Concept of Co-operative Management:

'Co-operation is an association of persons, usually of limited means, who have voluntarily joined together to achieve a common economic end through the formation of a democratically controlled business organisation making equitable contributions to the capital required and accepting a fair share of the risks and benefits of the undertaking.' The concept of Co-operative Management is that it is the management of those who need and use the services provided by the co-operatives. It is generally agreed that the question of management is perhaps the most important single factor which decides the success or failure of co-operatives. In fact, an efficient management of a co-operative enterprise is a sine-quo-non for the survival and growth of co-operative movement in the country.

'Management' can be defined as the art and science of organising and directing the resources of an enterprise towards the achievement of its objectives. But the responsibility of Co-operative Management lies at the root of success of the co-operative as a business enterprise and as an association rendering services to its members.

In the co-operatives, the structure of management consists of the following organs - (i) the general members, (ii) the elected Board of Directors or Committee, and (iii) the operational paid executives and the staff. In actual functioning, the powers and responsibilities of the former two organs are well defined and no conflict is observed. However, it is the jurisdiction of the Board of Director and the operational paid executives and staff which is the 'villain of the piece' in an organisation. Many a time, it is seen that the Board of Directors which is entrusted with the basic function of policy formulation tries to manage the actual operations that fall within the jurisdiction of paid executives.

'Management' is the activity which plans and controls the operation of the basic elements of men, material, machines, methods, money and markets, providing direction and coordination and giving leadership to human efforts, so as to achieve the sought objectives of the enterprise.2

One of the cardinal principles of co-operative organisation is the Democratic Management. It was unequivocally accepted by the 24th Congress of the International Co-operative Alliance, 1969, that 'democracy is the very essence of co-operation'. The principle of democratic control of co-operative Business Organisation as stated in the I.C.A. Rules states that 'co-operative societies are democratic organisations.' Their

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affairs shall be administered by persons elected or appointed in a manner agreed by and accountable to them. Members of Primary societies shall enjoy equal rights of voting and participation in decisions affecting their societies. In societies other than Primary societies the administration shall be conducted on a democratic basis in a suitable form.

Democratic Management is so important a feature of the co-operatives, that it has been incorporated as one of the essential principles of co-operation. This principle is translated into the operational rule of 'one member one vote' in the bye-laws of every co-operative.

The Principle of Democratic Management means that (i) the general meeting of the members of a co-operative society is the supreme authority with regard to the conduct of the affairs of the society; (ii) the members of a Primary society shall enjoy equal rights of voting and participation in decisions affecting their society, each member having only one vote, and the members of a federal society shall enjoy these rights provided that they may enjoy voting power on any other democratic basis; (iii) the affairs of the society are administered by the management in accordance with the democratically expressed will of the members; (iv) the management is elected or appointed in a manner agreed to by the members, and (v) the management is accountable to the members.

4. ibid., p. 59
The authority for Management must rest with the members themselves without any external interference. 'Autonomy is, therefore, a corollary of democracy', as stated by ICA Reform Commission. The supreme authority of a society rests in the general meeting of its members. The aim of the common undertaking is to satisfy the needs of the members. It follows that the source and experience of powers in respect of the common undertaking must lie with those whose needs gave birth to the undertakings.

**State Law vs Democratic Management:**

Though co-operatives are considered to be democratic and autonomous institutions, the will of the members cannot be and is not completely unfettered. The co-operatives are favoured by law with the corporate status and while doing so, the law lays down certain conditions which every organisation seeking the benefit of incorporation under the law must adhere to. But some of the State laws are repugnant to the principle of democratic control. For example, the bye-laws are the common contract between the members and the society and the bye-laws derive their moral validity from the fact that they have been voluntarily adopted by the members. The imposition of a bye-law is the very negation of their concept and one

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5. ibid., p. 18
6. ibid., p. 12
7. In Assam from 1978, model bye-laws circulated by the Registrar of Co-operative Societies for the processing societies have been adopted.
cannot think of a more undemocratic act vis-a-vis a co-operative society than this. In fact, the very sanctity of the society's constitution is thereby violated.

