GROWTH OF MANAGEMENT IN COOPERATIVES

In fact cooperative movement in India started in the first decade of the 20th century. It has grown in stature to the extent that it covers on enormous number of cooperative societies i.e. 132671 Credit Societies and 262596 non Credit Societies (as on 31st March 1994) with a membership of 189626000 (both Credit and Non-Credit) and a total working capital of Rs. 4869869 lacs. and it is one of the largest in the world.¹ Co-operative movement has taken strong roots in our country since its inception in 1904 but one should not be complacent about the achievements we have made so far in the various fields of cooperatives because, India is a agricultural country where more than 75% of the population depends on agriculture where there is still a vast scope for the application of cooperative principles not only to improve our premier industry but also is to free the cultivators from the clutches of the money landers, to get them the best possible price for their products and to improve

Siri Institutional area Hauz Khas New Delhi -16
their standards of living.

The formal cooperative movement in India and in Uttar Pradesh began in the early part of this century with the principal objective of providing relief to the farmers from the usury of money lenders. In the early days because of colonial compulsions the growth of cooperative movement was not a peoples aspiration, but a tool of government to give some relief and earn good-will, and at the same time constantly watch the activities of these cooperatives. After independence however the situation has changed, our national leaders were firmly in favour of a strong cooperative movement as a peoples movement to transform the rural economy.

PHASES OF DEVELOPMENT

MANAGEMENT in one or the other form has existed in every nook and corner of the world since the down of civilisation. Although the 20th century is marked in history as an "Era of scientific management". Yet it does not mean that "management" was totally absent in previous years. Truly speaking human beings, being gregarious in nature, have been living in groups since the very beginning. Evidence of the use of the well recognised principles of management is to be found in the organisation of public life. In ancient Greece, the organisation of Roman Catholic Church and the

1. The Royal Commission on agriculture so rightly remarked, "if cooperation fails, there fails the best hope of rural India" This led the Rural Credit Committee to further remarks "Cooperation has failed but cooperation would success". This remark is very important because if the face of rural India is to be changed, cooperative in its various phases must permeate deeply into the life of Indian villages for cooperation is vital for the very existence of Indian agricultural population and their emancipation for the present situation.
organisation of military forces. However, the study of modern management principles is a twentieth century phenomenon. In earlier stages theory of management could not be developed because of indifferent approach of sociologists, economists and political thinkers towards trade, commerce and industry. treatment of management as an art (and not a science) and the traditional concept that managers are born not made. Management actually has grown and developed with the growth of socio-economic political and scientific institutions. It is thus an evolutionary concept. The process of the development of the science of management can be studies under five broad heads (or stages): (i) Management in antiquity, (ii) Management during the Medieval period or management in the Pre-Taylor period (or pre-scientific management), (iii) Period of managerial awakening or Taylor's scientific approach to management (iv) Henri Fayol's functional approach to management and (v) Modern human relations approach to management (or the behavioral sciences approach).

It is undoubtedly true that the management first began in the family organisation, later expanded to the tribe and finally pervaded the formalised political units such as those found in early Babylonia. In these organisations a type of financial control and record keeping was intended which usually took the form of clay tablets with inscriptions. The recognition of the concept of managerial responsibility was clearly evidenced through the code of Hammurabi. (In earlier days management generally took the form of personal leadership.) Approach to administration was governed more by practical thinking and guidelines rather then by any systematised theories. In ancient Mesopotamia there was a group of priests who did management work. They directed and governed by virtue of their authority and representatives of the gods whom the people worshipped.
They planned trade routes and organised the work of labourers, artisans, soldiers and traders.

Looking at the entire continuum of management thought during antiquity, we may conclude the management was strictly on a trial and error basis with little or no theory and virtually no exchange of ideas and practices. Perhaps in adequate records, poor communication and failure to analyse the reasons for non success lay behind this lack of profiting from the earlier times, management thought existed, but only in a some what nebulous and unsophisticated state. Management as a distinct process was not verbalised until Plato and Socrates. Even then however the principles were not united in a scheme of management thought, or is there avoidance of any chronological building of various managerial techniques.

The medieval period serves as a bridge between antiquity and the age of awakening known as the Renaissance. Although organs in a feudal structure, man began to take significant steps in his thinking about organisation and management.

During the post independence period, cooperatives activity has witnessed striking expansion and diversification. Beside touching all segments of our economy, the cooperatives have established large scale sophisticated enterprises such as production of fertilisers: sugar; textiles etc. Apart from the big enterprises like IFFCO, Heavy Engineering Cooperatives and petro-products etc. the general expansion of cooperative institutions in the fields of credit, marketing, industries, distributive, trade itself presents managerial complexities and calls for skilled management consistent with cooperative ideology. The concept of Honourary Management, which was recommended by the founding fathers of cooperation is no longer valid for ensuring the desired level of business efficiency in cooperatives. The burning problem faced by the cooperative
enterprises, therefore, is how to ensure optimum business efficiency through effective management performance.

