CHAPTER VII

CONCLUSION AND SUGGESTIONS
CONCLUSION

The cooperative movement spread from its birth place Europe to other parts of the world. In India, it was existing before the Government gave a legal sanction to the movement in 1904. The movement emerged due to the colonial Government's approach and sufferings of the weaker sections. It passed through various crucial stages during the pre-independence period. It played a significant role for the first time during the First World War when cooperative sector was assigned the job of supplying the goods to the people in the country during the war period. Though, it was initially conceived as a credit cooperative but it started taking part in other economic activities of the country.

After independence, particularly with the advent of economic planning, cooperative sector was given significant place in economic policies of the Government. The importance of the cooperative sector was felt so much that the success of the plans used to be judged by the extent its programmes were executed through cooperative method and Government took it as one of the policy measures. It was visualized that the cooperative sector has to emerge as a strong balancing factor to moderate the exploitative influence emerging from the operations of public and private sectors. Realizing the potentials of cooperatives, the government has been deeply involved in their working and development. A major development after independence has been the emergence of 20 national and 260 state cooperative federations which have added a new dimension to the cooperative infrastructure.

Indian cooperative sector has a good network which attained the previledge and status of being the world's largest cooperative movement. In certain areas of national economy, where cooperative sector has a natural and inherited advantage, cooperatives are doing very well. It shares 12% in capacity utilization of sugar mills, 75% in marketing of agricultural produce, 61% in storage capacity, 60.5% in national sugar production, 59% of agricultural credit, 58% in handlooms, 30% in national fertilizer. The cooperative sector has covered 100% villages and 67% households of the country. The movement has 4.53 lakh societies, 204 million membership with 1574770 million working capital and 231 sugar mills out of 408 in the country. Besides, it has good opportunities to take advantage of and contribute in the emerging areas like tourism,
floriculture, sericulture, pesticides, pharmaceuticals, engineering, foreign trade in agro-based products like, tea, spices, cashewnut and cakes, processed food, cotton and cotton yarn, jute, textiles, coir products etc.

In spite of a large dimension, the cooperative sector showed poor performance in maximum fields as compared to other foreign countries, where cooperative sector has really proved as a competitive and balancing sector of their economies. It is noticed that PACS, which form the foundation stone of cooperative credit structure, are not viable in a number of ways. Out of 90,000 PACS, 36,000 are running on loss, many of them are even dormant. This is because of regional imbalances in growth and development, too much involvement and interference of outsiders in the working and management, structural deficiencies, weak financial base, lack of professionalization, rigid and restrictive laws, poor leadership etc.

As things stand today, competition is going to be order of the day. The same support and protection from Government would not be available to cooperative sector as has been hitherfore. Cooperative sector has to face the competition. The cooperative sector has often been accused of operational inefficiency that it has been pulling on only because of Government aid and protection. The allegation, though exaggerated, is not altogether false. It must be admitted that whenever cooperatives face competition, they lost ground. Moreover, the movement worked in many fields in isolation rather than as a unified system. The dynamics of the development is currently being lost. Even as cooperative system has been weakened at the base, it has never acquired too much strength at the top, because of the fact that cooperative sector is caught by the self-styled leaders which hampered the very existence, performance and democratic character of the sector. Moreover, many times elections are not being held as per the cooperative law or deliberately post-phoned for years.

Indian cooperative sector is really in need of state help in many respects like financial assistance, technical know-how, foreign trade promotion etc., but the encroachment and control by the state in management is a threat to the cooperative norms and principles. Moreover, bureaucratic statutory control on cooperative sector never allowed it to proceed according to well-established values and principles.
India is now in the midst of second phase of economic reforms. The liberal economic environment has thrown many opportunities for exploitation. Public and private sectors have taken full advantage of these opportunities with their strong capital base, excellent management and excess to a wide marketing network. However, cooperative sector has not been in a position to take advantage of these opportunities because management of cooperative sector lies mostly in the hands of untrained, inexperienced, unskilled and uneducated persons. Moreover, economic reforms have more or less by passed the cooperative sector in India.

