CHAPTER - VII
CHAPTER VII

FINDINGS, CONCLUSIONS AND SUGGESTIONS

7.1 INTRODUCTION:

Having discussed the various issues connected with the growth and development of women co-operative societies in Karnataka, the researcher summarised the main findings of the study in this final chapter. The conclusions and suggestions are based on the data collected in this study, which will be helpful for policy formulation.

Development of women is one of the principal problems engaging the attention of policy makers, planners and administrators of the country, and they are trying to find the means, methods and techniques, which can be applied for the development of women, especially in income and employment generating. However, women co-operative societies is one of the important areas. Most of the women co-operative societies in the state are small in respect of share capital, membership, loan advanced, working capital and profit. As a result of this they have made little impact on their members. Some of the societies are facing the problems of working capital, and the low working capital has resulted into the low profit, which in turn has affected the working of the women co-operative societies.

Due to the variations in the activities of selected women Co-operative Societies, the conclusions are drawn separately by grouping the Women Co-operative Societies like Women Banking, Milk Co-operatives and Multipurpose Women Co-operative societies. Similarly the suggestions are also made to the respective categories of societies.
Conclusions regarding Women Co-operative Banks:

1) It is observed that, inspite of several difficulties, the women co-operative banks have good prospects in financing the women. The prospects of women co-operative banks in Karnataka are glamorous because of the following reasons:

   a) Present government policy aims at encouraging the women to make them self-reliant.

   b) So far, the small scale and cottage industries are not getting much attention by the big banks, and hence much more is still to be done there; this can be done by co-operative banks.

   c) Due to the keen competition in the open market for funds, skills to innovate new schemes propagate it and finance for it is a challenge to women co-operative banks.

   d) The all India data indicate that about 50 percent of the population is living below the poverty line. Therefore, the women bank could play a crucial role in improving the standards of living. It is, thus, clear that women co-operative banks have bright future in Karnataka. The demand for new women co-operatives will be ever expanding due to promotion of women development programmes.

2) It is found that though no special provision was made in the central and state plans for the development of women banks they have emerged out of the need. They have created awareness and strength among the female population by providing them credit facilities. This was tradition that a woman could not be a member of a bank and she could not avail herself of loan facilities on her own risk. However, this concept has become out-dated with the beginning of
women banks in India. The RBI has also taken a note of such issue. The women banks should frame their policies as per the national plans and should help the weaker sections of women.

3) It is found that so, far, except the state like Maharastra, Gujarat, Karnataka, Andhra Pradesh and Goa, there were no women Co-op. banks. Similarly, there are several districts in Karnataka, such as Bagalkot, Raichur, Gadag, Kolar, Haveri and Davangeri, where there are no women banks. Therefore, there is a potential of starting bank in such districts. The National Federation of Urban Co-operative Bank and Credit Societies should take a lead in collecting the data on women bank and they should study the problems of these banks and suggest new places in the country, Thus, much work remains to be done in future.

4) It is found that out of 8 sample banks, the amount of paid up share capital in Bangalore bank share (i.e. 52.57%) and remaining 7 sample banks was (47.43%). The main factors responsible for the steady growth in share capital of respective banks was the increase in the membership.

5) It is further found that the reserve of Bangalore bank has Jumped from Rs. 11.78 lakhs in 1995-96 to Rs. 51.08 lakhs in 1999-2000. Showing the annual average growths rate at 28.72 lakhs, the highest among the sample banks. The reserves of Basavangudi, Shahabazar, Dharwad Bank have not increased as compared with other sample banks due to low level of loan operations on account of poor business in market.

6) It is found that Basavangudi Bank has borrowed Rs. 1.96 lakhs in 1999-2000, from district co-operative banks, on pleading
of gold and rest of the sample bank are less dependent on external borrowing.

7) It is found that, Mahila co-operative bank, Bangalore is the only bank in the entire state of Karnataka, which advances loans on silver articles.

8) It is further found that, the aggregate current ratio of all the eight banks was above the standard ratio (2;1), It shows that sample banks have more solvency than liability than the standard norms.

9) It is found that debt to equity ratio of Bangalore bank is above the standard norms (8 to 12 times), and rest of the sample banks still have a chance to increase their borrowing founds.

