CONCLUSION

In the last one decade situation is changing all over the world. This change is deeply influencing the economic structure of all the countries. Indian scene is also fast changing. The cooperative sector can not but participate in this process of change. This sector is important in Indian socio-economic environment. The due changes are very difficult and complex. But a ray of hope is visible because the authorities relating to cooperative system in India are trying to interact with the global process of change. In fact Indian cooperative policy maker are trying to inter link, though suitably, with the organizations like the World Trade Organization (WTO).

Economic cooperation was the brain child of early utopian socialists particularly Report Owen and Charles Fourier. The first practical cooperator was Robert Owen, who organised cooperative colonies in America and Scotland between 1821 and the Rochdale Pioneers started their street of Rochdale Lancashire.

The beginning of Indian cooperative movement was placed at 1904. When "The cooperative credit societies act" was passed on 25th march, 1904. The Indian cooperative movement continued to be a predominantly credit movement till the eve of independence. After Independence cooperation was accorded an important place in the planned economic development. The development of self-reliant and decentralised economic
system through cooperatives seemed to be the object till the end of the third Five Year Plan which ended in 1996. But since fourth Five Year Plan onwards and with the introduction of multi-agency approach, cooperatives are not preferential agencies for economic development. They have been treated just as one of the alternatives which could be tried for economic development. Cooperative banks has been recognised both by the Government of India and the Reserve Bank of India to bridge the systematic gap in the cooperative credit and banking sector. With their approval, the cooperative bank of India (COBI) has been incorporated under the Multi-State cooperative societies act. However, this bank has not yet started its banking operations due to lack of appropriate amendments in the Banking Regulation Act. Efforts are being made to operationalise this bank through necessary amendments in the Banking Act.

The crisis in the economy in the South East Asian Region in the recent months had marginal impact in India so far. However due to liberalisation and globalisation of the economy it is hard to insulate the economy completely from turmoils in the region. Competition in the economy is growing and efficiency is the keyword for cooperatives to be competitive. Those cooperatives which are financially weak and operationally non-viable will have no future as government patronage and government support will be out of tune as a matter of government's new economic policy and reforms package. This could lead to certain structural adjustments even in the
cooperative with emphasis on self-reliance, financial viability and operational efficiency. Cooperatives as economic enterprises have to be more business like and less as eqencies promoted and supported by the government sponsored programmes for realising the socio-economic objectives. This calls for drastic changes in the government policies towards cooperatives and comprehensive amendments in the laws governing operations of cooperatives.

Economic Reforms and Liberalisation of Indian Economy

In post-Independent India, economic planning was accepted as a means of development with ultimate objective of establishment of a socialistic pattern of society characterised by a vibrant mixed economy consisting of private, public and cooperative sectors. Although planned economic development helped the country in attaining self-industrial infrastructure, a number of achievements in the field of social development, a deponding economic crisis in 1991 characterised by balance of payment problem, disruption of industrial production, shortage of foreign exchange, and budgetary deficit combined with accelerated inflationary trends prompted the government to initiate economic policies for the stabilisation of economy and structural reforms in national economy.

The new economic policies were introduced with the objectives of making Indian economy a dynamic and vibrant one through liberalisation
of trade and industry, encouraging the flow of technology and investment into the country and reformation of financial sector. The new industrial policy is supported to remove unnecessary controls, thereby encouraging faster industrial growth and increased flow of foreign technology and capital. The cooperatives do not get any specific attention. Under the new trade policy, a number of far reaching policy reforms have been introduced e.g. the system of partial convertibility of rupee, reduction of import tariff level, permission to export houses to import in order to increase their exports, 51% foreign equity allowed to trading houses etc. Fiscal and financial policies have been reshaped.

Liberlisation of economy in Indian for private sector generally means more scope and more competition. In a competitive economy those who have major market share can influence the market forces. In view of this it would not be easier either for the Government or other sectors to ignore the cooperatives. Further, cooperative have an edge over other sectors so far as their organisational structure is concerned. The federal structure despite its weakness, provides a very wide not work to link up primary producers/consumers to the tertiary level of economy. Obviously, the organisational structure built up through federal structure over the years would continue to be a point of great strength to the cooperatives. Last but not the least is the value aspect. Since cooperatives are imbued with values of equity equity, honestly and oneness, they would continue to accept them as a vehicle for socio economic changes. Stronger the cooperatives, stronger would be the democracy.
In the free economy whether we like it or not, only those who are strong, efficient and competent will survive. If cooperatives have to survive, then they also will have to be strong, efficient, competent and forward looking. They have to have at least same level of efficiency and competence as the private sector and the relevance of the members will be their additional strength. Are the cooperatives today as efficient and competent as its competitors? We will have to go through the reason and causes which make cooperatives less efficient then its competitors and will have to remove those constaints. We will have to take measures to strengthen their management competence their accountanbility and their members relations. That is the only way for the cooperatives to survive and strengthen in the market economy in the years to come.

