CHAPTER X

COOPERATIVE LEADERSHIP, MANAGEMENT
AND ADMINISTRATION

One cannot overemphasize the importance of leadership in the cooperative movement. The importance of leaders and leadership arises not only in the cooperative movement but also in all walks of life—social, economic, political and religious. Leadership is, thus, purely a human phenomenon.

Cooperative movement has both social and economic contents and this characteristic feature of cooperation calls for leadership of the right type and magnitude for the healthy and balanced development of the movement. As the economic aspects of cooperation cannot be divorced from the social aspects and as both of these are to be closely linked and interwoven in the formulation and execution of cooperative activities there is the need for leadership, administration and management in cooperatives.

In India the cooperative movement was introduced and promoted with a dual objective of social transformation and economic development. Today, there is a vast network of cooperatives in this country, but the movement
has not yet fulfilled the fond hopes of its founding leaders. The existing situation of the movement is like a large army on the parade ground which appears quite spectacular and strong but which have suffered many defeats in the battle-fields. Even if there is a large net-work of cooperatives in this country, the movement as a whole has not achieved much. The main reason for this is that the movement is running without true cooperative leaders within itself.

As a matter of fact, cooperative leadership in our country sprang up very late, particularly after the publication of the monumental report of Sir Frederick Nicholson. The dearth of cooperative leadership in India has been continuing since the beginning of the Movement in the country. Long back in 1954 the All India Rural Credit Survey Committee pointed out the need for the development of adequate human resources, the so-called cooperators or cooperative leaders to man the cooperative movement in India.

The situation of cooperatives wanting in leadership has assumed an enormous scale in recent years. Over-sponsorship by the Government resulting in the formation of a vast number of cooperative societies preceded to
the formation of cooperative leaders, development of cooperative bureaucracy, etc. are important factors responsible for the emergence of such a situation. Indeed, the country has today experienced many social, economic, political and administrative upheavals, and many satanic elements such as illiteracy, ignorance, acute poverty, etc. still account for stratification of the society. Many deficiencies and shortfalls such as improper policy making, irregularities in maintenance of accounts, sanction and recovery of loans, dearth of trained personnel, etc. are observed in the cooperative movement in this country. It is in such a situation that cooperative leadership has to play an increasing role in promoting the Movement in this country and cooperative administration has to assume considerable importance and responsibility.

Cooperative administration is that branch of the general public administration which seeks to promote the cooperative movement. Though originally conceived as an instrument to fight the appalling condition of the rural poor in India, today, cooperative net-work has turned out to be one of the main structural mechanisms which would help attain the national objective of bringing about a socialistic pattern of society. But, as the
movement has not sprung up spontaneously and as most of the people who are supposed to benefit from it have little or no business acumen, many cooperatives have today become simple business enterprises full of problems—such as, of size, structure, management, etc., and have failed to withstand strong competition from other enterprises. Due to inefficiency of management and many loopholes in administration, many of these cooperatives have been reduced to mere organisations for channelling government money.

It is in consideration of such problems that the cooperatives must have a high order of sensitivity in regard to the leadership they should have and the management they would follow. Cooperative leadership, management and administration of the right type and magnitude are still wanting in this country where the Government has embarked upon a systematic pattern of socio-economic development through establishment of decentralised economic units such as cooperatives. A study on the cooperative leadership, management and administration has, therefore, to occupy a prominent place in the study of cooperative movement of a particular State or region. In India the Sixth Five Year Plan document observed, "Irrespective of whatever objectives that may be laid down in terms of expected levels of performance and whatever programmes of assistance that may be developed, it is ultimately in the
areas of management and manpower development that the key to successful implementation lies."

We cannot overemphasise the merits of human resource development for cooperatives. The cooperatives in the absence of professionally competent personnel and true cooperative leaders and members will not be able to achieve their objectives. A case may be considered for borrowal of competent managerial personnel from outside the cooperatives. But if they continue to depend on the services of the personnel borrowed from outside, the basic management infrastructure will remain weak and, they will not be able to make progress. For a long time in the history of the cooperative movement in India such a practice of cooperatives' dependence on the services of borrowed personnel has been in vogue and this accounts for the dormancy of many cooperative societies because of their inability to retain genuine characters. Indeed, overimpressed by the theory of leadership from the above and professionalisation of management the Indian planners who framed the strategy of cooperative development have lost sight of the most vital aspect in the organisation and working of

cooperatives, that is, active and enlightened membership. Active and enlightened membership is the sine-quo-non for the success of every cooperative society, large or small. Cooperative leadership will also stem from such membership. The members of cooperatives, to become active and participatory in the affairs of their societies, must be enlightened. What matters most in the organisation and working of cooperatives is the quality of the members constituting the cooperatives. It is they who will make the cooperatives grow spontaneously or cease to work. Therefore, thousands of external factors coming to the aid of these cooperatives will not prove helpful unless the internal factors - the members become fully cooperativised and, they develop an inert urge within themselves to work democratically for themselves.

The crux of the problem, however, is that in Manipur cooperative leadership does not emerge from amongst the members themselves. General apathy, excessive dependence on government support, low educational standard of the people, social and economic stratification existing especially in the rural communities based on ownership of land, caste, creed or colour and existence of many exclusive groups act as divisive factors inhibiting the emergence of cooperative leaders from amongst the cooperative members.
The result is, as we find today, the over-officialisation of the Movement. The cooperatives have, therefore, to resort to a well thought-out manpower planning to man the management of their own affairs.

