CHAPTER - II

COOPERATION - AN OVERVIEW
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In all the countries of the world, not only in developing but also in socialist and western industrial societies, several measures have been initiated, organised and directed towards realisation of socio-economic and political development. Among these measures cooperation has been recognised as of great significance and it has been assigned a vital role in bringing socio-economic changes with an accent on the weaker sections of the society. Through cooperation, different requirements of the individual and the society are sought to be met. The emergence of cooperative institutions is the outcome of individual's inability to operate his economic activity in a manner beneficial to him which involves several operations restricted by his limited knowledge, finance and ability. There is something universal in the concept of cooperation that responds to the human needs everywhere. The cooperative movement has, therefore, emerged as a very powerful system throughout the world. "In fact cooperation has begun to be felt as the only panacea for all our maladies both social and economic and specially of the rural sector"

Cooperatives which constitute an economic system with a distinct flavour and unique features envisage promotion of economic interest of members and ensure equitable distribution of

1. Laidlaw, A.F. Cooperatives in the year 2000, (a paper prepared for the 27 the Congress of ICA, Moscow, 1980).
gains of the society. The cooperative movement can enable unification of local human resources, material inputs and energies, and the channelization, development and expansion of the tremendous potential growth that exists in our towns, villages and hamlets across the length and breadth of India\(^3\). In cooperatives, financial and human resources are pooled and invested in such a way that it affords protection to the 'small man' against the exploitation and helps him to shape his destiny to prosperity. There cannot be two opinions that cooperatives since their very inception have been striving hard to usher in socio-economic development in the country\(^4\).

In view of ubiquity of cooperatives, it is necessary to understand the term properly by studying its features and tracing its genesis at the global level, but more particularly in India.

**Meaning:**

Cooperation is viewed from different angles such as - a form of economic organisation, a method of working, an instrument of changes, a way of life, a business coupled with ideology and social purpose, practical philosophy, a means of social control and ownership etc. In essence, it bridges the gap between the have and the have-nots. It envisages elimination of exploitation of one group by another ensuring economic justice, preserving individuality and strengthening collectivity. It leads to decentralisation of economic power and develops democratic values.

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making the weak strong. It is through cooperation that human beings are endowed with the qualities of honesty, loyalty, unity, equality and service. It also teaches people the lessons of unity, brotherhood and corporate feelings.

The famous English cooperator, George Jacob Holyoake, applauding the role of cooperation says "Cooperation leaves nobody who works sincerely. It touches no man's fortune; causes no disturbance in the society; needs no trade union to protect its interest; accepts no fights nor asks for any favour; keeps no terms with the idle, breaks no faith with the industrious; subverts no orders; envies no dignity; and it means self-help, self-dependence and such share of common competence as labour shall earn". M.L. Darling sums up the importance of cooperation as "something more than a system. It is a spirit which appeals to the heart and mind".

As there is no standard definition of cooperative society that could be applied universally, economists like Draheim prefer not to define the term in so many words. To quote L. Valko, "The very flexibility of its organization, which can adapt itself to a variety of different purposes and widely diverging economic and social systems, seems to be the reason for this difficulty".

7. Draheim, Die Genossenschaft als Unternehmstyp (The Cooperative Societies as a form of Enterprise), Goettingen, 1952, p. 16.
H. Calvert defines cooperation as a form of organization wherein persons voluntarily associate together as human beings, on a basis of equality, for the promotion of the economic interests of themselves. According to W.P. Watkins, "The word cooperation (with a small 'c') has been employed so much in the recent years to denote almost any fashion of working together as to lose its precise meaning altogether .... what is essential difference between cooperation and Cooperation (with a big 'C'). Both denote working together, association for common ends, but, whereas cooperation stands for combined working under any or with no stipulated conditions, Cooperation does stand for a definite method or technique of working together. The difference which marks cooperation off from Cooperation consists in the fact that Cooperation is working together according to certain conditions or principles which the participants agree to abide by.

The above definitions lay stress on various aspects of cooperative principles, the utility of which lies in the fact that they attempt to avoid waste in effort and opportunity, eliminate uneconomic competition, make proper utilisation of resources and also help in the exchange of ideas and experience.

9. For Principles of cooperation as formulated by the ICA Commission on Cooperative Principles, 1966, refer to Appendix G.
These principles are the ideas inherent in cooperation determining what it is as a mode of action and the purpose the cooperative activity is to realise. Its mere adoption by the ICA does not automatically enforce their adoption and adherence in cooperatives. It is for the members and the board of directors of cooperatives to adopt them as a policy for their future guidance. Further for recognition as a genuine cooperative, these conditions are to be maintained in any cooperative organisation.

The discussion on clear-cut meaning of "cooperative" can be summed up with the views held by ILO, "A cooperative (...) is an association of persons who have voluntarily joined together, to achieve a common end through the formation of a democratically controlled organization making equitable contributions to the capital required and accepting fair share of risks and benefits of the undertaking in which the members actively participate."11

Cooperative Movement: A Global Perspective:

Cooperatives have evolved as complex and differentiated organizations as a result of vast economic, social and political upheavals of 18th and 19th century and are an attempt to find a way out of evils of new industrial society.12

The cooperative movement was a reaction; it was an attempt to find out the ways out of the situation arising out of the evils and problems of the new industrial society, which has been emphasised by the life and works of Robert Owen (1771-1858) who is generally regarded as the father of cooperation. The beginning of cooperation could be considered in 1844 with the opening of a store in the Toad Lane by the Rochdale Pioneers who have the distinction of not only meeting the challenge of the circumstances successfully by establishing viable shops or stores but also laid down the principles and practices of cooperation which later on came to have world wide recognition.

It was towards the end of the 19th century that the concept of member education was conceived in Great Britain due to lack of loyalty among the members. The Cooperative Union Ltd- the national federation of cooperative societies was formed in 1869 to coordinate and advise the member societies and act as their spokesman. Member societies though not bound by its decisions morally do so. The Union runs correspondence and residential courses. There are also guilds which are voluntary associations of members for self-education and discussion and dissemination of knowledge about the cooperative movement. These guilds are an important part of the movement and are offered professional services by the Union and training for their officers at the Cooperative College, Loughborough, Leicestershire.

13. Important ones are Women's Cooperative Guild, The Scottish and Irish Cooperative Women's Guild and the National Guild of Cooperators (a mixed guild).
The educational work of the movement is financed mainly by the grants from local society funds and nationally by the Cooperative Union. There is still no Government department promoting cooperatives. Most of larger societies set up the education committees which organize classes for the benefit of the employees and general membership with increased emphasis on member relations and education. The societies have also set up youth clubs and children's clubs (Play-ways and Pathfinders) and run schools and conferences to discuss topics of interest to cooperators in collaboration with other educational organizations. The latest Youth Training Scheme launched in 1982 gives two years training to young people aged 16-18 at the Cooperative College.

