and extension counters of urban cooperative banks cover the whole geographical area of the country, the heterogeneity in the sector is quite profound. 80% of urban cooperative banks are concentrated in five cooperatively advanced states of Maharashtra, Gujarat, Karnataka, Andhra Pradesh and Tamilnadu. The preparation of Vision Document by Reserve Bank of India and formation of state-wise task force for the revival and strengthening of the sector is a major development in the sector during recent times. The MOU which has been signed between RBI and State Governments has paved the way for RBI for exercising direct control over UCBs. Two categories of banks have been made, Tier - I Banks (all Rs.100 crores unit, single district banks) have relaxed professionally accounting norms, while Tier II Banks are subjected to same norms as are applicable to commercial banks.

Some problems of Urban Cooperative Banks (UCBs) are as follows:

- (i) Ban on loans to directors of UCBs, advances to the directors of the UCBs, their relatives and to the firms in which they have interest. Professional and experienced people are not coming forward to participate in the management process of UCBs.
- (ii) Continuation of 180 days loan implementation norms.
- (iii) Permission for opening of new banks/new branches for financial inclusion.
- (iv) Income tax related issues.
- (v) Waiver of penalties imposed on UCBs for SLR/CRR purposes.

Some general problems of urban credit cooperative societies are mentioned as follows:

- (i) Banking Cash Transaction Tax and Cooperative Credit Societies/PACs – Withdrawals from cooperative credit societies and PACs should be excluded from the purview of banking cash transaction taxes, as these institutions are catering to the needs of lower middle class and marginal farmers and are not in a position to bear the burden of tax.
- (ii) Cooperative credit societies provide housing loans to their members. However, since the loans taken by the members do not qualify for tax deduction (either interest or principle amount), credit societies are losing their borrowers to banks. Cooperative credit societies should be recognized as eligible institutions for purposes of housing loans and deductions thereof in respect of principle and interest as applicable to loans from banks should be made applicable to housing loans taken from credit societies also.

During the cooperative week celebrations, the following activities may be undertaken to highlight the sector.

- Conferences and seminars on the importance of rural and urban credit may be organized to create awareness.
- Ways must be visualized so as to communicate to the masses the strengths and achievements of rural and urban credit in the wake of economic recession.
- The cooperative federations dealing with credit may undertake various measures to highlight the problems of this sector to the policymakers through representations, letters, meetings, etc.
- Print and electronic media may be used extensively to highlight the issues confronted by the sector.
- Research and projects may be initiated on the issues of this sector. ■

Marketing, Consumer and Agro-Processing Through Cooperative Advantage and Brand Building

(16.11.2009)

Introductory

With the introduction of Cooperative Societies Act, 1912, the jurisdiction of cooperatives in India was extended to non-credit cooperatives. It was a big step forward for integrated growth of cooperatives by giving much needed thrust to the agriculture sector and allied activities. By integrated development, it is meant that on the one hand with the infusion of credit to the cooperatives, the agricultural production would be augmented and on the other hand infrastructure would be developed to mop up agricultural production and add value to the produce by means of organized marketing, agro-processing and storage etc.

Cooperative Marketing

With a view to provide inputs i.e. fertilisers, improved seeds, pesticides/insecticides, agricultural implements and machinery at the door steps of the farmers and developing holding capacity of the produce to be sold at opportune time bringing remunerative price to the growers, marketing cooperatives sprang up in all states. Marketing cooperatives have three tier structure in India i.e. primary societies at the root/village level, state cooperatives/federations (in some states district level cooperatives have also been set up) at the state level and national level federation at the apex level. The marketing cooperatives fall in two distinct categories i.e., one general purpose societies and two the commodity specific.

The number of all marketing societies is 10,710 and of specialized/commodity societies 5,585. Their membership consists of 5.37 million farmers and that of the commodity societies 51.9% of the total. The total business turnover of these cooperatives stood at Rs. 24,604 crores in 2003-04 which included agriculture produce marketed, agricultural requisites sold and consumer goods distributed. Many societies have also set up agro-processing industries.

