

61ST **ALL INDIA COOPERATIVE WEEK**

14–20 NOVEMBER, 2014

GUIDELINES



NATIONAL COOPERATIVE UNION OF INDIA
3, SIRI INSTITUTIONAL AREA, AUGUST KRANTI MARG
NEW DELHI-110 016

Phones : 26512750, 26861472, 26861988, 26565146, 26568408

Fax : 011-26865350, 011-26863248

E-mail : ncuidel@ndb.vsnl.net.in

Website : www.ncui.coop

Guidelines for 61st All India Cooperative Week Celebrations

"Cooperative Model for Sustainable and Inclusive Growth"

The Cooperative Week celebrations held by National Cooperative Union of India every year is an occasion to highlight the achievements of the cooperative sector in various sectoral areas, and chalk out future strategies of growth based on dynamics of cooperative development in each sector. The week-long celebrations have their own brand value, as they every year disseminate the cooperative messages to a large number of people, who are sensitised on the various aspects of cooperative development. The week-long celebrations which start with the birthday of Nehru, are an occasion to remember the great quote of Nehru, which remains as fresh as even in public's mind. We all know the quote of Nehru, which is "I want to convulse India with cooperatives". This year's Cooperative Week celebrations are held after a gap of one year, after the successful organisation of 16th Indian Cooperative Congress held last year. So the week-long celebrations need to keep up the momentum gained by the cooperative mega event organised by NCUI last year. Viewed against this perspective, it will be interesting to go through the Guidelines of Cooperative Week Celebrations based on nomenclature of each day starting from 14th November, 2014 till 20th November, 2014.

The theme of this year's Cooperative Week celebrations is "Cooperative Model for Sustainable and Inclusive Growth". This theme is very relevant at a time when sustainable development has emerged as a key area of developmental concern in all walks of life. The excessive commercialisation, and negative consequences of market economy have disturbed the balance of our model of economic growth. It is widely realised that unless the model of development is sustainable with due concern for ecological and environmental concerns, the pace of development

in our country can not be harmonised in a balanced manner. The cooperative model is participatory, community-oriented and due to grass-roots approach, the impact of its development is equitable and sustainable. This is not prevalent in other forms of development, which are centralised, and imposed from above. If cooperatives are promoted in all areas of activities, and their governance systems are improved to remove various ills, then the cooperatives can promote sustainable development in a best possible manner.

Inclusive growth is also one of the key developmental concerns today. The effects of economic development have not percolated to the poor and down-trodden sections of the society, as a result of which the poverty level in our country has not come down. The cooperative credit institutions in the country are playing an important role in inclusive growth, as they provide credit to the poor at low rates of interest, so as to save them from the clutches of the money-lenders. The tribal cooperatives in the country have also helped in inclusive growth as they have effectively marketed the produce of the tribals through cooperatives, which are an important agency of growth for the tribals. The SHGs based on cooperative principles are playing an important role in inclusive growth. The role of cooperatives in poverty-eradication in rural areas has been very significant in removing the economic imbalances, due to which growth has become inclusive. The Government too recognises the importance of cooperatives for inclusive growth, as it is aware of the limitations of commercial form of enterprises in this regard.

The nomenclature of seven days of the Cooperative Week celebrations cover various important areas like women, youth, brand-building, cooperative marketing, better living, etc. The celebrations based on these themes on a particular day be undertaken in a planned and well-conceptualised manner so as to make the cooperative week celebrations a grand success. It is hoped that the guidelines booklet will serve as an important guide for the cooperative organisations at national, state, district and taluka levels, which celebrate cooperative week all over the country.



14TH NOVEMBER 2014

Professional Skill Development and Empowerment of Women, Youth & Weaker Sections*

Skills and knowledge are the driving forces of economic growth and social development for any country. Countries with higher and better levels of skills adjust more effectively to the challenges and opportunities of world of work. The current capacity of the skill development programs is 3.1 million persons per year. India has set a target of skilling 500 million people by 2022. Thus, there is a need for increasing capacity and capability of skill development programmes.

As the proportion of working age group of 15-59 years will be increasing steadily, India has the advantage of „demographic dividend . Harnessing the demographic dividend through appropriate skill development efforts would provide an opportunity to achieve inclusion and productivity within the country and also a reduction in the global skill shortages. Large scale skill development is thus an imminent imperative.

Major challenge of skill development initiatives is also to address the needs of huge population by providing skills in order to make them employable and help them secure „decent work. Skill development for persons working in the unorganized sector is a key strategy in that direction. This will also inculcate dignity of labour and create greater awareness towards environmental, safety and health concerns.

Social Partners in Skill Development

Partnerships will be consciously promoted between Government, industry, trade unions, local governments, civil society institutions and all skill providers. It will also include,

* Rajiv Sharma, Dy. Director, NCCE, New Delhi.

training providers, professional societies, Self Help Groups, cooperatives and NGOs/civil society institutions, creation of an institutional mechanism and regular consultation with stake holders will form the corner-stone of Skill Development Initiative. Here NCUI can play an important role in developing skills for the members, Board of Directors and Leaders of Cooperatives.

Empowerment of women needs to begin with their participation in different spheres of life. Education is a great determinant in this regard. To achieve empowerment women have to be educated to be aware of their rights and privileges in a modern society. It is education which can bring about awareness in them related to their social status, injustice and differentiation meted out to them. Besides, economic independence is a major factor which can contribute in empowering women. India right from the very beginning has realised this need.

The architect of Indian Constitution was of the opinion that unless and until women are empowered, nothing was going to bring about any change in their destiny. At that time, the women, in the name of sansakarans were tied up with the bondage of superstitions, which they had to carry till the last breath of their lives. They were considered just a matter of joy and a source of amusement. A woman was, according to the Hindu Shashtra, the bonded slave of her father when she was young, to her husband when she was middle-aged and to her son when she was a mother. Of course, all the epigrams, aphorisms, proverbs, platitudes and truisms have been naked truth about the stature of women in India.

It does not mean that efforts have not been made to bring dignity in the life of women. There has been a long tradition of social reforms by our saints and social reformers which include: Raja Rammohan Roy, Ishwar Chandra Vidyasagar, Mahadev Govind Ranade, and Jyotiba Phule, to name a few, who tried their best to bring changes in the life of women. Their efforts, however, bore fruit to some extent, but did not make too much difference in the lives of the masses.

In this direction, Dr. Ambedkar tried to break down the barriers in the way of advancement of women in India. He laid down the foundation by codifying the Common Civil Code for the

Hindus, and this principle has the capacity of extension to other sections of the Indian society. Besides, he also made a provision in the Constitution to ensure a dignified social status to women. He, by codifying Hindu Law in respect of marriage, divorce and succession rationalised and restored the dignity of women. This was really a first step towards the recognition and empowerment of women in India. This gives a woman right to property, which undoubtedly strengthens her social position. Despite all these political measures, women's empowerment remains a distant dream in India. In fact, political empowerment is a key to development in this society. It is a must for an all-around development of women. It is the need of the hour to ensure her participation in the decision-making at home, in community and at the national level.

