Two-way flow of information and responsibilities between the members and management of cooperatives has been emphasised in the preceding chapter as the substance of membership relations. It is proposed to discuss in the present chapter, the role of management in the structure of cotton cooperatives with its implications on the membership problems.

Role of management:

The management is the vortex of a business enterprise. There is no phase of business organisation that is more directly related to the success of an enterprise than that of management. In a cooperative sale society, where each member carries a gove and in which the members supply the agricultural produce to be sold, members are more directly concerned about the management and have a greater influence than the usual shareholders in a joint stock concern, who merely contend themselves with higher dividends.

Management means control and direction of the activities of an organisation. One of the many factors, that were responsible for the failure of the cooperative marketing in India was inefficient management. Among the cotton cooperatives of South Gujarat, the 'Vanz' Cotton Sale Society, the 'Endhol' group cotton cooperative society, and the 'Kim' cotton sale society had to be closed due to

1 Other factors, are said to be, absence of adequate and expert technical advice, inadequate finance, absence of storage facilities, lack of up-to-date knowledge of market conditions, absence of loyalty among the members etc. Bhatnagar K. P. and others: Cooperation in India & Abroad, 1954 Page. 285.
dishonest management and misappropriation. A number of fresh cotton sale societies sprang out of the old ones due to the disputes and personal differences about the management. Therefore, the greatest single force for the success or failure, or for the smooth working or rifts in the membership-rafts of a cooperative sales organisation, is its management.

What constitutes management:

Management in a cooperative body rests with the membership and vice versa. The members elect the Managing Committee and the members of the committee formulate the broad policies underlying the operations of a society. The Managing Committee has to act within the limits set by the bye-laws. The Chairman or the Managing Director is in the active charge of the entire functioning of the organisation whereas the Manager or Secretary is entrusted with the actual work of implementing the policies framed by the committee. Thus, these three elements, - Members - The Managing Committee - and the Secretary or the Manager constitute management.

The Managing Committee is elected by members and is composed of more enlightened ones among them and a manager is selected from the experienced personnel. The managing Committee is a governing body, similar to the board of directors in a joint stock company. While framing the policies, enforcing their execution, and appraising the results members of the committee act within the authority given to them by the bye-laws. They hold their office as trustees of the members' interest and should be men of business ability, sound judgement and unquestioned integrity. It is the privilege of members to see that only such personnel is elected to the management committee.

1. See Chapter VI 'A Few Failures' Page. 383
2. See Chapter VI 'Off-springs' Page. 382
Members' interest in Management:

A cooperative society is a democratic association in which members have to take a vital interest in the setup of management and operation of society's work. Members have been given the right to express their views in governing the affairs of the society, and if they fail to exercise this right the society can breed all the evils of a clique. A sales association operated for the benefit of members, should also be run by the members because in a democratic body, such as a cooperative society, management cannot be a concern of a few; otherwise the society will soon become an oligarchy and will cease to be democratic.

The Managing Committee and the manager must derive from the membership, an expression of the members' wishes, may be in form of byelaws or resolutions of an yearly meetings. It logically follows that a member should attend meetings regularly to know "How Society Works", to vote upon the proposals placed before the meeting, and to cooperate with the management in carrying out of the policies, framed by the society. If these obligations are not faithfully performed the limitations of management become apparent. The following table gives the approximate percentage of attendance, and the degree of interest shown at the annual general meetings of some prominent cotton sale societies in South Gujarat.
### TABLE NO. 35

The approximate percentage of the three years' average attendance and the degree of interest shown at the yearly meetings of prominent Cotton Sale Societies.

