The basic problem of the Indian Economy is the poverty of the vast population which continues to pervade their life despite increase in agricultural production and technological advancement. The Five Year Plans in each phase achieved less than what was desired and the fruits of economic development could not be distributed evenly to the entire population. Sometimes there were certain shortcomings in the formulation of policy planning and at other times implementation was poor. An alternative strategy was equally difficult to be evolved. The politicians and the administrators while striving to achieve the economic development, found their performance midway fizzling out even under the surveillance of the legislative fiat.

One important area which has received less attention in the current discourses on cooperative movement in India is the administrative implications of cooperation as it has actually been practised over the last few decades. What is lacking is not the study of the ramification of administrative structure, but an analysis of their relations inter se as well as the results of their confrontation with the powerful social forces in the country. The present study stems from the belief that
the administrative problems of cooperative movement cannot be fully appreciated without trying to relate it to the broad perspective of political development of the country and the social and economic forces that tend to foster or arrest the emergence of an egalitarian society. It is extremely difficult to strike a balance between state control and individual initiative. The rigidity of conventional bureaucratic practice strongly inhibits a well balanced cooperative development.

The present study tends to make a two-pronged attack on the problem of cooperative management - first from the point of prognosis of the co-efficients of deficiency and indices of failure of the Government administration and secondly from the point of managerial disabilities and skill of the lay management people who were delegated the authority to forge the development and expansion of the cooperative activity drawing Government funds and local resources of the members.

The problems of cooperative management have been correlated in Chapter I to the fundamental issues like the existing parameters of economic growth, the factors leading to a shortfall of the desired pace of agricultural productivity as well as the fault and snags in the plans and policies. The retarding factors of a sustained economic growth as an outcome of the basic constraints inherent in the socio-economic fabric have been analysed. The merits and demerits of the existing cooperative structure
have been evaluated. The administrative set up of the Cooperation Department and the Directorate have been examined to span the dimension of the administrative problems of managing the cooperatives. An effective alternative strategy has been attempted to be evolved.

Chapter II traces the development and growth of the cooperative activity during the last three decades of six five year plans. Different recommendations of the Expert Committees on cooperative movement have been discussed and reflections on those recorded to develop a logical approach to confront and encounter the management aspects with an overtone on the credit and other allied sectors in the cooperative fold. The distortions and aberrations of the development of the cooperative sectors have been underpinned to bring it close through a new approach directing the cooperative activity to play a more positive role for improving the quality of life of the rural population placed against the well-off urban elite.

The magnitude of the role of the Cooperatives in providing agricultural credit to the cultivators has been examined in Chapter III. The quantum of short terms agricultural production credit at the end of the 5th plan was reckoned at ₹ 3000 crores. The nature and extent of rural poverty was identified in the context of Indian economy. Revised estimate of production
credit need figured at Rs 3400 crores by the end of the 5th plan. The cooperatives were to provide short term crop loan of the order of Rs 1844 crores accounting for about 50 per cent of the total credit requirement of the country. The loan advanced by the cooperative credit sector was Rs 890 crores in 1975-76. The chronic problem however of mounting over dues was examined and remedial measures indicated. The crux of the problem in streamlining the cooperative sector lay in the probability of the honest intention of the elected Managing Committee who were basically prone to a planned development of the cooperative society. They evinced more interest in advancing cheap credit to the relatively well off farmers whose support was essential for consolidating their political status and resultant power derived out of their position in management of the cooperative organisation. For obvious reasons, as indicated earlier, both the Managing Committee and the field employees of the Cooperative Bank are reluctant to adopt stringent measures for loan recovery. Suggestions for improving the situation have been put forth.

Chapter IV addresses itself to the task of tracking the genesis and development of the cooperative marketing societies, their objectives and existing structure. An organised private sector market dealing in agricultural commodities traditionally exists side by side. A tough competition between the private and cooperative sector runs parallel. The nature and extent of
their incursion into the cooperative sector has been analyzed and remedial measures suggested. Here also the managerial problem is serious. A managerial cadre requires to be constituted comprising professionally competent and experienced personnel. The activity of the cooperative marketing society need be geared up to be linked with the cooperative credit societies so that loans are recovered from the sale proceeds of the crop produced by the grower members.

Chapter V which is the concluding part of the present study deals with the perplexing problems and issues of the highly debated contention regarding the quantum of state control and interventionism over the arena of the cooperative sector. The confronting points of the two have been underlined and the nature of growing conflict between the quasi-independent cooperative sector and the Government administrative control and means of resolving the conflict is a continuous process. Attempts have been made to provide a conceptual framework for an inter-disciplinary approach combining the commercial management norms and the multi-lateral levels of inter-departmental coordination of Government Administration and devise practical solutions in order to accelerate the process of economic development from the administrative point of view which may be accepted at least as a locus in the zone of satisfice. The problem lies not only in a crisis of choice of strategies or impediments of execution of the
task by the administrators, but in finding out a solution by organising the people cohesively and transforming their attitude of self-aggrandisement to a common goal of service and betterment of the quality of life of the people of the country at large.

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