Therefore, our efforts should be directed towards the all-around development of each and every section of Indian women, not confining the benefit to a particular section of women in society, by giving them their due share. It is important to protect their chastity, modesty and dignity and ensure their dignified position in society. Without removing social stigma, enduring progress and development can not be achieved. For this, the governmental and non-governmental organisations including media should come forward and play an active role in creating awareness in society.

Empowering women enhances their ability to influence changes and to create a better society. Other than educational and economic empowerment, changes in women's mobility and social interaction and changes in intra-household decision-making are necessary. Slight improvement in women's involvement in household decision-making in male-headed household, on such issues as credit, the disposal of household assets, children's education and family healthcare can work wonders. Traditionally, gender based divisions persisted in intra-household decision-making. Women are one of the greatest assets in our society. They are equal to men in all aspects. Women are more perfectionists as they create, nurture and transform.' Today, women are emerging as leaders in growing range of fields. be it aeronautics, medicine, space, engineering,

law, politics, education, business etc. You just name the profession and they are present everywhere.

Women being almost 50% of the total population, the empowerment of women is necessary to explore their potentialities through women cooperatives, which would help in economic growth of the country. Women cooperatives can explore many areas where they can be successful. For example, education, press, health, computer training and skill development and many more activities. The concept of inclusive growth can be concretized in reality only if the women, youth and weaker sections of the society are empowered. Women, youth & weaker sections find cooperative a good business model to show their potentialities of participation in a truly democratic and autonomous manner. No doubt in the recent times, their participation in the cooperative movement has increased.

Empowerment of women through cooperatives is perhaps more easier and desirable. It is because, the cooperative institutions have far reaching impact on women's socio-economic and political activities. In fact, they have a wider coverage of women activities than perhaps any other institution. Therefore, the focus should be that the empowerment of women should be achieved through the cooperative societies.

Women & youth may be empowered through skill development programmes, micro credit system, etc. Rahtriya mahila kosha has been catering to the micro credit needs of women entrepreneurs. Similarly, Cooperative Societies, State Financial Corporations, Women development Corporations, Khadi Boards, Social welfare boards, National Commission on Women & SEWA are doing their best to promote the economic empowerment of women in our country. As a result, women & youth become self reliant, employed, confident, involved in decision making, free from fear and lessons of democratic management.

India has a primarily youth population. The cooperatives due to their empowering characteristics have huge potentialities for active youth participation. The cooperative movement in the country has to tap youth population in larger numbers so as to provide a strong dynamism to the cooperative sector of the

country. Youth participation is very important for strengthening the cooperative leadership in the country. The labour, fisheries, and tribal cooperatives serve the needs of the weaker sections of the society. The insurance scheme of FISHCOPFED for the weaker sections of fishery population is a big boon for this community.

During the Cooperative Week celebrations, the cooperatives must adopt following action plan :

1. Conference, Seminars & workshops related to empowerment of women, youth & weaker sections of the society may be organized at National & State level.
2. Employment generating skills must be developed for the weaker sections of the society so that they consider cooperatives a viable business model for their socio-economic development.
3. Organise study visits to successful cooperative societies all over the country for empowerment of women, youth & weaker sections.
4. Organise more Training & Education programmes, skill development programmes for women, youth & weaker sections of the society.
5. Organise exhibitions, melas, youth clubs for awareness about the cooperatives at National & State level.
6. Organise essay competitions, cooperative quiz, poem recitation, patriotic songs, culture programmes, Drama, Nukker Natak & awareness camps for women & youth.
7. Income generating activities for women, youth & weaker sections of the society.
8. Best working women cooperatives or cooperators who had organized skills programmes may be awarded during the functions organized on the occasion of Cooperative Week celebration.
9. Multi-farious programmes on skill development, health care, micro-finance, income generation, leadership development, etc. may be organized for women, youth & weaker sections. ■

15TH NOVEMBER 2014

Cooperative Marketing, Consumer Processing and Value Addition*

Introduction

In India, agricultural crops were produced by the farmers for "self consumption" till 19th century rather than with a view to sell them off in the market. But when marketing became a profitable business, a large number of merchants / traders involved in the business activities started earning more profit and they began to exploit the poor agricultural producers. To eliminate the middle-men from the marketing activities and provide better price for agricultural producers, the cooperative marketing societies were established under Cooperative Act of 1912. The cooperative marketing has three distinct characteristics that separate it from other forms of business. They are member-owned, member controlled and generate member benefit. Prior to 1947, cooperative marketing had made some progress in marketing of agricultural products mainly in the states of Madras, Bombay, United provinces, Punjab and to a limited extent in Central Provinces of Bihar, Bengal, Baroda and Mysore.

According to 2011 census, Indian population has reached 121.02 crores and it occupies 17 percent of the world total population. Based on the growth of population, the priority of the 12th Five Year plan would be to accelerate agricultural growth of two percent per annum in food production to ensure food security and eliminate hunger. To meet the projected needs of 280 million tonnes by 2020-21 and ensure food security, the cooperative movement in India has been playing a vital role in contributing its share to National Economy. The major contributions from marketing and processing cooperatives for the national economy are such as wheat procurement (9.440 million tonnes) 24.8%,

* Dr. K.N. Sinha, Director (NCDB & IT), NCUI.

sugar produced (9.304 million tonnes) 39.7%, oil marketed 49%, etc. the achievement of the Marketing, Processing and Consumer cooperatives are discussed according to the region wise.

Value Addition

“Value added” means, adding value to a raw product by taking it to at least next stage of production. For example : Consider as wheat, value can be added in many ways one way is for farmers to produce wheat for use in feed or food products, whereas the wheat straw, a waste product can be harvested, processed and then turned into building materials or could be used for feed preparation. Value can be added through membership in a cooperative that processes the member’s products.

What is Value Chain

The value chain, as it is called, begins at the input level, and moves through the stages of production, transportation, manufacturing, marketing, wholesaling, and retailing, before reaching the final consumer.

What Creates Value Additions

Value is usually created by focusing on the benefits associated with the agribusiness products or services that arise from:

- (a) Quality : Whether the products/services meet or exceed customers expectations
- (b) Functionality : Whether it meets the functions needed
- (c) Form : The product is in useful form
- (d) Place : is the product in right place
- (e) Time : on right place on right time
- (f) Convenient : Easy to obtain

A marketing cooperative is used to build markets for

members' products and services, to improve members' bargaining power, and to improve product quality. Value-added processing adds value to members' products so as to increase members' share of retail mark-ups. (Cooperative Life, 2001). An agricultural value-added processing/marketing cooperative combines marketing with processing. A cooperative is a business organization owned by farmers to collectively sell their products and to accomplish collectively functions they could not achieve on their own (Kennedy, 1998).

