

65th

ALL INDIA CO-OPERATIVE WEEK

14th - 20th November, 2018

AGENDA

for The Indian Co-operative Movement



सहकार संरक्षण समिति

సహకార సంరక్షణ సమితి

Co-operative Movement Protection Council

STATE CONVENING COMMITTEE, TELANGANA STATE

'Sahakara Nilayam', 8-6-363/87/14P, Manikanta Colony, Old Bowenpally, Secunderabad - 500 011. TS.

E-mail: coopmovementprotectioncouncil@gmail.com Cell: 9248591934

VISION

Co-operative economic system is not an internal part of the investor's economic system / Market economy. It is the protective measure from the exploitive nature of the market economy. It makes all the users / members economically self-reliant, but in the Market economy, the fittest only survives.

The Co-operative system is the embodiment of the Directive principle Article 39 (c): **the State shall, in particular, direct its policy towards securing that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment**, of our Indian Constitution. Article 43 directs the Governments to follow the Cooperative policy in the Indian rural economy.

MISSION

- To propagate the Co-operative ideology.
- To strive for the protection of the Co-operative movement and the Co-operative Institutions.
- To undertake Research on Co-operation, Co-operative Education and Training.
- To organise seminars, symposiums and conventions with the Co-operative leaders Bureaucrats, public representatives and the Academicians.
- To provide consultative services and work in association / collaboration with the likeminded organisations / persons.

INITIATIVES

To fulfil the above mission we are motivating the Coop. Members in three ways.

1. **Sahakara Prabodhini:** We publishing a cooperative philosophical and educative monthly magazine in Telugu language since March 1995. Govt. of AP had patronised the Magazine by advising all the cooperatives to subscribe the magazine.
2. **Sahakara Sankshema Samithi (Cooperatives Welfare Council) (Regd):** An NGO for Cooperative Education & Training. A number of Seminars, Round Table Meet, Convention organised with the cooperators, intellectuals on problem facing the Cooperative Movement at State and National level.
3. **Sahakara Samrakshana Samithi (Cooperative Movement Protection Council):** An association of cooperators and the cooperatives. A Forum for the cooperator striving for the protection of the Cooperative Movement.

CO-OPERATIVES ENVISAGES

1st National Development Council (NDC) Resolution

The Cooperative Movement acquired a new significance after the historic resolution adopted by the 1st National Development Council which said the responsibility and initiative for social and economic development at the village level should be placed on the village Cooperatives and Panchayat.

The Cooperative system is the reformist system to the Capitalistic / Market economy. By reforming, it tries to give a Human face to the Capitalistic economy. It studies the Micro-economy at Primary Co-operatives level and Macro-economy at Federations level. It does not demand for nationalization of Private Sector.

The Cooperative system recognize the 'Surplus Value' concept. The Cooperatives Principles are designed in such a way that 'Surplus' is distributed to the source, from whom it raised and to the welfare of their communities.

Difference between Private Sector and Co-operative Sector

Private Sector	Cooperative Sector
1. Association of Capital.	1. Association of Users.
2. Share Capital is an investment from the income of an individual (Investor).	2. Share Capital is the portion set aside from the User (member) necessities, not an investment from the income of the member.
3. Investor's economy.	3. User's economy.
4. Joint stock Company form of business is the main tool.	4. Federation of Primary Cooperatives is the main tool and it is a backbone.
5. Regulated by Companies Act and Partnership Act.	5. Regulated by the Cooperatives Acts.
6. Profit distribution according to their share capital ratio.	6. Surplus distribution; it is patronage dividend.
7. Control vests in accordance with the size of the share holding.	7. Control vests in the members equally and democratically controlled.
8. Centralizes the 'Production', 'Marketing' and the 'Wealth'.	8. Decentralizes the 'Production', 'Marketing' and the 'Wealth'.
9. Exploitation is its' nature.	9. Principle action is to eliminate the exploitation.
10. Economic rights of the people are suppressed.	10. Promotes the economic rights of the people.
11. Curtails the peoples economic democracy.	11. Seeks to establish the economic democracy.
12. The fittest only survives.	12. Makes all the user members economically self-reliant.