<table>
<thead>
<tr>
<th>The Name of Cotton Sale</th>
<th>The Percentage</th>
<th>Degree of Interest</th>
<th>Name of or Membership shown in Meetings</th>
<th>the Attendancal or indifferent Group.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Hansot</td>
<td>70</td>
<td>Keen</td>
<td>North</td>
<td></td>
</tr>
<tr>
<td>2. The Ankleswar taluka Union</td>
<td>40</td>
<td>Indifferent</td>
<td>&quot;</td>
<td></td>
</tr>
<tr>
<td>3. &quot; Zagadia M. P.</td>
<td>50</td>
<td>Casual</td>
<td>&quot;</td>
<td></td>
</tr>
<tr>
<td>5. &quot; Oli M. P.</td>
<td>40</td>
<td>Indifferent</td>
<td>&quot;</td>
<td></td>
</tr>
<tr>
<td>6. &quot; Valia Khedut</td>
<td>80</td>
<td>Casual</td>
<td>&quot;</td>
<td></td>
</tr>
<tr>
<td>7. &quot; Velacha</td>
<td>50</td>
<td>Keen</td>
<td>West</td>
<td></td>
</tr>
<tr>
<td>8. &quot; Hathuran</td>
<td>75</td>
<td>Casual</td>
<td>&quot;</td>
<td></td>
</tr>
<tr>
<td>9. &quot; Sava</td>
<td>80</td>
<td>Keen</td>
<td>&quot;</td>
<td></td>
</tr>
<tr>
<td>10. &quot; Shenthi</td>
<td>50</td>
<td>Keen</td>
<td>&quot;</td>
<td></td>
</tr>
<tr>
<td>11. &quot; Bhardia</td>
<td>75</td>
<td>Casual</td>
<td>&quot;</td>
<td></td>
</tr>
<tr>
<td>12. &quot; Sonsek</td>
<td>90</td>
<td>Keen</td>
<td>&quot;</td>
<td></td>
</tr>
<tr>
<td>13. &quot; Asnad</td>
<td>90</td>
<td>Keen</td>
<td>&quot;</td>
<td></td>
</tr>
<tr>
<td>14. &quot; Pal</td>
<td>90</td>
<td>Keen</td>
<td>&quot;</td>
<td></td>
</tr>
<tr>
<td>15. &quot; Talad</td>
<td>95</td>
<td>Keen</td>
<td>&quot;</td>
<td></td>
</tr>
<tr>
<td>16. &quot; Gothan</td>
<td>75</td>
<td>Casual</td>
<td>&quot;</td>
<td></td>
</tr>
<tr>
<td>17. &quot; Sialaj</td>
<td>40</td>
<td>Keen</td>
<td>&quot;</td>
<td></td>
</tr>
<tr>
<td>18. &quot; Mulad</td>
<td>40</td>
<td>Keen</td>
<td>&quot;</td>
<td></td>
</tr>
<tr>
<td>19. &quot; Umbhel</td>
<td>50</td>
<td>Casual</td>
<td>&quot;</td>
<td></td>
</tr>
<tr>
<td>20. &quot; Parab</td>
<td>50</td>
<td>Casual</td>
<td>&quot;</td>
<td></td>
</tr>
</tbody>
</table>
These are rough impressions of managers of the cooperatives who were interviewed. Out of 45 cotton cooperative Sale Societies, 24 could manage to give some guiding approximations as regards the membership attendance and their degree of interest. Making allowance for the statistical inaccuracy, one can get some idea about the vigilance that members of cotton cooperatives exert on the management of societies. Out of 24 societies the members of 11 Cotton Cooperatives showed Keen interest in the affairs of the society; those of 9 showed only CASUAL interest, whereas, members of the 4 were just INDIFFERENT. The attendance figures can vouch the existence of interest in the working of the society. However, the non-attendance may not exactly show the lack of interest, but some other inconveniences such as distance between village and the meeting place, suitability or otherwise of the date of meeting etc. Besides, there cannot be any reliable corelation between the size of the attendance and the degree of interest shown in the proceedings of the meeting. There can be larger attendance with relatively less interest, exhibited in the actual work or vice versa. Let us therefore analyse the degree of interest group-wise as recorded above.

1. Question No: 10(b) of a questionnaire issued to cotton sale societies and unions. For specimen, See Appendix. II (B)
TABLE NO: 36

The group-wise analysis of the degree of interest shown by members of 24 Cotton Cooperatives in the yearly General Meetings.