Sec. 31(3) of the Assam Co-operative Societies Act, 1949 relates to the vesting of the supreme authority of a co-operative society in its general body of members. But the vesting of ultimate administrative power in the general meeting of the members of the society has been nullified by the clause 'subject to the provision of the Act and the Rules'. However, powers which infringe upon the authority of the general body are given to the State in the same Acts quite inconsistently with the vesting of supreme power in the general body. Any legal provision which restricts the autonomy of a co-operative society in regard to its administration is contrary to the principle of democratic control.

Sec. 31(3) 'The supreme authority of a registered society shall be vested in the General Assembly. Provided that during the pendency of any loan or service from the government, or any other creditor secured at the instance of the government, the supreme authority in respect of any matter adversely affecting the interest of the Government - or the said creditor touching such loan or service shall be vested in the State government or the Registrar, as may be provided in the bye-laws, or any person authorised by them in writing, and, may extend to the appointment of officers to hold any of the offices of the society or any person to be ex-officio members of the Administrative Council, managing body or any committee of the society even if not members of the society. The supreme authority of the Government or Registrar may also be exercised in the absence of any loan or service when the Government or Registrar, as the case may be, deem their intervention to be necessary in the interests of the members of the society or of the co-operative movement in general.'
Under Sec. 33(1)(d) 'at the instance of the Registrar' and under Sec. 33(2), of the State Act the Registrar can call a general body meeting or authorise any person on his behalf to call a meeting at such place and time as the Registrar may direct. This power of the Registrar to call a general body meeting of the society vitiates the autonomy of the co-operative and is, therefore, a violation of the principle of Democratic Management.

Sec. 14(1)(i) of the State Acts contain provisions empowering the Registrar to compel the amendments of the bye-laws of the society. This provision relating to the Registrar's power to impose bye-laws on societies is also contrary to the Principle of Democratic Management. When a bye-law is imposed on a society by the Registrar, it is no longer a bye-law and it is tantamount to a rule framed by the government.

Sec. 33(2) - The Registrar himself or any person authorised by him in this behalf in writing, may, by special order call a special meeting of the General Assembly at any time and shall call such a meeting upon the failure of the society to call a meeting on the requisition by the members or at the instance of the Registrar under sub-section (1).

Sec. 14(1)(i) - When it appears to the Registrar that an amendment of the bye-laws of a registered society is necessary in the interest of such society or of the co-operative movement as a whole or for the purpose of bringing about uniformity in the main with the provisions of the bye-laws of societies which have similar objects or functions, he may, by an order in writing, direct the society to amend its bye-laws in accordance with the amendments drafted and forward to the society by him within such time as he may specify in the order.
Moreover, this legal provision gives the government a way of circumventing even the procedure of tabling Rules before the legislature.

The bye-laws of a society are binding on the members. By joining a society a member voluntarily accepts the conditions laid down in the bye-laws. Any subsequent voluntary amendment of the bye-law is equally binding on a member. The compulsory amendment of a bye-law is contrary to the voluntary nature of the contract between the society and the member and what is introduced into the contract by a third party by compulsion or without the consent of the contracting parties cannot bind them morally. This provision also violates the constitution of the society and is, therefore, the most repugnant of all the laws offending against co-operative principles.

Sec. 44 and Sec. 51 of the State Act require that societies should obtain the Registrar's approval for lending or borrowing funds as well as for the investment of funds. Subjecting a society's decision in the matter of lending and investment of funds to the approval of the State or other

Sec. 44(1) - A registered society shall not give loans (a) to any person other than a member except with the general or special sanction of the Registrar.

Sec. 51 - A registered society may invest or deposit its funds ... (e) with the sanction of the Registrar, in the shares or debentures or in the security of any other registered society; or (d) with any registered society, bank or persons carrying on the business of banking approved for this purpose by the Registrar.
authority is contrary to the Principle of Democratic Management. Financial management in a co-operative is a matter solely within the purview of that society. However, some restrictions are imposed on the powers of the General Body by their financing institutions. For example, the bye-law of the Assam Co-operative Sugar Mills Ltd. lay down that so long as any money remains due and payable by the society to the Industrial Finance Corporation, no additions, alterations, variations and amendments shall be made to the bye-laws without the prior written approval of the Corporation.