A value-added processing/marketing cooperative has the opportunity to enhance its members' income through greater involvement in value-added activities and by processing and marketing in greater volume. These cooperatives can increase farmers' market share (Kraenzle, 1999). Some cooperatives also help low-income people by providing jobs and nutritious food.

By virtue of being locally owned and controlled, with benefits distributed based on participation, cooperatives are considered by some to be an ideal mechanism for rural community development. Cooperative members value the experience because it allows them to develop skills in business management, communications, and group problem solving (Zeuli, 1999). The operation of a cooperative also provides leadership development in rural communities.

Achievements of Marketing Cooperatives

(1) *MARKFED in Punjab*

The Punjab State Cooperative Supply & Marketing Federation Ltd. known as "MARKFED" was registered in 1954. At the time of registration, it began with one bicycle, three employees, thirteen members and a capital of Rs. 54,000/-. It has now achieved meteoritic volumes and has grown to become the largest marketing cooperative in Asia with an annual turnover of over Rs. 11,600 crores during 2013-14 with 3051 members societies.

MARKFED has been awarded National Productivity Awards in various fields like cooperative marketing activities, food processing, cattle feed production etc. Several innovative

incentive schemes have been introduced for the benefit of the farmers and the member cooperative societies. MARKFED has also introduced an insurance scheme which provides compensation in case of accidental death or permanent disablement of its farmer members.

MARKFED contributes to research & development through Punjab Agricultural University, Ludhiana (Punjab). MARKFED has been regularly distributing its profits as dividend to its members, contributing to cooperative development and the Common Good Fund. A fair amount is also re-invested in the setting up of new projects, modernisation and diversification of existing plants.

MARKFED has emerged as a solid and stable organisation committed to the service of the farmer community of the State of Punjab. This success depends on the enlightened management, progressive plan and policies, a highly dedicated workforce and commitment of leadership.

(2) *HAFED in Haryana*

The Haryana State Cooperative Supply and Marketing Federation Ltd. (HAFED) is the largest Apex Cooperative Federation of the State of Haryana. It came into existence on 1st November 1966 with formation of Haryana as a separate State. Since then it is playing a vital role in serving hygienic and safe quality consumer products. The main objectives of HAFED are:

- Supply of agricultural inputs such as fertilisers, insecticides, pesticides, certified seeds etc.
- Make arrangement for marketing, processing of agricultural and allied products.
- Facilitate the working of affiliated cooperative societies.

For achieving these objectives, major activities of HAFED are supply of agricultural inputs namely fertilizer, pesticides, certified seeds etc.; procurement / purchase of food-grains e.g. wheat, barley, gram, purchase and processing of paddy, oilseeds

etc. The business turnover of the federation for the year 2012-13 was Rs. 7120.37 crore and the net profit was Rs. 43.38 crore.

(3) *TANFED in Tamil Nadu*

The Tamil Nadu Cooperative Marketing Federation Ltd., popularly known as “TANFED”, an apex level organisation of the state of Tamil Nadu having membership of 110 Primary Cooperative Marketing Societies with share capital of Rs. 213.34 lakhs started its business on 20.02.1959. TANFED has established two cold storage units at Chennai for the purpose of storing vegetables, fruits and perishables of the farmers, traders and general public. The storage space is allotted on monthly rental basis. Nearly 40% of the requirements of fertilisers in Tamil Nadu are met out by TANFED through cooperative societies. TANFED is undertaking manufacture of its own granulated mixtures of Pamani 17:17:17 fertilisers with an annual production capacity of 30,000 tonnes with right mix up of NPK with special ingredient, i.e., neem cake. This product is very popular among the farmers in Tamil Nadu. The turnover of the federation for the year 2012-13 was Rs. 624.43 crore and the net profit was Rs. 3.95 crore.

(4) *National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED)*

NAFED, the federal organisation of state level apex cooperative marketing societies in India, established on the auspicious day of Gandhi Jayanti on 2nd October 1958 is registered under the Multi State Cooperative Societies Act. NAFED was set up with the object to promote cooperative marketing of agricultural produce to benefit the farmers. Agricultural farmers are the main members of NAFED. During that period the membership of the federation was 23 (17 State Marketing Federations and 5 federations of marketing cooperatives in the Union Territories and NCDC). The federation has 848 members with share capital of Rs. 21.75 crore as on 2012-13. Further NAFED achieved a turnover of Rs. 1081.23 crore during 2012-13.

NAFED handled marketing of various fruits & vegetables during the year 2012-13 valuing Rs. 3.90 crore under outright account in domestic market. NAFED has created infrastructure for warehousing, godowns, cold storage, onion cold storage, sorting and grading units, orange/multi commodity pack houses etc., at different locations in the country. Presently, NAFED has warehouses of 54000 MTs capacity, cold storage of 9565 MTs capacity and onion storage of 4400 MTs capacity. NAFED has constructed two multi commodity pack house with cold storages each having 500MTs capacity along with pre-cooling, sorting and grading facilities and 11 collection centres at different locations in the District of Chhindwara (Madhya Pradesh) for export promotion and development of the agricultural and processed food products. NAFED has incorporated and established a Special Purpose Vehicle (SPV) NSS Satpura Agro Development Corporation Ltd., for the operation of this Cold Chain infrastructure. NAFED is in the process of constructing 2 more warehouses in the State of Uttar Pradesh and Maharashtra with a total capacity of 6100 MTs. NAFED is presently undertaking 3 projects under NHM & RKVY in an area of approx 32000 hectares in the states of Uttar Pradesh and Bihar.

Processing Cooperatives

Processing of food grains and other agricultural commodities is the most important stage in preparing them fit for ultimate consumption. Almost all the agricultural commodities have to undergo one or more stages for processing before they reach the consumer. This processing activities are carried out by the cooperatives particularly in cash crops such as sugar, cotton, jute, groundnut vegetables, fruits, etc.,. The main purpose of establishing processing activities is to promote the economic status of the members as well as the societies.

Warana Cooperative

The Warana Mission was started in 1953 by late Sahakarmaharshi Shri Tatyasaheb Kore in Maharashtra. He collected money from the small farmers on equity basis and started a sugar factory. Thus Shree Warana Cooperative Sugar Factory was founded in the year 1956, which was the first of the

25 cooperatives which later come up in the area. Warana Cooperative Sugar factory is the mother institute of all the industrial and cooperative units like Warana dairy, cooperative bank, cooperative bazaar as well as educational units like School, ITI, College, Engineering College, Military School, Pharmacy College and cultural units like Warana children's orchestra and social units like Shree Warana Bhagini Mandal, Warana Mahila Credit Society, Lijjat Papad Center etc.

Warana Bazar, the first consumer Cooperative store was founded in the year 1976 and started functioning on 2nd April 1978. Warana Bazar has been accepted as a model stores by all concerned. It has proved to be a successful store in the country. The success of Warana Bazar has inspired the emergence of many more cooperative stores in different parts of Maharashtra, Goa and other States in the country.