Recognising the situation in its correct perspective the focus of attention of the cooperative movement and the Government as well, these days, is to inculcate an element of professionalism in the management of cooperative institutions. To quote Draft Fifth Five Year plan, "During the fifth plan period, it is envisaged to expand the operation of cooperatives in all sectors substantially. The achievement on this front will be possible only if the cooperatives are suitably and adequately manned by professional managers. "The 7th Indian cooperative congress held in February, 1976 maintained that in view of the growth in size of cooperatives and complicated nature of business that they have been increasingly undertaking, there is an urgent need to develop professional management in cooperatives”.

FEATURES OF COOPERATIVE MANAGEMENT:

1. The management of cooperative institutions is different from the management of business in other sectors, as the former is governed by the criterion of providing better and efficient services to the members for their socio-economic development rather than merely ensuring increasing return on capital of investors as it happens in private sector enterprises. Further the structure and functioning of management of cooperatives has to be in conformity with the principles of cooperation,

2. There are three distinct organs of management of a cooperative institution viz. General Body (members); Board of Directors; and the paid Executives. These three organs of management cannot be treated in isolation of each other. Although their roles and responsibilities, being totally distinct as per the bye-laws of the cooperative institutions, their
actions and functions are inseparable from each other. The members being the owners of cooperative institutions have got supreme authority in the management regarding the adoption and amendment in bye-laws selection of competent Board of Directors; study and analysis of annual report, audited accounts and balance-sheet; evaluating the performance of board of management; giving directions to the board regarding formulation of long-term perspective plan of the enterprise.

3. The Board of Directors are elected representatives of the members of institution and are responsible of draft the policy frame work for translating the goals of organisation into practical operational objectives. The Board is responsible for making plans, recruiting the principal Executives and for evaluating performance in the context of the achievement of the targets fixed under plans. The paid management which is headed by the Chief Executive or Managing Director or General Manager is responsible to implement the plans formulated by the Board and to submit necessary advice, suggestions and other relevant information for the consideration of the Board.

4. There are three important factors that have influenced cooperative management a great deal. Firstly, since the movement was state sponsored, the Government took upon itself the responsibility of running cooperative institutions. This tendency became more rife particularly during post-independence period, when massive state assistance flowed into the movement. The system of sending Government Executives on deputation to cooperatives was evolved. And even today in many of the states, the system is prevailing to a very great extent.

5. Secondly, cooperatives being the organisations of weaker sections, the elected management was expected to render
honourary service by managing the affairs of the cooperative institutions without any remuneration. The elected representatives of the cooperative members took upon themselves to conduct operational parts of management of cooperative business enterprise leading to their involvement in the day today execution of the polices. The membership of cooperative institutions, generally being ignorant about their rights and accountability are not in a position to perceive the conflicts between the elected management and the paid executives and provide suitable checks and balances.

6. The third important factor which has to be taken into consideration while evolving a pattern for management in cooperatives is the pattern of growth of the cooperative institutions. There are more than 300000 cooperatives of different types. In these cooperatives, on one side there are relatively big institutions at state and national level, very large sized institutions like IFFCO and Heavy Engineering cooperatives and on the other hand small institutions like village agricultural credit societies, industrial cooperatives, primary consumers cooperative stores etc. This sort of growth leads to the problem of defining the extent to which the professionalisation in the management of cooperatives may be introduced.

FORMATIVE FACTORS:

With a view to study the organisation and administration of Cooperatives in Uttar Pradesh, it will be of interest to note here the existing organisational structure of the Indian Cooperative Movement at the official level.

The organisational chart of the cooperatives in general which includes all types of cooperatives can be studied under the two categories i.e. (I) Official and (II) NO-official, as follows,
(National Level)
Government of India

Ministry of Civil Supplies and Cooperation

Department of Cooperation

Minister

Deputy Minister

Secretary

Joint Secretary

Additional Secretary

Deputy Secretary

Other Technical Officers

(State Level)
State Government

Department of Cooperation

Minister

Secretary to the Government

Registrar

Additional Registrar

Joint & Deputy Registrars

(District Level)
Assistant Registrars

Inspectors

Auditors of Cooperatives & Panchayats
In India Cooperation is a state subject, hence separate structure is there at state level. This is further strengthened by the non-official organisational set up of cooperatives of Uttar Pradesh. Which can be presented as under:-

(II) Non-Official:

**ORGANISATIONAL CHART**

**National Level**

<table>
<thead>
<tr>
<th>National Cooperative Union of INDIA (NCUI)</th>
<th>Committee for Cooperatives Training (CCT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Consumers Cooperative Federation of India Ltd. (NCCF)</td>
<td>National Agricultural Cooperative Marketing Federation Ltd. (NAFED)</td>
</tr>
<tr>
<td>Other National Co-Operative Federation Such As (NCDC) Etc.</td>
<td>National Institute of Cooperative Management Poona</td>
</tr>
</tbody>
</table>

**State Level**

| State Cooperative Consumers Federation (UPSS) | Provincial Cooperative Federation (PCF) | State Cooperative Union (PCU) | Cooperative Training Colleges |