Sec. 36 and Sec. 37 of the State Act give power to the Registrar to supersede the committee of a co-operative society and to appoint an officer or administrator or body of persons to manage the affairs of the society.

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8. Sec. 14(b) of the Bye-laws of Assam Co-operative Sugar Mills Ltd.

9. Sec. 36 & Sec. 37 of the Assam Co-operative Societies Act, 1946.

Sec. 36(1): When the Registrar is satisfied, after an inspection or enquiry under Section 60 or 61 for reasons to be recorded in writing, that the Administrative Council, managing body, or any committee of a registered society is not functioning properly or according to this Act, Rules or Bye-laws, he may, after giving the offending body an opportunity to state its case, direct under clause (d) of sub-section (1) of Section 33, that a special general meeting of the General Assembly be called within a time to be specified to dissolve the Administrative Council, managing body, or committee concerned, and to elect a new one. Provided that if in the opinion of the Registrar it is necessary as an emergent measure to suspend the offending body forthwith, he may do so and shall appoint a person, on such conditions as prescribed by him to be in full control of the suspended body until a new body has been elected or action has been taken in accordance with Sec. 37.

Sec. 37: If the Administrative Council, managing body or any committee as the case may be, of society, is not
Thus the power of the Registrar to dissolve the Board of management and to appoint a person or persons to manage the affairs of a society is contrary to the principle of Democratic Management. The power of the Registrar to supersede the committee of a society with a committee nominated by him, has often been used to nominate persons who are of political value to the government in power. Thus very often the remedy has proved worse than the disease.

The Acts and Rules relating to co-operative societies play a vital role in the development of a co-operative movement. If these laws are contradictory to co-operative principles, there is no room for the growth of a movement which is truly co-operative.

Members and the Board:

The types of members of the Agricultural Processing Co-operatives in the State vary from society to society. There are two classes of members for the Sugar Mill, Jute Mill and the Khansari unit, viz., Producer members and the ordinary members. Ordinary members include individuals, firms, dissolved and reconstituted within the time specified by the Registrar under Sec. 36, he may by order in writing dissolve such body and shall thereupon appoint a person, or persons, on such conditions as prescribed by him, to manage the affairs of the society for such period not exceeding one year when he shall arrange for the constitution of a new body to take the place of the dissolved body. The Registrar may extend this period from time to time as he may deem fit, provided that the aggregate of such periods shall not exceed three years.
corporations, co-operative societies and public institutions. But as per new model bye-laws circulated by the Registrar of Co-operative Societies, Assam in 1978, membership of Marketing Societies carrying processing activities consists of (as referred to earlier) 'A' class consisting of Gaon Panchayat Level (G.P.L.) societies; 'B' class consisting of individual cultivators and sympathisers; 'C' class consisting of commission agents, merchants etc. having dealings with the society. 'C' class members do not have any vote to participate in the management, 'D' class - the State government.

The Solvent Extraction Plant based on Rice bran, at Rowta, set up with a major participation of the State government and the National Co-operative Development Corporation enrols (referred to earlier) four classes of members - viz., 'A' class consisting of Co-operative Marketing Society having rice and oil Mills; 'B' class consisting of registered co-operative societies other than 'A' class; 'C' class consisting of firms, public institution, corporations like the Assam Small Industries Development Corporation and 'D' class the State government. However, in the processing co-operatives, growers constitute the majority of members in the society, although the grower members have failed to acquire (except in Sugar Mill) a clear understanding of the nature of enterprise.

The Board of Management or the Managing Committee elected by the members should be leading farmers whose presence should give standing to the Agricultural Processing
Co-operatives in the State. They are not only instrumental in gaining membership for such societies but also in gaining public acceptance of co-operatives. Thus a good Board of Management is indispensable to a good co-operative enterprise. For efficient management a Co-operative Processing unit must develop a first class Board of Directors.

