



COOPERATION

MEANING OF CO-OPERATIVE ORGANIZATION

The word 'Cooperation' is derived from the Latin word 'Co-operative' meaning "to work with". The beliefs of co-operation aim to empower socially and economically weak individuals by enabling them to come together and form a group towards common socio-economic interests.

A co-operative society is a voluntary association of individuals with common objectives. A Co-operative Society can be formed as per the provisions of the Co-operatives Societies Act, 1912. At least ten person above the age of 18 years, having the capacity to enter into a contract with common economic objectives can form a cooperative society.

DEFINITION OF COOPERATIVE ORGANIZATION

- According to the Indian Co-operative Societies Act, 1912 (Sec 4):-

“Co-operative is a society which has its objectives the promotion of economic interest, its members in accordance with cooperative principles.

Cooperative Society is that society which has been registered under the Cooperative Societies Act, 1912, or under any other law for the time being in force in any state registration of cooperative society.”

CHARACTERISTICS COOPERATIVE ORGANIZATION

- Voluntary Association
- Common Objective
- Separate legal entity
- Service Motive
- Surplus Utilization
- Members Liability
- Limited Reward to Capital Invested
- Government Control
- Democratic Administration

ADVANTAGES OF COOPERATIVE SOCIETY

- Easy Formation
- No Restriction on Membership
- Limited Liability
- Service Motive
- Democratic Management
- Stability and Continuity
- Surplus Shared
- State Patronage.

OBJECTIVES OF COOPERATION/COOPERATIVE ORGANIZATIONS

- ❖ To provide service to its members is the primary objective of Co-operative societies.
- ❖ To educate, guide and assist the people in their efforts to build up and expand the joint sector.
- ❖ To serve as an exponent of cooperative opinion in accordance with cooperative principles.
- ❖ To promote mutual help instead of competition.
- ❖ To promote self help instead of dependence.

IMPORTANCE OF COOPERATION

- ★ Provision of Employment in Large Magnitude.
- ★ Expansion of Goods and Service Sectors.
- ★ Contribution to GDP Growth.
- ★ Importance in Traditional Money Lending at Reasonable Interest Rates.
- ★ Marketing of Goods and services especially in Rural Areas.
- ★ Women's Welfare.
- ★ Self Reliance.
- ★ Building the Ability of its Members to take on Leadership Roles in the Community.

LIMITATION OF COOPERATIVE SOCIETY

- ❖ Limited Resources.
- ❖ Inefficient Management.
- ❖ Lack of Secrecy.
- ❖ Cash Trading.
- ❖ Excessive Government Interference.
- ❖ Absence of Motivation.
- ❖ Other Problems and Limitation of Cooperatives are:
 - a) Leadership problem.
 - b) Outdated business techniques.
 - c) Inadequate staff.
 - d) Mishandling of funds.

PRINCIPLES OF COOPERATION

HISTORY OF DETERMINATION OF PRINCIPLES OF COOPERATIVES

A. The Rochdale Principles - Established by the Rochdale Society of Equitable Pioneers.

The Cooperative Movement has its origins in Great Britain early in the 19th century. It was initiated by social-economic reformers such as Robert Owen. Early cooperative initiatives were not successful, however, the first best known was the Rochdale society of Equitable Pioneers.

The foundations of Rochdale Cooperative were built upon the intelligent ideas that has been tried by previous cooperatives. The principles under which the store was operated have served as a guide for cooperatives ever since.

B. International Cooperative Alliance (ICA) :-

The UN, ILO and the ICA, are universal organizations which have a mandate to further the development of cooperatives, promote the cooperative values and principles.

1895, the International Cooperative Alliance was created and has been the last word for defining cooperatives and for elaborating the Principles upon which cooperatives should be based. Previously, the Alliance had made two formal declarations on Cooperatives Principles, the first in 1937, and the second in 1966. These two earlier versions like the 1995 reformulations, were attempts to explain how Cooperative Principles should be interpreted in the changing world.

