

**COOPERATIVE SOCIETIES IN MIZORAM:
PROBLEMS AND PROSPECTS**

Thesis

**Submitted to the Mizoram University for the
Degree of Doctor of Philosophy**

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Preface

Cooperative means living, thinking and working together. The concept and spirit of human cooperation do not belong to any particular society. It had ushered in the life of human beings when they realised that if united, they were stronger than as separate individuals scattering here and there. Cooperative society is a business organisation, owned and run by and for their members. It is 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. As a multi-dimensional economic activity, it is neither capitalistic nor socialistic but a neutral means of organisation with adaptability to widely diverging economic and social systems.

In the context of changes in governance, increasing role of welfare states, changes in economy, introduction of new economic policy and the growth of individualism, cooperative as a movement or as a sector in the economy, has been facing different problems and challenges including crisis of identity. While many of these problems are universal and permeate cooperatives of different countries, some are peculiar and typical to a country or even in a single state within a country.

The present research study deals with the condition of cooperative societies in the state of Mizoram in particular and the cooperative movement in general with an aim to find out different problems and suggest measures for the development of cooperatives in Mizoram.

The first chapter contains general introduction, main concept and ideas of cooperation and cooperatives, statement of problem, review of literature, research questions, scope of study, methodology and chapterisation of the thesis.

The second chapter covers the origin and history of cooperative societies, type, nature and dimensions, structure, functions and processes, membership details and participation of individual and groups relating to cooperative societies.

In the third chapter that deals with the Department of Cooperation in Mizoram, we discuss its origin and growth, historical development, structure, functions and responsibilities in the Department of Cooperation.

The fourth chapter contains the study of selected cooperative societies in Mizoram conducted mainly through questionnaires, interview of the members and non-members who are associated with cooperative movement, study of reports, publications and data analysis. Analysis of questionnaires shows opinion of the cooperators on various issues of cooperative movement in Mizoram.

We see the role of government in the context of cooperative societies in the fifth chapter. This chapter provides discussion on the role of government and its agencies at the centre as well as at the state levels in relation to cooperative societies in India. It also deals with the roles played by central government agencies and that of the Department of Cooperation in Mizoram.

The sixth chapter discusses different issues such as problems and challenges of cooperative societies in Mizoram in particular, and the general problems which are common elsewhere in the country or in the world, problems relating to functions and processes, lack of awareness and inadequate cooperative education and training, finance and other resources, laws, rules and regulations, administrative, political, social, cultural and technological problems.

The seventh chapter makes conclusion with brief summaries of all the previous chapters in the thesis, answers to the five research questions, concluding observations and suggestions for future activities and research.

ABBREVIATIONS

ARCS – Assistant Registrar of Cooperative Societies

DRCS – Deputy Registrar of Cooperative Societies

GAD - General Administration Department

IAS – Indian Administrative Service

ICA – International Cooperative Alliance

IFFCO – Indian Farmers Fertilizer Cooperative Limited

LAMPS - Large Sized Adivasi Multipurpose Societies

MAHCO - Mizoram Apex Handloom & Handicraft Cooperative Society Limited.

MAHFED - Mizoram State Agriculture, Horticulture & Marketing Cooperative Federation Limited.

MASCOS – Mizoram Apex Sericulture Cooperative Society Limited.

MCAB - Mizoram State Cooperative Apex Bank Limited.

MIZOFED – Mizoram State Cooperative Marketing & Consumers Federation Limited.

MF & AS - Mizoram Finance and Account Service

MSCDC - Mizoram State Cooperative Development Council

MUCO – Mizoram Urban Cooperative Union Limited

MULCO - Mizoram Milk Producers' Cooperative Union Limited

MNF - Mizo National Front

MSCU – Mizoram State Cooperative Union Limited

NABARD - National Bank for Agriculture and Rural Development

NAFED - National Agricultural Marketing Federation of India Limited

NCCT - National Council for Cooperative Training

NCDC – National Cooperative Development Corporation

NCUI - National Cooperative Union of India

PIGFED – Mizoram Pig Producers Federation Limited.

PVV - Protected and Progressive Village

RCS – Registrar of Cooperative Societies

STATFED - Assam State Cooperative Marketing and Consumers Federation
Limited

SBI – State Bank of India

SPSS - Statistical Package for Social Sciences

UPA - United Progressive Alliance

UT – Union Territory

WOMENFED – Mizoram Women Cooperative Federation Limited.

ZOFISHFED - Mizoram Fish Farming, Marketing & Processing Federation
Limited.

LIST OF TABLES

Number	Title	Page
2.1	Pioneer cooperative societies and their dates of registration	43
2.2	Decadal growth of cooperative societies of various trades in Mizoram during the period of 1971-2007	45
2.3	Growth of cooperative societies in Mizoram during the period of 1950 to 2009 as on 12.6.2009	46
2.4	Classification and sub-classification of societies under Section 10 of the Mizoram Cooperative Societies Rules of 1996	47-48
2.5	The category wise registered primary level cooperatives in Mizoram as on March 31, 2008	49
2.6	District wise position of Primary Cooperatives in Mizoram as on 31.3.2008	55
2.7	Position of State Level Cooperative Societies in Mizoram as on 31.3.2008	56-57
3.1	Incumbency List of District Cooperative Officers	82
3.2	Strength of the office staff of Assistant Registrar of Cooperative Societies, Aizawl West as on March 31, 2008	86
3.3	Incumbency period of the Assistant Registrar of Cooperative Societies, Aizawl West as on 31.3.2009	86
3.4	Incumbency period of the Assistant Registrar of Cooperative Societies, Aizawl East as on 31.3.2009	87
3.5	Strength of the office staff of ARCS, Aizawl East as on March 31, 2008	88
3.6	Incumbency period of the Assistant Registrar of Cooperative Societies, Lunglei as on 31.3.2009	89
3.7	Strength of the office staff of Assistant Registrar of Cooperative Societies, Lunglei as on March 31, 2008	89
3.8	Incumbency period of the Assistant Registrar of Cooperative Societies, Saiha as on 31.3.2009	90

3.9	Strength of the office staff of Assistant Registrar of Cooperative Societies, Saiha as on March 31, 2008	91
3.10	Incumbency period of the Assistant Registrar of Cooperative Societies, Kolasib as on 31.3.2009	91
3.11	Strength of the office staff of Assistant Registrar of Cooperative Societies, Kolasib as on March 31, 2008	92
3.12	Incumbency period of the Assistant Registrar of Cooperative Societies, Champhai as on 31.3.2009	92
3.13	Strength of the office staff of Assistant Registrar of Cooperative Societies, Champhai as on March 31, 2008	93
3.14	Strength of the office staff of Assistant Registrar of Cooperative Societies, Serchhip as on March 31, 2008	93
3.15	Incumbency list of the office of Registrar of Cooperative Societies in Mizoram during the year 1972 to 2008	95-96
3.16	Organizational Composition of Directorate, Department of Cooperation as on March 31, 2009	96-97
5.1	Number of cooperative societies registered during the year 1999 – 2008	169
5.2	Cancellation and winding up of defunct Cooperative Societies	170
5.3	List of liquidated Cooperative Societies	170
5.4	Amount of Government financial assistance to various categories of cooperatives in Mizoram	171
5.5	Number of State Level Cooperative Societies Audited during 1999-2007	172
5.6	Audit fees collected from Primary Cooperative Societies during 1999-2008	173
5.7	Financial assistance received from NCDC during 1999 – 2008	174
5.8	Amount of NCDC loan recovered from the beneficiary Cooperatives societies during 1999 – 2008	175
5.9	Performance of arbitrary cell during the year 1999 – 2008	176

List of Charts

Number	Title	Page
2.1	Managerial hierarchy within the cooperatives	58
3.1	Organizational Chart, Department of Cooperation as per sanctioned posts as on March 31, 2009	98
3.2	Organizational Chart of the District Cooperative Offices, Department of Cooperation as on March 31, 2009	99
4.1	Gender composition	118
4.2	Age group of the members	119
4.3	Education composition	120
4.4	Occupation of members of cooperative societies	121
4.5	Opinion of cooperative members on how Government looks after the cooperatives	122
4.6	Opinion of cooperative members on how far the cooperative movement in Mizoram is successful	123
4.7	Members' opinion on the reason behind the failure of cooperatives in Mizoram	124
4.8	Opinion of cooperative members on important factor for the success of cooperatives societies in Mizoram	125
4.9	Opinion of cooperative members on deputation of Officers in Cooperative Societies	126
4.10	Opinion of cooperative members on educational qualification to become leaders in village level cooperatives	137
4.11	Opinion of cooperative members on educational qualification to become leaders in state level cooperative societies	128
4.12	Opinion of cooperative members on the issue of adequacy of cooperative education and training imparted to members	129
4.13	Opinion of members on the system of cooperative education and training as imparted by the Cooperative Unions	130

4.14.	Opinion of cooperative members on the issue of the course contents of cooperative education and training in Mizoram	131
4.15	Opinion of cooperative members on whether Government of Mizoram consults cooperative societies or not	132
4.16	Opinion of cooperative members on whether Government of Mizoram uses cooperative societies as implementing agencies of economic policies and other developmental plans	133
4.17	Opinion of cooperative members on the issue of share holding the government should have in cooperative societies	134
4.18	Opinion of cooperative members on the provision of Section 46 (5) of the Mizoram Cooperative Societies Act, 2006	135
4.19	Opinion of cooperative members on whether political parties interfere in the election of cooperative leaders	136
4.20	Opinion of cooperative members on the struggle for leadership in cooperative societies	137
4.21	Opinion of cooperative members on the issue of loans and grants	138
4.22	Opinion of cooperative members on participation of youth	139
4.23	Opinion of cooperative members on how would be the performance of cooperatives if provided with adequate capital	140