Germany:

Primordially, the movement made a break-through in the field of rural and urban credit in Germany, because after Hardenberg's agricultural reforms of 1811, peasants became owners of the land on which they worked, but being inexperienced in many matters, they had fallen prey to unscrupulous money-lenders.

The winter of 1846-47 saw crop failure and famine on a large scale. Freidrick Wilhelm Raiffeisen (1818-1888), then a young mayor, set up a 'Bread Association' to distribute cut price

14. Except a small Government financed Cooperative Development Agency at the national level and local independent CDA which are financed by country and city councils rather than being branches of national CDA.
bread to the poor. This was a pre-cooperative society based on benevolent assistance. He realised that lasting success could only be achieved through self-help. So in 1894, the benevolent society became the 'Heddesdrof Thrift and Loan Society' which was the first rural cooperative with the object of improving the situation of its members, both morally and materially and their modus operandi for its achievement was to obtain through common guarantee the necessary capital for granting loans to members for development of business and household.

At the same time, Herman Schulze-Delitzsch (1808-1883) was doing the same for the urban industrial workers and artisans. While living conditions needed improvement for the rural population, they were no better for those living in towns. Industrialization meant that cheap mass-produced goods became freely available. This threatened traditional crafts and small scale industries. Schulze-Delitzsch set an aid programme in motion. Based on the principle of self-half, self-administration and self-responsibility, he set up his first 'Raw Materials Association for Cabinet Makers and Coblers'. It was followed in 1850 by the first 'Lone Association'. This was the beginning of the small scale industrial cooperative organizations and the people's banks.

Over the succeeding years the number of Raifeisen's rural cooperatives and Schulze-Delitzsch's cooperative for small scale industry grew rapidly and independently. Both rural and urban cooperatives formed associations to provide support, advice and auditing but continued to remain separate and distinct groups. Both the parties, however, realised by 1960 that a merger would
economic development were in consonance with each other. The apex organisation of small scale industrial cooperatives, the German Cooperative Union and the Federation of Rural Cooperatives, the German Raiffeisen Union were merged to form one confederation, the German Cooperative and Raiffeisen Union and three specialised Federations. The German Cooperative Credit Association is regarded as the parent body of every other form of cooperation and the movement spread to all other parts of the world.

The movement grew up without any special protection from the Government. Members joined hands for the development of cooperatives. Member education and training activities, essential ingredients of the movement, are fully supported and operated by the movement itself.

Sweden:

Sweden is the second country after Britain where the cooperative movement is the most progressive and the largest one in the world and which claims of significant achievement in production, distribution and market reforms in vital areas, like schooling and further education for both elected representatives and ordinary members and employees, the development and influencing of public opinion (conscious raising) and legislature for social change. As cooperatives emphasize the development


through education for they believe that no person is a born cooperator - he/she develops into it. Swedish Cooperative Union and wholesale society (KF)\textsuperscript{17} inter alia, undertakes education of members and training of employees. Each sector of the movement is responsible for its educational activity and organizes it keeping in view its own requirements generally following three lines viz. the study groups\textsuperscript{18}, the correspondence school\textsuperscript{19}, and the residential college\textsuperscript{20}.

Much importance is attached to the establishment of good communication and rapport with members\textsuperscript{21}. Educational

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17. Koopertiva Forbundet (KF) set up in 1899 to act as an advisory body to primary cooperative stores and as a medium for publicity. It later became a fulfledged wholesale society undertaking the function of insurance, test laboratories, employer, financial consultancy and education of members and training of employees.

18. Study group or circle is a form of study unique to Sweden, seven to fifteen people interested in a subject form a study Circle and with the help of a specially adopted study material which they study at home and meet about once a week at a convenient place to discuss the chapter and answer set questions with the help of a leader elected and trained in advance.

19. Brevskolan (Correspondence Institute) located at Stockholm is an autonomous body administered by a board comprising representatives from the cooperatives and trade union movements and engaged in preparation of study material to be used in Study Circles etc.

20. Movement's central residential cooperative college, Var Gard run by KF organizes from time to time training course for the leaders of study circles.

21. For informing the right group of people about the possibilities of education, many channels are used and the system comprises issuing of yearly study programme; education meetings; advertisement in farmers' periodicals; having a member responsible for education and information on every board and committee; through member secretaries in the societies and farmers' unions; and education information scheme under which the part-time employees (often farmers) in adult
activities are carried out through courses, conferences, seminars etc. run by the national organization or the Federation of Swedish Farmer's educational activity department, locally. For providing rapport and technical assistance to third world countries, the Swedish Cooperative Centre which provides assistance and funds the movement through ICA and on direct bilateral basis has been sponsored.

**Denmark:**

The cooperative system here could be considered having a social side as well as an economic purpose and it is characteristic of most of the undertakings of cooperative sector of the Danish economy that they consider themselves adherents to a movement and enter into practical cooperation between themselves. Education and training of board members is provided by the Agricultural Information and Conference Institution^2^4.

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education organisations go to farmers informing them about the supply of education in a wide field.

22. There are two projects of this centre in India and these are located in U.P. and Haryana. For details of the project know as Women Mobilisation Project in Haryana refer to Chapter VI.


24. Institution providing residential and field level courses especially applied to members of colleges/boards and cooperative staff.

Danish Cooperative College - an institution of cooperative consumer movement providing residential courses specially applied for committee/board members and staff from consumer movement is also there but the training of staff in cooperatives is the same as that of other members of commercial organisations. As such no special Institute.
while that of members by individual cooperatives. Very little theoretical training in cooperative movement is provided and very frequently general knowledge leaves much to be desired among the members who are not very familiar with the fundamental principles governing their organisation. The Central Cooperative Committee\(^{25}\), in collaboration with the Agricultural Council\(^{26}\), attempts to disseminate the most cooperative information by supplying teaching material to schools of secondary education.

There are no public funds or governmental subsidies. The State's contribution is restricted to the purchase of material for the main schools of secondary education.

Japan:

The movement started in Japan with the appearance of the Cooperative Credit Organisation (Koh) in the middle of the 19th century. A lot of development and reorganisation work took place after the enactment of the Small Enterprises Cooperative Law in 1900. The Agricultural Cooperative Law (1947) envisaged management of the agricultural cooperatives on the basis of cooperative principles with a view to sustain and develop the farm management and livelihood of owner-farmers who got their lands after the World War II through Land Reformation.

\(^{25}\) Organisation providing general information about educational activities of Danish Cooperative movement.

\(^{26}\) Establishment of a joint representation for the industry.
The success of the movement can be attributed to the great emphasis on member activities including study groups and members' active involvement in the day to day affairs of the society. Inherent in the agricultural cooperative activity is the extension guidance, advisory and information service to the farmer-members covering all aspects of member education. Farm guidance activities, which are carried out with the help of well-trained staff employed by the local, prefectural and the national cooperatives, are the most efficient and conducted at a local level as an integral part of the business of agricultural and the national cooperatives, are most efficient and conducted at a local level as an integral part of the business of agricultural cooperatives.

