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Topic: Bridging the Missing Links in Primary Cooperatives in India

By

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Abstract for Paper sent for

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Corporate-led globalisation has essentially posed formidable challenges for the cooperatives to have collective interventions and social innovations to fill the social void created by market forces. But before they reach out to the community in general, they should first develop the cooperative community, reinforce the lost identity so as to integrate into community cooperative. As a central component of Social economy, they need to prove their social relevance and demonstrate convincingly what they are defined for. A cooperative being the manifestation of values and principles, there is an ethical imperative of practicing the same and has prime responsibility of developing the members leading to effective cooperative governance (Taimni, 1998). Preponderance of commercial success to the total exclusion of association concept has further stagnated the cooperative culture in developing the core capital (members), which is the revenue producing asset and scarcer than any other resources (Sudha, 2004). “If co-ops neglect their associational needs, the consuming public can no longer distinguish a co-op from any other business”(Craig, 1995). Hence it is imperative for the cooperatives to revive the commitment to nurture members and cooperative ideology that are integral to strengthen social economy.

In the primary cooperatives in India that house majority of poor and marginalised members, member development is relegated to the backseat. In reality, it is this section that would gain more from cooperative action but know least about its potentialities in realising their own aspiration and socio-economic amelioration (Casselman, 1952; Taimni, 1993; Dwivedi, 1997). Member development through education and other developmental activities is being undertaken at the macro level for the past four decades. But they could cover only a fraction of the total cooperative community. Development of members should be the responsibility of primary units but they function devoid of any activities for the same. It is now widely held that member development initiatives at the macro level are not very effective and are virtually missing at the micro level. Bridging this missing links is paramount in making cooperatives join the mainstream in a social economy.

It is in this backdrop, the present paper discusses the relevance of member development as ethical and social responsibility towards cooperative governance, and provides an outline of micro level endeavours towards the cause both in global and Indian scenario. An empirical survey conducted for the purpose elucidates the effect of primary level initiatives on members, influencing the social economy. The study is both explorative and descriptive in nature. Methods in the data collection are primary, secondary and field observation while the methods of data analysis are descriptive and statistical inferences: scaling technique, percentages, averages, chi-square, correlation and non-parametric statistics. The empirical study is confined to the primary cooperatives working in eight sectors in five different States in India.

1.0 Introduction:

Corporate-led globalisation has essentially posed formidable challenges for the cooperatives to have collective interventions and social innovations to fill the social void created by market forces. But before they reach out to the community in general, they should first develop the cooperative community, reinforce the lost identity so as to integrate into community cooperative. Preponderance of commercial success to the total exclusion of association concept has already stagnated the cooperative culture in developing the core capital (members), which is the revenue producing asset and scarcer than any other resources (Sudha, 2004). “If co-ops neglect their associational needs, the consuming public can no longer distinguish a co-op from any other business”(Craig, 1995). Hence it is imperative for the cooperatives to revive the commitment to nurture members and cooperative ideology that are integral to strengthen social economy.

2.0 Member Development in Primary Co-ops– A Missing Link

In the primary cooperatives in India that house majority of poor and marginalised members, member development is relegated to the backseat. In reality, it is this section that would gain more from cooperative action but know least about its potentialities in realising their own aspiration and socio-economic amelioration (Casselman, 1952; Taimni, 1993; Dwivedi, 1997). Member development through education and other developmental activities is being undertaken at the macro level for the past four decades. But they could cover only a fraction of the total cooperative community. Development of members should be the responsibility of primary units but they function devoid of any activities for the same. It is now widely held that member development initiatives at the macro level are not very effective and are virtually missing at the micro level. Bridging this missing links is paramount in making cooperatives join the mainstream in a social economy.

3.0 Methodology

The study is both explorative and descriptive in nature. Methods in the data collection are primary, secondary and field observation while the methods of data analysis are descriptive and statistical inferences: scaling technique, percentages, averages, chi-square, correlation and non-parametric statistics. The data of various primary level initiatives of surveyed societies are collected for a period of ten years from 1996-97 to 2005-06. The empirical study is confined to the primary cooperatives working in eight sectors in five different States in India. The five different states are (1) Karnataka State (2) Kerala State (3) Goa State (4) Andhra Pradesh State (5) Maharashtra State . The eight sectors are - Agriculture credit, Producer/Worker, Marketing, Dairy, Banking/Thrift, Service, Consumer and Fisheries Multi stage stratified random sampling was used for selection of area, sectors and units.