CONTENTS

	Pages
Certificate	
Declaration	
Acknowledgement	
Preface	<i>i-ii</i>
List of Abbreviations	<i>iii-iv</i>
List of Tables	<i>v-vi</i>
List of Charts	<i>vii-viii</i>
Chapter I	
Introduction	1-32
Main concepts and ideas of Cooperation and Cooperative	
- Statement of the Problem - Review of literature - Research questions	
- Scope of study – Methodology – Chapterisation	
Chapter II	
Cooperative Societies in Mizoram : A historical Perspective	33-75
- Origin and history of cooperative societies - Cooperative societies;	
- type, nature and dimensions - Structure, functions and processes	
- Membership details and participation of individual and groups	
Chapter III	
Department of Cooperation in Mizoram	76-107
Origin and Growth - Historical development - Structure	
- Functions and responsibilities in the department	
Chapter IV	
Study of Cooperative Societies	108-145
Questionnaires – Interview	
- Study of reports and publications - Data analysis	
Chapter V	
Role of Government in the Context of Cooperative Societies	146-174
- Role of central government - Role of state government	
- Role of central agencies	
- Role of the Department of Cooperation, Government of Mizoram	

Chapter VI**Problems and Challenges of Cooperative Societies in Mizoram** 175-103

- Problems relating to organisation and structure
- Problems relating to functions and processes
- Lack of awareness and inadequate cooperative education and training
- Problems relating to finance and other resources
- Problems relating to laws, rules and regulations
- Administrative, political, social, cultural and technological problems

Chapter VII**Conclusion** 204–235

Brief summaries of all the previous chapters

- Answers to research questions
- Concluding observations
- Suggestions for future activities and research

Bibliography 236–256**Appendices** 257–278



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CERTIFICATE

This is to certify that the thesis titled '**Cooperative Societies in Mizoram : Problems and Prospects**' submitted by John C.Lallawmawma for the award of Degree of Doctor of Philosophy of Mizoram University is his original work. In preparing the thesis, he has complied with all the requirements as laid down in the UGC Ph.D. Regulations of 2009 and Mizoram University Ordinance. This thesis has not been published nor has it been submitted to any other University for any other degree.

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DECLARATION

I, John C.Lallawmawma, hereby, declare that the material embodied in the present study ‘Cooperative Societies in Mizoram : Problems and Prospects’ is based on my original research work and has not been submitted or used in part or in full for any other degree or diploma in any form in any university or institution. My indebtedness and hearty regards to other works on the related subjects have duly been acknowledged at relevant places.

(JOHN C.LALLAWMAWMA)

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Chapter – I

Introduction

Cooperation is a key to stability and growth in almost all spheres of human existence. The growth of families, clans and villages, towns and cities are the outcome of cooperation. Etymologically, the word cooperation originated from Latin word, ‘Co-operari’. ‘Co’ means with and ‘operari’ means to work¹. In a common usage cooperation means living, thinking and working together to achieve a common purpose. In that connection, people of the same locality, with common problems associated voluntarily to work for their social and economic development. In fact, without the operation of the principle of cooperation, all sociability and mutual aid, the progress of organic life, the improvement of the organism and even strengthening of the species would become utterly incomprehensible².

The International Cooperative Alliance (ICA), a worldwide union of cooperatives, defines cooperative 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. The cooperatives are businesses owned and run by and for their members. Whether the members are the customers, employees or residents they have an equal say in what the business does and a share in the profits.³ As businesses driven by values not just profit, cooperatives share internationally agreed

¹Douglas Harper (2002-2012). *Online Etymology dictionary*: Dan McCormack. (http://etymonline.com/index.php?term=administer&allowed_in_frame=0).

Late 15c., from Middle French coopération, or directly from Late Latin cooperationem (nominative cooperatio) "a working together," noun of action from past participle stem of cooperari "to work together," from com- "with" and "operari "to work". Before vowels and aspirates, reduced to co-; before -g-, assimilated to cog- or con-; etc.

²Chitta Ranjan Samaddar (1991). *Cooperative Movement in Assam*, Guwahati: Published by C. Samaddar. p.3

³<http://2012.coop/en/what-co-op/cooperative-identity-values-principles>. Retrieved September 29, 2012. 1:00pm.

principles and act together to build a better world through cooperation. Successful cooperatives around the world are allowing people to work together to create sustainable enterprises that generate jobs and prosperity and provide answers to poverty and short term business practices.

The Mizoram Cooperative Societies Act of 2006 (as amended up to 2012) defines cooperatives as self-reliant, self-help, autonomous, voluntary, democratic, business enterprises registered or deemed to have been registered under this Act, which is jointly owned, managed and controlled by its members, who may be individuals or cooperatives, for the purpose of fulfilling or meeting their economic and social betterment, through the financially gainful provision of core services which fulfil the common need felt by all members⁴.

Cooperation does not believe in the principle of survival of the fittest. In an imbalanced society, it is a unique instrument of the underprivileged and the weak whom it seeks to strengthen by realising their inner strength and initiative. On the other hand, politically, cooperation strengthens the foundation of democracy, provides for decentralisation and serves as an effective safeguard against all forms of exploitation, stateism⁵ and concentration of power. At the same time, socially, cooperation provides and encourages the growth of a richer social system in which the voluntary efforts of small communities tends to replace universal coercion of state law⁶.

⁴Chapter I, Section 2 (14) of the Mizoram Cooperative Societies Act of 2006 as amended up to 2012.

⁵'The theory or practice of concentrating economic and political power in the state, resulting in a weak position for the individual or community with respect to the government' as defined in Collins English Dictionary – Complete and Unabridged © Harper Collins Publishers 1991, 1994, 1998, 2000, 2003.

⁶Sujit Kumar Pruseth (2000). *Cooperative as an Alternative Institution for Development*, Dissertation submitted to the Jawaharlal Nehru University in Partial Fulfillment of the Requirement for the Award of the Degree of Master of Philosophy. New Delhi: p.61

1.1. Main concepts and ideas of Cooperation and Cooperative

As stated above, the concept of cooperative or cooperation is closely associated with the birth and growth of human civilisation. Social and economic development, the increasing population, spread of human race, diversification of professional activities and such other factors have brought about the need for more proper and efficient cooperation to tackle and contain diverse problems especially economic problems. Many persons thus, came up and formed associations like cooperative societies to work together to achieve their common aims and objectives necessitated by their common problems for their survival. Since cooperative is a multi-dimensional economic activity with adaptability to widely diverging economic and social systems, the economists always prefer to refrain from trying for its rigid and definite explanation. They rather agree that cooperation is not an end in itself but a means to a certain goal. In this respect, there are three schools of thought⁷ as given below.

1.1 (i). The cooperative enterprise school of thought

This school is based on the definition that the cooperative society is a voluntary association of independent economic units, i.e. firms, business and households, to form a business enterprise organised, capitalised and managed by, of and for its members. This was advocated by people like Schulze–Delitzsch, Hass Raiffeisen⁸ and Plunkett.

1.1 (ii). The cooperative commonwealth school of thought

This school is not satisfied with a mere improvement of the members economic position within the existing economic system but wants, as a long-term objective, to eliminate the competitive, capitalistic system and replace it by an economic system based on mutual cooperation. Economists like Robert Owen, Charles Fourier, etc., subscribed to this school of thought.

⁷Helm C. Franz (1968). *The Economics of Cooperative Enterprise*, University of London Press Ltd. p.3

⁸Schulze of Delitzsch and Hass Raiffeisen were the German cooperators who formed credit cooperatives successfully in Germany. The first Indian Cooperative Act, 1904 was enacted on the patterns of cooperatives established by them.

1.1 (iii). The socialist cooperative school of thought

The most recent among the three schools, is based on the Marxist-Leninist theory according to which cooperative can be an important step in socialist progress. It finds cooperatives as the part of a transitory stage which facilitates the transformation from capitalism to socialism and eventually to communism, as a part of the historical process of revolutionary development. Albeit differences in views and definitions, a cooperative society may be understood as ‘an association of people, with common interests, who get together voluntarily to solve their problems; setting their own way of activities to achieve the highest possible level of socio-economic development’⁹.

If an attempt is to be made to find a common denominator for these diverging opinions, cooperation could be defined in the widest sense as a voluntary organisation of economic units, based on equality, carrying out an allocated or self-given economic objective. The cooperative society is in its nature neither capitalistic nor socialistic but a neutral means of organisation which can serve various aims and economic systems¹⁰.

1.2. Statement of the Problem

Though cooperative movement has a long history among the Mizos in Mizoram, the people have not yet found till today any commendable success story made by the cooperative societies in Mizoram. It is apparent that the Mizos have good community life but cooperative movement occupies a back seat in the Mizo society. In spite of all arrangements and supports given to the cooperative societies by the central and the state governments, the cooperative movement cannot make any remarkable stride. The main reasons which seem responsible for the poor performance of cooperatives in Mizoram are absence of adequate awareness and cooperative education among the people. Many of the cooperatives are still depending on grants and other supports from central and the state governments. Many of the members of these cooperatives appear to be

⁹Helm C. Franz, *op. cit.*, p. 5.