<table>
<thead>
<tr>
<th>The degree of interest shown by members</th>
<th>NORTH</th>
<th>WEST</th>
<th>EAST</th>
<th>SOUTH</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Keen</td>
<td>1</td>
<td>9</td>
<td>-</td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td>Casual</td>
<td>2</td>
<td>5</td>
<td>2</td>
<td>-</td>
<td>9</td>
</tr>
<tr>
<td>Indifferent</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>TOTAL</td>
<td>6</td>
<td>14</td>
<td>2</td>
<td>2</td>
<td>24</td>
</tr>
</tbody>
</table>

Thus in the North group, comprising Hansot, Zagadia, Ankleswar, Nando, and Valia talukas, out of 6 societies the members of 3 were indifferent, those of 2 took a casual interest, and only one had the benefit of keen interest shown by its members. In the West group i.e. Talukas of Mangrol, Olpad, Chorasi, Kamrej and Palsana, out of 14 societies, members of 9 i.e. 71.4 per cent societies demonstrated keen interest in the work of the society. In the East group, the interest shown by the members was casual, while in the South group only one society had members, taking keen interest in affairs of the society. Evidently, the movement of cooperative marketing of cotton is mostly concentrated in the west group i.e. from Kosamba to Chalthan, where pioneering societies were started. It is worth noting that results of the present survey of 99 villages has shown that the proportion of cotton growers selling cotton through cooperatives is 86.3% in the West group, followed by South, North and East groups, where the said proportion is 51.7%, 44.6%, and 35.2% respectively.¹

¹ See Table No. 34 in Chapter VIII
 let us now consider how the meetings are held and what role members play in such meetings.

Kinds of meetings and period of notice:

The Bombay Cooperative Societies Act provides for two types of meetings of general body of a society viz. Ordinary Annual Meeting and Special General Meeting. Bye-laws of the cotton sale societies provide that the yearly general meeting of the members shall be held up to the end of January, every year. By that time, cotton bolls begin to break and some tentative idea about the likely size of crop becomes possible. A special general meeting can be called any time by the majority of the members of the managing committee or by the written order of the Registrar or Assistant Registrar of the cooperative societies or by 1/5th of the total members or by 50 members on their written request to do so. The Ordinary General Meeting requires 10 days' written notice and Special Meeting requires 6 days' notice, to the individual members. Along with the notice, is to be presented annual report and the statements of profit and loss with the Balance Sheet of the Society.

Voting Privilege:

Every member has one vote, and voting by proxy is not permissible unless the member concerned represents his society in case of unions, where some members are societies. Only 'A' class member holding at least one share of Rs. 20/- each has right to vote.


2. Bye-laws of Ankleswar taluka Union provides for 14 days' notice for calling Ordinary General Meeting.
'B' class members can attend the meetings but carry no right of voting. The Chairman of the managing committee, is to preside over the meeting and has a casting vote in case of equal division of opinion.

**Quorum:**

The 25 members or 2/5th of the total membership whichever the less, constitutes quorum for the meeting. For want of quorum the meeting can be adjourned for minimum five days after which the adjourned meeting does not require quorum. However, the special meeting cannot be adjourned for want of quorum but is to be dissolved. The adjourned meetings may be held at any other place or time, and cannot transact any more business than was left unfinished in the previous meeting.

**Business of general meeting:**

Members exercise their privileges as regards with their role in management by taking interest in the business of general meetings. The General Meeting has to transact the following business.

1. To adopt the report of the yearly working and distribution of dividend, as submitted by the Managing Committee.

2. To elect the President and the Managing Committee for the coming year.

3. To appoint manager and fix the scale of his remuneration.

The manager once appointed continues his office unless 1/5th of the members vote to remove him.

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1. The societies providing two classes of membership are only three viz. The Sonsek group, The Ranveri Khurd group and the Bharadvia Cotton Sale Society. The rest provide for only one class of members.

2. The Hansot group provides for 1/4 or 25 of the members as quorum.


members or majority of the members of managing committee ask for change in writing.¹

(4) To appoint the Auditor for the work of yearly audit, besides the usual yearly audit done by the Southern Gujarat Cooperative Cotton Sale and Ginning Societies Union:

(5) To fix the limit of the total deposits and borrowings in proportion with the Reserve Fund.²

(6) To consider the auditor’s report and the explanation given by the managing committee.

(7) To fix the rate of allowance for attending the meetings of Managing Committee.

(8) To lay down the policy as regards to the variety of cotton, to be grown by members and its grading.

(9) To approve of any scheme of constructing godowns, submitted with the Registrar’s permission, for warehousing goods.

(10) To consider any other matter, submitted by the Registrar or the Union.

(11) To dispell a certain member from the society for the reasons provided under the Bye-laws.³

(12) To consider the amendment to Byelaws if any,

(13) To ratify the rules of internal management which the Managing Committee may frame.

