Cooperative organisation in India has been widely recommended and accepted as an important aid to rural reconstruction and development. The process of giving a distinctly cooperative bias to the production of sugar in the interest of cane growers was first emphasised in the country with the establishment of the first cooperative sugar factory in 1935 at Biswan in U.P. This proved to be a turning point in the history of cooperative sugar industry in India. The application of cooperative principles and techniques turned the agriculturist class into entrepreneurs. Now the cooperative sugar industry holds a place of pride in the cooperative movement in the field of large-sized processing industries in the country. The number of cooperative sugar factories in the country increased from 2 in 1950-51 to 160 in 1983-84. A remarkable progress has also been observed in the production of sugar in the cooperative sector. Cooperative sugar mills of India account for about 55% of the total sugar produced in the country. Uttar Pradesh being a predominantly agricultural state has at present 21 cooperative
sugar mills in full working condition. Eight other factories, now under various stages of construction, are expected to start working in the near future. These mills, apart from adding to the economic upliftment of sugarcane growers, have taken up a number of social welfare activities for the benefit of the rural community at large such as spreading of education, medical help, entertainment, housing etc.

Sugar Cooperatives are wedded to the principles of democratic socialism. A cooperative is a special form of business organisation which is neither a public undertaking nor a profit seeking enterprise. It is owned, controlled and managed by its members on the basis of one man one vote. This form of management is not a simple one but it is full of complexities. The cooperative organisations have to face the same problems of business as other public and private enterprises are facing in addition to their special problems arising out of their cooperative character. Though, there has been a substantial rise in the number and size of sugar cooperatives but they have failed to achieve their objectives fully. Since the inception of the
cooperative movement in the country, various legislations and recommendations of expert committees have contributed a lot to the improvement of the design and structure of cooperatives. However, it is considered essential in today's competitive environment to reorganise the cooperative structure in conformity with the principles of modern management so as to keep it in line with other public and private enterprises. The success in a business organisation depends mainly on efficient management. A high standard of organisational operational and managerial efficiency can be achieved through enlightened management. The cooperative sugar mills cannot move with the speed of their counterparts in the public and private sector unless they are capable of managing their affairs on the established principles of scientific management. In the light of these observations, it is relevant to examine the management pattern of cooperative sugar mills of U.P. In this context it is proposed to make a study of existing management pattern and related problems of these cooperative sugar mills of U.P. Efforts have also been made to make suggestions for a suitable pattern of
organisation and management in this thesis with
a view to bringing greater efficiency in manage­
ment system.

Although the scope of the present study
extends to the whole country, but for the purpose
of an intensive analysis, it has been confined
to U.P. The cooperative sugar mills of U.P. have
been selected on account of their prominence due
to their large size cooperative processing, stra­
tegic position in capital investment, greater
employment opportunities created by them and economic
benefits to a large number sugarcane growers.
Management aspect of sugar cooperatives of U.P. is
still an unexplored field of study. As far as we
know no serious study has been made on this. Hence
it is hoped that this work would prove useful to
the government authorities, cooperative officials
and more so to the workers and members of these
cooperatives. Against this background the present
topic of study has been selected. The aforesaid
objective and scope of this study emphasize the
need for management appraisal of cooperative sugar
mills of U.P.
RESEARCH METHODOLOGY:

The methodology of this study includes both the conventional deduction and induction methods judiciously to obtain specific conclusions. The application of economic reasoning, accounting theory, statistical methods and management principles have also been made to illuminate the problem. All available facts and material related to the topic of study have been examined, recast and presented in a condensed form. The study is based on published material as also on the information collected through spot studies. For theoretical side of the subject, works of several eminent economists, scholars and relevant reports and documents have been thoroughly studied. Statistics regarding sugar cooperatives have been collected from monthly bulletins, periodic statements and reviews of the National Federation of Cooperative Sugar Factories, New Delhi and official records of the U.P. Cooperative Sugar Factories Federation, Lucknow. For spot study, a survey of cooperative mills of U.P. has been conducted to elicit first-hand information about the working of the factories, and other related aspects of the industry.
The organisational charts used in this study and other information concerning individual cooperative sugar mills have been obtained from the concerned mills. The data collected through spot studies has been properly analysed for arriving at some meaningful conclusions for adopting a coordinated approach with a view to improving the management of cooperative sugar mills of U.P.

FRAMEWORK:

In pursuit of the objective and the scope of work as stated above, the study has been arranged in seven chapters.

In the first chapter an attempt has been made to trace the evolution and development of cooperative sugar industry of India with particular reference of U.P. A brief history of the evolution of the sugar industry in the cooperative sector shows that it was initially started and established on a family basis. Now it occupies a prominent position in the field of processing. But, in spite of having favourable conditions, the industry is heading for a crisis. Sugar production has been
fluctuating widely from year to year which is due to non-availability of sugarcane, competition from gur and khandsari units, lack of managerial skill etc. Various aspects have been analysed in this chapter such as the role of sugar cooperatives in mobilizing rural savings, socio-economic significance of these cooperatives, sugar production, their financial pattern and their major problems.