Marketing cooperatives have achieved high level of business turnover. They have professionalized their management and get good support of the government. They include general marketing federations in many states like Maharashtra, Andhra Pradesh, Punjab, Haryana, Kerala, Gujarat, Rajasthan. etc. MARKFED Punjab and HAFED in Haryana are engaged in massive procurement operations of foodgrains and building of buffer stock. They have also set up agro-processing units like rice mills, oil mills etc. Some of the commodity marketing federations have made a mark and they are: APCO and COOPTEX for handlooms in Andhra Pradesh and Tamil Nadu States respectively, Gujarat Cotton Federation, Fishery Federation of West Bengal, RUBBERMARK and RUBCO in Kerala for marketing and processing of rubber and coir based products, ARTFED in Assam for silk based handloom products, INCOSERVE for tea in Tamil Nadu, CAMPCO for arecanut and cocoa in Karnataka and Kerala, Fishery cooperatives in marine states, a federation in Madhya Pradesh for tendu leaf and so on. Almost in every state dairy federations have excelled in marketing of milk and milk products. NAFED is involved in price support operations and market intervention policies of selected agricultural commodities on behalf of

Government of India from time to time. It also acts as canalizing agency for selected commodities for import and export.

In spite of herculean efforts made by the societies, there are many areas for example outright purchase where availability of funds plays a crucial role. For improvement in the holding capacity of the produce infrastructure in the form of storage and cold storage facilities needs to be augmented and the system of making advance payment to the farmers strengthened. Linking of credit with marketing which has not met with much success needs to be strengthened. In overall analysis, it can be surmised that marketing of the produce is a big challenge before cooperatives and they have not been able to create the infrastructure to face the competition in spite of many incentives and supports from various quarters.

In the last few years, the application of information and communication technologies have changed the scenario to some extent as the farmers are now being guided about the weather conditions, right selection of crops to be sown and the market conditions for sale of the produce. Commodity exchanges have also been set up. Credit is being provided at much cheaper rates of interests. Kissan Credit Cards have also been introduced. The insurance cover is afforded.

The marketing societies attract financial assistance from cooperative and commercial banks and other financing institutions like National Cooperative Development Corporation (NCDC) for creation of infrastructural facilities and undertaking business operations as under:

Strengthening the share capital base; margin money assistance; working capital assistance; and assistance for purchase of transport vehicles.

For distribution of inputs, the following schemes are in operation:

Creation of input farmers' service centres; agro-service centres; inputs manufacturing and allied units; establishment of bio-fertiliser units; and development/strengthening of agricultural marketing infrastructure, grading and standardization systems.

Agro-Processing

Cooperatives have set up about 2000 agro-processing units in all parts of the country with assistance from NCDC, Consortium of Financing Institutions, Cooperative and Commercial Banks. The units set up are in the following areas:

(a) Sugar

The share of cooperatives in sugar production works out to 46%. This by all means is a striking achievement.

Average capacity utilization is 113% and sugar recovery is 11.2% against all India position of 117.2% and 10.55% respectively.

Cooperative Sugar Factories have played an important role in the rural areas for bringing radical changes in the rural economy. Development of irrigation facilities, laying of roads, promotion of dairy and poultry, establishment of educational institutions, medical facilities, area development, generation of employment.

Resulted in growth of assets and better living standards.

As on 31.3.2009, there were 317 cooperative sugar mills in India.

(b) Spinning Mills

(c) Processing of foodgrains

(d) Oilseeds processing

- (e) Plantation crops processing, tea, coffee, rubber, arecanut, cocoa, coffee, cardamom etc.
- (f) Fruits and Vegetables processing

Barring sugar processing and few other areas, the cooperative agro-processing units have not been successful for variety of reasons. Although it has many distinct advantages as the farmers have backward and forward linkages with the units. They produce quality raw material to be utilized in their industry. They get improved inputs and a better price of their produce. They get value addition of their produce when it is processed. As a matter of fact, they own the instruments of production.

Consumer Cooperatives

Consumer Cooperatives have three tier structure i.e. primary, wholesale stores and state federations.