Commodity Groups\(^27\), Han Groups\(^28\) and Women's Guild\(^29\)s are other features of Japanese cooperative movement having a direct bearing on member education. Right from the school days, the students are involved in cooperation by teaching themselves

\(^{27}\) Commodity groups consists of 10 to 15 farmer-members who elect their own leader usually a progressive farmer for providing specialised, agricultural extension, supply and other services to the farmers.

See Daman Parkash, Cooperative Democracy vis-a-vis Member Education, Delhi, Coop Times, 1988 p. 46.

\(^{28}\) A Han is a small group of housewives with a chairman and secretary. It meets frequently to study common consumer problems and take suitable remedial action for their solution.


\(^{29}\) Women Guilds, Housewives' Association, Consumer association etc., have been adopted in bigger consumer cooperatives for better member communication.
various aspects of agriculture especially the techniques of operating agricultural cooperatives.

It will be noticed that not all forms of cooperatives activity has grown even in all the countries. Cooperation in agricultural activity had a late start in England and is still limited in extent and coverage. On the other hand the consumer movement is weak in a number of countries where agricultural sector is fully cooperative. The cooperative structure, the principles and practices adopted in their organisation and operation also vary widely.

It was after the first world war and the consequential great economic depression that the Asian region came into its fold due to industrialisation, urbanisation and modernisation; and the experience of war devastated countries which visualised in cooperatives a valuable means to mobilize social resources for the rehabilitation of their economies, bring about socio-economic changes and achieve the target of a modern welfare state 30.

Besides socio-economic factor responsible for the growth of cooperatives, there is an international non-governmental organisation known as the International Cooperative Alliance which, through its expert guidance, has helped the growth of this movement in the entire world especially developing countries.

The International Cooperative Alliance a worldwide confederation of the cooperative organisations established in

1885 is entirely and exclusively dedicated to the promotion of cooperation in all parts of the world\textsuperscript{31}. It has besides its headquarters in London, three regional offices at New Delhi (1960) for Asia and Pacific, Moshi (Tanzania) (1968) for East, Central and Southern Africa, Abidjan (Ivory Coast) (1978) for West Africa and San Jose (Cost Rica) for Central America and Caribbean. It enjoys highest consultative status—"Category I" with the United National Economic and Social Council\textsuperscript{32}.

The United Nations General Assembly's Resolution in 1976 to expand the movement for promotion of social and economic progress linked to structural and institutional reforms aiming at the equitable distribution of income, popular participation in the development process, equality of opportunity to contribute and benefit from the fruits of development, clearly speaks of the concern of world leaders for this budding sector of economy\textsuperscript{33}.

The United Nations Secretary General has also invited other UN system organisations to join COPAC so as to better coordinate cooperative development activities while celebrating centenary of ICA in 1995\textsuperscript{34}.

\textsuperscript{31} Weeraman, P.E., The ICA in South-east Asia, Delhi, ICA, 1975, p.1.

\textsuperscript{32} ICA, ICA in South-east Asia: The First Decade, Delhi ICA, 1966, p. 105.


\textsuperscript{34} United Nations, UN Secretary General's Report, Status and Role of Cooperatives in the light of New Economic and Social Trends, New York, UN Documentation Service, 1992.
ICA membership consisted of 191 national organisations from 79 countries and 8 international and regional organisations representing nearly 670 million individual members as on July 31, 1991 and the Asia and Pacific region counts for 31% and 58% of the total number of member organisations and individual membership of the ICA respectively. ICA has been diffusing the experience of knowledge of different countries among the member states by arranging educational programmes in various cooperative activities, expert conferences, regional/national level seminars etc. Besides, it helps members by coordinating research, training and providing the literature on the latest developments in the various areas of cooperation. In additions, the subject matter of the ICA Congress held after every three to four years is quite enlightening and useful to the members.

The subject-matter of various congresses is so selected as to be forward-looking and of interest to cooperators engaged in different sectors. 'Cooperative in the Year 2000', 'Global Problems and Cooperatives, and Cooperatives and Basic Values, which constituted the principal subject for discussion in the 1980, 1984 and 1988 ICA congresses respectively have received world-wide appreciation. The latest Tokyo (Japan) ICA Congress (30th) in 1992 focussed on Basic Values of Cooperatives and role of Cooperatives in the environment and development issues.


36. For details of various congresses held along with their subject matter, refer to Appendix H.
"...cooperative commitment is based on share values. Although it is not necessary to try to achieve complete consensus on values, there is general understanding that three core values are behind the cooperative concept: equality and equity; voluntary and natural help; and economic and social progress." 37.

Having examined the evolution of the cooperative at the global level, the rationale of cooperative organisations must be understood in the light of socio-economic settings obtaining in a particular country.

Indian Perspective:

The idea of cooperation in India is not entirely "a new device" 38. Our Vedas, Upanishads and Bhagwat Purana have fully subscribed to cooperative existence. When the institution of joint family, to some extent comparable to cooperatives which used to provide security against illness, incapacity and old age, started breaking away, people started thinking of new institutions such as chit funds, Nidhis, Grain Golas, Bhaiya Chari, Lona, Gounchi etc. as a cooperative way of life which could not make much headway due to non-existence of any legal sanction.

During the 17th century, East India Company and the British sought to destroy the indigenous institutions which resulted in more and more people having recourse to agriculture than the land could sustain economically. The new system of land revenue and money lenders exploited the peasantry. According to


B.K. Sinha, the Indian scene was then characterised by the predominance of rural population, a persistent increase of agricultural portion of the rural masses, starvation, famine, high morality, back breaking family obligations, acceptance of debit in perpetuity and a lender's paradise. The British Government came forward with two enactments viz. Land Improvement Loans Act, 1833 and the Agriculturists' Loan Act, 1844 which provided for long-term and short-term loans respectively and still hold good today. They are now known as 'Taccavi Laws'.

It was in 1887 or a little before that period that the financial distress of the middle class people settled in Baroda was fast growing which induced Professor Vithal Laxman Kavathekar to put in to practice on February 5, 1889 the cooperative credit movement in the form of 'mutual aid society' by the name of 'Anyonya Sahayakari Mandali' and thus the credit of being pioneer of the cooperative credit movement in India goes to him. It was towards the end of the 19th century that Sir Frederick Nicholson (1897) appointed by the Government of Madras in 1892 to study various aspects of Raiffeisen model in detail and the Famine commission (1901) made a strong plea for introduction of cooperative credit societies in India. At about the same time, Duplex in Uttar Pradesh, Maclagan in Punjab and Lyon in Bengal paved the way for the cooperative movement in its modern and present form.