**District Level**

<table>
<thead>
<tr>
<th>Branches of UPSS</th>
<th>Branches of NCCF</th>
<th>District Wholesale Central Consumer Stores</th>
<th>District Cooperative Unions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Outlets</td>
<td>Branches of DCDF</td>
<td>Branches of Wholesale Stores</td>
<td>Cooperative Training Centres</td>
</tr>
<tr>
<td>Primary Consumer Cooperative Stores</td>
<td>Departmental Stores/Super Markets</td>
<td>Primary Marketing Societies</td>
<td>Village/Service Societies</td>
</tr>
</tbody>
</table>

*** Under the present Public Distribution Scheme (PDS) in rural areas, Primary marketing societies and Village/service or Tribal Societies are engaged.
(I) OFFICIAL:

The study of the organisational setup at the official level can be studied under the following heads:

(A) Ministry
(B) Registrar
(C) District Level Registrars

A brief discussion of these is given below;

(A) NATIONAL LEVEL

Minister:

Since 1980 the Department of Civil supplies has been redesigned as the ministry of Civil supplies by the President's Order\(^1\). The Ministry is responsible for monitoring of prices and availability of essential commodities.\(^2\) The Public Distribution system, Consumer Protection and Consumer Cooperatives, Integrated management of supply. Prices and distribution of Vanaspati, oilseeds, vegetable oils, control of weights and measures, etc.

At present, the policies of national development are planned and chalked out at the national level in the Ministry of Civil Supplies wherein the Government of India has a Department of Cooperation.

With a view to ensure appropriate positioning of cooperatives in these emerging liberalised competitive economy, a five point strategy has been formulated and is currently under implementation. These are as follows:

- Formulation of National cooperative policy.

- Formulation of model cooperative Act to democratise the Working of cooperatives.

- Promotion of cooperatives among cooperatives and to develop coordination between cooperatives.

- Strengthening base level cooperatives institutions for making them self reliant.

- Enhancing involvement of rural poor in the cooperative movement by organising them in to self help group and activities membership of cooperative.

- Reorienting the role and working of federal cooperatives to make responsive towards the need of primary cooperative societies.

The Cooperative movement in India can be said to have started with the passing of the first Cooperative Credit Societies Act 1904. In 1912 another Act was passed to enlarge the area of activities. In 1919, Cooperation became a provincial (state) subject. Now it became necessary for each state of frame its own law relating to cooperative societies. In Uttar Pradesh, the first cooperative Societies Act was passed in 1965 and rules were framed in 1968. Prior to this Act, the centrally sponsored scheme was implemented in 1962, when a large number of wholesale and primary stores were organised in the state.

Adminstration

At present, cooperative institutions are being guided, controlled and administered by the cooperative department. The Head of the
Department of Cooperation at the state level is Registrar of the cooperative Societies. The other levels of administration are:

(a) Regional level. (b) District level, and (c) Block level.

(B) STATE LEVEL

The Registrar of Cooperative Societies1 in Uttar Pradesh is the chief Administrative, executive and controlling officer of all activities covered under the cooperative fold. He is responsible for ensuring proper co-ordination by establishing different links and channels between the Government, public and cooperative activities in the state. unlike his counterpart in England, he is not mainly the Registering Authority but is charged with the duty of supervision and inspection of societies as well. The Registrar of Cooperative Societies in Uttar Pradesh controls the activities through the following:

For Office of the Registrar

Well qualified and skilled staff and functional officers and subordinates like additional Registrar, Deputy Registrar, Assistant Registrars, Cooperative Officers and the other office staff are employed.

1. According to the recommendation of Various experts and the committees on Cooperative Administration, the Registrar should be a person with thorough knowledge of and belief in principles of cooperation & should be bible to work with creative missionary zeal for organising, supervising & coordinating the various activities. -see- cooperatives in United Provinces, by J.P. Mishra, Registrar Cooperative Societies, 1946. p. 67
To Work in the Field

The executive or administrative officers and subordinate officers like deputy Registrars (Regional level), Assistant Registrars (District level) Additional District Cooperative Officers, Cooperative Officers and Assistant Cooperative Inspectors also office staff are employed.

Cooperative Administration at State Level

```
Registrar
   | Additional Registrar (functional)
   | Establishment Marketing Consumers Credit and Banking
   | and training

Deputy Registrar (Functional)
   | Banking Law Farming Development Accounts
   | Marketing Consumers Establishment Education
```

Assistant Registrars attached with all the above Deputy Registrars.

- Group I - Inspectors
- GroupII - Inspectors

The Registrar at Lucknow is assisted by a number of additional or Deputy Registrars. In all states, there are, on the central ministry's recommendations, an additional or joint Registrar in charge of the Consumer Cooperatives. Similarly, there are Joint Registrars of credit.
marketing and agriculture supply etc.\(^1\)

(C) DISTRICT LEVEL

Regarding the cooperatives, the Registrar has delegated most of his functions to the joint Registrar incharge of the cooperatives, who is assisted by a number of Deputy Registrars and Assistant Registrars in every District.