Objectives:

1. To discuss the relevance of member development strategies as ethical and social responsibility towards cooperative governance.
2. To provide an outline of micro level endeavours towards the cause both in global and Indian scenario.
3. To elucidate the effect of primary level initiatives on the development of members.
4. To suggest measures for effective member development

4.0 Relevance of Member Development Strategy- An Ethical Imperative and Social Responsibility towards cooperative governance

The importance of member development strategies was realised a way back in the year 1844 by the Rochdale Pioneers. Today the need continues, as there is a neglect towards this effort. Since the last decades there has been a shift in the concept of cooperation premised on the 'members', to the market focused on 'customers' that has led to the downfall of many cooperatives. Consequently, the crisis that the cooperatives are facing now has necessitated them to follow the footprints of Rochdale Pioneers more vigorously than ever before. In the light of the new cooperative identity, accepted after Manchester Congress of the ICA, there is a dire need to inculcate cooperative consciousness through value education. This holds the key to the ultimate success of cooperatives by nurturing the spirit of cooperation, self-reliance and entrepreneurship among members (Taimni, 1998).

The cooperatives in India though have celebrated its centenary, development of members is yet to be realised in a realistic sense. This is manifested in the inability, indifference and inefficiency

of members, who neither participate nor are aware of their role and responsibilities. A lack of vigilance by the members has led to misappropriations and corrupt practices that have eroded both the economic and moral foundation of the Movement. Besides, it has given way to vested interests and political parasites who have not only robbed members of their vital say, but elevated to higher echelons through cooperatives at the cost of the people who are central to the cooperatives (Dwivedi, 1997; Prakash, 1988; Warbasse, 1942). If Cooperative Movement is to emerge as member driven, it is vital that development of the core force and activities for the purpose should receive utmost attention. This would rejuvenate members and build their innate strength to fight the distortions plaguing the cooperatives. “Just as the success of a cooperative depends on the members’ clear sense of ownership, so too the success of the cooperative development programme depends on a sense of ownership by the cooperatives, unions and federations” (Vir, 1991, p.108).

The need for the member development programmes is greater for the underprivileged members as they constitute majority of the cooperative membership. Most of them are deprived of formal schooling and lack awareness of cooperative procedures and administration skill. Continued factions, high status leadership, frequent exploitation and caste domination have further deterred members from taking active participation (Krishnaswami, 1976). Volume of business, operational complexities and competition has posed them additional challenges. Thus the active involvement of members in decision making and commitment in discharging their responsibilities is crucial that demand improvement in the quality of membership to counter the handicaps (NCUI, 1987).

As a central component of Social economy, cooperatives need to prove their social relevance and demonstrate convincingly what they are defined for. A cooperative being the manifestation of values and principles, there is an *ethical imperative* of practicing the same and has prime *social responsibility* of developing the members leading to effective *cooperative governance* (Taimni, 1998). Cooperative Governance cannot be judged only by the Balance Sheet entries but by achieving the development of members- the common denominator of both enterprise and the association concept embedded in the cooperative system. Hence customized member development initiatives are paramount for the sustainable development of members that achieve the purpose of their association.

5.0 An Outline of Micro Level Endeavours in Global Scenario

If cooperatives have been able to thrive as self-reliant organisations with their good achievements, it is mainly due to the sparks of innovative initiatives generated by the primary cooperatives to the development of their members. The glimpses of some of the primary cooperatives across the globe are outlined here:

The analytical study done by Vir (1974, pp. 59-125) for the ICA seminar on the function of Kisozaki and Matsuzaka-Nanpo agricultural cooperative societies in Japan brings an understanding that there is no specific programme called member education programme in these institutions. All the objectives of a well knit and articulated education programmes are achieved in the course of discharging their functions and rendering services to their members.