39. Sinha, B.K., Mahatama Gandhi and Cooperative Movement, Delhi, NCUI, 1970, 10-43.
The first Cooperative Credit Societies Act, 1904, which laid the foundation of cooperative credit movement in India was enacted "to encourage thrift, self-help and cooperation among agriculturists and other persons of limited means". In India, legislation preceded the organisation of cooperatives. The Cooperative Credit Societies Act, 1912, which envisaged the formation of central agencies along with launching of cooperative education schemes and that of organisation of non-credit societies and facilitated registration of all types of societies, is the largest volume of cooperative law today in any country still forming the basis of cooperative legislation in free India. Even some countries of the world have modelled their cooperative legislation according to this Act.

A Committee on Cooperation headed by Edward Maclagan, was appointed on October 8, 1914 to examine the progress of the movement and need to take corrective measures for its improvement and importance audit and supervision, but its recommendations were not implemented by the Government.

With the enactment of Montague Chelmsford Act 1919, cooperation became a transferred subject. The Bombay Cooperative Societies Act, 1925 (Act No. vii) was passed keeping in view the

40. The Study Team sent by the Government of India to Israel in its report has rightly observed that the cooperative societies ordinance issued in Israel in 1933 was "based largely on Bombay Cooperative Societies Act 1925. In fact several sections are verbatim copy of the Bombay Law".

See Government of India, Report of the Study Team on the Working of Cooperative Movement in Yugoslavia and Israel, Delhi, Department of Cooperation, 1960, p. 66.

41. Report of the Committee on Cooperation In India (1915), op. cit., p.5.
basic pattern of the 1912 Act. Other states like Madras, Bihar, Orissa, Bengal followed the suit by bringing legislation on the subject.

Various committees were appointed by the states to judge the progress of the movement. All the committees adopted the scheme for rehabilitation of the cooperative movement. The Royal Commission on Agriculture (1928) with Mr. Calvert, as its Chairman, was set up to examine the problems relating to agriculture. It was found that whereas there were outstanding examples of benefits accruing from the application of cooperative principles to local problems, there were serious drawbacks visible in the movement. The commission has very rightly observed "If cooperation fails, there will fail the best hope of rural India." 42

The worldwide economic depression was as a bolt from the blue for the cooperative movement in India which was still in its infancy. In Punjab, Haryana areas were much adversely affected. K.L. Punjabi, the then Registrar Cooperative Societies, Bombay, remarked, "The depression came as a very good school master. It rightly brought to light that all as not well with the movement." 43

The Indian Central Banking Committee (1931) made fervent appeals for the assistance of the movement from all quarters as there was no better instrument for raising the level


43. Quoted in 50 years of Cooperation, Golden Juvilee Souvenir 1904-54, Bombay, Provincial Cooperative Institute, 1954, p. 58.
of agriculturist of this country than the cooperative effort. It was the result of earnest efforts of the Simon Commission that the Reserve Bank of India was set up in 1934 and made responsible for undertaking research on the development of the cooperative movement.

With the introduction of provincial autonomy in 1937, provinces again set up so many expert/enquiry committees to reconstruct/reorganise the cooperative movement. Both economic depression and economic boost during the interwar and postwar period respectively gave stimulus to the movement. In the wake of economic depression, failure of the joint stock banks in a way led to the growing realisation that urban credit societies were most suitable for collecting local savings and providing timely help to those with small means by freeing them from the clutches of the Shylocks whereas economic boom created by the Second World War provided further stimulus to the movement.

It was for the first time in 1939, that the difference between cooperative credit societies and credit banks was spelt out on the basis of size, share capital and mode of accepting deposits and withdrawal of savings by the Mehta Bhansali Committee in Bombay province. Another important development was the appointment of Agricultural Finance sub-Committee (Gadgil Committee, 1945) which suggested setting up of state-aided Agricultural Credit Corporation in each province to provide a solution to the problems of agricultural credit in particular and

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rural economy in general. The Saraiya Committee felt that the activities of primary societies (other than credit) may be so extended as to cover the whole life of the cultivator. The recommendations of the Committee were considered by the 15th Conference of the Registrars of the Cooperative Societies held in 1947 and were mostly approved. The growth of the cooperative movement till independence has been shown in Table 2.1.

Table 2.1
Growth of Cooperatives
(1906-1947)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Year</th>
<th>No. of Societies (in '000's)</th>
<th>Membership (in lacs)</th>
<th>Working Capital (Rs. in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>1906-07</td>
<td>0.8</td>
<td>0.9</td>
<td>NA</td>
</tr>
<tr>
<td>2.</td>
<td>1910-11</td>
<td>5.3</td>
<td>3.0</td>
<td>1.5</td>
</tr>
<tr>
<td>3.</td>
<td>1920-21</td>
<td>47.5</td>
<td>17.5</td>
<td>26.4</td>
</tr>
<tr>
<td>4.</td>
<td>1930-31</td>
<td>106.2</td>
<td>43.1</td>
<td>91.9</td>
</tr>
<tr>
<td>5.</td>
<td>1940-41</td>
<td>142.5</td>
<td>64.0</td>
<td>109.3</td>
</tr>
<tr>
<td>6.</td>
<td>1945-46</td>
<td>172.2</td>
<td>81.6</td>
<td>164.0</td>
</tr>
<tr>
<td>7.</td>
<td>1946-47</td>
<td>139.1</td>
<td>91.0</td>
<td>156.0</td>
</tr>
</tbody>
</table>

Source:


The movement, being in infancy, had not made significant progress till 1906-07. The analysis of data reveals that from 1910-11 till independence, the number of societies, their membership and working capital increased by 26 times, 30 times and 102 times, respectively. Further examination shows that the enactment of the Cooperative Societies Act 1912 which envisaged inter alia, registration of all types of societies led to rapid expansion of the cooperative movement. During the decade ending with the year 1921, the number of societies, their membership and working capital showed an increase of 9 times, 6 times and 18 times, respectively. Likewise, comparison of cooperative development during 1920-21 and 1930-31 revealed that till 1930-31 the number of societies and their membership doubled while the working capital trebled. Cooperatives suffered a setback during the thirties but gained momentum after the war.

In spite of the official sponsorship of the movement with State aid, the quantitative growth has been uneven and unplanned due to certain intrinsic factors. Firstly, the development of the movement was lopsided as it was largely confined to credit and other activities having a bearing on the lives of people remained untouched. Secondly, the Britishers were not interested in the socio-economic development of the country. When India got freedom on the midnight of August 14-15, 1947, the country saw the spectacle of capricious princes on the one hand and the local self-government institutions and the cooperatives on the other as pale replicas of the British era but used predominantly as institutions for Durbars and for political and
feudal patronage. Thirdly, for the proper evolution and growth of the cooperatives, there was no proper democratic decentralisation of power for which the British Government was responsible. Various acts, which in theory were meant to decentralise authority in actual practice brought about more centralisation.