The number of grower members in the Board of Management varies from 2 to 11 members. Should a member of the Board absent himself from three consecutive meetings of the Board without showing adequate cause, he shall forthwith cease to be a member of the Board. The producer members in the Board of Management in the Agricultural Processing Co-operatives in the State have practically failed to manifest leadership in helping to manage the units, although a first class Board should build up necessary leadership for survival of the processing societies. The members of the Board of Management are the representatives of the shareholders and so should feel responsible to them.

The day-to-day working of the societies is controlled by the Board of Directors or the Executive Committee created by it. As per bye-laws, the first Board is invariably nominated by the government (Registrar of Co-operative Societies) for 7 years and the Registrar of Co-operative Societies in the interest of processing societies may extend the term of office.

10. As per model bye-laws for the Marketing Society carrying processing business, a member of the Board of Directors ceases to be a member after remaining absent for four consecutive meetings.
or nominate a new Board of Management annually until such time as he deems fit. But this right of the Registrar to extend the term of office until such time as he deems fit is against the Principle of Democratic Management. The General Assembly meeting should be called once every year within 60 days from the close of the preceding co-operative year. But in actual practice, it is seen that the annual general meeting is not held for 3 to 4 years on the slightest pretext. In some societies, general meeting is not held due to lack of quorum and sometimes meetings are adjourned due to poor attendance which reflect the lack of interest of the members in the society concerned.

**Government nominees to the Board:**

In one sense, the nature of democratic control in a co-operative is vitiated. Government is almost always a large shareholder of co-operatives and by virtue of that it nominates its representatives on the Board of Directors or Board of Management. In case of Agricultural Processing Co-operatives, government nominates two members to the Board of Directors. In accordance with the Democratic Principle of 'one man, one vote', which lies at the root of co-operative organisations, government should have only one vote in the election of the members of the Board of Directors. But in violation of this democratic principle, it has abrogated to itself the right to nominate one or more of its representatives on the Board of
Directors.

Further, introduction of State partnership in co-operative activities has also had its own impact. Although State partnership has enabled the co-operatives in general to record rapid progress, it has usually led to excessive State control, interference and regulation, which also goes counter to the basic principle of co-operation.

Another interesting feature is that government nominees are either government officials or political persons of the party in power. These nominees of the government have neither experience, knowledge, nor training in the nature and practice of processing of agricultural commodities for which they were nominated on the Board of Management. This leads to vested interests in every sphere of their activities in the co-operative societies and as a consequence efficient management of the societies suffers. Instances are not rare of the violation of the basic objectives of the society by the Board of Management. As per Section 2(iii) of the bye-laws of the Jute Mill, the aims and objectives of the society are to manufacture various products and by-products out of the jute procured from the members and others, to sell such manufactured goods and by-products to the best advantage of the Mills in Indian markets and export goods to foreign markets. Similarly, one of the aims of the Khansari unit is to promote the cultivation and development of sugarcane crops. But what is most striking is that neither jute produced by the members has been purchased by the authority of the Jute Mill nor
cultivation and development of sugarcane by the Khansari units have been encouraged till now. The Rice Mills and the Oil Mills also do not procure their raw-materials from the grower members of the societies. Thus the basic objectives of the societies are defeated due to weaknesses in management.

Government deputation:

All the Agricultural Processing Co-operatives in Assam are managed by non-professional managers. This management gap in the State processing co-operatives has been filled in mainly by government departments of co-operation which have gradually acquired a vested interest in co-operatives. This has resulted in the manning of managerial positions by deputationists on a significant scale with serious effects upon the efficient functioning of co-operatives. The Committee on Co-operation, 1965, observed that the only effective safeguard against vested interest is an enlightened membership.11

The offices of the Secretaries of the North-Assam Agro-Industries Co-operatives, Diphu Cotton Ginning Mills Co-operatives, Uttar Asom Samabai Chenikol, Jute Mill, Sugar Mill are manned by government deputationists without any experience, knowledge or training in processing activities of the units to which they are deputed. Besides, the period of

their deputation in the society is very short, ranging from six months to three years, during which they, for all practical purposes, cannot gather enough experience and develop expertise.