MANCHESTER PRINCIPLES OF COOPERATION- THE 1995 REVIEW BY ICA

1st Principles : Voluntary and Open Membership.

2nd Principles : Democratic Member Control.

3rd Principles : Member Economic Participation.

4th Principles : Autonomy and Independence.


5th Principles : Education, Training and Information.

6th Principles : Cooperation among Cooperatives.

7th Principles : Concern for Community.

MANCHESTER COOPERATIVE PRINCIPLES-CRITICAL EVALUATION

- ❖ User-Owner-Controller-Benefit Principle
- ❖ Adoption to Changing Times
- ❖ Inadequate Information and Awareness
- ❖ Degree of Deviation
- ❖ Clear Definitions Required
- ❖ Pricing and Provision of Services
- ❖ Voting Pattern


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- ❖ Treatment to Unallocated Funds
 - ❖ Disconnected Membership
 - ❖ Hindrance of Democratic Management Principle
 - ❖ Principle of Economic Participation
 - ❖ Concluding Remarks.

COOPERATIVE MOVEMENT IN INDIA – ORIGIN, DEVELOPMENT, PROGRESS IN PLANNING ERA

- **INTRODUCTION :**

Cooperative movement emerged in India out of the distress and turmoil that prevailed as a consequence of Industrial Revolution in the last quarter of nineteenth century. As footprints of industrial revolution spread in India negative effects were witnessed as given below :

- a) Closure of village industries.
- b) Unemployment.
- c) Reduction of Indian domestic product.
- d) Increase in the pressure of land since people took recourse to agriculture.
- e) Extinction of cottage units made agriculture an uneconomic venture.



HISTORY OF THE COOPERATIVE MOVEMENT IN INDIA CAN BE BROADLY DIVIDED INTO THE FOLLOWING STAGES :

- 1st Stage: 1904 to 1912
- 2nd Stage : 1912 to 1919
- 3rd Stage : 1919 to 1929
- 4th stage : 1929 to 1939
- 5th Stage : 1939 to 1947

ACHIEVEMENT & ROLE OF COOPERATIVE MOVEMENT IN SOCIAL & ECONOMIC DEVELOPMENT

□ Introduction :

Cooperative movement in India is one of the largest movements in the world. Cooperative movement has made remarkable progress in every aspects of the Indian economy and has entered in all areas of economic activities with social fundamentals.

Cooperative movement has covered almost 100% of villages in India. They are instrumental in the socio economic growth of economies especially the developing ones where a significant proportion of people live below poverty line.

ROLE OF COOPERATIVE SOCIETIES IN SOCIO-ECONOMIC DEVELOPMENT

The indispensable role played by cooperatives in bringing about socio-economic development in India is given below :

1. Promotion of Savings
2. Access of Fund
3. Ensuring Rural Livelihood

The diagram consists of two blue ovals on a light gray background. The oval on the left is titled 'Economic Pathway –' and lists 'Alleviating poverty, Stimulating economic growth, Employment generation, Capital formation.' The oval on the right is titled 'Social Pathway –' and lists 'Building community assets, Social capital and trust, Bridging divides, Employment generation, Providing social services like health and education.' A decorative graphic of overlapping blue and black lines is on the left side of the image.

Social Pathway –

Building community assets, Social capital and trust, Bridging divides, Employment generation, Providing social services like health and education.

Economic Pathway –

Alleviating poverty,
Stimulating
economic growth,
Employment
generation, Capital formation.

4. Food Security System.
5. Improvement in Standard of Living.
6. Employment Generation.

Direct Employment


Indirect Employment

Induced Employment

- For own members.

By conducting business with suppliers of goods and services.

Result of increased spending derived from wages and Incomes of cooperative workers.

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7. Reduction in Poverty.
 8. Sustained Economic Growth.
 9. Agent of Social Change.
 10. Social Responsibility.
 11. Utilities, Welfare & Extension Services.
 12. Improvement in Members Incomes.
 13. Empowerment of Women.
 14. Post Disaster Relief.
 15. Contributions to Agricultural Production and Productivity.



THANK YOU!