The Second chapter occupies a pivotal position in the entire study. It provides background material and determines the nature and scope of the analysis. It deals with the study of management patterns in the sugar industry of U.P. It underlines the cooperative form of organisation and management and a critical examination of existing organisation and management set-up of cooperative sugar mills of U.P. A case study of the organisational charts of two cooperative sugar mills of U.P. has been made in order to draw specific conclusions. It has been maintained in this chapter that the survival and healthy growth of cooperative sugar mills largely depends on their scientific internal organisation which constitutes the framework of management for
decision making. The analysis and a model organisational chart drawn for a composite cooperative sugar mill support the view that for the successful running of cooperative sugar mill, sound organisation is essential.

To verify the observations made in the second chapter, the third chapter is devoted to the role of the policy making bodies i.e., the General Body, the Board of Directors/Administrators and other executive committees at the top level management in cooperative sugar mills of U.P. It reviews the composition of the General Body in the cooperative sugar mills, and of the Board of Directors, their powers, government nominees on the Board, and their powers, the Chairman of the Board, his functions and powers, appointment of Administrator by the Registrar in place of the Board, functions of the Board/Administrator and their responsibilities. The chapter concerns itself also with the analysis of the chief features of the sub-committees, their formation, functions and powers. Efforts have also been made to review the position of the Board of Directors/Administrator in
routine management, framing the policy at different levels and relationship between the Board of Directors/Administrator and salaried management. It has been noted that there appears some confusion about the role of the Board of Directors in the day to day management in the minus of some chairman and other members of the Board. This is an interesting area for study. Actually, the functions of these authorities get mixed up in actual practice in the absence of a clear-cut demarcation of powers and functions. At present all the cooperative sugar mills of U.P. are under the control of Administrators appointed by the government of the State. They do not have qualities of a professional manager. As a result of this their cooperative character has been eroded.

Chapter IV reviews the role of the chief executive officers and other key personnel of cooperative sugar mills of U.P. in the management of these mills. It is noted that due to government patronage every chief executive officer and other
key personnel are appointed by government of the State through U.P. Cooperative Sugar Factories Federation. Usually the District Magistrate is given the additional charge of acting as the Managing Director of the sugar cooperatives. In a few cases the Managing Director of the U.P. Cooperative Sugar Factories Federation or Secretary Department of Sugarcane, Government of U.P, acts as the Managing Director of a Sugar Mill in the cooperative sector. The position of the chief executive has been made clear under laws and byelaws. The General Manager of a cooperative sugar mill is to act as a link between the democratically elected Board of Directors and the appointed salaried management. This chapter shows the actual position of the chief executives in the mills. It is also concerned with the analysis of their responsibilities, functions and the relationship between elected and salaried management.

Chapter V makes an intensive study of workers' participation in management. It deals with such aspects as concept of workers' participation, its
various stages and evolution of workers' participation in management in cooperative enterprises. It also examines the recruitment, selection and training of workers in cooperative sugar mills of U.P., payment of wages to them, industrial disputes, housing and other labour welfare measures and the position of workers' participation in management in cooperative sugar mills of U.P. and problems related to it. It also reviews the staff relationship and need to frame suitable personnel management policies on constructive lines to achieve the dual goal of higher productivity and industrial peace.

In Chapter VI the management and administrative problems of cooperative sugar mills of U.P. have been analysed. It concerns itself with the analysis of problems before different levels of management, and an overall problem of organisation development. These problems have assumed special significance in the working of the cooperative sugar mills of U.P. which are managed by elected management as well as by state bureaucrats. It is noted that lack of professionalisation of management in these mills
creates problems of management at all levels. The concept of professionalisation of management has been discussed from different stand-points. Further, the difficulties and obstacles in the way of adopting professional management have also been analysed. It is observed that the aspect of professionalisation of management cannot be introduced at one stroke by a resolution or administrative action. In view of this, the necessary preconditions for implementing schemes for the professionalisation of management have also been discussed.

In the concluding chapter an exhaustive summary of findings, conclusion and suggestions has been given. The summary contains the findings and suggestions of the author along with appropriate recommendations and suggestions of experts, working groups and commissions on the subject. Although the conclusions drawn in this study specially relate to the working of cooperative sugar mills of U.P., they can be applied with necessary modifications to other fields of
cooperative processing in U.P. and elsewhere. It is hoped that this study will help in revitalising the cooperative sugar mills of U.P. It should also provoke further researches to solve the outstanding problems of this industry. No doubt, the cooperative sugar mills of U.P. may accelerate the pace of industrialisation, social welfare activities and economic development of the state provided their organisational, operational and managerial short-comings are removed.