¹⁰Helm C. Franz, *Ibid.* p. 5.

having no commitment to the development of their respective societies. There are also some observations that the members are only interested in using their societies for extracting loans and grants from the government and other financing agencies. In the meanwhile, there is also too much interference of government in the day-to-day functioning of the cooperative societies. At the time of our study, fifteen (15) cooperative officers have been deputed as Managing Directors, Managers, etc. to different state level cooperative societies some of which are blamed by the cooperators to have become white elephants to them. On top of that, there has always been a thirst for leadership among the members of societies which sows the seeds of mistrust among themselves.

Interference of the political hands and the indulgence of some of the cooperative officials in trade for their private or individual financial benefits also hamper cooperative movement. As many of the officials engaged by the government as well as the elected leaders of cooperatives who run and manage the societies, are more interested in enlarging their private business alongside, cooperative societies in Mizoram lack efficient management of their human and material resources. While cooperative societies are bound to invest funds they received from the government and its supported institutions, they always failed to meet the expectation of the funding agencies. All the aforesaid and other reasons, singly or collectively, led to the cancellation of registration of five hundred sixty one (561) cooperative societies and liquidation of two hundred twenty one (221) cooperatives during the year 1999 to 2008¹¹.

1.3. Review of Literature

Literature in the field of cooperation is fairly numerous and scattered. A thorough review and survey of related literature forms an important part of research¹². A good number of books are available regarding cooperative societies

¹¹Office of the Registrar, Department of Cooperation, Government of Mizoram, *Achievement of Cooperation Department from 1999 – 2000 to 2007 – 2008*, Aizawl.

¹²S.P Verma (2006). *Practical Approach to Research Methodology*, New Delhi: Akansha Publishing House. p.230.

in addition to some specialised studies and reviews made by different persons and Committees set up by the central as well as state governments. But, it is not so in the case of Mizoram, only few studies and publications on cooperative and its movement are available, most of them are published by the department concerned or persons working and who have retired from the department. Any kind of research work or publication of literary value is almost absent as of today in Mizoram. Knowledge of related literature enables the researcher to understand the position and significance of his own work and the best procedure and methodology to be adopted from the previous works under review. It also helps the researcher to avoid unnecessary duplication of previous studies and enables him to establish his position to explore new areas and suggest points for future actions.

Srinibas Pathi and Lalrintluanga (2011), in their edited book, *Consumer Awareness and Consumer Protection*¹³ collected twenty-one research papers and articles on the issues of consumer awareness and consumer protection. Being the first book in the area of consumer awareness and their protection in relation to Mizoram, it highlights the ground realities in different states of India with special reference to Mizoram based on the collaborative effort of academicians, researchers, administrators and consumer activists who have tried to look into all the relevant aspects such as concepts, dimensions, laws, rules, regulations, practices, problems and possible solutions thereto in relation to consumer issues. We see in this book that in Great Britain, during the Industrial Revolution, Robert Owen formed a consumer cooperative society to function under his well thought-out eight principles in the year 1844. Under his guidance, the cooperative consumer movement worked to ensure availability of quality consumer goods to the common man at affordable prices, to develop fair business practices, etc. While in the state of Mizoram, consumer movement or the aspiration for setting up of consumers' organisation is just a decade or two

¹³Srinibas Pathi and Lalrintluanga (2011). *Consumer Awareness and Consumer Protection*, New Delhi: Dominant Publishers & Distributors Pvt. Ltd.

old. The apex consumers' organisation, Mizoram Consumers' Union has its existence in 1995 by the constitutional amendment of the Mizoram Gas Consumers' Union and its real formation as a body was on August 29, 1997. This shows that consumer cooperative as a movement is much older than consumer union movement in the state of Mizoram.

A book of Verghese Kurien (2005), *I Too Had a Dream*¹⁴ consists of his experiences of his stay in Anand and starting of building the cooperative society from the scratch. In his long journey, he faced innumerable problems from private business houses, government, multinational companies like nestle and fought tooth and nails against all these odds. Chapters such as, 'A Billion Litre Idea', 'Operation Flood', etc. and their impact in the Indian economy and millions of its people are immense and commendable. His thirty-five year effort made India number one in milk production in the world. After achieving success by building Amul, he went on to execute the white revolution plan in India which created multiple Amuls across the country. In this book, some important keystone of success for Amul in particular and cooperatives in general are found such as, good leadership and innovation to guide the cooperative; professional and skilled manpower, establishment of good and regular market; professional management; empowerment and education of primary members and farmers; etc. The Mizoram Multi-Commodity Producers' Cooperative Union Ltd. (MULCO), a state level diary cooperative federation is also organised on Anand pattern.

The *Cooperative Vision-2015*¹⁵ published by National Cooperative Union of India (2005) highlights the future vision of cooperative movement in India likely to be witnessed in its segments during ten years, i.e. 2005-2015. We see, here, that a fair globalisation needs harmony between human capital, financial capital and knowledge capital. In many of these sectors, cooperatives are able to

¹⁴Verghese Kurien (2005). *I too Had a Dream*, New Delhi: Rol Books Pvt. Ltd.

¹⁵National Cooperative Union of India (2005). *Cooperative Vision-2015*, New Delhi: National Cooperative Printing Press.

do what multi-nationals do not or cannot do and the cooperatives are able to do better. The role and vision of cooperatives in the 21st century is guided by the global socio-economic trends. Keeping in view of these emerging trends, the National Cooperative Union of India makes ten years vision for the success of cooperative movement in India. The vision statement expressed here is directed to different segments of cooperatives like Credit Cooperatives, Fertiliser Cooperatives, Sugar Cooperatives, Consumer Cooperatives, Urban Cooperative Banks, Cooperative Spinning Sector and Housing Cooperatives.

Nripendra N. Sarma (2003), in his work on *Consumer Cooperatives and Rural Development*¹⁶ reviews and assesses the role of twenty-four Goan Panchayat Sambay Samitis, four retail outlets of Assam State Cooperative Marketing and Consumers Federation Ltd. (STATFED) and four primary consumer cooperatives from Guwahati and Rangia sub-divisions of Assam in rural marketing, with emphasis on their trade practices and customer services. This book contains a number of important and relevant points in relation to the practices in the cooperative movement of Mizoram as especially in the area of rural marketing practices. Many of the problems and some prospects of consumer cooperatives in the state are found common.

*Cooperative Ideology and Movement: The Roots and the Trunk and the Twigs*¹⁷, by S.S. Chandrasekharmath (2003), is based on the author's rich experiences in cooperative administration and education. The author pleads for decentralisation of policy making and administrative responsibilities relating to cooperative education and training so as to make the cooperatives to survive the more and more competitive world. The book is divided into three parts such as - the Roots; the Trunk and the Twigs; and Stresses and Strains in Cooperative Management under Liberalisation Regime: New Vistas for Twenty-first Century.

¹⁶Nipendra N. Sarma (2003). *Consumer Cooperatives and Rural Development*, New Delhi: Mittal Publications.

¹⁷S.S. Chandrasekharmath (2003). *Cooperative Ideology and Movement: The Roots and the Trunk and the Twigs*, Bangalore: Puliani and Puliani.

The author also offers valuable suggestions for promoting effective cooperation among cooperatives, for improving the effectiveness of the role of International Cooperative Alliance (ICA) in developing cooperative movement around the world. He also expresses his expectation on cooperatives to be used for revamping the economic system and attaining universal human development. We also see a detailed analysis of the Cooperative Principles as developed by the ICA from time to time in this book.

Anil Bhuimali's (2003) work on *Rural Cooperative and Economic Development*¹⁸ suggests for special legislation to give freedom to cooperative movement. It deals with the performance of agriculture marketing societies of the rural West Bengal and conveys the importance of favourable environment like appropriate cooperative legislations from the part of the state government.

Krishnaiah H.R. Gowda (2003) makes an in-depth analysis of the structure, organisation, working, successes and failures of tribal cooperatives in India in general and in Karnataka state in particular, in his work of *Tribal Cooperatives in India*¹⁹. This book inspires us and seems to be quite useful while carrying out a study with special reference to the state of Mizoram where almost ninety-five per cent (95%) of the population belongs to tribal community.

K.V. Subramahnyam and T.M. Gajanana (2000), in their work, *Cooperative Marketing of Fruits & Vegetables in India*²⁰ have dealt with a comprehensive aspect of cooperative marketing of perishable commodities like fruits and vegetables in Karnataka, Andhra Pradesh and Maharashtra. We see the importance of trade skills, regular and organised market, facilities like cold-storage, etc. from this publication.

¹⁸Anil Bhuimali (2003). *Rural Cooperative and Economic Development*, New Delhi: Sarup & Sons.

¹⁹H.R Krishnaiah Gowda (2003). *Tribal Cooperatives in India*, New Delhi: Serials Publications.

²⁰K.V Subramahnyam, and T.M Gajanana (2000). *Cooperative Marketing of Fruits & Vegetables in India*, New Delhi: Concept Publishing Company Pvt. Ltd.

In his book, *Cooperative Societies and Rural Development*²¹ S.K. Dutta (1991) has made a politico-economic study with special reference to Goan Panchayat level cooperatives in rural development of Assam. For this purpose, he selected five Goan Panchayat level Samabay Samitis – two each from Dibrugarh and Tinsukia Sub-Divisions and one from Sadiya Sub-Division. He has attempted to unfold the leadership pattern and examined the extent of politicisation and vested interests that have crept into this institution inhibiting their growth and development. He also pointed out the main constraints in the effective functioning of these societies like infrastructural, financial, managerial and legal constraints which are likely the same with the situation of Mizoram.

