

**THE SOCIO ECONOMIC IMPACT OF
COOPERATIVE EDUCATIONAL SOCIETIES
IN KERALA**

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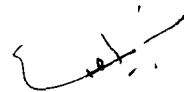
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CERTIFICATE

Certified that the thesis entitled **The Socio Economic Impact of Cooperative Educational Societies in Kerala**, which is being submitted for the award of the Degree of Doctor of Philosophy in Commerce, is an authentic record of the work carried out by **Mr. Vijayaraghavan. P.** under my supervision and guidance.

He is allowed to submit this thesis.



Dr. E. P. SAINUL ABIDEEN

DECLARATION

I do hereby declare that this thesis entitled "The Socio Economic Impact of Cooperative Educational Societies in Kerala", is a bonafide record of the research work done by me and that no part of this thesis has been presented earlier by me for the reward of any degree, diploma, fellowship or other similar title of any other institution.

C. U. Campus,
19.09.2005.


VIJAYARAGHAVAN. P.

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LIST OF ABBREVIATIONS USED

CA	=	Chartered Accountancy.
CAMPCO	=	Central Arecanut and Cocoa Marketing and Processing Cooperative Ltd.
CAPE	=	Cooperative Academy of Professional Education.
CES	=	Cooperative Educational Societies.
COMARIC	=	Coffee Cooperative Marketing Society Ltd.
EFA	=	Education For All.
FACT	=	Fertilizers and Chemicals Travancore Ltd.
FISHCOPFED	=	National Federation of Fishermen's Cooperatives.
GATS	=	General Agreement on Trade in Services.
GDP	=	Gross Domestic Product.
HANTEX	=	Kerala state Handloom Weavers' Cooperative Society.
HANVEEV	=	Kerala state Handloom Development Corporation Ltd.
HRD	=	Human Resources Development.
HUDCO	=	Housing Urban Development Corporation.
ICA	=	International Cooperative Alliance.
ICDP	=	Integrated Child Development Programme.
ICWA	=	Institute of Cost and Works Accountant.
IFFCO	=	Indian Farmers Fertilizers' Cooperatives Ltd.
ITI	=	Industrial Training Institute.
LLB	=	Bachelor Degree of Law.
LPG's	=	Liberalisation Privatisation and Globalization.

M.B.A.	=	Master of Business Administration.
NAAC	=	National Assessment and Accreditation Council.
NCDC	=	National Cooperative Development Corporation.
NGC	=	New Generation Cooperatives.
NSSO	=	National Sample Survey Organisation.
OCB	=	Organisation of Brazilian Cooperatives.
PACS	=	Primary Agricultural Credit Societies.
RAIDCO	=	Regional Agro Industrial Development Cooperative Society Ltd.
RUBCO	=	Rubber Cooperatives.
SC and ST	=	Scheduled Castes and Scheduled Tribes.
TURBIA	=	Latvian Central Cooperative Union.
UGC	=	University Grants Commission.
ULCCS	=	Uralungal Labour Contract Cooperative Society.
UNDP	=	United Nations Development Programme.
UNESCO	=	United Nations Educational Scientific and Cultural Organisations.
UNICEF	=	United Nations International Children's Emergency Fund.
WTO	=	World Trade Organisation.

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CHAPTER I

INTRODUCTION

Education in India, or anywhere else in the world consists of the production and reproduction of society. The character of a society defines its system of education. The constant recreation of social life occurs through education. The educational institutions dominate the change with the ideologies. The 1980s witnessed a re-emergence of faith in the role of education in development and of national and international endeavours towards educating society as a whole. The last decade of the 20th century began with the culmination of these efforts at the World Conference on Education for All (EFA). As many as one hundred and fifty five member states of the UN assembled at Jomtien in 1990 and firmly pledged to provide education for all by 2000. The conference, sponsored by UNDP, UNESCO, UNICEF and the World Bank, and attended by world leaders from all over the globe ended with the unanimous adoption of the World Declaration on Education for All and the corresponding Frame of Action. EFA is subsequently viewed as a major strategy of development all over the world.

Five basic principles were guided by the World Declaration on Education For All: equity in universalisation of access, emphasis on

learning, broadening of the meaning and scope of education, improvement in the learning environment and strengthening of partnerships. In short, EFA was an attempt to envisage a holistic approach to the education of society, encompassing the formal and non-formal system of education, adult education, and skill for youth, literacy movements and other conventional and non-conventional methods.

The last decade has witnessed a sea change in the international education scene. Universities have been making forays from one country to another and higher education is getting commercialised at the global level. It is against this background that the General Agreement on Trade in Services (GATS), which came into force in 1996, must be seen. GATS provides legal rights to trade in all services except those taken care of entirely by the Government. Education is one of the twelve services included in the list of activities binding member countries to allow market access and to remove restrictions in the path.

India has a huge higher education system but the eight million students in this segment constitute only seven per cent of the population of the relevant age group (18-24). Certain basic facts seen here are: (a) the Government is the main provider of higher education but its contribution is declining; (b) a major contributor in recent

years is the private sector, especially in the professional disciplines where over two thousand five hundred private colleges are offering degree level programmes; (c) the quality of education varies widely from one institution to another, and mediocrity flourishes in many universities and colleges; and (d) there is an influx of foreign provider of education offering different programmes in their home campuses and also in India.

A significant percentage of these foreign institutions are not recognised or accredited in their own countries. Similarly, a large number of Indian partners are not affiliated to any Indian university. Again, several conventional universities in India do not have a flexible academic structure in contrast to what obtains in the developed countries. It is not surprising that during the recent meeting, the Vice-Chancellors from all over India expressed their concern over certain developments relating to GATS. Their fears can be summed up as follows: the degrees from the foreign universities will have a greater value in the job market. The curricula adopted by these foreign universities may be having no relevance to our national requirements. Also, the withdrawal of government subsidies for higher educational institutions, as seen in the recent past, will place large sections of society at a disadvantage. Added to these is the fact that only the affluent sections of the society can afford the cost of higher education offered by the foreign providers. This operates to

the disadvantage of the youth from the underprivileged and the middle class sections, which also have meritorious students.

The executive heads of universities were not oblivious to the positive side of the scene. For instance, the scope for improvement of Indian universities gets enlarged on account of the competition from the foreign providers. Again, students and faculty in India are exposed in a larger measure to global standards and the entry of foreign universities will serve to alleviate the resource crunch, which the public education system in this country is facing. One more point here is that a great expansion of the job market can be expected, especially for the professionally trained youth.

There is no doubt that the foreign universities consider India as a 'niche market' with great potential. If the opening up of higher education services to external providers makes reputed institutions enter this country in a big way, it may do some good. On the other hand, fly-by-night institutions intent on making quick money will do a lot of damage. Prof. K.B.Power, former Secretary General of the Association of Indian Universities, who has made an analytical study of the scene, refers to the possibility of the entry of unscrupulous international providers offering sub-standard programmes, even off-the shelf degrees on demand at a cost.

Be that as it may, academics are glad that the Union Government has not taken any decision in relation to Education Services coming under GATS. As a member of the World Trade Organisation (WTO), The Indian Government is certainly committed to liberalisation and there are international compulsions. But these are to be viewed in juxtaposition to national goals and priorities.

The Government should significantly enhance the resource allocation for higher education. The state should continue to subsidise higher education through improving the infrastructure and providing a safety net for the economically weaker sections. It should also expand the reach of higher education, though not at the cost of the primary and secondary sectors.

Cooperation and education have gone hand-in-hand, sometimes education producing the cooperatives, sometimes the cooperatives sponsoring education. The Government and the cooperative societies are concerned with the well-being of the people. They are partners in the process of social and economic development. As the cooperative organisations owned and controlled by the members themselves are run on democratic lines, they must develop a sense of democratic responsibility and they should have sufficient knowledge of the principles and practices of cooperation to enable them to effectively control the affairs of the society. A good

definition of organised cooperation is found in the Report of the Inquiry on Cooperative Enterprise in Europe, published by the Government of the United States. It states that a cooperative enterprise is one that belongs to the people who use its services, the control of which rests equally with all its members and the gains of which are distributed in proportion to the use they make of its services. Cooperation is now regarded as an important instrument of transformation.

The Cooperatives have enlarged their activities in all spheres of human life, viz. production, distribution, housing, health, education, etc. Cooperative Societies may be broadly classified as primary societies and secondary societies. Primary societies are of two types viz. credit societies and non-credit societies. Both credit and non-credit societies can be further classified as agricultural and non-agricultural, depending on the class of people who constitute these societies. Non-credit agricultural societies include the following societies viz. Land Colonisation Cooperative societies, Better Farming Cooperative societies, and Rubber Plantation and Rubber Karshaka Cooperative Societies. Non-credit-Non-agricultural societies are categorised by the Government of Kerala as miscellaneous societies. These include the following societies viz. Cooperative Hospital and Dispensaries, Educational Cooperatives, Vanitha Cooperative Societies, Motor transport, Autorikshaw and Taxi Drivers'

Cooperative Societies, Tailors Cooperative Societies, Washerman Cooperative Societies, *Chethuthozhillali* Cooperative Societies etc. These Cooperative Societies are organised mainly for the purpose of employment generation.

Kerala Cooperative Educational Societies

The miscellaneous types of cooperatives have been organised in the state mainly for the purpose of generating employment opportunities to the unemployed youth and the weaker sections. Government extends financial assistance to these societies by way of share capital contribution, grant, loans and subsidies. During 2002-03, assistance was given to seventy five societies. Of the total outlay of 60.98 lakhs rupees, 48.78 lakhs rupees were positively spent.¹

The Registrar of Cooperative Societies has forwarded a scheme for the development of Cooperative Educational Societies in the state of Kerala. He has pointed out that educational societies have ample scope for providing employment opportunities to the educated unemployed paying salaries at a reasonable rate. Further, the educational societies are organised with the twin-objective of providing employment to the educated unemployed and offering educational facilities to a large number of students who pass out of

¹ Economic Review 2003, Thiruvananthapuram, P. 97.

the high schools and higher secondaries and do not obtain admissions in colleges. The Registrar of the Cooperative Societies has also reported that these societies will be able to provide education to the students by collecting fees at reasonable rates.²

The scheme envisages organisation of Cooperative Educational Societies have as their area of operations, a taluk with their registered offices at the taluk head quarters. Graduates and post-graduates who are inclined to take up teaching, as a profession will be admitted as members of the societies. To reduce the cost of establishment the scheme suggests the utilisation of the service of directors on honorary basis and limiting the paid employees to the minimum. For the establishment of a society, it requires heavy investment on land, building, furniture, laboratory, library etc. In addition to the resources to build up the above physical facilities, it also has to incur expenditure, on advertisements, printing and stationery, travelling allowances, office expenditure etc. Even though the societies will have income from the fees collected from the students it will be difficult for them to find out surplus to meet the expenditure of the sort mentioned above.

The Registrar of the Cooperative Societies has therefore, proposed that the societies may be given managerial subsidy towards

² Govt. Order No. M.S. 116/B2 AD Dated 24-03-1982, Govt. of Kerala.

the cost of non-teaching staff for the first three years. It should be possible for societies to build up reputation and enroll a minimum of two thousand students by the end of the third year and obtain fees to meet the cost of the staff. According to the scheme the expenditure towards purchase of land, building, furniture etc. is to be raised from the share capital contribution by members, the share capital contribution by the Government and loan from the bank. In order to facilitate the working of the institution the Registrar of Cooperative Societies has also proposed that during the first three years the Government may also subsidise the interest payable to the financing bank.

There are one hundred and two Cooperative Educational Societies in operation on 31st March 2003 ³, ninety per cent of these societies are facing crisis, causing threat to their very existence. This study, therefore, is an attempt to bring to light the reasons for the present state of affairs of these societies and to suggest solutions wherever possible.

Significance of the study

The study is confined to the performance analysis of the societies in general and their social and financial performance in

³ Sources: Compiled from Primary data.

particular. In this connection, availability of governmental assistance and utilisation of such schemes of assistance by the societies are also covered in detail. For assessing the impact of the cooperative movement, it also attempts an analysis of the relative impact of cooperatives as compared to non-cooperative institutions engaged in the same line of activity.

Statement of the problems

The Indian Cooperative Movement is about to cross a century. Several committees, economists and academic organisations have examined one or the other impact of the cooperatives on the economy, on a particular sector or section of people. Further, most of the studies have either evaluated or assessed the impact of particular issues or programmes of the Government implemented through cooperatives. Some of the studies have assessed the performance of cooperative organisations with reference to their managerial, administrative or functional aspects. Whatever the organisation does should be analysed in terms of its impact on the members. Moreover, whatever the members do should be considered in terms of its impact. This approach assumes a two-way flow of benefits between the cooperative organisations and their members.

Such a holistic approach to the study of the impact of Cooperative Educational Societies is necessary for understanding

their socio-economic benefits. Regarding the socio-economic impact of Educational Cooperatives as a whole, many aspects are to be considered, like, whether the people really experience the social, democratic and empowerment benefits, whether the societies are helped in developing the leadership etc. The social and economic reach of the societies can be assessed by the employment opportunities generated, contributions to the standard of living and development of education at macro level. We should also study the assessment of people on the services rendered by the society, their expectations and suggestions for the development of Cooperative Societies. Many such issues need to be addressed for a holistic assessment of the social and economic impact of the societies. This calls for an in-depth investigation. The present study attempts to address all these issues.

Most of the Educational Societies offer traditional higher education courses even without any basic infrastructural facilities. The improper applications of financial aids are the major problems faced by the societies. Majority of them are in very pathetic conditions since they suffer from a lot of limitations.

The main problems faced by the growing movement are manifold. They are the problems of personnel management like selection and recruitment, training and development, wages, salaries and administration. They suffer from structural disintegration and

lack of coordination. The problems of vested interests and the creeping of politics in the management and administration of these societies need to be checked and stopped. Awakened and conscious leadership that is properly established and mobile professional institutes are also needed for the development of the societies. Lack of finance is of great concern for the progressive cooperators, economists and sociologists.

At present, many of the teaching faculty members are escaping from the societies after completing ten or fifteen years of continuous service due to the failure of the societies to provide the minimum subsistence level of earning of life. This will adversely affect the student community. Cooperatives have the strength of numbers, which if utilised properly can create wonders.

If cooperatives are run by qualified and competent professionals, then the empire that is built by them on democratic lines remains on top because the participative character of cooperatives ensures that all the best resources are pooled effectively. In order to reap the benefits of the societies there should be sufficient facilities including extra- curricular activities.

Objectives of the study

On the basis of the problems stated above, the following are the specific objectives set for the study-

- 1) To examine and evaluate the working of the Educational Societies.
- 2) To check whether they are running in conformity with the cooperative spirit and rules.
- 3) To study the impact of educational societies in the improvement of the educational status.
- 4) To examine the role of Cooperative Educational Societies in changing the socio-economic conditions of members and general public.
- 5) To study the different constraints like administrative, financial etc.
- 6) To suggest the measures, if any, to be taken for the improvement of the structure and working of the societies so that they can impart cost-free education to the student masses and help in the socio-economic development.

Hypothesis

- 1) Cooperative Educational societies have significant role in socio-economic upliftment.

- 2) There are regional variations in the financial performance of the Cooperative Educational Societies.
- 3) Cooperative Educational Societies fail to attract the top marks secured students and upper income group of the society.
- 4) There is lack of loyalty on the part of the members of the Cooperative Educational Societies.
- 5) Absence of sound policies and professionalism in management adversely affect the overall performance of the Cooperative Educational Societies.

Methodology

This study is primarily based on descriptive study. The present study focuses on the performance aspects of Cooperative Educational Societies on which literature is not available. Detailed discussions made with the officials of cooperative departments reveal that only ten per cent of the societies are operating on profits. So a comparison is made with the units in the non-cooperative sector, engaged in the same line of activity to identify the reasons for the present state of affairs of the societies.

Secondary data

Both primary and secondary data are used for the study. The secondary data are collected from various published and

unpublished sources. Sources of secondary data for the study include records of various Cooperative Educational institutions, Handbook on Cooperative Movement in Kerala, the Administration report of the Cooperative Department issued by the Registrar of Cooperative societies, the reports and statistical statements published by the Departments of Central and state Governments, Planning Commission, State Planning Board, State Cooperative Union and National Cooperative Union of India.

The details on the financial performance of the samples are collected from the audit reports and books of accounts of selected educational societies. The bye-laws, of the societies, annual reports and registers of the societies have also provided the required information.

Primary data

Since most of the information necessary to fulfill the objective of the study is not available from secondary source, the researcher has mainly based the study on relevant primary data collected by visiting various colleges with the help of interview schedules from the administration wing, members, board of directors, students, members of faculties, etc. The primary data are collected for a period of five years ending on 31ST March 2003.

The present study is aimed at assessing the impact of Cooperative Educational Societies in its socio-economic dimensions. Social impact is assessed by analysing the perception of the people on the social benefits, empowerment benefits, awareness benefits and increase in social status. The economic impact is assessed by analysing the contribution of the societies for employment creation, increase in income and improvements in standard of living among people.

In order to assess people's perception of the social impact issues like the choice of leaders in the societies, their functions, the changes in leadership pattern etc are taken into consideration. Regarding the empowerment benefits the issues considered are whether participation in the societies gives power to act as per one's requirements, power to take bold decisions on administrative matters etc. In the process of assessing awareness benefits the general awareness among people about the fees structure, the value of formal education etc are studied. The contributions of the societies in uplifting the social status and prestige of the members, employees and students have also been examined.

In the economic analysis the contributions of the societies in generating employment opportunities among the educated and trained persons in Kerala are considered. To evaluate the improvements of the standard of living the income of the parents is

the crucial parameter. To estimate the income of the parents, three students are taken at random from each sample; hence seventy eight students are considered.

The members' attitude towards the societies is measured on the basis of the field survey with pre-tested schedules. The problems faced by the educational societies are identified with the help of discussions with the office bearers, secretaries, other employees and interested parties of the societies, besides the students. The directors, employees and students, three each from the samples are considered for the study.

Sample design

For the purpose of the study, the societies are divided into three categories. The classification is on the basis of geographical area and the cooperative spirit. The cooperative spirit is more and stronger in north Kerala as compared with the rest of the state. At the same time, the educational development is comparatively better in the south Kerala and middle Kerala. The first category includes the societies of South Kerala, consisting of five revenue districts viz., Thiruvananthapuram, Kollam, Pathannamthitta, Alappuzha and Kottayam. The second category includes Middle Kerala which consists of Idukki, Ernakulam, Thrissur and Palakkad. The third

group includes North Kerala that consists of five revenue districts viz., Malappuram, Kozhikode, Wayanad, Kannur and Kasaragode.

Twenty five per cent of the population is selected at random from each group as sample for the study. Eight Cooperative Educational Societies are found dormant and one society is liquidated. The twenty six samples are considered for the study. List of samples selected for the study are given in the Appendix V. Category-wise distribution of Cooperative Educational Societies and the number of samples selected are given in the Table 1.1 below.

Table 1.1
Category-wise distribution of the societies
and samples selected

Sl. No.	Category	No.of CEs.	No. of Samples.	No.of Dormant CEs.
1	South Kerala	29	8	3
2	Middle Kerala	24	6	1
3	North Kerala	49	12	5
	Total	102	26	9

Source: Office of the Registrar of Cooperative societies, Thiruvananthapuram.

Based on the operational and financial aspects of the societies, almost all the educational societies are facing threat to their very existence. The internal as well as external environment for all

educational societies in Kerala is observed to be the same. Therefore, to ascertain the reasons for the present state of affairs of the societies, a comparative study is found proper. Educational institutions engaged in the same line of activities, which are outside the cooperative sector are taken for the purpose of comparison.

Tools of analysis

For the analysis of the data, statistical techniques such as percentages, simple arithmetical averages, median, ratios, correlation analysis, chi-square tests, quartile deviation, coefficient of quartile deviation, SPSS, ANOVA, etc are applied. The data collected has been analysed separately to evaluate the role of the Cooperative Educational Societies for the socio-economic upliftment of the community as a whole and the members in particular. To study the improvement of the standard of living among the members and non-members, chi-square test has been applied.

The social impacts of the Cooperative Educational Societies are evaluated mainly by assessing the contributions to leadership promotion, empowerment benefits, awareness benefits and social status. The economic impacts are evaluated by measures like employment generation, improvements in the standard of living, increase of fixed assets and amount of capital employed.

Period of the study

The study covers the socio-economic analysis of the movement from the beginning of its emergence. The intensive study is conducted for the period of five years from 1998-99 to 2002-03.

Scope of the study

The Cooperative Educational Societies registered with the cooperative departments in Kerala constitute the sphere of the study. The contents of the object clause in the bye-laws of all the Cooperative Educational Societies are almost identical and it is observed that all the societies are concentrating on the same line of activity.

It is a well-known fact that there is considerable confusion in the minds of people regarding the exact status and character of the cooperatives. Some of these issues have been discussed during the interaction with the members and leaders of the societies. Most of the opinions that arose during the discussions presented an astonishing array of expectations, misgivings and misconceptions. The education and awareness component of the cooperative movement needs to gear its efforts towards progress.

Limitations of the study

The study suffers from certain limitations. The entire social and economic progress in the country cannot be attributed to the cooperation alone. The improvement in socio-economic conditions due to cooperative movement have been analysed and reported in the study. To that extent, it suffers from all the inherent limitations of a sociological study. The study is confined only to the operating societies in Kerala as the dormant or wound up societies are not taken into consideration. Though the study is on the general performance analysis, social and economic performance is given greater importance.

Scheme of the study

The study has been presented in seven chapters as follows. The introductory chapter deals with the introduction to the topic and explains significance, objectives, scope, hypothesis, methodology, sample design, limitations of the study and so on. The second chapter is on the review of literature on cooperatives in general and on educational societies in particular. The third chapter focuses on the origin and evolution of cooperative movement in the world, in India and in Kerala. It also describes its growth over the years and its present position.

The fourth chapter discusses the origin of Cooperative Educational Societies, their historical background, the message behind the movement and its present position. Here the problems and prospects of the societies are also described. The fifth and sixth chapters are devoted to the social and economic impact and their analysis as well as quantitative and qualitative assessment of the societies. The concluding chapter, i.e. chapter seven summarises the major findings and suggestions of the study for strengthening the Cooperatives Educational Societies in their structure and functions.

* * *

CHAPTER II

REVIEW OF LITERATURE

The socio-economic impacts of Cooperative Educational Societies have been a fascinating subject for cooperators, educationists, politicians, Governments, scholars, etc, all over the country. Even though large bodies of literature on cooperatives in general are available, Cooperative Educational Societies are, by and large, an unexplored area of study. This may be due to the fact that the educational cooperative movement gained momentum only by the 1980's. Most of the earlier studies have tried to focus mainly on problems faced by the cooperative societies and their progress on the whole. Some of the studies have assessed the performance of cooperative organisations with reference to their managerial, administrative or functional aspects. The present study attempts to address the socio-economic impact of the Cooperative Educational Societies in Kerala.

At the top-level leaders conference ¹ on enhancing cooperative capability, it was argued that faulty management is the main reason for the failure of cooperative movement. Cooperative organisation can grow and improve its services through professionally competent

¹ Top Level Cooperative Leaders Conference on enhancing Cooperative Capability – Report and Papers, Tokyo, 7th – 12th November 1983.

management. Through the establishment of comprehensive personal policies covering recruitment, job training and salary structure, career development opportunities can be achieved.

Tsunesaburo Makiguchi ² expresses his ideas and proposals in the book '*Education for Creative Living*'. Education is to focus upon providing guidance to the processes of knowledge acquisition and value creation. Instead of crippling students with the scholastic blinders of book learning, an economy of educational means will see them involve themselves in two parallel courses of activity simultaneously; one scholastic and the other vocational. This will entail the total realignment of all levels of education. The importance of value education in the field of cooperatives is immense. Vocational training is also possible in the field of cooperation.

A number of studies have assessed the impact of cooperatives on social conditions of weavers in the handloom-weaving sector. Mishra A.K. and Umesh C. Patnaik ³ reveal that weavers' cooperatives have helped members to participate in cultural organisations and provided for higher education to children. The socio-economic status of member weavers has gone up when compared to non-members.

² Tsunesaburo Makiguchi, "Education for Creative Living", National Book Trust, India, 1989, p. 178

³ Mishra A.K. and Umesh C. Patnaik, "Impact of Handloom Cooperatives on Social Development of Weavers in Orissa", Indian Cooperative Review, October 1992, p.187-200.

A few other studies on cooperation have brought out the impact of certain specific socio-economic factors on members of the cooperatives. Parihar ⁴ states that the cooperative movement in Punjab picked up only after women's involvement.

Edgar Parnell emphasizes that in cooperatives, there is a need to sacrifice some selfish priorities in order to achieve the mutual benefits, which are seen to be of greater value. If a cooperative is to work effectively, it needs to have very strict rules to ensure that the business operates in the mutual interests of all the members and focuses upon the achievement of its true purpose of delivering benefits to the members in whatever capacity they choose to cooperate. ⁵

Sukhpal Singh stated that the supremacy of the cooperatives over other forms of organisations can hardly be overemphasised as far as their distinct advantages in terms of democratic functioning, social objectives and pooling of resources for better productivity are concerned. It is important to look into the relative economic performance of the cooperatives vis-à-vis other forms of organisations because economic viability is a must for any enterprise

⁴ Parihar Rohit, "Pujabi Women Lead in Cooperatives", The Cooperator, May 1993, p. 30.

⁵ Edgar Parnell, "Philosophers can philosophise, but only those who cooperate can set their standards", Indian Consumers Cooperator, Vol. 20, No. 4, December 1993.

to perform in the market as well as to meet other objectives, which may be non-economic in nature.⁶

Third Asia Pacific Cooperative Ministers' Conference on Cooperative Government Collaborative Strategies, Colombo, Sri Lanka, declared that the cooperative sector is as important and imperative as public and private sectors in its contribution to the socio-economic well-being of the people, especially in the view of rapid and drastic changes in the environment arising from deregulation, privatisation, marketisation and globalisation of the economies in the Asia Pacific Countries.⁷

International Cooperative Alliance Regional Office for Asia and the Pacific, in the report on workshop on strategy for cooperative development in Vietnam provided a tentative assessment of the cooperative sector in Vietnam. Based on the assessment, the report offered recommendations as to the objectives to be pursued in the future by the Vietnamese government and cooperative movement. The recommendations of the workshop concern areas like

⁶ Sukhal Singh, "Relative Economic Efficiency of Indian Rural Producers' Cooperative: A Review of Evidence and Research Issues", *Journal of Rural development*, Vol. 13(1), 1994, p. 115-128.

⁷ International Cooperative Alliance Regional Office for Asia and the Pacific, *Report on the Third Asia-Pacific Cooperative Ministers' Conference on Cooperative Government Collaborative Strategies*, 1994, Colombo, Sri Lanka.

cooperative policy, legislation, training, cooperative education, cooperative advisory services, structure and business operations. ⁸

Edgar Parnell states that cooperators are obsessed with their cherished Rochdale principles and the time has come to reinvest the cooperative if it is to survive into the next millennium. Deploring that in many cases the cooperative model of enterprises has become 'frozen in time'; he opines that it still offers untapped potential to contribute significantly to human development.⁹

R. Alamelumangai ¹⁰ points out that forty eight per cent of primary cooperatives are non-viable. She is in the opinion that the reorganisation and restructure of the society can reduce the rate of non-viability among the cooperatives.

Dr. Hessam Hedayath¹¹ has stressed on the professionalisation of management in the cooperatives. The author points out that if cooperatives are to become profitable and successful, the managers of cooperatives must become proficient and must adopt modern

⁸ International Cooperative Alliance Regional Office for Asia and the Pacific, Report on the Workshop on Strategy for Cooperative Development in Vietnam, 1995, P. 16-19.

⁹ Edgar Parnell, Reinventing the Cooperative Enterprises for the 21st Century, Plunket Foundation, Oxford OX88LH, 1995.

¹⁰ R. Alamelumangai, "Can Cooperatives Survive and Succeed in the Context of Economic Liberalization", Tamil Nadu Journal of Co-operation, Vol. 87(50), August 1995, p.37.

¹¹ Dr. Hesam Hedayath – "Professionalisation of Management in Co-operatives", Tamil Nadu Journal of cooperation. Vol.87 (5), August 1995, p. 21.

techniques of management. They should appoint professional managers at each level of management with a view to professionalise the entire managerial cadre and process.

Indrasena Reddy and Someshwar state that in many places cooperatives have been instrumental in preventing the private shops from taking advantages of supply shortages and charging exorbitant prices. In their study entitled 'Consumer Protection Through Cooperatives – A Case Study' an attempt is also made to assess the role of credit cooperatives in consumer protection.¹²

Gurumoorthy in his article 'Role of Cooperative Societies in Public Distribution System in TamilNadu' concludes that (I) ninety five per cent of the fair price shops in TamilNadu are managed by the cooperative societies. (II) Apex cooperatives take steps to procure the essential commodities from the Civil Supplies Corporation and supply to the fair price shops. (III) Effective supervision is ensured in cooperative fair price shops and (IV) professionalism is practiced in the management of cooperative fair shops.¹³

¹² Indrasena Reddy and Someshwar Rao, 'consumer Protection Through Cooperatives – A Case Study'. Indian Cooperative Review, Vol. Xxxiii, No. 3, January 1996, p. 250-254.

¹³ Gurumoorthy T. R., 'Role of Cooperative Societies in Public Distribution System in Tamil Nadu', The Tamil Nadu Journal of Cooperation, Vol. 87 No.11, February 1996, p. 22-24.

Dr. P. Loganathan and Dr. A. Paul Selvaraj ¹⁴ made an attempt to examine whether management of cooperatives by Special Officers or by elected Board of Directors is more beneficial. They scrutinised seven functional areas and discovered that in five out of these seven areas, the performance of Societies under the management of Board of Directors is better than that management by Special Officers.

Dr. A.P. Dash and Dr. Basanta Kumar ¹⁵ made an analysis of village level cooperative societies in Orissa. They found that dormancy rate is very high in India. It varies between twenty per cent in TamilNadu and seventy four per cent in Assam. The reason for this high rate of dormancy can be traced to illiteracy, lack of leadership, weak financial base, inadequate and untimely credit and poor marketing support.

Chand and Sharma ¹⁶ with the help of their field research, claimed that transparency in management decisions, dedicated leadership and vast marketing network are the factors, which contributed to employment generation by weavers' cooperatives.

¹⁴ Dr. P. Loganathan and Dr. Selvaraj Paul, "Does Democratic Management Still Hold Water in Cooperative Societies – A Preliminary Study", Indian Cooperative Review, Vol. 33 (4) April 1996, p. 359.

¹⁵ Dr. A.P. Dash and Dr. Basanta Kumar, "Development of Cooperatives in Informal Sector – Need for Policy Change", Cooperative Perspective, Vol.31 (2), July – September 1996, p. 21.

¹⁶ Chand G.K. and H.R. Sharma "Cooperatives Succeed in Mountains too: Case of Bhutti Weavers society", Indian Journal of Agricultural Economics, 51 (4) Oct-Dec, 1996, p. 752-759.

Moreover, socio-cultural homogeneity among weavers and avoidance of political links were the important factors for the success of weavers' cooperatives.

Dr. P.V. Thomas ¹⁷ pointed out that if there is a definite policy to promote viable societies in terms of functions and operations, it is more feasible to withdraw share capital assistance by Government in a phased manner. This is on account of the fact that share capital assistance has made these societies over-dependent and weak. He stressed up on the need for the restructuring of cooperatives. They would be able to face the challenges of open market economy only by improving their viability, efficiency and professional skills. He also recommended that the formation of a structural federation of societies is necessary in order to enjoy the benefits of centralised operations.

G. S. Kamat ¹⁸ suggested the need for the re-structuring of Indian Cooperatives. According to him, the need for consolidation of cooperatives through amalgamation and merging of cooperative organisations will have to be recognised. Barriers to consolidation have to be tackled through the process of education and legal

¹⁷ Dr. P.V. Thomas, "Role of Cooperatives in the Liberalized Economy", Souvenir, 13th Indian Cooperative Congress, National Cooperative Union of Indian, New Delhi, 21st and 22nd January 1997.

¹⁸ G.S. Kamat, "it is time to restructure Indian Cooperatives", Cooperative Perspective, Vol. 31(4) and Vol. 32(1), January- June 1997, p. 32.

support, which would help to attain the economics of large-scale production and the adoption of modern technology.

Similar impact studies have also been made in the field of other cooperatives. While assessing the impact of cooperative sugar factories, Bhople and Shinde ¹⁹ have found that cooperative sugar factories have increased social participation and have brought desired attitudinal changes among sugar cane farmers. They have led to increased farm productivity and technological changes in the sugarcane growing community in Maharashtra. Cooperative sugar factories have been found to be an effective and successful instrument of rural development.

Dr. P.K Dubhashi ²⁰ evaluated the role and relationship of stakeholders of cooperatives in the wake of liberalisation, privatisation and globalisation of Indian economy. The authors point out that in order to face these challenges, the cooperative enterprises will have to become self-reliant and self-supporting as well as learn to function in a competitive economy.

¹⁹ Bhople R.S., P.S.Shinde, R.L.Patil and V.R.Vaidya, "Assessment of Impact of Sugar Factory on Sugarcane Growers", Rural India, May1998, p. 222.

²⁰ Dr. P.K. Dubhashi – "Role of State, Cooperative Leaders and Managers", Cooperative Perspective – Vol.33 (3), October-December1998, p.16.

D.P. Neb ²¹ is of the opinion that active participation of members is essential for the success of cooperative organisations. He mentions the various levels of member participation and the ways to achieve them. These include the opportunity to participate, grievance-handling mechanism, focus groups and monitoring.

The Government of India appointed an Expert Committee on Consumer Cooperatives in 1993-94 headed by G. K. Sharma, the Regional Director, International Cooperative Alliance. The Expert Committee in its report has come out with the discovery that fifty seven per cent of the primary societies are either in loss or in defunct condition. The remaining forty three per cent are in profit, but most often only marginally. At the District / Central level, sixty one per cent societies are in loss and only thirty nine per cent are running viably. Out of thirty two state federations, only sixteen per cent are in profit and the remaining are in loss. The committee has identified the following factors, which have affected their growth such as registration of societies without proper scrutiny, lack of member participation, lack of democratic functioning, lack of professional management, unplanned business operations and discontinuation of

²¹ D.P. Neb – “Active Member Participation – A pre-condition for Success of Cooperative Organisation”, Cooperative Perspective, Vol. 33 (3), October-December 1998, p. 49.

