

Some Essential Factors for Strengthening Co-operatives -20 Points to Consider

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A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically-controlled enterprise. Co-operative help strengthen basic and ethical values among members and the community at large.

01 Each and every member, in some way, should participate in the business of co-operatives regularly e.g., purchases from the co-operatives, sale to the co-operative, and save with the co-operative. By doing so the members strengthen their own organisation. They also repose their confidence in their own organisation. Participation in the business is the key to the success of a co-operative enterprise. By doing so the methods and techniques of doing business get refined and become more efficient. They are then able to gauge and satisfy the interests of members better. Co-operatives are established by the members to serve themselves under their own management. If the members do not participate in the business and organisation structures they fail themselves. Co-operatives are not formed just to borrow money to produce something or to satisfy their own personal needs. Co-operatives expect that the members sell their produce through them, and if the co-operatives fail to serve their members, the members should give advice and suggestions to them.

02 A dedicated and honest person should hold the office in a co-operative. The person should be completely devoted to the cause, basis and principles of co-operation and should discharge his duties honestly and faithfully. The dedication and honesty is a natural trait and these get strengthened while performing duties with full devotion and sense of service to the co-operative and members. It is, of course, very difficult to define 'honesty', 'integrity' and 'devotion'. But there are common factors which determine a person to be honest and devoted. Such people help the co-operative in improving its goodwill. Such people make the organisation not only responsive to the needs of members but also responsible.

03 The officials of government co-operative department and the members should encourage the office-bearers and workers and should continue to appreciate their work. Good workers should be rewarded for their services. Co-operative departmental officials are the friends of co-operatives and, are, in no way, the controllers and directors of co-operatives. Their main job is to help and assist co-operatives and guide the workers through training and education programmes. 'Bossing over' is not the solution, co-operation and encouragement are the prime movers in improving human resource in a co-operative. Departmental officials and government auditors should facilitate the work of co-operatives. They are the one who can simplify procedures for the people who run co-operatives.

04 Meetings of co-operatives should be held regularly, and certainly in accordance with the procedures laid down in the byelaws of the co-operative. No effort should be made to delay the meetings or hold them in secrecy and in a haphazard manner. Proper documentation should be prepared for each and every kind of meeting - meeting notice, agenda notice, agenda notes, audit report, and other project reports and documents. The members should be informed well in advance and through personal contacts should be persuaded to participate in meetings. Some of the members should be invited to express

their opinions and make suggestions. Such steps help improve the participation level and enhance members' loyalty towards their co-operative.

05 Amendments to byelaws and audit compliance reports must be submitted to the Registrar promptly. Any delay would lead to corruption and unnecessary harassment. Delay in compliance encourage corruption. Similar steps should be taken to meet the requirements of the co-operative bank and other financial institutions. Prompt and transparent dealings with co-operative financing institutions help build strong and lasting relationships.

06 Officials from the co-operative department, co-operative bank, rural development department, Panchayat, self-help group organisations and other concerned agencies which have a linkage with the co-operative, should be invited to meetings as guests and speakers. Their advice would be valuable in reaching proper decisions. Such a step also strengthens co-operative's relations with local bodies and financial institutions. A co-operative may not have all the resources of its own to meet the social and economic needs of the members and the community, it can coordinate with local development agencies - governmental or non-governmental - and source economic and expert support from them.

07 The 'One Man Show' should be avoided at all costs. The co-operative is not a firm owned by an individual. It is a member-owned and member-managed institution. The chairman should encourage others members to come forward to shoulder organisational and managerial responsibilities. If a co-operative is run by an individual or on the strength of one individual, its future remains uncertain. There should always be a second line of defence. New blood helps bring in new ideas resulting into useful broad-based development plans.

08 The Chairman should organise training and information sessions for the Managing Committee members from time to time enabling them to get acquainted with the changes in policies and procedures and current market trends. A well-informed MC member is an asset to the institution. National level co-operative organisations and business federations do offer a variety of training and orientation programmes for their affiliates and leaders. Co-operatives should make use of such opportunities.

09 A specific amount should be reserved for members' education and co-operative employees' training in the budget of the co-operative. This amount should be utilised only for education and training and not for entertainment. Expenses incurred on education and training is an investment and not considered as unnecessary expenditure. Member education classes should not be restricted to 'moral preaching'. These classes should deal with the issues in which members are deeply involved e.g., what to sell and when and at what price in consumer co-operatives; when to purchase fertiliser and in what quantity; assess the requirements of inputs [e.g., fertiliser, seeds, farm chemicals, implements etc.] sufficiently in advance; assess the needs of the members; what to sow, how to sow and when to sow etc. Co-operative can source experts from the agricultural colleges or research stations and farm extension agencies to speak to the members. Two to three hours are enough for such an interaction.

