One Day Zonal Conference
on

OPPORTUNITIES AND CHALLENGES BEFORE CO-OPERATIVES FOR SOUTHERN STATES

Held on

10th March 2018
at
RICM, Bengaluru

NATIONAL COOPERATIVE UNION OF INDIA

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REPORT AND RECOMMENDATIONS

One day Zonal Conference on Opportunities and Challenges before Cooperatives of Southern States comprising of Karnataka, Tamil Nadu, Kerala, Andhra Pradesh, Telangana and Puducherry was organised on 10.3.2018 by National Cooperative Union of India at Regional Institute of Cooperative Management, Bengaluru which was attended by prominent co-operator, leaders and officials of the concerned states and other parts of the country. The Chief Guest of function was Dr. Chandra Pal Singh Yadav, M.P. (Rajya Sabha) and Chairman, NCUI and KRIBHCO. In the beginning Saraswati Vandana was presented by Kumari Smruthi. The programme was inaugurated by lighting of lamp by all the distinguished guests.

Dr Chandra Pal Singh Yadav, M.P. (Rajya Sabha) and President, NCUI lighting the lamp to inaugurate the Zonal Conference

Shri N Satya Narayana, Chief Executive, NCUI giving introductory speech

The welcome speech was presented by Shri N. Satya Narayana, Chief Executive, NCUI. He welcomed all the guests for their active participation and gracing the occasion with their esteemed presence.

The main objective of organising the Conference was to review the growth, achievements, issues and problems before the cooperative movement in the region and to chalk out an effective road-map for the future. The conference provided an opportunity to the representatives of all types of cooperative federations/unions/cooperative societies working in the Southern states to discuss, review and introspect about the achievements of cooperatives and collectively plan suitable strategy to give further boost to cooperative development in the Southern States. Shri Satya Narayana presented status of cooperative movement in southern states in detail. He also suggested some measures to be adopted which can improve the cooperative movement in an effective way in southern states.

Shri B.S. Vishwanathan, Chairman, Managing Committee of RICM, Bengaluru welcoming President, NCUI

Shri B.S. Vishwanathan, Chairman, Managing Committee of RICM, Bengaluru and veteran co-operator of country has honoured Dr. Chandra Pal Singh Yadav, Chief Guest by presenting shawl and garland. Director, RICM, Bengaluru honoured Dr. Bijender Singh, Vice-President, NCUI, Shri V.R. Patel, Chairman, NAFED, Shri K. Sivadasan Nair, MLA and G.C. Member, NCUI, Shri V.P. Singh, Ex-President and G.C. Member, NCUI, Shri Mangal Jit Rai, Chairman, National Cooperative Dairy Federation, Shri M. Ganagi, CGM, NABARD, Bengaluru, and Shri N. Satya Narayana, Chief Executive, NCUI by presenting shawl and garland, who were sitting on the dais.

Shri B.H. Krishna Reddy, President, Karnataka State Souharda Federal Cooperative Ltd. honouring Dr Chandra Pal Singh Yadav, President, NCUI

Shri Arun Kumar, Managing Director Karnataka State Cooperative Federation, Bengaluru felicitated all other guests and delegates by presenting shawl. Shri B.H. Krishna Reddy, President, Karnataka State Souharda Federal Cooperative Ltd. also honoured Chief Guest, Dr. Chandra Pal Singh Yadav, Chairman, NCUI and Shri B.S. Vishwanathan, Chairman, RICM, Bengaluru by presenting shawls and garland.

Shri K. Sivadasan Nair, MLA and G.C. Member, NCUI speaking on the occasion

Speaking on the occasion Shri Sivadasan Nair has expressed that there is a real opportunity for the cooperatives as it is not a private organisation. He cited the example of banking sector where scams are going on by nationalised banks, but cooperative banks have to suffer for the same. During the demonetisation, cooperatives were not given the opportunity to exchange the note saying that there is a corruption in the management.

Shri M. Ganagi, CGM, NABARD speaking on the occasion

Shri M. Ganagi, CGM, NABARD has presented the status of cooperative credit sector in detail and also the initiatives taken by government of Karnataka. There are 45% ground level banks which are weak and they need strengthening. DCCBs, SLDBs have the opportunity to play an important focus to make the organisation stronger on three reasons :

1. **Staff has to be good**
2. **Borrowers**
3. **Clients**

There is an urgent need for augmenting the CRAR and reduction of NPAs. Market share of the cooperative structure in agricultural loans has been declining.

Due importance must be given to corporate governance in order to facilitate the organisation for development. Recruitment is another area where cooperative banks need to ensure that meritorious people are taken in the organisation. Banks need to make use of the concessional refinance provided by NABARD for term lending which would help in enhancing the capital formation in agriculture. Competent Board of Directors and adequately skilled manpower are essential elements for sustainable viability of the Cooperative Credit structure.