The underlying idea of consumer cooperatives is to provide quality consumer items to the consumer at reasonable prices. The consumer stores are providing controlled and non-controlled items to the consumers at very reasonable price thus strengthening the Public Distribution System. All primary agriculture credit societies and marketing cooperatives also distribute consumer articles in rural and semi-urban areas. In urban areas, there are consumer stores, departmental stores and they hold the price line and influence the market to fall in line with them. There are many constraints and therefore the consumer cooperatives are not able to produce the desired results. In Maharashtra and many more states, modern departmental stores have come up and giving competition to private enterprises. But the entry of multi-nationals in the retail sector is giving stiff competition to the cooperative set up and unless far-reaching changes are not made in their functioning, cooperative consumer movement may die its own death.

The cooperative consumer network is facing lot of competition from private parties. Big companies/multinationals are in the fray. They are trying to lure the consumers in all possible ways. How the cooperative sector is going to tackle the challenges, there is a big question mark.

As far as maintenance of life-line of PDS and controlled items is concerned, the cooperatives are well disposed. They are doing a great service to the families below poverty lines. But here also, they have to incur the losses which are not recovered. How long this scenario can continue is a matter of concern.

The Student Cooperative Consumer Stores are successful in limited states like Kerala & Tamilnadu. In other states this movement is in its infant stage. A number of constraints exist here as well, although the objective is laudable.

As a matter of fact the entire cooperative consumer movement has to learn a few lessons from such a movement in other countries and take far reaching steps to improve their working and re-establish their relevance.

NCDC provides assistance for the following purposes:

- (a) primary cooperatives, wholesale consumer stores, branches of state federations for distribution of consumer articles in rural and urban areas for expansion/renovation construction of new infrastructure such as shopping centre/godown, kerosene bunk, warehouse etc.
- (b) margin money for raising working capital
- (c) purchase of furniture, fixtures & transport vehicle.
- (d) computerization

- (e) creation/expansion/ modernization of consumer oriented processing/industrial activities.

Brand Building

Cooperatives have also been able to build brands for their products. Most of the brands have been built in the dairy industry where cooperatives have achieved fair amount of success. AMUL, VITA and VERKA are popular brands. The areas where the brands have been built are : fertiliser (IFFCO and KRIBHCO), handlooms, handicraft, food products etc.

Like in the private sector, cooperatives have also been able to build many brands which are of high standards. Brand building is on the following criteria:

- (i) Quality of the product. Maintenance of the quality has to be on consistent basis;
- (ii) The product corners a good share of the market and is available in nook and corner of the country.
- (iii) The product carries a competitive price.
- (iv) Packaging is accorded high priority
- (v) The product is upgraded on the basis of sustained R&D.
- (vi) There is a well laid down system of marketing. In certain cases, the marketing is given to private players. There has to be network of dealers, agents (agencies) distributors.
- (vii) The product conforms to established standards (ISI, FPO etc.)
- (viii) There is a well established backward and forward linkage.
- (ix) A publicity blitz is carried out on continuing basis.
- (x) Smaller producers assemble under the established brands to protect their interest.

AMUL brands of products qualify all the above criteria and are in great demand. The cooperatives should use the best of technologies available and they should deploy all the professional skills to establish their brands in the market. Production of a particular brand of product is one thing, its establishment in the market is another thing. There is tremendous effort involved in producing branded products and cooperatives have time and again established that they are capable enough to produce products of high standards at a reasonable price. ■

Housing and Sustainable Environment

(17.11.2009)

The cooperative housing movement in India is a strong and well spread movement which has developed over the years into a noble and popular movement with mass participation. The membership of housing cooperatives represent a cross section of masses drawn from all walks of life. The number of housing cooperatives and their membership have been growing at a steady pace over the years. At grass root level, 92,000 primary housing cooperatives with a membership of over 65 lakhs are functioning in the country. At state level, 26 Apex Cooperative Housing Federations are working in various States and Union Territories which are members of National Cooperative Housing Federation of India.

Apex Cooperative Housing Federations obtain loans from various financial institutions for on-lending to their member housing cooperatives as well as individual members for construction of dwelling units. Up to 31st March, 2009, the apex federations have borrowed a sum of Rs.10159 crores from LIC, National Housing Bank, HUDCO, Commercial and Cooperative Banks etc. and disbursed an amount of Rs.10709 crores to the primary housing cooperatives and individual members for the construction/financing of 23.84 lakh dwelling units.