Centrally Sponsored Scheme for providing financial assistance for the development of consumer cooperatives.²²

Sanjib Kumar Hota states that the rural market is the appropriate target market for cooperative business and its development. He is of the opinion that the weak and inefficient societies should be wound up or merged with strong or efficient societies. Otherwise the weak societies would determine people's confidence in the movement and cause a setback to it from a long-term point of view.²³

Madhu Pahuja brings out the critical issues for the survival and growth of cooperatives as upgradation of managerial and operational system; building up of strong member loyalty by efficiently servicing their requirements; sustained efforts to build up own resources and greater inter and intra-sectoral cohesion. This is to make cooperatives a system rather than merely a collection of institutions each working for its own. A strong and dedicated

²² Ram Iqbal Singh, "Development of Consumer Cooperative Movement-Its Future Needs in the Light of Global Changes in the Economy", *Indian Consumer Cooperator*, Vol.27, No. 2 and 3, April-September 2000, P. 5.

²³ Sanjib Kumar Hota, 'Cooperatives in Rural Economy', *Kurukshetra*, Vol.48, No. 11, August 2000, P.2-6.

membership base could prove to be a valuable asset in a competitive market, which is presently lacking in most cooperative institutions.²⁴

The workshop on consumer cooperatives in educational institutions of Kerala recommended that in order to avail economies of scale, the student cooperative stores should have networking at district/taluk levels. The seminar called for business diversification, active member involvement and eliciting patronage of the parent educational institutions. The need for professionalisation in the management of student stores was also highlighted.²⁵

Speaking at the prize distribution function of the National Inter University Debating Competition for the University on Cooperation organised by the National Cooperative Union of India, the apex organisation of the Cooperative movement, Bhairon Singh Shekhawat, ²⁶ Vice President of India said that the problems of unemployment can be solved by the cooperative sector only. He also called upon the cooperatives to take initiatives to revamp the public distribution system in the country to tackle the problem of poverty.

²⁴ Madhu Pahuja, 'Cooperatives Powerful Instrument of Socio-Economic Development', NCDC Bulletin, Vol. No. Xxxiv No.3 August 2000, P.15-16.

²⁵ Kerala Agricultural university, Report on the Workshop on Consumer Cooperatives in Educational Institutions of Kerala, College of Cooperations and Banking, 24th and 26th August, 2001

²⁶ Bhairon Singh Shekhawat, "Problems of Unemployment can be Solved by Cooperatives", The Cooperator, January 2003, p.301.

K.V. Raju ²⁷ forecasts a good future for cooperatives. In his article he being an optimist, says that in the changing economic scenario, the cooperative movement should adopt as and when necessary the skills of professionals and technocrats. It helps the cooperative movement to change the overall outlook.

K.Murugadoss ²⁸ is in the opinion that education is a powerful instrument as it plays a vital role in the process of social change and its impact is more permanent. In the article he argues that an equal opportunity in the field of education should be given to development of inner power of human kind.

V. Laxmi Ratan, ²⁹ the Principal Adviser (Education) of the Planning Commission argues that education has been looked up on as the most vital and crucial investment in human development. In recent years, studies on developed and developing countries have clearly demonstrated that development of human capital through education has contributed significantly to economic progress. The thrust areas for educational development in the Nineth Plan include universalisation of elementary education, achievement of full adult

²⁷ K.V.Raju, "The Future of Cooperatives", The Cooperator, January 2003, p.303.

²⁸ K. Murugadoss, "Importance of Value Education in Cooperative Sector", The Cooperator, Feb 2003, p.342.

²⁹ V. Laxmi Ratan – "Education in Last Fifty Years" Yojana May 2003, p.18

literacy, raising the quality of education at all levels, improving learner achievement, upliftment of the educational status of disadvantaged groups including SC/ST/girls and disabled children and removing of regional disparities. To a great extent the Cooperative Educational Societies can contribute to these thrust areas.

Surya Kumar Misra and Aryashree Debapriya ³⁰ discuss a wide range of issues in connection with Human Resources Policies and cooperatives. They argued that for the employees' participation at the decision making process is of vital importance today. They should feel that importance is being given to them. They should not feel isolated, ignored or neglected. In a cooperative sector, healthy relationship between management committee, members and employees can definitely help the organisation.

K. Srinivasa Gowda ³¹ expresses the need and importance of professionalisation and self-reliance in the field of cooperatives. He said that the coming together is the beginning; keeping together is progress; and going together is success. Practicing this mantra in its letter and spirit by the cooperative leadership, members and the

³⁰ Surya Kumar Misra and Aryashree Debapriya, "Human Resources Policies vis-à-vis Cooperatives", *The Cooperator*, July 2003, p. 4.

³¹ K. Srinivasa Gowda – "Professionalisation and Self-reliance of Cooperatives", *The Cooperator*, August 2003, p.47.

executive would enable cooperatives to forge ahead in their endeavours to strengthen cooperative movement and help emerge themselves as autonomous, efficient, strong, self-reliant and member responsive enterprises.

M.M. Luther ³² strongly argues for vocational education and the importance of the training in education. According to him, the education should be a joyous experience for all students and teachers where creativity should be the ultimate objective and students receive their lessons from a living teacher rather than from textbooks. Through the Cooperative Educational Societies, adequate training facilities could be offered.

Dr. Neeru Sharma & Ms. Muzamil Naj ³³ discussed the features of Cooperative Darakshan Public School in Kashmir. According to them, literacy is the means for opening the doors of children's mind and providing them with the necessary wherewithal for healthy mental and social development. They tried to pin point the features of the membership of the society. The members of the cooperatives are the parents or guardians of the enrolled children, in

³² M.M. Luther – “Vocational Education for Development of Rural India”, Yojana Sept 2003, p.19.

³³ Dr. Neeru Sharma & Ms. Muzamil Naj - A case study of Cooperative Darakshan Public School at Kashmir. The cooperator. September 2003, p.100

addition to those who want to serve the school without any personal interest.

Mrs. Pratibha Patil ³⁴ former Deputy Chairperson of Rajya Sabha said that the issue of women empowerment has emerged in a big way. She pointed out that the 14th Indian Cooperative Congress had recommended ten per cent reservation for women in the board of cooperative societies. If all states implement ten per cent reservation then the cooperative movement can definitely benefit from able and effective leadership of women. She felt that poverty couldn't be removed only by antipoverty programmes but by bringing change in democratic and economic structure, so that women are provided with equal opportunities for economic and long-term development. In the changing economic scenario, women in all the families must earn a living for sustainable growth.

Bhagwati Prasad ³⁵ is of the opinion that in order to fulfil the objectives of the cooperative organisation, the executive machinery has to be subjected to the processes of professionalisation of management and member work force. Various education and training programmes have to be oriented keeping in view the

³⁴ Mrs. Pratibha Patil – “Women Empowerment Vital for Cooperatives”, The Cooperator, September 2003, p.428.

³⁵ Bhagwati Prasad – “Some Dimensions of Cooperative Governance”, The Cooperator, September 2003, p.85.

prevailing socio-economic environment to change the mind-set and work culture of the work force.

Dr. Samwel Kakukoi ³⁶, in an article, has emphatically stressed that when the business strategies or management strategies are sound enough, they would bring forthwith them enormous quantitative and qualitative benefits to the cooperative sector. The immediate benefits would accrue to the cooperative members in particular and the community in general. Moreover cooperative customers and enterprises as a whole can benefit in a great deal. The concept of social responsibility would be deeply and adequately experienced in the cooperative set-up. As a whole, cooperatives can discharge their expected role as viable socio-economic organisations and become more meaningful in the era of open market economy and LPG's.

Sanjay Kumar Varma ³⁷ Jr. Editor, National Cooperative Union of India, opines that media is one of the important tools for the image building of any sector. Image building has become the top most priority of the cooperative sector these days. This strategic shift in the focus of the cooperative sector is indeed a welcome indicator as

³⁶ Dr. Samwel Kakukoi, "Essential Management Strategies for Cooperative Enterprises and Organisations in the Era of Open Market Economy", *The Cooperator*, September 2003, p.88.

³⁷ Sanjay Kumar Varma, "Media and Cooperatives: Some Issues", *The Cooperator*, September 2003, p.92.

far as the growth and internal dynamics of the cooperatives sector is concerned. The cooperative sector should have a professional orientation in approaching the media for coverage of its activities.

Dr. H.K. Gill and Er. Bindu Marwaha ³⁸, in an article, indicate the importance of leadership in the movement of cooperation. They are of the opinion that the movement of cooperation is in its infancy and it needs tender care on the part of development agencies to groom it well. Initially some progressive groups can turn to be models for others to follow. A successful leader must possess a dynamic personality budding with life and vitality. He must have temperament and optimistic outlook. An individual who can think scientifically, analyse and interpret clearly and concisely should be given the opportunity to lead the group. The article stressed the role of leaders for the success of cooperative societies.

Tushar Kanta Pany and Dr. C. Vijaya ³⁹ made an attempt to examine the importance of Customer Relationship Management in the cooperative organisations. They argued that in the present day context, to meet the competitive advantage, customer relationship management is a must for cooperative organisations, as the focus

³⁸ Dr. H.K.Gill and Er.Bindu Marwaha, "A Dynamic Leader-Axis for the Success of Cooperative Groups", The Cooperator, September 2003, p.95.

³⁹ Tushar Kanta Pany and Dr. C. Vijaya, "CRM: A Challenge for Cooperative Organisations", The Cooperator, September 2003, p.97.

has now shifted from increasing sales to achieve customer satisfaction.

N. Rajendren ⁴⁰ stresses the importance of human resource in the success of any organisation. He points out that this is the only resource, which can produce limitless suggestions and ideas for betterment of organisation and society. Human resource can be viewed as the sum of knowledge, skills, attitudes, commitment and values of the people in an organisation. It is needed by any organisation that wants to be dynamic and growth-oriented, or to succeed in a fast changing environment. It aims at overall development of human resource in order to contribute to the well-being of the society.

P. Sivaprakasam and R. Suriakala ⁴¹, in their study, have attempted to measure the job satisfaction of women employees working in different sectors of cooperatives organised at district and state levels. They also compared the level of satisfaction of the respondents in order to identify the factors contributing to job satisfaction. In the women employees' satisfaction with job factors

⁴⁰ N. Rajendren, "HRD Practices in Banking Industry", Cooperative Perspective, Vol.38 No.3 Oct-Dec, 2003, p. 2.

⁴¹ P. Sivaprakasam and R.Suriakala, "Job satisfaction of women employees: An empirical study in cooperatives", Cooperative Perspective, Vol. 38 No.3 Oct.- Dec 2003, p. 5.

relating to personnel policies and practices of cooperatives, highly positive attitude is found in the case of provision of provident fund and provision of gratuity, followed by their satisfaction with performance appraisal, provision of special benefits, and job security. Cooperative is one of the segments of the economic system, which is expected to employ women and treat them on par with other organisations.

Dr. R.C. Dwivedi, ⁴² Ex-chief Executive, National Cooperative Union of India, forecasts the future prospects of cooperative movement in the changing economic scenario. India has unlimited horizon for economic development. It hardly needs to identify various fields of activities. With all their spread, the multinationals cannot oust the cooperatives from India. Cooperation is people's sector with certain features attached to it. It is service-oriented, and it is not a profiteering or profit-making sector. Apart from the areas where cooperatives have already been spread and established and still have scope for further expansion, there are many grey areas where cooperatives have opportunities to enter and expand. Under the new Electricity Act, for example, there is vast scope for power generation, transmission and distribution of electricity. In the large social service sector like health services, education, transport etc. there is

⁴² Dr. R.C. Dwivedi – “cooperative Retrospect and Task Ahead”, The Cooperator November 2003, p.183.

absolutely no reason for apprehension and doubts about the promising future of cooperation in India. Of course, what is needed is dedication and commitment.

Dr. Sawai Singh Sisodia ⁴³ argues that the cooperatives are now being looked upon as people's institutions having strong grassroots level links. This highlights the relevance of cooperatives in the liberal economic environment prevailing now. It is now being recognised that to face the daunting challenges of market forces, cooperatives have to be structurally strong, financially independent and functionally autonomous.

Dr. B.B. Goel, Dr. P.K. Kamra, and Amit Goel ⁴⁴ argue strongly that cooperatives must touch upon the field of technical education. Cooperatives are the people's decentralised and participatory institutions, and have proved themselves to be engine of growth in accelerating development. The cooperatives must extent their horizons to new areas.

⁴³. Dr. Sawai Singh sisodia – “Cooperative Movement in India: Problems and Challenges”, The Cooperator November 2003, p. 179.

⁴⁴ . Dr.B.B. Goel, Dr.P.K. Karma & Amit Goel – “Cooperatives: Growth Engine for Managing Technical Education”, The Cooperator, November 2003, p. 189.

Rajnath Singh⁴⁵, former Union Minister of Agriculture said that the social obligations of the Government couldn't be met by the public or private sector, but only by the cooperatives. He exhorted confidence that if the cooperatives function effectively, they can generate more employment than public or private sector in the country.

Dr. Samwel Kakuko Lopoyetum ⁴⁶ studied the New Generation Cooperatives and their perspective in the Twenty First century. According to him the new generation cooperatives have emerged in this country as sequel of dynamic changes and dynamic development mix taking place in the vibrant economy. The NGC's must be autonomous, independent, self-reliant, member owned; member-controlled enterprises must be self-sustaining and must serve the interest of the community at large.

Dr. V. Mariappan and S. Dharmarajan ⁴⁷ strongly argue for the members' participation and commitment for the success of any economic venture. Cooperation is the government-sponsored movement in India. The Government sponsors all the SC/ST

⁴⁵ Rajnath Singh, "Coops can Generate more Employment than Public or Private Sector", The Cooperator, December 2003, p. 252.

⁴⁶ Dr. Samwel Kakuko Lopoyetum, "The Dimension of New Generation Cooperative (NGC's)- Twenty First Century Perspective", The Cooperator, December 2003, p. 269.

⁴⁷ Dr. V. Mariappan and S. Dharmarajan, "SC/ST Cooperatives in Kerala- Key Issues and Strategies for Rejuvenation", The Cooperator, December 2003, p. 266.

cooperatives by providing all financial as well as policy support. The economic participation of the members is almost minimal. There is lack of participation and commitment from the part of the members. These are considered to be the most important requirements for the success of any economic venture.

B. D. Sharma ⁴⁸ strongly argues for cooperative initiatives, looking beyond the cooperative legislation. He is of the opinion that in order to utilise gainfully the opportunities emerging from globalisation and to meet the threats successfully, cooperatives have to look beyond reforms in cooperative legislation and government policies. More important are the initiatives taken by cooperatives themselves to improve the structure, organisation, management practices and business planning at their own level.

Smt. Seemanthini Niranjana ⁴⁹, in an article, expresses the importance of cooperative movement in handloom sector and also points out the reasons for the failure. The formation of weaver cooperatives has been seen as the most important strategy in reviving and supporting the handloom sector. Their functioning, however, has not been uniformly successful. This has been

⁴⁸ B. D. Sharma, "Looking Beyond Cooperative Legislation", *The Cooperator*, February 2004, p. 339.

⁴⁹ Seemanthini Niranjana, "Thinking with Handlooms Perspectives from Andra Pradesh", *Economic and Political Weekly* February 7, 2004, p.553.

influenced by a number of factors such as local elite lobbying for power, political parties seeking to consolidate their strengths, or sheer mismanagement of the cooperatives. To a great extent, these factors are also applicable in Kerala.

Dr. B. L. Godara and S.K. Sharma ⁵⁰ expressed their views against the external help. They opined that the external elements would create a number of complex internal management problems. Reliance on external help and the resulting intervention not only destroys autonomy, but also destroys the spirit of self-help and the principle of democratic management.

Tan Kin Lian ⁵¹ strongly argues for the assistance for cooperatives to establish their business operations on a strong footing, and to be able to survive against the private sector. It is hoped that the Government in Asian Pacific Countries will recognise the useful role that cooperatives can play in the social and economic development of the people. In the face of the disruption and uncertainty caused by the globalised economy, there is a need for cooperatives to play a role, especially to create employment in the local economy and to enhance the welfare of their members.

⁵⁰ Dr. B. L. Godara and S. K. Sharma, "Government and Cooperative-Some Issues", *The Cooperator*, February 2004, p. 346.

⁵¹ *The Cooperator*, June 2004. Tan Kin Lian, "Surviving in a Globalised and Competitive World: Cooperative Experience", *The Cooperator*, March 2004, p. 370.

Robby Tulus ⁵², through an article, emphasises that cooperatives must foreclose partnership with government donors and civil society organisations for reducing poverty and inequality. In many cases cooperatives were sponsored by Government agencies during that period to act as tools for government poverty eradication programmes. Self-help was considered a concept out of the ordinary; so, instead of having the poor helping themselves by organising and promoting their own cooperative institution, they were more or less driven to become channels of external funding, and grouped to achieve external targets.

Dr. S.B. Sadar ⁵³, in an article, emphasised the importance and influence of organisations, cultures and values. Culture drives an organisation and its actions. It is somewhat like the operating systems of the organisation. It guides how employees think, act and feel. It is dynamic and fluid and is never static. Culture acts like music for dances. It does not create the communication patterns but fosters certain types of interactions. The communication practices of employees contribute to and change the harmonious rhythms of an organisation. The cooperative culture can contribute to a great extent to improve and change the society.

⁵² Robby Tulus, "Cooperatives and Poverty Reduction", *The Cooperator*, March 2004, p. 362.

⁵³ Dr. S.B. Sadar, "Strategic Communication of Organisational Culture", *Business & Economic Facts for You*, March 2004, p. 39.

A. Brahmachari ⁵⁴ expressed his view in an article regarding the connection between the culture of human qualities and the success of cooperatives. He opined that to run a cooperative society successfully and to achieve the optimum output from the services of the cooperatives, the general members, members of managing committee and workers in a cooperative are required to be tuned under a discipline of cooperative culture. They must cultivate basic ingredients of human qualities in themselves to imbibe and to develop a sense of honesty and integrity.

Murali Patibandla and Trilochan Sastry ⁵⁵, in an article on Capitalism and Cooperation Cooperative Institution in a Developing Economy states that cooperative arrangements can generate effective participation in the society. Development economists Sen and Dreze recommended wide spread investment in primary education and entitlements as one of the main solutions to poverty. Investments in primary education should be supported by initiatives for institutional change to pull people out of poverty and facilitate their effective participation in the market economy

⁵⁴ A. Brahmachari, "Culture of Human Qualities and Success of Cooperatives", The Cooperator, June 2004, p. 499.

⁵⁵ Murali Patibandla, Trilochan Sastry, "Capitalism and Cooperation Cooperative Institutions in a Developing Economy", Economic and Political Weekly, July 3, 2004, p. 2997.

An analysis of the available literature on cooperatives reveals that there has been no comprehensive research work assessing the impact of Cooperative Educational Societies in its totality. There are many innovative Cooperative Societies all over the country. But so far no systematic study has been made at a state level to assess the impact of Educational Cooperatives on their members and on the community as a whole. The present study is an attempt to fill the gap in the research on impact of Cooperative Educational Societies. Through a multiplicity of methods, namely, field survey, group discussion etc. an attempt is made to analyse the social, economic, cooperative, empowerment and democratic impact of the Cooperative Educational Societies on their members and on the community. Cooperative movement in India, with its deep-rooted tradition for the past hundred years, offers a suitable field for such a socio-economic impact study. The state of Kerala has been chosen for this study due to its strong cooperative institutions and a record of commendable achievement in the field of cooperation.

* * *

CHAPTER III

COOPERATIVE MOVEMENT

The official birth of the Cooperative Movement was in December 1844. This was marked by the opening of a little store in a grimy mill town in the North of England. But this could hardly seem to be a significant historic event to the twenty eight founding members of the Rochdale Equitable Pioneers Society. For them, this was an obscure and inauspicious beginning. Their shop in Toad Lane, Rochdale, was selling the barest of essentials - butter, sugar, flour and oatmeal - to a small band of sceptical customers. Yet, the Movement they established was destined to change the lives of millions of ordinary working people, not just in England but also throughout the world. With the aim of selling pure food at fair prices and with honest weights and measures, rather than simply for profit, the Pioneers pointed the way for like-minded men and women to start similar cooperative societies. And thus it was that consumer cooperation became firmly established.

The Rochdale Pioneers were certainly not the first. There are plenty of examples of cooperative experiments inspired by the writings of William King, a Brighton physician and philanthropist, and Robert Owen, a Welsh manufacturer and social reformer, long before the Pioneers first set up a shop. After 1844, however, the

spread of the Cooperative idea was truly phenomenal. It was as if a great dam had burst in Rochdale on that December night, providing the precious water to irrigate a desert of poverty and deprivation, disenfranchisement and prejudice, and allow green shoots of cooperation to flourish in the most barren soil of the first Industrial Revolution.

The Rochdale style of consumer cooperative became the norm, and the model for others to follow, quite simply because it demonstrated for all to see that it worked so effectively. The 'Rochdale principles', formulated from the decisions and practices of the Pioneers, included voluntary and open membership, democratic control, and profits returned to members in proportion to their purchases. A spur to this remarkable growth was the establishment in 1863 of the Cooperative Wholesale Society. For the cooperative wholesale society, supported in its early years by a strong band of activists from the Rochdale Society, business began modestly in a few rented rooms in Manchester, but it quickly developed into a major food importer, establishing supply chains for Irish butter, Danish bacon, Indian tea and American wheat at prices that the working people could afford. Within a relatively short while the cooperative wholesale society opened depots in five continents to buy directly from the growers; it built its own fleet of ships; and it established factories to produce and sell on to societies the vast

range of products which a more prosperous working class was now demanding.

The cooperative whole society expanded into other activities such as banking and insurance, retail societies diversified beyond food retailing into elaborate department stores, coal distribution, productive units for dairy and bakery output, members' death benefits and funerals. It was societies' proud boast that they could give members a comprehensive service from the cradle to the grave, and by offering the traditional cash dividend on purchases their position on the high street seemed invincible. If the Rochdale Pioneers were able to look down at the Cooperative Movement today, they would find it difficult to believe how the idea has progressed since those tiny beginnings in Toad Lane.

Cooperatives in India

Cooperation has the merit of combining of freedom and opportunity for the poor with the benefits of large-scale management and organisation. They are autonomous organisations of persons united voluntarily to meet their common, economic, social and cultural needs through jointly owned and democratically controlled enterprises. Cooperation constructs a bridge between socialism and capitalism. In the words of the Father of our Nation, "cooperative movement will be a blessing to India". Similarly, late Mrs. Indira

Gandhi once said: “ I know of no other instrument so potentially powerful and full of social purpose as the cooperative movement”.

The British East India Company miserably exploited India by absorbing all her resources during the pre-independent period. After independence, earnest steps were taken to make her healthy in every respect. It was generally admitted by the Architects of India that cooperatives could act as an effective media for the socio-economic reconstruction of the country. Hence attempts were made by the Planning Commission to develop the cooperative movement as a self-reliant one by augmenting the resources through mobilisation of savings in urban and rural areas, by promoting integrated rural development, by strengthening the links between credit, supply of inputs, processing, marketing and distribution of essential commodities and by developing weaker sections of the community.

The cooperative movement has a perfect scenario in order to meet the challenges of change by joining forces, helping and learning each other. The first modern cooperatives emerged during the industrial revolution in the mid 19th century. The threats at that time were the capital dominating and exploiting the labour, industry putting craftsmen out of business, mechanised agriculture reducing labour requirements. This uprooted the age-old social and economic structures and forced people to find a new place in a society with new rules, new goals and new working patterns.

Today we are witnessing the transition from industrial society to information and knowledge society. The threats of industrial revolution and their profound changes have caused the disintegration of old social structures. The growing individualism has affected families and communities and the devaluation of knowledge. The society is characterised by increased mobility, and those who are not mobile are excluded from the development, progress and prosperity; they have no access to information, modern technology, finance and marketing. There is an inability of small economic units, operating according to conventional rules, to meet the required standards in terms of quality, quantity and price.

The former Prime Minister of India, Jawaharlal Nehru, inaugurating an international Seminar on Cooperative Leadership in November 1960 at New Delhi, said, "The cooperative principle is not something which is a way of credit or marketing. It is a way of life. If you make it a way of life, you not only attempt to solve the country's problems, but also help in the solution of international problems"¹. Thus, Pandit Nehru considers "cooperation a way of life." There is no doubt that there is something in the "Cooperative Movement" that makes a universal appeal, something in it that cannot be denied by any political party or economist. It is not as if there is no resistance

¹ Hans H. Munkner, *Discovery of Cooperatives in Development Policy*, 1987, p. 44.

at all to the cooperative movement or some aspects of it by this or that group of individuals. Such resistance stems from their self-interest being jeopardised in some manner or the other. The cooperative movement is a worldwide movement. That is, cooperative societies, on a fairly extensive scale, are to be found in many countries of the world.

The cooperative movement was initiated as an outcome of the industrial revolution. This movement gradually grew out as a reaction against the prevailing capitalist system in the nation. The promoters and users of this movement express different versions for the meaning of the organisation such as “all for one and one for all”. However, with the diversity in their meaning, the concepts of all the above statements uniquely define a cooperative society as “an enterprise formed and directed by association of users, applying the rule of democracy and directly serving both its members and community as a whole”.

Cooperation is a form of economic organisation based on certain human values. The International Cooperative Alliance has defined cooperatives as “an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and

democratically controlled enterprise.”² Cooperatives are service-oriented institutions based on the principle of each for all and all for each. It is an organisation of the people, by the people and for the people. The basic objective of the cooperative movement is to achieve the welfare of the members concerned and to protect them from exploitation. In developing countries, cooperatives have been assigned an important role as instruments of economic and social transformation. Cooperation aims to remedy the economic inequality and the evils of concentration of income and wealth and thereby prevents the exploitation of the weaker sections by the stronger.

The basic concept of cooperative movement is same all over the world. However, based on its objectives, the form and content of this organisation differ from one country to another. Since its origin in England, cooperatives enjoyed a wide geographical expansion in Europe. Eventually, cooperatives recorded remarkable development in several countries. For instance, now-a-days, in many countries, especially Germany, France and Belgium, cooperatives function as a principal organisation in several sectors. Moreover, these types of organisations perform successfully in areas like agricultural

² International Cooperative Alliance, “Statement on the New Cooperative Identity”, Coop Dialogue, Vol.4, No. 2, May-September 1995. P.2.

marketing and supply, provisions of credit, distribution of goods and organisation of small industries.

The Government of India set up a Committee in June 1956, with a view to evolve a simple model of legislation to govern the working of cooperative societies. Cooperative Legislation in India had its origin in the problem of rural indebtedness and of bringing credit facilities within the reach of agriculturists on reasonable terms.

The cooperative movement in India traces its origin to agriculture and allied sector; it originally evolved as a mechanism for pooling the people's meagre resources with an aim to provide them the advantages of the economies of scales. The first attempt to institutionalise cooperatives began with the enactment of the Cooperative Credit Societies Act, 1904, the scope of which was subsequently enlarged by the more comprehensive Cooperative Societies Act of 1912. Under the Government of India Act, 1919, the subject of Cooperation was transferred to the provinces, which were authorised to enact their own cooperative laws. Under the Government of India Act, 1935, cooperatives remained a provincial subject. Presently, the item "cooperative Societies" is a state subject under entry thirty two of the state list of the Constitution of India. Cooperative Societies Acts enacted by state Governments are now in place in the respective states. In order to administer the operations

of cooperative societies where membership was from more than one province, the Government of India enacted the Multi-Unit Cooperative Societies Act, 1942. This was subsequently replaced by the Multi-state Cooperative Societies Act, 1984, under entry forty four of the Union List. Now the Government of India has come up with a Cooperatives policy and has enacted a Multi-State Cooperative Societies Act, 2002, to provide full functional autonomy and democratic management to societies. States are yet to adopt the Act and the Policy.

In the pre-independence era, the policy of the Government, by and large, was one of laissez-faire towards the cooperatives and the Government did not play an active role for their promotion and development. After independence, the advent of planned economic development ushered in a new era for cooperatives. Cooperation came to be regarded as a preferred instrument of planned economic development and emerged as a distinct sector of the National economy. It was specifically stated in the first Five Year Plan document that the success of the plan should be judged, among other things, by the extent to which it was implemented through cooperative organisation. In the sixties, special importance was attached to achieve increased agricultural production as well as rural development through cooperatives. A significant development on the agricultural front, during 1966-71, was the implementation of the

new agricultural strategy that aimed at the achievement of self-sufficiency in food. The introduction of high-yielding and hybrid varieties of seeds and the allocation of large outlays for the provision of irrigation facilities and adequate application of farm inputs led to a manifold increase in the role of cooperatives. Thus, the Green Revolution gave a big boost to the activities of the cooperative societies; increased agricultural production and enhanced productivity necessitated an emphasis on value-addition in agricultural products, marketing and storage and the development of allied sectors. As a result, specialised cooperative societies in the field of milk, oil seeds, sugarcane, cotton, agro-processing, etc. were set up. Many large cooperatives emerged in the field of fertiliser manufacture and marketing of agricultural products. The role of cooperatives, thus, no longer remained confined to their traditional activities, but expanded to new economic ventures as in the case of other such enterprises in the public or the private sector.

The past few decades witnessed substantial growth of the sector in diverse areas of the economy. The number of all types of cooperatives increased from 1.81 lakhs in 1950-51 to 5.04 lakhs in 1998-99. The total membership of cooperative societies increased from 1.55 crores to 20.91 crores during the same period covering about sixty seven per cent of the rural household and about ninety nine per cent of the villages. Cooperatives advanced agricultural

credit to the tune of 16, 987.00 crores rupees during the year 1998-99 and had 44.6 per cent share in institutional agricultural credit. The share of cooperatives in fertiliser distribution is of the order of 30.35 per cent while the fertiliser produced by the cooperatives accounts for 18.64 per cent of the total fertiliser production in the country. 56.8 per cent of the sugar production in the country is from the cooperative sector.

There are 84,289 village dairy cooperative societies in the country procuring 157.80 lakhs kg. milk per day. These village level dairy cooperative societies are having membership of 106.28 lakhs out of which 21.19 per cent are women members. Besides procurement and marketing of milk, dairy cooperatives are actively engaged in the field of superior cattle breeding, product diversification, nutrition, animal health and high quality animal feed. The number of urban cooperative banks rose from 1106 as on 30th June 1967 to 1936 as at the end of March 1999 and deposit increased from 153 crores to 50544 crores rupees. The average deposits per bank, which stood at 13.83 lakhs rupees in March 1967, rose to 26.11 crores rupees by March 1999. In brief, India has more than half a million cooperatives with two hundred and thirty million members.

The cooperative movement occupies a position of cardinal importance as a form of business organisation in the economy of the nation. The Indian cooperative sector is celebrating its centenary this year. In the process of completing a century of its presence, this sector has built up a network, which is considered the world's largest. More than five lakhs individual cooperative organisations and over twenty five crores of members make it numerically the largest movement in the world. A paid up capital base of more than 50000 crore rupees, presence in practically all walks of life and covering almost all villages of the country, makes it economically and socially the most significant set of organisation.

The progress of this movement in India has been recorded with a sectoral coverage of 99.5 per cent villages by serving sixty seven per cent rural households by the end of 1996. An analysis of Table 3.1 given below highlights the progress of this sector in terms of membership, share capital and working capital.

Table 3.1

**Indian Cooperative Movement at a Glance
by the End of 1995-96**

(Figures in Millions)

Number of Cooperatives (all levels)	0.411
Number of Primary Societies	0.396
Membership at all levels (number)	197.80
Membership at Primaries (number)	186.455
Share capital (rupees)	93501.8
Participation of Government at all levels	20.68 %
Working Capital (rupees)	1313843.8
Assets (rupees)	826201.0
Deposits (rupees)	391030.84
Rural Households Covered	67 %
Villages covered	99.5 %
Number of National level Cooperatives	21
Number of State level Cooperatives	284
Number of District level Cooperatives	2331

Source: NCUI, Indian Cooperative Movement, A profile, New Delhi 1996

The table 3.1 shows that by the end of 1996, this movement recorded a growth in India with 4.11 lakh cooperatives organised at different sectors. These cooperatives were strengthened with a membership of 197.8 millions with a total share capital of rupees 93501.8 million rupees. Moreover, the Government participation in this sector recorded very low with 20.68 per cent during this period. These organisations are federated to national, state and district level cooperatives, constituting twenty one national federations, two hundred and eighty four states and 2331 districts federations in different sectors.

Principles of cooperation

To define the character of the cooperatives as a form of voluntary association, the founder fathers of this movement have laid down certain definite guidelines and ground rules for this enterprise. These sets of rules are uniformly accepted by all nations and they govern the life of the cooperatives irrespective of the field they are organised. Therefore, these rules, which are termed “the principles of Cooperation”, define the fundamental guidelines for organising and conducting cooperative activities in a country.

Among the different principles defined by the founders, the International Cooperative Alliance (ICA) selected and redesigned

major six principles of cooperation in 1966. Later on, these six principles of ICA were considered to be the essential and genuine principles of cooperation for the effective practice of its objectives. These principles are precisely explained by ICA as follows:

1) Principle of Voluntary Association or Open Membership. The concept of this principle explains that the membership of cooperative societies should be voluntary and available without any artificial restrictions or social, political or religious discriminations to all persons who can make use of its service and are willing to accept the responsibilities of membership.

Cooperative values and principles are no quasi-religious rules; they do not have the quality of commandments. In the statement on Cooperative Identity of the International Cooperative Alliance (ICA), cooperative principles were expressly referred to as guidelines for those who want to put cooperative values into practice. In fact, cooperative principles were derived from practical experience with successful cooperative societies. It could also be seen as the best practice to achieve the objectives of economic cooperation based on self-help and mutual assistance, to make cooperatives work.