(14) To remove any member from his membership of the Managing Committee.

(15) To ratify the dismissal or disciplinary action taken by manager, in case of other paid staff of the society.

¹. The Byelaws of the Antroli Pardi, the Pal and the Gothan groups require application of ¼ of members for change in managership.

². Bye-laws regarding Capital provide that, the capital raised through deposits and loans should not exceed eight times of the amount of reserve fund.

³. See "When can member be dispelled from organisation.” Ch.VIII. P. 343.
(16) To consider the bad-debts or any other matter with the permission of the Chairman.

Members have been given the right to bring before the meeting, any other matter, not previously announced, if 2/3rd of the members agree to do so, provided that the discussion does not refer to the dismissal of a member or amendment to bye-laws. Thus, members have very wide powers to exercise in the general meetings and through the same, to influence, the quality of management. Selection of members to the managing committee, and to remove any member from the same, are among the principal priviledges. The consideration of audited statements of accounts, yearly report, appointment of manager, framing the policy as regards to variety of cotton to be sown etc, are other important priviledges. The members, selected to constitute the managing committee should be such as possessing leadership ability, honesty, good business judgement and above all a sound conviction that cooperative organisation is the most effective agency for achieving marketing efficiency. It is doubtful how far selection is done on merits. Usually the importance is given to a 'Loudest Orator' or to one 'who deserves honour or who is elder' or to one who is not otherwise 'so busy'.

With the exception of two or three cotton sale societies the yearly meetings, more often than not, present a scene of 'routine business' where a few aspirants just get their proposals or decisions hurriedly approved by those present in the meeting who are also often seen in the mood of 'Ceremonial Attendance'. During the last five years, a good deal of interest has been witnessed among the members of cotton cooperatives of Hansot, 1.

1. My impressions, gathered from the talk with the members.
Olpad, and Mangrol talukas. Yet there is a greater inclination towards the group rivalries than any genuine attempts to work out the organisation on democratic lines.

Management Committee:

The president of the society and the members of the managing committee are to be elected in the general meeting. No member who is a time-barred debtor of a cotton sale society or of any other society can be elected to the managing committee; similarly a paid servant of the society is not eligible for being elected to the Managing Committee. 1 The membership of the Managing Committee varies from 5 to 15. The duration of membership is one year i.e. till the next year's general meeting elects a fresh committee. A committee member can be removed, by 2/3rd majority of members in a general meeting. The elected President acts as the Chairman of the committee and has a casting vote in case of equal division of votes. The decisions of the managing committee are taken by a majority vote, and half the number of total strength constitutes a quorum. Vacancy caused by death of a member, can be filled by the committee by a simple majority. The continued absence of a committee member for three consecutive meetings deprives him of his membership and new member can be taken up by the majority till fresh elections are made in the ensuing general meeting. 2

Powers and duties of managing committee:

The Managing Committee determines the policies touching most of the routine business and serve as a guide to the manager of secretary and employees in the conduct of the work. The manager advises and confers with the managing committee upon the policies


2. Bye-laws Nos. 38 to 44 of the Sonsek group.
of the actual work but as a chosen agent, he is guided by the directives given by the committee. The following are the powers and duties of the Managing Committee.¹

(1) To consider the applications for membership;

(2) To appoint the staff and determine their remuneration excluding that of manager. The committee temporarily suspend the manager but the same must be ratified by a general meeting called within a month of such suspension;

(3) To hear the complaints if any and to dispose them of;

(4) To examine accounts and to sanction necessary working expenses;

(5) To obtain loans and deposits and to determine the rate of interest;

(6) To prepare yearly profit and loss accounts and to ascertain the average price of sale of cotton to be paid to members;

(7) To examine the weights and measures maintained by the society;

(8) To hire a godown if necessary, for the use by the society;

(9) To adopt grading and other essential policies for the sale of cotton.