It has, however, to be pointed out that human resource development or manpower planning must cover a wider field than mere management considerations. Such a planning shall have to serve as a built-in device for preserving the identity and autonomy of the cooperatives. In other words, the cooperatives must aim at building cadres of cooperative managerial personnel of their own to meet the requirements. They need not depend for all the time and for all matters on the Government. By building their own human resources they should gradually reduce their dependence on the State.

Planning for human resource development in cooperatives should, thus, be so comprehensive as to ensure discovery, recruitment and development of the cooperative personnel of the right type, in the right number and at the right time and give due consideration to carefully designed recruitment rules and regulations. In other words, the cooperatives have to follow a wise policy of personnel management.
Problems of Personnel Management:

The main problem of personnel management of the cooperatives in India, today, is that, due to the lack of an established image as employers the cooperatives cannot attract suitable personnel from outside. In the advanced countries of the West the cooperatives have established their own images as model employers by offering the best conditions of services to their employees. But such things are yet to be developed in our country. In this country the All India Rural Credit Survey Committee came to know the inadequacy of personnel management of cooperatives as early as 1954. The Committee remarked, "It is obvious that the position is bound to remain the same as long as each of a number of societies and banks, many of them weak and most of them uncoordinated, has to find for itself its managerial, technical, and other staff." The Committee recommended two arrangements for facilitating the intake of adequate and qualified personnel into cooperative service - cooperative administrative service and cooperative technical service. The first type of service was to be maintained for carrying

out normal administrative duties of the cooperative depart-
ment and the second type of service was necessary for
pooling of specialised staff for deputation to cooperative
institutions. But, unfortunately, such recommendations
of the Survey Committee were little attended to by the
Government. The result was that the cooperatives con-
tinued to depend on the borrowed personnel from outside
the movement.

Notwithstanding this fact, the federal cooperative
organisations have to play an important role in providing
the key personnel for their constituent societies through
the process of pooling of such personnel and providing
them to the member societies on demand. A federal coopera-
tive organisation shall have to arrange for constitution
and maintenance of a common cadre of the key personnel to
fill in the posts in the federation as well as in its
affiliated societies. Such a cadre formation presupposes
a closer collaboration between the federal organisation
and the affiliated societies. The N.C.U.I. have under-
taken an evaluation study of the implementation of the
scheme of pooling and distribution of key personnel by
the cooperative federations in different States of the
country. It is observed that there arises many conflicts
between the cadre authority, that is, the federation and
the beneficiary units in the matter of transfer and posting of the key personnel.

A common experience in the personnel management and administration of cooperatives in Manipur State is that most of the village cooperative societies are managed on honorarium basis by the untrained and inexperienced hands. The larger cooperatives can afford to some extent to employ trained managerial personnel, but they too do hardly employ such personnel on full time basis in anticipation of the heavy costs to be involved. The result is that most of the cooperatives suffer from management inefficiency and its hazardous consequences.

The cooperatives should, therefore, resort to a wise personnel management policy in the future. The cooperatives, with multiplicity of objectives, have indeed made their management problems somewhat peculiar and more complicated than those of other enterprises - private or public. The social criteria which influence the appraisal of a cooperative institution are not precise and specific and, this has necessitated the management of a cooperative institution to be operated within the framework of ideas which are not clearly defined. Unlike a private enterprise whose overriding criterion is optimum economic
efficiency with profit maximisation as the sole end of business, a cooperative enterprise has to be evaluated by its democratic management, social responsibility as well as economic efficiency. Under any circumstances, however, there is much relevance of management science to cooperative philosophy in modern times and its application in the cooperative sector is no less important than in the private or public enterprise. The management aspect of business has become so important these days that no enterprise, whether cooperative or not, can survive today unless it possesses adequate managerial know-how with clear thinking and adequate sense of responsibility. The failure of many cooperatives in different States of India including this State is attributable in large part to the neglect of this management aspect of business. Hence, the need of the hour is Professionalisation of Management.

Professionalisation of Management:

The cooperatively advanced countries of the West have the least of management problems of their cooperatives unlike the developing countries where most of the cooperatives have not attained self-sufficiency in cooperative business. In India and many other developing countries
there is still a strong feeling in some quarters for attachment of excessive importance to social aspects of business in cooperatives, neglecting the economic norms of business. Some cooperators have gone to the extent of expressing the view that the exclusive use of monetary norms for cooperative business has been partly responsible for giving to cooperation the distorted direction. Prof. D.R. Gadgil, while addressing a Seminar on Cooperative Leadership under the auspices of the I.C.A., expressed a similar view.3

In the West, particularly in the cooperatively advanced States, the cooperators have always taken an opposite view. According to them, the failures of many cooperatives in the developing countries like India are due to their neglect of economic aspects and their being much preoccupied with the social aspects and responsibilities. There is, thus, a divergence in opinions and approaches in formulation of the criteria for judging the operational efficiency of a cooperative. This divergence makes the task of cooperative management difficult. Another peculiar feature of the cooperative enterprise

which makes the cooperative management more complicated is the wide dispersal of authority and control in it. The management in a cooperative institution has to be confronted with a peculiar structure where ultimate authority rests with the General Body which tends to grow in course of time and where every member has an equal voting right.