Absence of legal provisions till 1944, lack of knowledge of cooperative principles, disloyalty among the members and employees, lack of effective supervision, lack of cooperative education and training, illiteracy of the masses, poor socio-economic conditions prevalent in British India and lack of infrastructure to guide and advise the cooperatives were some other factors which impinged upon the development of cooperatives till independence.

At present the administration of the cooperatives except matter under central Government is the responsibility of the State Government. The machinery of cooperative administration in all the states is more or less identical. The Cooperation Department is headed by a minister of cabinet rank and sometimes assisted by a state or deputy minister. The Secretary in charge of the Department is also the administrative head of other allied Departments. The executive organisation is headed by the Registrar Cooperative Societies. His designation is


ii) The Directive Principles of State Policy further enjoin upon the Government to provide an environment wherein cooperatives are fully imbued in the realm of social policy.
in conformity with his duties as his legal functions are to register and, if necessary, to cancel the registration of cooperatives. Besides, there are other cooperative apex bodies concerned with the development of the cooperatives in their respective fields at district and primary level in all the states.

The very First Five Year plan laid stress on the importance of the cooperatives, stating it as an indispensable instrument of planned economic action in democracy. Cooperation has been assigned an important role in various Five Year Plans. The cooperatives are to make an effort, involve and reach those standards of efficiency which would enable them to compete with other forms of organisation serving similar purposes. These are further recognised as an instrument potentially powerful and full of social purpose than any other. The non-exploitative character of cooperatives, voluntary nature of their membership, the principle of one man one vote, decentralised decision-making as self-imposed curbs on profits, eminently qualified them as an instrument of development combining the advantages of private ownership with public good. However, over the successive Five

50. GOI, First Five Year Plan Document, New Delhi, Planning Commission, p. 163.
51. GOI, Fourth Five Year Plan Document, New Delhi, Planning Commission, p. 216.
52. GOI, Fifth Five Year Plan Document, New Delhi, Planning Commission, p. 78.
53. GOI, Sixth Five Year Plan Document, New Delhi, Planning Commission, p. 177.
Year Plan periods, considerable expansion took place and cooperatives now cover the entire spectrum of activities in rural area.

The importance of cooperatives in overall framework work of Eighth Five Year Plan appears to have been ignored as it is the first comprehensive document under the new economic policies of liberalization. The progress of all types of cooperatives during 1950-51 to 1990-91 is broadly been described in Table 2.2.

Table 2.2

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Year</th>
<th>Number of societies (in '000's)</th>
<th>Membership (in lacks)</th>
<th>Working capital (Rs. in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>1950-51</td>
<td>181.2</td>
<td>137.2</td>
<td>275.9</td>
</tr>
<tr>
<td>2.</td>
<td>(end of 1st Plan)</td>
<td>240.4</td>
<td>176.2</td>
<td>468.8</td>
</tr>
<tr>
<td>3.</td>
<td>1960-61</td>
<td>332.5</td>
<td>352.0</td>
<td>1312.0</td>
</tr>
<tr>
<td>4.</td>
<td>(end of 2nd Plan)</td>
<td>346.2</td>
<td>519.0</td>
<td>2800.0</td>
</tr>
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<td>5.</td>
<td>1965-66</td>
<td>320.0</td>
<td>644.0</td>
<td>6810.0</td>
</tr>
<tr>
<td>6.</td>
<td>(end of 3rd Plan)</td>
<td>333.6</td>
<td>770.7</td>
<td>9650.0</td>
</tr>
<tr>
<td>7.</td>
<td>1973-74</td>
<td>300.4</td>
<td>931.1</td>
<td>16690.0</td>
</tr>
<tr>
<td>8.</td>
<td>(end of 4th Plan)</td>
<td>326.0</td>
<td>1176.0</td>
<td>25119.0</td>
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<tr>
<td>9.</td>
<td>1977-78</td>
<td>315.7</td>
<td>1420.6</td>
<td>37769.0</td>
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<td>10.</td>
<td>(end of 5th Plan)</td>
<td>353.5</td>
<td>1583.8</td>
<td>70920.0</td>
</tr>
<tr>
<td>11.</td>
<td>1980-81</td>
<td>342.7</td>
<td>1644.2</td>
<td>71672.0</td>
</tr>
</tbody>
</table>

Source: Indian Cooperative Movement - A Profile, New Delhi, National Resource Centre of NCUI, 1993, p.5 and India 80, p.423.

Data given in Table 2.2 show that during a period of forty years, the number of societies has increased nearly two times and membership twelve times and working capital 260 times. The overall growth of cooperatives is quite encouraging and it is the outcome of the increasingly important role assigned to the cooperative sector in various five year plans as one of the principal means of promoting the economic prosperity of all sections of the community and providing the basis for socialistic pattern of society. By 1990-91, household coverage is 65 per cent and all the villages stand covered by the cooperatives.

Cooperative Education and Training:

Education in relation to cooperatives means imparting knowledge about principles, methods, aims and practices of cooperation among people and developing in them cooperative spirit and ability to work together. Education is desirable for mankind but it is life's necessity for cooperators. The importance of well-informed membership arises from the fact that cooperatives are democratic organisations where every member has the right to one vote. As such, a cooperative thrives to understanding of rights and obligations by its members. Its success depends on good sense of the masses. Further, where the membership is inert the social value of the institution, as a training ground for democratic responsibility and business practice, is marred. Continued development of cooperatives is

55. NCUI, Indian Cooperative Movement-A Profile, New Delhi, National Resource Centre of NCUI, 1993, p. 5.

56. For a detailed discussion of the concept, refer to Chapter V.

undermined by the absence of loyalty on the part of such members.

The success of cooperative societies is dependent not so much on the extent of financial or organizational aid given to them by the Government or other external agency but upon their capacity to muster a combination of enlightened members, responsible office-bearers and competent employees. Education ensures to achieve the intended objectives of the movement by motivating the potential beneficiaries to join the movement. It leads to better participation in activities to join the movement. Education is thus a vital factor for growth and expansion of cooperation as a movement.

Education of members and potential members has been an integral part of the movement since its inception. In fact, it has preceded even the birth of movement. Historically, Rochdale pioneers had evolved an on-going educational activity for their members and earmarked a certain portion of their surplus earned by the society for carrying out their activities. Education was not only an elementary school education but to the pioneers it aimed at assisting the members to understand the concepts, ideals and responsibilities towards their society. In broader sense, cooperative education was to build good citizens, thereby leading to the creation of a new socio-economic order. Hence, the inevitable need of cooperative education had to be re-emphasised.


59. Ibid, p. 27.
Education of the members was made a normal activity whenever cooperatives were organised all over the globe. Besides members education, it was felt necessary to have skilled manpower on the whole-time basis to run the cooperative business. Thus, grew the need for professional training to the paid employees of the cooperatives.