(10) To arrange the sale of agricultural produce other than cotton, if delivered to the society for sale;

(11) To fix the rate of commission on the sale of cotton and other agricultural produce;

(12) To procure farm requirements and goods for domestic use for members on the basis of commission;

(13) To elect a delegate to represent the society on any outside body;

1. Bye-law No. 45 of the Sonsek group.
(14) To frame the policies for granting credit to members during the cropping season and after;

(15) To see that the entire work is conducted within the limits set by the bye-laws and resolutions of the general meetings. It will be seen that the committee has the task of framing financial and sales policies. It also influences membership by a careful membership selection. The committee is, of course, responsible to the general body but its decisions can be challenged by any member if the right of appeal in case of a particular matter was reserved by the general body. Such appeal, however, should made within one month of the said decision, which will be placed in the general meeting called within a month after the appeal is made. The managing committee can meet as many times as the work requires, but it must meet at least once a month in marketing season. In case of very urgent matters the manager can obtain the sense of the committee by sending circulars to the members locally available and get his actions ratified in the next meeting.1

Sub-committee:

The managing committee can delegate some of its powers to a sub committee and frame the rules for its business. The president is to work as an ex-officio member of such committee. Half of the number of its members constitutes the quorum. The work of the sub-committee is to be reported to the managing committee for ratification. In case of some cotton sale societies, the sub-committee is known as the Control Committee. Three or four members of the managing committee who possess experience of sale of cotton are appointed to the control committee for guiding the manager in the season of sale. In brisk days of the season

1. Bye-Law No. 47 of the Sonsek group.
the control committee meets almost on every alternate day. Its main task is to look after the receipt of cotton from members, ginning and pressing and to determine when and how much quantity of cotton should be sold. In actual practice, one observes that the managing committee or the sub-committee hardly formulates any policy, but rather ratifies whatever the chairman and the manager do. Of course, the chairman has all supervising powers and the final sactioning authority, but a manager with dominant personality and being more experienced in cotton sale than others, can very easily usurp the powers of the committee and assume such powers in anticipation of committee's approval.

**THE ROLE OF MANAGER OR SECRETARY:**

No distinction is made between these two positions sofar as the management of cotton sale societies is concerned. Some societies choose to call him manager while other prefer the another designation. In some cases, this personality is known as Managing Director. He is the spearhead of management, technical expert and the 'brains' of the sales organisation. As a fact in any business the manager is the deciding factor for success or failure of the enterprise. The same is the role of secretaries, as emphasised by the Hon'ble vasantrao Naik, minister for Cooperation of the Bilingual Bombay State.

The right of appointing or dismissing the manager and determining his salary rests with the general body of members.

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1. Usual connotation is 'Secretary' in case of multipurpose cooperative society and 'Manager' in case of a cotton sale society.
3. His address to the training class of secretaries of cooperative societies at Bombay, on 5th December 1956.
Ordinarily once appointed the manager is supposed to continue until 1/5th of the members in yearly general meeting or majority of members of managing committee make a written demand stating reasons for replacing the manager.¹ The 'Antroli Pardi' group, the 'Pal' and the 'Gothan' groups provide in their byelaws, for 1/6th members to make such written demand; whereas the Zagadia Multipurpose society provides for five years' period of appointment for Secretary before any replacement of him is considered. In one way it is preferrable to lay down a minimum period of his service, in view of the fact, that some time must elapse till the manager acquires adequate experience of the business.

Duties of Manager:

The Bye-laws of cotton sale societies lay down the following, as duties of the manager.²

1. To conduct the society's work, under the guidance and control of the President;

2. To supervise the work allotted to other staff and paid servants of the society;

3. To be responsible for the correctness of the books of accounts;

4. To attend the general meetings as well as the meetings of the managing committee and to maintain the minutes of the proceedings;

5. To prepare the statement of the grade and quantity of cotton to be sold for each member, and to arrange for ginning and pressing of the same; to secure insurance covering the risk of fire or theft till kapas, lint, and cotton seeds are sold; to arrange for the sale of cotton by marking the trend of cotton market and to

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¹ Bye-law No.28(3) of the Sonsek group coop. cotton sale society.
² Bye-law No. 52 of the Sonsek Group.
keep the managing committee informed of that from time to time;

(6) To secure the sale proceeds of cotton;

(7) To supervise the selection, approval and weighing of the sold cotton and to receive or pay money as authorised by the managing committee;

(8) To arrange for the sale of any other agricultural produce, delivered to society;

(9) To advance crop loans and a part of price of cotton as per resolutions of the managing committee and to secure recovery of the same;

(10) To receive, members' applications, suggestions, and other correspondence and submit to the Managing Committee;

(11) To conduct the entire work within the limits set by the bye-laws and the resolutions of the managing committee and general body.