10 The Chairman should, as much as possible, seek the advice of the manager of the co-operative while taking business and organisational decisions. The manager who should be a full-time paid employee of the co-operative should be invited to all MC meetings except when his own employment terms are being discussed. The manager should present upto date information to the MC meetings. It is the manager through whom members deal with the organisation and its leadership. Cadre managers or secretaries only add to the confusion because their loyalties are fractured. Barring a few exceptions, most of them tend to satisfy their own needs and those of the departmental officials who have the authority to punish or transfer them.

11 Every co-operative must have a copy of its own upto date byelaws. Every member must be asked to read the byelaws, or, at least, be explained the main points relating to their rights and duties and the objectives of the co-operative. Members often believe what is said by the manager, but it is a different matter if the member is encouraged to read the byelaws and understand the implications of various provisions and clauses of byelaws. The manager is a facilitator, not a boss. He is employed by the members to help and assist them. Members can raise issues at the General Assembly and propose amendments in the byelaws. The General Meeting is a supreme organ in a co-operative institution. It elects the Board and appoints managers.

12 Accounts should be kept securely and updated. Accounts should be transparent. Members should feel satisfied about their accounts. All financial transactions should be made clear to the members. Attempts should be made to computerise the accounts. All members have the right to examine and understand their accounts and transactions. No body can hide such an information from the members.

13 Members must insist on an official receipt against any payment made by them to the co-operative. Proper entries must be made in the books of the co-operative as well as in the passbook of the member. A lot of problems have arisen because members did not get any receipt when the payment was made to the manager/secretary and the receiving official forgot the amount tendered because he has already mixed his personal money with the institutional money. Member should, on their own, have their own records of the payments made to the co-operative officials and tally that information with the official records kept in the co-operative.

14 The cheque book, Kisan Credit Card and the members passbook must be retained by the members. No signed cheque book should be left with any employee of the co-operative. Signed cheques are a strong motivation to commit frauds.

15 Those co-operatives, which hold larger amounts in deposit, need to be extra-careful and vigilant in the management of funds. Funds should be invested carefully and wisely so that higher returns accrue to the organisation and the members get added benefits. Higher returns to the members on their deposits add to the efficiency and goodwill of the co-operative. Members participate in the institution which bring them some economic benefits.

16 Co-operatives, especially the village level agricultural co-operatives, should diversify their business. They should not restrict only to fertiliser and seed distribution. There are hosts of business avenues e.g., distribution of farm chemicals, production and distribution of vermicompost, deposit mobilisation, fuel distribution, laying of nurseries, hiring of agricultural machines, electricity and water supply, farm extension and guidance, water and soil testing, running a community centre, production of furniture, construction material, repair of machines and household equipment, warehousing, bee-keeping, livestock development, dairying, fisheries, etc. In the diversification of business women are known to have played significant roles. They can undertake activities like bee-keeping, livestock development, dairying, poultry, handicrafts, food preservation and processing on their own or through their self-help groups. Co-operatives can support them by providing technical support, market place and market information.

17 Co-operatives should perform community-related services e.g., health care, sanitation, street lighting, telephone kiosks, payment of electricity, water and house tax bills, adult education, crèches for children [day care centres], scholarships to members' children etc. A co-operative is a central rallying point in the village and therefore has a lot of social responsibility. Such activities bring the general community closer to the co-operative.

18 With a view to enhance business and social contacts co-operative institutions operating in the neighbouring areas should get together in conjunction with local festivals. Exchange of visits helps members to learn from each other.

19 Co-operatives are, of course, not charity institutions. They cannot afford to provide services free of cost. Members need to pay for services, and members do pay when they get the services. Any free service given or pilferage or leakage of resources is a loss.

20 Co-operative Movement is not only a social and economic movement, but also serves as a moral building movement. An efficient co-operative serves as an ideal for the people. Such co-operatives generate social security and confidence among the members and general public. Co-operatives are little democracies operating at the doorstep of members. They help in improving the social and living standards of members.

Co-operatives are people-centred rather than capital-centred organisations. Therefore, training and extension is the most appropriate tool for developing the co-operatives' most valuable asset, i.e., its members. Old members must always be taught the values of free and democratic co-operation, of their rights and duties; while, new members must be taught the basic principles and the philosophy of co-operation. In this way, they can be converted to faithful supporters and loyal members of the co-operative way of economic and social life. Co-operative training and extension therefore, is a useful tool for reforming strengthening and extending the Co-operative Movement. Stress should be laid on the study and observance of Principles of Co-operation. The Principles are guidelines by which co-operatives put their values into practice.

Strengths of Co-ops-dp
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