Housing units which have been facilitated by housing cooperatives have certain unique features. Not only they are planned developments but they also provide various housing related essential infrastructure support. Majority of the housing units have gone to low and middle income families. The housing stock created by housing cooperatives is qualitatively superior to that created by other supply sub-systems catering to comparable income groups. The construction of housing units is based on highly participatory involvement of members and generate sense of responsibility amongst users for post occupancy maintenance and also provide necessary forum for effecting it.

Houses constructed through housing cooperatives comply with the requirement of local building regulations and therefore, are not only Pucca houses but also conform to the norms and standards prescribed by various service providing institutions like Water and Sewerage Corporation, Electricity Boards, Public Works Departments, Sanitation as well as Health Departments. Similarly, one of the significant contributions of housing cooperatives is the improvement of the ecology of the area where they function. They plant trees and maintain gardens. Special attention is paid by them for collection and disposal of garbage and to keep the surroundings clean.

Besides meeting the shelter needs of the needy people effectively housing cooperatives foster national integration both as an end in itself and as a means to promoting national development. However to fulfill their objective to provide affordable shelter to the needy people, the cooperative housing sector faces numerous impediments like finance, availability of land at cheaper rates, proper legal framework, lack of cooperative education etc. which constrain the smooth functioning of housing cooperatives. Though the cooperative housing sector is playing an important role in eradicating the houselessness in the country, the performance of this sector over the years has been highly influenced by the quantum of funds available to it.

The National Cooperative Housing Federation of India (NCHF) is the umbrella organization of the cooperative housing movement and is engaged in promoting, developing, guiding and coordinating this movement in the country. NCHF is coordinating with the Central/State Governments and Union Territory Administrations and apprising them about the problems faced by cooperative housing movement in the country.

The Government of India have assigned a vital role to housing cooperatives in the National Urban Housing and Habitat Policy to solve the problems of housing in the country. The Government has declared 'housing for all' as a priority area and has decided to focus on the housing needs of citizens in general and that of the poor and the deprived in particular. Towards this end, the Government launched a Two Million Housing Programme in the year 1998-99 with a target of construction of additional 20 lakh houses every year. The cooperatives were given the task of construction of one lakh dwelling units each year under the said programme. Under the umbrella of NCHF, cooperatives have taken up the task in a determined manner and as a result they have constructed/financed 9.51 lakh housing units during the first 11 years of the implementation of the above Programme.

In order to be able to discharge the significant role that has been assigned to them in the National Urban Housing and Habitat Policy and to meet the targets of Two Million Housing Programme, housing cooperatives will have to enlarge the scale and increase the pace of their activities. For doing this, they will be in need of enormous funds. NCHF has approached the Government of India and financial institutions like LIC, NHB and HUDCO for mobilizing financial resources for apex federations.

Progress at a Glance

1.	National Federation	1
2.	State level Apex Cooperative Housing Federations	26
3.	Primary housing cooperatives affiliated to Apex Federations	30000
4.	Share Capital of Apex Federations	Rs. 432.58 crore
	● Contributed by Primaries	Rs. 328.65 crore
	● Contributed by State Governments	Rs. 103.93 crore
5.	Loans raised	Rs. 10159.0 crore
6.	Loans disbursed	Rs. 10709.4 crore
7.	Housing Units constructed/financed	
	● Completed	22.45 lakh
	● Under Construction	1.39 lakh
	Total	23.84 Lakh

Weaker Section, Youth and Women for Empowerment and Social Justice

(18.11.2009)

Cooperatives are firmly entrenched in our society and their values are shared by everybody. It is mainly through cooperatives only that people resolve their problems and grievances. Cooperatives are considered as an important instrument for economic development to emphasize the values of self-help, responsibility, democracy, equality, honesty, awareness and caring for others. Its network has almost covered all the Indian villages and sectors by providing necessary services including information technology to improve quality of life especially in rural areas. The cooperatives encourage coverage of weaker sections viz. people below poverty line and those deprived of basic minimum facilities such as women and youth. The cooperatives are committed to uplift the standards of entire community as a whole without discrimination based on caste, gender, religion, etc.

Involvement of women in cooperative movement formally and informally along their participation as members within the community is very important. The participation of weaker section and youth is also equally good in cooperatives.