The Registrar nominates representatives on the Board of the cooperative societies to see the interests of the society and also to safeguard the Government finance. Mostly in the state these nominees are the inspectors of Cooperatives. The Chief Executive of the Cooperative is appointed with the Registrar's concurrence, while on failures of the elected Board of the society, even a Board is nominated by the Registrar. Often the chief Executive of the society in Uttar Pradesh is a Government employee on deputation, belonging to the cadre of the state Cooperative Department.\(^2\)

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1. The Registrar is the senior most officer, so he must be an I.A.S. Officer. Additional Registrar, Deputy Registrars belongs to class I service of the state Government. At least one Additional registrar should be an I.A.S. Officer so as to become Registrar in due course. District Assistant Registrar and Additional Assistant Registrars are class-II Gazetted officers of the state. Below this category, all officers are non-gazetted. –See- Law and Management of Cooperatives with special reference to Uttar Pradesh by B.B. Trivedi, Meerut, 1975 pp. 18-19.

2. The role of the Government in appointing the Chief Executives and in nominating some of the Board of Directors in the consumer Cooperative Stores, the State Government is a powerful force and has an important role to play in determining the future growth of the consumer cooperatives. –See- Consumer Cooperative Movement in India- An appraisal by R. Arvidsson and S. Dandpani, ICA Publication. New Delhi, 1971 p. 90
The Cooperatives are generally in need of additional financial and other technology support to be able to overcome their problems. However, the state budget has not been adequate for assistance to the cooperatives have been given a lower priority as compared to other cooperative activities. The Registrar should take care of merchandising activities that are developing day by day and they should advise, notify and channalise the development activities in the stores such as window dressing, consumers attraction and new types of advertisement etc. so as to compete in the market.

As the state cooperative departments have such an important role to play in the future development of the consumer cooperatives, they should not let the consumer cooperatives further deteriorate.

The consumer cooperatives which forms part of the retail trade falls under the internal trade, administered by the ministry of commerce. There does not appear to be adequate coordination in this matter at any level. 1

Equally important is the lack of adequate coordination and integration at the district and/or state level for pooling the resources for strength and rapid growth. Similarly different ministries deal with the cooperative movement on sectoral basis, it will be necessary to coordinate all these efforts to strengthen the movement as a whole. 2

In state of Uttar Pradesh, one district Assistant Registrar has been deputed in each of the districts, who looks after the different section of district. Except one Registrar, four joint / Deputy

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Registrars. 32 Class-I and 119 Class-II Gazetted officers are working along with 396 Grade-I and 1300 Grade-II Cooperative Inspectors in all in the state.¹

After discussing the official level set up of the Cooperative Department of Uttar Pradesh, it is now necessary to deal with the non-official organisational set up of the state.

(II) NON-OFFICIAL

Apart from the official organisational set up as discussed, the other aspects of organisation fall in the category of Non-Officials. This can be study as follows:-

(A) National Level

(B) State Level

(C) District Level

At the National Level National Cooperative union is at the top which was established in 1929. It is the apex body of Indian cooperatives which represents all sectors. The total membership is 209. This union is managed by a general body bellow which there is a governing council and executive committee. In addition to this there is president and chief executive N.C.C.T., N.C.C.F. and N.C.D.C. are other apex bodies at the national level. National federation of Cooperative sugar factories, National federation of fishermen cooperative, National cooperative Dairy Federation of India, National Agriculture Cooperative Marketing Federation of India (NAFED HOUSE), Tribal Cooperative Marketing Development federation of India. Krishak Bharti Cooperation are few important examples. Some more apex bodies may also be continued at the

¹ Uttar Pradesh Mein Shakarita (Hindi), published by Registrar Cooperative, societies UTTAR PRADESH Lucknow, 1981.
National Level. National Cooperative Housing federation, All India Handloom Fabrics. Marketing Cooperative Societies, National Federation of Industrial Cooperatives, National Federation of State Cooperative Banks. All Indian Federation of Cooperative of urban Cooperative Banks and credit Societies.

At the state Level there are several state Level federation and unions. Provincial Cooperative union up bhokta Sahkari Sangh, State Cooperative Marketing Federation, State Federation of urban Cooperative Bank, state Tribal cooperative development Federation, state federation of cooperative sugar factories, state federation of cooperative spinning mills, state handloom cooperative Societies/federation, state federation of industrial cooperatives, state cooperative Dairy federation and state federation of fishermen's cooperative are the state level federation in different sector of cooperatives.

District level cooperatives are at the third stage which consists of primary societies, wholesale stores, district/central marketing societies primary non-agricultural credit societies, Primary/district. Cooperative Bank's, cooperative spinning mills, Cooperative sugar factories, primary handloom weavers cooperative societies, District federation of industrial cooperatives and primary industrial cooperatives. Similarly in dairy cooperative and fisheries cooperatives there are district cooperative milk producers union, primary milk producers cooperative societies, cooperative housing societies etc.