The management of co-operative enterprises must always give first priority to economic performances in all matters of decision-making and other actions. It can only justify its existence and authority by the economic results it produces. The management may be said to have failed if it does not supply goods and services as required by the consumer at a price the consumer is willing to pay. It will be considered a failure if it does not improve or at least maintain the wealth producing capacity. In view of continuous losses in most of the processing co-operatives in the State, people, in general, have tended to lose faith in co-operatives as an efficient form of business organisation.

Entrusted with the running of a co-operative as a business organisation, the management have some responsibilities towards members to manage the society efficiently and effectively and to produce surplus, supply the customers with goods and services of dependable quality at competitive prices, and ensure employees the payment of fair wages, good working conditions with security and health. In the eye of the public, a co-operative business has become synonymous with inefficient 12

12. Peter F. Drucken, 'The Practice of Management', pp. 7-
management and business losses. Profit-making is necessary to retrieve the lost public image of co-operatives as viable units, to minimise governmental interference, to attract dedicated members to join the co-operatives, and to provide incentives for attracting loan capital and to make use of capital requirements out of their own earnings. The extent of profit to be earned by a co-operative is just to provide for payment of interest on capital, for pecuniary benefits to members in the form of lower prices of consumer goods or higher prices for raw-materials and for future capital accumulation. Unless there is surplus, raw-materials from members cannot be purchased at a higher price.

Chairman:

The Chairman of the Board is elected by the Board of Management from amongst its members. The Chairman presides over the meeting of the Board and he is entitled to have a casting vote in addition to his ordinary vote in the event of equality of votes. Though the Board of Management may grant an allowance or remuneration to the Chairman as per bye-laws, the Chairman of the Agricultural Processing Co-operatives in Assam is given an allowance only. It has been observed that all Chairmen of Agricultural Processing Co-operatives in Assam are political persons. Some of them are either sitting

M.L.A.s* or Ex-M.L.A.s. And, in most cases, they expose themselves to the charge of having vested interest - promoting personal interest to the detriment of the interest of the society. It is also observed that they are lacking in knowledge of co-operative principle or philosophy of co-operative management and, therefore, they are found deficient in guiding the co-operative units strictly according to the democratic spirit and principles of co-operative organisations. And, finally, management suffers for lack of genuine interest in co-operation.

Managing Director:

The bye-laws of the two independent Agricultural Processing Co-operatives, viz., the Sugar Mill and the Jute Mill provide for the appointment of a Managing Director - who is the Chief Executive - by the State government in consultation with the Board of Management at the cost of the Mill. The terms including the period of appointment shall be such as may be determined by the government. Another important feature to be noticed is that the Managing Director will be responsible to the government through the Board of Management. His role stands out from that of the Board of Management because of the peculiar arrangement that exists in the processing co-operatives as a result of the policy of State participation and State assistance in various ways such as financial grant, loan, subsidy etc. to the co-operative

*State Assembly has been dissolved but they continue to hold office.
processing units.

The Managing Director serves as a link between the Board that is democratically elected and the appointed staff on the management. He works under the Board of Directors and the various committees of the Board.

The function of an executive head managing the Management is becoming more and more technical day by day and this must be realised by the Board of Directors of a Co-operative organisation also. It is at this point that we find the Board of Management and the Managing Director of a co-operative organisation pulling themselves apart to the detriment of the interests of the unit at large. Thus, the authority of the Managing Director will depend upon the attitude of the Board to its own role and its appreciation by the Managing Director himself.

In Assam, the two Agricultural Processing Cooperatives, viz., the Sugar Mill and the Jute Mill are managed by a Managing Director in each case belonging to the Assam Civil Service, Class I personnel as the Chief Executive Head. They have no training or experience in Sugar processing or Jute processing either before or after their joining. It is quite natural that an untrained, undertrained or inefficient Civil Service personnel may fail to devise and administer a programme of industrial development. Field investigations show that these Civil Service personnel are sometimes available for a period of one year only. This is not at all
a sufficient time for the persons concerned to develop the necessary skills and to grasp the intricacies of co-operative business. Very often transfers are even more frequent.