Some of the activities of the units are:

- Farm guidance services (through community group and individual counseling, seminars, observation trips and face to face discussions).
- Better living and Home Management Services for the Housewives (through hamlet meetings, neighbourhood meetings and women associations, study of better-living techniques, book-keeping, health and hygienic activities, children education and planning lessons).
- Youth programme (through cultural groups and other group activities).

Case studies conducted as a part of the International Joint Project on Cooperative Democracy (1995), help us gather insights into distinct initiatives practised in the consumer cooperatives of different advanced countries. The glimpses of such activities implemented in Japan, Canada and Sweden are sketched here:

The Cooperative Kanagawa, in the consumer segment, has created eight fields of activities for responding to the needs of members. They are peace, lifestyle and household accounts, environment, welfare, culture, health, international exchange and labour. Each area has an action programme on which expansion of activities are based. Groups for promoting these field-specific activities are formed in each locale. The society arranges cultural appreciation festivities for members' mass get together. Once in a month, members and employees work together to hold a *Co-op day* to promote sales. Local members' committees are also formed to promote community and lifestyle and they distribute cooperative magazines every month to member households. For the member communication, the Co-operative has a direct toll-free line called *Moshi-Moshi Coop* and member magazine called *Mio*. The in-house newsletter *Fureai* is distributed to all full

time and part time employees, committee members and group leaders (Yamagishi and Komori, 1995, pp.42-61).

The Calgary Cooperative Association in Canada functions as a one stop shopping model and provides a wide range of services to the member community. They are pharmacy, hardware, family fashions, travel agency, gas bar, cafeteria, cooperative insurance and beauty saloons. Besides, the store has initiated volunteer activities, free consumer courses in topics like car care, garden care, investment options, home security and consumer counseling. Annual senior day, the annual plant exchange, stampede breakfast, book exchange and other initiatives make use of volunteer labour. The cooperative news, a quarterly newsletter provides articles, guidance and information on tested recipes and addresses the concerns of the customers (Ketilson, 1995, pp. 180-199).

The Swedish Stockholm Consumer Cooperative Society (Konsum Stockholm), which has been the largest cooperative society in Sweden, has demonstrated an increasing number of activities for member development. These include: distribution of member magazine *Mersmak*, that gives ample information on cooperative activities, organises conferences and meetings on the current topics and educates members on environmental issues. The society gives environmental prize every year to persons who have made special contributions. It provides twenty-four hours telephone service for consumer information. Members are encouraged to form circle for knowledge and exchange of experience (Böök, 1995, pp.247-263).

The Senior Citizens' Cooperatives (Koureikyou) formed in Japan have created spaces for older members to have get together, to exchange information and learn from each other. The cooperatives also help the members to keep healthy without becoming bed-ridden and assist the care needed persons. They also interact with the students to keep in touch with the latest trends and to instill in them love and care for the senior citizens (Ohya, 2000, p.4).

The successful expansion of cooperative business and increase in farm incomes of multi-purpose agricultural cooperatives in Korea are attributed to the integrated member education programmes of the cooperatives. The programme includes guidance for farming, better living and environmental improvement through a leading internal grass root groups of cooperatives like Saemaul Farming Group, Commodity group, Women's club and 4-H club (Shim and Lee, 1980, pp. 87-95).

Agricultural cooperatives in Republic of Korea and KUDS in East Java are also active in initiating educational programmes and promoting member communication.

6.0 Profile of Micro Level Initiatives in Indian Scenario

The situations of the Indian primary cooperatives in the realm of development of members through micro initiatives display a sombre picture, as compared to their global counterparts. This is mainly due to the fact that in western countries, the activities and the achievements of the cooperatives are well published, where as in the Indian context such efforts are neither documented nor forthcoming. However, there are significant instances in sugar and dairy pockets, where primary cooperative societies have not only proved succour to the needy

members, through their need fulfilment strategies, but have also served as personal growth laboratories, moulding members into genuine cooperators. They have come out with some techniques for the qualitative development of their members and established their edge over the private sector.