In India, under the Government of India Cooperative societies Act, 1904 imparting of cooperative education was the duty of the Cooperation Department rather than that of the movement itself. It was in the later years that the need for expanding cooperative education was felt. The Royal Commission on Agriculture (1928) observed that the chief function of the Government is to provide means for education of people in the principles and practices of cooperation. The Cooperative Planning Committee (1945) stressed the need for making arrangements for regular training of members of the managing committee and secretaries of rural cooperative societies as well as the staff of cooperative institutions.

The contribution of the movement towards cooperative education and training till independence has been negligible in spite of recognition of its importance by various commissions right from Frederick Nicholson (1885) till acceptance of the 1935 Malcolm Darling's scheme of central assistance by the Government of India. No organised attempt was made to impart cooperative education and the arrangements made for the cooperative education, training and research were not uniform. There were four cooperative training institutes60 besides the Central

60. One each in Punjab, Bihar, United Province and Central Province.
Cooperative Training Institute at Madras. In spite of recommendations of the Saraiya Committee on Cooperative Planning (1945) for the establishment of cooperative training college in every State and Central Cooperative Training Institute for Advanced studies and Research at Central level there was no central agency till 1952 for training and 1955 for cooperative education and it was largely left to the initiative of provincial Governments.

The Central Committee for Cooperative Training which was first constituted by the Reserve Bank of India inter alia for the establishment of regional training centres for senior and intermediate level personnel and later adopted by the Government of India for organising and supervising the training of block level cooperative extension officers and other junior level personnel, was formed in 1953. In the context of this Committee Governor Rama Rau remarked that for the first time, I believe, in the history of cooperative effort in India, you have in your committee the coordination of all relevant authority-non-official and official central Government, State Government and RBI-such as alone can deal competently with an integrated programme of cooperative training for the whole country.


62. Wound up in 1962 disregarding the advice of Reserve Bank of India and members of the Committee.

63. Inaugural address by Sh. B. Rama Rau Governor, Reserve Bank of India, on the occasion of the first meeting of the Central Committee for Cooperative Training, held on Dec. 22, 1953.
Its activities got an impetus with the introduction of the Integrated Scheme for Rural Credit, as training was one of the components of the scheme. As a result 13 Regional and Block level Training Centres and 62 Junior level Training Centres came into being. The All India Cooperative Union registered in 1956 was encouraged by the Committee to take up member education programmes. The Ministry of Community Development and Cooperation was formed in 1958 with a separate department for cooperation. The first step taken by the Ministry after considering the recommendations of the Study Team on Cooperative Training (1960) was the constitution of Committee for Cooperative Training by the National Cooperative Union of India in 1962 and the 13 intermediate training centres were handed over to it and most of the 63 Junior Cooperative Training Centres transferred to the State Cooperative Unions with the exception of a few to the State Governments. As a result of studies through Ford Foundation Expert Committee (1964) and Gadgil Committee (1965) to establish


65. Its origin could be traced back to 1929 when All India Cooperative Institutes Association was created. Its merger with the Indian Provincial Bank's Association in 1949 resulted in the creation of Indian Cooperative Union from 1951 and later its name was changed to National Cooperative Union of India.

66. The major recommendations included establishment of National Board for Cooperative Training and Cooperative Institute of Advanced Study and Research, transfer of Training Centres for intermediate personnel and junior level to the State Cooperative Unions and separation of training of departmental candidates from that of institutional candidates.

a Centre of Excellence in Cooperative Management that the Central Institute of Management for Consumer Business set up in 1964 was later merged with the National Cooperative College and Research Institute to form Vaikunth Mehta National Institute of Cooperative Management.

In accordance with the suggestion of the Zainula Abedin Committee (1975) which was appointed for advice on the recommendations of Informal Expert Group on Cooperative Education, Training & Research (1974) that the National Council for Cooperative Training was constituted in 1976 as a separate wing in the National Cooperative Union of India. Consequently, the member education programmes remained exclusively with the National Cooperative Union of India and the training function was entrusted to this newly created council.

The National Cooperative Union of India is the national confederation of cooperatives both at the central and the state level, is engaged in promotion and development of the movement; educating and guiding the people in their effort to build up and expand the cooperative sector; and is serving as an exponent of cooperative opinion in accordance with basic cooperative principles. The membership of the Union stood at 190 comprising 16 national level cooperative organisations and 161 state level cooperative institutions and 13 multi-state cooperative societies. The existing arrangement for cooperative education and training is depicted in Chart No. I. The Cooperative Member

67. It had recommended inter alia establishment of central agency called Council for Cooperative Research & Training.

68. As on 31.3.1991.
Education Committee of the Union monitors the programmes for cooperative education of members, committee members, prospective members and office-bearers.

The member education programmes could broadly be classified in two categories viz. cooperative education programmes for PACS and functional programmes for the remaining ones. The major thrust area in case of former is PACS/FSS/LAMPS. The State Cooperative Unions are the executing agencies, cooperation being a State subject.

The general education programme which aims at bringing improvement in cooperative functioning through the increased member participation drive is being implemented in 24 States/UTs\(^69\). The programmes is implemented through two approached viz. Peripatetic and Intensive\(^70\). Under the former, educational activities are organised at the society level and CEIs keep on moving from one society to another. In case of the latter, societies are selected from the chosen block for development purpose and the programme has been tied up with technical/farm guidance and other developmental inputs. Further, a team of three CEIs is required to work intensively in the selected blocks for a period of 3-5 years. About 20 SCUs\(^71\) are following the peripatetic approach. The educational activities

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69. For details refer to Appendix I.
70. Also known as the Team and Area approach which was formulated on the basis of pilot Education Project conducted by ICA & NCUI in Indore district (MP) and the adoption of which was recommended by the All India Conferences of Chief Executives and Cooperative Education officers of State Cooperative Unions in November, 1975.
71. Appendix I.
include courses for different clients with varying durations.

The programme for women intends to create cooperative awareness among women masses to organise themselves into cooperative groups. The programmes are being implemented by the State Cooperative Unions with the help of Lady CEIs involving technical, training and educational Institutions. Education programmes for Youth are organised in collaboration with educational institutions and youth organisations for holding youth camps and rallies, essay debating competition and elocution contests. The NCUI has the direct responsibility to implement the scheme for intensification of cooperative education in cooperatively under-developed States through 15 Education Field Projects. It disseminates information on technological improvements in agriculture. The NCUI also sponsored educational programmes in functional areas. For instance the education scheme

72. Orientation course/class for secretaries/managers (two weeks), Managing Committee members (5 days), ordinary members and potential members (3 days) and Leadership Development programme (3 days).

73. The activities include classes for managing committee member (5 days), ordinary members (3 days), potential members and housewives (5 days), employees (7 days) and Leadership Development programmes for women and Youth (2-3 days).

74. Assam, Bihar, Gujurat, Himachal Pradesh, Karnataka, Kerala, Madhya Pradesh, Manipur, Maharashtra, Meghalaya, Mizoram, Rajasthan, Orissa, Tamil Nadu, Uttar Pradesh & West Bengal.