Thus the manager is a pivot of the entire marketing organisation of a cotton cooperative. The 5th and 6th clause in the above regulation, are very important inasmuch as it bestows upon him the full responsibility as any other manager of a cotton firm may be called upon to bear. He is the link between the cooperative enterprise and the market and must prove as efficient as his counterpart in the private enterprise. Let us now consider, his qualifications and remuneration.

Managers' qualifications and salaries:

Apparantly, manager should possess all the qualifications necessary to discharge his duties satisfactorily. Not only he should possess adequate knowledge of the intricate problems of cotton market, local as well as central, but should also know necessary details of cooperative management. He should have
complete familiarity with book-keeping, secretarial practice and banking procedure of a cooperative organisation. As he is entrusted with the sale of agricultural produce and has to deal with member cottongrowers his intimacy with the local cultivation practices will give him an added benefit in enabling him to guide members in respect of the grade and purity of cotton. As he is required to arrange for ginning and pressing of cotton he should be conversant with necessary details underlying the efficient ginning and pressing. Of course, the manager of a cooperative gin press factory must be technically qualified to supervise ginning and pressing and the management of gin-press store. Needless to say that he must possess tact to handle workmen since in ginning and pressing factory he is required to look after the labour force varying from 40 to 100 according to the working capacity of the factory.

In the present survey of 45 cotton cooperatives and 8 cooperative gin press factories, it has been observed that managers are mostly experienced men either in cotton business or in cooperative societies. 5 out of 8 managers of the cooperative factories had the experience of working in the private ginneries. In case of 4 cotton sale societies and 2 multipurpose societies the managers were retired gujarati teachers. In the remaining cases, the managers have gathered experience only in their present service. The secretaries of only 3 multipurpose societies, showed some knowledge of the cooperative law and one of them was holding a Diploma in Cooperation of the Bombay Provincial Cooperative Institute. Another had a diploma in Local Self Government.

In case of two cotton sale societies, Chairman himself works as

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1. The Zagadia Multipurpose Society and the Zagadia taluka cooperative cotton sale society respectively.
manager without any honorarium. Both are experienced in a private business.

The remuneration paid to managers differs widely among the cotton cooperatives. The manager of one cooperative in Mangrol taluka gets more than Rs. 6000/- per year. One of the Hansot group is paid Rs. 3000/- per year, but barring these cases, the remuneration does not exceed Rs. 2000/- per year. Manager of the Ranveri Khurd cotton group is paid Rs. 1175/- per year along with dearness allowance fixed by the managing committee from time to time. The Netrang Khedut gin press society pays Rs. 1200/- per year to its manager, whereas the Oli group Multipurpose Society pays Rs. 1000/- per year. Ordinarily a cotton sale society pays on the yearly basis because the nature of work is seasonal. The multipurpose cooperative societies prefer to pay on a monthly basis as their work usually continues for the whole year. The salary of a manager falls in a higher bracket than wages of skilled or unskilled labour. This fact is not fully appreciated by the cotton growers. They hardly realise that expert managers are scarce. In a number of cases, managers expressed their dissatisfaction about their remuneration which they considered very low, in contrast with the value of responsibility that they have to bear. Cotton growers should realise that the well paid manager is less costly than poorly paid manager. Of course, a low salary does not ensure economy neither, does a high salary indicates efficiency. Other things must be taken into consideration. Lower cost of operations, increasing reserve fund and higher average prices for the cotton sold, may go hand in hand with large salaries. Some contend that the salaries in cooperative societies
are bound to be lower because (a) the agriculturists are known to be poor, (b) the tenure of office is more secure, and (c) there is a greater scope for rural service. In harmony with the philosophy of cooperation large salaries are frowned upon. Others believe that a cooperative, particularly a marketing society, must pay more for managerial ability, because it is necessary to compete with private agencies of marketing which are supposed to be offering better remuneration for enterprising managers. Even the remuneration of the clerical staff does not exceed beyond Rs. 600/- per year. This is definitely a very poor return for those who are expected to handle the business worth lakhs of rupees. Inadequate remuneration often encourages the tendency towards illegitimate gratification as was observed in case of the staff of old cotton dealers. It is better to employ economy measures more profitably in other matters than cutting salaries of the manager and the clerical staff. It is necessary to state at the same time that managers and members of the staff, should be deputed for training in cooperative methods, turn by turn, so that the remuneration may be justified by merits.