A common experience of cooperative administration in many States of India including this State is that, because of state sponsorship of the movement most of the cooperative officials tend to adopt such attitudes and values as are relevant to the government offices. Many of these officials who are on the Board of Management of the cooperatives always tend to import government regulations into the working and management of the cooperatives without considering whether they are suitable for the cooperatives. The result is that the management of the cooperatives is more rule-oriented than result-oriented. Another problem of management is that some members of the cooperatives tend to run their cooperatives themselves in spite of their inability and lack of experience to cope with the ever-increasing management problems.
The existence of these peculiar features has indeed made the management of the cooperatives a big problem. For many years in the past the cooperatives in Manipur were working in such a manner that, corresponding to the new dimensions of their operations, no recognition was made of the need for following a business like approach in running these institutions and securing the management of the right type and quality. Such a practice still continues in many of the large-sized cooperative societies. But, modern large-sized cooperatives cannot do without competent technocrats to manage their affairs in a proper way. There is always the need for professional management in cooperatives, especially in the large-sized cooperatives. As the cooperative sector has, today, become a multi-dimensional sector of the economy of the State embracing a wide range of economic activities, the success of the cooperatives will depend much on the sound business practices to be adopted by competent managerial personnel and the systematic and need-based training of the office bearers and members of the cooperatives. The cooperatives have to be increasingly conscious of their changing demands and the advantages and merits of cooperative education and training in meeting the demands. They should no longer remain ignorant of the advantages of application of modern management techniques in their business.
How to Professionalise the Management:

Professionalisation of management requires that the executive officers, the so-called professional managers are delegated certain powers and functions and that the elected management does not interfere in the day-to-day discharge of their duties and functions. There must be an appropriate distribution of powers and functions among the various organs of the cooperative institution, viz., the General Body, the Board of Directors, the Chief Executive (or the Managing Director) and other office bearers. A proper demarcation of functions should be made between the Elected Management and the Paid Management. Both these organs have, however, to function in coordination and harmony with a spirit of team work in their endeavour to achieve the cooperative ends. Prof. J.P. Warbasse has described the merits of such a coordinated relationship in the words, "Cooperative success depends upon a well coordinated group of employees, knowing that they are answerable to the manager; a manager conscious of his answerability to the Board of Directors; a board realising that they are the agents of members; and a membership which understands that they are responsible, by their patronage and control, for a business which not only serves them but which is a part of great
national community of mutual interests and obligations. Without this chain of responsibilities and efficiencies, cooperation fails. 4

Indeed, there is much truth in what Prof. Warbasse says. Many cooperatives in this State as elsewhere in India have failed to create a good image of their own due to the uncordial relationship and confusion of roles and responsibilities existing between the Board of Directors and the professional managers. The Boards of Directors of most of the large-sized cooperatives and the federations consist of lay persons who are illiterate and do not possess even the minimum expertise to grasp their roles and responsibilities, not to speak of expertise to take significant policy decisions. The result is that they leave a part of their functions and responsibilities to the professional managers or other government deputationists. Consequently, the Managing Directors or Chief Executives have sometimes become the whole show in some of the cooperatives.

The problem is, thus, how to bring about professionalisation of management without disturbing the

autonomy and democratic character of these cooperatives. The following considerations will have to be taken into account while attempting at professionalisation of management.

First, care has to be taken by the members to elect competent Directors on the Board of Management. The competency of the would-be Directors should be judged better by their qualities of being true cooperators and by their contribution to the progress of their society than by their economic and social status in the community.

Second, there must be a cordial relationship between the Board of Directors and the paid employees. If there exists a strained relationship between the two parties, the cooperative society will not make progress at all. Due to the existence of a strained relationship between the Board of Directors and the employees in some of the large-sized cooperatives including the federations, there has always been lack of identity of interest between the Directors and the employees. For instance, while the Board of Directors is interested in getting more work for less wages, the employees' interest seems to be confined in trying to get maximum wages for minimum works. The former, thus, does not live up to the expectation of the
latter and vice versa. Some of the state level societies in Manipur, e.g., the Manipur State Cooperative Bank, the Manipur Apex Marketing Cooperative Society, etc., have not been able to solve the problems of their employees as regards wages, working conditions, facilities for promotion, etc. It is, therefore, necessary to improve the relationship between the two parties by identifying the aspirations of the employees and trying to fulfill them without any breach of the democratic character of the cooperatives. The management should provide the employees attractive pay scales and other amenities for promotion, etc. The concept of employees' co-partnership in business should be introduced by throwing membership open to the employees. The case for employees' representation on the Board of Management may also be considered, provided that they are elected by the employees themselves, and that a limitation is fixed on the number of such representatives by law.

Third, the Board of Management should employ qualified staff including the Manager. It is observed that, whereas the cooperatives in some cooperatively advanced States like Maharashtra have recruited cooperative personnel from amongst themselves, most of the cooperatives in the States in the North-Eastern Region including Manipur-
continue to employ majority of their staff from out of the government Departments. This sometimes results in straining the inter-personal relations between the deputationists and the non-official cooperative leaders. Therefore, even if government nominations are inevitable in the early stages when the cooperatives cannot produce their own managerial personnel, such nominations should be confined to experts in the field of cooperation. As far as possible, those personnel who would guide, advise and steer the Board of Directors in the right direction should be nominated as deputationists.