Responsibility lies on the cooperatives leaders, cooperative managers, cooperatives thinkers as also on the government who claims to be well wisher of the cooperatives to realise the seriousness of challanges of the time and initiate necessary measures.

The cooperative sector can play a pivotal role in accelerating agricultural growth through (i) provision of adequate agricultural credit for production and investment through the cooperative credit and banking system (ii) making available agricultrual inputs like fertilisers, quality seeds, pesticides, agricultural implements etc and (iii) development of processing facilities for commodities like sugarcane, milk, cotton etc. Thus the approach to
cooperative development under the existing economic situation may have the following visualisations:

(a) Re-orientation of activity profile of agricultural cooperatives towards faster growth of foodgrains and agro-based activities.

(b) Critical positioning of community and cooperative land development programmes in regard to food security, agriculture inputs and employment generation.

(c) Augmentation of cooperative sector in areas where it has an inherent advantage on the basis of costs and profit levels.

Financial Sector Reforms

As an important component of the economic reforms in India has been the financial sector reforms. Reforms in this sector have been carried out in accordance with the recommendations of the Narasimham Committee. The committee had made recommendations with a view to promote efficiency, productivity and profitability of the financial system. This was based on the scenario that vibrant, competitive and healthy financial system is necessary to sustain economic reforms. Norms for income recognition, assets classification and capital adequacy have been introduced in the
public sector banks. As a result, the profitability of public sector banks has improved and the proportion of non-performing assets (NPA) has come down. These prudential accounting norms have also been extended to the cooperative credit and banking sector in 1996-97. They would however need some time to comply with the provisioning norms and to adjust themselves to the fast changing scenario in the banking and financial sector.

There is pending need to respond cooperative laws and taxation laws not conductive to the growth of the cooperative sector. In the wake of economic reforms, the private corporate sector and the multinationals with their vast financial resources, excellent management cadres and international marketing network and taking full advantage of the various opportunities which are now available to them through the process of privatization and liberalisation.

In the competitive milieu of a free market economy. It is critical for cooperatives to adapt themselves to the postulates of a growing competitive economy. The occasion, therefore, calls for a serious introspection by the cooperatives with a view to strengthen their capabilities in terms of business development, professionalisation of man power and strengthening of financial base. They should also bring about all round efficiency in their operations. To face the daunting challenges emerging in the coming years, the cooperatives should advance in those segments of economic and social
activities where they have a natural and inherent advantage. The cooperatives should take advantage of their organisational structure and the wide network linking up primary producer/consumer to the tertiary level of economy. Further, cooperatives are based on the democratic values of mutuality, equality, integrity etc. The Indian society would continue to accept them as a vehicle for social and economic changes but to sustain social support, effective performance by the cooperatives in their spheres of specialisation capability acquired by cooperatives through their adherence to financial values and efficient management along with cost effectiveness will alone give them the inherent strength to face new challenges in a market oriented environment. That indeed is the critical task ahead for cooperatives.

The functioning of the cooperative structure in India has shown the various weaknesses such as (i) weak structure at primary level (ii) working of the various cooperatives in isolation rather than as a unified system (iii) lack of responsiveness of federal organisations towards the needs of their constituent members (iv) declining patronage of user members (v) lack of scientific manpower planning and development strategy, (vi) lack of value additions and technology absorption (vii) absence of adequate infrastructure at the grass-root level (viii) weak information technology and planning mechanism (ix) slow progress towards computerisation and mechanisation of banking operations (x) over-dependence on support of government/governmental institutions.
Action programme for the Cooperatives:

In the interest of revitalisation of the cooperative movement in India, the various deficiencies and handicaps as mentioned above will need to be tackled on an urgent basis in the coming years. An appropriate action programme for the overall development of cooperatives will have to be undertaken. The cooperatives themselves have to formulate their own action plans to face the challenges of a liberalised environment and to capitalise on the gains and opportunities flowing from the new environment.

The structural reforms would imply amalgamation and integration of non-viable cooperative societies with the viable societies for their revival and in the event of failure of revival move for their liquidation. Thus, there should not be any hesitation in undertaking mergers if the criterion of viability of cooperative societies demands it. The federal organisations should essentially function through their constituent member societies. Every cooperative society should formulate well-defined norms for participation of its members in its business. The delinquent members should be delisted from the membership register of cooperatives.

In the context of current economic situational, the cooperatives could greatly help in accelerating the overall growth rate in the economy by helping the growth process in the agricultural sector and devising appropriate strategies for flow of the credit to the farming community and by ensuring
regular and adequate supply of agricultural inputs. The emphasis on these activities would involve fine tuning of cooperative policies in the financial, credit, sugar, dairy, fertiliser and marketing sector. An attempt is made here to dwell on some of the policy approaches for the development of these agriculture oriented cooperatives.