Chitta Ranjan Samadder's (1991) *Cooperative Movement in Assam*²² is a comprehensive study on the inception and development of cooperative institution in Assam. A critical analysis of the progress and a detailed discussion on the status and structure of cooperative societies among the hill tribes in the state is also covered. The problems and prospects of the movement which are highlighted in this book may be kept in mind while analysing the actual condition of the cooperative movement in Mizoram as well.

In a book *Role of Cooperative Organisation in Developing Tribal Economy*²³ by Bhupinder Singh (1990), cooperative has been recognised as a notable institutional framework for the development of hill and tribal areas. For this purpose, he selected twenty villages to study within the area of operation of four Large Sized Adivasi Multipurpose Societies (LAMPS) in Salem district. He emphasised the feasibility of upgrading the economic status and the quality of life of the vulnerable tribal community through cooperative effort. Attempt was

²¹S.K Dutta (1991). *Cooperative Societies and Rural Development*, New Delhi: Mittal Publications.

²²Chitta Ranjan Samaddar (1991). *Cooperative Movement in Assam*, Guwahati: C. Samaddar.

²³Bhupinder Singh (1990). *Role of Cooperative Organisation in developing tribal economy*, New Delhi: Mittal Publications.

also made to explore the structure of cooperatives in predominantly tribal areas of Tamil Nadu.

S.H. Deshpande (1984) had a study on cooperative farming as practised in different countries of the world and India. He looked into the issues and problems faced by this kind of cooperative societies and published in his book named *Some Problems of Cooperative Farming*²⁴. This work is mainly to find out the limitations faced by the cooperative farming societies in different countries. It shows the causes of its universally weak appeal and instability which are found to be embedded in its peculiar structural features as a producers' cooperative. The problems given here are primarily those of work incentives and management, for the discussion of which a bulk of space is devoted. The conditions under which non-economic incentives can operate are also examined to supplement the main discussion of economic incentives. He pointed out that cooperative farming societies are limited to certain extent to be used in a large scale of agrarian development in India because the farmers who joint together as members of cooperatives are generally poor and landless farmers. As it is labour-pooling which creates special problems of management, a certain hierarchical system is usually necessary for efficiency of management. The problem of discipline is also connected with the structure of a cooperative farm because the ultimate sanction of dismissal against inefficient and troublesome worker is difficult to be adopted without disorganising the farm itself. The major cause of weak response lies in the inequality of land holdings among the members at the time of joining together in the cooperatives and its equalising effects. He concluded that the role of cooperative farming societies as a method of agrarian reorganisation seems destined to be a limited one.

²⁴S.H. Deshpande (1984). *Some Problems of Cooperative Farming*, Bombay: Himalayan Publishing House.

Arun K. Mukhopadhyay's (1982) *Farmers' Service Societies: A Study in Karnataka*²⁵ contains a case study of cooperative farming societies in the state of Karnataka. It reflects the historical perspectives, the present scenario, problems that encounter the farmers' service societies in the state of Karnataka and the cooperatives in general. It also contains different points of suggestions for further actions which are relevant for the present study as well as for the state of Mizoram.

Chandra K. Dalaya and Ravindra S. Sabnis (1973) carried out a brief review of cooperative movement in the state of Maharashtra and brought out different issues from their studies in their book, *Cooperation in Maharashtra: Review and Perspective*²⁶ which also has important bearings on the movement in India as a whole. Their studies approved that the establishment of federal cooperative organisations has widened the cooperative structure and established co-ordination between the organisations at different levels of the structure. Unlike many Indian states, in Maharashtra the movement was initiated by social and political reformers and leaders, such as G.K Gokhale, V.L Thackersy, Deodhar and N.C Kelkar, and the tradition was carried further by another group of cooperators, including well-known personalities such as Chunilal Mehta, V.L Mehta, D.R Gadgil, etc. The cooperative movement accepted social responsibilities by initiating societies which specifically cater to the needs of the weaker sections of society and this was not characterised by a traditional attitude but is dynamic and continually adjusted itself to the needs arising from changing social and economic situations in different areas. Regarding problems of the movement, they pointed out the issues such as, problem in leadership; need for emphasis on self-reliance in finances; financial viability of the cooperative structure as a whole; need of an effort to foster the spirit of cooperation and

²⁵Arun K. Mukhopadhyay (1982). *Farmers' Service Societies: A Study in Karnataka*, Hyderabad: National Institute of Rural Development.

²⁶Chandra K. Dalaya and Ravindra S. Sabnis (1973). *Cooperation in Maharashtra : Review and Perspective*, Bombay: Centre for the Study of Social Change.

educating the members intensively in the ideas of mutual self-help; problems and need of providing managerial training; need and lack of well-managed efficient cooperative institution; overdues of the cooperatives; etc. They hold that cooperation in the country can be viewed from two angles such as the cooperative organisation as an alternative form of economic organisation and secondly, cooperation as a social and economic movement.

In his book entitled *Consumers' Cooperative Movement in India*²⁷, S.K. Goyal (1972) discusses consumers' cooperative movement in India starting from fundamentals of consumers' cooperation and then consumers' cooperation in foreign lands, growth and development of consumers' cooperative movement in India, movement in the states and practices and problems. The chief aim of the consumers' cooperation is to protect the consumers from adulteration, artificial scarcity and consequent high and unreasonable prices, malpractices in distribution at times of real scarcity and, the avoidable high prices as a result of there being too many intermediaries in between the production and consumption level according to him. Consumers' cooperative movement in England is the oldest, largest, in some respects, strongest in the world and took the lead as she was the first country to experience Industrial Revolution. The movement in other countries such as, Norway, Sweden, Germany, Poland and Russia are also discussed in general. We see practices and problems in the last chapter of the book under which some of the prevailing systems and the problems thereof are discussed. We see that consumers' cooperatives in India took place, to a large extent, in order to meet the needs of distributing rationed and controlled commodities. Consumers' cooperative store sponsors should take all precautions before setting up a store. It is necessary that they understand the philosophy, principles and methods of consumers' cooperation. The economic principle of cooperation is that distributable surplus or the net profit accrues to the members, not in their capacity as shareholders in proportion to their shares, but as consumers in proportion to their purchase. They should also be careful in

²⁷S.K Goyal (1972). *Consumers' Cooperative Movement in India*, Delhi: Meenakshi Prakashan.

selecting the site for locating the store. Other problems are consumers' services such as home delivery, disposing unsold goods, storage facilities, advertising and display, account keeping, etc.

S.L. Goyal (1966) carried out a study on cooperative farming and its progress in India in general and in some states of the country in particular in his book named, *Some Aspects of Cooperative Farming in India with Special Reference to Punjab*²⁸. Detailed analyses and observations of the government publications and reports on cooperative farming, roughly between the years 1946 to 1960 are found in this book. He mentions five alternative patterns of farm organisation like peasant farming, estate farming, collective farming, state farming and cooperative farming. Peasant farming, the existing mode of farm organisation at the time of his study was suggested to be converted to or replaced by cooperative farming based on the limitations and their respective roles in the achievement of specific economic ends. He points out some of the popular arguments against the introduction of cooperative farming like - the Indian farmer is very individualistic and any suggestion which demands the surrender of rights in land and joint work will be opposed; it is against the Indian tradition and the idea itself is alien to the people; use of force, a prerequisite for its success and the emergent of bureaucratic setup would be inevitable; and the people were also afraid that status of the farmer be reduced from a self-employed one to a mere wage-farmer. The above arguments and speculations are replied and resolved based on different points and rich information gathered from various places of the world.

²⁸S.L. Goyal (1966). *Some Aspects of Cooperative Farming in India with Special Reference to Punjab*, New Delhi: Asia Publishing House.

June Nash, Jorge Dandler and Nicholas S. Hopkins (1976), in their edited book, *Popular Participation in Social Change: Cooperatives, Collectives, and Nationalized Industry*²⁹ collect a good number of research-papers and articles written by different scholars on cooperative movement from different parts of the world. Some of the papers such as ‘Traditional Social Structure and the Development of a Marketing Cooperative in Tanzania’, Rural Competition and the Cooperative Monopoly: A Ugandan Case Study’, Economic Dependency and the Failure of Cooperatives in Western Sicily’, The Crisis of Rural Cooperatives: Problems in Africa, Asia, and Latin America’, etc. are quite helpful to give us a firsthand knowledge of the cooperative societies in other countries of the world.

A book *Problems of Agricultural Cooperation: A case study in Greece*³⁰ by Chombart J. De Lauwe and J. Poitevin (1964) suggests four scales of priority rating for the action to be taken to improve the agricultural cooperative movement in Greece which may also be taken in case of other countries as well. The first priority includes the need for accelerating training to produce more young cadres of agricultural cooperation specialists, reorganisation of the School of Agricultural Cooperation and long-term loans from Agricultural banks, participation of young farmers in a trainee member capacity in the governing bodies of cooperatives and fixing of salary scales for staff trained by the School of Agricultural Cooperation. The second and the third priorities emphasise improvement of the structure and strengthening of the concerned cooperative unions both at the national and regional levels with the assistance of the agricultural banks in the country; strengthening of cooperative discipline; legal status of the cooperative movement; etc. The fourth and the last priority stresses on credit arrangement for agricultural cooperative societies.

²⁹June Nash, Jorge Dandler, Nicholas S. Hopkins (1976). *Popular Participation in Social Change : Cooperatives, Collectives, and Nationalized Industry*, The Hague: Mouton Publishers.

