

Memorandum on Problems of Cooperative Sector in India

WE are thankful to you for giving us an opportunity to present the Report on "Ninth Plan in Perspective : Role of Cooperatives in various segments of the cooperative movement" of the Cooperative Planning Council of the National Cooperative Union of India (NCUI) prepared under the Chairmanship of Prof. Y.K. Alagh, Minister of State for Planning and Programme Implementation, Government of India. On this occasion, we brought to your notice certain critical problems and challenges being faced by the cooperative movement. You desired that these problem areas may be sent to you in the form of a Memorandum. Accordingly, we

Shri B.S.Vishwanathan, President, NCUI accompanied by a group of senior cooperators met the Deputy Chairman of Planning Commission Prof. Madhu Dandavate in New Delhi recently and presented to him a Memorandum on Problems of Cooperative Movement in India (Text published below). He highlighted various issues like Multi State Cooperative Societies Act; Need for Expeditions Issue of Licence to Cooperative Bank of India (COBI); Rehabilitation of Sick Cooperative Units; Exemption to Cooperatives from the Imposition of Income Tax and their Entry into the Insurance Sector. Shri Dandavate listened to the delegation with an open mind and was quick to respond through his letter dated March 6, 1997, the text of which also we are publishing here.—Editor

Agriculture.

The approach paper to the Ninth Five Year Plan (1997-2002) which has been approved by the National Development Council, the highest policy making body, has inter-alia laid emphasis on evolving

sation, diversification of activities including market opportunities and effective recovery systems. It has been further under-scored in the Approach Paper that efforts will be made to bring about structural changes in non-credit cooperatives so as to facilitate technology upgradation and acquisition of capabilities, product and design development, quality improvement, marketing, human resources development etc.

It was expected that the commitments made in the Approach Paper to the Ninth Plan would be reflected in the Union Budget for 1997-98, the opening year for the



Photo shows (L to R) Sarvashri Y.K. Alagh, Madhu Dandavate, L.C. Jain, B.S. Vishwanathan, H.K. Patil and S.K. Jakhar.

are listing below certain problem areas for your kind consideration and for taking up with the Ministry of Finance and Ministry of

an environment in which cooperatives will become efficient, viable and competitive. It is proposed to achieve this through professional-

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The Engineering College Cooperative Society Limited No. R. 51, Trichur: Striving to Fulfil Members' Needs

Introduction

Relative to all the other states in India, Kerala State has the treasure-trove of human resources. Kerala has attained total literacy and the educational institutions are producing competent work force. More than 3400 student cooperatives are imparting the spirit of cooperation by practice. The objective of the study here is to highlight the trend and scope of a College Cooperative Society, for which the data related to the Engineering College Cooperative Society, Trichur were collected and compared with the objectives of the society.

Organisation of the Engineering College Cooperative Society

The Engineering College Cooperative Society Limited, No. R. 51, Trichur, was registered as a cooperative society on 16th November 1958 under the Travancore Cochin Cooperative Societies Act of 1952 and later brought under the Cooperative Societies Act of 1969. The society started functioning on 16th February, 1959. The area of operation of the society is confined to the Engineering College, Trichur and institutions and establishments auxiliary to it.

SUCCESS STORY

Kerala is littered with more than 3400 student cooperatives, imparting the spirit of cooperation by practice. Reaping profits continually since 1986, the Engineering College Cooperative Society, Limited NO. R.51, Trichur has been slowly trying to carve its niche.

Membership

Any student of the college and any employee of the college or other institutions and establishments maintained by it, who is of 18 years of age and is competent to contract shall be eligible for admission as a member. At present the teaching, non-teaching staff and the students on roll are all members of the society which comes around 3400.

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Encouragement of Thrift and Self-Help among the members

To encourage thrift and self-help among the members the society is having the facility of savings bank account. Though the byelaw permits to operate fixed deposit, savings deposit and chit fund or kuri deposits, the society has been satisfied with the operations of savings deposit. It is heartening to note that the transaction has crossed Rs. 225 lakhs and fulfills the working capital needs of the society. Because of this special feature the society has not borrowed from any source.

Running a Store

The next important objective of the society is to run a store to serve the educational and personal needs of its members. At present the

society is satisfactorily fulfilling the educational needs of its members. In the year 1995-96, the per member sales is Rs. 638.

Banking

The byelaws of the society envisage banking activities such as accepting deposits and lending. The society accepts savings bank deposit with seven percent rate of interest and extends overdraft facilities for the members on the same rate of interest.

Serving as a Bureau of Information

The society is disseminating information related to employment opportunity for the students, availability of books and educational materials. Spreading the message of cooperation is the prime aim of the society.

Other Services

In addition to the above services the society extends the following services to the member of the society.

- (i) Pay bill and medical bill collection to the staff members from the Government treasury office for a nominal amount of Rs. 5.
- ii) On behalf of the staff members the society submits its Income tax return statements to the Income Tax Department for a nominal charge of Rs. 2.

- iii) The society is extending telephone facility to the members on the same rate charged by the Telecom Department.
- iv) The society is subscribing journals to the college Library.
- v) Complementary copies received from the book publishers/distributors are in turn distributed to the staff members.
- vi) As a member of the Calicut University Cooperatives, the society is entitled to collect students' examination application forms (Priced) with concession.
- vii) Since the society has been making purchases directly from the manufacturers and

suppliers, many government departments are recurring their engineering equipments from the society.

Operational Surplus

The society has been making profits continuously since 1986, the year in which the present honorary secretary took charge of the affairs. The concept of operational surplus directly relating to the efficient leadership is hereby proved by the Secretary.

Management

The society is governed by the general body and the Board of Directors. The Board of Directors consists of the Principal who is the ex-officio President, the elected Honorary Secretary and seven other elected members. Equal

representation has been given to the students.

Conclusion

The society is trying to fulfill various needs of the members. Running a Super market is the main aim of the society. But it is delayed because of lack of space. More than that the Cooperative Audit Department has not come forward to audit the accounts for the past fifteen years, which is the main constraint for the performance appraisal and for further development.

The main item of sales is white paper. Every student consumes more than 100 A5 sheets every week. If the Government permits the society to procure the papers directly from the manufacturers, that will be the true service to the students. ■

State Cooperative Unions Urged to Build up Proper Image of the Coops

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- (9) State cooperative unions should make 30% reservation.
- (10) The recommendations of the expert group to examine present state and structure of state cooperative unions should be followed by State cooperative unions.
- (11) State cooperative unions should adopt self-help group approach in their cooperative education programmes on the line of NCUI cooperative education projects.
- (12) Computer application course of three months duration should be conducted for the

personnel of state cooperative unions instead of short-term computer training programmes by the National Centre for Cooperative Education (NCCE). State cooperative unions should depute more personnel for programmes being conducted by NCCE, New Delhi.

- (13) Emphasis should be laid on conducting leadership development programmes. State cooperative unions should conduct such programmes for district level leaders and NCCE should conduct leadership development programmes for

the state level leaders.

- (14) Formal approval for 9th plan proposals is yet to be received from the Government. This matter should be persuaded by the state cooperative unions with the state governments after its formal approval with intimation to the NCUI for follow up in the matter.
- (15) State cooperative unions should use more print as well as mass media like All India Radio, Television etc. for giving wider publicity to the achievements of cooperative sector as a regular feature. ■