The cooperatives are considered to be one of the strong instruments to involve the available human resources as well as explore the potentials for employment generation. The national policy for empowerment of women for maintaining women's perspectives in the development process has its own significance. More participation of youth in cooperatives can be encouraged to utilize their energetic and youthful resources as they are in the most productive category. The participation of youth in different types of cooperatives would help in bringing latest technology for cooperatives to perform better. Similarly, the weaker sections who are deprived of all the basic requirements of life may also be encouraged to actively participate in the affairs of the cooperative movement for socio-economic development.

During the week, cooperatives should adopt the following action plan to bring more and more women, youth and weaker sections in cooperative fold.

Women/Weaker Section

- To encourage participation of women and weaker sections in cooperatives in the decision making body;
- Organisation of education and training programmes for women and representatives from weaker sections;
- Commitment to gender justice to handle women issues and ensure induction of more women in cooperatives;
- Reservation of at least 25% of seats for women in the Board of Cooperatives;
- Organisation of Self-Help Groups for women/weaker sections to provide micro-credit facilities;
- Organise seminars/meetings/conferences for women/ weaker section for promoting their involvement in cooperative movement;
- Conduct leadership development programmes;

- Organise awareness classes in child nutrition, health care and family planning;
- Awareness programmes on welfare schemes for women and weaker sections and their implementation;
- Arrange classes for adult education for illiterate women cooperative members;
- Conduction of awareness programmes on human rights, labour laws etc.
- Organise marketing training programmes etc.

Youth

Cooperatives should devise new programmes which attract youth in an effective manner by involving youth in cooperative organisations. During Cooperative Week cooperatives should adopt following action plan :-

- Cooperative awareness programmes should be organized for youth;
- Organise essay and debating competition on cooperation for students of schools and colleges;
- Organisation of youth development programmes;
- Visit programmes to successful cooperative organizations;
- Interactive sessions with cooperative leaders by youth;
- Curriculum in schools and colleges should include cooperatives as compulsory or optional subject;
- Organising cooperative societies for the unemployed youth for generating self-employment opportunities;
- Organisation of consumer cooperative societies at the level of school/college and universities. ■

Information Technology for Improving Services and Member Communication in Cooperatives

(19.11.2009)

Information Technology (IT) and Cooperatives

IT plays a pivotal role in the development of any society. IT initiatives have resulted in improving core infrastructure and providing better services to the citizens. There is huge importance of reliable, efficient, and cost-effective technology in teaching and learning in all fields of activities. In the recent years it has been constantly emphasized that the cooperative sector can not become professional if it does not adopt latest technologies. It is also thought that technology can improve the operational efficiency of the cooperative sector in a big way. Of late, there is strong awareness in the cooperative sector for improving technological services in all areas of functioning. It can also solve the present problems in our society. There have been several initiatives in Information Communication Technology (ICT) in the cooperative sector. However, much needs to be done so as to make the cooperative sector high technology driven.

Some ICT Initiatives in the Cooperative Sector

IFFCO's Initiative "IFFCO Kisan Sanchar Ltd. (IKSL)" —An IFFCO and Airtel Joint Venture Company

Indian Farmers Fertiliser Cooperative limited (IFFCO) in collaboration with India's leading integrated telecommunications services provider, Bharti Airtel Limited, has launched a joint venture company IFFCO Kisan Sanchar Limited (IKSL). The joint venture is set to provide a major boost to Indian agriculture and the rural economy at large. The IKSL turns the power of telecom to add value to the farm sector and empowers the rural farmer by giving him access to vital information.

IFFCO Kisan Sanchar Limited offers products and services, specifically designed for farmers, through IFFCO societies in villages across the country. On offer are affordable mobile handsets bundled with Airtel mobile connection. Using the service the farmer also gets access to a unique VAS platform that broadcasts five free voice messages on mandi prices, farming techniques, weather forecasts, dairy farming, animal husbandry, rural health initiatives and fertiliser availability etc. on a daily basis. In addition, the farmers are also able to call a dedicated helpline, manned by experts from various fields, to get answers to their specific queries. As a result, the Indian farmers can now look forward to the benefits of mobile telephony and mobile internet and are able to enhance their livelihood and quality of life.