³⁰Chombart J. De Lauwe and J. Poitevin (1964). *Problems of Agricultural Cooperation: A case study in Greece*, Organisation for Economic Cooperation and Development.

*Training and Extension in the Cooperative Movement: A Guide for Fieldmen and Extension Workers*³¹ prepared by Alexander F. Laidlaw (1962) pertains to the elementary aspects of cooperation in order to concentrate on methods of teaching. While there is little elaboration of the details of what cooperation has achieved, some attention is given to the main types of cooperatives, especially in their rural setting. After defining cooperatives, he elaborated its principles; difference between cooperatives and other businesses; aims of the cooperative movement; principles of cooperative education; extension work for cooperatives; etc. As this book, designed to assist the development of cooperatives, is at the same time necessitated to be a contribution to the world Freedom from Hunger Campaign during the year 1960 to 1963, the author deals with the possibilities and use of cooperatives in community development and gives general problems of rural population, concept of community development and the role played by cooperatives. The Food and Agriculture Organisation (FAO) also articulates its stand in this book stating that it believes that the formation of efficient cooperatives would, for many countries, greatly facilitate the solution of their food problems. Experiences repeatedly show what varied and valuable contribution cooperation can make to the development of a community's welfare as a whole, and, above all, in the production and distribution of food.

*Cooperative Sweden Today*³² by J.W. Ames (1952) contains an account on cooperative movement in Sweden viewed from different angles and the possibilities of establishing good relationship between cooperative movement and the government, especially in its economic policy. We see the principal stages of a Government Bill where it is possible for the cooperatives to exert their influence. Such stages are, the inquiry stages, the discussion stages, the

³¹Alexander, F. Laidlaw (1962). *Training and Extension in the Cooperative Movement, a Guide for Fieldmen and Extension Workers*, Rome: Food and Agriculture Organisation, United Nations.

³²J.W. Ames (1952). *Cooperative Sweden Today*, Manchester: Cooperative Union Ltd., Holyoake House.

Parliamentary stages, the executive stages, etc. It is clear that during the various stages from the committee stage to the final application of the actual law, the cooperatives have ample opportunity to put their cases to the authorities.

In *Cooperative Movement in Great Britain*³³ written by Potter Beatrice (1891), we find the story of cooperative movement of Britain and the analysis of ideas and principles of cooperation as developed by Robert Owen, the so called founder of cooperative movement and the father of English socialism. The author, without attempting to discuss the scientific soundness of Owen's views, aims solely at a clear statement of his theory to give the readers more or less a concrete idea on whether or not, or to what extent, the cooperative idea has been realised in the cooperative movement of Great Britain through different headings such as the cooperative idea; the spirit of association; association of producers; federation; etc, in relation to cooperative movement. The keystone of Robert Owen's cooperative system of industry was the elimination of profit, and the extinction of the profit-maker. Profit upon cost price he considered as the origin of all evil, the potent cause of the misery of the poor and the greed of the rich, the ever-abiding incentive to industrial war between individuals, classes and nations. The author points out that Owen, though the celebrated founder of cooperative movement was not successful in his movement because he has not grasped the significance of democracy as a form of association. He saw the goal, but mistook the means. The Author, thus, emphasises that democratic form of cooperation may either be considered as an alternative of state socialism or as a stepping-stone to socialistic organisation in all its forms.

In his book, *Mizoram Hmasawnnan Cooperative (Mizo)*³⁴, C. Lalchhunga (2007) has traced the origin, development and the prospects of cooperative efforts for the socio-economic development of Mizoram. This book mainly

³³Potter Beatrice (1891). *Cooperative Movement in Great Britain*, London: Swan Sonnensenein & Co., Paternoster Square.

³⁴C. Lalchhunga (2007). *Mizoram Hmasawnnan Cooperative*, Aizawl: JS Printing Works.

contains his personal observation as well as experiences as a retired Assistant Registrar of Cooperative Societies under the Department of Cooperation, Government of Mizoram and leaves a lot of work for further studies on the problems and prospects of the cooperative movement in Mizoram.

In his book, *Cooperative Bihchianna (Mizo)*³⁵, Lianthangpuia (2007) embarked on a comprehensive definition of cooperative based on the International Cooperative Alliance's statement on the cooperative identity. He also expresses his aspiration for the higher autonomy and more democratic management of the societies in general and for the state of Mizoram in particular to be in line with the cooperative values and principles prescribed by the ICA. The administrative lacunae, problems and prospects have however been missed out in this publication.

A book, *Small Scale and Cottage Industries in Mizoram*³⁶ by Rualkhuma Colney (1997) contains the development, management and the contribution of small scale and cottage industries in the socio-economic development of Mizoram. But this book does not mention anything on the role of cooperatives though some of the cooperative societies in Mizoram are venturing in this sector of small scale and cottage industries. It seems necessary that the role and contribution of cooperative societies in this regard be covered.

Lianzela (1994) has studied the economic development of Mizoram from an analytical point of view with reference to the Plan periods starting from the first Five Year Plan in his book, *Economic Development of Mizoram*³⁷. He focuses on the special and peculiar problems of a hilly state and other constraints that hinder the process of economic development of Mizoram. Just a few

³⁵Lianthangpuia (2007). *Cooperative Bihchianna*, Aizawl: Lengchhawn Press.

³⁶Rualkhuma Colney (1997). *Small Scale and Cottage Industries in Mizoram*, Aizawl: L.B Associates.

³⁷Lianzela (1994). *Economic Development of Mizoram*, Guwahati: Spectrum Publications.

sentences on cooperation and its contribution to the economic development of Mizoram are mentioned while discussing agriculture and its allied sectors. A larger part of cooperative sector is left untouched.

*Report of the High Powered Committee on Cooperatives*³⁸ of Government of India (2009) states that cooperative movement in India faces different problems and challenges such as inability to ensure active membership, speedy exit of non-user members, lack of member communication and awareness building measures, serious inadequacies in governance including that related to Boards' roles and responsibilities, a general lack of recognition of cooperatives as economic institutions both amongst the policy makers and the public at large, inability to attract and retain competent professionals, lack of efforts for capital formation particularly that concerning enhancing member equity and thus member stake, lack of cost competitiveness arising out of issues such as overstaffing, a general top-down approach in forming cooperatives including the tiered structures, politicisation and excessive role of the government chiefly arising out of the loop holes and restrictive provisions in the Cooperative Acts, etc. The Committee has envisioned cooperatives as primarily, autonomous, economic institutions of user members. It sees them as self-reliant and self-sustaining institutions functioning in a free, fair and transparent manner in keeping with the principles and values of the cooperative movement. The committee makes various recommendations such as the law enacted in each state should be amended to truly reflect the spirit and principles of cooperative and make them member centric bodies; keeping in view the need to enable cooperatives, which have already received equity contribution from the government, the laws should provide for repatriation of government equity and where cooperatives are unable to return the government equity, they may enter into Memorandum of Understanding with the cooperative agreeing to such conditions that the government may stipulate; states should refrain from deputing officers to occupy key positions in cooperatives except on an explicit request

³⁸Government of India (2009, May). *Report of the High Powered Committee on Cooperatives*, New Delhi: Ministry of Agriculture.

from a cooperative and ensure that the officers if deputed to hold key positions are given a minimum tenure of three years; etc. It has been concluded that cooperatives have not been given due importance, despite the emphasis laid by the Planning Commission and Prime Minister Jawaharlal Nehru on developing cooperatives as a third important sector of the economy.

The Programme Evaluation Organisation, Planning Commission, Government of India (1965) conducted a study and evaluation on utilisation of cooperative loans in India and gave report entitled, *Study of Utilisation of Cooperative Loans*³⁹. In this evaluation, a sample of twenty-five (25) central cooperative banks was selected from 16 states which were grouped into three categories, 'A' for those states advanced in the development of cooperation; 'B' of states backward in this respect; and category 'C' of the remaining states. This study found that among the total targeted short-term loan borrowers, forty (40) per cent admitted having diverted loans from the vowed purposes. In the sample borrowers of medium-term loans, the percentage of those who diverted loans ranged from forty per cent (40%) in 1961-62 to forty-seven per cent (47%) in 1960-61. Taking both types of borrowers, forty-one per cent (41%) diverted their loans, nineteen per cent (19%) wholly and twenty-two per cent (22%) partly. It is somehow surprising that in the case of diverters and in respect of magnitude, there was no relationship between the extent of supervision and the magnitude of diversion. Diversion among non-cultivators was found to be somewhat higher than among the cultivator-borrowers. It was also observed that for both the types, short and medium term borrowers, the diversion in general does not seem to be related to the length of membership of the borrowers in the cooperative societies indicating that the longer period of membership has not meant the inculcation of the principles of cooperation and that the reasons for diversion were deeper. From among the North Eastern States, Assam was included among the sample states and this was the time when Mizoram was a district under the undivided state of Assam.

³⁹Planning Commission of India (1965). *Study of Utilisation of Cooperative Loans*, New Delhi: Programme Evaluation Organisation.