The character of cooperative societies as private business organisations is emphasised by the principle of Voluntary and Open membership. This principle has the effect that only such

cooperatives can grow which manages to convince people that their interests are served best. All cooperatives failing to meet the expectations of their members, who have become and remained members, will lose members and will finally disappear.

2) Principle of Democratic Management. As per this principle the cooperative organisation with membership of individual persons follows democratic principle of "One man One Vote" in its management. With this equal right for voting, they appoint persons to administer the society. It consists of persons known to and trusted by the members and accountable to them for a limited term of office with the possibility of re-election, if the rules of the society so provide. Thereby, this principle assures equal participation in the decision making of the society.

Equality of members refers to the characteristic feature of cooperatives to deal with members as persons and human beings and not as shareholders whose weight is determined by the amount of capital they contribute. Equal treatment of members with regard to membership rights reflects the idea that joint efforts to satisfy the common interest in terms of access to goods, services, information and markets are the main concern, while capital contributions are only one among several means to achieve common objectives. Equality of members expressed by the classical formula of "one

member-one vote” is a clear option against the dominating power of capital, prevailing in commercial economy.

3) Principle of Limited Interest on Capital. This principle highlights that the share capital should receive a strictly limited rate of interest if any, to ensure equity in the distribution of wealth and income. Therefore, the supplier of capital is not equitably entitled to share in savings, surplus or profit, or the values of the society’s output of goods and services.

Member or user orientation, i.e., promotion of members by offering good services rather than return on capital, at the same time means to de-emphasise the role of capital which is expressed on the one hand by the “one member-one vote” rule. The distribution of economic results is primarily in proportion to the use made by the member of cooperative facilities and it is only in the second place in the form of dividend on capital.

4) Principle of Patronage Dividend. According to this principle the surplus or savings, if any, arising out of the operations of the society belong to the members of that society and should be distributed in such a manner as would avoid one member gaining at the expense of another. This can be achieved by distributing the surplus among the members in proportion to their transactions with the society.

5) Principle of Cooperative Education. This principle denotes that all persons engaged in cooperation need to participate in the process of education and reeducation. Education for cooperatives means any experience, which adds knowledge, skill and widens outlook as well as any training to the members to work harmoniously and effectively with fellow workers. Cooperative education inspires the members to fulfill their responsibilities as men or women and as the citizens of the nation. Jawaharlal Nehru opined that the essence of cooperation is mainly underlined in the principle of working together to develop discipline and training in work for members.³

Education of members, office-bearers and employees, is a precondition to meet the needs arising from rapid and profound change of the economic, social, technological and ecological conditions in the times of globalisation. This means in concrete terms that education of members, office bearers and employees is more than option, if funds of the cooperative society permit. It is one of the goals of the cooperative society to invest in human resources, to make its members fit for survival under changing conditions. It includes the establishment and maintenance of two-way information and communication channels between members and their

³ Indian Handloom Development Scheme, 1950-51, Report of All India Handicraft Board, Government of India, 1955. P.19.

cooperative society. It is a decisive success criterion, because it influences the attitude of members towards their cooperative, their readiness to participate actively in the programmes of their cooperative and member satisfaction.

6) Principle of Cooperation among cooperatives. The spirit of this principle is that all cooperative organisations, in order to best serve the interest of their member and their communities, should actively cooperate in every practical way with other cooperatives at local, national and international level. The motto of this principle is growth through mutual cooperation among cooperatives. One precondition to preserve this character of a private self-help or mutual assistance organisation is that cooperatives enjoy a certain degree of autonomy and independence, i.e. the right of self-regulation of their own affairs, the right to operate within the framework of the laws without being more controlled or supervised than any other private business organisation or association.

These principles, with their true blend of idealism and good business rules, assure equality among members of a cooperative organisation. Through these principles the cooperatives bring social values to the national economic system and provide justice in production and distribution.

By exercising these principles in their functions, the cooperatives stand unique among other organisations in its socio-economic responsibility to the nation. Therefore, recognising the contributions of this sector as equal to private and public sectors, in terms of production and employment, the Government of India has placed respectful consideration for the development of cooperation.

Using cooperative advantages, i.e. the advantages of organised self-help, mutual assistance and pooling of resources in groups, can enhance the changes of small and medium-sized enterprises to survive in a globalised economy. A closer look at the cooperative advantages shows the following:

- A) The Cooperative societies are characterised by local roots; they know the local situation and work in proximity of local resources and of their members and customers.
- B) They benefit from trust of a locally known and visible organisation with known leadership, directly accountable to the members, trust in the system and in persons operating the system, which represents a valuable asset.
- C) They use techniques of networking and of horizontal and vertical integration, giving small local units access to the know-how and resources of regional, national and even international organisations.

- D) They offer viable alternatives to decaying old social and economic structures, based on self-interest, combined with the understanding that often own interests, can be pursued best when doing it in concerted action with others having similar interests.
- E) They practice the method of pooling of resources to reach common objectives.
- F) They concentrate on meeting members' needs without being pressurised to make profit for increasing shareholders value.
- G) They use self-interest of the members as the main internal driving force. However, self-interest can be best pursued, in concert with others, by working together in an organised manner for the mutual benefit.

Working together in cooperatives allows us to combine the modern trends of a globalised economy and society in an optional way. The self-interest and individualism combined with cooperation, group discipline and social responsibility leads to economic prosperity.

Cooperatives in Plan periods

The essentiality for introducing cooperatives in five-year plans was first initiated by the Saraya Committee in 1946. The committee

identified cooperatives as the most suitable medium for democratisation of economic planning. This was also supported by Planning Commission, who recognised cooperatives as an indispensable instrument for planned economic action in a country. Therefore, realising the fact that cooperatives can no longer be treated as species within the private sector, the Government of India has set up programmes for the development of cooperative movement in the country.

As a result, at the time of launching the first Five-Year Plan in 1950-51, due recognition was given to cooperatives. The aim of the plan was to change the economy of the country from an individualistic one to a cooperative one. In order to achieve the above objective the planning commission set up a target to cover fifty per cent of Indian villages and thirty per cent of rural population during the plan period. However, an analysis of Table 3. 2 highlights that even though efforts were taken, the plan has not fully succeeded in achieving the above target for the progress of these sector.

From Table 3.2, it is clear that before launching the plan in 1950 there were only 1.5 lakhs primary agricultural co-operative societies in India. However, 44000 societies were also newly registered during the period by admitting 26.37 lakhs members, resulting with an average increase in membership per society from

forty five to forty nine However, compared to others' achievement the growth rate of membership was recorded very low with only nine per cent. Similarly average deposit also showed a growth rate of thirteen per cent.

Table 3.2

Cooperative Movement in India during the first plan period

Sl. No.	Progress	1950-51	1955-56	Annual Average Growth rate in percentage
1	No. of PCAS	115462.00	159939.0	39
2	Membership (lakhs)	51.54	77.91	51
3	Average membership per society	45.00	49.00	9
4	Percentage of rural Population served	10.30	15.60	52
5	Loan issued (Crores Rs)	22.90	50.16	119
6	Average share capital per society [Rs.]	727.00	1051.00	45.00
7	Average working capital (Rs.)	3547.00	4946.00	39
8	Average deposit per society (Rs.)	391.00	441.00	13

Source: Five-Year Plan 1950-51-1955-56

Though the plan could not achieve its target for the percentage of rural household to be served, an increase from 10.3 percentage in 1950-51 to 15.6 percentage in 1955-56 was achieved during the plan. The major achievement of the plan could be found in the total loan issued through this sector, which more than doubled from 22.9 crores rupees in 1950-51 to 50.16 crores rupees in 1955-56, indicating the achievement of the objective of cooperatives in serving weaker communities of the society. The growth rate in total loan issued during the period was high with one hundred and nineteen per cent.

With the allocation of fifty seven crores rupees for the development of cooperatives, the second Five-Year Plan was launched with ample opportunities to uplift the societies. The Rural Credit Survey Committee Report of 1951 listed out the vast field for cooperatives including agriculture, marketing, processing, construction and industries. The end of second Five Year Plan increased the number of societies to 3.32 lakhs with a membership of 342 lakhs. Around seventy five per cent of villages and twenty four per cent of rural households were covered by this sector during the plan. The major achievement in this period was the increase of average membership from forty nine to eighty per society indicating a growth rate of sixty three per cent compared to the first Five-Year Plan.

Recognising the importance of the rapidly growing cooperative sector in India, the third Five-Year Plan laid special emphasis to this field by providing eighty crores rupees for the development of cooperatives. The major goals of this plan were to bring up cooperatives as self-reliant organisations by extending their geographical distribution to all rural families in the country. But as against one hundred per cent coverage aimed at this plan, the villages covered by these active societies were worked out to be only eighty two per cent.

The fourth plan gave substantial emphasis for strengthening cooperative marketing structure through agricultural cooperatives and consumer cooperatives. This plan proposed to organise five hundred and fifty agricultural processing cooperatives during the period. The state and national federations were also strengthened to make the cooperatives' role effective in the procurement and supply of goods.

Efforts to build up strong and viable cooperatives were designed in the fifth plan. To strengthen the management and productivity of these sectors, training programmes were organised to produce suitable and adequate professional managers. The centrally sponsored programmes for the above purpose were implemented with an outlay of forty four crores rupees in 1974.

In the subsequent two plans, the sixth and the seventh Five-Year Plans, cooperatives had been given role to play in service areas. The cooperatives were authorised to prepare credit plans to meet the requirements of its members in association with the credit plans of the respective commercial banks in those areas.

Various programmes for upgrading industrial cooperatives were organised in the Eighth Plan. A sound infrastructural model was introduced during this plan for the modernisation and revitalisation of the weak industrial cooperatives. There were wide disparities in the allocation of budget for cooperative sector at various states. Majority of states, i.e. seventeen states received less than five per cent of the total outlay to this sector from the centre. Many of the eastern states, namely Manipur (0.4 per cent), Meghalaya (0.7 per cent), Mizoram (0.5 per cent), Nagaland (0.3 per cent), and Sikkim (0.2 per cent) received hardly one per cent of the total outlay. However, states like Maharashtra (17.7 per cent), Bihar (11.9 per cent), Karnataka (10.1 per cent) and Madhya Pradesh (9.1 per cent) enjoyed due recognition in the outlay of budget during this plan.

Meanwhile, irrespective of the lop sided programmes, an examination of the achievements in this sector during 1994-95

highlights regional imbalances indicating variation in the implementation of programme for the development of cooperatives.

It is interesting to note that the countries, which were neglected in outlay, recorded an increase in percentage of total achievements comparing to their share of total outlay. For instance, while the share of Assam to total outlay was only 3.5 per cent, the achievements in this sector in the state by the end of 1995 was noted to be 4.5 per cent of the total achievement by the country. Similarly, for all the eastern states, the percentage share to total achievement was recorded higher than their percentage share to total outlay. However, very low progress was also marked in certain states, especially Bihar, with five per cent of achievement against its share of 11.9 per cent to total outlay. Similar performance was also found for states like Orissa and Rajasthan against their target achievements.

Cooperatives in Kerala

The growth of Cooperative movement in Kerala was insignificant during the pre-independent era. Only by 1969 cooperatives were functioning in the state with a total working capital of 92.21 lakhs rupees. The membership and paid up share capital were 2.05 and 31.79 lakhs rupees respectively. Credit and

non-credit operations during the period were also nominal. Loan disbursed during the year 1946 was 0.62 lakhs rupees only. Performance in the area of Consumer, Marketing etc. were also not remarkable when compared to the exquisite achievements during the succeeding years.

Before the formation of the State of Kerala, Cooperatives under the area were administered by the Travancore Cooperative Societies Act V of 1112(M.E), Cochin Cooperative Societies Act XXVI of 1113(M.E) and Madras Cooperative Societies Act 1932. After the integration of Travancore and Cochin, Travancore-Cochin Cooperative Societies Act 1951, came into force with effect from 1.9.1952. After the formation of Kerala State, the Kerala Cooperative Societies Act of 1969 came into force with effect from 15.5.1969 in order to enact a uniform law on cooperation applicable throughout the State. Consequent on the introduction of Kerala Cooperative Societies Act, 1969, Societies with unlimited liability ceased to exist and societies with limited liability came into existence. Thereafter the Government of Kerala passed the Kerala Cooperative (Amendment) Act 1999 which came into force with effect from 1.1.2000. Providing of membership to local body institutions, Deposit guarantee scheme in Primary Agricultural Credit Societies, Consortium Lending Scheme, Cooperative Development and Welfare Fund, Independent Election Commission, Separate Audit Wing and Vigilance Wing, and

Cooperative Examination Board are the new provisions made in the Amendment Act.

Kerala can claim to have an elaborate and efficient rural credit system administered through Primary Cooperatives, Central Cooperative Banks and Apex Cooperative Banks. The cooperative credit structure in Kerala comprises of two parts viz. (i) short and medium term credit structure, and (ii) long term credit structure. The short and medium credit requirements are met by a three-tier system consisting of State Cooperative Banks at middle level and 1628 Primary Agricultural Credit Societies at the base level. In addition to this, eighty five urban cooperative Banks and one thousand and thirteen Employees credit Cooperatives are meeting the Non-Agricultural Credit requirements of their members.

Position of Primary Agricultural Credit Societies in Kerala is strong and their performance is remarkable as disclosed from the following Table 3.3.

Table 3. 3

The Primary Agricultural Credit Societies in Kerala

Sl. No.	Particulars per Society	Unit	All India average	Kerala
1	Membership	Numbers	1390	6560
2	Deposit	In Lakhs	Rs. 4.11	Rs. 119.47
3	Advance	In Lakhs	Rs. 11.00	Rs. 116.26
4	Working Capital	In Lakhs	Rs. 23.31	Rs. 205.00

Source: *www.c.dit.organisation. for public relations Dept. Govt. of Kerala*

The Primary Agricultural Credit Societies in the state, were once upon a time mere *Nanaya Vinimaya Sahakarana Sangham*. But, in course of time, they transformed themselves into the present Agricultural Credit Societies, which could cater to all the credit, needs of the rural mass and were capable of doing all modern Banking Business. They spread their wings in all spheres of socio-economic activities, got entrenched in diverse sectors of the economy and touched the lives of all sections of the people at large. Apart from credit activities, Self Help Group Scheme, Kissan Credit Card Scheme and Cooperative 'Neethi Medical Stores' Scheme were implemented through Primary Agricultural Credit Societies. Further, the Malanad Service Cooperative Bank runs a Tea Factory with a

project cost of 210.00 lakhs rupees with the assistance of ICDP Idukki.

During the period of emergency, when stringent actions were taken against indigenous moneylenders, there arose a social problem. The petty tradesmen and village artisans, who were depending on these moneylenders, could not get credit facility from anywhere. This credit gap, which posed a social problem, was effectively tackled by the cooperatives in Kerala. All the credit societies joined together to tap the internal resources from the state itself by initiating a special Deposit Mobilisation Campaign, which commenced in the year 1976 as a novel idea to stabilise the Cooperative Sector. The entire mechanism supported the scheme and it was a grand success. Thereafter the Deposit Mobilisation Campaign was organised every year with a view to increase the resources position of Primary Agricultural Credit Societies. The performance of these societies was spectacular as much of the programme achieved three hundred and twenty nine per cent of the target fixed for the mobilisation of deposits. An amount of 7245.57 crores rupees was collected during the period from 1976 to 2001 against the targeted amount of 2201.25 crores rupees.

Long Term Credit structure consists of Primary Agricultural and Development Banks federated into an Apex Body viz. Kerala

Cooperative Agricultural and Rural Development Bank. Various developmental purposes covered by the Bank's lending activity include minor irrigation, farm mechanisation, land development, cultivation of plantation/horticultural crops and diversified activities like dairing, fish culture, poultry farming, biogas, goat rearing, sericulture etc. The Primary Agricultural Development Banks are having 8.24 lakhs members and share capital of 75.40 cores rupees. The working capital of their Banks is 1004.62 crores rupees. Loans advanced per year come to 311.00 crores rupees and percentage of overdues at member level is six only.

The animal husbandry and fisheries sectors have a vital role in the national economy. The country's socio-economic development cannot be possible without these. The fisheries sector not only acts as an important source of employment but also largely contributes to the country's foreign exchange earnings. The export of fish and fish products was to the tune of 5815 crores rupees in 2001-02. The total export earnings from the livestock, poultry and related products were 3,841 crores rupees in 2001-02. About six million people are employed in the fisheries sector. The estimated employment in the livestock sector was approximately 8.5 million in 1999-2000.

Despite fisheries having a very big potential, the fishermen continue to remain one of the weakest sections of the community. The

middlemen and traders exploit the labour. Institutional safeguards would be most effective against such exploitation. Fisheries cooperatives are considered to be the best organisation to ameliorate the socio-economic conditions of the fishermen. This would enable the fishermen to develop an institutional structure through which they can avail themselves of financial assistance to increase the catch of fish and gain a bargaining power for securing better price and thus improve their economic condition.

The structure of fisheries' cooperatives consists of one National Federation of Fishermen's Cooperatives (FISHCOPFED) and state and central level societies, besides primary fishermen's cooperatives. In some, the state level federation is yet to be organised. FISHCOPFED has been playing a very useful role in the promotion of fishermen's cooperatives and also in welfare programmes of fishermen.

The industrial cooperatives have been organised with two objectives namely, social and economic. Among the social objectives the most important are the safeguarding of the interests of the poorer sections against the exploitative trends and the diffusion and dispersal of wealth. The economic objectives of these societies are creation of employment opportunities, increase in production and productivity, competitive capability and acceleration in the rate of capital formation.

The existing industrial cooperative societies will be modernised and new ones promoted under the Self-reliant Cooperatives Legislation. Sector specific clusters of industrial units will be promoted with the assistance of financial institutions and skill development facilitated through common facility centres and training institutions.

Around 50000 handlooms both in the private sector and in over 750 cooperative societies provide employment to about 1.25 lakhs weavers. Kerala State Handloom Weavers Cooperative Society (HANTEX), the apex organisation of the cooperatives and Kerala State Handloom Development Corporation Ltd (HANVEEV) providing services (especially marketing) to individual weavers, are the principal development agencies assisting the Department of Handlooms and Textiles.

Over three lakhs direct workers exist in the coir sector, most of them attached to the over five hundred coir cooperatives in Kerala. Adequate low cost production of coir fiber from the coconut husk is to be ensured by systematic collection of husk from farmers, conversion to fiber by a mechanised process in the de-fibring units to be set up on a large scale by private entrepreneurs. Further, investments will not be made by the State in the cooperative defibring units set up. In order to maintain the quality and the

relatively high wages in the coir-spinning sector, special emphasis will be given to develop and popularise spinning *ratts* with high productivity and appropriate mechanisation. The existing viable spinning cooperatives will be restructured and modernised. Coirfed and the Kerala State Coir Corporation are to focus their activities in marketing development and popularisation of innovative products such as geo-textiles, as originally envisaged and not in production.

Housing is another area where cooperatives have thrived. This is also a potential area for cooperatives to enter though their presence at present is rather limited. In Cooperative Housing Sector, the Kerala State Cooperative Housing Federation is the State level Apex Institution and Primary Housing Cooperative Societies are the institutions at base level. The Federation provides loans to Primary Housing Cooperatives by availing loans from the National level financial institutions like Life Insurance Corporation of India, HUDCO, etc.

The main function of Primary Housing Cooperatives is to issue loans to members for construction or purchase of residential Houses. Out of the three hundred and seventy six Primary Housing cooperatives, one hundred and twenty eight societies are running in profit, one hundred and ninety seven are running on loss and remaining fifty one societies are functioning without loss or profit.

The Housing Federation is able to affiliate only two hundred and seven Primary societies out of three hundred and seventy six because of its limitation to avail adequate finance from National level financial institutions. The average loan issue of the Federation comes to sixty crores rupees per year. The State Government supports the Federation and Primaries by providing share capital contribution. An amount of 8.65 crores rupees have been provided to the Federation by Government so far and balance outstanding after refund is 5.35 crores rupees.

The Cooperative storage programme maintained its progress during the 7th plan period. The role of the National Cooperative Development Corporation is significant in implementing storage programme in the State. The State Government accorded sanction to implement the World Bank aided NCDC storage project to increase the capacity. Cooperative Marketing structure in the State is a two-tier system with the Marketing Federations at apex level and Primary Marketing Societies at base level. There are three State level Apex Federations, viz; Kerala State Cooperative Marketing Federation, Kerala Cooperative Rubber Marketing Federation and Kerala *Kera Karshaka Sahakarana* Federation.

Two Multi State level Cooperatives are functioning in Karnataka State viz. Central Arecanut and Cocoa Marketing and

Processing Cooperative Ltd (CAMPCO) and Indian Coffee Cooperative Marketing Society Ltd (COMARK). While Kerala and Karnataka Governments jointly sponsor CAMPCO, the COMARK is organised covering the States of Kerala, TamilNadu and Karnataka. Apart from these Cooperatives, Kerala Rubber Cooperatives (RUBCO) and Regional Agro Industrial Development Cooperative Society Ltd., (RAIDCO) are functioning in the State at State level and Regional level respectively.

Unlike the Credit Sector, the performance of Cooperative Marketing structure is not encouraging. Four hundred and eighty seven Primary Marketing Cooperatives with a paid up share capital of 1804.49 rupees are functioning in the State. Total membership in these primary societies is 2.21 lakhs. Out of the four hundred and eighty seven societies, thirty societies are running on profit and the remaining four hundred and fifty seven cooperatives are running on loss. Besides Marketing Cooperatives, Primary Agricultural Credit Societies and SC/ST Cooperatives are also engaged in the marketing of agricultural produce. Value of agricultural produce marketed per year comes to 375.00 crores rupees.

The main problems faced by the Marketing Societies for their poor performance are the absence of linkage with Apex organisation, incapability of Federations to provide adequate support to primaries,

inadequacy of working capital and poor management. Even so, the Marketing Cooperatives in the State have intervened at times of crisis to provide the farmers the much needed help viz: at the time when they faced acute problems in Rubber, Coconut, Cashew and Paddy on account of liberalisation policies.

Cooperatives continue to be the major organised sector in the field of distribution of agricultural requisites including fertilisers, which are made available from FACT, IFFCO and other leading manufacturing agencies. Value of agricultural requisites distributed by cooperatives comes to 185.00 crores rupees per year. Cooperative sector actively entered in processing area from the 8th plan period with a view to increase production in the state and to provide employment opportunities (direct and indirect). Establishing of mineral Water unit under RAIDO, Automobile Tyre Manufacturing Unit and Casual Sports shoe Manufacturing Unit under RUBCO are programmed during the 10th plan period.

Consumer Cooperatives in the State played a vital role in the distribution of essential commodities at reasonable price ever since the food scarcity occurred during Chinese Aggression period in 1962. Thereafter Consumer Cooperatives throughout the state have been functioning as a parallel machinery to augment and supplement the public distribution system. Ration shops, Departmental Stores,

Sahakarana Maveli stores, Super Markets, Sahakarana Neethi Stores and Neethi Medical Stores are functioning under Cooperative sector. The Government of Kerala, by way of subsidy, share capital and loan for implementing the above-mentioned scheme has pumped huge amounts.

Cooperative Consumer Sector in Kerala comprises of Kerala Cooperative Consumer Federation at Apex level, District Wholesale Stores at central level and Primary Consumer Cooperatives at base level. Fourteen District Wholesale Stores and four thousand eight hundred and seventy Primaries including School/College and University Central Stores are functioning in the State. Further, Primary Agricultural Credit Societies, SC/ST Cooperatives, Marketing Cooperatives and some Employees Cooperative are also distributing Consumer goods to the public. Sales turnover of Consumer articles comes to 409.00 crores rupees. Most of the primary consumer stores except school/college stores are running on loss. The financial condition of District Wholesale Stores is also pathetic. Most of these stores are either defunct or dormant. Excess staff, misutilisation and mismanagement of funds and incapability to survive against the foul play of private Traders are the major reasons for the poor position of cooperative consumer sector in the state. Even the Kerala State Cooperative Consumer Federation could not survive unless State Government provided adequate and active financial support at

frequent intervals. Proper and effective costing exercise and planning are therefore imperative for the healthy existence of cooperative consumer sector in Kerala.

SC/ST cooperatives were organised in the State for the upliftment of the economic conditions of Scheduled Castes/Tribes. Assistance by way of subsidy, grant and share capital is provided to these societies by the state government. NCDC and the Government of India also support these societies by providing loan, grant, and share capital contribution. Even though huge amounts have been floated for implementing the schemes, no fruitful results have been achieved. Lack of guidance, mismanagement and misutilisation of funds are the main reasons for the failure of SC/ST cooperatives in the State. New suitable small and medium sized projects have to be identified and implemented for the upliftment of the SC/ST community in the State. The Kerala Cooperative SC/ST Federation was established as an Apex institution of SC/ST cooperatives. The Federation is having five hundred and sixty six members and paid up share capital worth 300.95 lakhs rupees. Minor Forest produce collection is the main activity undertaken by the Federation. A Cheevakai processing unit, Honey processing unit, Ayurvedic Medicine Manufacturing unit and a Petrol/Diesel outlet are functioning under the Federation providing employment to the SC/ST community. In spite of these

developments, the institution is running on loss of 14.10 lakhs rupees.

Literacy is the means for opening the doors of children's mind and provides them with the necessary wherewithal for healthy mental and social development. More than five decades ago, the Constitution of India made an even bigger commitment. Its Article forty five states, 'the state shall endeavour to provide, within a period of ten years from the commencement of the constitution, free and compulsory education for all children until they complete the age of fourteen years'. Despite expansion of education, vast ground is yet to be covered for fulfilling the constitutional mandate of universalisation of elementary education.

In India, dropout rates are significant, retention of children in schools is low, and wastage is considerable. There are striking disparities in access to elementary education, disparities between boys and girls, the affluent and the deprived, and the minorities and others. The process of education being the process of expression and satisfaction of the urge for education growth, it must take place according to the characteristics of this urge. If the cooperative movement wants to assure the proper growth of the Human Personality, all that it needs to do is to allow the urge for educational growth in the human being to have its full expression and satisfaction.

Only cooperatives can go a long way to eliminate the drawbacks of the present education system as well as to reduce dropouts.

With special reference to Kerala the table given below reveals that the state has not enjoyed much significance in the process of progress. However, the share to total achievements was high (4.3%) compared to its share to total outlay i.e., 3.7 per cent. Moreover, an overview of the growth of cooperatives in Kerala did not indicate remarkable progress in this sector for the last few years.

From the Table 3.4, it is clear to note that the cooperative movement of Kerala recorded a slow progress over the years. In 1986-87 there were all together 9553 cooperative societies including industrial cooperatives in the state, which had increased to 10908 societies in 1994-95 with a growth index of 1.16 per cent to 1.08 per cent for the respective period.

Table 3. 4

Cooperative movement in Kerala for the period 1986-87 to
1994-95

Year	Number of Cooperatives	Growth Index.
1986-87	9553	--
1987-88	9664	1.16
1988-89	9910	2.50
1989-90	10134	2.20
1990-91	10399	2.60
1991-92	10528	1.20
1992-93	10721	1.80
1993-94	10819	0.91
1994-95	10908	1.08

*Source: Handbook of Cooperatives, Records of District Industrial Centers.
Govt. of Kerala*

The following Table 3.5 shows the progress of cooperative movements in Kerala as on 31st March 2000. The chart shows the number of societies, memberships, share capital, deposits, loan advanced and working capital for the period from 1995-96 to 1999-00.

Table 3.5

**Progress of Cooperative Movements in Kerala
as on 31-03-2000**

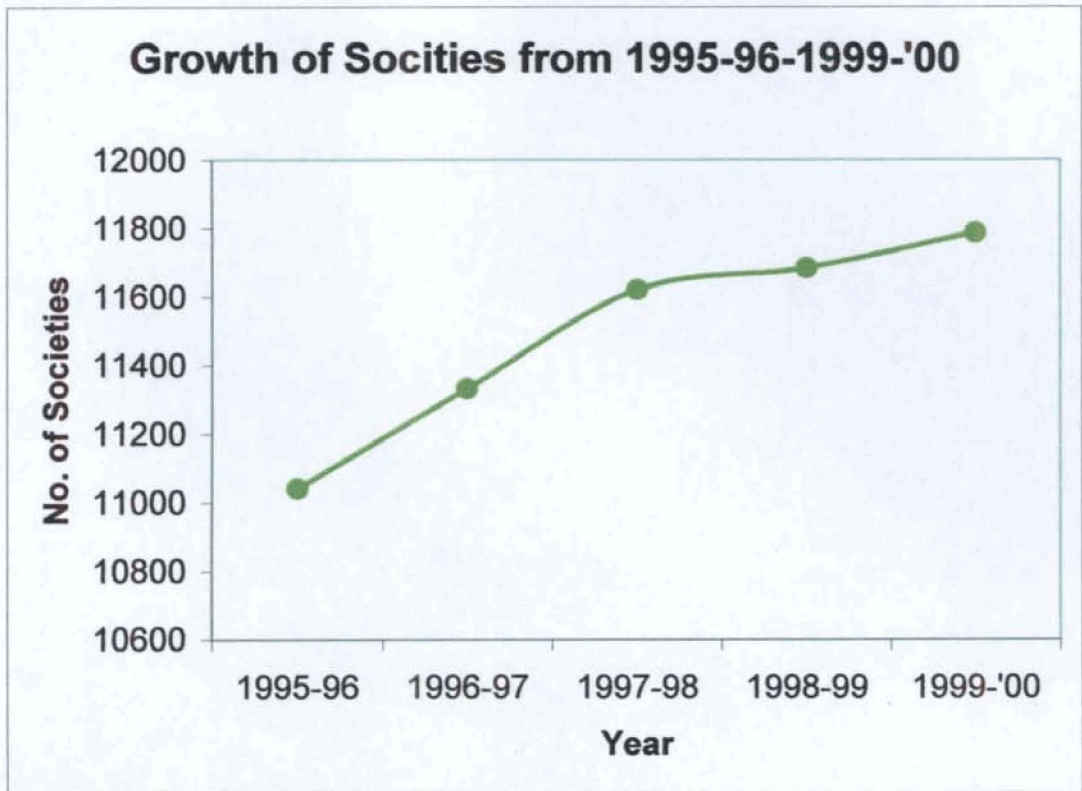
	1995-96	1996-97	1997-98	1998-99	1999-00
No. of societies	11042	11332	11621	11685	11788
Memberships	262	269	287	288	327
Share capital	478	531	726	780	980
Deposits	5014	5476	10420	10644	13312
Loan advanced	5880	6107	5518	8360	11745
Working capital	13516	14082	12580	18714	23676

Source: Statistical Abstract-1999-00, Govt. of Kerala

From the year 1995-96 to 1999-00, there was an increase in the number of societies by seven hundred and forty six. The growth rate is more than the year ending 1994-95. In proportion the number of societies, the membership, share capital, deposits, loan advanced and working capital were also increased in the same proportion.

Figure 3.1

Growth of societies

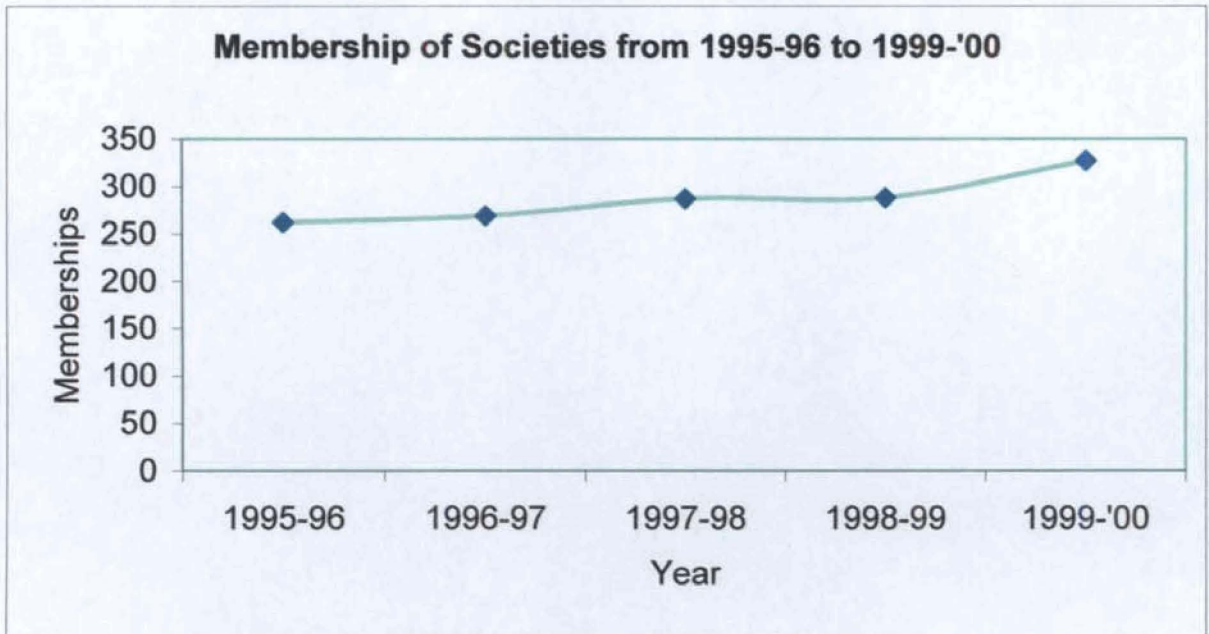


Source: *Statistical Abstract-1999-00, Govt. of Kerala*

The graphs given in figure 3.1 and 3.2 clearly show the number of societies and membership increase as year advances. The membership in the year 1995-96 was two hundred and sixty two, which increased to three hundred and twenty seven by the year 1999-2000. The increase in the membership from 1995-96 to 1998-99 was only twenty six, whereas there was an increase in membership by thirty nine from the year 1998-99 to 1999-2000.