Fourth, the professional manager should act as the king-pin which will keep the whole cooperative machinery running. However, in his attempts to achieve business efficiency he should always respect the autonomy of the cooperative institution. He has to establish a coor-dinated and harmonious relationship with the Board of Directors and to advise and assist the Directors in policy formulation and related matters. He should determine both the immediate and long-term objectives of the cooperative institution and make efforts for creation of additional resources for achieving the determined objectives. But, for every plan of action he has to obtain approval from the Board of Management. It is his duty
to keep the Board fully informed of the progress of the society. Besides, he should also keep all the members well informed of the affairs of their cooperative, encourage their active participation and give attention to their complaints and suggestions. He has to make an evaluation of the progress of the cooperative business and take corrective measures, in consultation with the Board, if the results do not come out as stipulated. And, whatever good results obtained must be taken as the fruits of team work as a whole and not of his individual efforts alone. For all the activities, external or internal, the manager must, however, be responsible to the Board. He should never be independent of the Board. In short, the Manager has to work under the direction, supervision and control of the Board of Directors.

Fifth, in order to retain the services of the managerial personnel who are exceptionally talented and who possess technical skills, leadership skills and conceptual skills, etc., the societies should make the service conditions of the managerial personnel as attractive as possible. In this regard, the Board of Directors have to rely on the well-defined specific rules and regulations and not on subjective consideration. Full security for services and facilities for promotion, etc.
shall have to be provided. The employees should be given an impression that they are, over and above their doing jobs, joining the movement and serving a cause. The Board of Directors must be aware of the fact that money alone cannot do to influence people. They should try at their level best to induce the employees to take to cooperative philosophy so that the latter become inclined to serve the movement with at least some sacrificing spirit.

Sixth, as the ultimate authority of the cooperative institution rests with the General Body which is also the delegating authority, the Board of Directors must be responsible to the General Body.

In the ultimate analysis, professionalisation of management would be brought about through the interaction of the forces - the professional manager, the Directors of the Board of Management and the General Body members in a coordinated and integrated manner. It will not be brought about by the brilliancy of the manager alone nor by the competency of the Directors alone nor by the active participation and vigil of the members alone. There must be a cordial relationship between the paid management, the elected management and the General Body. Each of the parties must be aware of its own rights and responsibilities
and work in coordination with each other without any interference in the business of each. Such an awareness shall have to be created through a programme of systematic and need-based cooperative education and training. Education, here, will mean not only education aimed at formation of human skills and talents but also that aimed at transformation of human mind, that is, education for moulding human character. It will be like the 'character education' which has been well emphasised by the famous psychologist David McClelland. He wrote, "What is most lacking in underdeveloped countries is adequate manpower to carry out economic development. But the stress is on training in needed skills rather than on motivation and values .... But technical skills are also not enough. Executives must be trained in management techniques. Again the point is self-evident. But the importance of creating new motives and values in such managers needs also to be stressed. Otherwise, they may learn new techniques, but not be motivated to use them or take risks or be honest. Character education is needed and ordinary management training courses do not develop character or change values. The problem, of course, is to 'develop character' by a means that will not be rejected out of
hand as an unwarranted intrusion into a national way of life."  

Deofficialisation, the Ultimate Objective:

While professionalisation of management is of such crucial importance for achieving efficiency of cooperatives, many cooperatives in this State as elsewhere in the country still continue to follow obsolete techniques of management. One of the main reasons for this persistent inertia is the excessive nurture of the cooperatives by the Government.

We cannot but agree with P.R. Dubashi who observed, "Perhaps one of the most important reasons for the lack of cooperators interest in management, especially in underdeveloped countries, is that the movement owed its origin to the initiative of the government and is even now dependent on it and in such a situation the business criterion of efficiency, the calculus of profits and losses naturally tends to be secured by the administrative practices and procedures, rules and regulations."  


At present the administration of cooperatives in India is essentially a state subject. The Preamble and the Directive Principles of State Policy (Articles 42 and 48) of the Indian Constitution as also the various Plan documents enjoin on the Central and State Governments to provide an environment wherein cooperatives are fully imbued in the realm of social policy. It is, of course, true that planning should necessarily imply direction by the State and, there is nothing revolutionary in it. Depending on this plea the State must assume the full responsibility for supervision and guidance of the cooperatives. But the moment the State has interfered in the management of the cooperatives, thereby disturbing the democratic working and autonomy of the cooperatives, there will start deterioration in the cooperatives. Therefore, the State, in the name of carrying out its responsibilities, should not interfere in the management of the cooperatives.