Manager and Membership:

In a cooperative sales organisation a manager has to cope with a duel problem, viz (i) the technical business problems and (ii) the membership morale. The constant study of market and keeping abreast of marketing developments enables him to tackle business problems quite confidently. But the maintenance of membership morale is not a simpler task. To keep cotton flowing to the society's gin, season to season, requires that the membership be informed of the sales policies and its successes. It has to be conceded that majority of members do not care to know much
of their society beyond the fact as to how much price they are going to receive in current season. Yet such information is the vitalising element in a cooperative organisation. The manager who does not keep contact with the members in one form or the other, be he ever so efficient in business matters, operates under a serious handicap. A sympathetic understanding of the needs of member-growers is no less important than ability to master the internal and external operating problems of the business itself.

**Value of Information Service:**

Dissemination of information to membership is one of the fundamental principles of a marketing cooperative.¹ Farmers as a class, are not educated and 'education' is necessary to strengthen the cooperative thought. It is more difficult to educate a large group than a smaller group. Therefore one observes that the smaller cooperatives such as 'The Sava' group, the 'Dhaman' group, the 'Velacha', the 'Sialaj', the 'Sandhier' the 'Verthan' the 'Kudsad' etc., are more well-knit than the bigger societies like the Nana-varachcha, the Hansot, the Pal, the Gotham, the Mulad, the Zagadia Multipurpose, the Ranveri Khurd etc. Coordination of thought is easier in a compact area promoting intelligent action on part of members. Where the facts of the organisation and accomplishments are not placed before the agriculturists the understanding of cooperative methods is not possible. e.g. A few of the cotton sale societies do not publish their yearly reports for circulation among the members. This is shunned as a propaganda. No efforts, worth mentioning are made by cotton cooperatives, to carry convictions to non-member

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¹. See 'Principles of cooperative marketing' Chapter. VII P.319
cottongrowers. Information service and educating the public opinion in favour of a sound economic system is not a propaganda. The private dealers in cotton do take pains to collect the necessary information in order that they may reduce risks and conduct their business as efficiently as possible, but since they are not motivated by the same objectives as those of cooperative bodies, they reserve the right to decide which information shall be communicated to and which should be withheld from those whom they are bargaining. The cooperatives can do better by interpreting to the farmers the market information to serve their true interests. Integration of marketing service, as cooperatives desire to achieve, renders that necessary. It must be admitted that in this direction the cotton cooperatives still lag behind the private dealers.

Management and Political attitude:

The political maturity and non-sectarianism is another important principle\(^1\) of cooperative organisation which management should care to preserve. Cooperatives are supposed to be public organisation and hence are prone to align with some public ideology. But they are first concerned with economic success i.e. Success in their economic objectives. Harmonious economic interest is the basis of cooperative action and therefore to create and maintain the spirit of mutual aid and goodwill, political religious or communal controversies should not be permitted to cause dissention among the ranks of membership. Cooperation has a distinct economic objective which is not subject to compromise.

\(^1\) 'Principles of Cooperative Marketing' Chapter VII Page 319
A political party, on the other hand, can achieve success only with a constant give-and-take between the leaders of the party and its followers. Its vacillating methods would be risky if not fatal, to the cooperative activity.

It is almost certain that a cooperative body will become subservient to the political party from which it seeks favours. Its fortunes and achievements will be seriously affected with the downfall of the party. Cotton dealers in South Gujarat uniformly believe that the striking progress of the cotton sale societies is due to close indentification between them and the Indian National Congress i.e. the party in power. It has been pointed out how the earlier leadership of cotton cooperatives was associated with the political movement of 1930s. Some of the Cotton Sale Societies then had to close their work for a short period.1 Even at present, more than ever, the leading personalities of the cotton cooperatives are accredited leaders, of the congress party, in their respective areas. The policy of the party in power to-day is to favour the cooperative movement and utilise the same as means to win the mass support, but the greatest danger of such political affiliations is that if the opponent political groups come to power, their policies may adversely affect the present prestige of the cooperatives.