A four-tier structure of cooperatives in urban areas has been built up under the various programmes over the year. The four-tier structure is not conducive to efficient performance of cooperatives. The experience of cooperatives all over the world, as also the experience of other sectors of cooperation in the country indicate that
the federal structure is not quite suitable for the development of business.¹

A decided by the state ministers, appropriate measures will have to be undertaken for re-organisation and rationalisation of the structure from the existing four-tier structure into two-tier structure. The structural integration has to be horizontal as well as vertical. The membership structure of the cooperatives should be re-formulated in each a way that it would help in the integrated development of the movement.¹ the 8th Indian cooperative congress held in New Delhi in March 1979 has also discussed this subject in its working group on cooperatives².

There are some differences in organisational structure of cooperatives as between the states of India. The federal pattern is to be found in Gujrat, Madhya Pradesh., Mysore, Orissa, Rajasthan, West Bengal, Bihar and Uttar Pradesh. On the other hand Andhra, Haryana and Punjab have been following unitary pattern. But not all over the country attempts are being made so convert it into two-unitary structure. In Tamilnadu and Maharashtra, Mixed pattern of organisation is found.³

1. Background papers- The Ist All India Convention of consumers cooperative Societies, May 14-15 1979 National Consumers cooperative Federation of India, New Delhi. p.71


A three-tiered structure is being involved in each state of the country, with the state federation at the apex, district and regional societies at the secondary level and primary societies at the base.¹

Actually in the state of Uttar Pradesh, four-tier structure came to be established with the enactment of centrally sponsored scheme for consumers cooperative development. Consisting of (a) Primary Consumer stores, (b) Wholesale/Central Consumer stores, (c) state federations, (d) National federation. At present the structure is not of uniform pattern.

**NATIONAL LEVEL:**

(A) **National Cooperative Union of India (N.C.U.I.):** The Organisational structure- following annexure:

**NATIONAL COOPERATIVE UNION OF INDIA**
*(Apex organisation of the Indian Cooperative Movement)*

- **EDUCATION**
- **NSCE**
- **TRAINING**

**STATE COOPERATIVE UNIONS**

**DISTRICT COOPERATIVE UNIONS**

**V.M. NATIONAL INSTITUTE OF COOPERATIVE MANAGEMENT**

**PRIMARY COOPERATIVES:**
*(Credit+Non-Credit)*

**NATIONAL COUNCIL FOR COOPERATIVE TRAINING**

**RICM**

**ICM**

**JUNIOR COOPERATIVE**

The all India cooperative union was formed in 1929 and was registered simultaneously as an apex national level cooperative union. Subsequently it's name was changed to national cooperative union of India. The main functions and object of the union are-

- Promotion and strengthening of cooperative sector
- Human Resource Development (HRD)
  - a) Cooperative Education
  - b) Cooperative Training
- Research In Cooperatives
- Propagation Of Cooperative Ideology
- Lobbying And Image Building Through
  - a) cooperative parliamentarians' forum
  - b) public relations and liaison
  - c) publication and publicity
- International Cooperative Relations
- Cooperative Planning
- Cooperative Information Services

As a result of the recommendations of the study team of 1960 the responsibility of cooperative training was transferred to the National cooperative union of India. There have been several new areas where the union has stepped as follow:

- Development Of Cooperative Insurance System
- International Cooperative Trade Promotion
- Networking Of Cooperative Information System
- Human Resource Development
- Development Of Agro-Processing Industries
- Workers' Cooperatives

(B) Committee for cooperative Training (N.C.C.T.):

The committee for cooperative training which was constituted in Nov., 1953 jointly by the Government of India and Reserve Bank Of
India with N.C.U.I. established various cooperative colleges, training centers/Research Institute etc. National council for cooperative training, New Delhi, Baikunth Mehta National Institute of Cooperative Management Pune, Regional Institute of Cooperative Management Banglore, Regional Institute of Management Chandigarh, Rajpur (Dehradun), Gandhi Nagar (Gujarat) Kalyani (West-Bengal), Bhuveshwar (Orissa) Hydrabad (Andhra Pradesh), Bhopal (Madhya Pradesh) and Indira Gandhi Institute of Management Rajajipuram (Lucknow) in Uttar Pradesh. Similar management Institute have been established in Kerla, Maharashtra, Assam, Bihar, Tamilnadu, Rajasthan and Imphal (Mainpur). The structure in this regard involve three tier:

1. National Cooperative Union (National Level)
2. State Cooperative Union (State Level)
3. District Cooperative Union (District Level)

The N.C.U.I. receives scholars from other countries and sends participants to other countries for conferences and seminars.