*Some Successful Cooperatives Case Studies*⁴⁰ conducted by the Programme Evaluation Organisation of Planning Commission, Government of India (1960) contains a number of points and statements such as factors responsible for the success of the selected cooperative societies and suggestions for future actions which are worth noting for different kinds of cooperatives in India. The four successful cooperatives selected for this case study are Rukadi Cooperative Society, Kolhapur district of Maharashtra; Mallasamudran Multi-Purpose Cooperative Credit Society, Salem district of Tamil Nadu; Athula Large-Sized Cooperative Society, Jullundur, Punjab; and Jassia Agricultural Service Cooperative Society of Rohtak district in Panjab. Some of the factors responsible for the success of these societies are - good transportation and easy accessibility; concentration of different livelihood classes in different areas; general cooperative spirit in the surrounding areas; non-interference by community and local leaders in the affairs of the cooperatives; absence of factions and feuds; good management; fulfilment of credit requirements in time; honest and full time secretary; government participation in the share capital of the society; good members of the managing committee; financial stability; paid-workers of the society; etc.

*Review of the Cooperative Movement in India*⁴¹ done by Agricultural Credit Department, Reserve Bank of India (1952-1954) was an important study made in retrospect and review on the credit policy of the Government of India implemented through the Reserve Bank of India (RBI) after the Indian Independence. The RBI team made some points of concerns and statements in its reports after this review study such as - from its inception, the cooperative movement in India made agricultural credit its major concern but its performance in this sphere has been negligible; though notable efforts have been made in certain states to multiply cooperative credit societies and enrol more

⁴⁰Planning Commission of India (1960). *Some Successful Cooperatives Case Studies*, New Delhi: Programme Evaluation Organisation.

⁴¹Reserve Bank of India (1956). *Review of the Cooperative Movement in India*, Agricultural Credit Department.

agriculturists as their members, the majority rural population is still outside the cooperative fold; marketing and processing of agricultural produce, though there have been some notable success stories like Cotton Sales Societies in Gujarat and Maharashtra, Cooperative Sugar Factories in Uttar Pradesh and Bihar, etc., more emphasis is required in this field; in collaboration with the government, cooperatives demonstrate their efficacy in the equitable distribution of the available stocks of goods in short supply; it has been the RBI's responsibility not only to provide financial accommodation, short-term, medium-term and long-term, but also to coordinate the activities of the various state governments in the formulation and execution of their plans; it is ultimately the responsibility of the state governments, who, apart from bearing a due share of the outlay on the cooperative movement from their own resources, will have to ensure through the machinery available to them on the spot, that the development of cooperatives proceeds along accepted lines and that unsatisfactory features such as poor recoveries, inefficient or fraudulent management, etc. are detected and set right in good time; the heaviest responsibility rest on the people themselves whether they be non-official co-operators who are considered to be the leaders of the movement or the rank and file who are mere members, because it is on their enthusiasm and loyalty no less than on their watchfulness and active effort that the success of the movement will depend; etc.

Rochungnunga (2012) briefly expresses the birth and development of cooperative societies and the Department of Cooperation in Mizoram in his article (Mizo) entitled *Cooperative History in Mizoram*⁴². He discusses the history of cooperatives in Mizoram from the time when it was Lushai Hills District under Assam and Mizoram as a Union Territory and a full-fledged state under the Indian Union up to the year 1976 to 1977. Names and dates of registration of the pioneer cooperatives in different trades in Mizoram are also given in this article. The first cooperative society in Mizoram named Aijal

⁴²Rochungnunga (2012). Cooperative History in Mizoram (Mizo). *Cooperative Souvenir on the occasion of 59th All India Cooperative Week and International Year of Cooperative*, Aizawl: Mizoram State Cooperative Union. pp.18-13.

Central Trading Cooperative Society Limited was registered on November 11, 1949. This article provides a firsthand knowledge and information on the history of cooperative societies in Mizoram.

J. Ramliana (2012), writes about the roles and abilities of cooperatives for inclusive development in his article entitled *Cooperative – Inclusive Development*⁴³. He starts with the definition of development, different ingredients for development and the meaning of cooperative society. He discusses and explains about the so called thirteen pillars of success for cooperatives such as philosophy of collective strength, good governance, visionary and strong leadership, ownership tendency, leadership development, effective action plan, members training and education, active member participation, democratic control, reliable infrastructure, technical help, honesty and faithfulness and self-reliance and self-sufficiency.

D.V. Ghanekar (2008) discusses the strengths and weaknesses of dairy cooperatives in India in particular, and challenges faced by the cooperative movement in general in his article entitled *Autonomy to Cooperative! How far it is Relevant to Present Economic Crisis*⁴⁴. According to him, strengths of dairy cooperatives are wide range of coverage of the population, strong network of cooperative institutional framework from village level to national level and strong network of training and educational institutions. The weaknesses mentioned in the article are absence of professional management, weak infrastructure facilities, draconian cooperative legislation and excessive control of the government, slow pace of technology application, weak management information system, and high cost of management and transactions. Government needs to provide policy support and create a favourable atmosphere for the

⁴³J. Ramliana (2012). *Cooperative – Inclusive Development (Mizo). Cooperative Souvenir on the occasion of 59th All India Cooperative Week and International Year of Cooperative*, Aizawl, Mizoram: Mizoram State Cooperative Union. pp.43-50.

⁴⁴D.V Ghanekar (2008, November). *Autonomy to Cooperative! How far it is Relevant to Present Economic Crisis. The Cooperator*, 46, 5, 249-251.

growth of cooperatives so that they could be expected to function as autonomous and competitive entities.

G.H. Amin (2008), in his article, *Strengthening Cooperative Movement in North East*⁴⁵ says that the continuous upgradation of the human resources in cooperatives has all the more assumed critical significance today particularly in the wake of emerging competitive market due to liberalisation of economy. With a view to speedup professionalisation of management of primary cooperatives at the village level, the Government of India introduced a Central Sector Scheme for strengthening of Junior Cooperative Training Centres and from this, Rs.218.3 lakhs was earmarked for the North East region for the year 2007-2008 but only Rs.159.79 lakhs could be utilised. Three State Cooperative Unions of the three states such as Mizoram, Meghalaya and Assam were the first to utilise this Central Scheme. It is also seen that providing support for strengthening the cooperative movement in the North Eastern States would continue to be the priority of the National Cooperative Union of India.

R.B Mishra (1975), in his article, *State Interference in Cooperative Organisations- Causes, Consequences and Cure*⁴⁶ says that there have been serious and far-reaching incursions by different states into the basic autonomous character of the cooperative societies. He discusses different issues on this such as, methods of state interference like changes in cooperative legislation, nomination on the Board of Directors, suspension of the Board, grant or denial of special privileges, etc. misuse of government nomination, deputation of unsuitable officers, guidelines for state interference, measures for minimisation of state interference, etc.

⁴⁵G.H Amin (2008, November). Strengthening Cooperative Movement in North East. *The Cooperator*, 46, 5, 177-78.

⁴⁶R.B Mishra (1975, April). State Interference in Cooperative Organisations - Causes, Consequences and Cure. *Indian Cooperative Review*, XII, 3, 229-239.

M.P. Singh (1973), in his article, *Cooperation – Some basic pre-conditions for success*⁴⁷ gives some pre-conditions for the success of cooperatives. He mentions that cooperation characteristically demands a modicum not only of economic viability but also of social equality and political democracy, cooperation demands mutual confidence as well as promote it, viewed from structural point, the real being of cooperation lies at the base, the primary level where the economic democracy is at work as functional economic democracy built from the bottom upwards, the crux of the problem of inefficiency in cooperation lies in taking right decisions at right moments as also in timely implementation decisions thus taken, etc. According to him, cooperation holds no magic wand; neither does it provide a single panacea for all economic ills, nor does it works automatically. It is basically an operational device to help those who are in need of it and who are capable of using the organisational device.

V. Kulandaiswamy (1973) discusses the causes of the strained relationship between the employers and the employed in the cooperatives and suggests measures to improve the relationship in his article entitled *Employer – Employee Relationship in Cooperatives*⁴⁸. Some of the causes of strained relationship as mentioned in this article are such as, the general attitude of the cooperative management with regard to pay scale and other financial benefits, status and working conditions which is not favourable to establish a cordial relationship between them and the employees. The deprivation experienced by the employees is another reason for the deteriorating industrial relations in cooperatives. There is also lack of identity of interest between cooperatives and their employees that is claimed to be the first and foremost reason for the hostility between them. Some measures suggested to improve the relationship

⁴⁷M.P Singh (1973, October). Cooperation – Some basic pre-conditions for success. *Indian Cooperative Review*, XI, 1, 9-13.

⁴⁸V.Kulandaiswamy (1973, October). Employer – Employee Relationship in Cooperatives. *Indian Cooperative Review*, XI, 1, 89-94.

such as, the management of cooperatives should show an imaginative gesture in identifying the aspirations of the employees and fulfilling them; the management should also recognise the inherent right of the employees to organise themselves into unions; the management in cooperative should not be merely democratic management, but transform into a participative management; besides providing various amenities and welfare measures, the cooperative employees should be motivated by recognising their merit and achievements; etc are also highlighted in this article.

The above review of books, reports and articles provide ample information on what and how of the cooperative societies, the origin and progress of cooperative movement, the problems faced by it and the strategies undertaken to counter such issues in different places of the world. Review of the existing literature, thus, is a must to know the right step and the appropriate strategy to be taken while doing research study in other areas, especially in the state of Mizoram. It is established here that none of the above furnished publications and other existing literature on cooperative societies, which are so far under revision, do not convey an in-depth study on the problems and prospects of cooperative societies in Mizoram. So, there is an ample scope for further probing in different situations. The present study, seeking to assess the role, problems and prospects of cooperative societies in Mizoram may be considered as an important step in this direction.