75. Assam (Golaghat), Bihar (Patna & Ranchi), Himachal Pradesh (Mashobra), J&K (Jammu & Srinagar), Manipur (Imphal), Orissa (Puri, Ganjam & Keonjhar), Rajasthan (Jaipur & Udaipur) West Bengal (24-Parganas South, West Dinajpur) and Andaman & Nicobar Islands (Port Blair).
for Industrial Cooperatives was in operation in 14 States/UTs. The scheme for Handloom Weavers Cooperatives was implemented in 7 States with a staff strength of 11 CEIs. Similarly, Handicrafts scheme has been in vogue since 1985 in ten States. However, educational schemes on consumers cooperatives and fisheries have since been wound up due to paucity of resources.

Training of cooperative employees, both institutional and departmental is being imparted discharged through a standing Committee of the NCUI known as National Council for Cooperative Training. The infrastructure for cooperative training is one National Institute of Cooperative Management, Pune, 18 Regional Institutes of Cooperative Management and 95 Cooperative Training Centres, located in the length and breadth of the country. While NCCT administers NICM and ICMs, training centres are either being run by the State Cooperative Unions or by the State Cooperation Departments.

76. Andhra Pradesh (Nalgonda), Assam (Guwahati), Gujrat (Himmatnagar) Jammu & Kashmir (Jammu/Srinagar), Karnataka (Banglore) Kerala (Calicut), Madhya Pradesh (Bhopal), Uttar Pradesh ( Kanpur/Moradabad), Tamil Nadu (Madras), Orissa (Bhubaneshwar) Punjab (Ludhiana), West Bengal (Calcutta), Maharashtra (Nagpur/ Sholapur) & Delhi.

77. Assam (Guwahati, Jorhat/Tezpur), Bihar (Bhagalpur), Karnataka (Bijapur, Dharwad/Mandya), Rajasthan (Jaipur), Madhya Pradesh (Sausar), Uttar Pradesh (Merrut/Jhansi, Kanpur/Lucknow) and West Bengal (Santipur and Tamluk).

78. Uttar Pradesh (Agra, Lucknow, Varanasi and Dehradun) Jammu & Kashmir (Jammu), West Bengal (Midnapur), Karnataka (Mysore), Orissa (Cuttack), Manipur (Imphal) Himachal Pradesh (Dharamshala), Tripura (Agartala), Andhra Pradesh (Vijaywada) and Tamil Nadu (Madras).

MAP 2

COOPERATIVE TRAINING ARRANGEMENTS IN INDIA 1991

Legend

- National Institutes
- Cooperative Training College
- Cooperative Training Centre

Chd - Chandigarh
Dist - District and Major Hull

Boundaries
--- --- --- --- State/UT
--- --- --- --- Sea
Ecology of Haryana:

Haryana, the 17th State of the Indian Union came into existence on November 1, 1966 as a result of bifurcation of the erstwhile State of Punjab. It was carved out of Hindi speaking areas of composite Punjab. Located in northern India, Haryana has Himachal Pradesh to its north, Uttar Pradesh to its east, Punjab to its north-west and Rajasthan to its west. Delhi forms an enclave on its eastern boundary.

"The State of Haryana, though of recent creation, is as ancient as history itself. The word Haryana is probably derived from 'Hari (Green)' and is reminiscent of the times when this was a rich and fertile tract". The word Haryana occurs in the Delhi Museum inscription dating 1329 AD which refers to this region as a heaven by Tomars. It is also said that since this region was inhabited by the Ahirs during the post Mahabharata period, it came to be called after this name: Abhiryana: Haryana.

Haryana State with an area of 44,212 square kilometers returned the total population of 16,317,715 persons at the time of sunrise of 1st March, 1991 reflecting an overall density of 369 persons per square kilometer. This population is unevenly distributed in the State on account of variations in relief, fertility of soil, climate, socio-cultural set-up availability of irrigation facilities, industrialisation and development activities. At present, there are 16 districts in Haryana and Hindi is the State language. Ambala, Rohtak and Faridabad are the

principal cities of Haryana. Agriculture is the main occupation as 58.91% per cent people of the State depend on it.

At the time of creation of Haryana as a separate State, farmers' income was so meager that it was not enough to meet even the basic requirements of food and shelter leave aside the repayment of debt. At that time 59 per cent of its population was living below the poverty line and the per capita income was merely Rs.343/-. It was at that time that the Government recognised the fact that most of the small farmers could be developed into economically viable units through the adoption of new farm technology and assessment of the credit needs of farmers which could be met through a chain of cooperatives for effective credit facilities, supplies, marketing and processing. In the composite Punjab, Haryana received little attention in the matter of development and remained comparatively backward. The State was not self-sufficient in foodgrains the production of which was just 26 lac tonnes. It was at this juncture that the Government laid emphasis on the rural credit cooperatives to help small farmers.

Haryana has the distinction of being the fastest growing State in the country within a short span of 25 years. Today, Haryana is producing four times foodgrains, six times wheat, eight times rice and nine times more oilseeds than at the time of its inception in 1966-67. Piped water supply has been

extended to all the 6745 villages as on March 31, 1992. Per capita income was Rs.8690/- (at current prices) in 1991-92. Further, Haryana is first in the country to electrify all the villages. It has the best road transport service in the country. The State has also learned a name in the field of tourism. Similar progress has been made in the field of cooperation. Since the formation of the State, the Punjab Cooperative Societies Act, 1961 was in force and after repeated amendments, it was ultimately replaced with the Haryana Cooperative Societies Act, 1984. Haryana, which inherited a weak cooperative structure, has made significant progress as is evident from Table 2.3.

82. The Tribune, January 26, 1993, A New Era of Prosperity in Haryana, Chandigarh, Public Relations Department, Haryana.

Table 2.3
Growth of Cooperatives in Haryana

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Number of societies</td>
<td>12379</td>
<td>12622</td>
<td>9557</td>
<td>11035</td>
<td>11141</td>
</tr>
<tr>
<td>2</td>
<td>Villages</td>
<td>6670</td>
<td>6670</td>
<td>6731</td>
<td>6745</td>
<td>6745</td>
</tr>
<tr>
<td></td>
<td>Villages covered</td>
<td>6631</td>
<td>6670</td>
<td>6731</td>
<td>6745</td>
<td>6745</td>
</tr>
<tr>
<td>3</td>
<td>Membership (in lacs)</td>
<td>9.2</td>
<td>11.1</td>
<td>19.5</td>
<td>25.2</td>
<td>31.2</td>
</tr>
<tr>
<td>4</td>
<td>Working capital (Rs. in crores)</td>
<td>58.9</td>
<td>152.8</td>
<td>826.7</td>
<td>1719.5</td>
<td>2934.9</td>
</tr>
<tr>
<td>5</td>
<td>Secretaries trained</td>
<td>743</td>
<td>735</td>
<td>295</td>
<td>195</td>
<td>780</td>
</tr>
<tr>
<td>6</td>
<td>Members/Committee members/prospective members trained</td>
<td>5594</td>
<td>4652</td>
<td>28700</td>
<td>87218</td>
<td>91454</td>
</tr>
</tbody>
</table>