10) Further, it is found that the management expenses to working capital ratio in the 8 banks collectively, in the year 1995-96 was 6.70 and it decreased to 5.01 in the year 1999-2000.

11) It is found that equity ratio of Basavangudi Bank was (1.96) in the year 1995-96, but within five years Basavangudi Bank has shown sound performance (i.e. 7.71) in 1999-2000. Due to recovery measures adopted in recent years, the position has improved up to the standard norms.

12) It is further found that, out of 70 members who joined in the middle, 39 disclosed that the office bearers informed them about the societies and 18 were informed by their friends and 13 by their relatives.

13) It is found that out of 135 respondents 59 respondents joined the societies to save funds, 42 to borrow loan, 24
respondents to meet excepted domestic demand and a further five to save for the marriage of their children. This analysis reveals that mutual aid and raising the funds for unexpected contingencies are the main purpose for joining societies.

14) Further, it is found that the urban banks are subject to departmental control and RBI. Its expansion is severely restricted by the constraints of law and administration. Yet the urban co-operative banks in the country have strongly established themselves as an integrated fabric of banking structure. The establishment of women banks in India, especially in Karnataka, has laid the corner stone of economic development of women. However, there are several problems, which need to be tackled in time.

15) It is found that there are no much differences between problems of women co-operative banks and the problems of general urban banks. The timely and sympathetic solutions on the problems of women banks will take these banks on the map of the whole nation.

Further, if vigorous and planned efforts are made to draw a systematic plan after making a quick survey of potentialities of organising women banks, in the uncovered areas, then there is a considerable scope for their expansion.

7.1.2 Conclusions regarding Women Milk Co-operative Societies:

1) It is found that right from the inception of the Women Milk Societies, the number of milk collecting Primary Milk Societies have been one third of the total milk co-operative societies. Thus, it appears that two third of its members were just name sake
members, perhaps for enjoying the benefits accrued to them. The society has not attempted to persuade them to supply milk exclusively to the society.

2) It is found that the total fixed cost of Biddanhalli society is higher than that of other sample milk societies, followed by Ekata milk society. Further it is noticed that variable cost and total cost per litre of milk was more in Biddanhalli milk society. This was due to increased level of inflation and cost of milk procurement.

3) Further, it is found that the current ratio of Jagruthi Milk Society and Ekata Milk Society are the highest among the sample societies. And remaining societies current ratio was above the standard norms except Kamdhenu milk society which is below the standard norms (i.e., 1.51) for the year 1999-2000.

4) It is observed that the average debt to equally ratio of the sample societies was in increasing trends. This shows that borrowings of the milk societies have increased during the period of five years.

5) It is further found that the milk collection of Devallapur Society especially during the last five years has drastically reduced by fifty percent. The society has not made any attempts to increase the milk collection.

6) By and large the operations of the milk collection and supply are not profitable. This is because the Women Milk Societies have failed to achieve breakeven point. The major reason being controlled and unchanged fixed government rate for the milk supply by the society.
7) Further, it is found that in the five-year duration 1995-2000, all the Sample Co-operative Milk Dairies have shown satisfactory progress. They have obtained ‘A’ Grade audit remark by government auditors continuously during these five years.

8) Further, the official management of the Co-operative Milk Societies is good. The trained secretary and clerical office staff of Co-operative Milk Dairy kept up-to-date office records.

9) It is found that the management expenses to working capital average ratio is increased during the period of five years 7.31 and 7.69 in the year 1995-96 and 1999-2000 respectively. However, highest rate of expenses was in Devallapur Co-operative society (i.e. 9.84) in 1999-2000. The minimum rate of expenses is in Gangapur milk co-operative i.e. 5.03 in 1999-2000.

10) It is found that the average rate of net profit earned on every Rs. 100 of working capital by the sample women diary co-operatives was Rs. 11.20 in 1995-96 and has gone up to Rs. 23.62 percent in the year 1999-2000.