Presently, IKSL user base crosses 15 lakhs and the company is providing services in 18 states i.e Uttar Pradesh, Punjab, Haryana, Rajasthan, Madhya Pradesh, Chhattisgarh, Bihar, Jharkhand, Orissa, West Bengal, Tamil Nadu, Himachal Pradesh, Gujarat, Maharashtra, Goa, Karnataka, Andhra Pradesh and Kerala. The IFFCO example shows that latest technology is proving to be a boon to the farming community. Through latest information the farmers are performing their services without any delay or complications. IT has made the process of communication very smooth. It is hoped that this venture will lead to rise in agricultural production, and improve the lot of the farming community.

KRIBHCO's Initiative - "KRIBHCO Reliance Kisan Ltd."—A Joint Venture of KRIBHCO and Reliance Communications

Krishak Bharati Cooperative Limited (Kribhco), has recently formed a joint venture with Reliance Communications for retailing customized telecom products and farmer specific value added services in rural India. The joint venture company is called Kribhco Reliance Kisan Ltd.

This joint venture creates a first-of-its-kind distribution model covering 72% of Indian population through its network of over 25,000, 6300 member cooperatives and 60 “Krishi Seva Kendras” spread across the length and breadth of the country. The unique distribution model created by the joint venture company distributes a range of telecom and non-telecom services to bridge the urban-rural divide. The value added services provided by the KRIBHCO Reliance Kisan Ltd. sparked the process of converting farming into a more profitable business venture and also created opportunities for employment. This example clearly shows that the cooperatives with the help of technology can remove the various inequalities in our society.

Initiative by Kerala State Cooperative Institute of Information Technology, Electronics and Communications Ltd. (COSTECH)

(ATM's ABB & CORE BANKING)

Kerala State Cooperative Institute of Information Technology, Electronics and Communications Ltd. (COSTECH), the state-wide IT solution provider in the cooperative sector, offers specialised solutions in the cooperative banking sector including banking software solutions, ATM connectivity, ATM interface software, Card management software etc.

COSTECH now offers software with CORE BANKING facility to cooperative banking sector, which enables the customer of a cooperative bank to operate through any of the bank's branches. The technology used is reliable and dependable in bringing down the overall cost of ownership of ATM Technology for the cooperative banking sector. COSTECH has been associated with leading ATM Service providers who own the longest and the best track record in installing, servicing and maintaining ATM's in India and in Kerala. The ATM offered by this cooperative is cost effective and technologically advanced. Other than the advanced cash dispensing mechanism employed for the ATMs, a unique feature includes a cost-effective GPRS based network which cuts down telecommunication and satellite communication expenses.

Current Status

It has been observed that many of the cooperatives are unaware about the benefits of computerisation. They are still following the orthodox manual procedures to manage their business through manual procedures. Most of them are not taking the advantages of latest information technology. All cooperative organisations have a hierarchical structure i.e. for first type of cooperatives, there are branches and head offices and for those cooperatives which are spread in larger geographical area they may have branches, divisional/regional office and main headquarters. All the branches, regional/divisional offices have to send a lot of information to higher level of the same organisation and finally head office has to send it to the governing body, federation and the government. If the work is handled manually it is found that it not only gets delayed but also mutilated many times due to one reason or another. As mentioned earlier branches working at primary level have to communicate a lot of information to their head office, which needs to be analysed and studied over there and then sent to the main governing body, federation or government. At present the information which is supposed to reach next day is reaching the headquarters after eight to ten days which makes it difficult while taking decisions. There are also other statutory requirements which hinder the process. Here technology can play a very important role in effective operations of the cooperative organisations. Now-a-days one can use E-mail/EDI facility which is economical as well as fast to transmit required information wherever required. The

information can be compiled at branch level and then can be transmitted. This will save a lot of time as well as efforts in preparing such reports and in turn, increase the operational efficiency a lot. In a fast moving world of dynamic markets, businessmen only grow when they operate with on-line information of the market and its players. This rationale applies to the cooperative sector too. Now-a-days there are many people who access internet regularly, they can see the advertisement and read about the products/services of the cooperative sector. One more advantage of internet is that one can analyse the performance of the other competitors for improving business.