The movement was in its infancy in 1966 when the state came into being. But soon afterwards it took significant strides both quantitatively and qualitatively and the role of cooperative education and training became increasingly prominent. The coverage of villages, by the societies, which was 99 percent in 1966-67, became 100 percent in 1970-71 and it continues to be so in the year 1990-91 as well. The number of societies went down due to reorganisation of primary societies. The membership and working capital of all societies, which were 9.2 lacs and Rs.58.90 crores in 1966-67 went up to 31.2 lacs and Rs.2934.9 crores in 1990-91, respectively, registering a three-fold increase in the membership and fifty times in the working capital. The
progress in the field of cooperative education and training was also encouraging. Coverage of members under the member education programmes has shown an increase of sixteen times in 1990-91 as compared to 1966-67. All this has been possible due to a number of steps taken from time to time.

The ecology of cooperatives in Haryana is not only influenced by the Cooperation Department but also by the other cooperative organisations known as Apex Federations which provide technical assistance and act as a catalyst for the respective constituents for their growth and development. These cooperatives not only cover the area of credit but have also entered other areas like consumer cooperatives, sugar cooperatives, handloom weavers' cooperatives, labour and construction, dairy development, housing, marketing and cooperative education and training. The role of cooperative education and training would be discussed in length being the main focus of study.

Harcofed:

Low member participation and absence of professional management has been observed as disquieting trends. Effective participation is sought for the enlightenment of the members through proper orientation, education and training. The Haryana State Cooperative Development Federation (Harcofed) was set up for the promotion of the cooperative movement by creating awareness among the masses about the cooperative ideology and education and training of members and office-bearers of the

84. Appendix J.
85. For objects, refer to Appendix K.
societies. It was registered as a cooperative society on September 18, 1975 and was formerly known as Haryana State Cooperative Union which was registered on November 1, 1966.

The objectives are the goals and aims for the accomplishment of which the policy-makers and decision-makers have to make an effort over a period of time. In case an organisation has no definite goals it may become a victim of its own. As Allen has rightly observed that it leads to "haphazard activity, uneconomical commitment of capital funds, poor utilization of people and mediocre operating results over long term".86

Harcofed has not been pursuing all of its objectives. Its activities are mainly confined to education of the members and training of the employees of primary societies. There was no trace of arrangements for research and undertaking surveys for the development of the cooperative movement. It was not acting as an information bureau advising the Government on various matters relating to the cooperative movement and publishing news-magazine only, instead of cooperative journals. Propagation of the movement through films had totally been discontinued since 1983-84. Further, it had not functioned as a focusing centre of non-official opinion on various subjects effecting the movement.

Further, the objective number (xii) which provides for training of the staff employed in the cooperative sector needed a second thought as the District Cooperative Education and Training Centres of the Federation were devoid of basic infrastructural facilities which are very vital for the smooth running of

training programmes. Further, imparting of instruction in such centres was found to be not liked by trainees in view of its quality.

The membership of the Harcofed is open to the State Government, all cooperative societies and individuals as associate members. The Federation’s membership was however not commensurate with total number of registered societies as is evident from Table 2.4.

Table 2.4
Membership of Harcofed vis-a-vis total number of societies

<table>
<thead>
<tr>
<th>Year</th>
<th>Membership of the Federation</th>
<th>Total number of societies in the State</th>
<th>Percentage of membership to total number of societies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980-81</td>
<td>135</td>
<td>9557</td>
<td>1.4</td>
</tr>
<tr>
<td>1981-82</td>
<td>137</td>
<td>9557</td>
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<td>1982-83</td>
<td>124</td>
<td>10694</td>
<td>1.2</td>
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<td>1983-84</td>
<td>126</td>
<td>10727</td>
<td>1.2</td>
</tr>
<tr>
<td>1984-85</td>
<td>133</td>
<td>10821</td>
<td>1.2</td>
</tr>
<tr>
<td>1985-86</td>
<td>143</td>
<td>11035</td>
<td>1.3</td>
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<tr>
<td>1986-87</td>
<td>212</td>
<td>11118</td>
<td>1.9</td>
</tr>
<tr>
<td>1987-88</td>
<td>1129</td>
<td>11183</td>
<td>10.1</td>
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<td>1988-89</td>
<td>1293</td>
<td>11199</td>
<td>11.5</td>
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<tr>
<td>1989-90</td>
<td>1391</td>
<td>11152</td>
<td>12.5</td>
</tr>
<tr>
<td>1990-91</td>
<td>1441</td>
<td>11141</td>
<td>12.9</td>
</tr>
</tbody>
</table>

Source: Annual Reports of Harcofed and Cooperative Movement - Statistical Abstracts for the respective years.

One of the major reasons of increased membership was the policy decision to allow both the societies having two-tier as well as three-tier structure to be the members of Harcofed from the years 1986-87 onwards prior to which it had been showing a downward trend. Further, the membership of the Federation

87. Section 18 of Haryana Cooperative Societies Act, 1984 read with Bye-law 5 & 6 of Harcofed Bye-laws provide that any person or a statutory body or a cooperative society notified by the Government may be admitted as an Associate member but such a member is not entitled to vote or share in any form whatsoever in the assets profits of the Harcofed.
remained less than 2 per cent of total number of societies in the State up to 1986-87 and this percentage was less than 13 per cent during 1990-91 which was hardly satisfactory.

The constituents can be expelled and terminated by the apex federation. However, in Harcofed, there has not been a single case of expulsion of members which is a good indicator for close coordination and cooperation amongst member societies and Harcofed.

The advent of economic planning opened new and vast opportunities for cooperatives for the harnessing of which and to making them viable, an enlightened and participative membership knowing their responsibilities and obligations was essential but the cooperative organisations have not been initiating and strengthening their own environmental action programmes in order to educate their members. In such a state of affairs, Harcofed has to play a significant role and to ensure the effectiveness of the Harcofed in tune with its objectives, a continual analysis, evaluation and evolution of organizational goals and objectives is required on the part of the policy-makers, planners and decision-makers of Harcofed.

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88. (a) As per Harcofed Bye-law No. 10, the expulsion of the members could be done by the general body on any of the following grounds:
   i) default in payment of subscription for two years despite due notice;
   ii) if the conduct of member is prejudicial to the interest or reputation of Harcofed.
(b) Membership can be terminated due to:
   i) Cancellation of registration of an affiliated Society;
   ii) ceasing to hold at least one share; or.
   iii) expulsion as provided in Bye-law 11.
See Bye-law No.9.