A common experience in the management and administration of cooperatives in many States of our country is that the State Governments, in the name of 'State partnership' release loans, grants, subsidies, managerial and technical assistance, etc.; unilaterally decide the future plans of action of the cooperatives and; ultimately,
have gone to the extent of excessive control or administration. As a result, the cooperatives cannot become self-regulatory and self-sufficient. Overemphasis on the State cooperative laws, rules and regulations has induced some of the government officials not to give the least of attention to the peaceful working and management of some of the good working societies. The autonomy and democratic character of the cooperatives have, thus, been disturbed as the officials have taken haphazard decisions without consulting the non-official cooperative leaders and acted, sometimes, against the decision of the elected management. The trend of overofficialisation has indeed by-passed the cooperative system and undermined its principles thereby affecting the working of many cooperative institutions.

The need of the hour is, therefore, gradual deofficialisation. Gradual deofficialisation of the cooperative movement must aim at removing the restrictive features of cooperative legislation, preventing domination by vested interests and devolution of supervisory and developmental functions presently discharged by the State to cooperatives in a progressive manner, and, ultimately, at bringing about efficiency in management. The State should adopt a clear-cut and well-defined policy of cooperative
development so as to ensure that not only the cooperatives are placed at an advantageous position but they are also provided all the legitimate incentives and avenues for development. The cooperatives should be given a fair measure of autonomy. Dwelling on this subject Prof. D.R. Gadgil once observed, "If you want to build up, as all of us are anxious to build up, an autonomous system of cooperative activities, it is extremely important that government appreciates the national importance of building up of such an autonomous system. It is only when government appreciates the fact that a cooperative system is a national need, and that, secondly, such a system can grow only if it is given a fair measure of autonomy, only if these two are accepted, can we progress in the right direction." 7 Prof. Gadgil also pointed out 'depoliticisation', that is, taking politics out of the cooperatives as one of the measures of deofficialisation. 8

It is, of course, true that officialisation is closely related to politicisation or politicalisation, but the two cannot be used as mutually interchangeable

8. Ibid., p. 300.
terms. While officialisation means control and administration by the State, politicalisation would mean entry of politics into the cooperatives. Both of these are, however, not desirable from the point of view of maintaining autonomy and democratic character of the cooperatives. Politicalisation is more dangerous than officialisation in the sense that free play of political hands in the cooperatives nullify all the efforts of the latter to progress. We cannot, therefore, but agree with Dr. R.B. Mishra who held, "The greatest damage to the cooperative organisation is done when they are dominated by any one political party. This involves violation of the cooperative principles of neutrality, and makes the fortune of cooperatives dependent upon the swing of political pendulum in the State."  

That the fate of the cooperatives is dependent upon the swing of political pendulum in the State is easily exemplified by the fact that in the years 1977 and 1980 when sudden changes took place in the political set-up of the Centre and the States, many elected Boards of Management of the cooperatives were hit hard and subject to

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supersession on political grounds, particularly in the States of U.P., Haryana, Madhya Pradesh, Andhra Pradesh and West Bengal.\footnote{10}

In recent years there has been a great tendency to politicalise the cooperative movement, especially in the North-Eastern States. The cooperatives in some of these States have been used as electioneering instruments by the petty politicians, thereby giving a big threat to the peaceful working of the elected management. The ultimate objective of cooperative management and administration must, therefore, be deofficialisation and depoliticisation or depoliticalisation.

In the existing situation in this State where the cooperatives are still suffering from teething troubles, deofficialisation will, however, take a long time as the cooperatives are still in need of State care and State assistance. Moreover, as cooperation is a State subject, complete deofficialisation within a short period of time will be a myth. Therefore, there should be gradual deofficialisation. From gradual deofficialisation next

must come depoliticalisation. That is to say, deofficialisation must seek to remove the evils of politicalisation. Gradual avoidance of nomination by the State Government on the Boards of Management of the cooperatives, creation of common cadres, cooperative tribunals, etc. will go a long way in facilitating gradual deofficialisation. Gradual deofficialisation will still allow the cooperatives to establish regular contact with the Government, its legislators and parliamentarians and move to them for effecting certain changes in the legal and administrative provisions in their favour. On the other hand, the State too has to consider that the adoption of the cooperative system as an instrument of state policy carries with it certain risks, first, to the autonomy of the movement and, secondly, to its efficiency as a business enterprise. The failure to realise these risks and to overpower them has resulted in the massive growth of cooperatives in our country, today, without any significance of quality or efficiency. An I.L.O. publication has rightly stated in this connection as, "An official programme of cooperative development not based on a realistic appraisal of human and material resources locally available may itself be hampered by a passive attitude on the part of those organised, lack of enterprise, and undue dependence on outside resources. Or,
those who promote this sort of cooperation may, in the absence of strict management standards, make miscalculations regarding the best use of existing resources, the cumulative effect of which can be disastrous. Such miscalculations can only be avoided if each cooperative project, small or large, is studied before it is put into operation with at least the attention any modern business manager - cooperative or private - would give to a new undertaking. This method may slow down development for a time, but it will cut out many failures and near failures and lead to much more rapid expansion in the end.¹¹

Today, such things are not happening in our country. Instead of encouraging deofficialisation and depoliticisation, the Government has officialised the cooperatives. Many vested interests have infiltrated into the cooperative fold and taken away much of the benefits of the cooperatives that should have gone to the genuine members. It has, thus, been rightly said, that if large scale public sector has become a hobby of senior politicians and bureaucrats, the cooperative movement has turned out

to be a handy tool for self-advancement in the hands of petty politicians and district officials. Supporting this view Late Jagjivan Ram in his valedictory speech in the 8th Indian Cooperative Congress said that a new kind of aristocracy was being generated behind the facade of the cooperative movement. B. Venkatappiah, the eminent cooperator has also gone to the extent of saying, "What may be described metaphorically as an instrument of economic development and social justice becomes a weapon of personal advancement or political aggrandizement."  