Dr Chandra Pal Singh Yadav, M.P. (Rajya Sabha) & President, NCUI speaking on the occasion

In his presidential address, Chairman, NCUI expressed deep concern about the cooperatives being neglected by successive governments continuously. He told that cooperatives play an important role in strengthening the economy of the country but whenever central/state budget are presented not even a single line is expressed about the cooperative movement. In the budget speech there should be comprehensive description of the cooperatives. There should be more and more budgetary provision for cooperative education, training and infrastructure development. Cooperatives play an important role in providing loans, agricultural input to the farmers at the subsidised rates. At the same time they are an important channel for the marketing and storage of their products so that they may get a fair value for their product. Despite that, government is ignoring the channel of cooperatives.

NCUI is trying its best to make cooperatives professional by providing education, training and other inputs to its member organisations. Cooperative will have to reach at the grass root level by its success stories so that the wrong perception and ideas which are prevailing, may be removed. NCUI has also made sincere efforts with education department to introduce atleast one chapter about the cooperatives in the syllabus of plus 2/high school course. He expressed sincere thanks to the delegates, participants and in particular to Shri B.S. Vishwanathan to have made every effort to make the conference successful.

A view of distinguished gathering on the occasion of Zonal Conference

After the presidential address, papers were presented by Shri Arun Kumar, M.D., Karnataka State Cooperative Federation, Dr. T. Pranjothi, Director, ACSTI, Thiruvananthapuram, Shri K.C. Supekar, M.D., NCDFI, Shri Sharanagowda, G. Patil, CEO, Karnataka State Souharda Federal Cooperative Ltd., Shri D.M. Gandhi Naik, Chairman, Telangana State Girijan Cooperative Cooperation Ltd. Hyderabad. Smt Manzoor Khausia, General Manager, Telangana State Coop. Bank and Smt. Leela Devi R. Prasad, Veteran Cooperator and Ex-Minister Karnataka, Bengaluru. Dr. K.N. Sinha, Director (GCP), NCUI presented vote of thanks to Chief Guest, Other distinguished guests, paper presenters, delegates and RICM for their presence and contribution.

Shri Arun Kumar, M.D., Karnataka State Cooperative Federation speaking on the occasion

Dr. T. Pranjothi, Director, ACSTI, Thiruvananthapuram speaking on the occasion

Shri K.C. Supekar, M.D., NCDFI speaking on the occasion

Shri Sharanagowda, G. Patil, CEO, Karnataka State Souharda Federal Cooperative Ltd. speaking on the occasion

Smt Manzoor Khausia, General Manager, Telangana State Coop. Bank speaking on the occasion

Smt. Leela Devi R. Prasad, Veteran Cooperator and Ex-Minister Karnataka, Bengaluru speaking on the occasion

Dr. K.N. Sinha, Director (GCP), NCUI presenting vote of thanks

Major Recommendations of the Conference

1. The cooperatives should be developed and established as a means of improving the economic, social and cultural aspects of a person of limited resources and opportunities and as well as encouraging entrepreneurship and self-initiatives in the south zone.

2. The State Governments should formulate state cooperative policies to encourage growth and development of cooperatives without effecting autonomy and independence of the cooperatives in the state and give a significant role to the cooperatives in the development of the state and these policies should be integrated in the state government plans.

3. The ARDBs should be promoted as full fledged banks. The village level cooperatives may also be promoted to deposit money from members/villagers for raising financial resources.

4. The cooperative credit sector should give due importance to the human resource aspects which may include induction of professionals in the cooperative banks, training the staff and succession plan etc. so that these banks may work on professional lines.

5. The cooperatives are facing stiff competition from RRBs and other commercial banks in the rural areas. In this era of competitive environment they need to equip themselves through induction of technology which may include computerisation of banking operation and also the computerisation of records so that they are able to deliver the efficient services to their customers.

6. The SHGs are working on cooperative pattern and should be linked with cooperative bank for lending activities.

7. The low cost ATMs need to be introduced in the cooperative banking sector for which necessary support may be taken from NABARD for installation of the ATM.

8. Internal Book-keeping system of Cooperative Credit Sector requires lot of improvement. This will facilitate plugging a loop-hole through the internal audit department or the internal inspection department so that they may improve the overall working.

9. Starting of a farmer counselling centre by the cooperative banks in the southern states so that the farmers may be given professional guidance and advice in all the matters through these centres.

10. Resolving the issues of higher level of NPAs on cooperative banking sector i.e. non-managing the NPA well in time are not only plugging but are eating up of the net worth of cooperative banking sector.

11. There is an urgent need for diversification of lending portfolio. Cooperative rural credit institution needs to change their operation from credit to a wide range of financial services. The early implementation of revival package of long term credit sector on the same lines as

was implemented for short term credit sector is to be intimated in time.