Figure 3.2

Memberships of societies

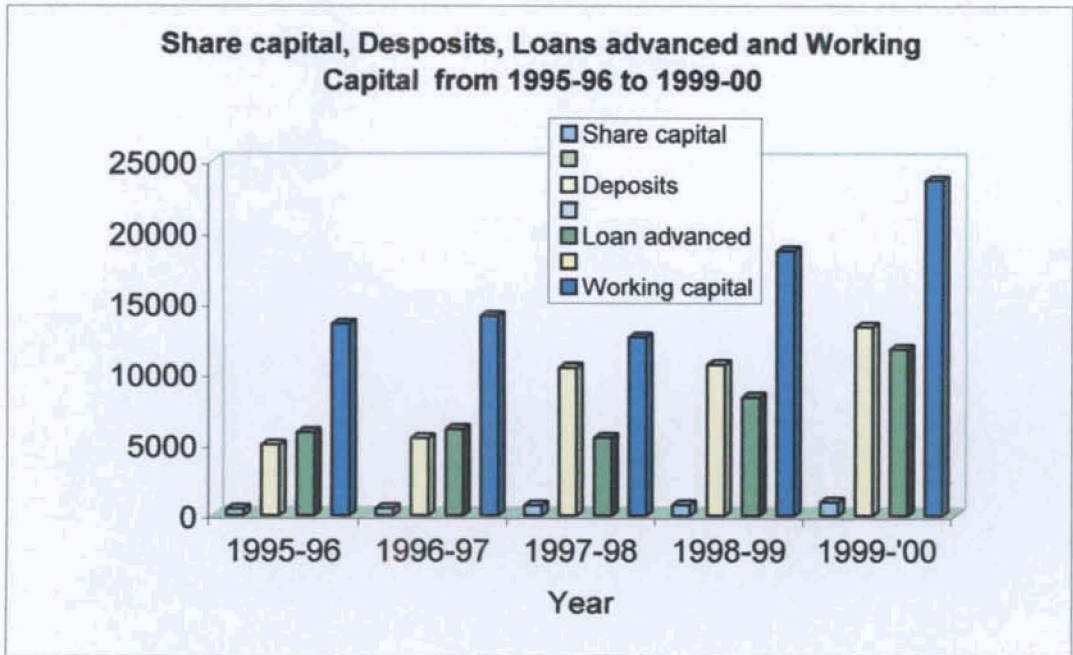


Source: *Statistical Abstract-1999-00, Govt. of Kerala*

The multiple bar diagram depict the share capital, deposits, loan advanced and working capital for the year from 1995-96 to 1999-2000. These graphs and the chart show the increasing trend of the movement.

Figure 3.3

Capital, Deposits, Loans and Working capital



Source: Statistical Abstack-1999-00, Govt. of Kerala

The history of cooperative societies in Kerala is not complete, without mentioning the wonderful achievement of the Uralungal Labour Contract Cooperative Society (ULCCS). The society observed its 80th anniversary in February 2005; it scripted one of the rare success stories in the cooperative sector. The Vadakara-based ULCCS tops the list among the best working labour contract cooperatives in the country and a model too of worker ownership. In our state, when large numbers of the cooperative enterprises were in a state of decay, the highly orderly operations carried out by the ULCCS were the reason for its success.

Kerala State Cooperative Union and Institute of Cooperative Management

The Kerala State Cooperative Union has the responsibility of imparting awareness and education to the officials and non-officials engaged in the cooperative sector. The union is conducting education through the nine cooperative colleges in the state. The National Cooperative Union of India has also established two institutes of Cooperative Management in Thiruvananthapuram and Kannur districts with the primary objective of promoting advanced training courses and of increasing professionalism in management of cooperatives in the state. These institutes are really a blessing for the development of cooperative culture. In our state, the cooperative law emphasises the need for training by the cooperative union, for the appointment of secretary. Sometimes, after getting the selection in a lower post, they have to undergo training for the promotion to the post of secretary.

Education services are indispensable for human existence and development. Both the Government sector and the private sector have entered into education services in a big way. Many charitable institutions, non-governmental organisations and service societies have set up education facilities. The entry of the unaided institutions in education sector has made education as costly affair. The

Government institutions cannot provide quality services free of cost to all the needy people. The unaided institutions can deliver the education services only at an exorbitant cost and people with limited means cannot avail of such services. So there is a gap between education services offered by the private institutions and the Government. To fulfill this gap many states like Andhra Pradesh, TamilNadu, Jammu Kashmir and Kerala have established Cooperative Educational Societies with the objective of serving the needy at a reasonable cost. The next chapter explains the historical background of the Cooperative Educational Societies.

* * *

CHAPTER IV

PROFILE OF KERALA COOPERATIVE EDUCATIONAL SOCIETIES

The share of service sector in GDP increased from 44.3 per cent in 1995 to 53.1 per cent in 1999¹. However, except in banking, presence of cooperatives in service sector was limited. Cooperatives could play a role in this area by organising societies for providing various services to the public both in rural and urban areas. They go a long way in providing employment avenues and bargaining strength to weaker sections who are disorganised and unemployed. This is an area in which Cooperative Educational Societies should explore.

Educational Cooperatives are a recent addition to the cooperative movement. Pioneering efforts for starting Cooperative Educational Societies were taken up in Kerala in the early eighties. However, not many states have ventured into this sector in the cooperatives and hence Educational Cooperatives are not very common in many states.

¹ R. M. Mohan Rao and D. S. Prasad, "The Economic Reforms and the relevance of Cooperative Autonomy", Cooperative Perspective Vol. 39 No. 3 Oct-Dec. 2004, p. 27.

Over the past few decades, the perpetual end and office of all things' seems to have lost much of its shine as far as the higher education sector in Kerala is concerned. On the occasion of the Human Rights Day celebrated on December 10, 2002, the President of India, Dr. A.P.J. Abdul Kalam, stressed on the importance of eradication of poverty and empowering the human being through education in order to preserve human dignity. India is a country of one billion people and there are fairly impressive statistics of the action that the Government has taken in the field of education.

According to the data made available by Selected Educational Statistics published by the Planning, Monitoring and Statistics Division, Department of Secondary and Higher Education, Ministry of Human Resource Development, Government of India, in the year 1951-52, the percentage of educational expenditure to Gross Domestic Product was 0.64 per cent. In 2000-2001, this rose to 4.11 per cent of the Gross Domestic Product (GDP), which is slightly less than the year before 1999-2000, when it was 4.31 per cent of the GDP. Although it is heartening to see the steady increase in the budget allocation for education considering the scale of illiteracy and lack of formal education in the country, this should at least be ten per cent of the GDP. The erstwhile "tiger economies" of South East Asia, became a force to reckon with, when they invested heavily in education.



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The Indian Government has taken a step in the right direction by making education a fundamental right. It is the duty of the Government to ensure that every citizen has the right to equal opportunity to realise his or her full potential. It is important that the Union Government ensures that the state governments take initiative in enforcing this fundamental right of the people—the right to education and equal opportunity. Assam and Delhi, according to HRD ministry statistics, spend more than thirty per cent of their budget on education. Andhra Pradesh, Bihar, Gujarat, Himachal Pradesh, Karnataka, Kerala, Maharashtra, Manipur, Meghalaya, Orissa, Rajasthan, TamilNadu, Tripura and Chandigarh spend over twenty per cent of their budgeted expenditure on education. Utter Pradesh and West Bengal are among the larger states that spend a little less than twenty per cent of their total budget on education. Dadra and Nagar Haveli and Daman & Diu spend under ten per cent on education.

Assam is a big surprise considering the level of development in the state. Delhi is also a surprise; being the capital the expenditure on education should have been more than fifty per cent of the budget. Utter Pradesh, which is India's largest state, is a deep disappointment. That state, which has given the maximum number of Prime Ministers to the country, appears to be unable to pull itself out of backwardness and regression. Unless education is evenly

spread, the feudalism that still exists in the North and denies the common man and woman even basic fundamental rights and dignity, can never be dismantled.

What is interesting about the Capital and several South Indian states such as TamilNadu, Karnataka and Andhra pradesh is that several private players have established base in the higher education sector and most industrial houses are now considering putting up educational institutions as a profitable venture, given that we have a young population in the country. This is evidenced by what is mentioned in the report. It says, "During the last five decades the number of primary schools increased by three times, while the upper primary schools and higher secondary schools increased by fifteen times and seventeen times respectively." The statistics say that in the year 1950-51, "the number of universities was twenty seven, whereas in 2000-2001, the number of universities stands at two hundred and fifty four." This figure includes deemed universities and institutions of national importance. The figures are very good for professional colleges. During the period 1950-51, colleges that offered professional education stood at two hundred and eight, whereas those that offered general education were at three hundred and

seventy. In 2000-2001, professional education colleges stand at a whopping 2223 ².

In certain areas education has become a commercial venture such as in medicine and engineering. Karnataka alone has one hundred and seventy two medical colleges that offer Allopathy, Ayurveda, Homeopathy, Unani, Nursing and Pharmacy. In engineering and technical colleges Maharashtra has one hundred and sixty seven colleges whereas Manipur, Meghalaya, Mizoram, Nagaland, D&N Haveli, Daman & Diu and Lakshadweep have none. The disparities therefore are huge, like the rest of India. This has to even out, so that educational resources are evenly spread and commitment to education is the maximum in each state. India has 300 million poor people with no access to basic education, skills, opportunities or jobs. It is important, therefore, to make sure that these depressed classes are pushed up. Education is a tool through which this can be achieved. The system of open universities and schools that we have should be expanded to cover the entire country. Open universities or schools do not require heavy infrastructure base; therefore, the whole rural region of India can be transformed as never before. All we need is vision and strategy to overcome the odds and sustain hope so that not only a small elite in the urban areas

² C. Jayanthi, the editor, Education Times, " Role of Education and Social Change" Yojana March 2003. P.15

but the whole of the country can benefit from the advancement of technology and the use of education as a means for sustained growth and development.

Education is a powerful instrument as it plays a vital role in the process of social change, and its impact is more permanent. "The best way of providing education is through the state with finance from tax and non-tax revenues", said professor Jandhyala B.G. Tilak, chairman of National Institute of Educational Planning and Administration, Delhi, delivering the Malcom Adiseshiah Memorial lecture on "state, households and markets in education". He explained that it was not households, but the Government that should feel socially, economically, educationally and ethically compelled to spend on education. He pointed out that this was the practice in several of the most civilised societies in the world. Prof. Tilak said there was an increasing unwillingness on the part of the Government to spend on education because of which households were forced to incur expenditure on education for children. The Government's reluctance was related to its attitudes and policies. The other two phenomena-households and markets-were the direct outcome of the Government's policies.

During the post-Independence period, there had been a significant increase in the expenditure on education. In absolute

terms, the expenditure on education, which was fifty five crores rupees in 1947, had increased nine hundred times in the next five decades. In the real prices, it increased at a rate of growth of six per cent during the five decades. But the real rate of growth of per capita expenditure on education was just 3.8 per cent and in per pupil terms, the real growth was 2.4 per cent. He explained that in the 1950s a good beginning was made for education, the 1960s were the most favourable period and in the 1980s the role of education in the reduction of poverty was recognised. The expenditure on education increased during the 1980s at a reasonably high rate of growth compared to the preceding decade.³

He pointed out that there was a substantial increase in the allocation for education in the Seventh, Eighth and Ninth Five-Year Plans. The unwillingness of the Government to spend on education was not due to any serious economic constraints, but due to the misconception that education was not necessary for economic development.

Two important aspects need to be underlined. First, the additional financial requirements of free and compulsory education seem to be huge. But the sum is not really so; for according to the Tapas Muajumdar Committee this averages to 0.7 per cent of

³ Jandhyala B.G.Tilak, The Hindu, Nov. 22, 2003, p. 12, Chennai.

national income on the assumption that the national income increases at the rate of five per cent. If GNP is increasing at a rate of growth of about eight per cent, as now realised the proportion of national income additionally required for elementary education would be much less. The Tapas Muajumdar Committee has clearly shown that good quality, equitable and efficient education is financially affordable in India, and that allocation of the required resources is feasible, provided there is political will. Hence, lack of finance should not be cited as an excuse for ineffective functioning. As Amartya Sen has stated, "it is an utter unmitigated nonsense to say that India does not have money for education".⁴

Second, it is also important to note that any provision of required resources for free and compulsory elementary education need not and should not be at the cost of expansion of secondary and higher education. The role of the state needs to be clearly, coherently and unambiguously defined and described in the matter of education. Any effort to dilute the fundamental duty of the state in this task would go against the letter and spirit of the Constitution of India. The non-government organisations can also be the best peripheral. The cooperative societies play a vital role in education sector.

⁴ Jandhyala B G Tilak, Economic and Political Weekly. February 14, 2004. P. 620.

In Jammu and Kashmir there is a great revolution in the field of Cooperative Educational Societies. Due to armed conflict in Kashmir for the past twelve years, education system in the valley has got serious blow. School dropouts increased and literacy rate decreased. Cooperative movement in Kashmir took initiative in this direction also and established educational institutions in the valley. 'Cooperative Darakshan Public School' is one such case, which aims at providing education to children of all sections of the community in the valley. The institution is providing free education to poor and orphan, along with scholarship. The members of the cooperative are the parents or guardians of the enrolled children, in addition to those who want to serve the institution without any personal interest. Ten per cent of profit is utilised for the benefit of the children. The school is raising its funds through various resources and the principal of the institution is the chairman among the three members in board of directors.

Cooperative Darakshan Public School is located in the rural area of 'Prichoo', Pulwama in Kashmir. The Deputy Registrar of Cooperatives of Pulwama district, under Jammu and Kashmir Cooperative Societies Act, 1960, registers the institution with Registration No. Ss/DRP/07, dated 10-12-1997. Hence, the institution has been functioning for the last four years. The area of operation of the institution is the whole tehsil of Pulwama. The

institution has been established in a rented building with eight rooms and with one canal of land. The overall physical condition of the institution is average and it has no other branch in the tehsil. The audit of the society has been completed upto year 2001 and shown the profit of 11000 rupees the total assets of the society comprise worth 108000 rupees and are functioning very efficiently.

The institution is aiming at providing educational facilities to the children of all sections of the community. However, orphan children and other children living below poverty line, are provided education free of cost along with some scholarship. The institution is boosting moral and spiritual values among the enrolled students and promoting basic and higher education through languages including English and Urdu. The society also conducts educational tours and establishes children clubs for the overall development of the enrolled children and provides facilities for educational research and work for the educational, social, cultural and economic advancement of the society.

The membership in the society is open within the area of its operation to those who admit their children in the institution for education, those who want to serve the institution without any personal interest and work for the betterment of the society and those who are the teaching staff of the institution. At present, the society has eighty seven members, of which only one is a woman

member. In addition, state Government is also holding its membership in the society.

The cost of one share is five hundred rupees with admission fee of two hundred rupees. In case the person ceases to be a member of the society, the share capital is not refunded; rather it is invested to the building fund of the society. The person may cease to be a member on account of his/her death, withdrawal of a child admitted to the society by a member or resignation from membership. The Government of Jammu and Kashmir has provided managerial subsidy every year.

The principal of the society is a retired government teacher. The educational qualifications of the teachers and non-teachers are well-defined. All the staff members are residing near or around 'Prichoo', hence the society is within the walking distance from their residences. This has proved a positive point for the efficient functioning. However, no staff member of the society is given training by the concerned cooperative training institute of the valley. There are five members in the board of directors, principal being the chairman, vice-principal being the vice-chairman and other three teaching staffs being the secretaries in the board. These persons are particularly responsible for the efficient functioning of the society, conducting general body meeting etc. They hold specific meetings at least once in a quarter for transaction of business of the society.

They exercise all such powers, which are required for the upliftment and overall development of students enrolled in the society.

The society has raised funds for working capital by the shares from members, entrance fee from members, receiving assistance from Government, raising loan from cooperative banks, donations and grants, charging tuition fee to enrolled students, and undertaking sale of books, stationery and other educational materials to the enrolled students at reasonable rates. Twenty five per cent of the profit is carried out to 'Statutory Reserve Fund'; fifty per cent of the profit is contributed to the 'Building Fund' for the construction of the building for the society. Ten per cent of the profit is credited to 'Common Good Fund', which is utilised only for the benefit of the children enrolled in the society. Contribution not less than two per cent is made to 'Dividend Equalisation Fund', so that the balance at any one time under this fund is equal to nine per cent of total paid up share capital. Ten per cent of the profit is carried to the 'Bonus', which is distributed among staff members of the society. The rest three per cent of profit is kept as 'Reserve Fund.

The Cooperative Educational Societies in Andhra Pradesh have made significant progress over the last decade. Certain guidelines were issued in G.O. Ms. No. 29 Education (Rules) dated 5/02/1987 which were modified in G.O. Ms. No. 208 Education dated 21 / 08 / 90 stipulating the amount of corpus fund payable and the

accommodation to be provided by the educational society for starting junior colleges. These specified conditions were liberalised in G.O. Rt. No. 1623 Education dated 12 / 10 / 90. Given below are the requirements for starting a junior college. One third of the Corpus fund payable (6.25 Lakhs / 3.00 Lakhs rupees in respect of coeducational institution and boys junior college / girls junior college respectively) shall be deposited before starting the college and the balance to be paid into two equal instalments within a total period of three years from the date of starting the college. The corpus fund may be paid in cash or through a bank guarantee.⁵

The land to be provided by the educational institutions is fixed as one acre for students' strength up to one thousand and two acres for students' strength above one thousand in the five urban agglomerations i.e. Hyderabad, Warangal, Vijayawada, Vishakapatnam and Guntur and twice the above said in other places. The said extent shall be in addition to the built up plinth area and shall be provided within three years from the date of starting the college. A building with a plinth area of eight thousand square feet is to be provided to run the Junior College. The following documents are required, viz; 1. Registration Certificate of the Educational Society. 2. Bye-laws of the educational society along

⁵ G. O. Rt. No. 1623 Education dated 12-10-90, Govt. of A.P, Hyderabad.

with the list of members/executive body. 3. Ownership documents of the building and land if acquired or the lease deed of the building or land .The sketch plan of the building in which the proposed college is to be located with all dimensions, and purposes of the use. 4. Documentary evidence in support of the financial position of the educational societies. 5. Documentary evidence against the providing of infrastructural facilities to the proposed Junior colleges. 6.Demand Draft for Rupees five thousand paid in any National Bank towards inspection in favour of Secretary, Board of Intermediate Education, Anthra Pradesh, Hyderabad payable at Hyderabad, and Application proforma duly filled in.

During the academic year 1988-89, Government of Andhra Pradesh issued orders to one hundred and thirty four Cooperative Educational Societies for the starting of Sahakara Junior Kalasalalu and seventy three Societies started Cooperative Junior Kalasalalu during 1988-89. In the academic year 1989-90, sixty two Societies were given permission to start the colleges and out of that fifty one started the Junior Colleges. During the academic year 1990-91, thirty six Societies, which were permitted earlier, started the Junior Colleges. Thus altogether a total of one hundred and sixty Junior Colleges in Cooperative sector were given permission by the Government. Out of these one hundred and sixty, twenty Cooperative Junior Colleges have stopped functioning. The board at its meeting

held on 27th September, 1993 resolved to convert the cooperative junior colleges into private junior colleges, which satisfy the conditions, laid down in G. O. Rt. No 1623 Education dated 12th October 1990. Accordingly nineteen cooperative educational societies came forward for conversion into private junior colleges. Only one hundred and twenty one colleges exist at present.⁶

Privatisation of education had serious effects on various dimensions of education. There had been a sharp increase in people's desire to provide educational opportunities for their children, not only in the urban areas but also in rural areas. But the affordability of education was becoming sharply lower. To a great extent the Cooperative movement can offer the affordability of education. Cooperation is a movement and a philosophy and not a department.

Kerala has achieved a high literacy rate of 90.92 per cent (2001 census) as against the all India rate of 65.38 per cent. A comparative statement showing literacy rate in India and states for 1951 and 2001 are given in the Appendix XI. Literacy rate of the state is shown in the following table 4.1.

⁶ Dr. Neeru Sharma & Muzhamil Naj, "A case study of Cooperative Darakshan Public School in Kashmir", *The Cooperator*, Sept. 2003, P. 100

Table 4.1
Literacy Rates- All India and Kerala (1951-2001)
(In Per cent)

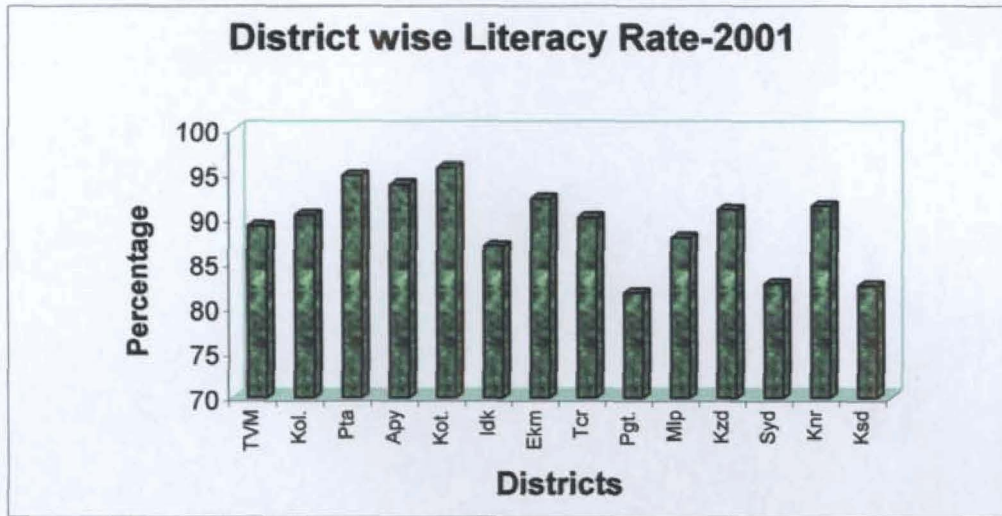
Year	All India	Kerala
1951	16.67	40.47
1961	24.02	56.85
1971	29.45	60.42
1981	36.03	70.42
1991	52.21	89.81
2001	65.38	90.92

Sources: Economic Review 2003. P.267

In Kerala, among the districts, Kottayam has the highest literacy rate of 95.90 per cent and Palakkad has the lowest literacy rate of 84.31 per cent. Regional and gender disparities in literacy rate are least in Kerala. The district wise literacy rate of Kerala state for the year 2001 is given in the following graph.

Figure 4.1

Literacy rates of 2001



Sources: *Economic Review* 2003. P.267

It took eighty one years from 1866, when the first college (Maharaja's College, Trivandrum) in Kerala was established, to 1947 when the country become independent, to open in region now forming Kerala, twenty two Arts and Science colleges. Ninety three colleges were added during a relatively short span of twenty years between 1948 and 1968. At the same time, during the year 1993-2000 only seventeen colleges were started, out of which fifteen are from private sector and only two from the Government sector.

Table 4.2

Growth of Arts and Science Colleges in Kerala

Period	Number of Colleges Opened		
	Private	Government	All
Prior to 1900	2	6	8
1900-1947	11	3	4
1948-1968	89	4	3
1969-1992	31	23	4
1993-2000	15	2	17

Source: Directorate of Collegiate Education, Govt. of Kerala.

It is highly doubtful if there has been a similar explosion of higher education in any other parts of the country. Not only has there been a proliferation of Arts and Science colleges, but their spatial distribution also has been conducive to the growth of enrolment. Even the most hilly and sparsely populated districts such as Wayanad and Idukki have four to five colleges, while the densely populated districts in the plains such as Ernakulam have twenty four colleges. It goes without saying that such close proximity of institutions of higher education enables guardians to avoid the extra costs of education arising from having to put their wards in hostels. The mere availability of a college within commutable distance does not by itself create a corresponding demand for college education,

unless it is also made affordable to the lower income groups. University education in Kerala is subsidised to such an extent that private rates of return far exceed the corresponding social rates. The existing annual rates of tuition fees in Kerala are uniform for Government and private colleges. In December 1993 the State Government decided to raise the annual tuition fees for degree courses to four hundred rupees and those for postgraduate courses to seven hundred and fifty rupees. It is interesting to note that some of the unaided colleges are charging unjustifiably higher levels of tuition fees for degree courses that range from 4000 to 9000 rupees with special fees 1000 rupees and above, varying from courses to courses.

In the field of higher education also our state is far better than any other states. There are two hundred and eighty six Arts and Science College affiliated to the four Universities namely, Kerala, Calicut, Mahatma Gandhi, and Kannur. Out of these, thirty eight are Government colleges, one hundred and forty eight are private aided colleges and one hundred are private unaided colleges. The university-wise number of college teachers according to sex in Arts and Science colleges in Kerala from the year 2001 to 2003 is given Appendix VI. University-wise Arts and Science Colleges in Kerala are given in table 4.3.

Table 4.3

University-wise and Management-wise distribution of Arts and Science Colleges in Kerala-2003

Sl. No	Name of Universities	No. of Colleges			
		Govt.	Aided	Private Unaided	Total
1	Kerala	9	37	13	59
2	Calicut	16	44	31	91
3	M. Gandhi	7	55	37	99
4	Kannur	6	12	19	37
		38	148	100	286

Sources: Economic Review 2003, P.273

There are 1.59 lakhs students in arts and science colleges during 2003, excluding students of the unaided colleges. Of the total students, girls constitute 61.4 per cent. Similarly out of the total 1.59 lakh students, 1.44 lakh (90.6 per cent) are in degree courses and 0.15 lakhs (9.4 per cent) are in post Graduate Courses.

Enrolment of students in Arts and Science colleges for degree and post-graduate courses decreased from 160754 in 2002 to 158967 in 2003. Of the total 144199 students for degree courses in 2003, 61153 (42.4 per cent) are for B.A. Courses, and 60939 (42.3 per cent) for B.Sc courses and 22107 (15.3 per cent) for B.com Courses. Details are given in Table 4.4. Similarly girls form 62.5 per cent for B.A courses, 62.7 per cent for B.Sc courses and 50.9 per cent for B.Com courses. In other words, in all the Degree courses,

there are more girls than boys. There are sixteen subjects for B.A. courses and fifteen subjects for B.S.c courses. In B.A degree courses 30.7 per cent students are in Economics and 16.4 per cent are in History courses. Similarly, in B.S.c courses twenty five per cent students are in Mathematics and twenty per cent are in physics. Details of B. A. degrees enrolment of students in colleges according to sex during the year 2002-03 are given in the Appendix VII. Likewise detailed B. Sc. degree enrolments of students according to sex is given in the Appendix VIII.

During 2003 there are 14768 students for Post-Graduate courses and out of them 9897 (67 per cent) are girls. Similarly, out of total students, 6664 (45.12 per cent) are for M.A. courses, 5912 (40.03 per cent) are for M.Sc. courses and 2192 (14.85 per cent) are for M.Com course. There are sixteen subjects for M.A. courses and ten subjects for M.Sc. courses. Out of the total students in M.A. Courses, twenty seven per cent are in Economics and nineteen per cent are in English. Similarly, out of total students in M.Sc. courses, twenty one per cent are in Mathematics and seventeen per cent in Physics. Details of enrolment of M. A. students according to sex of different faculties during the year 2002-03 are given in the Appendix IX. Details of M.Sc. and M.Com. Students according to sex during the year 2002-03 are given in the Appendix X.

Table 4.4

Details of enrolment of students in Arts and Science College for Degree & Post Graduate courses in 2003

Sl. No.	Degree/ P.G	Boys	Girls	Total
1	B.A.	22914	38239	61153
2	B.Sc.	22733	38206	60939
3	B.Com	10856	11251	22107
4	M.A.	2306	4358	6664
5	M.Sc	1597	4315	5912
6	M.Com	968	1224	2192
	Total	61374	97593	158967

Sources: *Economic Review 2003. P.274*

Four Universities in Kerala started one hundred and thirty one new courses in 2002-03 and sixty four new courses in 2003-04 at graduate and post-graduate levels in modern areas like Biochemistry, Microbiology, Biotechnology, Computer Sciences, Polymer chemistry etc. The annual intake capacity of the new courses started in 2002-03 is 10595, and it is 3343 for the courses started during 2003-04. The details of the new courses of the four Universities are given in the following Table 4.5

Table 4.5

New courses started by the four Universities in Kerala
during 2002-03 and 2003-04

Sl. No.	University	New courses		Annual Intake	
		2002-03	2003-04	2002-03	2003-04
1	Calicut University	24	9	710	314
2	Kerala University	40	4	2600	100
3	Kannur University	7	21	195	845
4	M.Gandhi University	60	30	7090	2084
	Total	131	64	10595	3343

Sources: Economic Review 2003. P. 274

Private Registration

There are 78734 private registrants in the three Universities (Kerala, Calicut, Mahatma Gandhi) in Kerala during the year 2002-03. The stage-wise details of private registrants show that out of total 78734 students, 64827 students (82 per cent) are for degree courses and 13907 (18 per cent) are for post-graduate courses. Further, of the total 64827 students for degree courses 25961 (40 per cent) are in B.A. courses and 38866 (60 per cent) are in B.Com course. Out of the total 13907 students for post-graduate courses, 7411 (53.3 per cent) are in M.A. courses. 1020 (7.3 per cent) are in M.Sc courses and 5476 (39.4 per cent) are in M.Com. course. The year-wise break

up of private registration from 2001 to 2003 of the three universities separately is given below in Table 4.6.

Table 4.6

Year-wise break up of Private Registration of Kerala University From 2001 to 2003

Year	Courses					TOTAL
	B.A.	M.A.	B.Com	M.Com	M.Sc.	
2001	9888	3949	12458	1952	565	28812
2002	8978	3640	10510	2625	1000	26753
2003	6466	N.A.	9866	N.A.	N.A.	16332

Source: Compiled from primary data.

From the Tables given below, we can see that fifty seven per cent of the private registration is from the Calicut University, twenty one per cent from Kerala University and twenty two per cent from Mahatma Gandhi University. This fact clarifies the contributions of Cooperative Educational Societies in the educational developments. Out of the total one hundred and two Cooperative Educational Societies, forty nine societies are established in the north Kerala, which is the main jurisdiction of the Calicut University. It comes to about forty eight per cent of the total societies. South Kerala possesses twenty eight per cent of the societies, which help twenty one per cent of the private students. In the middle of Kerala there are twenty four societies, which come to twenty four per cent and which

help twenty two per cent of the private students for the enrolment in various courses. In brief, there is direct correlation between the number of societies and the number of private registrations in various Universities.

Table 4.7

Year-wise break up of Private Registration of Calicut University From 2001 to 2003

Year	Courses					TOTAL
	B.A.	M.A.	B.Com	M.Com	M.Sc	
2001	16822	6137	13779	2021	510	39269
2002	18624	5930	18052	2734	483	45823
2003	16448	4643	19969	3205	570	44835

Source: Compiled from primary data.

Table 4.8

Year-wise break up of Private Registration Mahatma Gandhi University From 2001 to 2003

Year	Courses					TOTAL
	B.A.	M.A.	B.Com	M.Com	M.Sc	
2001	3800	3500	10800	1600	300	20000
2002	4450	3000	12800	2398	250	22898
2003	3047	2768	9031	2271	450	17567

Source: Compiled from primary data.

According to this study, the average students per college are eight hundred and forty five. As per statistics as on 31st March, 2003, there are one hundred and two Cooperative Educational Societies in Kerala. As per the simple mathematics, the total private registrants must be come to 86190 students. But the researcher can definitely say that more than ninety per cent of the private registrants are through the cooperative sector. This fact increases the relevance of the cooperative sector.

Registrar of Cooperative Societies, Kerala state, pointed out that educational societies have ample scope for providing employment opportunities to the educated unemployed, paying salaries at reasonable rates. Further the educational societies are organised with the twin objectives of providing employment to the educated unemployed and educational facilities to a large number of students who pass out of the high schools and higher secondaries but do not obtain admissions in colleges. He has also reported that these societies would be able to provide education to the students by collecting fees at the reasonable rates.⁷

In summary the bye-laws of different Cooperative Educational Societies, the following are the main objectives of the societies -

⁷ Govt. order no. MS. 116/B 2 AD DATED 24-03-82

1. To develop among members, simplicity, self-reliance and Cooperative spirits and to chalk out the new plans in this respect.
2. To give employment to the educated unemployed persons.
3. To establish and to conduct parallel and or tutorial college.
4. To conduct seminars and study classes to inculcate the principles of cooperative social system.
5. To conduct literacy campaign to eradicate illiteracy from harijans and socially or educationally backward community people in the area of operation.
6. To conduct short training courses for teachers and others on improved methods of teaching of science and arts, and also on administrative matters.
7. To conduct short home-science course for educated unemployed women and housewives.
8. To open branches wherever it is feasible within the area of cooperation with permission from the registrar.
9. To prepare and sell exercise note books.
10. To conduct schools and other educational institutions of various types.

11. To conduct lower higher training courses in cooperation, with permission from the department.
12. To undertake publications of journals, books etc., dealing with educational and allied subjects with the prior permission of the Registrar.
13. To conduct job oriented educational courses such as typewriting, shorthand, journalism, translation etc., and professional courses such as C.A., ICWA, L.L.B, Departmental Tests, Accounts Tests, B.Pharm, D. Pharm, Computer Courses etc.
14. To establish and maintain technical educational institutions as polytechnics, junior technical schools, I.T.I. etc., with the permission of the Government.
15. To undertake research projects having social and educational value and conduct Hindi medium schools, affiliated colleges, and pre- primary schools.
16. To conduct study tours, cultural programmes, promoting national integration.

To do such other things, which are incidental of and conducive to the attainment of the above objects of the society.

The scheme directed that the Cooperative Educational Societies must have area of operations at taluk base and registered offices at the taluk head quarters. Graduates and post- graduates who are inclined to take up teaching as profession will be admitted as members of the societies. The honorary directors, limiting the paid employees to the minimum so that the cost of the establishment will not be high, will carry on the management of the societies. For the establishment of a society, it requires heavy investment on land, building, furniture, laboratory, library etc., in addition to the resources to build up the above physical facilities. It has also to incur expenditure on advertisements, printing and stationery, travelling allowances, office expenditure etc. Even though the societies will have income from the fees collected from the students, it will be difficult for them to find out surplus to meet the expenditure of the sort mentioned above in the beginning. The Registrar of the cooperative societies had therefore, proposed that the societies may be given managerial subsidy towards the cost of non-teaching staff for the first three years. It should be possible for societies to build up reputation and enroll a minimum of two thousand students by the end of the third year and obtain fees to meet the cost of the staff.