The Pravara, Warana and the Sangamner Bhag Sugar Cooperatives in the State of Maharashtra have made splendid strides and have set an emulative model for others in terms of development of members and rural transformation. Pravara Sugar Cooperative has won the credit of Asia's first cooperative sugar factory and Warana for its cooperative complex. Besides enhancing economic gains, they have been the centre for enlightenment, technology transfer and skill up-gradation. They have shown their farmer members how their joint effort helps them to enrich their capabilities and strengthen the cooperative synergy as a way of life, which otherwise would not have been available had they been unorganised.

The constant farm extension service, member information, skill enhancement through modernisation process has enabled members to fine-tune their farming operation to the technological innovations, leading to their enhanced productivity. The extension services include: provision of input requisites and irrigation, sugar cane research facility, water management, soil and water testing, plant breeding and workshops on high yield production. They have also arranged the awareness camps, training, seminars, exhibition, study visits and other cultural activities and thus transformed them into progressive and innovative members in various spheres and disciplines. They have fostered women employment through dairy, vegetable cultivation, handicrafts, tailoring and carpet making. These sugar cooperatives have

been the pulse of the rural economy, as they touch every walk of the rural people (Prakash, 1994, pp.15-29).

The consumer cooperatives are no exception in launching programmes for developing the consumer members. Mumbai Kamagar Madyavarthi Grahak Sahakari Mandal Ltd., popularly known as “Apna Bazar” is a household name in Mumbai. They provide excellent service through widespread branches and mobile shops. They have introduced the Swedish pattern of self-service system, the first of its kind in India that deals with wide range of products and medicine. It also operates health centre and clinical laboratory. Discerning the importance of member enlightenment in particular and consumer awareness in general, cooperative has organised bookfair, consumer education exhibition, healthy baby contest and free eye check-up camps, asli-nakli (original-duplicate exhibition) and photographic competition. The cooperative has a women’s wing called ‘Bhagini Sahakar’, which arranges cooking competition, demonstration and product testing programmes. Besides, they arrange a series of lectures on relevant issues of consumer interest like role of consumer cooperation in protecting consumers and health care. They publish a monthly magazine titled ‘Upabhotha’ (the consumer) and provide information on new lines of service to the members, new ventures and current trends (Maniyani, 1995, p.339).

The Mulukanoor Cooperative Rural Bank in Andhra Pradesh evokes substantial admiration amongst other primary cooperatives for being a successful model. Bank has gained enormous fame for its committed leadership and multifaceted integrated activities, focused on member development. Effective participation of members in the resource building, democracy and utilisation of services, involvement of the members in diverse initiatives like cooperative

education, study visit, training and vertical integration of activities for value additions have made it a shining example of self-reliant and self-government cooperative. Members are found more vigilant and demand accountability due to their high financial stakes in the cooperative. Thus, it has led to open and transparent functioning (Mohanani, 1986, pp.34-37). The bank is also one of the sample units in this empirical study.

Some women urban cooperative banks at Sangli, Solapur, Kolhapur and Pune in the State of Maharashtra have adhered to the cooperative principles and attached greater importance to women empowerment. Personal contact of the members for building confidence, member education, entrepreneurship guidance, teaching the illiterate to operate the account, an in-built system of bank-member communication and membership surveys are some of the initiatives taken by them in the process of member development. They have been instrumental in empowering their members through the creation of jobs of the nature of manufacturing, trading and service (Koli, 1994, pp.111-121).

The Tharuvaikulam Fisherwomen's Cooperative Society in the State of Tamilnadu has proved its mettle by undertaking ample activities for the member community, which is quite unique in the domain of fishery. The society has organised a six months training in tailoring and net braiding, with the funding from the Integrated Rural Development Project to foster self-employment. Members are also imparted training free of charge in bamboo basket making and fish processing, fish and prawn pickling and preparation of other fish by-products by the Central Institute of Fisheries Technology, Cochin. They were also trained in book keeping, record maintenance and preparation of minutes of the meeting. Members are made aware of economic, socio-cultural and