It is in consideration of such a grave situation that there must be gradual deofficialisation and depoliticisation in the cooperative movement without further delay.

Summing Up:

It has to be agreed on all hands that a democratic movement with an ethical content tends to bring good men

13. Goel, B.B., op.cit., p.54  
to the top but not necessarily able men, nor men with a flair for business. The leaders or policy makers in a democratic organisation like cooperatives tend to tire and become indifferent, especially when the business with which they have to deal is unexciting and at the same time difficult to understand. Such a problem becomes more acute in the case of small cooperatives which face the problems of ignorance, timidity, etc. The cooperatives must, therefore, look ahead and try to anticipate the situations which have not yet arisen and, thus, revise their organisational and management structures in such a way as to keep pace with the increase in their size and growth.

In any cooperative organisation, large or small, there must be a clear-cut managerial structure. Everyone involved in the business of the organisation has to know for what and for whom as well as to whom he is responsible, and the power or authority has to be delegated in an orderly manner. The administrative structure of the cooperative should reflect the realities of work carried on and the mutual dependence of the people who do it. The structure should be made so sufficiently flexible that continuous modifications are allowed with introduction of new innovations and appointment of new staff; but care
has to be taken to keep the whole structure of management and administration in balance and harmony.

No doubt, the objects of a cooperative institution are stated in its bye-laws, but these simply indicate what ought to do in a series of years. The plan of operation of the institution has, therefore, to take into account a wide range of activities in advance. When the structure is set up and the plan of operation adopted, it has to be seen that there is always a democratic form of continuous control to ensure the results which were intended. When the intended results are not obtained the administrative wing has to find out what has gone wrong.

A good system of personal management of the cooperative institution must take into account both the welfare of the worker as an individual and the efficiency of business as a whole. Its effectiveness will depend partly on formal arrangements for appointments, promotions and dismissals, as well as on reasonable benefit schemes and proper working conditions; and partly on the psychological factors, that is, an imaginative grasp of the other man's point of view and the power to appeal to whatever there is in him, which can be of service to the cooperative. It should aim at formation of a cadre of management.
personnel. Besides, the members should also be made technically advanced through a programme of systematic and need-based education. Though the cooperative movement calls for persons with dedicated spirit and sense of social responsibility, its success will depend much on its ability to attract those minds and personality with technical skills and managerial judgment.

Therefore, in view of the diversification of cooperative activities in recent years, adequate arrangement should be made for professionalisation of management. Different cadres of managerial personnel for different sectors of the Movement have to be built up through a programme of pre-service and in-service training of job-oriented nature. Where necessary, the cooperative laws have to be amended, both at the national and state level, to provide a legal base for development of cadres of professional management. Of late, the Government of India have formed a Panel Authority for preparing Panels of suitable personnel for cooperative management as per the recommendation of the Consultative Council on Cooperation.15 The national cooperative federations as well as the state

federations may, therefore, now make selection of personnel from out of these lists and make appointments of their management posts accordingly. The States, in the line of the national policy, may also constitute Panel Authority of their own taking into consideration the suitability of the national policy to their local conditions. If so, the state level federations and other large sized cooperatives may then avail themselves of the facility of selection of key personnel from the lists prepared by the Panel Authority. The Panel Authority should, however, be cautious enough to post the key personnel to the needy areas.

Cooperative Leadership Activities - a case study:

In the chapter on Cooperative Education and Training (Chapter IX) we have discussed the importance of cooperative education and training in making enlightened cooperative membership for the success of the cooperative movement. The importance and role of cooperative leadership for the success of the movement has also been discussed in detail in the early part of this chapter.

Recognising that the success of the cooperative movement depends largely upon the influence and services
of a large army of devoted cooperators, the cooperative leaders, a case study of some selected cooperative societies has been made by the author with a view to examining how much leadership activities in the Cooperative Movement in Manipur are undertaken by the Directors of the Boards of Management of the cooperatives in Manipur. The case study is made of 9 G.P. level MPCS selected at random from amongst the G.P. level MPCS in the three valley districts of Manipur - Imphal, Thoubal and Bishnupur. Collection of data and formulation was done on the basis of the questionnaire prepared by the author and the evaluation is made on the analysis of the statement of data given in table No.10.1.

The socio-economic background of the 63 sample Board Members/Directors of the 9 G.P. level MPCS was analysed by studying their age, educational level, income level, etc. with a view to discovering what role they were playing as cooperative leaders for the progress of their own societies. As shown in table No.10.1 majority of the Board Members/Directors were young in age, most of them being in their forties. For instance, of the 63 sample members of the 9 G.P. level MPCS so far interviewed by the author, 31 were in the age group of 30 to 40 years, 19 in the age group of 40 to 50 years and 13 in the age group of 50 to 60 years.
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| Total    | 9 | 63* | 31 | 19 | 13 | 21 | 9 | 9 | 6 | 18 | 16 | 47 | 22 | 41 | 29 | 34 | 11 | 52 |

Source: The data are compiled from the sources obtained by personal investigation.