In the era of globalized economy too, Warana Bazar is achieving great heights of success with yearly turnover of Rs.113 core, shouldered by 555 employees and member's strength of 20111. Out of total membership, 80% are women members which is the special feature of this unit. Warana Bazar has 2 big departmental stores, 55 branches & 3 franchies. Daily turnover of Warana bazaar is more than Rs.35 lakh and the society is in surplus since beginning.

Finally, on the occasion of the week long cooperative celebrations the role of cooperators, leaders, academicians, training institutes, research scholars and members of cooperatives should exhibit the development models of grass root level cooperatives to the community to promote the cooperative values and identity.



16TH NOVEMBER 2014

Cooperative Identity Through Brand–Building*

The ICA Blue-Print of Cooperative Decade talks of building up 'cooperative brand', not in consumer product sense, but based on cooperative values and principles. The Blue-Print talks of disseminating cooperative messages amongst the people so that the cooperative concept is communicated far and wide. The Blue-Print lays emphasis on making cooperatives, the preferred model of the people by 2020.

Brand-Building in the cooperative sector is very important in the times of competitive economy, at a time when cooperatives need to make their presence felt. Today people look for consumer brands, and they prefer to buy a brand which is in accordance with their taste. The consumerist brands of the private companies/ corporate sector have their own popularity, which is based on popular mood and taste. The corporate brands are commercial in nature, and the brands are primarily linked to products.

The cooperative identity revolves around cooperative principles and values, which are important for the growth of the cooperative sector. These principles and values have their uniqueness, as they make a cooperative democratic in functioning. The cooperative identity based on cooperative ethos distinguishes a cooperative from a commercial enterprise. The cooperative identity provides a cooperative character to the functioning of a cooperative organisation. The cooperative identity clearly shows that the cooperatives are the community-based organisations, which reflect the community spirit, and democratic bondage, which are not prevalent in other forms of organisations. Cooperative identity through brand-building is a best way to propagate the cooperative model amongst the people, and the

* Sanjay Kumar Verma, Dy. Director (PR/Pub.), NCUI

general masses. If the people find that the 'cooperative brand' provides good alternatives, and good solutions to the socio-economic problems prevalent all around, then they will prefer the cooperative brand. This is because the corporate brands are highly commercial in nature, and their monetary value is always given undue prominence.

A "cooperative youth brand through schools" is a best way to strengthen cooperative identity through brand-building. India has a huge youth population. If the young people are sensitised on cooperatives, and they form cooperatives in the educational institutions, then the cooperative youth brand can be well established. Popularising the model in the schools would be a best way to build up this brand.

During the Cooperative Week, the following activities/programmes may be undertaken in the wake of the nomenclature "Cooperative Identity Through Brand – Building" :

1. Conferences/Seminars may be organised on "Cooperative Identity Through Brand – Building" based on sectoral areas of cooperative growth.
2. Youth, particularly, school and college students must be sensitised to conceptualise "cooperative brand" based on cooperative identity through various events/competitions/creative workshops.
3. The ICA–Blue-Print for Cooperative Decade, which talks of brand-building through cooperative identity, must be circulated to all, including both cooperative and non-cooperative organisations so that general awareness for this issue increases.
4. In the brand-building lectures to be delivered at corporate houses/educational institutions, the subject of "Cooperatives" must be introduced, so as to gain wide popularity of the cooperative concept.



17TH NOVEMBER 2014

Role of Cooperatives in Financial Inclusion*

The year 2012 was celebrated as the International Year of Cooperatives. This was a very significant move by the United Nations in the wake of cooperatives contributing to the world economy. The logo of the ICY was “Cooperatives make a better world”. In that sense the cooperatives are expected to reduce inequalities in income and competing globally with large companies and MNCs. In fact the ICA has listed about 4000 top cooperatives doing successful business in USA and Europe.

In the Indian context, cooperatives were considered as the “shield of the weak”. With large number of marginal and small farmers, the cooperatives were expected to assist them in farming and to get good remunerative prices for their crops. In the planned economy, as envisaged by Pandit Jawaharlal Nehru, the first Prime Minister of India, the “country must be convulsed by cooperatives”.

The Cooperative Movement in India was started in 1904 by the passing of the first Cooperative Law by the British Colonial Government. Sir Fredrick Nicholson, a civil servant of British India who was directed to “Find Raiffeisan” in India. As a result, cooperative credit societies encouraged thrift and savings amongst the rural farmers. The All India Rural Credit Survey Committee Report 1954 recommended the promotion of cooperatives as a state policy for development of various socio-economic activities supporting agriculture. The policy to develop cooperatives as an integrated system has been the foundation of the cooperative movement in India.

The report drew attention to the fact that institutional credit

* Ms. Sandhya Kapoor, Dy. Director (Finance), NCUI

covered only 3% of rural credit. The rest was provided by money lenders at usurious rates of interest. It further struck the optimistic note-"Cooperatives have failed but must succeed". It recommended a Blue-Print for cooperative credit –short term, medium term and long-term, and a three tier structure of cooperative credit institutions –Primary Agricultural Cooperative Societies (PACS) at the village level, District Central Cooperative Banks at the district level and State Cooperative Banks at the apex level for short and medium level development banks at the state apex level were envisaged.

The big boost to the cooperative movement in India was given after independence in 1947. A pride of place was given to cooperatives as the chosen instrument of a planned economy for wide spread transformation so as to give opportunities to the common man in rural and urban areas.

It was envisaged that there would be three sectors in the national economy –private, public and cooperatives. However, it was the cooperative sector which would combine the best features of private and public sector and provide a sense of direction, plan and value to the economy as a whole.

However, in 1991 the country did a complete 'U' turn and the policy of "globalization, liberalization and privatization" became an important slogan of the Government. As a result, the cooperatives became an insignificant sector in the economy. Further, the Narsimham Committee which introduced financial reforms according to international standards of accounting posed another threat of survival to cooperative banks and credit institutions. In an open economy, the cooperatives had to survive in a competitive market along with the private banks. The cooperatives no more enjoy the protection and concessions given by the Government. As a result there was a closure of many cooperative banks.

Primary Agriculture Credit Societies, the institutions at the grass-root level deal directly with individual members/clients. A large proportion of PACS also serve as outlets for inputs and for the public distribution system for food and other essential items. The total membership of PACS as on 31st March 2005

aggregates to 1,212 lakh, of which, the borrowing members at 451 lakh constituted around 35%.