1.4. Objectives

We have formulated the following points as objectives of our research study:

- To study the organizational structures and management aspects of Cooperative Societies in Mizoram.
- To evaluate the role played by the Cooperation Department, Government of Mizoram in promoting the Co-operative Societies.
- To assess the performance of Cooperative societies in Mizoram and to find out measures for more efficient functioning of such societies.
- To work out the problems faced by the Cooperative societies and to suggest possible solution therein.

1.5. Research Questions

The following research questions are formulated to guide our research work:

- What are the organizational structures of cooperative societies in Mizoram?
- How are the cooperative societies managed in the state of Mizoram?
- What is the role played by the Government including the Department of Cooperation in promoting the cooperative societies?
- What are the main problems and challenges faced by the cooperative societies?
- What are the steps needed to solve the problems and to ensure effective working of the cooperative societies in Mizoram?

1.6. Scope of the Study

In our research study, we have covered the Department of Cooperation, Government of Mizoram and all the tiers of cooperative societies within the state, namely, primary level, district level and the state level cooperative societies giving their structure, functions and problems encountered by them. For the purpose of our study, the two districts of Mizoram such as, Aizawl district and Mamit district are selected out of the eight administrative districts with a view in mind to represent both the most developed and the least developed districts so far as cooperative movement and its coverage in Mizoram is concerned. Other cooperative institutions like the ICA, national level cooperative unions and institutions in India are also covered discussing their roles and linkages with the state level cooperative societies.

1.7. Methodology

The study is mostly based on primary and secondary data collected through different methods of data collection. Primary information are gathered by accessing relevant official records, documents, reports, guidelines and instructions issued by the state government or the ministry concerned. Besides, personal interviews, questionnaires and discussions with the key functionaries of the societies, potential members and non-members are also used for collecting primary data.

Secondary data such as, books, journals, magazine, articles, different websites, etc. are extensively consulted and utilised for the present study. Besides, seminar proceedings and papers, published and unpublished works in the concerned subject of study are of tremendous value. Data analysis, statistical representation, etc. are done with statistical tools and software such as, Statistical Package for Social Sciences (SPSS), Excel, etc., and the format and writing styles of American Psychology Association is followed.

1.8. Chapterisation

The first chapter is an introductory part of the whole body of the thesis. It is divided into six sub-headings such as, brief introduction of cooperation and cooperative; main concepts and ideas of cooperation and cooperative; statement of the problems for which remedial measures are suggested; review of literature pertaining to existing study materials like books, articles, reports, etc., which have direct and indirect link to the topic of the thesis; scope of study giving its area of coverage; research questions containing the objective of study; methodology of data collection, its analysis and statistical representation; and chapterisation.

In the second chapter, we give cooperative societies in Mizoram; a historical perspective. This chapter deals with the origin and history of cooperative societies in the world, India and Mizoram. It also covers brief information on the types, nature and dimensions, structure, functions and processes in the management of cooperative societies. Membership and participation of individuals and groups are discussed based on the provisions and practices under the prevailing Act, rules and bye-laws of cooperative societies in Mizoram.

The third chapter deals with the Department of Cooperation in Mizoram tracing its origin and growth, historical development, structure, function and responsibilities within the Department, the prevalent issues and problems. It also covers the birth and development of the Department of Cooperation in India under the British regime, then independent India and the state of Mizoram. Mizoram has been featured and highlighted as a hills district under the state of Assam, as a Union Territory of Mizoram and after statehood up to present day situation when this research study has been conducted.

The fourth chapter is about the organisational structure of Cooperation Department in Mizoram. This chapter contains the study of selected cooperative societies in Mizoram conducted mainly through questionnaires, interview of the members and access of their records and publications. It discusses the manner

how questionnaires are prepared and disseminated to members of cooperatives, and also how the interviews are conducted and what type of questions are asked. This is followed by the study of reports and publications with an aim to highlight the condition of cooperative movement, achievements and the steps taken by the concerned department while looking after the cooperatives. In the concluding part comes analysis of data obtained through questionnaires and schedules. The preceding chapter contains the study of cooperative societies in Mizoram conducted mainly through questionnaires, interview of the members and access of their records and publications. It discusses the manner how questionnaires are prepared and disseminated to members of cooperatives, and also how the interviews are conducted and what types of questions are asked. This is followed by the study of reports and publications with an aim to highlight the condition of cooperative movement, achievements and the steps taken by the concerned department while looking after the cooperatives. In the concluding part comes analysis of the data obtained through questionnaires and interview schedules.

We put the role of government in the context of cooperative societies under the fifth chapter. This chapter contains a brief analysis on the role of government and its agencies at the centre as well as at the state levels in relation to cooperative societies in India. In the previous chapter, we have given a brief highlight on the role of government and its agencies at the centre and state levels in relation to cooperative societies in India. Various central sector and Centrally Sponsored Schemes like Cooperative Education and Training through National Cooperative Union of India (NCUI) and National Council for Cooperative Training (NCCT), Sectoral Assistances through National Cooperative Development Corporation (NCDC), Integrated Cooperative Projects, Strengthening of National Level Cooperative Federations, Revitalisation of Cooperatives, Cooperative Spinning Mills, Cooperative Cold Storage, Special Projects for Cooperatives in under-developed States, etc. are being implemented by the Ministry of Agriculture and Cooperation to promote cooperative movement in the country. At the state level, besides the constitutional obligations assigned to them, the states have to make legislation and take care of all

necessary measures for the growth and success of cooperative movement in their respective jurisdictions. To fulfil these tasks, the state of Mizoram is also taking different steps and this has been discussed under the role of state government. It also covers the steps taken by the Department of Cooperation, Government of Mizoram.

The sixth chapter deals with the problems and challenges faced by cooperative societies in Mizoram. As stated before, though the cooperative movement has a long history among the Mizos, the people hardly found any commendable success achieved by the cooperative societies in Mizoram. While the Mizos are known to have good community life and a closely knitted social life, the cooperative movement occupies a back seat in the Mizo society. In spite of all arrangements and support given to the cooperative societies by the State and the Central governments, the cooperative movement could not make any remarkable stride. Most of the problems faced by the cooperatives of different states in India are the same in nature. While many of these problems can safely be generalised, there are also some problems and challenges which are peculiar and that may be applied to the cooperative societies in Mizoram. These problems are discussed under different heads like, problems relating to organisation discussing some loopholes and challenges on the existing structures and institutions; personnel and office bearers; functions and processes; finance and other resources; laws, rules and regulations; administrative problems; and material, technological, social and cultural and political problems.

The seventh chapter is a concluding chapter. It is divided into two parts. The first part provides summaries of all the chapters of the thesis while the second part furnishes answers to research questions, concluding observations and suggestions for future activities and research study. The five research questions formulated to guide this research study are attempted and answered with relevant information gathered by different methods. The organisational structures of cooperative societies in Mizoram is said to have been developed on a two tier framework based on the area of jurisdiction and diversification of membership.

As different kinds of cooperatives in India link together in the national level cooperatives and shares information and management practices, no much difference is seen in the management of cooperatives in Mizoram from that of other states in India.

Chapter – II

Cooperative Societies in Mizoram : A Historical Perspective

The first chapter deals with brief introduction of the present study, main concepts and ideas of cooperative and cooperation, scope of the research and its coverage. It also covers review of the existing literature which have direct and indirect link to the topic of the thesis and research problems stating the factors that necessitated carrying out of an in-depth study on cooperative societies in Mizoram. Research questions and methodology of data collection, its analysis and tools, etc. are presented in the concluding part of the chapter.

The present chapter contains the origin and history of cooperative societies in the world, India and Mizoram. It also covers discussion on types, nature and dimensions, structure, functions and processes within the societies. Membership and participation of individuals and groups are discussed based on the provisions and practices under the prevailing Act, rules and bye-laws of cooperative societies in Mizoram.

2.1. Origin and History of Cooperative Societies

The idea of human cooperation is not typical to any particular society. The ancient inhabitants of Latin America, tribes in Africa, family clans in Asia and old-time communities in Europe had been practising it for thousands of years. Its origin dates back to the times when men discovered that, if united, they were stronger than as separate individuals¹.

The genesis of cooperative movement and its application in the economic field can be traced back to the Industrial Revolution which took place in England during the second half of the Eighteenth and first half of the Nineteenth Centuries. Cooperation as an economic system was born as a peaceful reaction against the mercantile economy and Industrial Revolution, which had resulted in

¹Herald Kerbs (1972). *Consumer Cooperatives and Developing Countries*, Bielefeld, Germany: Friedrich–Ebert–Stiftung, 2nd Edition. p.11.

the concentration of wealth, deprivation and mass poverty. Cooperation is always a child of economic necessity. It was born in England first in the whole world in the form of consumers' cooperatives; in Germany as agricultural and non-agricultural credit cooperatives²; in France as factory workers or producers' cooperatives³, etc. The Indian cooperative movement, like its counterparts in other countries of the world has been essentially a child of distress. Based on the recommendations of Sir Frederick Nicholson (1899) and Sir Edward Law (1901), the Cooperative Societies Act was passed in 1904, paving the way for the establishment of cooperative credit societies in rural and urban areas on the patterns of Raiffeisen and Schulze-Delitzsch respectively. The state patronage to the cooperative movement continued even after attainment of Independence in 1947. Since 1950s, the cooperatives in India had made remarkable progress in the various segments of economy. During the Twentieth Century, the cooperative movement in India entered several sectors like credit, banking, production, processing, distribution, marketing, housing, warehousing, irrigation, transport, textiles and even industries⁴.