An effective system for manpower planning and identification of training needs for different types of categories of cooperative institutions is yet to evolve in the country. In fact, there has been a very limited progress in the development of personnel management policies in the cooperative sector based on the needs of cooperatives at different levels. No systematic training plans linked with organizational/corporate plans at enterprise have been worked out. This has also created constraints in developing interaction between the cooperative training institutes and cooperative enterprises. The cooperative institutes, by and large, are yet to adopt sound and scientific recruitment policies to recruit right persons for the right job based upon properly worked out job profiles through scientifically drawn out procedures. The excessive reliance and practice of getting deputationist from Government departments is not only anti-thesis of professional management but a big hindrance in developing cooperative's own caders of managerial personnel.

Cooperatives in many developing countries like India are lagging behind in the use of human resources to the optimum benefit to organization for want of a developmental approach which encourages an individuals initiative and creativity in an organizational structure. In order to keep pace with other sectors, they need new value systems and development strategies. The concept of HRD in cooperatives has not yet evolved fully, because whatever efforts have been made in this regard are only too meager and sporadic. In order to overcome these structural and non-structural gaps, NCUI has been assigned a role to play in the development of cooperative sector in India.
NCUI obtained its present form after passing through a number of phases during the last 60 years of its existence. In the year 1926 the need was felt to have a national level organization representing the entire cooperative movement. Finally, all the previous cooperative associations were merged into a single body as National Cooperative Union of India, at New Delhi so as to develop effective liaison with the Central Government Planning Commission and international bodies to promote the cooperative activities effectively. The movement progressed and diversified under the overall control of NCUI. Since the inception of NCUI, the membership touched 20.4 crore by implementing various schemes and programmes. The union has a character of national confederation of cooperatives of India and its membership is open to all national and state level cooperative organizations. The number of member institutions has gradually increased to 212. The union developed a good liaison with international agencies like ICA, UNO, FAO, ILO, UNDP, CCA and other international agencies for the proper development of Indian cooperative movement. The main trust, however, remained upon the expansion of membership and little upon the HRD in cooperatives during the initial periods.

The quantitative expansion of Indian cooperative movement is an encouraging phenomena, but the problem of development of manpower in cooperatives remained unattended. The Indian cooperative sector is not as much viable as that of public and private sectors in respect of HRD policies, professionalization of cooperative management is a grass root laguna in the development of cooperative sector. In credit sector, out of 6.93 lakh staff, only 38.65% employees are trained. Similarly, in non-credit sector, the training gap is much more penetrating as out of 6.99 lakh employees, only 15.72% were trained and rest have not been exposed to any formal training. The problems relating to HRD pose serious challenges before the cooperative authorities and would become explosions for cooperative movement with the time to come. Leadership in cooperatives is an essential pre-condition for the success of cooperative development, but Government has always adopted a paradoxical approach in its development. The ever-changing economic scenario of the country has posed a great threat for the survival of cooperative sector in India. Moreover, the outsiders interference in management, deputation system, political involvement, too much dependence on Government support.
communication gaps and the like are the main constraints for Human Resource Development in cooperatives.

Since the introduction of cooperatives till today, no attention has been paid seriously towards HRD in cooperatives. In cooperatives, where human resource is in abundance as a productive asset, it has never been recognized as a means of cooperative development with few exceptions like IFFCO, KRIBHCO, NCDC or ANAND. Cooperatives, therefore, have to build its own HRD policies and enjoy no more monopoly in any field of activity as was the case in the past. Meanwhile, during recent years due to economic globalization, cooperative authorities feel the need and importance of HRD in cooperatives as an indispensable tool for the development.

The development of human resource in cooperatives has been recognized an emergent need not only at the top level, but also at the grass root level. This responsibility has been thrown upon the apex organization NCUI. NCUI has taken various steps to develop the human resource in cooperatives by introducing various schemes and programmes. It has bifurcated the whole HRD system into education for members and training for officials of different hierarchies.