As per the data available with NAFSCOB, small and marginal farmers constitute nearly 70% of total membership of PACS at the national level, while Western and Southern Regions have a greater proportion of SFs as members, Eastern and Central Regions have nearly half of their members belonging to SC/ST category,

Though the network of commercial banks and RRBs has spread rapidly and they now have nearly 50,000 branches, their reach in the countryside both in terms of the number of clients and accessibility to the small and marginal farmers and other poorer segments is far less than that of cooperatives. In terms of number of agricultural credit accounts, the STCCS has 50% more accounts than the commercial banks and RRBs put together. Directly or indirectly, this covers nearly half of India's total population.

The quantitative expansion with state support led to qualitative deterioration and as a consequence the opportunities available to the cooperatives were wasted. Despite the phenomenal outreach and volume of operations, the health of a very large proportion of these rural credit cooperatives has deteriorated significantly. The institutions are beset with problems like low resource base, high dependence on external sources of funding, excessive governmental control, dual control, huge accumulated losses, imbalances, poor business diversification, low recovery, etc. Around half of the PACS, a fourth of the institution, viz., the SCBs are loss-making. The accumulated losses of the system aggregate over Rs. 9,100 crore. Non-performing assets (NPA), as a percentage of loans outstanding at the level of SCBs and DCCBs, at the end of March 2006 were around 16% and 20% respectively. These institutions do not, therefore, inspire confidence among their existing and potential members, depositors, borrowers and lenders. Thus, there is a need to find ways for strengthening the cooperative movement and making it a well-managed and vibrant medium to serve the credit needs of rural India, especially the small and marginal farmers.

Other reasons were:

- (1) State sponsorship led to the interference from vested interests, and the cooperatives could not be self-reliant and autonomous. They were handicapped by restrictive cooperative laws.
- (2) Lack of professionalism due to faulty recruitment norms, lack of professional standards, norms and systems.
- (3) Inadequate programmes of cooperative training and education.
- (4) Growing corruption and practices.
- (5) No adherence to cooperative principles, values and standards.

Given the above indicators, there has been considerable debate on whether there is an imperative need for revival of these institutions. Herein, it may be pertinent to reiterate the following points:

In the first place, India is a country with a population of more than 100 crores, of which around 70 crores reside in a little over 6 lakh villages with little or no access to banking or other credit institutions. Since agriculture is primarily a seasonal enterprise dependent on the vagaries of weather, the farmers are not assured of timely and reasonable production of crops. At best their income is sporadic which combined with a lack of credit facilities lead them to turn to the spurious moneylenders for buying the agri-inputs for the next season. In many cases, the farmers' suicides are regularly reported by the media. The cooperatives must now reorient themselves for including such farmers as members of PACS and include "financial inclusion" as one of their mottos.

Financial Inclusion for An inclusive Growth

Conventionally it has been observed that the poor have almost negligible access to banking facilities as they are considered "not bankable" due to their low-levels of income and

assets. However, experiments around the world to provide credit and insurance access to poor have proved otherwise. On the contrary such access has provided ample livelihood opportunities and empowered the poor to take charge of their lives with dignity. Consequently, this aids social growth and provides sustenance growth of the economy.

Generally, we associate the term “Financial Inclusion” with our initiatives of bringing poor people in the rural areas into the banking fold; however, we have to realize that there are still a large number of people in the urban areas who are financially excluded. They need to avail various types of banking services, especially the savings and money remittance services. This section of financially excluded people in the urban are provides a good opportunity for the urban cooperative banks to step in and fill this void. This is a challenge and an opportunity for these banks at the same time; and if they are unable to grasp this excellent opportunity, new institutions will come up to fill this void and UCBs will lose some good business.



18TH NOVEMBER 2014

Cooperatives and Enabling Legislation*

The first attempt in India to institutionalize cooperatives began with the enactment of the Cooperative Credit Societies Act, 1904. The approach of the Government in framing cooperative law was stated by Sir Denzil Ibbetson with their words “Certain Broad Principles must be laid down and certain precautions must be insisted upon; but within those principles and subject to those precautions, the people must in the main be left to work out their own salvation on their own line, the functions of Government being confined to hearty sympathy, assistance and advice”. The Cooperative Movement in India traces its origin to the Agriculture & Allied Sector and was mainly evolved as a mechanism for pooling meagre resources of people with a view to provide them the advantage of the economics of scale it. It was a mile-stone in the cooperative sector for the development of the rural masses. But the first Cooperative Credit Society Act was restrictive in scope, as it permitted only PACS registration and kept non-credit and federal societies out of purview. Accordingly, considering role of cooperatives in other areas, the Cooperative Act was amended in 1912. It removed many of these short-comings and served as a Model Law.

In 1919, the cooperative Societies came under the constitutional reform, and the subject of Cooperation was transferred to the then provinces which were authorized to enact their own Cooperative Law. Bombay Province introduced its State Cooperative Law 1925 and majority of states adopted this law, however, some states passed their own separate law. In order to administer the operations of societies where membership was form from more than one state, the Government of India

* Dr. V. K. Dubey, Director, NCCE, New Delhi.

enacted the Multi Unit Cooperative Societies Act 1942, which was replaced by Multi State Cooperative Societies Act 1984 providing more autonomy to cooperatives. The Rural Credit Survey Committee recommended that promotion of cooperatives be accepted as a part of state policy in the development of various economic activities, particularly those providing support to agriculture. The policy allowed states partnership in the share capital of cooperatives and in their management. The Committee on Cooperative Law (1955) was constituted by Government of India for modification in the cooperative legislation specially observing the impact of State partnership, but their modifications also strengthened the Government control on the cooperative organisation. The Nation Development Council (1958) had observed and adopted cooperative policy resolution that “many of the existing clauses hinder the development of cooperation as a popular movement in which groups of people can function freely and manage their work”.

Observing this situation of cooperatives, the expert committees/working groups, Committee on Cooperative Administration (1963); Mirdha Committee on Cooperation (1965); Working Group on Cooperation of Administrative Reforms Commission (1967); and the recommendations of various Committees and Cooperative Congress convened by the National Cooperative Union of India raised the demand to change Cooperative Legislation. The Committee on Cooperative Administration while examining the role of Registrar of Cooperative Societies felt that in order to make cooperative movement the peoples’ movement in real sense of the term, and introduce required activities in the cooperative sector, it is necessary that the role of Registrar should be confined to that of a “Friend, Philosopher and Guide” to the cooperative movement, and many of the powers which have been concentrated in his hands should be transferred to the sectoral federal cooperative organisations.

The Committee observed, “Each sector of the movement should ultimately have its own federal arrangements for supervision”. It further added, “the word of supervising non-credit societies may be transferred from cooperative departments to

the federations at the district level or apex federation, where the federal cooperative organisations are not strong enough, the Committee recommended that the Government by giving catalytic help to the cooperative movement should promote these federal organisations to which ultimately some of the statutory power of the Registrar of Cooperative Societies should be transferred. Mirdha Committee in 1965, gave a new orientation to Cooperative Law. The Committee analysed criteria of genuine cooperative societies and removal of vested interests from their functioning. Accordingly, the State Governments made Cooperative Legislation more and more restrictive, pushing cooperative character of the movement in the background.