Extent									
High	5 (20.00)	5 (16.67)	-	3 (20.00)	-	-	-	-	13 (7.03)
Medium	9 (36.00)	8 (26.67)	-	7 (46.67)	2 (5.00)	-	6 (30.00)	-	32 (17.30)
Low	4 (16.00)	6 (20.00)	9 (45.00)	-	14 (35.00)	8 (40.00)	3 (15.00)	6 (40.00)	50 (27.03)
Least	7 (28.00)	11 (36.66)	11 (55.00)	5 (33.33)	24 (60.00)	12 (60.00)	11 (55.00)	9 (60.00)	90 (48.64)
Total	25 (100.00)	30 (100.00)	20 (100.00)	15 (100.00)	40 (100.00)	20 (100.00)	20 (100.00)	15 (100.00)	185 (100.00)
Gr. Point Average	2.48	2.23	1.45	2.53	1.45	1.40	1.75	1.40	1.83

Note: 1. Grade Point Averages are calculated by assigning weights as follows:

High—4 Medium—3 Low—2 Least—1

2. Values in parenthesis in each cell denote percentage to column total.

Source: Survey Data

The average participation of the members is found encouraging in the societies representing Dairy (2.53), Agriculture Credit (2.48) and Producer/Workers sector (2.23). But in the unit of five of the eight sectors, it recorded poor trend which was lesser than the overall GPA score of 1.83. The percentage based analysis showed that the members of the Dairy (66.67%), Agriculture Credit (56%), Producer/Workers (43.34%), Consumer (30%) and Banking/Thrift (5%) societies have participated in diverse activities. But only 24.33% of total members have participated in broad based activities and as many as 75.67% of the members showed poor record of participation.

The reason for this dismal record seems clear. Only 51.35% of the members have participated. Besides utilising the need fulfilment services and maintaining minimum interaction among themselves and the employees, 48.64% of the members had insignificant participation. Among them, 22.16% of the members reported about inadequacy of diverse programmes, 16.22% of the

members expressed their ignorance of member development initiatives, except for some community-oriented programme. The remaining 10.26% of the members have never attended any activities. The reasons for the non-participation were: lack of time (67%), no information (15%), lack of interest (10%) and distance (8%). Lack of adequate and stable initiatives at the cooperative floor had rendered scant opportunities for continuous participation. Initiatives were not given prominence and treated as extraneous activities.

The general trend of the member participation though found dismal among most of the units, for the various reasons mentioned above, an encouraging sign is also seen in few exemplary organisations. Some participant members (35%) have sought for more programmes, irrespective of their distance and problems, for they found it beneficial leading to their enhanced know how. According to them it was these activities that have maintained healthy socio-economic nexus with the cooperatives. Realising the importance of member development initiatives, veteran members (15%) claim deserving conceptual recognition in the Indian cooperative policy and their coexistence in cooperative functional identity.

7.2 Extent of the Cooperative Consciousness among Members

The members should know their own cooperatives. This familiarity is very essential to have faith in the society and understand the importance of their involvement in all its activities. It is expected that member participation in the initiatives would make them enlightened. Hence an attempt was made to analyse the extent of the cooperative consciousness among the sample members. For the purpose of evaluation of the extent of consciousness, three main areas of significance (cooperative ideology, knowledge of one's own cooperative and awareness of one's

own rights and responsibilities) were identified and the scores were given to each area. On the basis of the scores and weights in proportion to 4, 3, 2, 1 the respondents' level of awareness was categorised into four - high, medium, low and least. The data gathered are presented in Table 2.0

Table 2.0 Extent of Cooperative Consciousness among Members

Members in Sectors / Extent	Agrl. Credit	Producers/ Workers	Marketing	Dairy	Banking/ Thrift	Service	Consumer	Fisheries	Total
High	5 (20.00)	4 (13.33)	-	3 (20.00)	-	-	-	-	12 (6.49)
Medium	7 (28.00)	9 (30.00)	1 (5.00)	6 (40.00)	5 (12.50)	-	5 (25.00)	-	33 (17.84)
Low	5 (20.00)	7 (23.33)	9 (45.00)	1 (6.67)	14 (35.00)	9 (45.00)	5 (25.00)	5 (33.33)	55 (29.73)
Least	8 (32.00)	10 (33.34)	10 (50.00)	5 (33.33)	21 (52.50)	11 (55.00)	10 (50.00)	10 (66.67)	85 (45.94)
Total	25 (100.00)	30 (100.00)	20 (100.00)	15 (100.00)	40 (100.00)	20 (100.00)	20 (100.00)	15 (100.00)	185 (100.00)
Gr. Point Average.	2.36	2.23	1.55	2.47	1.60	1.45	1.65	1.33	1.85