According to the scheme, the expenditure towards purchase of land, building, furniture, etc., is to be raised from the share capital

contribution by the members, the share capital contribution by the Government and loan from the bank. In order to facilitate the working of the institution the Registrar of the Cooperative Societies also proposed that the during the first three years the interest payable to the financing bank may also be subsidised by the Government.

The Government has examined the scheme in all its aspects. They are pleased to approve the scheme for the payment of share capital contribution and managerial subsidy to the Cooperative Educational Societies. The Government under the scheme will also subsidise the interest in respect of the loan taken by the society.

The Government contribution to share capital of the societies will be made subject to the following condition.

1. a) Societies with minimum paid up share capital of fifteen thousand rupees only may be selected under the scheme.

- b) Only graduates and postgraduates who take up teaching, as a profession will be admitted as members apart from the Government

2. There will be provision in the bye-law for Government participation in the management. A minimum of two persons may be nominated to the board of directors

3. The maximum share capital that may be contributed by the Government shall not exceed five lakhs rupees.
4. The application for share capital contribution in the prescribed form shall be accompanied by the following-
 - a) Resolution of the board of directors requesting for share participation by the Government.
 - b) Undertaking by the board of directors to abide by the conditions of these rules and to execute agreement in the prescribed format.
 - c) An estimate of the investments necessary on land, buildings, laboratory, equipments, library and furniture.
5. The Joint Registrar of the district will be competent to sanction share contribution. The Joint Registrar, shall, after making such enquiries as are necessary to satisfy himself that the estimated cost of the project is reasonable and the society has a chance of functioning profitably, sanction the share capital.
6. The amount sanctioned will be drawn by the societies in bills countersigned by the Registrar.

7. The amount drawn from the treasury shall be deposited in the district cooperative bank to be realised according to the necessity with the prior permission of the Joint Registrar.

8. Share capital contribution shall be utilised within a period of one year from the date of withdrawal from the treasury. If for any valid reason the society is not able to utilise the amount within one year the Registrar may extend the period for another six months.

9. The share capital contribution shall be returned into annual instalments, the repayment of the first instalment commencing from 5th anniversary of the draw of the amount from the treasury. In case of non-utilisation or mis-utilisation, the whole amount shall be recoverable in a lump sum.

10. The society shall issue a share certificate in favour of Governor of Kerala within a month of the withdrawal of the amount.

11. The land, buildings, and other assets of the society shall not be alienated or subjected to any encumbrance during the period when Government holds shares in the society.

12. The dividend, if any, declared on the shares held by the Government shall be remitted immediately after dividend is declared as per instructions of the Joint Registrar.

Managerial subsidy will be given to this society on a tapering basis, one hundred per cent for the first year subject to a maximum of thirty thousand rupees. During second year and third year the subsidy will be limited to seventy five per cent and fifty per cent respectively. Managerial subsidy granted will be, subject to the following conditions.

A) The subsidy will be payable for the consecutive years commencing from the date of election of the society by the Joint Registrar.

B) The Joint Registrar shall approve the appointment of the non-teaching staff.

C) The application for subsidy shall be made in the form prescribed and supported by-

a) Resolution of the board of directors requesting for managerial subsidy.

b) Resolution to the effect that the society will abide by these rules and instructions that the Joint Registrar may issue.

c) Resolution to the effect that the subsidy shall be utilised for the purpose for which it is granted.

D) The Joint Registrar of the district will be competent to sanction the subsidy.

E) Subsidy will be claimed by the society quarterly in the bill for miscellaneous payment T.R.42 duly countersigned by the Joint Registrar.

F) The Joint Registrar will be competent to stop further payment of subsidy or to recover subsidy already given if in his opinion the society violate any of the conditions to the rules or refuses to comply with the instructions issued by the Joint Registrar.

G) The society will furnish a certificate to the effect that the subsidy has been accounted correctly and utilised.

H) The Joint Registrar will furnish utilisation certificate to the Accountant General under intimation to the Registrar of cooperative societies.

I) Any sum found irrecoverable shall be recovered under provisions of the Revenue Recovery Act.

Interest subsidy in respect of the loan taken by the society from the financing bank will be granted to the societies subject to the conditions given below:

- i) Societies availing institutional finance for capital investment on land, buildings, laboratory equipments, library and furniture shall be eligible for interest subsidy.
- ii) Subsidy will be limited to thirty thousand rupees or actual amount charged by the banks, whichever is less per year.
- iii) Interest subsidy will be payable by way of reimbursement of interest actually paid to the banks. Subsidy shall be claimed in quarterly instalments.
- iv) No subsidy shall be payable on instalments defaulted.
- v) A society will be eligible for interest subsidy for a maximum period of three years.
- vi) The society shall claim interest subsidy in the prescribed schedule. The application for subsidy shall be accompanied by the following:
 - a) Copy of the resolution of the board of directors requesting for subsidy.
 - b) Copy of the resolution of the board of directors agreeing to abide by the condition of the rules and instructions the Joint Registrar may issue in this regard.
 - c) A certificate to the effect that subsidy received earlier has been properly accounted in the books of the society.

d) A statement of claim indicating the loan no, amount outstanding at the beginning of the quarter, due date of instalments, actual date of payment of instalments, amount repaid (principal & interest) amount of subsidy claimed.

1) The Assistant Registrar concerned will recommend the claims for subsidy after the verification of the details furnished in the statement of claims.

2) The Joint Registrar of district shall be competent to sanction the subsidy. The subsidy will be drawn from the treasury in bills for miscellaneous payments duly countersigned by the Joint Registrar.

3) The society shall execute an agreement in the form prescribed before drawing the subsidy.

4) The Joint Registrar will be competent to stop the payment of subsidy or to recover the subsidy already paid, in case the society violates any of the conditions of these rules or instructions issued by the Joint Registrar.

5) Any payment in excess of the amount eligible for will be recovered from the society under the provisions of the Revenue Recovery Act. The Joint Registrar will furnish the utilisation certificate to the Accountant under intimation to the Registrar.

The history of the Cooperative Educational Societies had its inception from 1978. A group of local persons took the initiative in organising a Cooperative Educational Society at the clearly defined geographical area of operations. The membership was restricted to the residents of the taluk but its services were open to all. As per its bye-law, it has the board of management that consists of nine members including president. The board has been represented by different categories of people such as legal professionals, social workers, retired college professors, agriculturists, planters, businessmen, women, SC and ST, etc.

The first Educational Cooperative Society was registered on 3rd August 1978 in Thiruvananthapuram district named as Thiruvananthapuram Taluk Educational Cooperative Society Ltd, No. T.690. The cooperative venture, the first of its kind in the field of higher education, is the materialisation of the long-felt desire of a group of teachers to emancipate themselves from the clutches of exploitation and to provide a secure and permanent roof for students and teachers. The majority of the societies are functioning well with well-defined cooperative principles and practices but some of them are counting the days for liquidation. Kannur district has contributed many remarkable achievements in the history of the cooperative societies. In Kannur district there are nine Cooperative Educational Societies. One of the societies registered under the

scheme is converted into a first grade regular college, affiliated to Kannur University. There are seventeen educational societies in Malappuram district; it is the highest number among the other districts. Thiruvananthapuram, Wayanad and Kasaragode districts are also following Kannur district.

Twenty four Cooperative Educational Societies have been registered during 1998-99, in addition to the seventy one societies on the roll as on 30th June 1998. During the year 1998-99 additional employments to fifty seven persons (direct) and ninety five persons (indirect) have been generated by these societies. On an average a Cooperative Educational Society can provide employment to ten to twenty graduates and post-graduates.⁸ Government extends financial assistance to these societies by way of share capital contributions, subsidy/grant loan.

After the sixteen years of performance the Government of Kerala under G.O. (R.T.) No.432/98 coop. Thiruvananthapuram dated 23rd November, 1998, had appointed a committee consisting of three members to conduct a detailed study about the relevance, influence, social and economic contributions of the Cooperative Educational Societies. The area of the study also includes the service

⁸ Cooperatives in Kerala, Statistical Abstract-1998-99, Govt. of Kerala, Thiruvananthapuram, P. 159.

terms and conditions of the employees of the Educational Societies.

The following were the members of the committee.

1. Sri. M. Gangadhara Kurup, Kumalayath, Nooranade. P.O. Kollam.
2. Prof. AbdulLatheef, P.T. House. Near Gandhiashramam, Civil Station, Kozhikode
3. Sri. A. Sreedharan, Srinilayam, Thodiyilangaadi. P.O. Areekode, Malappuram.

The committee was directed to submit their recommendations within four months to the Government of Kerala. Unfortunately, the committee was a total failure. The researcher conducted detailed interview with the committee members; they told that the committee was very happy to go with study and prepared detailed outline and discussions with relevant authorities. But the new Government that was formed after the appointment of the committee, was not at all interested with the subject. They had met huge expenses in connection with the study.

The following Table 4.9 gives the number of Educational Cooperatives in Kerala in district-wise as on 31st March, 2003.

Table 4.9
Number of Cooperative Educational Societies
as on 2002-03

Sl. No.	Name of Districts	No. Societies
1	Thiruvananthapuram.	9
2	Kollam	6
3	Pathanamthitta.	4
4	Alappuzha	3
5	Kottayam	7
6	Idukki	6
7	Ernakulam	8
8	Thrissur	5
9	Palakkad	5
10	Malappuram	17
11	Kozhikode	5
12	Wayanad	9
13	Kannur	9
14	Kasrakode	9
	Total	102

Source: Cooperatives in Kerala Statistical Abstract-2002-03

The traditional concept of planning focused on the expansion of production of goods and services and the consequent growth in per capital income. The per capita income has been transformed to

the enhancement of human well-being. Well-being as an indicator of prosperity is measured on how the planned efforts have succeeded in providing better opportunities for people. But the economic prosperity measured in terms of per capita income does not always ensure the enrichment in quality of life reflected in broader dimensions of well-being. It has to be measured using indicators such as Human Development Index (HDI) Incidence of Poverty, which are more sensitive in reflecting the changes.

Human Development Index is a composite index which measures the three critical dimensions of well-being such as (a) longevity – the ability to live long and healthy life, (b) Education – the ability to read, write and acquire knowledge and (c) Command over resources – the ability to enjoy a decent standard of living and have a socially meaningful life.

Education in the present day world has been considered as the single most important means for the individuals for bringing about social and economic advancement, by enlarging the available set of opportunities and choices, which provides sustained improvement in well-being. The level and spread of education is not only an important precondition for economic development but also playing a critical facilitative role in the demographic, social and political transition in the society. Education is therefore the best social

investment and as such it is the priority for countries seeking to develop and sustain their level and pace of development.

Education increases equality. A study of forty nine countries showed that about a fifth of income inequality could be explained by educational inequality. Another has shown that an increase in literacy rate from ten to sixty per cent has been associated with a 2.8 per cent increase in the income share for the poorest forty per cent of population. A lower level of development, in some cases expanding education could possibly increase inequality, but with the development of education does seem to generally have an income leveling effect.⁹

The Census of India defines literacy rate as the proportion of literates to the total population in age group seven years and above. The Census figures show that there are large inter state variations in literacy rate in the country and Kerala has the highest literacy rate and stood at the top among other States with male literacy (94.2 per cent), female literacy (87.86 per cent) and total literacy (90.92 per cent) in 1991.

India's performance on the educational sector has not been impressive in the post-independence era. Statistics indicate that

⁹ National Human Development Report – 2001. Govt. of India.

India has lagged behind even countries like Sri Lanka. The Cooperative Educational Societies play a significant role for leading Kerala as the top among other States.

* * *

CHAPTER V

SOCIAL IMPACT

The cooperative movement has taken root in every walk of human activity in many parts of the world and in India. In recent years service cooperatives have come to prominence in India. A pioneer in many developmental fields, Kerala has set an example in venturing into rare fields of activities in cooperation. Hence an in-depth study on Cooperative Educational Societies is worthwhile.

The effect of values and principles guiding the management and functioning of cooperatives, together result in improvement in the socio-economic condition of members and the public. So far as this study is concerned, impact of cooperatives has been discussed in two different dimensions, namely, impact on the members of cooperative society in their economic, democratic and empowerment pursuits; and impact on the community in which the cooperatives operate.

Cooperation is a philosophy of life and has a mission of its own. It is a moral movement; the cooperative spirit helps to make a better person and a better society. Although cooperation is mainly an organisation for the promotion of economic interest of its members, it does not confine itself only to the economic aspect of life. It also

permeates the social aspects and aims at establishing a new social order based on freedom, fraternity, equality and equity, where people live in harmony, caring and sharing like a family, where there is unity of spirit and a common economic bond and people have the freedom to shape their destiny.

The social impact of cooperatives has been examined at two levels: one at the level of the individuals and the other at the society or community level. Increase in social status, improvement in awareness, control over management and empowerment through better bargaining power provide evidence of social impact at the individual level. Promotion of leadership, mutual help, feeling of unity and solidarity, at the society or community level, are examined for assessing the social impact of cooperatives at the community level.

It is necessary to assess people's perception of the social impact of educational cooperatives. The following analysis tries to address people's perception regarding social and democratic benefits of the societies, regarding the role of societies in developing leadership, participatory action and creating empowerment among people especially among women. The researcher also tries to analyse whether the people perceive the Cooperative Educational Societies as non-profit organisation or not.

From group discussions held among members and non-members of different age groups in different areas of Kerala, it is observed that elderly members of cooperatives have a high respect in the society. They enjoy a higher social status. The younger members draw support from them while using the services of their cooperatives. Education has a positive effect on perception of social benefits only among the members. The reason for this can be attributed to the fact that members who have a higher education are more likely to realise the social benefits of societies compared to those who are less educated. Moreover, the members with higher education are more likely to relate the economic benefits of the societies to social benefits.

So far as the cooperation indicators are concerned, duration of membership has a positive effect on the perception of social benefits of the societies among members. This evidence is on expected lines since a longer duration of membership is likely to confer a greater status, prestige, knowledge, experience and awareness, leading to a higher perception of social benefits. To conclude the section, the educational cooperatives have undoubtedly brought social benefits to members. Age, education and membership duration have shown a fairly positive and concrete effect on perception of social benefits among members.

Among the social variables, higher education among the members enables them to acquire a greater role in the democratic process, and in the management of the society. The voting right of primary members provided by the cooperative law could be the reason for their greater perception of democratic benefits. Moreover, members have perceived high democratic benefits, as they have been generally encouraged in recent years by government policies to participate in the democratic processes.

Leadership promotion

It is true that the quality of men running the societies is very important. External forces can provide stimulus and help, but in the long run organisations will grow to the extent to which there is inner momentum. The cooperative movement therefore cannot build for the people. It has to be built for the people. Cooperative leaders, no doubt, are the backbone of cooperative movement. Hence it is necessary that good leaders should emerge in cooperatives. In broader sense, leadership can be considered as a product of educational, social, cultural, geo-centric, follower-centric, psychological and economic factors operating within a given community. Leadership makes democracy meaningful and dynamic. In a true sense, when there is no leadership, there is no movement.

Leaders' awareness on cooperation is of paramount importance. As the cooperatives are member-owned, member controlled and member governed institutions, they are entirely dependent upon its board members. All cooperatives need skilled, enlightened and self-indulging, determined, dedicated and participative leaders who are drawn from stakeholders group. Awareness is a pre-requisite as management of cooperatives involves legal, administrative, accounting and other technical aspects. While members need have at least elementary awareness, it is imperative that cooperative leaders should have a deeper understanding of cooperative principles and practices.

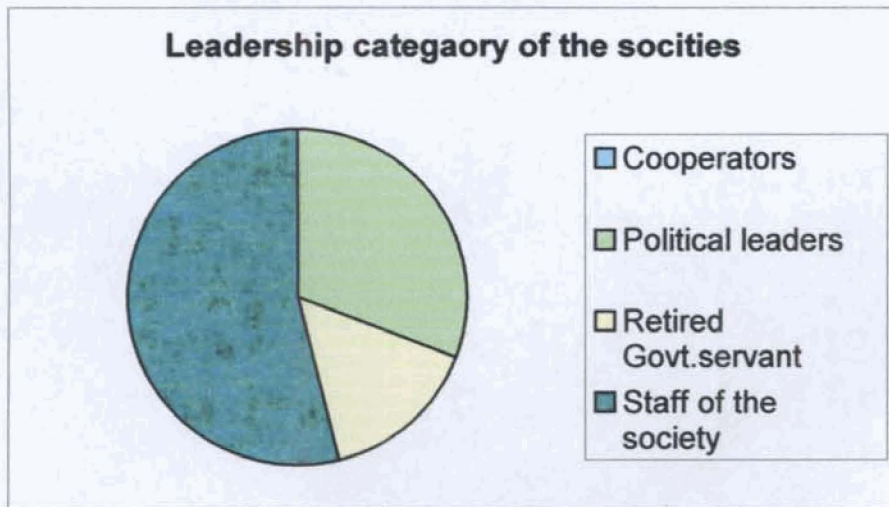
The present study analyses issues like the choice of leaders in cooperatives, their functions, the changes in leadership pattern in cooperatives etc. The researcher also tries to find out whether the leadership choice of the cooperatives is constrained by socio-economic and political factors. The following Table shows the pattern of leadership in the societies. For the purpose of statistical analysis the various boards of directors are considered.

Table 5.1
Leadership Category of the societies

Category	No. Samples	Percentage of the Sample
Cooperators	Nil	Nil
Political leaders	8	31
Retired govt. servants	4	15
Staff of the society	14	54
Total	26	100

Source: compiled from primary data.

Figure 5.1
The Leadership of the societies



The sample survey has revealed that in Kerala elderly people lead all Educational societies. They comprise more than sixty per cent of the leaders. It is really a good sign; the society can reap the benefits from the experience and the maturity of their leadership. The survey also shows that the teaching staff, which comes about fifty four per cent of the sample, leads the majority of the societies. It shows a positive opinion on the democratic functioning of the society. The majority of the leaders are more social, more accessible and impartial. They encourage discussions and deliberations; maintain harmony among the board members and respect ethical code. It is also very clear that all the leading and successful educational societies are led by these categories. They form a group of the beneficiaries as well.

In the sample, cooperators are not elected to be the leaders. The cooperators here mean experienced trained persons from the field of cooperation. Political leaders take up the leadership in thirty one per cent of the sample study. Political leaders include existing legislative members, ex-legislative members and full-time politicians. In the sample of twenty six, they manage eight societies. Generally, they actively participate in the society at the time of their Government in the state. Even during that period, they failed to manage the societies successfully. The third includes retired Government servants who are also political leaders or trade union

leaders, and indirectly connect the society with political movement. They also follow the same line of interest as stated in the case of political leaders. Fifteen per cent of the sample consists of this group.

The staff of the societies leads fifty four per cent of the samples. They are the most important group considered as the beneficiaries of the societies. They are working as teaching members of the societies and at the same time act as the managing committee members. Hence, they are really and sincerely interested for the success of the societies. One of the important facts the researcher could observe is that the societies managed by staff members are running successfully. For the success of any venture, it should be managed and controlled by the genuinely interested members.

There are two very important vices that we have inherited and two essential values we have failed to inculcate, which have adversely affected the cooperative character in our setting. The first vice is the bureaucratisation and Government control. When the colonial rulers officially brought the cooperatives to India, they introduced the omnipotent Registrar, a position specially created by the Government in order to have the final controlling rights with it and not to allow the cooperative sector to blossom as a people's movement.

The Government of Kerala, while championing the cause of cooperatives, not only retained this key position but also further added a long hierarchy of bureaucratic power centers. In fact, a Government directed cooperative movement is in itself a contradiction and against the logic of cooperative movement.

The second vice, which we developed by ourselves, is the politicisation of cooperative leadership. One look at those who sit on the boards of a large majority of cooperatives would make us infer that most of them are primarily politicians and cooperators by default. They are in cooperatives either because they want to move up in the political hierarchy or because they have temporarily failed to make headway in that route. There is no harm in cooperators becoming politicians. In fact it would be a welcome movement for the development, but not the other way round, which will kill the movement.

In the context of new changing global scenario, development of leadership should be ideally based on the cooperative values, ethos, and ideas for strengthening the cooperative organisations. In addition to the above broad policy orientation, the following steps may be adopted for the better health of the cooperative organisations-

- i) Develop genuine cooperative leaders who are wedded to cooperative principles and philosophy.
- ii) The Government may introduce the cooperative leadership development schemes in large scale.
- iii) An impartial agency should identify education and training requirements for leadership in cooperatives.
- iv) The cooperative leaders have to maintain strong intra relationship and good relations with other cooperative leaders and employees.
- v) The cooperative leadership development programmes, workshops, symposiums and conferences should be arranged regularly to enhance involvement of women and youth in cooperative sector.
- vi) There should be a clear demarcation of authority and responsibility between top cooperative leaders and paid management.
- vii) The Universities, Research institutions and colleges of the area where no cooperative training centres exist, should be asked to offer suitable courses for leadership development.

Now-a-days, dynamic attitude of leaders is considered an important asset for any form of enterprise. So cooperative organisations should build up dynamic and sound-minded leaders in

their respective areas to obtain long-term success. The emergence of new cooperative societies requires highly informed leadership. It must be capable of developing the organisations into self-sustaining, self-reliant, self-sufficient entities.

Thus, Cooperative Educational Societies have generated democratic benefits among people in general. The societies and cooperative leaders function democratically although political considerations are evident. Cooperative Educational Societies have generated a substantial democratic impact among the members and the people in general by their style of functioning and by promoting good leadership.

Empowerment Benefits

To elicit information relating to realisation of empowerment benefits, questions were prepared in the survey tool and responses were measured. Regarding empowerment benefits the issues studied are, whether participation in societies gives power to act as per one's requirements, power to spend money as per one's wish, power to take bold decision on the matters relating to construction of building, etc. The researcher also analyses whether participation in societies gives power to claim equal rights in education, to protest against injustice and to support gender equality. For the purposes of statistical analysis, total score on empowerment benefit has been

arrived at. Higher score on empowerment benefits implies that the respondent has a greater perception of empowerment benefits.

The survey reveals that around seventy per cent of members feel the necessity of the empowerment benefits of cooperation such as voicing their opinion boldly and openly, and voting in the election. Between fifty to sixty per cent of members reveal that the societies have provided a platform to claim equal opportunities and leadership. The non-members among the respondents were also asked to indicate their perception of empowerment benefits likely to be derived from membership in cooperatives. It is important to note that the perception of the non-members is only notional, since they have no direct experience of empowerment by deriving any such benefit from cooperatives.

The survey reveals that sixty per cent of non-member respondents feel that the societies have generated empowerment benefits. The results show that there is an association between perception of empowerment benefits and membership in societies. To sum up, it may be inferred that majority of members and non-members have a fair degree of perception of empowerment benefits of the societies. Generally, education, social participation and participation in management have a consistently positive effect on perception of empowerment benefits among members.

To develop the status of women in all spheres and empower them, the Government of India formulated a comprehensive National Policy for Women in 2001. The following are the important points of policy for the empowerment of women.

a) Creating an environment through positive economic and social policies for full development of women to enable them to realise their full potential.

b) The de-jure and de-facto enjoyment of all human rights and fundamental freedom by women on equal basis with men in all spheres- political, economic, social, cultural and civil.

c) Equal access to participation and decision making of women in social, political and economic life of the nation.

d) Equal access to women to health care, quality education, career and vocational guidance, employment, equal remuneration, occupational health and safety, social security, public office etc.

Similarly, Five Years Plans especially the 10th Plan stresses on social empowerment, economic empowerment and gender justice.

Social Empowerment - to create an enabling environment through various affirmative developmental policies and programmes for development of women, besides providing them easy and equal access to all the basic minimum services so as to enable them to realise their full potentials.

Economic Empowerment – to ensure provision of training, employment and income generation activities with both ‘forward’ and ‘backward’ linkages with the ultimate objectives of making all potential women economically independent and self-reliant.

Gender Justice – to eliminate all forms of gender discrimination and thus, allow women to enjoy not only the de-jure but also the de-facto rights and fundamental freedom on par with men in all spheres, viz., political, economic, social, civil, cultural etc.

It is increasingly believed that mere laws and piecemeal approaches to the development of women cannot ensure equal status for women. A multi-pronged and integrated approach is to be adopted through which large-scale education, opportunities for self-employment and facilities for consolidating themselves into women’s organisations are provided. Women can make a mark in society only when they emerge as a powerful community with distinct ideology, philosophy and strategies to face the challenges of life.

Empowerment of women can be achieved through education, employment and women’s organisations. Education in the modern society is believed to be one of the sources of power. It is relevant to point out here that one of the important recommendations of the National Policy on Education is to promote empowerment of women through the agency of education.

Education, in terms of literacy, equips women with the skill of elementary reading, writing and maths. A literate woman can very well read receipts, printed rates of consumer goods and items, write bank cheques and keep the family's accounts. Socially and psychologically, it develops and strengthens women's self-confidence, courage and awareness of the self and of the external world. Education in terms of certificates, diplomas and degrees qualifies women to take up modern white-collar jobs. Besides, formal education develops their personality by exposing them to the world of books, peers, teachers and the public at large.

Thus the availability of equal or better educational opportunities for women leads to their assumption of a range of social roles, builds a broader and positive self-concept and enables them to tackle problems, like domestic violence, with courage and determination. A major impact of education is that it destroys values, norms, prejudices and taboos associated with hierarchy.

Employment means economic power. It means earning by dint of hard work and one's own ability. Lack of earning power forces the women to tolerate and silently endure harassment and ill treatment. Providing employment opportunities in the organised and unorganised sectors can launch economic independence.

Women's organisations have come to be recognised as the main source of power, position and strength for women in the modern India. The Self-Help Groups (SHG) are providing employment opportunities to large masses of illiterate, ignorant and suppressed womenfolk. A proper leadership among rural women will go a long way in empowering them.

The cooperative movement can be considered as such an organisation, which can contribute a lot in the empowerment of women. As a part of economic activities for women, Self-Help Groups were promoted and in some cases their cooperative societies were organised and registered. National Cooperative Union of India and the financial institutions like NABARD came forward to support formation of such groups on a large scale.

Kerala presents a positive picture as far as women's development is concerned. Women awareness, women movements at grass-root level, greater mobility, education and women and child health interventions have all led to overall development of women in Kerala.

The approach on women development changed from viewing them as beneficiaries of social services to contributors of social and economic development process in nation building. World Bank opined, "Women must not be regarded as mere recipients of public

support. They are first and foremost, economic agents”¹. Development approach has to address not only women’s practical needs but also their strategic gender interests addressing inequalities in employment, political participation and cultural and legal status.

After the enactment of the 73rd and 74th constitutional amendments in 1993, women’s role in governance has increased. UN Report on Women has pointed out, “Empowerment of women and equality between women and men are pre-requisites for achieving political, social, economic, cultural and environmental security among all people”². One of the prerequisites to promote empowerment of women is to increase their involvement in the affairs of existing grass root formal organisations like cooperatives and panchayathraj institutions.

The evolution of economic institutions and structures so far has not resulted in building a statistical base, which could link women with cooperative movement. Women continue to remain on fringes of community life in spite of the fact that cooperative movement has been part of the development planning in India since

¹ “ Educated Unemployment in Kerala Some Socio-Economic Aspects”, Economic and Political Weekly, February 1995, p. 325.

² UN Report on Women, 1995.

1950s. What are missing in these plans are specific programmes of action to improve the position of women to activate their participation in cooperative movement. Although women constitute sixty to seventy per cent of the workforce in most developing countries, they still remain invisible. Policy makers and researchers have underestimated the role of women as workers in direct production, trade and services as well as their link to the formal sector and to economy as a whole. Total number of cooperatives in India in 2003 is 545354 whereas “women only” cooperatives are 11374, a mere two per cent³. Women are hardly represented at decision-making bodies at all levels. They continue to labour under such handicaps as literacy, lack of training, inefficient management, limitation in access to credit and market. They continue to suffer social, cultural, economic and political constraints.

The cooperative movement has increasingly sought to improve the status of women in cooperatives and in society. In 1995, the International Cooperative Alliance (ICA) representing over two hundred cooperative organisations in nearly one hundred countries passed a resolution on “Gender Equality in Cooperatives”. Therefore reservation of seats for women in the managing committee has been incorporated in the State cooperative societies Act in 1999. It can be

³ Lalita Krishnaswamy, “Empowerment of women through cooperatives”, Cooperative Perspective, October-December 2004, p.63

instruments of women's empowerment. Women's influence, participation and leadership have brought success to many cooperatives. Educational societies also help to a great extent to implement these policies. It is widely known that social, economic and cultural factors have been hindering women in deriving empowerment benefits from organisations. Around ninety per cent of the societies satisfied the reservation at minimum level. These societies do not discriminate among their members on the ground of gender.

To elicit information on promotion of women's empowerment by the societies, a number of questions were included in the direct interview. The main objectives were to analyse whether women hesitate to be the members in societies where majority of members are males, whether they participate in discussions and deliberations in general body meetings and whether societies help economic independence of women. Results of the interview show that around fifty per cent of the women respondents reveal that they have arrived empowerment benefits through membership in the societies and by attending general body meeting. Thirty per cent of women have got economic benefits of empowerment through the Cooperative Educational Societies. The empowerment benefits score of women respondents reveal a greater perception of the empowerment benefits by the educational societies.

Cooperatives are the most powerful tool for the development of the poor and self-employed group. When women generate employment, form capital and build their own assets through their cooperatives, build their capacity to stand firm in the market, have social security and strength, then only their social and economic empowerment takes place. When women become employed and self-sufficient through their cooperatives, they have the capacity to stand firm in the society. This in turn will create social security among women and their empowerment takes place both socially economically.

Awareness Benefits

Human resources development is the process of increasing the knowledge, skill and the capacities of all the people in a society. It covers a wide range of subjects such as health care, nutrition, population control, education, etc. Education has been looked upon as the most vital and crucial investment in human development. The Cooperative Educational Societies are mainly established for the purpose of giving proper education to the weaker sections. Giving proper education is the best way of creating awareness in the society.

Cooperatives differ from other forms of organisations since they preserve member-user-identity. They are managed by applying the principles and philosophy of cooperation. They do not merely aim

at bringing the economic development but also the social improvements. Cooperatives require people who are motivated by laudable social values. Since the benefits of cooperation should reach one and all, the need to create awareness among people becomes imperative. Above all, the members of cooperatives should be aware of the environment of their institutions.

The weaker sections of the society, by becoming members of cooperatives, hope that they can do something useful for themselves and for the society. This creates self-confidence in them for achieving the common needs. One of the best examples of establishing the self-confidence through cooperatives is the case of the wonderful achievement of the Uralungal Labour Contract Cooperative Society (ULCCS). The Vadakara-based ULCCS tops the list of the best working labour contract cooperatives in the country and a model too of worker ownership.

Women and weaker sections of the society including fishermen, labour construction workers, artisans, craftsmen, cattle breeders, etc., gain awareness of the fruits of joint efforts by forming their own cooperatives and get an opportunity for managing their organisations. Moreover, while participating in the affairs of their cooperatives, they are given opportunities to contact with other new agents.

The members frequently visit their cooperative societies for availing various services. Their interaction with the leaders of cooperatives, officials and other members enables them to gather information on various rules and regulations as well as the different schemes and programmes implemented by the Government. Sometimes the Government, banks and other semi-government organisations utilise the cooperative societies for dissemination of information. Non-members are deprived of this facility, and depend on non-formal sources of information.

In the process of assessing the impact of Educational societies, it is relevant to analyse whether the societies have created general awareness among people, i.e., the knowledge about certain matters like fees schedule of the societies and the awareness on the value of formal education. For the purpose of statistical analysis, scores were tabulated and awareness benefit index of respondents were prepared. Higher score implies that the respondent has a higher perception of awareness benefits in the Cooperative Educational Societies.

Table 5.2

Members and non-members awareness benefit index

Response Category	Number of respondents		
	Members	Non-members	Total
Positive perception	28	34	62
Negative perception	17	8	25
Not sure	5	8	13
Total	50	50	100

Source: compiled from primary data.

The calculated chi-square value is 0.48, which is insignificant as the critical value is 3.841. It shows that both the members and non-members have the same response about the awareness benefits of the societies. Both groups have strong positive perception about the societies.

A comparison of the awareness benefit index of members and non-members reveals that fifty six per cent of the members perceive greater awareness through the societies while thirty four per cent of member respondents do not perceive awareness benefits through the societies. In the case of non-members, sixty eight per cent of them perceive greater awareness while sixteen per cent of non-members do not perceive awareness benefits from the societies.

The Table 5.2 shows that the members and non-members are likely to have perception of higher awareness benefits. The low level of involvement in the affairs of societies is mainly because of their low level of awareness on cooperation, which is due to low level of education and contact with cooperative officials. Educational societies will be an instrument for creating cooperative awareness among the public because every year, an average of one thousand and eight students are studying in a college. While comparing with any other cooperative societies functioning in Kerala, these societies have a mass background to create a positive impression among the public.

Social status

Since cooperatives are democratic organisations every individual who claims ownership right with a cooperative should feel empowered. Moreover, whatever benefits members want from the cooperatives, they are put forth to the management. Cooperatives provide an appropriate forum for aggregating individual demands and voicing them. This means that people are empowered to define, decide and direct the affairs of their cooperatives in their interest as well as in the interest of the community at large.

Sources of pride for a member of a cooperative are multiple. Being a member in the cooperative, an individual receives different

sorts of benefits, some of which may be psychological in nature. Since cooperative is a social organisation, besides being an institution fulfilling the economic needs of its members, it respects sentiments of individuals in general. It is natural that an individual feels privileged to be associated with it and feels proud of calling himself a member of a cooperative organisation. Some cooperatives are based on collective ownership of assets and sharing of profit; a member derives group benefit. Besides deriving economic benefits in times of distress, an individual feels psychologically strong in the group of fellow members and receives support of others in the group. Since a cooperative organisation is founded on certain group characteristics, members develop a positive work culture in the form of an ability to work with others. Cooperative organisation provides a sense of belonging and collectiveness.

An individual in isolation will feel distressed at the non-attainment of his objectives. While pride is a subjective evaluation of one's satisfaction, the strength of pride is derived from his achievements as well as his social and economic status in the society. It is important to know that members cherish their association with cooperatives for providing them a sense of pride besides a variety of other social benefits.