The Working Group on Cooperative of Administrative Reforms Commission (1967) suggested that the law should aim at promotion of cooperation as people's movement full of self-regulation and self-control. The powers of audit, supervision and control which are, presently, under the Registrar of Cooperative Societies should be gradually passed on to the federal bodies of the Cooperative Institutions. However, the Registrar should continue to exercise checks and balances in order to maintain steady growth of the cooperative movement based on Cooperative Principles.

The committee on Cooperative Law (Ardhanareeswaran Committee, 1987) gave following observations:

- The existing Cooperative Societies Act contains provisions which militate against the democratic character and the autonomy of cooperatives.
- Over the years, the Registrar has acquired undue powers in respect of management decisions of the cooperative, which should be curtailed.
- The role of the Registrar should be made more positive and he should be looked upon as development agent.
- The changing complexities of member management, human resource development, and financial management have necessitated availability of professional assistance to cooperatives through

adequate trained and professional paid staff on appropriate terms working under the general guidance of a democratically elected body.

It is fact that democracy is the soul of cooperative organisations. The democratic management signifies institutional regulation by the members and their elected representatives in accordance with the bye-laws (under Act & Rules). It precludes control and interference by any out-side agency including Government except the usual penal action by the competent authority in proves case of abuse. The Cooperative Law has to respect this aspect of cooperative organisation. No doubt, after independence the growth of cooperatives was facilitated by Government aid and other support, but there was control over the movement through incorporating restrictive features in cooperative legislation, satisfying cooperative leadership while creating apathy among the members.

In order to have uniformity of State Cooperative Acts, the Constitution Amendment Bill 111 was introduced on the recommendation of Standing committee. This Amendment as 97th Constitution was passed in December, 2011. The Amendment gives as a fundamental right to form cooperatives under Article 19 (C). It is a big achievement for Indian people. According to Article 43-B, the State shall endeavour to promote voluntary formation, autonomous functioning, democratic control and professional management of cooperative societies. The professional management will give proper business management for making profit oriented cooperative organisations. Professional employees, innovative technology, analytic skills, knowledge of situation and social structure of operational area are important points for smooth running of cooperatives. Article 243 has provided that the maximum number of directors of a cooperative society shall not exceed twenty one. It will reduce the expenditure on meetings and other cost. To give preference to the weaker community, the state legislation has provision for the reservation of one seat for scheduled castes / scheduled tribes and two seats for women on board of every cooperative society consisting of individuals as members. This provision will provide participation to all classes in cooperatives. ■

19TH NOVEMBER 2014

Cooperatives for Better Living*

The cooperatives across the country are providing useful services particularly to masses with limited means. Cooperatives have set example and hence have strengthened the common man to become self-reliant through democracy and self-help. The present level of food security achieved by India is due to an effective role played by cooperatives. The cooperative credit and banking institutions are providing significant amount of agricultural credit to mobilize funds in agriculture. In quest of value addition, the achievements of marketing and processing cooperatives are well known; dairy cooperatives are the shining example of the success of the cooperative efforts of small dairy farmers not only in India but beyond the country's borders.

The cooperative movement has improved the socio-economic conditions of the daily wage workers, fishermen, contract labour, weavers and especially that of women by providing them gainful employment and hence drawing them out of vicious circle of poverty. Similarly, a large number of lower and middle income families have been provided affordable shelter through cooperative efforts. As such, cooperatives today have become part and parcel of our lives

The Cooperative Housing Movement in India is a strong well spread movement which, over the years, has developed into a noble and popular one with mass participation. The membership of housing cooperatives represents a blend of members drawn from all walks of life. The number of housing cooperatives and their membership has grown steadily over the years. The grass root level primary housing cooperatives are affiliated to the State level Apex Cooperative Housing Federations (ACHFs) which are functioning in various States and Union

* Dr. M.L. Khurana, Managing Director, National Cooperative Housing Federation of India (NCHF).

Territories. The National Cooperative Housing Federation of India (NCHF) is the umbrella organization of cooperative housing movement and engaged in promoting, developing, guiding and coordinating this movement in the country. The ACHFs are affiliated to NCHF.

The ACHFs obtain loans from various financial institutions for on-lending to their member housing cooperatives as well as individual members for construction of dwelling units. Housing units facilitated by housing cooperatives have certain unique features; not only they are thoroughly planned but also provide various housing related essential infrastructure support such as local shopping centers, community centers, banks, parks, playgrounds, schools etc. thereby subscribing to holistic development of integrated human settlements. The housing stock created by housing cooperatives is qualitatively superior to that created by other supply sub-systems catering to comparable income groups.

Constructing low cost and affordable houses has been housing cooperatives' USP since years as majority of the housing units have gone to low and middle income families Further, 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 & Sewerage Corporation, Electricity Boards , Public Works Departments, Sanitation as well as Health Departments.

Life in a housing cooperative follows the principle of 'common management and sharing'. It provides for an economic self-administration as well as provision of common amenities. The relationship thus established creates a bond between the members which is inspirational enough for them to undertake activities and social life on shared basis. The essence of the cooperative movement is in the fact that the people themselves look after the management of their affairs concerning economic betterment and social welfare; the management, therefore, is not restricted to housing estate only but it undertakes all social and cultural activities that takes to improve the social life within the cooperative. It is the members who determine through their

collective wisdom, the ways to manage the affairs of their society. They are, therefore, motivated to manage the affairs in a manner as would improve and make their social conditions better.

The activities of a housing cooperative are continuous in nature which goes on to manage the housing estate, which doesn't stop at merely building the brick house but also coupling it with provision of basic amenities and essential services, like supply of water, electricity, sanitation services etc. after completion of its housing project. However, cooperatives' efforts are further directed in building up a community life within themselves based on good neighbourhood and fellow feelings. It transforms itself into a new community wherein the guiding spirit is "each for all and all are for each".

Housing cooperatives takes up and provides for various community facilities on cooperative lines within each project and make them available to all members equally. Such activities often include setting up shops, laundries etc.; it also has a human approach towards looking at it by providing of social, educational and cultural services like running kindergarten schools, play grounds, recreation rooms, cinemas, study groups, youth clubs etc. They do not restrict their activities merely to create better houses for their members, they aim at building up a new social life based on shared responsibility and shared benefits. It is beyond the means of an individual member of a housing cooperative to obtain the services and the social amenities that one gets through their cooperative.

The history of cooperative housing in India reveals that the housing cooperatives have been instrumental in restructuring the social life of the people uprooted from their old surroundings. The pioneers in the field of cooperative housing were the people who had once migrated to big cities themselves.