In the organisation of Agricultural Processing Co-operatives, attention should also be given to the position of workers and employees. They should have the opportunity to participate in the management of these enterprises in which they serve and this is lacking in the Agricultural Processing Co-operatives in the State.

Thus, one single factor responsible for this state of affairs is the lack of appreciation of the importance of professionalising the management of the co-operatives. In processing co-operatives, professional Managers are the more important to serve as a balancing factor in the context of the lack of business acumen and experience among the elected directors coming as they are mostly from untrained personnel in the field.

In fact, the most important responsibility of the Board of Management of processing co-operatives, is to put an efficient manager in position and give him full authority for the day-to-day management. So there is an urgent need for modernising the management of all the Agricultural Processing Co-operatives in the State at least as a matter of first priority. The ability of the Processing Co-operatives to have access to suitable managerial personnel will, therefore, have a vital bearing on the success of the processing units in the State.
Lapses in Management Practice:

Raw materials:

The Agricultural Processing Co-operatives suffer from 'scarcity in plenty' of raw-materials mainly due to defective system of raw-material procurement. Except the Sugar Mill, other processing co-operatives do not purchase their raw-materials directly from their grower members. The Rice Mills are all the more dependent on receiving allotment of paddy from the State government through Assam State Co-operative Marketing and Consumers' Federation or Food Corporation of India. Raw jute, rice bran, raw-cotton and other raw-materials are not planned and controlled according to market-oriented production Plan. Raw-materials purchased are not based on quarterly requirements of the processing units on the basis of quality and quantity. Raw-materials purchased for processing units are also not properly recorded and classified. Thus the Agricultural Processing Co-operatives have suffered from irregularity and inadequacy and higher costs in the collection of raw-materials. The present system of purchase of raw-materials through tenders or agents is not a healthy practice. The resultant effect is the extremely low capacity utilisation of the processing units due to the lack of preventive and routine maintenance which is of utmost importance for all the Agricultural Processing Co-operatives.
Inventory Control:

Lack of proper stores and inventory control is also another major contributing factor affecting capacity utilisation and quality of products. Except in Sugar Mill, there is no Engineer to look after the maintenance of machinery in the Agricultural Processing Co-operatives in the State. In the Jute Mill only a senior Supervisor having diploma in Jute technology looks after the machinery. In the Rice Mills, oil Mills, Fruit-processing unit, Khansari unit, Cotton Ginning Mill, neither Engineer nor any technical Supervisor is engaged to look after the maintenance of machinery.

Marketing:

The present system of marketing of products of the Jute Mill, Cotton Ginning Mill, Solvent Extraction Plant, Khansari unit and the Fruit-processing unit is to wait for the customers to come. No effective sales promotion is in existence. Sales promotion even in local markets including the North-Eastern Region is not geared up. No attempt has been made to establish contact with potential buyers with whom direct sales could be negotiated. Some of the Agricultural Processing Co-operatives like Cotton Ginning Mill, Solvent Extraction Plant, Fruit-processing unit, and the Rice Mills.

14. The Rice Mills under the STATFED have an Engineer in the Head office at Gauhati.
Oil Mills, do not have any Marketing Section to establish constant touch with the production of the Mills and to advise the Mill in planning their production schedules in accordance with market requirements well in advance at least with a quarterly forecast.

**Finance:**

The Agricultural Processing Co-operatives in the State are entirely dependent on government finance. This huge loan factor and heavy interest thereof, have a crippling effect on their economic viability. The very gap in the viability should better be decreased by the loan factor of the Mills and by capitalising a sizable portion of the loan by government equity shares from the public. Mere adhocism in financing and financial management should immediately be dispensed with.

Huge amount of grants, loans by government, financial institution or National Co-operative Development Corporation to society having no departmental audit for 5 to 7 years is a serious matter to be considered. A detailed financial plan on the basis of long-term and short-term capital as well as revenue budgets are not prepared by professionally competent persons in order to manage adequate funds for smooth functioning of the Mills.