11) It is observed that for the even growth and progress and also for smooth and proper working of any co-operatives milk dairy, it should have educated and experienced employees. In a milk dairy, milk testing is technical process. For milk testing usually trained women are appointed. The employees of the Co-operative Milk Dairy are not graduate women and they do not have any technical diplomas, but they are well experienced and trained persons regarding all dairy functions. All of them have more than four years experience of doing work. They are punctual and efficient in their work.
12) It is further found that Ekata Milk Co-operative is located in Gulbarga, there is no irrigation facility hence, it is difficult to make available sufficient green fodder to milch animals of this area. However, milk production is gradually increasing due to the growing awareness of dairy practices.

13) It found that every year during the winter season, the chairman and the director, members of Kamadhenu Milk Society arrange a trip to the Anand, which is the biggest milk project of India. A trip to the South Indian states was also arranged.

14) Further, it is found that there are some malpractices like adding water or sugar in milk by milk producer members while supplying milk to dairy. As milco-tester is operated on electricity some members add water in milk when there is no electricity supply.

15) It is found that the animal husbandry department of the state government and Zilla Parishad are entrusted with the work of providing health facilities for the milch animals. The number of villages that are covered by these departments find these services insufficient. Actually, the government provides these services free of cost, but the doctors are charging fee for the visits. But the veterinary services of the Dharwad Zilla Doodh Utpadakar Sangh has good performance. These doctors perform their duties satisfactorily.

16) The study reveals that the milk collection of the Kamadhenu Milk Society for five year period (1995-2000), in flush season is more and less milk is collected in the lean season. It is seen from the records of Society that, in the month of November, December, January and February the milk collection is highest in the year. But in the lean season, in the month of March, April, May, June, July and
August the milk collection is much lower. In the summer season the milk animals can not get sufficient green fodder and fresh portable water too. Generally, the breeding period is from June to September. This factor also has its impact on the quantity of milk collected by the Dairy.

17) It is further found that the fixed and variable cost per litre of milk have been steadily increasing during the last five years. This is attributed mainly due to low milk collection, besides inflation. Similarly, inspite of not increasing the staff strength, the labour cost per litre of milk has increased in the last five years.

7.1.3 CONCLUSIONS REGARDING MULTI-PURPOSE WOMEN CO-OPERATIVE SOCIETIES

1) It is found that the lack of co-ordination among different departments of the government also got badly exposed. The project was deemed as the child of the forest department only. Other departments did not feel willing to make their contribution to the overall uplift of the village.

2) Another glaring inadequacy observed was the non-involvement of women in the schemes. They were simply by passed. Any reference to their desired participation in the affairs of the village was spurned as a non-issue. Women, on their part, were assertive of the role they could play. They stressed that the situation would not improve in their favour till some outside agency intervened.

3) Similarly as the things stand today, the spirit of co-operation seems to have warned. There is no simple solution for revival as the stirring has to come from within. The society must realise its
obligation of transmuting the project into an ongoing programme. Going by previous experience, the government’s intervention is imperative.

4) It is found that, Hemavati Women Multipurpose Co-operative Society advanced a loan of Rs 5,000/- to its 34 members and it also gives training in computer and tailoring to its two women members.

5) It is further found that in HMWCS all the directors are given 3 days training through Women’s Federation Bangalore and the society is participating actively in all the co-operative functions and training.

6) Further, it was found that the maximum participation of women is found in co-operative credit societies and consumers co-operative societies mainly promoted or sponsored by men. The other activities are also experimented but the number is exceptional. Much can be done in readymade garments, canteens, housing, handicrafts, schools, libraries, yearly food grain supply, daily needs supply. It has been successfully proved that the women can work in small scale industrial projects. The Women Industrial Co-operative Society Ltd, was established in Someshwarapuram Ulsur, Bangalore, as an ancillary unit to the Indian Telephone Industries in 1959. The very object was to provide employment to low income group in urban areas especially those who are socially and economically handicapped. It has organised number of welfare activities like free mid-day schooling and housing facilities etc.

7) Similarly, the requirements of women for better life are enormous. Multipurpose societies can serve better to all these needs. They can be economically viable units also. The quantitative and qualitative contribution of women to the co-operatives is highly
essential to serve socio-economic objectives. It requires a change in their role from passive to active.

8) It is found that the growth of membership of all sample multi-purpose co-operative societies have shown increasing trend in the period of five years i.e. 1995 to 2000. The annual average growth rate of membership of Hemavati society at 50.42%, the highest among the sample societies.