12. Banks need to make use of the concessional refinance provided by NABARD for term lending which would help in enhancing the capital formation in agriculture.

13. Though preparation of development action plan and business plans based on the existing financial eco system is important for improving the profitability, good governance is essential requirement for improving the health of cooperatives.

14. PACS should be transformed into "One Stop Shop" for all the services. All the PACs should be fully computerized. There should be proper system and procedure at PACs level

15. Mobile ATM services should be provided by all the cooperative banks and there should be performance base reward system.

16. Competent Board of Directors who can take decision judiciously and skilled manpower are essential elements for sustainable viability of the cooperative credit sector.

17. Urban Cooperative Banks must adopt the latest technology viz. CORE banking, cloud computing, automated lobby banking etc. to compete with PSBs and private banks.

18. Better coordination with State Government, RBI, NAFCUBs for various issues and challenges confronted by the UCBs in the region.

19. The State Governments in the south zone and their local authorities may consider allotting land to housing cooperatives on priority basis and at reasonable cost and the remaining state governments may also authorise their respective state federations to acquire land for development and allotment of the same to housing cooperatives. It is, therefore, suggested that the major funding agencies like LIC, HUDCO and NHB may enhance their share of funding to housing cooperatives. The agencies may also consider reducing the rate of interest on their loans to state cooperative federations.

20. The State Governments should adopt a strong leasing policy of the water bodies in favour of fisheries cooperatives particularly in the inland states.

21. Create awareness among the fishers about the welfare schemes sanctioned by the central government as well as the state governments.

22. Consolidation and growth in milk and milk product marketing, promoting better equity for original cooperative brand and developing qualified and skilled manpower.

23. There should be no political/government interference in the working of cooperatives

24. Officially designed government policy should be for favour of cooperatives but at the same time government should fill up the financial gap such as loan waiver subsidy etc.

25. Importance to cooperatives be encouraged and a conducive environment be provided to

evolve as autonomous entity.

26. Federal cooperatives should also be established in all the states and such federal body should be endowed with adequate statutory power to facilitate self-governance.

27. Cooperatives need to understand and follow the financial norms

28. Freedom to establish their own net-working for the purpose of strengthening themselves in terms of business activities.

29. State Cooperative Unions need to conduct more training programmes at the primary level.

30. The State Cooperative Union may provide right kind of orientation and field exposure for developing the leadership in the southern states through field visits etc.

31. Field study for the cooperatives members to learn better practices and replicate the same in their region was recommended.

32. The study team while conducting the study of Karnataka State Cooperative Federations observed that the study material in different subjects for JCTC should be published with the help of subject expert by the Karnataka State Cooperative Federation and this method may be emulated by other State Cooperative Unions, if find feasible.

33. Like Kerala and Tamil Nadu, the other Southern states should make formal cooperative training compulsory for recruitment/promotion in cooperatives.

34. Junior level institute of cooperative management needs revamping of its present structure and incorporate of computerisation and modern technologies, case studies as a part of cooperative education system.

35. State Cooperative Unions need to fill up the vacancies permanently by following the due procedure and also regularized the contract faculty as per the sanctioned strength.
36. More importance should be given to research and evaluation in cooperative education and training particularly to the weaker sectors like consumers, labour, fisheries, spinning mills etc.
37. Working women forum model as a best practice need to be replicated in the other parts of the country to encourage entrepreneurship/livelihood and poverty elimination ,

38. Cooperative Education personnel including women extension workers should establish close coordination with local panchayat and mahila mandal for formulating and implementing community development programmes.

39. Creation of women cells in the cooperative business federations and in the national level cooperative organisations to handle gender issues.

40. Cooperatives should make efforts to promote the non-organised women in the different

sector of cooperatives viz labour, forestry, dairy, fisheries etc.

41. The cooperative institutions in Kerala have ventured in the education centre, health care, kirana shops, medical shops, housing etc. and doing fairly well and this example of diversification needs to be replicated in the other southern states

42. Use of professionally developed audio/video clips need to be made in order to educate members of cooperatives in more entertaining way rather than traditional methods. It can be done through social media or distributing DVDs in education programmes.

43. Use of technology on a larger scale also may be considered. NIC have developed Web based Application such as e-Office to enable organisations moving from traditional to paperless office. Such system can be implemented by all the State Cooperative Unions. It will not only reduce expenditure but can also help in monitoring on training and education activities of CTCs.

44. Digitalization of few books which are rare and out of print can be thought of in library of CTCs. This would be an important resource for researchers and other agencies.

45. Trainers training programme and exposure visits within and outside the states will enrich the trainers to show case the function of successful cooperatives.

46. The working capital of the consumer cooperatives must be funded by the government at reduced rate with the specialized credit facilities for undertaking large scale intervention.

47. The capital formation at various levels of consumer cooperatives needs to be encouraged so that they can compete in the open market.

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