Cooperative Society aims at helping its members to lead a decent social life. It works for the socio-economic development of its

members. When a society is organised at a grass-root level, all the members get a chance to participate in its management. They select their Board of Directors. The Board consists of a President, a Vice-President, a Secretary, a Treasurer and executive committee members. They are responsible for the day-to-day running of the society. The office bearers may also be associated with religious, educational and political institutions of the region where the society is registered. They contribute to the overall development.

The participation of men and women in the affairs of the society creates a social synergy. Every member thinks that membership in a cooperative society gives him a status in the community, irrespective of whether he is an ordinary member or an office bearer. Besides members, the employees, students and other related parties also acquire a higher status among the peers in the community.

In this study social impact of the Cooperative Educational Societies and the extent to which it contributes in bringing about enhancement in the status and prestige of members, employees and students have been examined. The role of these societies in the broader social perspective has been analysed.

In the interview schedule many queries including the participations in extra curricular activities like indoor games, outdoor games, functioning of different clubs etc are left unanswered

in all samples. Besides, the number of students opting for higher studies, the list of alumni associations, functioning of Parent Teachers' Associations etc are also not given properly. As far as an educational institution is concerned these are matters of prime importance, that cannot be neglected.

From the discussions in the social benefits of Cooperative Educational Societies, it is evident that they do exert a very significant social impact not only on the members, but also on the society as a whole. Among other things, the role of Educational Societies in empowering the members in creating general awareness, in fostering democratic values and in promoting leadership is quite laudable. In this broader context, the overall social impact of the societies becomes abundantly clear when we realise that both members and non-members consider them the premier social institutions.

* * *

CHAPTER VI

ECONOMIC IMPACT

Cooperation has an important tool of living since it enables the individuals to achieve heights that cannot be reached in isolation. Cooperation flourished very successfully as an effective instrument for uplifting the weak and vulnerable people through their own solidarity and collective action. The planners of our country have regarded cooperatives as the means for changing the economy from individualistic to socialistic and cooperative basis. Cooperatives have grown by contributing tremendously to economic development. They have provided protection to common people against the fierce competitiveness of capitalism and the pervasive aggrandisement of socialism.

Economic impact of cooperatives has been analysed by assessing the increase in income and generation of greater employment for individuals. At the community level, general improvements in the village or community, economic benefits to the people and availability of better services provide the evidence of economic impact.

Membership in a cooperative not only confers a higher status on the members, but also entitles them to extra services and

facilities. It gives them strength of group dynamics and increases their bargaining power. Moreover, re-introduction of democratic management has also entitled the members to aspire for leadership within the cooperatives. In the present study, empowerment impact of the educational cooperatives has been measured in the context of group benefits as well as democratic participation.

Financial health is the essence of meaningful survival of any establishment. Educational Cooperatives are no exception to this. The face itself of the unit reflects the financial health of an establishment. In Kerala, Educational Cooperatives are facing a severe threat to their very existence. At the same time, a pilot study conducted by the researcher has revealed that all the colleges owned and operated by private agencies are surviving successfully.

India today possesses about 2.4 per cent of the total land area of the world and she has to support about sixteen per cent of the world population. The basic problem before India is the existence of unutilised manpower on one hand and unexploited natural resources on the other. According to the world development report, India's 645 labour forces are dependent on agriculture, 165 on industry and twenty per cent on service sector. Labour force in unorganised sector is unutilised or under utilised. World employment report says, nearly one hundred and sixty million people are unemployed or under employed till 2000 in India and the

Government of India has launched more than eighty various programmes for the promotion of Employment and Self employment, since independence. During the process of implementation, several distortions appear and the original intentions of the programmes are affected.

The formal sector provides organised employment for only twenty seven million workers and rest of the three hundred and twelve million workers are engaged in agriculture as wage labourers or self employed in informal sector or seek employment in the service sector. The planning commission constituted a task force on employment opportunities to examine the existing employment and unemployment situation in the country. The task force failed to suggest a strategy with which an annual average growth rate of ten million jobs can be achieved. This failure is due to the fact that the task force concentrated on the enlargement of the organised sector employment as the main vehicle of employment. However, facts reveal that share of employment in the organised sector has plummeted from around ten per cent to six per cent, and so, strengthening of informal sector, especially unorganised self-employment is the need of the hour.

There is a definite credibility crisis for the cooperative sector. The process of withdrawal of the Government from certain service areas should, have in the ordinary course, opened up the doors for

cooperativisation instead of privatisation. But no one believes that the cooperative sector is competent enough to accept this challenge.

People form cooperatives primarily to find solutions to their economic problems. The planners of our country have regarded cooperatives as the means for changing the economy from individualistic to socialistic and cooperative basis. In all the Five Year Plans, cooperatives have been accorded a prime place of importance. Cooperatives have grown by contributing tremendously to economic development. They have provided protection to common people against the fierce competitiveness of capitalism. They have improved the socio-economic conditions of weaker sections. Exploitation of people by small means has been considerably reduced and unlimited possibilities of participation in economic resurgence have been offered.

Cooperatives provide self-employment to millions of worker-owners through production and service cooperatives. Self-employment through cooperation is strong and unites force available in informal sector for providing employment. Consumer cooperatives provide households with affordable goods and services reducing the proportion of income used for basic living cost. Similarly, user-owned cooperatives such as housing, health, education and social care cooperatives provide affordable access to basic services.

The assessment of the economic impact of Cooperative Educational Societies is attempted in totality. As the economic impact of the societies can be understood in various dimensions such as employment, standard of living and income, the researcher addresses the following specific aspects by discussing the results of sample survey and by statistical analysis. The role of Cooperative Educational Societies in generation of employment opportunities, its contributions to increase income, to improve the standard of living among the members and its contribution to the creation of assets is analysed. In effect the researcher analyses the service provided to generate economic impact among members.

Share capital and Educational Societies

Government support to cooperatives is on the decline, though gradually and selectively. At the same time, they face higher competition due to privatisation and liberalisation policies. But the new environment is also providing new opportunities for cooperatives due to the withdrawal of the state from many sectors.

Capital base is the most important component of any organisation, and the term capital consists of various concepts like authorised capital, issued capital and paid up capital. As far as an educational society is concerned, the term paid up capital is more important and it consists of individuals' contributions and Government's contributions.

Educational Societies are in a more advantageous position when compared to other aforesaid private sectors as far as the financial resources are concerned. This is because of various schemes of assistance and incentives offered by the state Government. Details of assistance in the form of share capitals are given in the following table 6.1.

Table 6.1

Government and share capital contribution

(Figures in '000)

Sl. No.	Name of District	Share Capital		
		Govt.	Total	Percentage of govt. participation
1	Thiruvananthapuram	1747	2152	81
2	Kollam	1306	2023	64.5
3	Pathanamthitta	1000	1231	81
4	Alappuzha	950	1197	79
5	Kottayam	980	1089	90
6	Idukki	1557	2248	69
7	Eranakulam	1710	2878	59
8	Thrissur	1890	2793	67
9	Palakkad	1690	2578	65
10	Malappuram	1450	2407	60
11	Kozhikode	1885	2352	80
12	Wayanad	2000	2796	71
13	Kannur	3290	5825	56
14	Kasaragode	460	583	79
	Total	21915	32152	68

Source: Compiled from primary data.

The Arithmetic Mean of the Government participation of share capital contribution in percentage is seventy two. The comparison between the Government contribution and public contribution is

required. The correlation coefficient value is '-1'. It shows perfect negative correlation between the Government and the public contribution. On an average, the public in each society contributes twenty eight per cent of the share capital. If the public contributes rest of the capital also, it will help to mobilise huge amount of capital for the societies.

It can be seen from table 6.1 that there is no uniformity in Government participation in different districts. Educational Societies are not able to avail the full eligible Government participation in the share capital. Educational societies in Kottayam district have availed the maximum percentage of Government participation i.e., ninety per cent followed by the societies of Thiruvananthapuram and Pathanamthitta. They have availed eighty one per cent Government participation each. But the societies of Kannur district availed only fifty six per cent. For all the Cooperative Educational Societies studied, the average observed is sixty eight per cent. In the light of discussions with the respondents of the societies and the authorities of the district centres, it is ascertained that non-fulfilment of conditions by the Educational societies is one of the major reasons in this regard. Insufficiency of funds allocated by the Central and the State Governments in the budget for the share capital of societies is observed to be another reason.

The norms specified for Government participation in the share capital of Cooperatives Educational Societies include the following-

1. Societies with minimum paid up share capital of fifteen thousand rupees only may be selected under the scheme.
2. Only graduates and postgraduates who take up teaching as profession will be admitted as members, apart from the Government.
3. There will be provision in the bye-law for Government participation in the management. A minimum two persons may be nominated to the board of directors.
4. The maximum share capital that may be contributed by Government shall not exceed five lakhs rupees.

Though all the Educational societies satisfy the above norms, share capital contribution by the Government is not uniform. Out of twenty six samples, all societies availed government participation in share capital. But newly formed societies, especially registered after the year 2000 failed to avail appropriate fund from the Government. In ninety societies the face value of one share is one thousand rupees and in one society the face value is ten thousand rupees. In six societies the face value of one share is the multiple of hundreds. In Kerala, all the Educational societies have the minimum paid-up share capital more than fifteen thousand rupees. The maximum amount of share capital contributed by the Government is to Kannur

district, rupees 3290000. There are nine Educational societies in the district; the average per society will be only rupees 365556.

For the establishment of a society, it requires heavy investment on land, building, furniture, laboratory, library etc. According to the scheme, the expenditure towards purchase of land, building, furniture etc. is to be raised from the share capital contribution by the members, the Government and loan from the bank. The Joint Registrar of the district will be competent to sanction share contribution. The Joint Registrar shall, after making such enquiries as are necessary to satisfy himself that the estimated cost of the project is reasonable and the society has a chance of functioning profitably, sanction the share capital.

The amount sanctioned will be drawn by the societies in bills countersigned by the Registrar. The amount drawn from the treasury shall be deposited in the district cooperative bank to be released according to the necessity, with the prior permission of the Joint Registrar. Share capital contribution shall be utilised within a period of one year from the date of draw from the treasury. Even though, these procedures guide the societies, one can see that many societies are suffering from the lack of basic infrastructure facilities. There is a feeling that Cooperative Educational Societies should concentrate to invest the required amount for basic infrastructure facilities to start with. Out of twenty six samples, only twelve societies are functioning

in their own building. But the building is not uniform in size and there is no specification about the measurement and other criteria.

The quality dimensions of education include the buildings, adequate classrooms and sufficient infrastructure. These are the essential pre-requisites, not the desirable ones. Boundary wall or fencing, play ground, sports equipments, etc. can be treated in the desirable category. Nowadays, it is increasingly well known that many children, drop out of schools due to the absence of toilet and pure drinking water facilities in schools. The National Sample Survey and the National Family and Health survey results have shown that infrastructure facilities in schools have a significant influence on enrolment or non-enrolment and drop out rates in schools.¹

As per the scheme of the Cooperative Educational Societies, the share capital contribution shall be returned in annual instalments, the repayment of the first instalment commencing from the 5th anniversary of the withdrawal of the amount from the treasury. In case of non-utilisation or mis-utilisation, the whole amount shall be recoverable in a lump sum. Out of twenty six samples, many societies started the repayment. But the repayment is not regular.

¹ Janhyala B G Tilak. 2004, op.cit. P.95

Capital employed

In the earlier paragraphs, the trends of paid up capital have been explained. Incorporating other components of capital such as reserve funds and long-term borrowings can widen the concept of the capital employed. The capital employed maintained an increasing trend, which is natural also.

Table 6.2
District-wise Capital employed by the societies
(Amount Rs. in '000)

Sl. No.	Name of District	Share capital	Reserves	Borrowings	Capital employed
1	Trivandrum	1071	67	2385	3523
2	Kollam	1438	335	159	1932
3	Pathanamthitta	1236	720	525	2481
4	Alappuzha	760	239	0	999
5	Kottayam	1202	370	0	1572
6	Idukki	1583	2233	224	4040
7	Eranakulam	2261	1468	90	3819
8	Thrissur	2733	841	300	3874
9	Palakkad	2627	3709	442	6778
10	Malappuram	3282	3768	700	7750
11	Kozhikode	3028	115	772	3915
12	Wayanad	2716	95	292	3103
13	Kannur	5080	3587	100	8767
14	Kasaragode	141	1	400	542
	Total	29158	17548	6389	53095

Source: Compiled from cooperatives in Kerala, statistical abstract 1999-00

The Arithmetic Mean of the Share Capital is rupees 2083, of the Reserves is rupees 1243 and of the Borrowings is rupees 456. The Correlation between the Share Capital and Reserves is '0.65'. At the same time, the Correlation between the Share Capital and the Borrowings is '- 0.13'. It shows that Reserves increase as and when Share Capital increases in moderate ratio. But the Correlation between the Share Capital and the Borrowings shows a negative relationship that the Borrowings decrease as and when the Share Capital increases. In both cases, there is a healthy relationship between the Share Capital, Reserves and Borrowings.

From the table above, it is seen that the total capital employed all together comes to rupees 53095000 of which fifty five per cent was contributed as the share capital, about thirty three per cent as the reserves and twelve per cent as borrowings. This naturally leads to the inference that capital base is broadened not with paid-up capital but with borrowings, reserves and other funds. A detailed analysis of its composition definitely reveals this, which however, is not attempted here.

But then, the problems too are plenty. The general perception is that the cooperative sector is weak and inactive. Barring exceptions, the sector seems to be ill-equipped to face the challenge of neo-liberal thrust. Even after a hundred years, most of the cooperatives are dependent on Government patronage both for their

business and capital requirements. The future does not look bright if some structural changes are not effected to rejuvenate the sector and the movement as a whole.

The way of utilisation of the share capital contribution by the Government is also not uniform. Some societies applied their fund for acquiring land, some for other movable assets, etc. If the Government insists the application of the share capital contribution for a particular purpose, this will lead to uniformity and future development of the societies. While acquiring the land, minimum limit of the area of land also should be insisted by the Government. Requirement of space for a college is, as per Calicut University Act, 1975, a minimum of twenty five acres for Arts and Science College and three acres for Oriental College of usable tend without any encumbrance shall be available exclusively for the purpose of the college.² The following table shows the details of land and their value and value of building possessed by each group of samples.

² Calicut University Act 1975

Table 6.3
Regional-wise details of land and the values

Sl. No.	Category	No. of Samples	Land in Acres	Value of land Rs. in 000'	Value of building Rs. in 000'
1	South Kerala	8	1.12	16400	5800
2	Middle Kerala	6	7.28	17175	4800
3	North Kerala	12	26.41	19650	12910
	Total	26	34.81	53220	23510

Source: compiled from primary data.

In the first category, the total of land in acres is 1.12. This is the total of eight samples of the group out of which one society has no land. The value of the total land in category one is 16400000 rupees and the value of the total buildings is 5800000 rupees. In the second category, the total of land in acres is 7.28. This is the total of six samples of the group. The value of the land is 17175000 rupees and the value of the buildings is 4800000 rupees. In the third category, there are twelve societies; the total of land in acres is 26.415, possessed by nine societies and there is no land for three societies. The value of the land is 19650000 rupees and the buildings value is 12910000 rupees. In one society there is eight acres of land, this is considered as the maximum area of land possessed by an Educational society and at the same time the

minimum area of land possessed by a society in this study is five cents which is also from this group. Depending upon the availability of land two societies of Kozhikode district were recommended by the Calicut University thrice for affiliation. But one society sold a major portion of its land later.

Some societies utilised general funds and reserves for the construction of building. But according to the rule, to capitalise the amount in the building account, a certificate should be obtained from an assistant executive engineer who works in government service; otherwise the amount should be kept in suspense account. A prior permission also should be obtained from concerned authorities for the utilisation of the amount.

All the Cooperative Educational Societies under study have availed the managerial grant. Managerial subsidy is given to the society on a tapering basis, one hundred per cent for the first year subject to a maximum of 30000 rupees. During second year and third year the subsidy will be limited to seventy five per cent and fifty per cent respectively. Besides the managerial grant, interest subsidy in respect of the loan taken by the society from the financing bank will be granted to the societies. Societies availing institutional finance for capital investment on land, buildings, laboratory equipments, library and furniture shall be eligible for interest

subsidy. Only a few societies have actually availed the interest subsidy.

Memberships and Educational Cooperatives

Beneficiaries of cooperatives can be differentiated by membership, although in most non-banking cooperatives, services are offered to all without any discrimination. As per the cooperative law any individual who is competent to enter into contract with any registered society, the Government, a firm, a company or any other body corporate can have membership of a cooperative. Refusal of membership merely on the grounds of religion, race, community, caste, and sector denomination is quite against the cooperative principles of open and voluntary membership. However, open membership does not mean that anybody can demand admission to any cooperative society as a matter of right; it only means that cooperatives formed with certain definite objectives shall keep the door open for all people who share those objectives. The table given below shows the details of district-wise memberships of the societies.

Table 6.4

District-wise distribution of Memberships

Source: cooperatives in Kerala statistical abstract 2002-03

Sl. No.	Name of District	No. Societies	Membership
1	Thiruvananthapuram	9	882
2	Kollam	6	3350
3	Pathanamthitta.	4	769
4	Alappuzha	3	1049
5	Kottayam	7	1031
6	Idukki	6	1691
7	Ernakulam	8	8018
8	Thrissur	5	1527
9	Palakkad	5	1445
10	Malappuram	17	46984
11	Kozhikode	5	8775
12	Wayanad	9	1127
13	Kannur	9	6388
14	Kasargode	9	808
	Total	102	83844

The Arithmetic Mean of the number of societies in each district is seven and the Arithmetic Mean of the memberships in each society is 5988. The Correlation analysis shows that there is a high Positive Correlation between the two, which is '0.80'.

Graduates and post- graduates who are inclined to take up teaching, as a profession will be admitted as members of the societies. The membership fee is hundred rupees per share for twenty one societies, one thousand rupees for three societies, five hundred rupees for one society and two hundred and fifty rupees for another society. Some Educational societies have compelled the teaching staff to take a minimum number of shares. The minimum number varies from society to society.

The above table reveals very clearly that Malappuram district has 46984 members from seventeen societies. The statistical abstract of 1998-99 shows only ten societies in Malappuram district with a membership of 19162. Within the next five years there is a sudden increase in the membership and the number of societies. Four districts have nine societies each i.e. Thiruvananthapuram, Wayanad, Kannur, and Kasargode following the Malappuram district. From the view of membership, Kasargode district has the least membership i.e., eight hundred and eight from nine societies.

In the context of universal membership, provision has been made in the Cooperative Societies Act 1983 making it obligatory on cooperatives to make their services available to a person when he requires. Thus cooperatives also permit an individual to hold membership with more than one cooperative. A cooperative will lose its character and degenerate into a profit-seeking enterprise if it

adopts restrictive policies in admitting members. Among the twenty six respondents, there are 26203 students as shown in the Table 6.5, the average number of students being 1008. As a whole there are one hundred and two societies, and the total strength of students is 102796. If each society admits students' parents as members of the society, the membership will increase to a great extent i.e., more than seventy five per cent of the existing membership. It is also helpful for the mobilisation of capital and enlargement of the areas of operation.

Table 6.5

The Number of Students in regional-wise samples

Sl. No.	Category	No. of CEs.	No. of Samples.	No. of Students
1	South Kerala	29	8	3290
2	Middle Kerala	24	6	7722
3	North Kerala	49	12	15191
	Total	102	26	26203

Source: compiled from primary data.

Cooperatives have to function as economic democracy with full and open member participation. If this had happened in the past, there would have been no scams. Unfortunately no attention has been paid to member-education, which alone could foster cooperative economic democracy. Cooperatives with such ill health would find it very difficult to function in a competitive environment.

In addition to the individual memberships and institutional memberships, there are also associate memberships. The associate membership is for the students. Out of twenty six Educational societies, twenty two societies charged ten rupees for the membership, five rupees is charged by two societies, and one society charged fifty rupees for the membership and one society do not have the associate members.

Several studies reveal that the duration of membership with cooperative has a consistent association with a number of other indicators such as knowledge about cooperation, participation in cooperative management, nature and extent of the utilisation of services of cooperatives etc. Hence it can be assumed that the extent of economic impact on a member should be influenced by the duration of membership with cooperative. However, the principle of equality in cooperatives does not discriminate one member from another on the basis of membership duration. When persons join the cooperatives to achieve a common good, besides satisfying the individual need, there should be no distinction between them. A cooperative society is born out of a common need amongst members and it is this need that determines what status each member should have in the society. After all it is only the degree of need that differentiates a member from another irrespective of whether he joined today or much earlier.

Members should have better knowledge about their cooperatives than others. Members having right perception and with a positive attitude towards cooperatives are very scarce today which is perhaps one of the most important causes for the retarded performance of cooperatives. Knowledge about cooperation and cooperative management can be measured by considering their awareness about cooperation, knowledge about the cooperative principles, about the general body, the elected board, and the responsibilities of membership.

In the present study, based on the nature of services availed from the Educational societies, four categories of users were identified viz., primary member user, associate member user, primary member non-user and non-member user. Primary member users are those who have access to societies and use their services and can participate in the decision making process of the societies. Associate member users are those who avail the services without any stake in the management of the societies. Those who just retain membership without availing the services but exercise stake in the management are termed as primary member non-users. There are also individuals who make use of the services of cooperatives in the capacity of non-members. They mainly consist of the parents that cover the lion majority in any society.

Out of the fifty respondents randomly chosen, only seventeen (34 per cent) are unaware of the activities of an educational cooperative society. Although they are aware of the location of the institution, availability of the services offered, and names of some of the leaders of cooperative, they do not know anything about the activities of the societies. These members can be grouped in the category of primary member non-users. Those who are denied the services of the society due to their own delinquencies and those who do not require the services of cooperatives are found to be prominent among member non-users. Thus a majority of members are using the services of the societies in their capacity either as primary or associate members. However, during the survey, it is found that all the primary member non-users, who roughly constitute about sixty per cent of the primary membership, have exercised their franchise in the last election to the society. At the same time, this group of members is actively participating in many other social activities including politics. Cooperative being an instrument of socio-economic change, it is obligatory for it to render services not only to their members but also to the community as a whole.

Our cooperative sector has clearly failed to inculcate two of the very essential cooperative values. The first is that of self-help. Self-help was envisaged as a basic tenet of cooperatives. Both Robert Owen and Charles Fourier had seen cooperation as a process of

creating self-help communities. In its very genesis the movement was opposed to Market and State, since both had failed to protect the interest of the common man. Both are, in that sense, forces, which the cooperators must resist.

Drawing support from such sources is essentially a modern day political compromise, and it would be against the cooperative ideology. We need to understand that Governments, both in centrally planned economies and free market domains were too eager and willing to provide financial and other support to cooperatives and the sector fell prey to this temptation. A cooperative endeavour should necessarily depend on its own resources, energy and time, however small it could turn out to be. Its growth and expansion should be evolutionary.

The second very important missing value is the member centrality. Cooperatives, by their very nature, are inward looking organisations. They are meant to serve the member community unlike the outward looking organisations such as the corporate, which sells to any one so long as there is profit. The focus of all activities of cooperatives has been the members. Business activities are to be developed based on member need, policies are to be designed according to member views and administration is to be carried out through member participation. Indian cooperatives generally do not stick to this value.

It is increasingly felt that the pressures of globalisation will have to be addressed to a large extent through self-help initiatives. The talk of social capital as an input for the development and of self-help groups as instruments of development is everywhere. This reinforces the need for cooperative endeavours.

Unless the sector moves away from the clutches of Government control and comes out with norms for restraining politicians from making use of this sector as a ladder for their personal benefits, the movement is sure to slip down further. It is inevitable that a good number of our cooperative enterprises will disappear in the coming years, since they are not strong enough to stand the trial of time. However, inculcating the values of self-help and member centrality can give rise to cooperatives, which are not just enterprises but instruments of creating cooperative communities.

Employment generation

India would be able to turn its huge population into assets if education was prioritised in the national agenda not just in discourse but in action as well. By any reckoning, the incidence of educated unemployment in Kerala is very high. The near-stagnation of Kerala economy have been rightly attributed by many to the rising rate of unemployment in the state. The main feature of

unemployment in Kerala is that the total number of job seekers in the live registers of employment exchanges is increasing year after year.

The number of graduates who registered in employment exchanges stood at 2.81 lakhs in 2001, it has come down to 2.51 lakhs in 2002. The number of job seekers with postgraduate degrees decreased from 0.66 lakh in 2001 to 0.56 lakh in 2002. Thiruvananthapuram district ranks first in the number of work seekers in general as well as professional categories. In 2002, the total number of work seekers in Thiruvananthapuram district was 5.49 lakhs out of which 3.23 lakhs were women and 2.26 lakhs men. Second largest numbers of work seekers are from Kollam district. There were 4.38 lakhs job seekers in Kollam district in 2002, out of which 2.57 lakhs are women and 1.81 lakhs are men. The lowest number of work seekers is in Wayanad and Kasaragode districts. In Wayanad, there are 0.80 lakh work seekers, whereas in Kasargode the number is 0.94 lakh in 2002.³

On the basis of this logic, one might argue that a much faster rate of growth of the state domestic products would largely solve the unemployment problem. But educated unemployment is not solved through a higher rate of growth alone. In addition to achieving higher

³ Economic Review 2002, Thiruvananthapuram, p. 25.

rate of growth, the solution for educated unemployment calls for implementation of appropriate educational policies as well. In other words, the remedy for educated unemployment lies in acting on two fronts, which are inter-related. They are economic development and educational reform. Quantitative expansion of education must give way to qualitative improvement and reorientation. It is against this background that an attempt made to highlight some socio-economic aspects of educated unemployment in Kerala.

Speaking at the prize distribution function of the National Inter-University Debating Competition for the university on Cooperation organised by the National Cooperative Union of India, the apex organisation of the cooperative movement, Bhairon Singh Shekhawat, Vice President of India said that the problem of unemployment could be solved by the cooperatives only. He further called upon the youth to work with great zeal and dedication for the cooperative sector. "If you work honestly for this sector, then only the evils of globalisation can be tackled." He requested the youth to work with mission and zeal for the cooperative sector. Dr.S.S. Sissodia, President, NUCI speaking on the occasion said that the cooperative sector only could remove the big gap between the rich and the poor. He highlighted that cooperatives are generating 1.5 crores employment which is more than both public and private sector.

Pointing out the achievements of the sector, he said that the various defects that emerged have to be removed by the sector itself.

All available sources indicate that educated unemployment in the state has assumed alarming proportions in recent years. Table 6.6 below shows estimates of educated unemployment in Kerala based on the results of the 38th (1983) and 43rd (July 1987-June 1988) round surveys of the National Sample Survey Organisation (NSSO).

Table 6.6
Distribution of Educated Unemployed of Age 15 and above
in Kerala and All-India

(Lakh persons)

Category	NSS 38 th Round		NSS 43 rd Round	
	Kerala	All-India	Kerala	All-India
Educated unemployed- Rural				
Secondary	2.74	14.62	5.00	22.35
Graduate & above	2.41	11.44	4.26	16.85
Educated unemployed- Urban:	0.33	3.18	0.74	5.50
Secondary	0.77	15.30	1.34	17.26
Graduate & above	0.59	10.48	1.14	11.17
Educated unemployed- All	0.18	4.82	0.20	6.09
Secondary	3.51	29.92	6.34	39.61
Graduate & above.	3.00	21.92	5.40	28.02
	0.51	8.00	0.94	11.59

Sources: 1 Sarvekshana. vol. XI, April 1988.

2 Sarvekshana. Special number. September 1990.

3 Sarvekshana. Vol. XVI. October-December 1992

The N.S.S. data have been recast to include in one category all persons with secondary or higher levels of education who alone, according to currently accepted norms, are considered 'educated'.

It is seen that during the five-year period between the two rounds of the NSS, the number of educated unemployed in Kerala almost doubled by itself from 3.51 lakhs to 6.34 lakhs, in relative terms, whereas 15.76 per cent of the educated were unemployed in 1983. This per cent rose to 20.98 during 1987-88. In sharp contrast, however, at the all-India level the scenario was far less discouraging. The number of educated unemployed rose from 29.92 lakhs to 39.61 lakhs, in percentage the increase was from 6.96 per cent to 7.24 per cent.

Regarding rural-urban differences, both at the state and national levels, educated unemployment is more acute in the rural sector. This difference may be attributed to greater employment opportunities available to the educated in the urban sector in comparison with the rural sector. The magnitudes involved, however, have been much higher at both rural and urban levels in Kerala compared to all-India.

There is also a difference between secondary and graduate unemployment. While graduate unemployment, rural as well as urban, was markedly higher at the all-India level during the NSS 38th

and 43rd rounds, no such consistent pattern is presented by Kerala. During the 38th round, graduate unemployment was relatively slightly less than secondary unemployment in the rural sector while it was slightly higher in the urban sector. In both sectors the difference was nominal. On the other hand, during the 43rd round, the difference took a more consistent turn. Graduate unemployment was lower than secondary unemployment in both rural and urban sectors. The difference between the two is much sharper in the urban sector (8.89 per cent and 17.83 per cent respectively).

The notable fact is that women's participation in the education has increased steadily. The report mentions that during the past five decades, "girls' participation have increased in primary, middle, secondary/higher secondary stages and higher education levels from 28.1 per cent to 43.7 per cent, from 16.1 per cent to 40.9 per cent and from 13.30 per cent to 38.6 per cent and from ten per cent to 36.89 per cent respectively."⁴ The report does mention that the participation of girls in education still stands at below fifty per cent. As India still remains a largely traditional society and women quite often do not have a say in their lives, it is still remarkable if they are enrolling in schools and colleges even though they have not crossed

⁴ Pradeep Kumar Panda, "Poverty and Young Women's Employment Linkages in Kerala", *Economic and Political Weekly*, September 20 2003. p. 4034

the fifty per cent benchmark. Women have to be integrated into the mainstream society as by and large in India they do not enjoy equal status with men and still have to fight their way through if they want to achieve social or economic advancement.

The fourth world conference on women that was held in Beijing, China, in September 1995 came out with a Platform for Action. It recommends “actions to be taken” by governments, national, regional and international bodies, bilateral and multi-lateral donors and non-governmental organisations. “Reduce the female illiteracy rate to at least half its 1990 level, with emphasis on rural women, migrant, refugee and internally displaced women and women with disabilities; provide universal access to, and seek to ensure gender equality in the completion of, primary education for girls by the year 2000; eliminate the gender gap in basic and functional literacy, develop and implement education, training and retraining policies for women, especially young women and women entering the labour market, in order to enable them to the needs of a changing labour market, to provide skills to meet the needs of a changing socio-economic context for improving their employment opportunities; provide recognition to non-formal educational opportunities for women in the educational system and provide information to women and girls on the availability and benefits of vocational training, training programmes in science and technology

and programmes of continuing education.” These steps and a series of others are recommended to improve the status and empower women so that they are able to assume decision-making roles in all spheres of life.

Although, as recommended in the Platform for Action, gender equality has not been achieved in the field of primary education by the year 2000, there has been steady progress in the literacy rates of women, which is a positive sign. The report mentions that the projection for population by the year 2016 will be 126.35 crores which means that the implementation of government policies with regard to education has to be done at a fast pace.

Education does go a long way in changing mind-sets and attitudes. Therefore the statistics in the report are an encouraging sign as, despite being socially and economically disadvantaged, female literacy rates and their participation in the job/labour market is increasing. It also means that despite very many hurdles, women have managed to gain a foothold in the decisions that govern their lives and that has been made possible by positive discrimination towards women, that is visible in Government policies. We naturally have a long way to go.

Education therefore, renews commitment and faith in basic human rights upholding the dignity of man and woman. The Indian

Government is taking small steps towards the bigger goal of education for all. Fifty years down the line we are a stronger nation; however, the benefits of economic and social advancement need to percolate down to the poorest of the poor. The Government commitment towards making education a fundamental right is a step in the right direction.

Gender differences in educated unemployment, on the basis of the results of the 38th and 43rd rounds of the National Sample Survey, are presented in Table 6.7. It is seen from this table that educated unemployment among both males and females in Kerala has increased substantially between the two rounds of the National Sample Survey, and that the extent of the increase of unemployment among female work seekers has been relatively much higher. Compared to Kerala, the rise in educated unemployment at the national level, whether for males or females, has been quite nominal (less than 0.5 per cent); gender differences in the context of unemployment are also negligible.

Regarding the relative impact of the levels of education on educated unemployment among males and females, the result of both the 38th and 43rd rounds of the National Sample Survey for Kerala show that for males, unemployment among graduates and above, though definitely on the increase, is of a relatively lower magnitude when compared to work seekers with secondary

education only. As far as females are concerned no well-defined pattern is discernible. For them, the degree of unemployment was higher among graduates and above, when compared to those with secondary education only. However, over the years this difference has almost disappeared as seen from the table. The major gender difference in educated unemployment is acute among males with not more than secondary education, it is almost equally grave for female matriculate and graduate work-seekers who generally have rather strong reservations regarding the place of work.

Table 6.7

Percentage Distributions of Educated Unemployed of Age 15 and Above According to Sex, Kerala and All-India

Category	NSS 38 th Round		NSS 43 rd Round	
	Kerala	All India	Kerala	All-India
Educated unemployed	14.38	7.30	17.88	7.52
Male	7.12		19.28	7.07
Secondary	9.72	7.89	12.23	8.94
Graduate and above				
Educated unemployed	6.06		6.47	
Female	16.31	5.29	24.39	5.68
Secondary	21.79	8.86	23.34	9.23
Graduate and above				

Sources: 1 Economic and Political weekly February 11, 1995.

Although women have gained access to higher education all over the world, the scenario is the same, namely that their numbers are still far below men in the management of higher education. Women are lagging behind men in availing educational opportunities. This may possibly contribute to the fact that women are not visible in large numbers at higher echelons in educational administration. But there are many within the profession who are very capable and could wear the mantle of leadership easily. Yet these women do not seem to aspire for it.