9) It is found that the average rate of net profit to working capital by the societies, was 20.06 in the year 1995-96, but average profit has slightly lowered down to 19.24 in the year 1999-2000. Which was also above the standard range (1 to 2.5).

10) Further, social pattern in most of the states still favours societies for women run by women. The society through religion, ethical code of behaviour and standard of morals does not allow women freedom in the male dominated societies. It is highly essential to operate women co-operative societies in various fields to enhance women participation in the co-operative movement.

11) It is found that the scope for forming innovative types of co-operative societies for women is endless. Both in rural and urban areas there are numerous fields where women societies can function very well, e.g., horticulture, sericulture and animal husbandry, in rural areas.
7.2 Suggestions:

7.2.1 Suggestions for Women Co-operative Banks:

On the basis of the study made so far, it is clear that the growth of women co-operative banks on the whole was satisfactory, though there were imbalances in the various factors. Hence, it be can suggested some of the recommendations which, it can be help to improve the functioning of women co-operative banks.

1. The due consideration should be given to the rural area while opening the branches.

2. There is a scope for women co-operative banks in uncovered districts and towns in Karnataka. At present there are 12 districts in the state, which do not have women banks. Steps should to be taken by the leaders in the areas to organise women co-operative banks in uncovered areas.

3. The banks should not put the artificial restrictions on the new membership: the worthy and needy women should be helped without delay.

4. The inclusion of male members was secure to banks; and hence upto certain level (30%) the male membership can be allowed as far as possible in all the women banks.

5. Taking into consideration, the volume of members, deposits and loan disbursement, the women banks can divide their work into sub-sections headed by the sectional head and the member of the board of directors. The committees such as loan, administration,
planning and development, audit and inspection should be appointed. These sections can help to speed up the working of banks.

6. The experienced and enlightened board of directors will make the management efficient. Therefore, there is a need for training to board of directors, as it is said, "It is not the good laws that run the good banking, but it is good people who run the good/sound banks".

7. There is a need for standardization of the procedure for recruitment of various categories of staff. According to the committee on urban co-operative banks (Madhav Das Committee 1978), all the vacancies should be advertised and selection should be made after conducting written test and interviews. The State Federation of urban banks should fix qualifications and scales of various categories of staff taking into consideration the location and working capital.

8. The women banks should give more attention to the recruitment of female employees, on the counters.

9. To avoid the staff turnover and the disputes in the women banks, the salary rules need to be revised after every five years. The expenditure on salary allowances, over-time pay, bonus, provident fund, etc. can be admissible up to 2% of the working capital. If once this relation is established, there should be no conflict between the employees and the management; the employees should be made aware that the salary scales are linked with the working capital.

10. The service rules should be framed in consultation with the union, the service rules should include the following items:
(a) The categories and designations of the employees should be clearly mentioned.

(b) The educational qualifications, age, experience, etc., should be mentioned at the time of recruitment.

(c) The test and interview method should be the only criteria for the recruitment.

(d) The vacant posts should be filled in by the new recruitment as well as by giving the promotions. There should be clear-cut mention of the percentage of such recruitment.

(e) Confidential reports, education, experience should be considered at the time of promotions.

(f) The confidential report should consist of employee's attendance, personal conduct, and behaviour with the customers, and with the co-workers, punctuality, neatness, work-responsibility, etc.

(g) The leave rules including casual leave, medical leave, privilege leave etc, should be framed.

(h) Rules regarding T.A., D.A, washing allowance and other allowances should be framed.

(i) The loan facilities for housing and other purposes should be framed.

(j) The bonus and the Provident Fund rules should be framed in accordance with the National policy.

11. The bank management should pay more attention to training of the employees. They should be trained in the co-operative
training centres. The before and during the service training may be arranged in the training centres run by the Karnataka State Co-operative Union and Bankers' Training colleges of the State Co-operative Bank and RBI. As far as possible short duration courses should be arranged at the headquarters of the women banks.

12. The State Government should provide grants from its planned expenditure to the co-operative Training Institutions for conducting such programmes.

13. The bank management should also frame the standing orders in consultation with employee's unions.

14. The women bank should avail itself of the refinance facilities from Reserve Bank of India, Small Industries and Development Bank of India: except Basavangudi bank all other sample banks were eligible for refinance facilities.