*: The number of Directors are exclusive of government nominees.
The position in most of the G.P. level MPCs was that younger members were encouraged to become Board Directors/ Members on election taking into consideration their financial status and educational level. As regards the educational level of the Members, 21 of the 63 Members were found illiterate and 42 literates; and of the 42 literates 9 had qualification below matriculation, another 9 were matriculates, 6 were undergraduates and 18 were graduates. An interesting point observed in the study of the 9 G.P. level MPCs was that the members tended to elect as their leaders, those persons who had better financial status and higher educational standard. Attainment of higher educational level was, however, not a necessary condition for election of the leaders. Members who could devote their time to the well-being of the general members in particular and of the community in general, that is, those who were good social workers were also considered fit for leadership. This is why many illiterate members were elected as leaders on the Boards of Management of the societies.

Most of the incumbent Directors were engaged in cultivation, but some of them were also found working in government and semi-government departments. In other words, many of the Directors of the societies were double
functionary. As shown in table No.10.1, 22 of the 63 Directors on the Boards of Management of the 9 G.P. level MPCS (53.65%) were found to be double functionary, some working in Education Department, some in Forestry and some, in municipal boards and small town committees. Therefore, although some of them fully understood the efficiency of science and technology and modern organizations like cooperatives, they could not give full attention to the affairs of their own societies for non-availability of time. Because they did not retain cooperative behaviour and goal-oriented attitudes, they were also not apt to make action-oriented plans for cooperative development.

Another awkward experience was that many of the Directors had political affiliation or sympathy. Many of them belonged to one political party or the other. As shown in table No.10.1, 46.0% of the 63 sample Directors of the 9 G.P. level MPCS i.e. 29 Directors were found having political affiliation or sympathy. The leaders having political affiliation were found more experienced with the dynamics of modernity than those who had no political connection. Their social mobility was also higher than that of the latter, but many of them used their privileged position more for their self-interest.
than for the welfare of the general members. With the exception of a few, many of them were not found trying to exemplify the benefits of cooperatives.

Contrary to the expectation of the author, only a few of the Directors were found to be trained in cooperation. Even when they had the knowledge that they and their men could receive training in the Junior Basic Course and other short courses in cooperation in the Manipur Cooperative Training Institute which undertakes these training courses under the auspices of the Manipur State Cooperative Union, there was no tendency to get all of them trained. It will, thus, be alarming to note that out of the 63 Directors, as shown in table No.10.1, as many as 47 were not trained. Only 16 Directors (25.39%) were found trained in cooperation.

Under the existing situation the role of the Directors as planners, executors, educators and coordinators of their cooperatives was very insignificant. It can, therefore, be concluded that the Directors have not significantly contributed to cooperative leadership development at the village level. As most of them are devoid of leadership traits they have failed to build up enough momentum to make their societies self-reliant.
Hence, there is a dire need to cultivate by each and every cooperative leader, the Director of the Board of Management, the participatory attitudes and high level of motivation so as to increase their development-oriented role performance for the unrestrained growth of the cooperatives.

The following suggestions will go a long way in providing good cooperative leadership in the State.

1. The importance of cooperative leadership in fostering the cooperative movement needs no more emphasis. The task of cooperative leaders in shaping the cooperative movement against all odds and complexities of situations such as strong competition from other agencies, changing government policies and programmes, and other problems internal to the cooperatives like members' demand, dispute, etc., has to be taken to be far more difficult than the task of other leaders in other fields. Hence, there is need for leadership training in the cooperative movement. As a matter of fact, the cooperative leaders cannot do anything with competence without adequate training.

It may, however, be argued that leadership is a personal quality of the individual and is naturally gifted
in him and cannot be produced through training. In this sense leadership may not need training. This logic shall, however, be self-defeating in so far as the leadership quality of man which is presumed to be naturally gifted gets sharpened through consistent and constant training.

Cooperative leaders shall have to undergo certain courses of training in order to equip themselves with advanced knowledge and experience for better decision-making, execution and coordination. A trained cooperative leader will be more broader in outlook, better in vision and perception than an untrained cooperator or leader. This is why the advanced countries of the West have given considerable importance to such leadership training. In our country too, there are arrangements for training of cooperative leaders, but so far as the arrangements for training of leaders at various levels are concerned, they have not been found systematic and adequate. For instance, there has not been as yet adequate arrangement for training of the state and national level cooperative leaders. Even though there are arrangements for training of the Managing Committee members of the primary cooperative societies in the different States, the courses of training conducted by the NCCE (National Centre for
Cooperative Education, New Delhi for the district level cooperative leaders are found still inadequate.

In view of the great need for training of the cooperative leaders the leadership training must be made compulsory in each State. The State of Madhya Pradesh has made a provision to this effect. Other States should also follow the suit. In this State the Manipur State Cooperative Union should assume the responsibility for building up cooperative leadership in the State. The Union as a non-official organisation will have to continue providing training not only to the cooperative leaders at the primary level but also to those at the district and state level. The contents of leadership training courses should be so designed as to motivate the different categories of leaders for greater emotional involvement in and dedication to the movement. Once the trained leaders realise the importance of training they will make further demand for training. Attracting the leaders interest and making them deeply rooted in the movement as agents of development must be the primary objective of the leadership training course of the State Cooperative Union. To attract more leaders into such a training course it is, therefore, necessary to give the leaders a recognition of their services in the form of prizes,
awards and certificates of merit as incentives for hard work. A systematic and comprehensive leadership training programme in the cooperative sector should, thus, aim at ensuring that leaders at various levels are adequately trained and motivated to enable them to steer the movement in the right direction.