As a matter of fact, most professionals, men or women, such as scientists and doctors, do not like administration because it is mundane and routine. But, generalisation notwithstanding, there is greater love among men for the power and influence that go with administrative posts. The “power structure” in institutions quite often inhibits women. Men say that it is women who deny themselves the chances for upward mobility. This, referred to as ‘psychosocial’ causes, can include the behavioural traits and skills of women. Perhaps their attachment to familial duties, whether shared or not by their men folk, makes them less mobile and unwilling for transfers or changes of any kind. May be situation in the home is such that women are fearful of their men folk/in-laws, and they may not want to appear as ambitious or desiring to rise in their career.

Gender stereotypes and the patriarchal ethos possibly govern their thinking.

The reason why women should be in administrative positions in higher educational institutions and universities as in all spheres of activity is that they have to be treated like any human being whose rights must be upheld and whose aspirations must be given opportunities for fulfillment—this for ensuring a just and equitable society. Secondly, everywhere, in every activity of decision making, women's viewpoints and experiences, as much as men's, need to be captured for the decision to be balanced and complete. We must ensure that policies are drawn up through 'women's eyes' also, which is not the case now.

It is said that one of the best ways of attracting women to higher posts is to create a gender friendly environment in which sexual harassment has little or no chance to prevail. Gender sensitisation in every profession is urgent and necessary for men and women separately and in groups where they are together, so that existing practices can be reviewed by them and discussed. As a matter of policy, a decision needs to be taken at the highest decision-making level such as the Government, the U.G.C., the National Assessment and Accreditation Council (NAAC), the Universities and colleges, that the representation of women and committees should be increased.

To create a pro-woman atmosphere, the rules and regulations of an institution have also to be looked at, to see whether there are any provisions needing revision or which must be made more woman-friendly. The capability of women in 'management' needs to be strengthened through leadership training and imparting of administrative skills. In addition to enhancement of knowledge about "management" and higher education including the need to have a vision and taking people along and working alongside men with confidence and belief in oneself and one's capacities, there have to be inputs on behavioural traits to be fostered for leading, working in a team, reacting to a crisis, becoming a catalyst for change and rising to any occasion.

Unemployed job seekers in Kerala according to Employment Exchange data are 38.56 lakhs in 2003 as against 39.56 lakhs in 2002. Out of total unemployed job seekers in 2003, 57 per cent are women against fifty six per cent in 2002. It was forty seven per cent in 1990. The district-wise analysis of the women job seekers also shows the threatening fact that in all districts in 2002 and 2003, the number are more than men population. So in order to reduce the number of women job seekers, certain measures are to be taken. The Cooperative Educational Societies can contribute to some extent. The district-wise details of women work-seekers in Kerala are shown in the following Table 6.8.

Table 6.8

District-wise distribution of work seekers in Kerala 2002-2003

Sl. No.	Districts	2002		2003	
		Men	Women	Men	Women
1	Trivandrum	225938	323316	239260	341061
2	Kollam	181344	256606	2975	238585
3	Pathanamthitta	154504	211438	60531	89859
4	Alappuzha	64803	93327	60380	202858
5	Kottayam	111051	146374	6141	143089
6	Idukki	54968	72414	671	71011
7	Ernakulam	179403	217185	67826	209658
8	Trissur	153623	228911	32578	213736
9	Palakkad	126409	129755	32448	136855
10	Malappuram	123644	127375	16419	119462
11	Kozhikode	164488	203829	58055	201836
12	Wayanad	39072	41414	38469	42629
13	Kannur	104103	126752	779	48236
14	Kasargode	46303	47668	779	48236
Total		1729653	2226364	1666875	2189120

Source: Directorate of Employment, Govt. of Kerala.

Cooperatives continue to play an important role in employment promotion and poverty alleviation, both as production enterprises and as providers of services to members. Although cooperatives are not primary instruments of employment promotion, they do effectively create and maintain employment in both urban and rural areas around the world and provide income to both

members and employees in the form of shares of surplus, wages and salaries or profits depending on the type of cooperative. Cooperatives also provide self-employment through millions of work-owners of production and service cooperatives.

Cooperatives are also employers in their own right providing security of employment. In a number of countries in Africa, the cooperative movement has become the second largest employer, surpassed by government. In this region, majority of jobs have been created through the activities of agricultural cooperatives. In Latin America, it is estimated that 15000 jobs were generated by consumer cooperatives. In Brazil, the Organisation of Brazilian Cooperatives (OCB) provided over 296000 jobs throughout the country in 1996. In Canada it is estimated that non-financial cooperatives employed over 73000 persons in 1997. It is also estimated to have indirectly created an additional 10000 jobs.

In Japan, the consumer cooperative movement provided 58281 full-time and 95374 part-time jobs in 1997. In the Republic of Korea, the agricultural cooperative movement employed 17,448 employees at the federation level and an additional 53,698 staff at members' cooperatives level at the end of 1997. In Sri Lanka, cooperatives were responsible for 37617 jobs in 1997. In Philippines, it is estimated that the contribution of the cooperative sector to the national workforce was 5.01 million or 16.24 per cent of the total job market

in 1997. Cooperatives were expected to provide over twenty million jobs by the year 2000 in Philippines.

In Europe, cooperatives provided employment to over five million individuals in 1996. In the same year the German cooperative movement employed 502700 persons, up from 487300 in 1994. In 1997 the union of Agricultural Cooperative Societies in the Czech Republic employed over 92000 persons, while the Union of Czech and Moravian Producer Cooperatives employed over 40000 persons.

During the same period Cooperatives of Hungary reported that it provided employment to 32000 individuals as compared to 1994 when it employed 30225 persons. In 1998, Latvian Central Cooperative Union (TURBIA) reported that it employed 10000 people of which seventy three per cent were women. In Russia, the consumer cooperative movement employed 511300 employees in 1997, of which seventy per cent were women. In Spain, the Mondragon workers' cooperative movement employed 31963 persons in 1996. In 1997 it provided employment to 34397 and again in 1998 to 42129 persons. Today, it provides 46835 jobs. The cooperative Union of the United Kingdom reports that the number of full-time jobs in cooperatives in 1997-98 rose marginally over previous years. Cooperatives in the UK provided 113400 full-time jobs and 71600 part-jobs in 1997-98.

The European Confederation of Workers' Cooperatives, Social Cooperatives, and Participative Enterprises report that twenty years ago it was made up of 5000 cooperatives. Today, it represents a movement of more than 83000 enterprises, which, if taken together is the largest employer in the European cooperative sector, with 1.3 million worker members. In addition to existing cooperatives providing employment, the cooperative movement of a number of Nordic countries and Italy had seen the creation of new cooperatives. These new cooperatives had been a response to rising unemployment. In Finland, over seven hundred cooperatives were created during the period 1993-1998 of which three hundred and thirty were workers' cooperatives.

The employment offered by the cooperative sector is not shown separately in most of the statistics published in our country. As a result, achievements of the cooperative sector in this matter are not emphasised. Since cooperative enterprises provide the organisational means whereby a significant proportion of population is able to undertake the task of creating productive employment, the relevance of cooperatives for employment generation is clearly apparent. The different spheres of cooperative activity, whether consumers' cooperatives or producers' cooperatives, have resulted in employment opportunity for a large number of people. So far as India is concerned, the movement has 207.57 million women and men as

members and it has generated self-employment opportunities for 12.5 million persons. If we consider the members of the families, self-employed through cooperatives, and the family members of employees of cooperatives, the total population covered by Indian cooperatives will be more than the world average. Cooperative efforts are successful, not only in generating employment opportunities for the unemployed and under-employed, but also in changing the occupation of people from lower income occupation to higher income occupation, especially among weaker sections.

The following Table 6.9 shows the gender-wise details of the teaching staff in the various regions.

Table 6.9

**Employment generation in various regions
(Teaching members)**

Sl. No.	Category	No. of CEs	No. of Samples	Number of Employees		
				Male	Female	Total
1	South Kerala	29	6	89	45	134
2	Middle Kerala	24	5	46	63	109
3	North Kerala	49	20	254	202	456
	Total	102	31	389	310	699

Source: compiled from primary data.

The calculated chi-square value for the model is '0.013'; it is highly insignificant that the proportion of Male and Female are not

same in all the regions. In the middle region female employees are more than the other regions. But in the other two regions male employees are more than the female members.

The quality of education needs to be clearly and unambiguously defined. While defining the quality of education, the qualification, training, reasonable pay, etc. have a prominent role. The education, to be effective, should follow the fully qualified, properly trained and reasonably paid staff pattern. The system of para-teachers can create serious problems of quality in education. The para-teachers create different kinds of inequalities and irritations among teachers.⁵

The total number of employees from the sample comes to seven hundred and ninety one, which includes teaching and non-teaching staff. At an average, around twenty five members including teaching and non-teaching are employed in a society. All the teaching members are highly qualified as in the case of affiliated and recognised colleges. The total of salaries given to them as per the statistics of Cooperative Educational Societies during the year 1998-99 is 14208000 rupees. They earned an average salary of 5982 rupees per annum. In monthly basis the average salary will be less

⁵ Jandhyala B G Tilak, 2004, op. cit., p. 95

than five hundred rupees. In teaching staff of the society fifty six per cent employed are male members.

Seventy per cent of the staff members are above the age of thirty five years; they work in many institutions to earn the minimum subsistence amount. Besides, turnover ratio in the societies is very high as around fifty per cent of the teaching staff members are leaving the society for better opportunity. The concept of permanency also did not exist in the societies. Their salaries are based mainly on time-rate basis. No doubt, these phenomena will adversely affect the students' community and society.

In non-teaching staff sixty nine per cent of the members are males. Eighty per cent of non-teaching members have completed training courses in cooperation. Comparatively the turnover ratio in this case is very low. They are spending time fully for serving the society. Three non-teaching members are there in a society at an average. The following Table 6.10 shows a detailed picture of non-teaching staff in various regions.

Table 6.10
Employment generation in various regions
(Non-Teaching members)

Sl. No.	Category	No. of CEs.	No. of Samples	Number of Employees		
				Male	Female	Total
1	South Kerala	29	6	19	9	28
2	Middle Kerala	24	5	14	5	19
3	North Kerala	49	20	30	15	45
	Total	102	31	63	29	92

Source: compiled from primary data.

The calculated chi-square value for the model is '0.99', which is insignificant at 0.05 levels. It shows that the proportion of male and female are not same in all the three regions. In all the regions male non-teaching members are more than the female non-teaching members.

There are one hundred and two Cooperative Educational Societies as on 31st March 2003. The average number of the staff member is twenty five per society. Therefore, this movement can generate more than 2550 employment opportunities for well-educated unemployed.

According to Collegiate Education Directorate 2003, in Kerala there are 10458 teaching staff as on 31st march 2003. Its twenty five

per cent can be generated by the societies. The Table also shows one of the major economic problems, i.e.; year-by-year the number of teachers is decreasing. From 2001 to 2002, five hundred and eighty eight teachers decreased and one hundred and twenty seven teachers decreased from 2002 to 2003. No doubt, it is because of the policies of the present Government i.e., appointment ban. In such a situation Cooperative Educational Societies are one of the major alternatives to the educated unemployed. The University-wise number of teachers in Arts and Science Colleges in Kerala are given in the following Table 6.11. The details regarding the sex-wise number of teachers are given in the Appendix-iv.

Table 6.11

University-wise number of Teachers in Arts and Science Colleges in Kerala from 2001 to 2003

University	2001	2002	2003
Kerala	3476	3733	3169
Calicut	4122	2891	2828
Mahatma Gandhi	2992	3276	3723
Kannur	583	685	738
Total	11173	10585	10458

Source: Directorate of Collegiate Education, Thiruvananthapuram. 2003.

The present survey reveals that the Educational Cooperatives have helped in generating employment among the educated and

trained persons in Kerala, both for men and women, and there is no significant difference in this among regions. The Registrar of cooperative societies forwarded the scheme mainly for providing employment opportunities to the educated unemployed, paying salaries at reasonable rates. Further, the educational societies are organised with the twin-objective of providing employment to the educated unemployed and educational facilities to a large number of students who pass out of the high schools and higher secondaries but who do not obtain admissions in colleges. Both these objectives can be attained to a great extent. The salary at a reasonable rate is a utopian concept.

Improvements in the standard of living

The concern of development in recent years has shifted from economic growth to human development. In the process of enlarging people's choices, the most critical ones relate to leading a long and healthy life, acquiring education and enjoying a decent standard of living. Standard of living increases when investments on nutrition, education, health facilities, entertainments, etc, increase.

Cooperatives offer enormous economic services. No economic activity is left out of the purview of cooperatives today. They render services at a low cost. The quality of services is quite reasonable and

good because they are mainly for the members who are also owners of cooperative societies.

The role of Cooperative Educational Societies in improving the standard of living among people is addressed by discussing the results of survey by statistical analysis. To elicit information relating to this an interview schedule was prepared on the effect of membership in societies in improvements of living standards in the family, improvements in the quality of education, etc. It also analyses the opinion regarding whether the fee charged by the societies is reasonable or not. Total scores of the members and the non-member respondents are arrived at. Higher score of the respondents denotes greater improvements in standard of living.

To evaluate the improvements of the standard of living, the income of the parents of the students are also crucial. From each sample, three students are taken at random, and hence, seventy eight students are considered for this purpose. The first group considered is the group with annual income below 10000 rupees and last is the group with income above 40000 rupees. The majority of parents are grouped into the first category, which comes to sixty three per cent of the sample. The next category is grouped into annual income between 10000 and 20000 rupees, it comes eighteen per cent of the sample. The high-income group that is the annual income between 40000 and 50000 rupees comes only to six per cent

of the sample. Besides, the majority of the parents is not properly educated and is also not earning regular income. In such circumstances, the Cooperative Educational Societies can contribute more and more for the benefits of the deserving population. For statistical presentation, the income of seventy eight parents is presented in the following table 6.12.

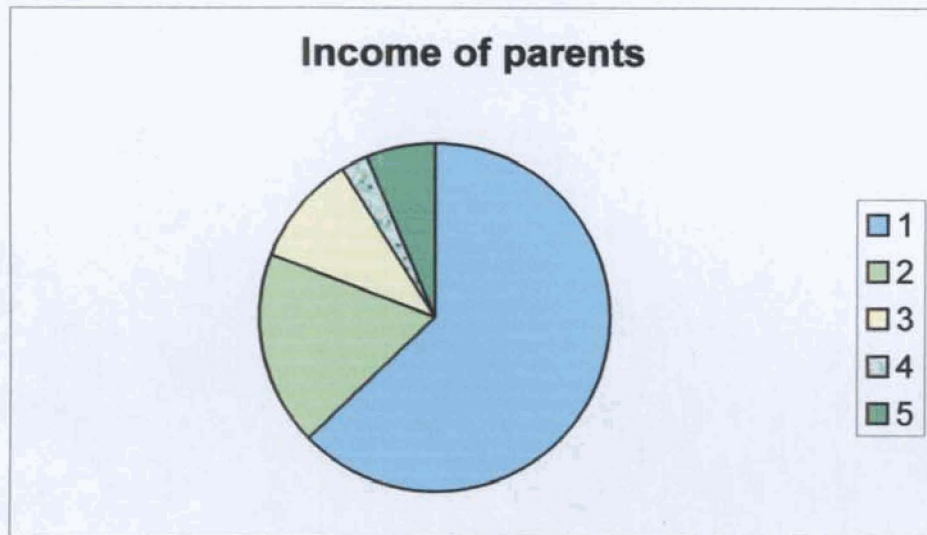
Table 6.12
The Annual Income of the parents

Income of Parents	No. of Parents
0- 10000	49
10000-20000	14
20000-30000	8
30000-40000	2
40000-50000	5
Total	78

Source: Compiled from primary data

The above table can be depicted through a pie diagram to find out the effect easily. Sixty three per cent of the parents are from the first group and 2.5 per cent of the parents are from the income group of 30000 to 40000 rupees, which is the smallest group of the sample.

Figure 6.1
Distribution of income of parents



Source: Compiled from primary data

Figure 1 clearly shows that the distribution of income of parents is positively skewed. So for statistical analysis the most appropriate average is Median and corresponding measures of variation will be Quartile Deviation and its Coefficient. The average income is 7959 rupees; Quartile Deviation is 6402 rupees and its Coefficient of Quartile Deviation is 0.617. These values show that most of the parents are having an income of 7959 rupees and only a few have income more than this value. The Coefficient value shows that most of the incomes of the parents are very close to Median.

Table 6.13
Tuition fees for different courses for the year
2002-03

Courses	Cooperative Rs.	Non- Cooperative Rs.	Unaided Sector Rs.
+2 (Non-Science)	1000	1500	3000
B.A.	1000	1500	3000
B.COM	1400	2500	5000
M.A.	2250	3000	8000
M.COM.	2250	3200	10000

Source: compiled from primary data.

As per the ANOVA Table the F.Value is '14.22', the table value is '5.8', and so it is highly significant that the fees charged by the Cooperative sector are less than the other sectors. The tuition fees shown in the table are the annual average amount for each course. Except the Cooperative sector the amount of fees is highly variable.

It is very clear from the table 6.13 that the fees charged by the cooperative sector are the lowest amount for all the courses. The non-cooperative sector is changing the fee structure according to the degree of competition. To a great extent, the fees of this sector are controlled by the cooperative sector. But the fees of the unaided sector are determined by policies of the Government. There is no direct competition between the unaided and cooperative sectors. In

addition to the tuition fees, both the non-cooperative and unaided sectors are charging extra fees in different heads. No such extra fees are charged in the case of cooperative sector. The cooperative sector maintains good library, both academic and general, for the use of students. It ranges from 500 to 5000 books depending upon the strength of the students. These facilities directly help the students' community and their families.

The researcher has also analysed the enrolment patterns of students of Cooperatives Educational societies. The majority of the students are from lower income groups; those who cannot get admission in the state aided institutions, but are ambitious to get higher education. This brings out the economic impact of Cooperative Educational Societies in the context of their contribution to income increase among member users. People have a high appreciation of the role of their societies towards contribution to their income generation.

The survey reveals that Cooperative Educational Societies have helped to bring improvements in the standard of living among both members and non-members. The following Table 6.14 shows members' and non-members' response in connection with the standard of living. The results of chi-square tests show that there is an association between improvements in standard of living and membership in Cooperative Educational Societies. Moreover, the test

of significance reveals that members are likely to derive greater improvements in the standard of living through the societies than non-member respondents.

Table 6.14

Improvements in Standard of Living among Respondents

Improvement in Standard of living	Number of respondents		
	Members	Non-members	Total
Positive perception	37	35	72
Negative perception	13	11	24
Not sure	0	4	4
Total	50	50	100

Source: compiled from primary data.

Calculated chi-square value for the model is '0.52' which is insignificant at 0.05 levels. The table value =5.991; the calculated value is less than the table value and so; one can accept the hypothesis at five per cent level. It indicates that there is no difference among Members and Non-members in utilising the benefits from the Cooperative Educational Societies. It is not associated with the membership of the societies.

The operational efficiency of the societies should be analysed based on the data from the profit and loss accounts concerned. The profit and losses of the societies and the number of societies without

profit or loss for the two periods 1998-99 and 1999-00 are available. From the year 1998-99 to the year 1999-00, the number of societies with profit has increased from twenty two to twenty six and the profit has also increased from 2328000 to 3619000 rupees. In case of loss, the number of societies has increased from fifty three to fifty six and the amount of loss has also increased from 9250000 rupees to 12320000 rupees. But societies without profit or loss have decreased from twenty to seventeen from 1998-99 to 1999-00, even though the number of societies has increased from ninety five to ninety nine. It creates optimism in the working of the societies. The working results of Cooperative Educational Societies in the year ending 1998-99 and 1999-00 are given in appendix-XII & XIII respectively.

Salaries and other expenses are major expenditures of the societies. Other expenses mainly include the rent of the building and stationery expenses. During the year 1998-99, salaries and other expenses consisted of twenty two per cent and twelve per cent of the working capital respectively. In the year 1999-2000, salaries and other expenses were twenty four per cent and fifty per cent of working capital respectively. During the year 2002-2003, the working capital was 110089000. So the salaries and other expenses might be more or less in the same proportion. The other expenses are increasing more than the proportion of salaries because of the increase in the rent of the building. From 1998-99 to 1999-2000, it

has increased by three per cent, but the salaries increased only by two per cent. In individual cases, some of the societies are meeting more or less the same amount for salaries as the rent of the building. It is one of the main obstacles for the development of the movement.

The Cooperative Educational Societies render services to the members and public. Hence, they incur heavy expenditure in creating new facilities in the college premises. As quality is provided, the establishment expenditure in the form of salaries, and others goes beyond the income of the societies. In view of heavy expenditure the societies have not been able to earn any surplus and the members have not been paid any dividend so far in any of the societies. However, non-payment of dividend to members has been adequately compensated by the quality of service at a nominal cost.

Increase in Fixed Assets

The data reveals that Cooperative Educational Societies have no change in the fixed assets from the year 1998-99 to 1999-00, but the number of societies has increased by four. Here there is a chance for mistake, while calculating the value of fixed assets, because the number of societies has increased. If the number of societies increases there should be a proportionate increase in the value of

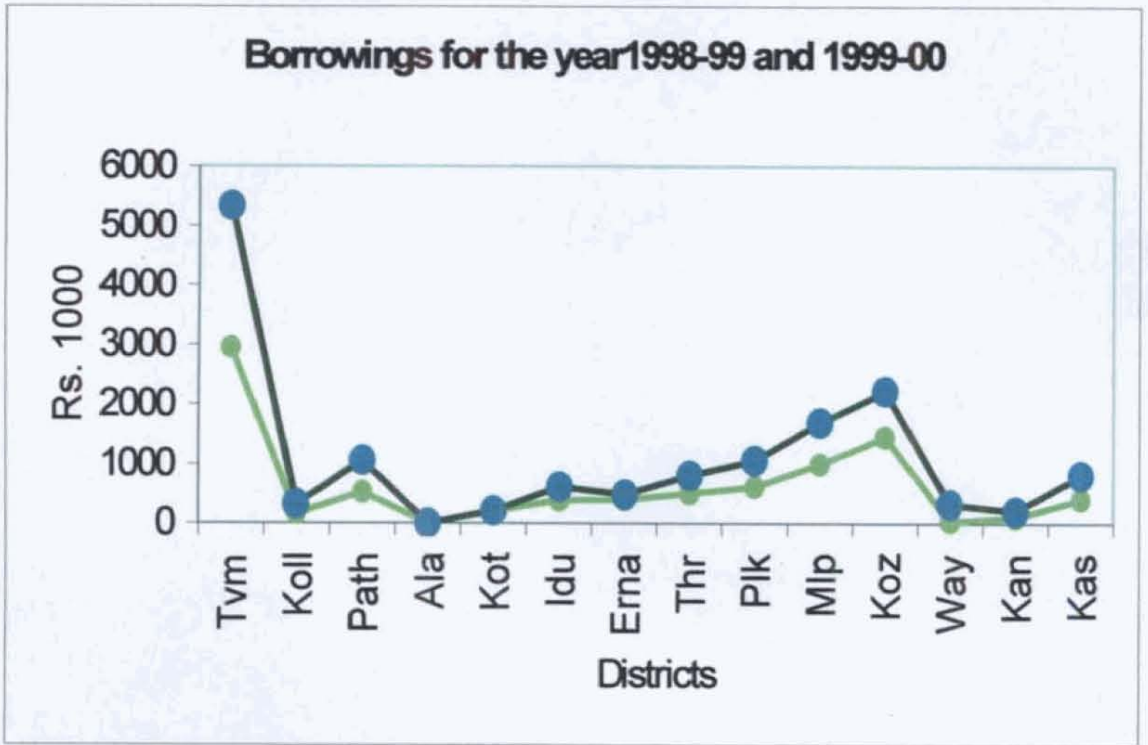
fixed assets or the value of fixed assets of the existing societies must diminish.

Borrowings, as per the cooperatives' statistics of the year 1998-99, are 8692000 rupees. According to the statistics of the year 1999-00 the borrowings are 6389000 rupees. Total liability from the borrowings is decreased to 2303000 rupees. It is really a good sign as far as the societies are concerned. In Trivandrum district the liability from borrowings decreased to 562000 rupees. The borrowings also reveal that Kottayam district societies completely recovered from the liabilities of borrowings. In the case of Kozhikode district, the liabilities from the borrowings decreased from 1442000 to 772000 rupees, i.e. there is nearly fifty per cent decrease.⁶

⁶ Cooperatives in Kerala Statistical Abstract-1999-00.

Figure 6. 2

Borrowings of 1998-99 and 1999-2000



Source: Cooperatives in Kerala statistical Abstract 1998-99 & 99-00

In the foregoing sections, economic impact of Cooperative Educational Societies among members has been assessed. Since cooperatives, as economic organisations, offer services to non-members also, assessment of the economic impact among members alone cannot reveal the economic potentialities in their totality.

The survey reveals that majority of the members derived economic benefits from Cooperative Educational Societies. Contribution to increase income, to improve economic viability, and contribution to assets are the prominent economic benefits derived by the members. Majority of the non-members, including non-users,

feel that the societies which helped their members to derive economic status and infrastructural development in the locality, which are also, perceived as economic benefits of the societies. Thus, majority of members and non-members have directly or indirectly derived economic benefits from the societies.

To conclude, Educational Cooperatives offer a bundle of economic services. They include services for skill development and input services, including value addition, and other auxiliary services. Cooperative Educational Societies have helped to change the occupation pattern among member users. Member users are qualified unemployed post-graduates. They work in different institutions on a part-time basis. The societies play a vital role in diluting the exploitation by unorganised institutions. Educational societies have contributed to improve the standard of living among the people in general and the members in particular. Although the societies are ranked next only to Government organisations so far as the economic reach is concerned, their importance is clearly felt by the public when any society is closed down.

The Cooperative Academy of Professional Education (CAPE)

The National Education Policy (1986) brought a sea change when it pertinently stressed to strengthen technical education by

harnessing and mobilising partnership with the private sector in a big way. It is with the private initiative that more than eighty per cent engineering institutions are presently functioning on self-financing basis. Technical education today is viewed like any other business proposition. That is why, during the last one decade, there has been a mad rush for setting up engineering, management and medical institutions necessitating their expansion and proliferation, and operating it from a cow- shed, a garage or a basement to flashy five star complexes. The aspirants, having commercial interest, political linkages and patronages, are the frontrunners to procure licenses with the pretension of being the true visionaries. There are instances galore that these prized institutions are being run by commercial educationist-turned teachers. For them, setting up an engineering college with an investment of about five to six crores rupees and a payback period of barely three to four years, is the most bankable project.

The mushroom growth of these institutions and students enrolment has risen from a bare 188 colleges and 45120 students (as on 31st March 1987) to a peak of as many as 1265 colleges having intake of capacity of 380803 (as on March31, 2003). Such a vast network requires about 96000 trained and competent faculties. But the irony is that even if the teacher-student ratio is relaxed to 1:20, shortfall of Ph.D and M.Tech. qualified teachers remain as 18000

and 20000 respectively.⁷ The employment scenario of technical graduates too is not that rosy. Since the supply from prestigious institutions and established universities is outstripping the demand, it would not be naïve to share the common-view that engineers are working in the place of the diploma holders. One of the main reasons for such pitiable affairs is leaving the technical education primarily in the hands of those, whose sole motto is to “Mint Money” rightly or wrongly.

Traditionally, private technical education had its roots in the states of TamilNadu, Karnataka and Maharashtra, where ‘capitation’ at the cost of ‘merit’ until some time now had been the buzzword for admissions. It was in 1993, that in order to check the menace of capitation fee, that the then Chief Minister of Karnataka took a historic decision to introduce common entrance test for professional courses which led to litigations. The Unnikrishnan judgment (S.C.1997) laid down the principles that (a) higher education is accessible to all; (b) state government is empowered to fix seat distribution (fifty per cent free seats and remaining fifty per cent as paid ones); and (c) a uniform fee structure is to be followed by the professional institutions. The above scheme was, however, nullified

⁷ Dr. B. B. Goel, DR. P. K. Kamra, & Amit Goel, The cooperator, November, 2003, P.190.

by Justice B. Kirpal's majority judgment in TMA Pai case (2002). The earlier judgment was found faulty, as it required one student to subsidise another. Accordingly, the new scheme was evolved to ostensibly help the poor students. Henceforth, more autonomy was granted to private managements with regard to admissions, selection of faculty, board of management, and above all, the fee structure.

However, this was not an end to capitation woes. Another Five Member Bench headed by Chief Justice V.N. Khare, constituted to clarify doubts and anomalies in 2002 judgment, has finally (August, 2003) slapped a ban on capitation fees and has also warned that institutions indulging in profiteering or transgressing the law would lose recognition/affiliation. The Bench has ruled that fifty per cent seats should now be reserved for state Government and the remaining fifty per cent for the private managements. The managements have been given the freedom either to have a joint entrance test of their own or join the government's CET. The private common entrance test shall however be under a Committee's control. Besides, a five-member panel headed by a retired High Court Judge shall work out the fee to be charged on case-to-case basis in the state concerned. By the same judgment, no college shall collect fees for four years at one go. In the light of the latest Supreme Court verdict, the Government of Punjab has already decided to set up two panels each to be chaired by a retired High Court Judge. In contrast,

in the state of Maharashtra, Chief Minister's panel, which was to regulate and execute policy directions of the Apex Court, has been left entirely to the capitation fee and accused themselves. To be more explicit, the panel consisted of three members (majority of them Ministers), all of whom ran private education institutions and had been marred by controversy.

There are two views, for and against, with regard to the capitation fee. Undoubtedly, capitation is considered to be a bane and a way for the haves academically to enrich themselves at the cost of their less well-off citizens. The defenders argue that private institutions have an inherent fundamental right to impart education subject to reasonable restrictions. Since a good amount of investment is required to establish and maintain a professional college, the private sector alone can supplement the efforts of the government and hence, an entrepreneur is always lured by profiteering or legitimate commerce in taking up such ventures. Further, in the liberalised regime when there is general evidence of financial crunch and the state is acting more as a facilitator than a regulator, it is obvious that private sector alone can fill the big void between demand and supply to provide quality education. Some people plead that if the 'quota' system as per our constitutional mandate is to breed even in technical institutions especially in the

unaided ones, such fees would serve as a social subsidy and would also cater to the economically disadvantaged ones.

An overwhelming majority is however, vehemently against capitation or profiteering in any form. Firstly, the latest verdict (2003) is not fool proof and the ghost of capitation is bound to make a back door entry. Under the grab of providing the best infrastructural facilities and staff, the management is most likely to cheat the beneficiaries. Secondly, the new regime of fee structure would hamper Government's ability and curiosity to provide reservations to dalits and the poor in the general category. Thirdly, the universal accessibility to education would remain merely wishful for the poor. After all, if higher education were left to free markets, a sizeable section of society would be eliminated or deprived of the advantages to enjoy fruits of technical education. Rahul Bajaj, the doyen of industry, has also supported that hiking of fees is not feasible as it puts the poor outside the purview of education. Rather, he strongly advocates that bright students receiving subsidised education at IITs at the cost of poor must pay for their education themselves as they are often lured by MNCs for employment. Fourthly, Government statistics confirms that costly education is driving a good number of students out of the education stream. The parents have to shell out at least one lakh rupees per annum for their wards to obtain an engineering seat. Fifthly, since imparting of

education is charitable in nature, there is no reason as to why educational institutions are treated as profit centres.

Leaving aside jacking up fees and other developmental charges, a substantial amount goes to the kitty of promoters by sale of the prospectus and admission forms ranging between six hundred to one thousand three hundred rupees per test. The protests against fee hikes both by parents and students across the country has not only stormed Court premises and public property, but has been a cause of great worry to the common man who has to foot the bill through a heavy and frequent doze of indirect taxes. The Government on its part currently endeavours to promote technical excellence and quality education by entering into Memorandum of Undertakings with Industrial Houses with an explicit objective to produce and generate technology rather than adopt existing technologies.

Having explained the limited role of the Government in the promotion of technical education due to meager resources and the state withering away from major activities, together with the cancerous disease of profiteering inherent in the life style of private sector, the moot question arises as to whether some alternatives still exist or let technical education be left to the mercy of our so called business-turned promoters. A simple and plain answer to these questions lies in the budding cooperatives - the third major sector of

our robust economy. Cooperatives have been hailed as the saviour of all mankind since time immemorial.

The Cooperative Academy of Professional Education, promoted by the Department of Cooperation, Government of Kerala was established in April, 1999, as an autonomous society registered on 07th April, 1999 vide G.O. (M.S) No. 52/99 dated 26th March, 1999 under the Travancore-Cochin Literary Scientific and Charitable Societies Act-1955, with the objective of setting up new professional institutions in the state in the field of technical, medical and management education. The Hon'ble Chief Minister of Kerala is the chairman of the Cooperative Academy of Professional Education (Kerala) Society and the Hon'ble Minister for Cooperation is its Vice-Chairman. A Board of Governors and an Executive Committee with the Hon'ble Minister, Government of Kerala as Chairman and the Director as the Member-Secretary govern the academy for Cooperation.

The first engineering college under the Academy was started at Vadakara in 1999-2000 and four more engineering colleges located at Perumon, Kidangoor, Thalassery and Thrikaripur started during 2000-2001, all with approval of the All India Council for Technical Education. A medical college at Kochi also was started in 2000-2001 with the approval of the Medical Council of India in

addition to the Pariyaram Medical College, Kannur. The Pariyaram Medical College has permanent affiliation from the medical council of India and has also obtained sanction for Dental College, Nursing College, Nursing School, Pharmacy College, etc. At present there are 1080 students enrolled every year in cooperative Academy of professional education. A community college is being established at North Paravur and approval for starting the MBA course is awaited from the All India Council of Technical Education. Action is in progress for starting a Maritime Institute at Thiruvananthapuram, subject to the approval of the Director General (Shipping). All the institutions are affiliated to the Cochin University of Science and Technology.

Making a mockery of the Supreme Court's interim order on the admission procedures to be followed by the Kerala Self Financing Professional Colleges in the State, huge fees amount is being collected by many of the colleges. Sources in the Higher Education Department, senior Government officials and a member of the K.T.Thomas Committee told that collection of heavy fees amounted to breach of the interim order of the Supreme Court. At the same time, the government-sponsored Cooperative Academy of Professional Education is following the norms of the Supreme Court. The details of courses offered by various institutes are furnished in the Table 6.15 given below.