Note: 1. Grade Point Averages are calculated by assigning weights as follows:

High-4 Medium-3 Low-2 Least-1

2. Values in parenthesis in each cell denote percentage to column total.

Source: Survey Data

The data in the above Table 2.0 reveals that most of the members with high (6.49%) and medium (17.84%) level of enlightenment come mainly from Dairy, Agriculture Credit and Producer/Workers cooperatives. Correspondingly their mean awareness is also 2.47, 2.36 and 2.23 respectively, which is more than the overall GPA of 1.85. The members in few of the Banking/Thrift (12.50%) and Consumer (25%) societies also exhibited medium level of cooperative consciousness. Incidentally, these are the units, which have more micro initiatives for member development. But the members with low and least level of cooperative consciousness mainly belong to Marketing (95%), Banking/Thrift (87%), Service (100%), Consumer (75%) and Fishermen (100%) cooperatives, where the member development initiatives are less.

Various questions were put to the respondents to assess the extent of their knowledge about cooperatives in general and their own cooperatives. The survey showed that, of the total sample members, those members exposed to the education activities (12.43%) and persons who were erstwhile active members of the committee (11.90%) gave fairly better responses to the questions related to cooperative ideology, rights and responsibilities, Cooperative Act, Annual Report, quorum and other related issues. But the least participant members (75%) failed to answer even a fourth of the total questions asked on the basics of the cooperatives. Among the least exposed members, 30% of them neither knew the rate of dividend they received nor their amount of share holding. They asked the employees to find out for them. As many as 64% of the least exposed members did not know the total strength of their management.

Thus, the survey showed that the members who were given good opportunity to participate in purpose specific and qualitative programmes were found more enlightened with better understanding of their privileges and obligations, than the other members having negligible exposure.

7.3 Extent of Democratic Involvement of Members

Participation of members in the cooperative democracy is the key determinant of the member development, for it is the value, the principle and an essence of cooperation. For the purpose of analysis, general areas of democratic participation are identified and scored. Weights are assigned in proportion to 4, 3, 2, 1 and democratic involvement was graded on a four-point scale of high, medium, low and least and the extent of participation is thus analysed in the Table 3.0

Table 3.0 Extent of Democratic Involvement of Members

Members in Sectors	Agri. Credit	Producers/ Workers	Mktg.	Dairy	Banking/ Thrift	Service	Consumer	Fisheries	Total
Extent									
High	5 (20.00)	7 (23.33)	-	-	3 (7.50)	-	-	-	15 (8.10)
Medium	8 (32.00)	8 (26.67)	2 (10.00)	6 (40.00)	5 (12.50)	1 (5.00)	4 (20.00)	2 (13.33)	36 (19.46)
Low	7 (28.00)	8 (26.67)	11 (55.00)	5 (33.33)	12 (30.00)	14 (70.00)	4 (20.00)	6 (40.00)	67 (36.22)
Least	5 (20.00)	7 (23.33)	7 (35.00)	4 (26.67)	20 (50.00)	5 (25.00)	12 (60.00)	7 (46.67)	67 (36.22)
Total	25 (100.00)	30 (100.00)	20 (100.00)	15 (100.00)	40 (100.00)	20 (100.00)	20 (100.00)	15 (100.00)	185 (100.00)
Grade Point Avg.	2.52	2.50	1.75	2.13	1.78	1.80	1.60	1.67	1.99

Note: 1. Grade Point Averages are calculated by assigning weights as follows:

High – 4 Medium – 3 Low – 2 Least – 1

2. Values in parenthesis in each cell denote percentage to column total.

Source: Survey Data

It is clear from the above Table 3.0 that percentage of the active members, comprising high and medium category are only 27.56% and as high as 72.44% of the respondents are poor participants, showing the cooperative democracy in a very bleak state. However, the small percentage of positive participation of 27.56% constitute 52% of the members in the Agriculture Credit, 50% in Producer/Workers, 40% in Dairy and 20% each in Banking/Thrift and Consumer cooperatives respectively, where the initiatives are found significant. If we consider the poor participants (low and least category) majority of them come from the other five sectors, which accounts for 90% in Marketing, 80% in Banking and Consumer, 95% in Service and 86.67% in Fishermen cooperatives. This indicates that the members participating in the member development activities are active in cooperative democracy, than their counterparts in the units having least exposure to the initiatives.