NCUI has started cooperative education under NCCE in 1958 as one of the components of HRD policy in cooperative sector. It was felt that the ever increasing membership should be guided, educated and assisted about the cooperative philosophy, values, principles and strategies NCUI has made its efforts that without proper education to members, the cooperative development is impossible. The members are being educated about their rights, duties, powers, responsibilities, latest trends and developments, innovations and programmes. The present system of education as a means of HRD is being imparted through 27 cooperative education field projects working throughout the country. Besides, there are 15 handloom, 14 industrial and 12 handicraft projects which are also engaged with the educational and developmental activities. All the activities and programmes are monitored and evaluated by NCUI. During 1997-98, there were as many as 17957 programmes of different natures conducted for different categories of people, in which 735989 people have been educated. The educational activities of NCUI remained not only limited to the development of weaker section and members, but it has touched every field of economic activity. Besides, NCUI has also introduced the leadership
development programmes to build good and qualitative leaders among the members, office bearers and secretaries of the PACS. NCUI is trying its best to develop managerial cadres, professional persons of its own so that the sector should not barrow from other fields. Sector wise programmes and plans are being implemented to develop the required qualitative skills, traits and talents among the members to build a strong HRD system in cooperative sector.

As the subject of HRD assumes greater importance, NCUI is also trying to create enlightened professional cadres to manage the cooperative sector very well. To realize the objectives of HRD in cooperatives, NCUI has evolved a three tier training system to create enlightened managers, skilled leaders and competent and committed members in the cooperative sector. The training structures of NCUI is based upon VAMNICOM at national level for senior level cooperative officers, RICM/ICM at regional level for intermediate cooperative personnel and JCTC for lower level cooperative personnel. NCUI has initiated significant measures to develop more and more job centered training packages for all the sectors. To upgrade training technology and diversified training programmes and to improve the professional competence among cooperative personnel is one of the main objective of HRD of NCUI. During 1997-98, VAMNICOM alone has trained 2128 persons of senior level, while as RICMs/ICMs trained as many as 20844 of intermediate cadres and JTC has trained as many as 17670 cooperative personnel for lower level during the same period. In addition, a good number of cooperative personnel of foreign countries for senior cadres got their training from the national level institute VAMNICOM, Pune. NCUI has been conscious to develop innovative programme of Business Development Planning for agricultural cooperatives and computer awareness and application programmes have recently been evolved in this direction.

The apex organisation NCUI did a remarkable service to the cooperative sector but it has to keep pace with the modern innovations. 27 projects which are under its purview have brought all the sectors of different community into its fold. But a large number of project personnel are hired from other department (24%) which is a big lacuna in the development of project activities. However, the whole staff is well-equipped with training in their respective fields. The training and promotion is purely based on seniority basis where qualification does not play its role. But lack of dedication due to job dissatisfaction has eroded the training and education structure of the union.
SUGGESTIONS

On the basis of the findings of the present study regarding different aspects of HRD under investigation, outlined in the present and preceding chapters of the thesis, the following suggestions have been offered:

1. The main cause of slow progress and non-viability of cooperative sector in India is the dearth of professional personnel for managing the affairs of the cooperative sector. If the objectives of the cooperative sector are to be attained, the HRD structure of cooperative sector in India should be overhauled completely. The HRD cells should not be merely ornamental but should be utility based and supplementary to the existing cooperative education and training systems. Implementation of manpower development plans should begin at the highest level and flow downward, keeping in view the present economic scenario. Well-established personnel policies are sin-qua-non for successful HRD programme in cooperatives. The factors influencing the internal and external environment around cooperatives including cost factor should be kept in view.

2. HRD policies should be developed and implemented especially in those areas where the cooperatives have a tough competition, so that the cooperative sector is able to make functionaries skill based, dynamic to consolidate their decision making process. Hence, the existing arrangement of cooperative education and training programmes need to be re-structured and re-designed according to the modern concept of professionalization. Cooperative education and training institutes, from top to bottom, are also required to be modernized and equipped with the latest media communication facilities. This will certainly enable the institutions to cater to the education and training needs in a scientific way.

3. Members form the largest part of human capital in cooperative sector at primary level. They are generally illiterate and are not as informed as shareholders of other corporate sector. They are not even aware about their rights, duties and powers as members. It is therefore, a big lacuna in the progress and prosperity of cooperative development. There is an immediate need to imbibe them with the
cooperative education, regarding their rights, duties and powers as well as general cooperative knowledge.

