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CO-OPERATIVE GOVERNANCE: NEW ISSUES & CHALLENGES BEFORE CO-OPERATIVE INSTITUTION



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**Co-operative Governance: New Issues & Challenges
before Co-operative Institution**

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CONTENTS

Sr. No.	Title of the Paper	Author	Page No.
1.	Co-Operative Education	Dr. Adik B. R.	1.
2	Cooperatives in India: Challenges and Opportunities	Dr. Barhate G. H.	4.
3.	Agricultural Co-operative Credit in India	Dr. Rasal R. G.,	10.
4.	Making PACS Economically Viable	Dr. Bachhav D.R.	15.
5.	Challenges Before the Co-operative Institutions	Prof. Kundlik V.D. Prof. Dr. Jadhav M.M.	18.
6.	The Swot Analysis Of The Cooperative Movement	Dr. Manjusha Musmade	21.
7.	Problems of co-operative Governance in India	Dr. Deshmukh S.J.	26.
8.	Corporate Governance of Urban Co-operative Banks in India	Dr. Bhagwan D. Sangle	31.
9.	Problems in Co-operative Governance	Prof. Lande V. B.	37.
10.	Governance and Co-operatives	Prof. Kasbe S. N.	39.
11.	Co-Operative Governance	Prof. Murtadak B.N.	42.
12.	Role & Importance Of Co-Operative Governance In Co-Operative Institutions	Prof. Swati G. Adak	47.
13.	Co-operative Principles vs. Governance Principles: A Complex Balancing Act	Prof. Prajakta Thube	52.
14.	Ethics Of Co-Operative Governance	Prof. Rahinj M.B.	55.
15.	Co-Operative Development In Independents India	Prof. Gore Narayan S.	58.
16.	Corporate Governance In Issues And Challenges	Prof. Vetal M. S.	61.
17.	Challenges of Cooperative Governance in India	Prof. Wadje D. S.	65.
18.	Co-operative Social Responsibility	Prof. Jadhav S. J.	72.

Governance and Co-operatives

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Introduction :-

The Co-operatives have played a very important role in the socio-economic upliftment especially of the rural population. India has success stories of dairy, credit, sugar and the Co-operatives for weaker sections of the people. Co-operative is a State subject but the Union Government has given major thrust to the promotion of Co-operatives through legal, administrative, financial and managerial support. The Co-operative movement is at cross roads today in the context of globalization and liberalization of the economy. Government is proposing to provide a legal framework under which the Co-operatives would function in the most autonomous way with democratic and professional management.

In the post-Independence era, the co-operative movement has assumed great significance since there is no other potentially so powerful instrument for rural development. In view of its pervasive nature and potential capacity to arouse active people's participation in their own development, the co-operative organization has been recognized as the most ideal change agent for the development of agriculture in particular and rural economy in general.

In its early stage, the co-operative movement was launched in India in 1904, with a very limited purpose of providing an institutional substitute for the proverbial money-lender, who exploited the peasantry in all possible ways. Thus, the co-operative movement in India started with the organization of Primary Agricultural Credit Societies; however, its progress was very slow and tardy until the dawn of Independence. Various factors were responsible for the state of affairs but nothing concrete was done to improve the situation until the appointment of the Committee of Direction of the All-India Rural Credit Survey (1952-54), which came to the conclusion the "Co-operation has failed but co-operation must succeed". Obviously the Committee found no better agency than the co-operatives for integrated rural development so as to raise the standard of living of the teeming millions. The Committee recommended an "Integrated Scheme of Rural Credit". The three important components of the scheme were, strengthening and development of the co-operative credit structure, development of co-operative marketing, storage and processing, and management and administration of the co-operative movement by trained personnel.

Governance and Co-operatives

The four key components of Governance are accountability, transparency, predictability and participation. Governance is not Government as such. Governance is one of the characteristics of any institution that is concerned with governance or management of governance. Governance means the way those with power use that power. A Contributory factor to bad governance is

corruption- political, economic and social. Co-operative institutions operate within the four walls of the universally-accepted Principles of Co-operation.

Four Pillars of Governance

Accountability : Accountability is the capacity to call officials to account for their actions. Effective accountability has two components: "answerability" and "consequences". "Answerability" is the requirement to respond periodically to questions concerning one's official actions.

There is also a need for predictable and meaningful consequences, without which accountability is only a time-consuming formality. In addition, both internal (administrative) and external accountability are needed. Particularly with the dramatic improvements in information and communication technology, external accountability through feedback from service-users and the citizenry can now be obtained at low cost and for a greater variety of Government activities, and is an essential adjunct to improving efficiency and effectiveness of public service delivery.

Transparency : Transparency entails low-cost access to relevant information. Reliable and timely economic and financial information is a must for the public (normally through the filter of responsible media). It is essential not only that information is provided, but also that it be relevant and understandable. (Dumping on the Private Sector vast amounts of raw economic information does not improve transparency).

Predictability : Predictability results primarily from laws and regulations that are clear, known in advance and uniformly and effectively enforced. Lack of Predictability makes it difficult for public officials to plan for the provision of services (and is an excellent alibi for non-performance). Predictability of Government economic actions is also needed as an indicator on which the Private Sector can rely to make its own production, marketing, and investment decisions. Most importantly to be predictable, the application of economic regulations must be effective, fair and uniform.

Participation : Participation is needed to obtain reliable information and to serve as a reality check and watchdog for Government action. Among other things, participation by external entities is needed as a spur of Government operational efficiency, and feedback by users of public services is necessary for monitoring access to and quality of the Services.

Conclusions:

Co-operation in India was initiated with the object of protecting the agricultural community from exploitation by unscrupulous moneylenders and traders. Broader objectives were however, adopted after the country attained freedom from foreign rule in 1947. The state recognized co-operation as one of the most suitable and potentially effective organizations to combat poverty, to break socio-economic stagnation, and to narrow the existing wide economic disparities among various strata of Indian society.

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