The housing conditions in parts of rural India are deplorable. Mostly, there are not only overcrowded houses, but almost a total absence of essential sanitary facilities required for the healthy and comfortable existence. The housing cooperatives reacted to it by providing their members in rural areas decent houses with much improved sanitary facilities. It has been seen

that the housing cooperatives serve as catalysts for improvement of the entire village: With improved living and housing conditions the members are automatically motivated for their self and community improvement. The villagers dedicate themselves to the task of improvement of the entire village on shared and cooperative efforts. Social life is bound to improve when they undertake construction of village schools, roads etc. by their collective contribution of money and labour.

One of the significant contributions of housing cooperatives is the maintenance of ecological equilibrium in and around the area where they function. They are vigilant while collecting and disposing garbage hence keeping the surroundings clean. NCHF has made an appeal to all housing cooperatives functioning at various levels to protect the environment and join hands in protecting the nature and consequently helping the mankind to breathe in the fresh air. NCHF Secretariat has received encouraging feedback from housing and other cooperatives for initiating the tree plantation movement. Every cooperative is doing its bit towards conserving Mother Nature; some are leading by example in conducting awareness programmes on global warming and benefit of planting trees, while others are undertaking plantation in collaboration with the State Governments and NGOs.

One of the outstanding merits of housing cooperatives is the healthy influence they have in people's lives. As a proverb goes, 'idle mind is devil's workshop'. The cooperatives understand the ill effects of it and have owed it to themselves to promote social interaction and emotional integration. Consequently, the members have displayed improved social behaviour and mental health. The graph of incidents comprising addiction to drinking and juvenile delinquencies are diminishing in housing cooperatives compared to those in areas where the people are forced to live in isolation devoid of social interaction.

Housing cooperatives have been instrumental in bringing about much desired emotional and social integration amongst people belonging to different religions, castes and languages. Voluntary interest of the members belonging to varied regions, religions, castes or language groups to come together and live

as one large family is quite evident in the cooperatives. There are no instances of any clashes on account of differences in castes, languages or religions among members have been reported in housing cooperatives.

Housing cooperatives, through their achievements, have demonstrated their ability to remove the societal evils that are slowly destroying the human society today; it strives to build up an ideal or better social life for their members. Today, when our secularism is endangered owing to differences in languages, religion or castes and largely caused by misunderstandings and lack of social interaction, housing cooperatives have proven to be an example where the members voluntarily choose to live in association with each other to put an effort to remove such conflicts and tensions and help to build up an ideal society in which people live with mutual trust, understanding and goodwill, who work together for common welfare thereby ensuring better living for their members.



20TH NOVEMBER 2014

Strengthening Member Services and Participation in Cooperatives*

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. The primary purpose of a cooperative is to satisfy the social and economic needs of its members. A strong membership base is the foundation of a strong Cooperative enterprise: everywhere, every time and for everyone. Building strong membership and human resources, not necessarily capital, is the basis for building cooperatives that are both economically strong and sustainable. Cooperative principles play an integral role in development of cooperatives and give clear guidance as to how cooperatives should operate. These principles ensure the replication of this promising model to garner social and economic benefits for all. Each and every member in some way, should participate in the business of cooperatives regularly e.g., purchases from the cooperatives, sale to the cooperative, and save with the cooperative. By doing so the members strengthen their own organization. They also repose their confidence in their own organization. Participation in the business is the key to the success of a cooperative enterprise. It helps in refining the methods and techniques of doing business and making member services more efficient.

Role of a Member

Cooperatives are established by the members to serve themselves under their own management. If the members do not participate in the business and organization structures they fail themselves. Cooperatives are not formed just to borrow

* Ved Prakash Setia, Dy. Director, NCU

money to produce something or to satisfy their own personal needs. Cooperatives expect that the members sell their produce through them, and if the cooperatives fail to serve their members, the members should give advice and suggestions to them.

With cooperatives facing the ever-increasing problem of low member engagement, turning back to cooperative principles can help resolve this issue. Extensive research and multiple success stories show how the cooperative principle of open and voluntary membership is best able to address the problem. This principle creates association among members, and cooperative leaders can increase member engagement, leading to increased cooperative success.

A cooperative is not a firm owned by an individual. It is a member-owned and member-managed institution. So, the members should be encouraged to come forward to shoulder organisational and managerial responsibilities. If a cooperative is run by an individual or on the strength of one individual, its future remains uncertain.

Rights and Duties of the Members

Members are the shareholders of the society who contribute share and deposits to run the business of the society. They are the real owners of the society. Under the Cooperative Act, the General Body of members is the Supreme Authority which elects a management and approves audited accounts and business Rules. The General Body also amends the Bye-laws with the approval of Registrar. The rights of individual members are as under:-

1. To seek elections to the Managing Committee and has equal right to vote.
2. He has right to participate in the General Body of the society and express his views on important issues.
3. He has right to avail loan and other facility from the society as a member.
4. He has a right to seek any information relating to working

of the society as provided under Section 139 of the Act and Rules frames there under.

5. He has a right to receive dividend gifts, etc. from the society as a shareholder.
6. He has an important right to participate in the General Body of the society and put up his suggestions for its growth.

Duties

Under Rule 37 of D.C.S. Rules 2007, the duties of members has been specified as under:

- (a) To abide by the provisions of the Act, the rules, bye-laws and other lawful decisions taken by the general body, committee, other committees and the Registrar.
- (b) To make share capital contribution, other fees and payment to the cooperative society in accordance with the provisions of the Act, Rules and Bye-laws.
- (c) To extend full cooperation and support to other members and the cooperative society, thereby, contributing to the overall development of cooperatives.
- (d) To perform or extend the minimum economic commitment and business support to the cooperatives as prescribed under the Act, Rules and Bye-laws.
- (e) To undertake jointly and severally the responsibility to bear liability on debts, risks, losses and damage caused to cooperative society within the limit of members share capital contribution as provided in the bye-laws of the cooperative society; and
- (f) To compensate for damages caused t the cooperative society, if any, in accordance with the provisions of the Act, Rules and Bye-laws.

The members of the Society therefore have a knowledge of their rights and duties in a cooperative society.

Benefits to Members

The primary benefit to members *as a whole is the coop's continuing existence!* A cooperative is a business designed to provide the members good quality products and services at fair market prices, and this benefit is delivered day to day, year in and year out. Joining a cooperative gives each member a chance to help build an ethical and honest business that operates with customer interests at heart and is controlled by member/owners. Most cooperatives offer additional incentives to members for the investment they make when joining the cooperative. These benefits should provide a fair return to the members and be economically feasible for the cooperatives.

Effective member control does not mean control of every or even most decisions. However, members should be assured of the chance to elect a board of directors and hold them accountable for making or delegating these decisions in the best interest of the cooperative as a whole. Beyond member votes, good cooperative membership programmes will offer other meaningful ways for member voices to be heard, considered, and responded to. Suggestions or comment boxes are essential. A critical factor is not the amount of member control but members' satisfaction with their cooperative. To ensure satisfaction, meaningful opportunities for member voices to be heard should be created.