For developing a powerful management information system in any cooperative organisation related to areas like personnel, purchases, sales, stores, finance and accounting, planning etc. information should be computerised. These are the areas from which information is sought for operational purpose as well as policy decisions. Due to change in policies many of the cooperative organisations have now started computerising their activities. But they should also do their computerisation with a professional and systematic approach. In case they need a technical help they can take the help from bodies which have specialised members in the area of information technology and computers.

In order to strengthen the professionalism in cooperatives, Information Communications Technology (ICT) application should be strengthened. The cooperative education and training programmes in this respect should be strengthened to play a bigger role in capacity building of cooperative personnel, opening up of avenues of youth and developing innovative and business-oriented programmes. At present the training programmes do not have a strong component on Information Communications Technology (ICT). The role of NCUI in this respect to act as a torch bearer for future directions is very important in this regard.

Cooperative Week Action Plan

The cooperative week is the time to introspect and work upon the various strategies to strengthen the cooperative sector in all areas of functioning. The activities/action points during the week-long celebrations play an important role in addressing the problems / issues of a particular sector. During the Cooperative Week the cooperatives must adopt the following action plan:

- Organise meetings, conferences, etc. on “Importance of Information, Communication, Technology in Cooperatives”, formulate action points and work for their implementation.
- Launch campaigns for strengthening technology in cooperatives at all levels.
- Arranging discussions and talks on TV/Radio on subjects related to information technology in cooperatives.
- Organise meetings of farming community including small and marginal farmers for sensitising them on the benefits of Information communication technology in their daily work.
- Initiating awards for those cooperatives which have excelled in their area of technological advancement.
- Organise meetings of the beneficiaries who have benefited from technological developments in the cooperative sector.
- Identify, and develop links of cooperatives with the major technology R&D centres so that the functioning of cooperatives can be streamlined.
- Give wide publicity to articles/features/new stories on information technology in cooperatives in cooperative journals / mainstream press. ■

Strengthening Cooperative Values and Principles through Cooperative Leadership (20.11.2009)

Cooperation, as a form of organisation, is the ideal means for establishing a democratic social order based on freedom, equality (of opportunity & control) and equity or distributive justice. It is a superior form of democratic organisation with a higher purpose. It upholds the dignity and liberty of the individual, while promoting fraternity and solidarity. It provides a means for preventing concentration of wealth in a few hands. It restores true freedom for individuals through broad ownership and democratic control of their own enterprises. "Cooperation" locates the origin and exercise of power at the very origin of needs. Man, then, remains his own master and the organisation is his servant. It thus stands for diffusion of power, and it is against concentration of power in a few individuals and at a point in the cooperative structure. It is a means for achieving economic growth with equality and distributive justice.

Values are some basic aspirations of mankind applicable everywhere, all the time. They will ever remain so, today and thousand years hence, as long as human "makeup" is the same. The proponents of cooperative movement discovered that human society can be better with equality, fraternity, spirit de corps, equity, free from conflict and exploitation, peace, prosperity and happiness, if we conduct our affairs on cooperative basis. These virtues will automatically emerge in true cooperatives. The values to be cherished by a cooperator is "cooperatives" based on "mutuality" in true spirit.

The "core" of cooperative value is "mutuality" with its fellow beings - identifying one's interest with his fellows - sincere work for the "common" good of all. It is the predominance of "self" which created "i" and "thou" feeling, resulting in conflict, cacophony and exploitation of man by man. It is this "unity of selves" which is the essence of cooperation. Such spirit of cooperation automatically springs forth equality, equity, democracy, honesty, fraternity, indeed quite many virtues, which behaves a good man! Cooperation accepts that inspite of several differences in shape, size and colour of man, all human beings have the same urges and aspirations for peace, progress and happiness.

Once "mutuality" is established as a basis for action - equality, democracy, equity and solidarity - automatically follow. None of these have any meaning without "mutuality". Equality, equity, democracy and solidarity result from mutuality. By itself equality, equity, democracy and solidarity are hollow words. They get, meaning, when they are based on "mutuality". Mutuality in reality is not merely a contractual phrase but has much greater philosophical significance. It is said 'men are equal'. The statement 'men are equal' is based on our concept that the same spirit dwells in each one of us. There is a common creator of all of us. "Thou are that" is true of all of us. Cooperation is practical translation of that "great Vedanta truth" that the same spirit dwells in each one of us. As soon as "mutuality" is established - equality automatically springs up.