15. The refinance facilities of National Housing bank should be implemented through the urban banks was for a period of three years. But the loans for construction purpose require larger amount and longer period, and therefore, the bank cannot make headway in this respect.

16. It will be wise to take some 'nursing steps' before the bank can go into rehabilitation. The proper nursing measures can be taken when the symptoms of financial weakness are seen, so that the bank will not become weak.

17. Presently, the rehabilitation committee consists of the representatives of the Karnataka State co-operative bank and Co-operative Department. In addition to these members, one member from the successful urban bank in the district or from the neighbouring district may be appointed, so that he can suggest the measures for improvement in the bank.
18. There should be uniformity in the presentation of the annual reports of the banks. The annual reports should give at least 5 years' progress report in respect of membership, paid-up share capital, deposits, loans, over dues, profit and loss, audit class, etc. This will enable the members as well as the general public to know the working of banks.

19. The 'loan cards' may be issued to the members. Such cards will enable the member to know the duration, rate of interest and loans outstanding.

20. The women banks can undertake the skill formation training programmes, with the help of government and semi-government bodies for the women.

21. The participation of members as well as management in seminars, conferences may be encouraged.

22. The board of directors of the Karnataka Co-operative Bank should consist of at least one lady director among the women co-operative banks in the state.

23. There should be an Apex bank for the urban co-operative banks to take care of urban banks.

24. With a view to redressing the complaints of the members and the customers/depositers the 'Suggestion Box' should be kept in the women banks. It was found that none of the banks was having this facility.

7.2.2 Suggestions for Women Milk Co-operative Societies:

1) There appears to be very little touch of professionalisation in the management of the day-to-day matters of the society. As such besides the Board of Directors, only one Manager looks after the entire affairs of the society. At times, he is overburdened.
Taking into the strength of 100 employees and vast operations, it is felt that the management should recruit one experienced person who would look after the sales and promotional aspects.

2) The society should formulate clear cut policies on production, marketing and financial matters. This will act as directive to its operations and streamline the activities.

3) The society has to give more thrust on the procurement of milk, since its 90 percent business depends only on milk collection. In view of the price hike given by the government the society has to take concrete steps in this regard.

4) To eradicate malpractices at various levels and to avoid cut throat competition, there should be one co-operative dairy society in the one village; so that the co-operative societies can work smoothly and efficiently. The principles ‘One village, one society’, should be implemented.

5) The co-operative milk dairy arranges training camps for milk producer member once in a year. The arrangement and the management of these camps are not satisfactory. More than one camp should be arranged within year. Experts in the dairy business should be appointed to manage such camps. Necessary instruction regarding cross-breed, milch animals may be given through these camps to the Milk producing members.

6) To provide high quality of milch animals, to increase milk collection, provide dairy training, steps are to be taken to improve the situation.
7) The Kamadhenu Co-operative Milk Dairy, provides various types of green fodder seeds to its members at a cheaper rate. But the members of the KMS are not able to cultivate these seeds in their fields adequately.

8) In order to stop malpractice by members there should be a stand by power system at the Biddanhali Milk Society. The milco-tester is operated on electricity; when the electricity fails, the members tend to add water the milk as then it is difficult to check the water extent etc. in the milk. Thus, the society should purchase one-power generator set for alternative power supply.

9) The District Milk Federation should strictly follow certain policies and procedures about milk collection, milk testing, measurement, area of operation, other necessary facilities about the dairy societies etc. A flying squad should be appointed for unexpected visit to the dairy societies. This activity of the District Milk Federation can help to eradicate malpractices, which occur in the area of operation of the primary co-operative milk dairy.

10) The nutritional value of the cattle feed of the society should be checked and compared with that of the competitors and suitable steps be taken to improve the content. The customers rather prefer costly but quality feed instead of low priced inferior quality feed.

11) The idle capacity of the ice factory should be stepped up drastically and utilised in an optimistic manner by identifying the buyers and market forecasting.
12) It appears from the annual reports that many expense items are confusing and should be categories properly to avoid repetition and vagueness.

13) Reservation on board for ladies should also be in the district and state level dairy co-operatives along with primary level.