(C) National Cooperative Consumer’s Federation (N.C.C.F.):

The N.C.C.F. of India is the apex organisation of consumer’s cooperatives in India. It was registered in Oct 1965 and started its business in business in Sept. 1966. The membership of N.C.C.F. comprises of 29 state federations including Super Bazar etc. Its total membership was 89 on 30th June 1980 which has now increased to 127 as on 30 June 1997. As an apex organisation at the national level N.C.C.F. operates more than 30 branches in various big districts. The progress of N.C.C.F. can be seen from the following figures:

1. Mathur. B.S. Cooperation in India, Agra, 1975 p. 566
Progress of National Cooperative Consumer's Federation
as on (1996-97)

<table>
<thead>
<tr>
<th></th>
<th>(In Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership</td>
<td>Rs. 127</td>
</tr>
<tr>
<td>Paid up share capital</td>
<td>Rs. 113.27</td>
</tr>
<tr>
<td>Government share</td>
<td>Rs. 85.52</td>
</tr>
<tr>
<td>Total turnover</td>
<td>Rs. 2070.00</td>
</tr>
<tr>
<td>Profit/Loss</td>
<td>(+) Rs. 8.56</td>
</tr>
</tbody>
</table>

Data compiled from: Indian cooperatives movement A profile. Fifth edition March 98 N.C.U.I

The organisational structure of consumers cooperative can be seen as under:

```
National Cooperative Consumer's Federation
   
State Cooperative Consumer's Federation
   
Central/District Whole Sale Consumer's Cooperative Stores
   
Primary Consumers Stores
   
Members
```

The same structural view can be seen for different other cooperatives.
AGRICULTURAL MARKETING COOPERATIVES

NATIONAL AGRICULTURAL COOPERATIVE MARKETING FEDERATION OF INDIA LTD.

STATE COOPERATIVE MARKETING FEDERATIONS

STATE SPECIAL COMMODITY MARKETING FEDERATIONS

DISTRICT/CENTRAL MARKETING SOCIETIES

GENERAL PURPOSE PRIMARY MARKETING SOCIETIES

SPECIAL COMMODITY PRIMARY/MARKETING SOCIETIES

MEMBERS

SUGAR COOPERATIVES

NATIONAL FEDERATION OF COOPERATIVE SUGAR FactORIES

STATE FEDERATIONS OF COOPERATIVE SUGAR FactORIES

COOPERATIVE SUGAR FactORIES

MEMBERS
INDUSTRIAL COOPERATIVES (NON-WEAVERS)

NATIONAL FEDERATION OF INDUSTRIAL COOPERATIVE

STATE FEDERATIONS OF INDUSTRIAL COOPERATIVES

DISTRICT FEDERATIONS OF INDUSTRIAL COOPERATIVES

PRIMARY INDUSTRIAL COOPERATIVES

MEMBERS

DIARY COOPERATIVES

NATIONAL COOPERATIVE DAIRY FEDERATION OF INDIA LTD.

STATE COOPERATIVE DAIRY FEDERATION

DISTRICT COOPERATIVE MILK PRODUCER'S UNION

PRIMARY MILK PRODUCER'S COOPERATIVE SOCIETIES

MEMBERS
National Cooperative Development Corporation (N.C.D.C)

N.C.D.C is playing an indispensable role in the area of cooperatives specially with the implementation of Public Distribution system for rural areas. In 1962 N.C.D.C. act was passed. In March 1963 it started functioning. At present the corporation is operating a scheme for assisting selected marketing and consumers cooperatives to under-take distribution of consumer good in rural areas. It is engaged in the development of agricultural and allied activities like marketing and inputs, storage, agro-processing and weaker section programmes in the cooperative sectors. Financial assistance under this scheme is provided on project lines to lead societies. This is supporting the countries effort in augmenting farm production, besides bringing benefits to the farmers and other rural population.

N.C.D.C Act was amended in 1974 to diversify its funds and enlarge its activities to cover the weaker section cooperators viz. tribal and schedule caste, poultry, dairy, handlooms and rural consumers. Its financial assistance is not individual beneficiary oriented but is meant for institutional development of cooperatives.

FINANCE AND FINANCING

During the year the corporation provided financial assistance of Rs 28922 Lacs. for various cooperative development programmes in the country taking the cumulative releases to 396389 Lacs. till the end of March 1997. The corporation makes special allocation every year for promotional and developmental programmes. During the year 1996-97 Rs. 148 Lacs. were utilized for promotional activities. The total assistance provided for such programmes went up to Rs. 7696 Lacs. by March 1997. The corporation provided total financial assistance of Rs. 30159 Lacs. for cooperative marketing
activities till March 1997, of this Rs 7558 Lacs. were provided to cooperatively underdeveloped states.

Under the scheme of assistance for inputs distribution by cooperatives, all type of societies engaged in retail distribution of fertilizer and other agricultural inputs and non credit activities are covered for margin money assistance depending upon their requirements. As on 31-3-97 the total of Rs 2423 Lacs. margin money assistance was sanctioned by the corporation in favour of 3679 farmers service cooperative societies of which 1669 societies are located in cooperatively under-developed states.