Principle of "all for one and one for all" is talked about but in actual practice, there is hardly any mutuality in cooperatives. Neither members feel "belonging" to cooperatives nor cooperatives make them feel that they are members in a cooperative with a difference. One becomes member of a cooperative not because he subscribes to the cooperative ideology and believes in cooperative values and principles, but due to economic compulsions of

deriving benefits like availing credit from a cooperative credit and banking institutions. Members do not know even their right and obligations. How otherwise one can explain for defaults in loan repayment in rural credit cooperatives with overdues of over 40% in the aggregate? Once the loan is repaid, the borrower would like to withdraw the share capital. Likewise, deposits are made with crops, because of any commitment to cooperative ideology. It is therefore, necessary to educate the members about the cooperative principles, cooperative values and socio-economic benefits of coming together.

It has been a general experience observed in most cooperatives in recent years that the initial zeal and enthusiasm that is found in starting a cooperative and the increasing trend towards application of cooperative form of organisation to newer areas of human activities, is not matched by sound and proper knowledge and appreciation of cooperative values and principles underlying it. The consequential results are obvious. Hence, there is a greater need for correct interpretation as well as accurate and timely communication of the cooperative values, principles & ideals to all cooperative functionaries. This has to be done on a continuous footing, because the cooperative principles have always demonstrated their distinct quality of remaining dynamic and not static.

Good and enlightened leadership is so essential for the growth and success of cooperatives. Good leadership is a pre-requisite not only for creating and nurturing a cooperative but also for providing a vision, and inspiring and guiding both the members and the management so as to enable the cooperative to achieve its purpose. Elected members of the board and office bearers, it is observed from the experience, have not played the role expected from them and have not been responsive to the aspirations of the members in many cases. Therefore, cooperatives have to re-orient their functioning and management by creating enlightened membership and professional managers. In order to achieve this, the leadership should constantly be innovative in running the cooperative enterprise. The cooperative leaders should give their undivided attention for preserving the cooperative identity and to promote the noble values of self-help, self responsibility, democracy, equality, equity, solidarity, honesty, openness, social responsibility and caring for others.

During the cooperative week, it is essential to draw the attention of the leaders towards the issues raised above by organising the following programmes:

- Organise Symposium on Cooperative Identity and Values
- Organise Meetings and rallies of cooperators, legislators and MPs to mobilise public opinion in favour of restoring democracy where the elections to cooperatives have not been held so far.
- Organisation of elocution and speech contest on the values of cooperation in schools and colleges
- Arranging film shows, talks on radio/ television emphasizing about importance and relevance of values of cooperation.
- Organise Speeches and lectures of eminent cooperative leaders concerning the contributions of cooperatives and ways and means for improving the feeling of mutuality amongst all strata of people.
- Circulating among members and general public the success stories of cooperative leaders like Sh. Vaikunth Bhai Mehta, Sh. Tribhuvandas Patel, Sh. Tatyia Kore, Dr. D.R. Gadgil, Dr. Ramdas Pantalu, Sh. Udaibhan Singhji, Chaudhary Brahm Prakash, Dr. V. Kurien and other local cooperative leaders

who have promoted cooperative Ideology, values by their deeds and words with whom the members can associate with themselves.

- Awarding outstanding cooperative leaders, office bearers, members and employees of cooperatives for their contribution towards spreading cooperative values and principles and encouraging the participation of members of scheduled caste and schedule tribes, artisans, landless labourers, small and marginal farmers, weavers, women, youth and other down-trodden people in rural and urban areas in cooperative sector.
- Convene meetings in school/ colleges/ universities, to discuss the benefits of effective leadership and ways to encourage values and principles in cooperatives.
- Organise workshops, seminars, conferences, essay and debating competitions on the issues like role of comparative leadership, impact of cooperative leadership and their role in promoting cooperative ideology, values and principles.
- Arrange study visits to successful cooperatives and highlight the contribution of prominent leaders associated with such cooperatives and sensitizing them on the need for cooperative values and principles.
- Ensure equal participation of men and women of all communities in the membership, leadership, management and other decision making activities of cooperatives.