A probe into the nature of their participation, based on the field survey shows that, of the 72.44% of the low and least participants representing the units with less initiative, 24.62% of them did not attend any meetings and 48.50% of them attended just one or two meetings. 72.25% of the members participated in the election process. Only 3.73% of the members claimed to have contested for the election to the Board and 11.19% of them participated in the deliberations of the meetings. But among the active participants of the units with good initiatives, only 3.92% have abstained from all the meetings. About 79% of the active members have attended all the five meetings and 78% of them attended the election process. If 7.84% of the members have contested in the election, 21.56% have expressed their views in the meetings. In the course of the

study, the researcher had experienced that in the units where education activities were arranged (MCRB, Mulukanoor Thrift Cooperatives), the members (13.51%) had actively participated in large number, despite their general literacy level being low. Hence from the above critique of democratic participation, it can be deduced that the democratic participation of members in general is not positive but it is better among the members of those cooperatives where micro initiatives are many.

7.4 Extent of Economic Participation of Members

Patronage of members and their loyalty are mainly judged by their economic participation as all the members join the cooperatives for using the services rendered by them. The members show their loyalty only when they have trust and interest in the institution. This depends on their familiarity with the institution based on the knowledge of the same. Hence, awareness, faith and economic participation are all interrelated subjects in the cooperative (Miller, 1964). Some studies have also demonstrated that business participation of the members promotes democratic participation (Ostergaard and Halsey, 1965; Krishnaswami, 1976).

In order to study the extent of economic participation of all the members belonging to different cooperatives of heterogeneous functions, an attempt was made to select the common parameters applicable to all the cooperatives to measure the same. On the basis of scores and assigning

weights in proportion to 4, 3, 2, 1 the economic participation is graded into four-point scale of high, medium, low and least. The compiled data are presented in the Table 4.0

Table 4.0 Extent of Economic Participation of Members

Members in Sectors Extent	Agri. Credit	Producers/ Workers	Mktg.	Dairy	Banking/ Thrift	Service	Consumer	Fisheries	Total
High	13 (52.00)	8 (26.67)	-	10 (66.66)	2 (5.00)	-	-	-	33 (17.84)
Medium	6 (24.00)	10 (33.33)	4 (20.00)	4 (26.67)	11 (27.50)	5 (25.00)	7 (35.00)	3 (20.00)	50 (27.03)
Low	4 (16.00)	10 (33.33)	12 (60.00)	1 (6.67)	19 (47.50)	8 (40.00)	8 (40.00)	7 (46.67)	69 (37.29)
Least	2 (8.00)	2 (2.67)	4 (20.00)	-	8 (20.00)	7 (35.00)	5 (25.00)	5 (33.33)	33 (17.84)
Total	25 (100.00)	30 (100.00)	20 (100.00)	15 (100.00)	40 (100.00)	20 (100.00)	20 (100.00)	15 (100.00)	185 (100.00)
Grade Point Average	3.20	2.80	2.00	3.60	2.18	1.90	2.10	1.87	2.45

Note: 1. Grade Point Averages are calculated by assigning weights as follows:

High – 4 Medium – 3 Low – 2 Least – 1

2. Values in parenthesis in each cell denote percentage to column total.

Source: Survey Data

It is obvious from the above Table 4.0 that the overall trend of the economic participation is not encouraging. However, the economic participation of members in Agriculture credit (76%), Producer/Workers (60%) and Dairy (93.33%) cooperatives having diverse initiatives for the member development were found relatively better than the members in other cooperatives with poor initiatives. The analysis on the average basis also reveals the similar trend. Nevertheless, the extent of participation was also found good in some of the units spread in the cooperatives of Consumer (35%) and Banking/Thrift (32.50) sectors, where some specific initiatives are in vogue. Thus, of the 44.87% of the active participants in the economic activities (high and medium category), 28.33% of the members were from the units with good initiatives for the member development.