4. Cooperatives are business organizations, thus making it service and competition oriented, the managers, creative and dynamic leaders and participative members should be endowed and equipped with full knowledge of modern managerial skills. Moreover, modern techniques like stock control, inventory control, budget and budgetary control, variance analysis, forecasting and cost accounting techniques need to be introduced in the Indian cooperative sector.

5. In order to make cooperative sector viable and efficient, self-reliant, self-dependant and confident, cooperative values, principles and programmes should be upgraded. There is an urgent need to revise the age old laws and stop political interference of leaders in cooperatives who are grinding their own axe at the cost of cooperatives. Moreover, government staff, working in higher positions of cooperatives on deputation basis must be stopped. This will surely enable the cooperatives to build their own managerial cadres and function on democratic basis.

6. Cooperative enterprises have meager resources. They have to perform their activities in such a way that the desirable results are attained with the minimum efforts, time and money. There should be a one time sound financial assistance from the Government, so that the cooperative sector wipes off the balance sheet losses and adjusts the production, sales and distribution activities to reduce the cost to the minimum. This will go a long way to build a strong relationship among consumers, shareholders and the society as a whole.

7. To make cooperative sector competition and service oriented in accordance with the present and future economic diversification, there is an urgent need to liquidate all the non-viable units of the cooperative sector and merge the small units with big units so that the competition between the units could be avoided and build themselves in IFFCO, KRIBHCO, or ANAND pattern. There is also a need that cooperative sector should be converted into cooperative corporate sector
on the lines of joint stock companies. This will surely make the sector more responsive and result oriented.

8. Even where there are instances of cooperative societies in other countries undertaking foreign trade operations, it is noticed that in most cases products dealt with by the cooperative societies are more in demand as compared to public and private sector products. Cooperatives have also an opportunity to enter into new areas of export like floriculture, sericulture, tourism and the like where it can contribute a good amount in the national economy. In order to take the advantage of foreign trade, there is also a need to establish international cooperative trade organisation which will go a long way to overcome the lacuna in external trade and it should be appropriately linked with CA cooperative trade network.

9. Full freedom should be given to the executives at all levels in cooperative sector to take decisions on all matters regarding day-to-day operations. It will positively create a sense of responsibility among the office bearers to achieve the cooperative goals.

10. The training facilities within NCUI ambit are inadequate. The age old syllabus and pattern of NCUI should be completely modernized in accordance with the HRD needs of cooperative sector. There is a burning need to upgrade the training system and training institutes should be fully equipped with modern facilities. Moreover, NCUI will have to offer attractive service conditions, pay scales, better work environment, welfare facilities, security of services, avenues for promotion, better job satisfaction and clear cut recruitment policy should be brought forward.

11. It is imperative for NCUI to involve younger generation in cooperative activities of various kinds as is done in other cooperatively advanced countries. Advantages occurring from the involvement of youth in cooperatives would be manifold. Through such activities younger generation can learn to work on the basis of self-help and they would be exposed to social and economic benefits from these activities, thus building confidence in them. It will be helpful in solving the
unemployment problem and building up a strong cooperative management in the country.

12. If the cooperative sector is to be made more responsive and brought on the right track then it becomes necessary for NCUI not only to increase the number of education field projects which are inadequate in number but also to review the existing projects and equip them with all the required facilities. There should be at least one education, one handloom, one industrial and one handicraft field project at each district so that the ever increasing education and training needs in the field at gross root level can be met.

13. With regard to the employment in projects, the following suggestions are put forth:

   i) Weightage and preference should be given to the candidates with professional qualifications especially from VAMNICOM and RIM.

   ii) Apart from basic wages as per rules, performance based financial and non-financial incentives should be given to employees.

   iii) Promotion policy should be on merit-cum-seniority basis instead of sheer seniority.

   iv) Suitable performance appraisal system should be evolved so as to give recognition to merit.

   v) Experienced and qualified employees at the lower levels should have a clear cut career development through vertical promotion to higher levels.

   vi) Congenial, cordial and conducive environment should be created for the employees, members and office bearers to work as a team and develop cordial employer-employee relationships.

   vii) Training period should be enhanced and training increments should be given to the employees to create adequate job satisfaction.