By the end of 1996-97 the cumulative assistance released by N.C.D.C. to State Governments, for I.C.D. projects stood at Rs. 22113.28 Lacs. comprising Rs.19256.56 Lacs. As loans and 2856.71 lacs as subsidy. Additionally an amount of Rs.7.33 Lacs. as subsidy was received from Food Processing Ministry and was released under I.C.D.P. Kottayam during the year 1992-93. The following table shows the financial assistance released during the year 1996-97.

1. The National Cooperative Development Corporation is involved in planning, promoting, coordinating and financing of cooperative development programmes at the national level. It therefore provides financial and technical support to the cooperative institutions of the farmers and other weaker sections associated with agriculture and allied sectors. The strategy is to strengthen and develop weak institutions for serving the farmers and other members in the rural areas for maintaining sustained growth of their income.
### TABLE
Financial Assistance Released During 1996-97

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>State</th>
<th>For Project Implementation</th>
<th>For Project preparation</th>
</tr>
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<tbody>
<tr>
<td></td>
<td></td>
<td>No</td>
<td>Loan</td>
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<tr>
<td>1.</td>
<td>Andhra Pradesh</td>
<td>5</td>
<td>199.641</td>
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<td>2.</td>
<td>Assam</td>
<td>1</td>
<td>35.923</td>
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<tr>
<td>3.</td>
<td>Gujarat</td>
<td>2</td>
<td>68.825</td>
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<td>4.</td>
<td>Haryana</td>
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<td>5.</td>
<td>Himachal Pradesh</td>
<td>5</td>
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<td>6.</td>
<td>Karnataka</td>
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<td>35.287</td>
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<tr>
<td>7.</td>
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<td>611.287</td>
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<td>8.</td>
<td>Madhya Pradesh</td>
<td>4</td>
<td>1003.61</td>
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<tr>
<td>9.</td>
<td>Mizoram</td>
<td>2</td>
<td>221.73</td>
</tr>
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<td>10.</td>
<td>Nagaland</td>
<td>2</td>
<td>76.763</td>
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<td>11.</td>
<td>Rajasthan</td>
<td>3</td>
<td>180.585</td>
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<td>12.</td>
<td>Sikkim</td>
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<td>31.412</td>
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<td>13.</td>
<td>Tamil Nadu</td>
<td>4</td>
<td>597.265</td>
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<td>14.</td>
<td>Tripura</td>
<td>1</td>
<td>0.012</td>
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<td>16.</td>
<td>West Bengal</td>
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<td>72.946</td>
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<td>17.</td>
<td>Topic</td>
<td>19</td>
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</table>


The above table reveals that the total loans for project implementation was Rs. 4226.191 Lacs. out of which 26.641 Lacs. was sanctioned/released for Uttar Pradesh which is only 0.63% of
the total, similarly subsidy for the same released in favour of Uttar Pradesh was only 1.946% while the loan released was highest in favour of Madhya Pradesh and Himanchal Pradesh. It may be suggested that the state of Uttar Pradesh should try to evolve itself in getting assistance release more and more under this scheme.

N.C.D.C. is assisting state level federations, cooperative processing units, state cooperative Banks and state land development Banks to install computers and implement computer based management in information system. For this, corporation provides both technical support and financial assistance. This scheme also covers the district level societies and processing societies.

**COOPERATIVE MARKETING AND AGRICULTURAL INPUTS:**

The role of cooperatives in marketing of agricultural produce has acquired new dimension in the changing scenario of globalisation and liberalisation of the nations economy. Cooperatives are the best instrument to ensure remunerative prices to the farmers for various agricultural crops and also to function as effective interface for stabilising market prices. The cooperatives also provided value added returns to the farmers through establishment of agro-processing units. Cooperatives continued to play an important role in procurement of wheat as an agent of F.C.I. under the price support scheme of the Government of India.

In order to prompt marketing infrastructure following schemes were implemented by the corporation. During 1996-97 the Corporation provided an assistance of Rs 450 Lacs. as margin money to NAFED. Cumulatively upto 31.3.97 the corporation has released financial assistance of Rs. 5570 Lacs. to NAFED for undertaking these operations.
Margin money assistance is provided to state cooperative marketing federation for raising working capital from banks for development of business activities. During 1996-97 Corporation provided an assistance of Rs. 2236 Lacs. to 8 Federations under the scheme.

N.C.D.C. provided financial support to the state Governments for strengthening share capital base of primary/district cooperative marketing societies to enable them to raise funds and expend business and also for revitalisation of weak societies. The scheme has been modified to enable state Governments of developed states to route the funds through apex federations to good working societies by way of long term loans.

(B) STATE LEVEL

STATE COOPERATIVE UNIONS:

With a view to promote cooperation and to conduct various training and member education activities, state cooperative unions at state level have been organised. The membership of the union is open to cooperative societies and organisation within the area. The fund of the union shall consists of admission fee and annual subscription. Uttar Pradesh State Cooperative Union was established in 1988. All the apex and district level cooperative marketing credit, primary societies are its members.