The survey showed that 89% of the active members were highly dependent on their cooperatives and utilised its services to the extent of 75%-95%. They claimed to have good share capital and investment in their cooperatives. These facts were also crosschecked with the members of the management, employees and the official records of their societies. But 63% of the members of the cooperatives having least activities have placed the economic arguments and acknowledged to have relied on the private vendors as well. Their dependence on the cooperative services on an average was found to be in the range of 25%-50%. The survey thus establishes that given the atmosphere for the development of members with good initiatives, the members do participate significantly in the economic activities of their cooperatives.

8.0 Analysis of the Impact of the Participation of Members in Micro Initiatives on the Development of Members

To study the relationship between the participation of members in the micro level initiatives and the selected development indicators, correlation analysis was made and is shown in the Table 5.0.

Table 5.0. Correlation Between Participation in Micro Activities and Member Development Indicators

Sl. No.	Development Indicators	Participation in Micro Activities
1	Cooperative consciousness	r=0.90 P<0.001 V.H.S.
2	Democratic participation	r=0.69 P<0.001 V.H.S.
3	Economic participation	r=0.89 P<0.001 V.H.S.

Source: Survey Data

The Table 5.0 shows that the correlation coefficient ranges from 0.69 for democratic participation to 0.90 for cooperative consciousness. There exists a significant and the strong relationship between the participation of members in the micro level activities and the member

development indicators. Although correlation coefficient does not indicate the cause and effect relationship, the identification of response and explanatory variables indicates a stronger conclusion that “effective member development is possible through the initiatives at an individual unit level”. This shows that the participation in the micro initiatives enhances cooperative consciousness of the members and promotes their democratic, economic participation in the cooperative affairs.

9.0 Suggestions

The analysis carried out based on the empirical data gathered, establishes that member development is a neglected concept and the initiatives for the development of members are far from satisfactory in the primary cooperatives. The survey also shows that member development is possible if the management gives strategic importance to it and take initiative to conduct activities for the purpose. The following suggestions are worth considering given the need for effective member development at the level of primary cooperatives.

1. Compliance of cooperative governance should be based on the adherence to the cooperative principles in letters and spirit with main focus on the development of members. Initiatives for the development of members' should be the basic criteria for the appraisal in the social audit reflecting on the cooperative governance.
2. Primary cooperatives should own the responsibility of conducting the member development initiatives. The Government, Cooperative Department and the Federations

should support in terms of finance and other infrastructure and should play the advisory role.

3. The National Cooperative Union, the apex body should set the guidelines and the policy for enforcing and implementing the various activities for the development of the members.
4. Many cooperatives claim that paucity of financial resources is the main factor for the poor member development efforts. Hence, the cooperatives should make a provision in the budget for the member development activities. They should create Member Development Fund and appropriate a certain percentage of profit to the same, before the amount is allocated to the reserve fund.
5. Most of the members of the management in the units lack awareness of cooperative ideology and professionalism. Macro level organisations like NCCE, State/District Cooperative Unions and the respective Federations, should conduct cooperative education and training in management including human relation functions at periodic intervals for the committee members.

10.0 Conclusion

The present situation in India calls for the presence of a dynamic cooperative sector. The loss of hope of the farmers on agriculture for their livelihood, their growing indebtedness and the consequent suicides, low human development index- all these have made the cooperatives to redefine themselves and reengineer the operation to fit in the Social economy. Being the most organised segment of the Third Sector, the cooperatives have to provide stability to the civil society initiatives. Effective intertwining of policy, budgetary allocation and expenditure

management towards member development is essential in achieving “inclusive growth” that our country has envisaged for. Cooperative should take legitimate pride in taking cooperative social responsibility of developing more than 200 millions of members, which are germane to the needs of the society. This will not only help cooperatives expand market share and members’ base but also build their brand equity of reaching the unreached. Thus, the cooperative movement, that is the world’s largest movement can become the strongest movement in the social economy only when its members are made both financial inclusive and development inclusive through primary level initiatives. This will surely make our India, a trillion dollar economy, shining everywhere.

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