Communication with Members

Most fundamentally the coop's communications must build understanding of the cooperative and of members' role as co-owners. So, cooperatives must work to ensure that all communications with members are clear and effective for both parties. Effective communication helps members, potential members, and the general public understand the power of cooperatively owned business. Every activity and decision of the cooperative— should communicate that this business is different, and this business is owned and controlled by the members who use it.

It is widely known that cooperatives are more creative

and responsive to the needs of their “communities”. But the willingness to contribute to or participate in local development requires a minimum of resources and knowledge. Cooperatives must recognize that they have to maintain their local community base to be able to respond to the qualitative issues on service delivery. At the same time, they must leverage their strengths so as to stay competitive. Today several techniques and technologies are available to communicate, consult and involve good number of members over great distances on frequent occasions which can largely contribute in strengthening the cooperatives in a big way.

Cooperatives can be strengthened by focusing on making membership meaningful by effective member control and clear communication. Members must value and understand their role as member/owners before they will assume the responsibilities of ownership.

Member’s Education and Training

Members’ education and training should be encouraged in cooperatives. The specific amount of the budget should be utilized only for education and training. Expenses incurred on education and training are investment and not unnecessary expenditure. Member education classes should not be restricted to ‘moral preaching’. These classes should deal with the issues in which members are deeply involved e.g., what to sell and when, and at what price in consumer cooperatives; when to purchase fertiliser and in what quantity; assess the requirements of inputs [e.g., fertiliser, seeds, farm chemicals, implements etc. sufficiently in advance; assess the needs of the members; what to sow, how to sow and when to sow etc. Cooperatives can outsource experts from the agricultural colleges or research stations and farm extension agencies to speak to the members.

Training programme should be periodically and regularly conducted in order to enhance the skills of the members, staff and management of the Society. The training programme should be tailor-made, in light of the requirements. Members of the PACs should be prepared to mobilize rural people to become members of PACS.

Accounts should be kept securely and updated. Accounts should be transparent. Members should feel satisfied about their accounts. All financial transactions should be made clear to the members. Attempts should be made to computerise the accounts. All members have the right to examine and understand their accounts and transactions. Nobody can hide such information from the members.

Conclusion

A cooperative may be defined as an enterprise owned and controlled by members which is created by them for mutual benefits on equitable basis that may arise from the activities of the enterprise and not from the investment in it. To fulfill this objective, a cooperative needs to articulate needs of members and undertake the required activities to offer the services to members at competitive price with utmost efficiency and courtesy. Cooperative law generally provides that in a primary cooperative having one individual member, the principle one member, one vote should be followed. However, in case of a federal cooperative the voting right may be linked with the size of membership in the member society or its volume of business with the federal cooperative.

To encourage active participation of members, it is desirable to ensure that the decisions are influenced by the active members only. Therefore, while a non-active member and a defaulter member may be debarred from the voting rights, a member who avails more services offered by the society may be given a higher say in the affairs of the society than the member who transacts less business with the society. Thus, the bye-laws need to provide for additional voting right to each member for his every additional business with the society, which may be over and above the threshold limit provided in this behalf. For instance, it may be provided that every member must transact certain minimum business to be eligible to have at least one vote and for every "Additional business of certain amount/quantity a member may be entitled to one or more additional votes. Similarly, for being eligible to be the office bearer of the society, the requirement of minimum business may be provided

separately which may be slightly higher than the limit for the voting right. Besides, the co-opted members expected to provide expert advice may also be given voting right of members except in the matters relating to election of office bearers or filling up the causal vacancies of director by co-option.

Cooperatives, especially the village level agricultural cooperatives, should diversify their business. They should not restrict only to fertilizer and seed distribution. There are hosts of business avenues e.g., distribution of farm chemicals, production and distribution of vermicompost, deposit mobilisation, fuel distribution, laying of nurseries, hiring of agricultural machines, electricity and water supply, farm extension and guidance, water and soil testing, running a community centre, production of furniture, construction material, repair of machines and household equipment, warehousing, bee-keeping, livestock development, dairying, fisheries, etc. In the diversification of business women are known to have played significant roles. They can undertake activities like bee-keeping, livestock development, dairying, poultry, handicrafts, food preservation and processing on their own or through their self-help groups. Cooperatives can support them by providing technical support, market place and market information.

Cooperatives should perform community-related services e.g., health care, sanitation, street lighting, telephone kiosks, payment of electricity, water and house tax bills, adult education. A cooperative is a central rallying point in the village and therefore has a lot of social responsibility. Such activities bring the general community closer to the cooperatives.



MESSAGE OF THE INTERNATIONAL COOPERATIVE ALLIANCE

92nd ICA International Cooperative Day

20th UN International Day of Cooperatives

5th July 2014

***‘Cooperative Enterprise Achieve
Sustainable Development for All’***

This year, International Cooperative Day, to be celebrated on 5 July, will have the theme of “Cooperative Enterprises Achieve Sustainable Development for All.” Concern for the community is one of the cooperative movement’s founding values and, as such, the need to sustainably safeguard favourable living conditions for communities underpins all cooperatives’ operations and vision.

In a general sense, sustainability is the capacity to support, maintain or endure. Since the 1980s, the concept of sustainability has evolved to mean the integration of environmental, economic and social dimensions. Cooperatives here again are the forerunners of modern sustainability. By placing human need at their centre, they respond to today’s crises of sustainability and deliver a distinctive form of “shared value”.

One of the goals of the Blueprint for a Cooperative Decade is to “position cooperatives as builders of sustainability.”¹ The cooperative sector needs to explain and show to the world that sustainability is part of its intrinsic nature, and that cooperative enterprises make a positive contribution to sustainability.

As part of this, the Alliance commissioned a scan of cooperatives from different sectors and regions around the world to see how closely linked they are to sustainability. Launched at our Global Conference in Cape Town in November 2013, the

1 Blueprint for a Cooperative Decade, p. 15.

report concluded that cooperatives embedded sustainability into their operating model and values, and that the United Nations can and should recognise this. Indeed, in a resolution adopted in December 2001, the UN urged governments to encourage and facilitate “the establishment and development of cooperatives, including taking measures aimed at enabling people living in poverty or belonging to vulnerable groups to engage on a voluntary basis in the creation and development of cooperatives”.²

The United Nations is currently setting ambitious new targets for the period after 2015 and these will be called the Sustainable Development Goals. The cooperative movement touches one billion people worldwide and through our vision of sustainable development for all, we can be key partners in this.

We would like to urge cooperatives around the world to use 5 July to showcase how cooperatives are the best-placed enterprise model to develop and build sustainability in the 21st century.

2 UN resolution 56/114 adopted in December 2001



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Executive Director (Publications)

NATIONAL COOPERATIVE UNION OF INDIA

3, Siri Institutional Area, August Kranti Marg, New Delhi-110016

E-mail : ncui.pr@gmail.com

Website : www.ncui.coop