Cooperative Sector is derecognised?

The Cooperative Movement acquired a new significance after the historic resolution adopted by the 1st National Development Council, which said the responsibility and initiative for the social and economic development at the village level should be placed on the village Cooperatives and the Panchayats. Our Constitution had absolved the cooperative system in its Directive principles through article 39(c) and directed to implement the cooperative system through Article 43 in rural India. It is the constitutional protection given to the Cooperative system.

The Govt. of India had incorporated the Cooperative Section Chapter in the Five Year Plan Documents, along with the Private Sector And Public Sector Chapters and allotted the planned funds for the development of the cooperatives at rural and urban areas. As a result the cooperative network had developed from Rural to National level. The five year planned funds were continued to 7th Five year plan. The cooperatives were played a key role period in the socio-economic development of rural poor, rural artisan and the small & marginal farmers in Rural India.

The GATT (General Agreement on Trade & Tariff) concept was emerged in The Global Market, made India to delete the cooperative sector chapter in its 8th Five year plan document, just to satisfy The Global Market Leader, without giving any explanation to the people of India. The Govt. of India signed the GATT agreement and introduced the Market economy policies. The Govt. of India willfully, with the pressure from IMF and WTO had left the development of the Cooperatives to their fate and without giving any pia. Further Govt. of India is trying to dismantle the cooperatives from existance. Among other acts, we can mention two major acts, i.e. 1. Implementation of the prudential norms to Coop. Banks. 2. Amending Companies Act - 2002 to convert the cooperatives to Companies. (Farmers Producer Company).

Hence the cooperative movement has to raise to occasion and protect the movement and the cooperatives at the larger intrests of the rural India.

The Step Mother treatment of Government, the share of the cooperatives in total agriculture credit need had been decreased.

1950-50	-	3.1%
1994-95	-	67%
2004-05	-	46.15%
Now it is below	-	15%

Azenda for the Indian Cooperative Movement:

1. Protect the Cooperative Sector Day: 14-11-2018:

Cooperative sector is not an internal part of the private sector. Cooperatives are emerged from the voluntery association of users having common needs and their share capital is a form of portion set aside from the user member necessities, not an investment from the income of the member. The Indian constitution had recognised it's character system in rural India.

There is a strong need to strengthen the cooperatives Federation at district level, state level and national lever to protect from the exploitation of the market economy.

On this occasion a resolution may be adopted urging Govt. of India, State Govt. and The "Niti Ayog" to financially assist the cooperatives. The socio-economic development of rural poor, rural artisans and the small & marginal farmer.

The Five Year Plan system had been abandoned. "Niti Ayog" concept is following.

The programmes and the policies of Govts. are formulated with the consent of Niti Ayog. the Cooperatives are natural ally of the Govts. in the socio-economic development of the rural India. Hence the Govts. had to patronage, and assist the Cooperative, particularly strengthening of Federations. They are DCCB / SCBs, DCMS, MARKFEDs. At the same time Govt. had to respect the Cooperative independency.

2. National Cooperative Bank of India Day 15-11-2018:

The lack of having their own bank at national level is a major drawback to the cooperatives in India. The cooperatives have welcomed the emerging of NABARD. But, it is not upto the mark in assisting cooperatives at all levels. On the other hand, NABARD is promoting the private companies in the guise of Farmer Producers Companies, which was aimed to dismantle the cooperatives at rural area. This is against the constitution Article 43.

Having a National Cooperative Bank of India is a long pending demand of the Indian cooperative movement. Its registration also done. In the changed environment of Indian economy and implementing of market economy, having a national level cooperative bank is a must. Mobilisation of share capital is not a problem. All type of cooperatives from primary to national level may provide share capital.

Activities:

A resolution may be adopted urging the Govt. of India and RBI to take necessary steps in functioning of National Cooperative Bank of India.

3. Provisions allowing the cooperatives to convert into farmer producers company under the companies (amendment) Act - 2002 be removed Day - 16-11-2018:

The Sahakara Samramshana Samithi is fighting against the companies amendment bill 2002 from the stage of drafting to placing in the parliament stage. To some extent we succeeded.