14) In addition to these societies special cells must be created in all credit institutions which will finance only women projects, for example, ‘SEWA Milk Co-operative has been instrumental in changing male attitudes towards women and in increasing women participation.

15) In addition, co-operatives provide a forum to discuss common problems and seek solutions to them. Co-operatives can also act as pressure groups upon local village panchayats and official developmental agencies. Co-operatives at the moment are functioning for producing, consuming and marketing of product. They also work as thrift societies and small saving units.

16) Besides Milk Marketing, the dairy co-operative system is expected to make available services like animal health, artificial insemination, and supply of feed and fodder seeds to members.

17) It can be revealed from the discussion with the members, dairy co-operatives are required to take special attention for training in diary production and marketing. The establishment of diary co-operatives is expected to supplement health services; nearly 25% of the co-operatives societies have not been visited by a veterinary doctor even once. Hence, mobile vetemity hospitals should be set up by the Government to provide medical care at farm sites.
18) Government should start magazines bi-monthly or weekly for adequate market information and price stabilisation of feed, fodder and medicines etc.

7.2.3 SUGGESTIONS FOR MULTI PURPOSE SOCIETIES

1) Need of Improvement in Service: It was found from the respondent that most of the services rendered by the multipurpose co-operative societies are not satisfactory. It is, therefore necessary to improve the quality of these services for attracting and promoting entrepreneurs in rural parts of the state for which the professional development is required.

2) Need for Industrial Associations: To look after the quality of infrastructural facilities in the study area, the co-operative industrial units should have their own associations or joint co-ordination committees to maintain co-operation with department of co-operation officials from time to time. This would encourage active participation of entrepreneurs and try to maintain the desired quality in services.

3) Training to Entrepreneurs: Many times majority of the entrepreneurs find it difficult to deal with the problems arising in day to day functioning. The department of co-operation, chamber of commerce and industry can play an useful role for providing training courses to these co-operatives. This would help them to understand the needs of business and functioning in the state.

4) Consultancy Services to Co-operatives: In co-operative administration, there should be a separate department or cell providing consultancy services to the co-operatives in respect of technology, plant layout, material planning etc.
5) **Need for Judicious Use of Funds** : Considering the income and expenditure pattern of co-operative societies. It is felt that, societies should concentrate more on increasing the sources of fund and reducing the expenditure on the various heads.

6) **Expanding Membership** : From the foregoing findings, it may be observed that the two societies, i.e. women SC and ST and women coffee producers society face different types of problems. Some of the problems particularly with reference to membership are common to both, mainly they faced shortage of finance for business expansion. However, attempt shall be made to mobilise capital by enrolling new members and appealing to existing members to purchase additional shares. Help from government and other institution is to be sought in this regard.

7) **Need for Appointment of Staff** : There is the necessity to reduce the cost. The researcher is aware that they are running the show with minimum staff. However, they can economise in administrative cost other than salary to improve profitability.

8) **To Increase in Sales** : Increasing overhead cost, without a matching increase in sales with low stock turn-over ratio was responsible for low margin of profit. To improve sales, credit purchase facility may be provided to members and the amount of bill may be debited to loan account of such members. Members may be given incentives in the form of gifts in proportion to the value of purchase to improve sales.

9) **Proper and Effective Use of Man and Machine Power** : Proper steps should be taken to minimise capacity of the
machine and a proper supervision over the working of labour, which will help to have the work computed in time.

10) **Fixation on Standard Material Usage Rate**: For the purpose of reducing the material cost per unit of output. It is desirable to fix the usage rate based on scientific study.

11) **Proper Delegation of Authority to be Encouraged**: In co-operative societies administration, the middle level, lower level and management staff, functions at the field work with less powers. Therefore, it becomes very difficult for them to effectively implement the policies. Hence, this staff should be adequately improved to execute the day to day functioning efficiently and effectively.

12) **Need for Extending Management Technologies**: It was found that the co-operative societies have not given any attention towards employing the management techniques like Re-Engineering, computerised billing etc. for understanding the progress and quality of the services from time to time. Therefore, it can be suggested that co-operative societies should make use of the management techniques for the effective implementation of the polices and making the impressive performance in the co-operative sector.