However, neutrality on part of cooperatives does not indicate a lack of interest in the affairs of the government because in the end the economic activity is bound to be influenced either beneficially or detrimentally by legislation. All that can be

1. See 'Initial years of political unrest' Chap. VI 'The Growth of Cotton Cooperatives', Page 268
emphasised is that an interest in actions of the government can be maintained without any political partisanship.¹ In Denmark cooperatives draw up a manifesto to be approved by candidates for political office. Each candidate is informed of the expectations of the cooperatives, the legislation they desire, and the polities they favour. The greater number of parties or candidates subscribing to their views, the more is the possibility that the cooperative membership may favour that party or candidate, without itself-taking a party stand in politics. As a result, candidates of all parties, anxious to obtain the support of the cooperative membership readily endorse its proposals. The cooperatives inform their members which candidates and parties approve of their programme without presuming to tell them for whom they should vote.² Without much emphasis one can say that such a policy is worthy of being emulated by our marketing cooperatives.

Management and Sectarianism:

Management should guard itself against another evil that is so prominent in India viz. Casteism. Cooperative is a non-sectarian organisation and should retain an impartial stand on all issues relating to caste and communities. Despite the constant denouncement from all social leaders, caste-groupings and nepotism have steeply rooted itself in our all public organisations. Caste affiliations contribute to solidarity, more

1. The cooperatives in Italy and Germany once, out of necessity, endorsed the political creed of the dictators and submitted to their domination. Later, on the downfall of the dictators, they came to grief. Russia, may be said to be a national cooperative in one sense, or if communism seems to be entirely foreign to the cooperative movement, it is entirely non-cooperative. Blankertz 'Marketing Cooperatives' Page. 133.

often than any good principle or creed can do and we see in South Gujarat, some of the cotton cooperatives dominated exclusively by certain castes, in membership as well as management. I was told, that cotton sale societies of Olpad, Chorasi and Mangrol talukas have derived much of their strength due to existence of good many 'one caste villages' in the area. However membership is not and legally cannot be restricted to certain castes. Consequently, if a few enterprising individuals of two or three castes are brought closer in their strength in management, there starts an veiled rivalry, which ultimately discourages merited and capable members and adversely affects the success of the organisation. It will be unfair to quote here such illustrations as reference to the same has been already made, while discussing the growth of cotton cooperatives.

**CONCLUSION:**

Most of the problems of management cited above, can only be met with through promotion of intelligent membership. Political attitudes, secterian views, formation of cliques and domination of one group over the other, apathy on part of members and lack of organised efforts to educate membership are some of the black-linings of management policies of cotton cooperatives. Byelaws are alright but the implementation of powers and duties, that management derives from Byelaws, depends upon the level of members. Some of the cooperatives such as the 'Sava' group cooperative cotton sale society, the Hansot group cooperative cotton sale society etc., desire to limit the period of chairmanship for each member by providing that no member of the managing committee shall continue as chairman for more than two years. This is expected to give scope to each member to become Chairman and obtain experience of business. In Hansot group there are three
rival groups of members, led by similar groups in the Managing Committee. The management is virtually separate and only the sale of cotton is done under common seal. Continuation of chairman or manager for decades together, blocks the free flow of 'membership management relationship' and create the anomalies as noted in case of Hansot. Provision of yearly election of the office-bearers works in vain when cliques begin to work. Therefore the way to cooperative business is membership education. Cooperation cannot be handed to people ready made. It must spring from the people themselves, form their own convictions and understanding. Hence as Warbasse remarks, education and more education is the need. Business success is not enough because it may lose sight of the main creed of cooperation i.e. "EACH FOR ALL AND ALL FOR EACH". The Bombay Cooperative Societies Act and Rules are very comprehensive, probably too comprehensive in laying down detailed organisation of cooperative societies with the result that cooperative leadership hardly feels like taking any initiative on their own. Secretaries and Managers work in the framework laid down for them by the rules and the Act. Anything beyond the rules required reference to the cooperative department. Reliance on the department and the legally imposed framework have deprived our cooperative organisations of the liveliness and elasticity, which cooperatives in America possess. Law is more imposing than the spirit of membership and therefore, management of cooperatives keep their eyes more towards the department than towards the members. Some enlightened leaders of the Cotton Sale Societies admitted that very little is done by the management, to promote cooperative thought among the people as they believe that the Law will do everything for them.