Enacting the companies (Amendment) Act 2002 bill is itself is unconstitutional. Private enterprises are registered under company act, which would have main motto of profit making from the users. Where as user member organisation i.e. cooperative society is registered under cooperative Act (state / central). It's main motto is to protect the users from the exploitation of market economy (companies). How the user protector becomes exploiter? it is unnatural.

The enactment of the companies amendment bill 2002 is an act of the aggressors of market economy proponents to capture rural India market.

Nobody had objection to form a Farmer Producer Company by individual farmer, but only thing we had to oppose to capture our cooperative business by back door methods.

Activities:

A resolution may be passed to urging the honourable parliament to amend the provision which are allowing the cooperatives to convert into company under guise of Farmer Producer Company.

4. Cooperative sector is natural ally of the Govts. in establishing the Welfare State concept of our Indian constitution:

The lobbyists of market economy were very active in false propagation that cooperative sector is also a private one, hence they have to kept away from the Govts. to develop themselves. They were succeeded in lobbying the policy makers to through away from the Govt. patronage. At that time National Cooperative Union of India-NCUI and we "Sahakara Samrakshana Samithi" are far beyond their lobbying activities, but did our best efforts.

The whole theme of the Indian constitution is "Welfare State" concept. The constitution empowers the Govt. to protect the people from the exploitation and develop their socio-economy status. The same aim is of cooperative sector also. Hence it is undisputable to work together to achieve their goals. The members of the cooperatives are also subjects of the Indian Govt. Hence they have every right to set financial support from the Govts. in achieving their socio-economic development.

The cooperative members are users. Govt. are bound to protect them from exploitive nature of the market economy by providing the infrastructural activities and by assisting cooperatives. The cooperatives have birth right to get financial support from the Govt. under our constitution.

Activities:

Motivate the members in the positive nature in getting the Govt. support and patronage.

5. Financial assistance to DCCB / SCB on par with commercial banks to reduce the NPAs Day : 18-11-2018

In the process of market economy policies, implementation of prudential norms concept had introduced in the Indian Banking Sector, as per this policy continually non payment of loan by the customer to the Bank, that becomes Non-Performing Asset (NPA). The commercial banks finance the companies on the project basis. They are not secured. If the companies fail to achieve their project target, their repayment to bank will be in trouble, that amount becomes NPA.

Where as the loaning of Coop. Bank are fully secured one. The natural calamities, untimely raining may lead to less or non produce of agriculture outputs may influence non-repayment.

The Union Govt. had funded the NPA attracted commercial bank and even private bank in weeding out their NPA. By this funding commercial banks saved and direct beneficiaries are private investors/companies. This amount is of the public collected through the taxes.

The cooperative banks are advancing the small margined farmers, rural artisans and the landless poor. The main thrust of strengthening of cooperative bank ought to had get priority in the development of socio-economic of the rural India. Beneficiaries of the cooperative banks are 90% of the Indian people. Naturally they get first priority in getting finance assistance to their own banks i.e. cooperative banks.

Hence we demand the Govt. of India to fund the DCCB / SCB to weed out their NPAs on par with commercial banks without any conditions.

Activities:

A resolution may be adopted urging Union Govt.

6. Pronounce the National Godown Policy to get the fair price to the Agriculture Produce Day 19-11-2018:

Apart from non availability of timely credit, quality seeds, the storage of their produce is the main hurdle to farmer in getting the fair price to his produce. If the storage facility is available at his village, he could store the produce and sell them when price is high. Hence there is need to have Godowns at village level. This is the main primary infrastructure, the Govt. had to provide to the farming communities vis-a-vis the agriculture development.

Therefore the Govt. of India, should formulate a National Godown Policies and construct Godown in every village keeping inview, the area of cultivation and type of agriculture produce. Under the Guidelines framed by the policy all the Primary Agriculture Cooperative Society (PACS) would implement the policies.

Activity:

Adopt a resolution to this effect and send the same to the Union Agriculture Minister.