Table 6.15

Various Courses offered by CAPE

INSTITUTION	COURSES AND INTAKE				
	EC	IT	EI	EE	MBBS
College of Engineering, Prumon (PRN)	60	60	--	60	--
College of Engineering, Kidangoor (KGR)	45	45	45	--	--
Cooperative Institute of Technology Vadakara (VDA]	60		60	60	--
College of Engineering, Thalassery (TLY)	60	60	60	--	--
College of Engineering, Thrikaripur (TKR)	60	60	60	--	--
Cooperative Medical College, Kochi (CMC)	--	--	--	--	100
Total	285	285	105	60	100

Source: Compiled from primary data.

Cooperatives around the world have played a significant role in providing a wide variety of goods and services in both rural and urban areas. The cooperative movement is significant both in terms of membership and impact. The United Nations estimated in 1994 that the livelihoods of nearly three billion people, or half of the world's population, were made secure by cooperative enterprises. Nearly eight hundred million individuals are members of cooperatives. They provide around one hundred million jobs. They are economically important in a large number of countries providing foodstuff, financial services as well as other services to consumers. Cooperative entrepreneurs around the world have found hundreds of

reasons for organising cooperatives and also multitude of reasons for doing so in the coming years.

The Indian cooperative movement has achieved remarkable success over the years in spite of its several operational constraints. Through 488,158 cooperatives at all levels, the Indian cooperative movement covers 99.5 per cent of the Indian villages and provides services to millions of households. The importance of cooperation has been felt both at macro level and micro level through socio-economic development. The role of cooperatives for the development of society and weaker sections is greatly felt by members and non-members. Members in general and member users in particular view cooperatives as people's organisation.

The recent economic policy changes pose new challenges to cooperatives; all understand the contribution of the cooperatives to the economy. In the context of a rapidly declining role of the state and increasing intervention of market forces, cooperatives are the best form of enterprise for civil society to exert influence and extract the optimum out of a quickly changing social and economic order.

CHAPTER VII

SUMMARY FINDINGS AND SUGGESTIONS

Cooperatives neither are mere economic tools nor are they mere social institutions. Cooperatives, in their totality, are symbols of a movement, which thrives on peoples' participation. The foundation of a cooperative institution is the combined will of its members to come together in pursuit of certain economic and social objectives and democratic goals. The internal cohesion in thinking among the members is the force that binds the cooperative structure. The willingness to succeed and achieve is the driving force for the running of cooperative institutions. Hence, cooperatives are expected to be 'role models' for the community as a whole.

Ideologically, cooperatives should emerge from the will of the people. However, in the early years of this century the Government sponsored it as a movement in our country. Since then, people are conversant with the principles. The movement can be strengthened only by the participation of a greater number of people. Cooperation should empower people to work as a unified force in the interest of socio-economic development. This objective can be achieved only if the cooperatives are run properly and on cooperative principles. Over

a number of years the movement has grown and inspired a large number of people and has created a big impact on the lives of people.

The viability, efficiency and capability of any organisation are valued on the basis of its impact on social and economic aspects. Following multi-stage random sampling procedure, fifty respondents from urban and rural areas were selected in addition to the samples of the societies. Quantitative data were collected for a period of five years ending on 31st March, 2003. Both primary and secondary data were subjected to various statistical analysis and interpretations were also done. The suggestions of the respondents for strengthening the movement were also obtained and presented in this chapter. The following is the summary of the findings.

- 1) Cooperative Educational Societies generate social benefits for people in general and members in particular. They promote social values such as non-discrimination, self-help, mutual help and social responsibility. Members of the societies have higher perception of social benefits than non-members. It is possible that economic benefits from the societies could be a strong underlying foundation for the perception of social benefits.
- 2) These societies, by promoting democratic values, generate great democratic impact among people in general and members in particular. Democratic values such as equality,

unity, solidarity and democratic benefits such as participatory decision-making, collective action, leadership buildings, etc. are promoted by these societies. They also provide a democratic institutional forum to people to further their socio-economic development. As the perception of members is based on an actual experience of democratic practices in cooperatives, they have a higher perception of the democratic benefits of cooperation.

- 3) These societies contribute to the knowledge level of the people. They impart knowledge of procedures, rules and regulations, socio-economic and political issues, knowledge of working of the various institutions, various schemes and programmes of the Government and importance of people's participation through cooperatives. They help people to know the various advantages of membership societies. However, there is not much difference between members and non-members on the perception of knowledge benefits, although member-users have a slightly higher perception of knowledge benefits than member non-users. There is evidence that greater participation in cooperative management contributes to a relatively higher perception on the knowledge benefits.
- 4) Cooperative Educational Societies bring occupation change among members and help them to achieve a higher income

occupation. Such change in occupation also brings about an increase in annual employment. Moreover, these societies generate employment by promoting subsidiary occupation and contribute to increase in income among members.

- 5) These societies help members to derive empowerment benefits such as voicing opinion boldly and openly. They help to assume leadership in issues. Participation in cooperative management has a strong effect on the perception of empowerment benefits among members. The societies provide empowerment benefits to women through leadership building and economic freedom. Member respondents in general and member-users in particular have a high perception of the empowerment benefits for women.
- 6) Cooperatives are ranked first for their social reach as they encourage participation of youth and women, foster human values, enrich the qualities of life and promote gender equity. Cooperatives help in synchronizing the group interest with the interest of individuals for economic and social development. Cooperatives are next to none so far as the social impact among their members is concerned.
- 7) There are two important vices inherited by the societies, which have adversely affected their cooperative character. The first

vice is the bureaucratisation and Government control. When colonial rulers officially brought the cooperatives in India, they introduced the omnipotent Registrar, a position specially created by the Government in order to have the final controlling rights. This will not allow the cooperative sector to blossom as a people's movement. The second vice, is the politicisation of cooperative societies. Politicians control majority of the societies. Thus it will lose the real cooperative spirit of the movement.

- 8) Financial weakness is one of the major crises faced by the Cooperative Educational Societies. No doubt that finance is the lifeblood of any organisation. Unless a solution is discovered, the life of these institutions will be adversely affected.
- 9) Cooperative Educational Societies also promote leadership among members. Over the years the leadership pattern has been changing in the societies. Members in general, and member-users in particular, have a high opinion on the democratic functioning of leaders of the societies, who are reputed to be more social, more accessible and impartial. They encourage discussions and deliberations, maintain harmony among board members and generally observe a code of ethics. But they do not maintain political neutrality. Economic power, social status by virtue of group political dominance,

membership in informal associations, etc, are the major criteria to select leaders in the societies.

- 10) The societies confer a whole gamut of awareness benefits. They create greater awareness on democratic rights, consumer rights, value of social equality, gender equality, collective action, concern for community, and the importance of savings and thrift through the cooperative movement. The members have a high perception of the awareness benefits than non-members. Among members, users have a relatively higher perception of the awareness benefits in all the districts. However, the perception of awareness benefits from the societies is almost equally felt among non-members and member non-users. This implies that the effectiveness of the societies to create awareness is universal and is not dependent on membership qualities. Cooperation as an institution is a great educator and motivator.
- 11) These societies contribute to increase the assets among active societies. Among the fixed assets, land and building seem to be prominent. These societies can be ranked first in enhancing the development of infrastructure facilities for the students. The activeness and services availed from the societies are particularly helpful in creation of more assets among the societies.

- 12) There is evidence in the study that these societies bring improvements in the standard of living among members and others. This study shows that improvements in standard of living through the societies are more perceptible among members throughout Kerala. The economic impact of the societies is proved by the fact that their presence is missed both by members and the community as a whole when any society is closed down.

- 13) People in general and members in particular have a highly positive opinion about Cooperative Educational Societies. Educational Societies are perceived as development organisations for weaker sections. The quality and low cost services of the societies are highly appreciated. A cooperative is regarded as an institutional framework, which eliminates middlemen's profits. Non-members view the societies as the distributive arms of the Government where services are offered. Members have a higher opinion about the societies than non-members. Member users view the societies as people's organisation wherein needed services are offered. However, they are also quick to point out the various weaknesses and problems of their cooperatives.

Results of hypothesis testing

The hypothesis set for the study has been tested on the basis of the above findings and the results are as follows.

The first hypothesis, the Cooperative Educational Societies have significant role in socio-economic upliftment of the society, is found true and it can be accepted.

The second hypothesis that there are regional variations in the performance of the Cooperative Educational Societies is found correct and hence can be accepted.

The third hypothesis that the societies fail to attract the quality students and upper income groups of the society is found true and so it is acceptable.

The fourth hypothesis that there is a lack of loyalty on the part of the members of the societies is seen to be true and acceptable.

The fifth hypothesis is that the absence of sound policies and professionalism in management has affected the over all performance of the Cooperative Educational Societies which is found true in this study.

Thus, though Cooperative Educational Societies are doing a lot for the socio-economic upliftment of the society, the following suggestions are put forward, so that they can render better services.

Suggestions

Educational cooperatives are new to the cooperative sector. They are skill-oriented and knowledge-based. Their capital investment is minimum and more recurring expenditure is needed for running them. Unlike the other cooperatives, state aid to the societies is negligible. However, all these institutions adopt cooperative principles in their day-to-day management. There are many suggestions derived from the study for strengthening the movement. It is appropriate to present them here.

Although there is a clamour for membership in cooperatives and a need for a drive to enlist more members, most of the respondents feel that active participation and interest of the members are the most important criteria for the success of any society. It is nominal that some members may not show much interest in the affairs of the their society apart from merely contributing their share capital. Absence of spontaneity and tendency of members of not rising above immediate self-interest have their share in weakening the system. Lack of genuine interest and faith in cooperative ideology has been yet another factor for the pathetic state of affairs. But there is a general consensus that unless members are active, cooperatives cannot prosper. Therefore, there is a clamour for throwing out the inactive members. The

dedication and commitment on the part of the members alone can take the movement forward.

Second, there is an overwhelming demand for improving the management of the societies. The need for autonomy in the management of the societies is emphasised. The elected board of management is expected to maintain political neutrality. A number of participants felt that a non-political leadership in cooperatives will ensure the running of these institutions on cooperative principles and can bring real, tangible and sustainable improvements for the institution, its members and the public. Politicians are faithful to party manifestos, and members' welfare takes a back seat. Decision-making through participatory management is advocated. Members of the societies insist on enforcing management accountability by board of management including the executive heads.

Third, the management by special officers and intervention of the officials of the cooperative department of the State Government is highly objected to by the respondents in the survey. However, implementation of Government schemes and programmes through cooperatives is encouraged. Cooperatives should be built up as self-managed, self-regulated and self-reliant institutional framework for social and economic development of the society.

Fourth, with a view to improve the financial health and operational efficiency of the Educational Cooperatives an urgent

action programme should be introduced. Financial crises are one of the most important hindrances in the growth of these societies. State level policy should be drafted to help these societies by diverting funds from the apex bodies or central agencies like NABARD or from state cooperative banks. This movement is in the childhood stage; hence proper fund should be raised for the establishment and nurture of the societies.

Fifth, there is a growing realisation that many educational societies fail to live up to the expectations in fulfilling their core objectives. Provision of services that are needed by majority is emphasised during the field survey. Besides, steps should be taken to bring professionalisation of management in societies.

Sixth, the present working conditions of the societies require the existence of central monitoring agency for managing the societies at state level as in the case of cooperative banks. In case of cooperative banks there is a monitoring agency at district level and state level. This will be very useful especially in the initial stages of development.

Seventh, the media is one of the important tools for image building of any sector. Image building has become the top most priority of the cooperative sector in modern days. To a great extent, even the existences of some societies are unknown to the public. Adequate strategy should be planned to popularise the movement

and its objectives at the state level. In the beginning of the academic year, proper advertisement and publicity should be given through suitable media. It should be indeed a welcome indicator as far as the growth and internal dynamics of the Educational Societies are concerned.

Last, but not the least, the Government's role in cooperatives needs to be reassessed in the context of their survival and development. The Government is one of the biggest stakeholders in the cooperative movement; it is a fact that cannot be denied. It has a duty to nurture these institutions. It should come forward to promote, support and strengthen the various cooperative ventures. It is high time that concessions are restored and other suitable measures are undertaken to inject a new life into the cooperative institutions.

The present study on Cooperative Educational Societies has offered many interesting insights that will provoke further investigation. Attempts may be made in future to investigate other innovative possibilities in the Cooperative Education sectors like self-service cooperative stores managed by the staff members, students' cooperative stores as a learning ground for students and similar innovative concepts.

A cooperative, irrespective of its size, is a self-contained enterprise and must run on professional lines. It is the members and their representatives who should decide what is in their best interest and act upon them. Government should act as an advisor and facilitator. A thorough study on these aspects will go a long way in finding lasting solutions to the problems of the Cooperative Educational Societies. The younger generation should be inspired to adopt cooperation as a way of life, and to respect cooperatives as the symbol of a truly glorious movement. Cooperatives have the unique opportunity of combining the advantages of economic enterprise with social goal.

* * *

APPENDIX I

Interview schedule - Secretary

- 1) Name of the society, registration no. :
- 2) Date of commencement of working :
- 3) Registered capital :
- 4) Paid up capital :
- 5) Types of shares
 - a) Class. A...
 - b) Class.B...
 - c) Class.C...
- 6) Number and face value of shares.
 - ... Class A of Rs.
 - ... Class B of Rs.
 - ... Class C of Rs.
- 7) No. of members.
 - a) Graduates.....
 - b) Post-graduates.
 - c) Others.....
- 8) Whether the board of directors exist or not. : Yes/No.
- 9) If yes, No. of members in the board. :
- 10) Whether the society was under the administration of the dept. for any previous period? : Yes/No.

(If yes, details)

- A) Time and duration. :
- B) Reasons for dismissal. :
 - a) Mismanagement. :
 - b) Inefficient administration. :
 - c) Financial misappropriation. :
 - d) Political dissatisfaction. :
 - e) Other reasons. :

- 11) No. of employees.
- A) Teaching
 - a) Male :
 - b) Female :
 - B) Non-teaching
 - a) Male :
 - b) Female :
- 12) Does the college publish its updated Prospects annually? : Yes/No.
- 13) No. of students
- a) Male :
 - b) Female :
- 14) No. of students belonging to S.C./S.T.
- a) Male :
 - b) Female :
- 15) No. of students belonging to O.B.C. :
- 16) Courses offered.
- A) Pre-degree/+2 :
 - a)
 - b)
 - c)
 - B) Graduation :
 - a)
 - b)
 - c)
 - C) Post- graduation:
 - a)
 - b)
 - c)
 - D) Others
 - a)
 - b)
 - c)

- 17) Percentage of results 1996-97, 1997-98, 1998-99, 1999-00, 2000-01, 2001-02
- A) Pre-degree/+2
a).....
b).....
c).....
- B) Graduation.
a).....
b).....
c).....
- C) Post-graduation
a).....
b).....
c).....
- D) Others
a).....
b).....
- 18) University under which the courses are registered :
- 19) Whether the college student's union is functioning : Yes/No
(If yes) Mention the mode of election to the union.
- a) General election. :
- b) Election from class representatives :
- c) Nomination :
- 20) Whether Campus politics is active : Yes/No.
- 21) General functions conducted by the college union.
- a) Seminars :
- b) Symposiums. :
- c) Workshops :
- d) Social benefit scheme :
- e) Students' Magazines :
- 22) Contributions to the social activities.
- a) N.S.S. :
- b) C.S.S. :
- c) Others :

- 23) Whether the following facilities are available for extra curricular activities
- a) Indoor games. :
 - b) Outdoor games. :
 - c) Nature clubs. :
 - d) Debate clubs. :
 - e) Cultural programmes. :
 - f) Audio/video facilities. :
 - g) Dance Music competitions. :
 - h) Literary activities. :
 - i) Any others. :
- 24) Achievements in different competitions for the last 5 years.
- a) The state levels :
 - b) The district levels. :
 - c) The taluk levels :
 - d) Others :
- 25). Furnish the following details:
- a) %of students appearing for the qualifying examinations :
 - b) % of drop out rate :
- 26) The rate of employment received and passing out. :
- 27) The rate of higher learning :
- a) UG. To PG. :
 - b) PG.to PhD. :
- 28) Prominent positions held by alumni :
- a)
 - b)
 - c)
 - d)
 - e)
- 29) How many students have usually appeared for the following examinations in the last 5years.
- a) UGC-CSIR (NET) exam :

- b) GATE :
 - c) Indian Civil Service examinations :
 - d) TOEFL :
 - e) GMAT :
 - f) Any others. :
 - g)
 - h)
- 30) Does the college collect feedback from students regularly?
- 1) UG students :
 - 2) PG. students :
 - 3) Others :
- 31) Do the college arrange personal counselling along with the academic activities. : Yes/No.
- 32) If yes, number of hours per week :
- 33) Does the college have alumni associations?: Yes/No.
- If yes, indicate the activities of alumni associations.
- a)
 - b)
 - c)
- 34) Does the college have a P.T.A.? : Yes/No
(If yes, details)
- a) No. of meetings held in a year :
 - b) Main recommendations :
 - c)
 - d)
- 35) Govt. assistance :
- a)
 - b)
 - c)
- 36) Fees charged per annum
- a) Pre-degree/+2 :
 - b) Graduation :
 - c) Post-graduation :
 - d) Others :

- 37) No. of instalments.
- a) Pre-degree. :
 - b) Graduation :
 - c) Post-graduation :
 - d) Others :
- 38) Have there been changes in the tuition and other fees during the last five years-
- If yes details-
- a)
 - b)
 - c)
 - d)
 - e)
- 39) Percentage of tuition fee default in a year :
- a) 1st year :
 - b) 2nd year :
 - c) 3rd year :
 - d) 4th year :
 - e) 5th year :
- 40) Annual expenditure per annum.
- a) Salary. :
 - b) Honorarium. :
 - c) Rent. :
 - d) Printing stationary :
 - e) Travelling expenses :
 - f) Others :
- 41) No. of books available in the library
- a) Academic :
 - b) General book :
 - c) Journals. :
 - d) No. of news papers :
- 42) Do you have own building? : Yes/No
- 43) If yes, Details
- a) No. of class rooms :
 - b) Average area of classrooms :
 - c) Average area of office rooms :

- d) No. of staff rooms :
- e) Average area of staff rooms :
- f) Area of library :
- g) Area of auditorium :
- h) Area of playground :

44) If no, how do you arrange the building?

- a) Rent :
- b) Lease :
- c) Others :

45) Present assets and liabilities of the societies.

- A) Assets-
- Land. :
 - Building. :
 - Investments. :
 - Benches, desks. :
 - Shelves. :
 - Tables. :
 - Typewriting machine. :
 - Computers. :
 - Others. :

- B) Liabilities-
- Long term loans. :
 - Short term loans. :
 - Borrowings. :
 - Creditors. :
 - Outstanding liabilities. :
 - Overdraft. :
 - Others. :

End.

APPENDIX II

Interview Schedule – Board of Directors

- 1) Name of the respondent :
- 2) Place :
- 3) Age :
- 4) Educational qualifications :
 - a) Experiences. :
- 5) Professional status :
- 6) Whether belongs to O.B.C.or S.C., S.T. :
- 7) Memberships in-
 - A) Cultural organisations :
 - a) Library :
 - b) Arts clubs :
 - c) Sports clubs :
 - B) Political organisations-
 - a) Political party :
 - b) Trade unions :
- 8) Are you satisfied with the performance of teaching and non-teaching staff?
Teaching/Non-teaching. : Yes/No
- 9) Give the reasons if your answer is no.
 - a) Low academic std. :
 - b) High turnover of teachers :
 - c) Lack of sufficient training :
 - d) Poor infrastructure :
 - e) Others :

9) Do you have any concrete suggestions for improving socio-economic status by your society?

- a)
- b)
- c)
- d)
- e)

End.

APPENDIX III

Interview Schedule-Teaching & Non-teaching staff

- 1) How long have you been working in this establishment? :
- 2) Age, educational qualification of Teaching staff/ Non-teaching staff :
 - a) Age :
 - b) Qualification :
 - c) Experience :
- 3) No. of working hours per week:
 - a) Teaching/ Non-teaching staff :
- 4) Have the teachers attended any faculty improvement programmes for the last 5years? :
 - a) Refresher course :
 - b) Orientation course :
 - c) Work shops :
 - d) Seminars :
- 5) Do you work in any other institutions? :
- 6) To which of the following category you belong.
 - a) Permanent :
 - b) Temporary :
 - c) Hourly basis :
- 7) Whether you have sufficient facilities in the college? : Yes/No.
If no, specify what is lacking.
 - a) Library :
 - b) Sufficient classrooms. :
 - c) Staff rooms :
 - d) Play grounds :
 - e) Auditoriums :

- f) Sports materials :
- g) Computers :
- h) Others :

8) What suggestions you can make to improve the college?

- a) Internal assessment :
- b) Student's assessment :
- c) Academic sub-committees :
- d) Strong P.T.A. :
- e) Others :

End

APPENDIX IV

Interview schedule – Students

- 1) Class in which you are studying :
- 2) Why do you select this college?
 - a) Nearness. :
 - b) Academic Std. :
 - c) Reputation :
 - d) Extra-curriculum. :
 - e) Low fees. :
- 3) Working hours per week :
- 4) Percentage of actual working hours per week. :
- 5) Have you lost any working days/week due to
 - a) Strike. :
 - b) Lack of teachers. :
 - c) Other reasons? :
- 6) Whether you have sufficient primary facilities in the college? : Yes/No
(If answer is no specify what is lacking)
 - a) Library. :
 - b) Playground. :
 - c) Sports materials. :
 - d) Rest rooms. :
 - e) Lunch rooms. :
- 7) Annual income of the parents :
- 8) What is your opinion about the future of the institution? : Good/Bad
- 9) Give reasons for your answer-
 - a) High/Low academic std. :
 - b) Good/Bad infrastructure. :
 - c) Good/Bad administration. :

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- d) Good High/Low expensive. :
- e) Others :

10) What can you contribute for the future development of the college?

- a)
- b)
- c)

End.

APPENDIX -V
List of selected samples of Educational Cooperative Societies in Kerala

SOUTH KERALA

- 1) Thiruvananthapuram Taluk Education CS ltd. T. 690
- 2) Chirayinkeezh Taluk Educational CS ltd. T. 808
- 3) Kollam Taluk Educational CS ltd. Q. 839
- 4) Thiruvalla Taluk Educational CS ltd. PT. 143
- 5) Mavelikkara Educational CS ltd. A. 712
- 6) Kuttanad Taluk Parallel College ltd. CS. A.903
- 7) Kottayam Educational CS ltd. K. 713
- 8) Meenchal Taluk Educational CS ltd. K. 785

MIDDLE KERALA

- 9) Kodungallor Educational CS ltd. E. 726
- 10) A. K. G. Memorial Educational ltd. CS. Ltd. E. 861
- 11) Palakkad Cooperative Arts & Science College ltd. P. 902
- 12) Mannarkad Cooperative Educational Society ltd. P. 906
- 13) Thrissur Taluk Co.op. College Educational Society ltd. R. 728
- 14) Mukundapuram Taluk Educational CS ltd. R. 758

NORTH KERALA

- 15) Ernad Taluk Educational CS ltd. M. 311
- 16) Thirurangadi Taluk Educational CS ltd. M. 515
- 17) Malappuram Educational CS ltd. M. 505

- 18) Kozhikode Taluk Educational CS ltd. D. 2351
- 19) Feroke Educational CS ltd. D. 2436
- 20) Pulppally Cooperative College ltd. W. 199
- 21) Sulthan Bathery Taluk Cooperative Arts College ltd. W. 39
- 22) Thalassery Educational CS ltd. C. 872
- 23) Cannanore Educational CS ltd. C. 961
- 24) Cherukunnu Co. op. Educational CS. ltd. C. 968
- 25) Kasargod Taluk Educational CS ltd. C. 904
- 26) Neeleswaram Educational CS. Ltd. C. 915

DORMANT SOCIETIES

- 1. Koyilandy Cooperative Arts & Commerce College ltd. D. 2346
- 2. Phinix High Educational CS ltd. C. 1375
- 3. Kasargod Taluk Technical Educational CS ltd. C. 875
- 4. Hosdurg Taluk Technical Educational CS ltd. S. 149
- 5. Ambalavayal Cooperative Arts College ltd. W. 218
- 6. Ottappalam Taluk Educational CS ltd. P.908
- 7. Kottakada Educational Cooperative Society ltd. T. 755
- 8. Kottarakara Taluk Educational CS ltd. K. 842
- 9. Karunagappally Taluk Educational CS ltd. Q. 823.

* * *

APPENDIX VI

University-wise number of Teachers in Arts & Science colleges in Kerala (2001-2003)

		Kerala	Calicut	M. Gandhi	Kannur	Total
2001	M	1344	1881	1584	214	5023
	F	2132	2241	1408	369	6150
	T	3476	4122	2992	583	11173
2002	M	1799	1354	1548	325	5026
	F	1934	1537	1728	360	5559
	T	3733	2891	3276	685	10585
2003	M	1535	1370	1738	322	4965
	F	1634	1458	1985	416	5493
	T	3169	2828	3723	738	10458

Source: Directorate of Collegiate Education, Thiruvananthapuram

APPENDIX VII

Details of B. A. degree enrolment in colleges the year 2002-2003

Subject	First year		Second year		Third year	
	Total	Girls	Total	Girls	Total	Girls
1 Economics	6455	4421	6124	4360	6220	5122
2 History	3418	2122	3352	2231	3240	1715
3 Sociology	962	624	902	528	741	335
4 Politics	998	498	1029	595	940	425
5 Philosophy	510	310	679	400	514	248
6 Geography	95	40	79	25	73	30
7 Psychology	270	148	214	113	154	73
8 English	4059	2120	3910	2275	2814	1610
9 Malayalam	3041	2150	2793	1585	2637	1715
10 Hindi	910	432	852	615	609	304
11 Islamic History	292	145	217	102	169	73
12 Arabic	380	202	293	135	250	65
13 Sanskrit	240	85	183	95	170	30
14 Kannada	25	10	23	12	22	10
15 Tamil	53	20	46	12	53	20
16 Music	45	15	53	19	45	20
17 Total	21753	13342	20749	13102	18651	11795

Source: Directorate of Collegiate Education

APPENDIX VIII

Details of B.Sc degree enrolment in colleges During 2002-2003

Subject	First year		Second year		Third year	
	Total	Girls	Total	Girls	Total	Girls
1 Mathematics	5309	3330	5115	3108	4810	2690
2 Physics	4041	2518	4125	2459	4205	2535
3 Chemistry	4155	2585	4113	2340	3920	2145
4 Zoology	3765	2280	3616	2275	3410	1950
5 Botany	3015	2390	2522	2202	2410	1890
6 Statistics	281	156	210	150	155	115
7 Geology	190	174	137	88	144	90
8 Home science	63	69	30	65	35	80
9 Bio Chemistry	94	35	60	55	40	15
10 Polymer Chemistry	132	50	80	33	90	45
11 Bio Technology	28	20	20	30	22	8
12 Computer Science	110	45	83	40	62	20
13 Industrial Fish & Fisheries	40	18	33	12	25	10
14 Electronics	82	35	62	16	70	20
15 Analytical Chemistry	15	5	10	5	5	5
Total	21320	13710	20216	12878	19403	11618

Source: Directorate of Collegiate Education

APPENDIX IX

Details of enrolment of M. A. students in colleges During 2002-2003

Subject	First year			Second year		
	Boys	Girls	Total	Boys	Girls	Total
1 Economics	242	615	857	373	570	943
2 History	128	310	438	179	328	507
3 Sociology	7	8	15	8	8	16
4 Politics	73	155	228	90	156	246
5 Philosophy	12	30	42	27	33	60
6 Geography	6	25	31	11	15	26
7 Psychology	12	35	47	8	30	38
8 English	203	470	673	203	399	602
9 Malayalam	70	330	400	85	161	246
10 Hindi	60	150	210	48	207	255
11 Geology	22	15	37	18	14	32
12 Arabic	121	45	166	117	58	175
13 Sanskrit	20	43	63	39	12	51
14 Kannada	5	9	14	8	5	13
15 Islamic History	38	49	87	61	53	114
16 Tamil	5	8	13	7	12	19
Total	1024	2297	3321	1282	2061	3343

Source: Directorate of Collegiate Education, Thiruvananthapuram

APPENDIX X

Details of M.S.c. students in colleges During 2002-2003

Subject	First year			Second year		
	Boys	Girls	Total	Boys	Girls	Total
1 Mathematics	140	528	668	145	432	577
2 Statistics	115	315	430	98	245	343
3 Physics	146	363	509	149	338	487
4 Chemistry	123	345	468	128	337	465
5 Zoology	138	309	447	135	325	460
6 Botany	112	350	462	110	360	470
7 Home Science	7	10	17	8	9	17
8 Geology	12	10	22	15	15	30
9 Analytical Chemistry	8	9	17	4	10	14
10 Bio-Chemistry	4	5	9	0	0	0
Total	805	2244	3049	792	2071	2864

Source: Directorate of Collegiate Education, Thiruvananthapuram

Details of Enrolment of M. Com students in colleges During 2002-03

Category	Boys	Girls	Total
1 First year	481	615	1096
2 Second year	487	609	1096
Total	968	1224	2192

Source: Directorate of Collegiate Education, Thiruvananthapuram

APPENDIX XI

Comparative statement showing literacy rate In India and States 1991 & 2001

India/States/Union Territories	Literacy rate 1991			Literacy rate 2001		
	%	% M	% F	%	% M	% F
India	52.21	64.13	39.29	65.38	75.85	54.16
1 Jammu & Kashmir	--	--	--	54.46	65.75	41.82
2 Himachal Pradesh	63.86	75.36	52.13	77.13	86.02	68.08
3 Punjab	58.51	65.66	50.41	69.95	75.63	63.55
4 Chandigarh	77.81	82.04	72.34	81.76	85.65	76.65
5 Uthanchal	--	--	--	72.28	84.01	60.26
6 Haryana	55.85	69.10	40.47	68.59	79.25	56.31
7 Delhi	75.29	82.01	66.99	81.82	87.37	75.00
8 Rajasthan	38.55	54.99	20.44	61.03	76.46	44.34
9 Uttra Pradesh	41.60	55.73	25.31	57.36	70.23	42.98
10 Bihar	38.48	52.49	22.89	47.53	60.32	33.57
11 Sikkim	55.94	65.74	46.69	69.68	76.73	61.46
12 Arunachal Pradesh	41.59	51.45	29.69	54.74	64.07	44.24
13 Nagaland	61.65	67.62	54.75	67.11	71.77	61.92
14 Manipur	59.89	71.63	47.60	68.87	77.87	59.70
15 Mizoram	82.27	85.61	78.60	88.49	90.69	86.13
16 Tripura	60.44	70.58	49.65	73.66	81.47	65.41
17 Meghalaya	46.10	53.12	44.85	63.31	66.14	60.41
18 Assam	52.89	61.87	43.03	64.28	71.93	56.03
19 West Bengal	57.70	67.81	46.56	69.22	77.58	60.22
20 Jharkand	--	--	--	54.13	67.94	39.38
21 Orissa	49.09	63.09	34.68	63.61	75.95	50.97
22 Chattisgarh	--	--	--	65.18	77.86	52.40
23 Madhya Pradesh	44.20	58.42	28.85	64.11	76.80	50.28
24 Gujarat	61.29	73.13	48.64	69.97	80.50	58.60
25 Dam & Diu	71.20	82.66	59.40	81.09	88.40	70.37
26 Dara&NagarHaveli	40.71	53.56	26.98	60.03	73.32	42.99
27 Maharastra	64.87	76.56	52.32	77.27	86.27	67.51
28 Andhra Pradesh	44.09	55.13	32.72	61.11	70.85	51.17
29 Karnataka	56.04	67.26	44.34	67.04	76.29	57.45
30 Goa	75.51	83.64	67.09	82.32	88.88	75.51
31 Lakshdeep	81.78	90.18	72.89	87.52	93.15	81.56
32 Kerala	89.81	93.62	86.17	90.92	94.20	87.86
33 Tamil Nadu	62.66	73.75	51.33	73.47	82.33	64.55
34 Pondicherry	74.74	83.68	65.63	81.49	88.89	74.13
35 A & N Islands	73.02	78.99	65.46	81.18	86.07	75.29

Source: Census 2001

Note: The 1991 Census was not held in Jammu & Kashmir.

APPENDIX XII

Working results of educational societies During the year ending 1998-99

(Amounts in Rs.'000)

S No.	Name of District	Profit		Loss		No. of societies no P \ L
		No	Amt.	No	Amt	
1	Trivandrum	2	67	4	3546	3
2	Kollam	1	4	3	303	1
3	Pathanamthitta	1	1	2	244	1
4	Alappuzha	0	0	4	609	0
5	Kottayam	1	22	2	49	5
6	Idukki	2	668	5	378	0
7	Ernakulam	2	308	5	608	0
8	Thrissur	1	11	4	330	0
9	Palakkad	1	642	3	800	1
10	Malappuram	2	185	7	937	1
11	Kozhikode	2	174	2	196	1
12	Wayanad	5	193	1	18	4
13	Kannur	1	51	7	1111	3
14	Kasragode	1	2	4	121	0
	Total	22	2328	53	9250	20

Source: Source: Co-operatives in Kerala Statistical Abstract-1998-9

APPENDIX XIII

Working results of educational societies During the year ending 1999-00

(Amounts in Rs. '000)

Sl. No.	Name of District	Profit		Loss		No. of societies no P\ L
		No	Amt.	No	Amt	
1	Trivandrum	2	56	5	4024	2
2	Kollam	1	7	4	352	1
3	Pathanamthitta	1	38	2	617	1
4	Alappuzha	0	0	4	567	0
5	Kottayam	2	26	2	272	3
6	Idukki	2	1322	4	393	1
7	Ernakulam	2	136	3	514	3
8	Thrissur	1	586	4	261	0
9	Palakkad	1	309	4	762	0
10	Malappuram	6	720	7	1758	0
11	Kozhikode	3	224	2	210	0
12	Wayanad	3	126	4	109	2
13	Kannur	2	69	7	2359	0
14	Kasragode	0	0	4	122	4
	Total	26	3619	56	1232 0	17

Source: Co-operatives in Kerala Statistical Abstract-1999-2000

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