The Uttar Pradesh state cooperative union is running 8 training centers each in Hevra (Etawah) Ayodhya (Faizabad) Bilari (Moradabad) Mahoba (Hamipur) Pallavpuram (Meerut), Mawaiya Sarnath (Varanasi) Dampiar Nagar (Mathura) Haldwani (Nainital). The training activities are being conducted in these centres. The management of the union constitutes 15 members and 3 members administrative committee. The district level and regional level
inspectors/instructors are administered and controlled by the constituted committee's.

In addition to the state cooperative union various state level federations are at work in the state of Uttar Pradesh. The same state level federations are working in other states also. In the field of credit/Banks State Cooperatives Bank is there which serve as a balancing centre in the state. It also organise provision of credit for credit worthy farmers and carry out banking business at large.

In the field of agricultural credit, State Cooperative Agricultural Development Bank is at work. Similar Federation is working in the field of non-agricultural credit and agricultural marketing cooperatives. State Cooperative Marketing Federation is involved in marketing and processing of agricultural produce, supply of improved agricultural implements. It also coordinate member societies in marketing and provide remunerative prices to farmers for their produces.

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In the field of agricultural credit state cooperative agricultural Development Bank is at work. Similar federation is working in the field of non-agricultural credit and agricultural marketing cooperatives state cooperative marketing federation is involved in marketing and processing of agricultural produce supply of improved agricultural implements. It also coordinate members societies in marketing and provided remuneration prices to farmers for their produce.

In the field of sugar cooperative State Federation of Cooperative Sugar Factories and in Spinning Cooperatives State Federation of
cooperative Spinning Mill is at work. Similarly State Federation is in the field of weavers cooperative and dairy cooperative. State federation of industrial cooperative and state federation of fisherman cooperatives and state cooperative housing federation is in the field of housing cooperatives. In the field consumers cooperatives Uttar Pradesh was established in December 1965 and at present is the apex institution of consumers cooperatives in Uttar Pradesh.

The main function of the federation is to promote consumers cooperatives in the state and to procure bulk quantity of consumer goods and supply to member institutions. In addition to this federation assists and guide member institutions for facilitating their working. It also acts as an agent of the government for distribution of controlled commodities. It also assists in the wholesale stores in securing finance, publication etc.

The national cooperative consumers federation in the field of consumers cooperatives is at the national level U.P.S.S. (Uttar Pradesh Upbhokta Sahkari Sangh) is at the state and central consumers stores are at the district level. The organisational non-official chart of it can be seen from the following chart:

**CONSUMER COOPERATIVES**

<table>
<thead>
<tr>
<th>NATIONAL COOPERATIVE CONSUMERS FEDERATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>STATE COOPERATIVE CONSUMERS FEDERATION</td>
</tr>
<tr>
<td>CENTRAL/DISTRICT WHOLESALE CONSUMERS COOPERATIVE STORES</td>
</tr>
<tr>
<td>PRIMARY CONSUMERS STORES</td>
</tr>
<tr>
<td>MEMBERS</td>
</tr>
</tbody>
</table>
(C) DISTRICT LEVEL:

At the district level wholesale central consumers cooperative stores in Uttar Pradesh are at work with its branches in the field of consumers cooperatives as a state policy. These have been set up in all big cities of Uttar Pradesh. Central consumers cooperative stores and primary consumers stores have been established in the different districts. They are looking after the interest of the consumers and are providing quality essential consumer and other item at reasonable rates.

In the field of agricultural credit District Cooperative Banks are working which are serving as a balancing Center in the district central financing agencies and are carrying out banking business. They are also involved in sanctioning, motivating and controlling the implementation of the policies.

Agricultural credit societies are at work in the field of rural development. Primary cooperative banks, primary non-agricultural credit societies are also working at the district level in the field of non-agricultural credit area. These societies are raising deposits from members and even from non-members. They are advancing loans to the members and in addition provide other banking facilities.

In the field of marketing cooperatives district/central marketing societies, primary marketing societies are working at the district and primary level. These primary marketing societies are involved in procurement of agricultural produce and are taking operation in association with national, state marketing federations. They also advance loans to their members by pledging their produce. In addition they sell off agricultural commodities to the cooperatives and consumers organisations.
In the field of sugar cooperatives and spinning, cooperative sugar factories and cooperative spinning mills are working at the district level.

Cooperative sugar factories procure sugar cane from members and pay remunerative prices. Improved sugar cane cultivation and provide inputs. The cooperative sugar factories produce sugar and bi-products and mobiles deposit from members. The cooperative spinning mills produce yarn and supply to weavers cooperative federations.

In the field of weavers cooperatives primary handloom weavers cooperative societies and in the field of industrial cooperatives district federation and primary industrial cooperatives are working at the district level.

Dairy cooperatives have district cooperative milk producers union at the district level and in addition primary milk producers cooperative societies at the primary level. District cooperative union collect milk from primary's, provide technical inputs and extension activities.

In the field of fisheries cooperatives and housing cooperatives central fishermen's cooperative societies and primary fisheries cooperative societies are working at the district and primary level while primary cooperative housing societies are at the district level in housing cooperatives.