7. Amendments to the Income Tax Act, to effectuate the non-taxing on income of users business i.e. Cooperatives Day: 20-11-2018:

The cooperatives are emerged by the volunteer association of users to achieve their common needs, by the activities of this association i.e. cooperative, any surplus remained after adjusting statutory reserves and the expenses will be redistributed to the user member in proportionate to his services got from the cooperative society. The share capital of the user member is emerged from reducing his necessities, nearly 10% of his requirement will be kept in the society to run the society business.

Hence the cooperatives are not profit oriented business organisation. They do business to protect themselves (users) from the investors undue exploitation.

Therefore the income from the users business, and the income from investor business had to be looked in differently. The income of the investors business at the cost of users. The income of the users business is of himself only, not from others.

The share capital of private business is emerged from his income, is invested to get profit. The share capital of cooperative (users) is emerged from reducing his necessities, to get the needy services, not profit.

Further the income emerged from the (users) cooperative is used for the whole community of the area and for their socio-economic development. Where as the income of the private investor is for himself only.

Therefore taxing on users (cooperative) income had to be looked differently.

Hence Indian cooperative movement urges the Govt. to amend the income tax Act to effectuate not to tax on the income of the cooperative institution.

Agricultural Cooperatives in the 21st Century

'Cooperatives have also played an important role in rural communities, where they are an integral part of the social fabric. They encourage democratic decision making processes, leadership development and education.

'It is the intent of this report to focus attention on issues and lessons that can be captured through the experiences of cooperative practitioners and service providers. The aim is to identify steps for improving the practice of cooperation for the betterment of rural America'.

The USA Government constituted a Panel Group, consisting six panels, each having prominent members of the cooperative community across the Country. Panels are 1. St. Louis Panelists (13 Members), 2. Atlanta Panelists (10 Members), 3. Minneapolis Panelists (14 Members), 4. Sacramento Panelists (15 Members), 5. Washington, D.C. Panelists (10 Members) and 6. National Institute for Cooperative Education Panelists (14 Members).

A Discussion Paper on the following issues circulated in advance:

1. Cooperative Principles
2. Core issues
3. Changing nature of markets
4. Changing nature of Production
5. Changing nature of Cooperatives
6. Leadership challenges
7. Public policy

Recommendations:

1. The core Cooperative Principles enunciated in the 1987 report (user-ownership, User-control, and user-benefit) are still valid and are likely to remain so in the 21st century. This makes the Cooperative a unique form of organisation with Distinct characteristics, strengths and difficulties.
2. This report emphasizes director training as the number one priority in the Cooperative education area. However, cooperative education is urgently needed for other audiences as well: employees, members, youth, young farmers, and the General public. Cooperative leaders have allowed, even facilitated, an across the board erosion in cooperative education. In the long run, this failure to invest in Cooperative education can be as damaging as any failure in financial oversight.
3. 'In the 21st century, cooperatives must enhance their role in protecting and Advancing the economic interests of farmers. This includes educating legislators on how cooperatives might receive strong support in terms of access to an assistance from Federal and State programs.

Cooperators on our Services



National Cooperative Union of India

(APEX Organization of the Indian
Cooperative Movement) New Delhi

5-12-96

..... Under your Convenership "**Sahakara Samrakshna Samithi**" is formed in Andhra Pradesh to look to the health and interest of the Cooperative Movement of the State as well as the Country.

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22-7-98

..... your "**Sahakara Samkshema Samithi**" is really doing some fruitful work for the development of the Cooperative Movement in the Country. As mentioned, earlier also NCUI has given its full support and Co-operation for strengthening the Cooperative Movement all over the country. In future also NCUI is with you for any kind of support and cooperation.

- **B.S. VISWANATHAN**
President



The time has come for us to create an environment where we need to build a solid cooperative movement which is truly representatives of the needs of the less privileged. I am sure, if all of us work together this can be achieved.

I wish you all success in your noble indeavour to create awareness and educate the readers on the real issues confronting the cooperative movement to day and the ways to over come them.

- **V. Kurein**
Chairman NDDB

We appreciate the efforts being made by you in advocating the cause of Co-operators...

- **M.L. Khurana**