The Finance Section is being headed by Accounts Officer who is deputed by the Co-operative Department having experience only in keeping co-operative department accounts and whose
knowledges are limited to book-keeping only. Rice Mills, oil Mills, Fruit-processing unit, Khansari unit, Cotton Ginning Mill and the Solvent Extraction Plant do not have even an Accounts Officer. The accounts are maintained by a Senior Inspector of Co-operative Societies on deputation. There is no Cost Accountant in any of the Processing units. As per Statutory regulations, the Jute Mill, Sugar Mill must have a full time Cost Accountant. It is suggested to recruit a qualified Accountant-Cum-Financial Adviser to man the processing units. Absence of regular audit is a common feature in the Agricultural Processing Co-operatives in the State. At present, it is being done by departmental auditor of the co-operative department. There is an instance of avoiding audit for more than 7 years by a Processing unit and inspite of the fact, that particular processing unit has again been managed by a nominated Ad hoc Board at the instance of the local political influence. It would be worthwhile to have a regular internal audit to maintain up-to-date accounts and to have a close watch on the Financial Management of the Societies.

General Assembly and Board of Management:

Due to internal politics and vested interests annual general meetings are not regularly held although the bye-laws direct holding of the annual general meeting within 60 days from the close of the co-operative year. Except Majuli Processing Samabai Samity Ltd., other societies have no record
of holding regular annual general meetings. There are also instances where, despite a number of complaints by the general members and members of the Ad hoc Board of Management, and subsequent repeated directives by the Registrar of Cooperative Societies, the Secretary and President under the shelter of political leaders deferred holding of annual general meetings for 4-5 years and as a result the societies are lacking services from elected Board of Directors duly elected by the general members in the annual general meeting. Societies are managed by Ad hoc bodies mostly filled up by political personalities. The composition of the Board of Directors will reveal that no professional experts are maintained. Similarly, the Executive Committee should have consisted of professional persons who could guide the management in running the mill on commercial line.

Chief-Executives:

The Secretary of all the Agricultural Processing Co-operatives under study, other than Jute Mill and Sugar Mill, is the executive head of the society. In the Jute Mill and the Sugar Mill, the Managing Director is the Chief Executive. They are not technically qualified persons in these Processing Co-operatives. The Secretary of Cotton Ginning Mill, Ithansari unit and Solvent Extraction Plant are departmental persons of the rank of Inspector of Co-operative Societies deputed without any technical knowledge and training.
The Managing Directors in the Sugar Mill and the Jute Mill are the Chief Executives. They are deputed by the State government. Present posts are being held by A.C.S. I Officers. They are also not technically qualified professional men or professional Managers with experience in Jute or Sugar or any other allied industries. Since the inception of these Mills, very frequent changes of the Managing Director have been made. The frequent shufflings in the Board of Directors, Managing Director and Manager have left the Mills without proper guidance having at least a two-fold detrimental effect on the working of the Mills. Firstly, due to changes, the policies are not properly formulated and even if some good ideas are introduced, there are no ways by which those would be guaranteed to be implemented and pursued. Secondly, due to frequent changes at the top Management, the middle management is having a hay day and have acquired too much power and control in the organisation resulting in misuse of rule by the ignorant. Since the posts are being filled in by deputationists for short terms there is little involvement in the working of the Mill.

**General Administration:**

The General Administration has been put under the Head Assistant who generally works more as a personal assistant to the Managing Director. As a result no administrative control is possible in the Mill. No file of
the personnel is kept. There is no maintenance of personal confidential reports on the working ability of the officers or staff. So the Managing Director or any Officer can have no idea who is who in the Mill. This is especially dangerous because top management have no continuity of service in the Mills. Promotions are made and discharges are effected on ad hoc basis or whimsically and all such cases depend on how well one can put one's own case to the Managing Director or to the Board of Directors. This creates situations involving serious nepotism and subjective assessment which kills the incentive to work. It is, therefore, suggested that due importance be given to the appointment of Personnel Officer who is well qualified to control the personnel aspect of the Mills. Moreover, the day-to-day management should be the responsibility of the Mill Manager under the general directives of the Chief Executive and with the assistance of various professional Managers who should also be professionally qualified for the respective Agricultural Processing Cooperatives in the State.