2. Conceptually speaking, cooperative leadership must emerge from among the individual members of the primary cooperatives who make use of the services of the cooperatives. In the words of Dr. R.C. Dviivedi, 'primary cooperatives are the birth place of cooperative leadership'. Therefore, the members of primary cooperatives should be given proper cooperative education so that they become enlightened cooperatively to become good cooperative leaders. If the members become enlightened and vigilant, they alone can provide an effective check on the erring leadership.

Cooperative leadership may also be tapped from the cooperatives at the federal levels. At this level, the leadership has to be provided by the representatives who

are duly elected by the affiliated primaries. Leadership emerging from these sources may be said to be genuine in the sense that the leaders are actually involved in the movement.

3. Intellectuals and social workers who are not members of the cooperative societies may be inducted into the realm of cooperative leadership. Such an induction may be done through co-option, for which there are often provisions in the bye-laws of the cooperatives. The knowledge and services of such persons as are dedicated to the cause of the cooperative movement and of those who provide intellectual leadership may be solicited and availed of by bringing them in the cooperatives through the process of co-option. But care has to be taken to ensure that persons who are deeply rooted in party politics are not coopted for the purpose.

4. Besides encouraging a massive cooperative education programme in the State arrangements should also be made for pooling thoughts and exchange of views through organisation of conferences, seminars, symposia, group discussions, workshops, etc. on cooperation. Subjects having a direct bearing on the democratic movement should be the centre of all these discussions. Topical essays on
cooperative leadership and cooperative movement must be invited from the young learners in schools and colleges through essay writing competitions and, debating competitions. Besides, widespread publicity and propaganda should be made through mass media and audio-visuals to make cooperation a subject of interest in day-to-day life of the common people.

At the national level the Triennial All India Cooperative Congress being organised by the N.C.U.I. act as the highest forum for pooling of thoughts by cooperative leaders. At the state level, the Manipur State Cooperative Union should act as the main agency for promotion of cooperative leadership in Manipur. The Union must try to keep the cooperators at various levels abreast of the role and contribution of non-official cooperative leaders in promoting the cooperative movement.

5. For a rapid growth of the cooperative leadership there must be an official emphasis on the non-official character of the Movement. Such an emphasis will be conducive to the ordinary members and prospective members of various cooperatives to become active cooperators or leaders. With a view to achieving such an objective
the State Government should discontinue the practice of allowing the government officials to occupy elective offices in the ex-officio capacities.

6. Although the present situation demands a large army of cooperative leaders, mere increase in the numerical strength of cooperative leaders without adequate qualities of leadership will not do. What is needed much is the qualified and competent leaders to keep the Movement going without any constraints. To achieve this, the young cooperative leaders must build up self-regulation, self-discipline, self-denial and healthy conventions. It was so resolved by the Conference of Cooperative Leaders organised by the N.C.U.I. in 1976 that, "on the part of the movement, with a view to creating an abiding impact on the working of the cooperative institutions and their membership, the leaders themselves should adopt a voluntary code of conduct regarding their qualifications, age and term of office." 17 Side by side, development of pseudo-leaders and organisation of pseudo-cooperatives should be eliminated as far as possible. Laws and administrative restrictions can help such an elimination.

17. Ibid., p. 107.
7. The larger the size of the cooperatives with multiplicity of functions, the greater becomes the role of the leadership in the promotion of the cooperatives. It is, therefore, desirable that at least some honorarium is paid to the leaders as incentives for hard work. Prizes, awards, and certificates of merit may also be given to them in recognition of their outstanding services to the promotion of the cooperative movement. Besides, study-tours, orientation courses, etc. should also be arranged for these personnel. Outstanding cooperators or leaders should be considered for inclusion in the Study Teams and other bodies. It is also desirable that the outstanding achievements and contributions of the non-official cooperative leaders are given wide publicity through mass media. Alongside, cooperatives' contributions in the removal of illiteracy, rural poverty and in spreading population education should also be given wide publicity. A state level Cooperative Award may be instituted for cooperators of eminence in the State.

To conclude, it has to be pointed out that the Cooperative Movement in this State should always appeal to the persons with a social responsibility and who have conviction and conscience in cooperative philosophy to become cooperators characterised by integrity, honesty,
self-denial, moral values, technical skill, managerial judgment and other qualities of leadership. Cooperative leaders are not ready made entities. They are to be created. The old notion that cooperative leaders should be found out from among the people, as was emphasised by Sir Frederick Nicholson in the beginning of the Cooperative Movement in India will not hold good in the present situation where the cooperative movement in different States including this State has gained in strength and complexity. Nicholson's slogan 'Find Raiffeisen' will, therefore, not echo much in the present century. In actuality, modern Raiffeisens are not to be found but to be created, developed and nurtured through a systematic and continuous process of education and leadership training programme.