As stated above, the first milestone in the cooperative movement of modern India was the enactment of the Cooperative Credit Societies Act of 1904. Immediately after adoption of this Act, a cooperative, claimed to be the first legally organised society was formed at Kanaginal in Gandag taluk in Karnataka, under the chairmanship of S.S Patil, a village Patel belonging to Kurubar community. This Kanaginal Cooperative society is claimed to be not only the first society in India, but also in the whole Asia as many other countries started

²M.M. Vagganavar (2007). Agricultural Cooperative Credit Movement in India Retrospect and Prospects. *Centenary Celebrations of Cooperative Movement, 100 Reminiscences*, Bangalore: Karnataka State Cooperative Federation Ltd. p.4

³Herald Kerbs, *op. cit.*, pp.3,14

⁴K. Ramesha (2007). Cooperative Banking in India: Some Concerns. *Centenary Celebrations of Cooperative Movement, 100 Reminiscences*, Bangalore: Karnataka State Cooperative Federation Ltd. p.89

the cooperative movement in their respective countries later on and based on Indian model⁵.

From India, cooperative movement spread to large parts of Asia, where it found particular success in Japan, and in the late twenties to East Africa. With the disintegration of British and France colonial rules after 1945 and the achievement of Independence of the many newly emerging nations, the cooperative movement has extended to nearly all parts of Africa and Asia with rapid growth in the number of societies⁶.

Cooperation as an activity or as a way of life is not a new thing among the Mizos also. They are known and said to have a closely knitted society and a well-established community from time immemorial. In fact, the Mizos, at one time, in their migratory period from the east through Myanmar (Burma) to the present Mizoram, had survived a very critical and difficult situation. All through the rugged ranges and difficult terrains, without any means of proper transportation, and other civic amenities; amidst threats from wild animals and invasions from enemies of their surrounding territories, they were asked and compelled by their conscience whether to opt for a closely knitted cooperative way of living or to scatter by small family clans fighting for their own survival with great risk of disappearing from the scene of civilization. They silently showed preference to the first in action and came together⁷. The very meaning of the term 'Mizo' itself is also closely associated with the place and region where the Mizos at that time settled. In common parlance, the word 'Mi' means people and 'Zo' means hilly region or high elevated place and this indicates that Mizos are the highlanders. Albeit all the difficulties and hardship which encountered

⁵M.M. Vagganavar, *op, cit.*, p.38

⁶Helm C. Franz (1968). *The Economics of Cooperative Enterprise*, University of London Press Ltd. p.3

⁷Zikpui Pa (2000). Zofate'n Kawng Kan Bo ve. *Thanchhawn (Mizo), An Anthology of Prose and Poetry for Three Year Degree Course*, Third Edition, Aizawl: Editorial Board, College Text Book Committee. p.26

them, it seems that their cooperative style of living, the spirit of mutual help and a sense of sacrifice for the good of others led them through the ages of civilization.

A well-established village administration had flourished under the Mizo chieftainship, which is being retained and practised as a way of life down to the generations and this has a considerable influence in the Mizo community even today. The history of modern cooperative societies in Mizoram may be traced back to the untiring efforts of Mrs. Jean Christom McCall, the celebrated wife of the War time Superintendent of the then Lushai Hills A.G. McCall, who worked hard for the uplift of Lushai women who led a boring life under the constraint of socio-economic deprivations. She was the prime mover for the Young Lushai Women's Organisation and at her initiatives; cooperatives of the Lushai Weavers were formed in 1942. She also took the initiative to provide rural credit to the village women weavers from the Imperial Bank, Aizawl. She not only worked to expedite the cooperative and production but also for the distribution, marketing and organisation of the handloom products and other handicrafts. Though the cooperatives organised by Mrs. Jean Christom McCall seemed to have no legal existence or registration under any Cooperative Societies Act, it is creditable that cooperative movement in Mizoram, erstwhile Lushai Hills District, had a cheerful beginning⁸.

With the passage of time, more and more of the Mizos began to witness cooperative movement and that had finally led to the establishment of the first legally registered cooperative society on November 11, 1949 under the name of Aijal Central Trading Cooperative Society Limited. This was followed by other two trading societies namely Dutlang Bial Trading Cooperative Society,

⁸Suhas Chatterjee (1995). *Mizo Chiefs and the Chieftdom*, New Delhi: M.D. Publications Pvt. Ltd. p.24

registered on November 20, 1949 and Kawnpui-Mualvum Trading Cooperative Society on December 15, 1949⁹.

The Government of Assam posted Sri. S.R. Chowdhury as Deputy Cooperative Officer at Aizawl in 1951 to look after registered cooperative societies in Mizoram and to boost up cooperative movement in the area. It may be significant to note here that all the first cooperative societies numbering thirteen (13) were registered at the office of the Assistant Registrar of Cooperative Societies, Silchar up till 1955. The District Cooperative Office in Mizoram started functioning separately from January 31, 1956 that marked the appointment of Sri. P.B. Bhattacharjee as Assistant Registrar to take the charge of registration and other cooperative departmental works in the then Mizo District¹⁰.

As time passed, cooperative movement in Mizoram witnessed a steady increase in number and types of societies. The first weaving cooperative society in the region was registered under the name of Zanlawn Weaving Cooperative Society Limited on August 9, 1954. The first three cooperative societies in Mizoram were trading societies. With progress of the movement, other kinds of societies also came into existence. In the area of small scale industry, the first one, Aizawl Carpenter Cooperative Society Limited was registered on September 10, 1954. This was followed by the first Thrift Society named First Assam Rifle Thrift Cooperative Society Limited registered on May 5, 1955. Thus, four kinds of cooperative societies – trading, weaving, small scale industry and thrift

⁹Vanlalchhandama ARCS, (2012, June 11). *Document on Cooperative Movement in Mizoram*, Aizawl: p.1.

¹⁰Mizoram State Cooperative Union (1993). *Achievement Report on Cooperative Department and State Level Cooperative Societies, Mizoram*, Aizawl: Mizoram State Cooperative Union. Preface.

societies were registered at the office of the Assistant Registrar of Cooperative Societies (ARCS), Silchar between the years 1949 and 1955¹¹.

The establishment of District Cooperative Office in Mizoram enhanced the growth of cooperative movement and resulted in a steady increase in number as well as in variety of cooperatives. The first credit cooperative society in the region, named Luangmual Jhuming Credit Cooperative Society Ltd. was registered on August 6, 1956. This was also the first ever cooperative society registered by the newly created District Cooperative Office in the then Mizo District. This was followed by the first marketing cooperative, registered under the name of Kolasib Regional Marketing Cooperative Society Ltd., on October 6, 1956. After this, another twenty-six (26) cooperative societies and by 1958, cooperatives numbering thirty-eight (38) were already registered by this office¹².

The first cooperative which bore the name of industrial cooperative in Mizoram namely, Aijal Industrial Cooperative Society Ltd. was registered on July 29, 1959. Following this, Aijal Kamding Cooperative Store Ltd. was registered on February 3, 1960 to be the first cooperative store. By the year 1960, the Government of India decided to make a larger use of cooperatives in the area of agricultural development which led to the formation of two cooperative credit unions namely, Champhai Credit Cooperative Union and Chaltlang Credit Cooperative Union on March 7, 1960. These first two credit unions did not serve well the purpose for which they were created and died out without success record.

Under the First Five Year Plan, rupees one lakh (Rs.1,00,000/-) was allocated for the development of cooperatives in every Community Development Block. To take care of this measure in Mizoram, an Assistant Cooperative Officer was deputed as Expansion Officer from the Department of Cooperation

¹¹Rochungnunga (1977). *Mizoram Cooperative Chanchin* (Mizo), Aizawl: Aizawl Printers' Cooperative Society Press. p.1

¹²Rochungnunga, *Ibid.* p.5

in each block, and functioned as Community Development Block staff with the help of a peon. This measure proved to be very fruitful to the growth and expansion of cooperative movement in Mizoram¹³.

In the area of dairy cooperatives, Aijal Cattle Farmer's Cooperative Society Limited, registered on May 5, 1960 had the credit of being the first one and the first multi-purpose cooperative, Assam Rifles Ex-Servicemen Multipurpose Cooperative Society was registered on April 20, 1961. In the field of fishery, Bilkhawthlir Fishery Cooperative Society Limited was formed to be the first in Mizoram on April 22, 1961. The increase in number of cooperatives necessitated the birth of service cooperative societies and the first in this category Thingdawl Service Cooperative Society Limited was registered on May 10, 1963¹⁴.

Much headway could not be made to strengthen cooperative movement due to the outbreak of insurgency in the year 1966¹⁵ that started with the ambush attack launched by the Mizo National Front (MNF) volunteers against the Assam Rifles patrolling at Chanmari, Aizawl on February 22, 1966. The MNF, under the leadership of Laldenga fought for independence from the Government of India. This disturbance lasted for twenty years and greatly hampered the soaring movement of cooperative societies in Mizoram¹⁶. Anyway, as much as one hundred twenty-four (124) cooperatives were registered before the outbreak of insurgency or between the year 1949 and 1966. These cooperatives were paralysed and most of them ceased to function because of the failure of administrative machineries in the region. A larger number of cooperatives at this time were Agricultural Cooperative Credit Societies. These credit cooperatives took short term loans from the Assam Cooperative Apex Bank which was again

¹³Rochungnunga, *op. cit.*, p.5

¹⁴Rochungnunga, *Ibid.* p.9

¹⁵Vanlalchhandama, ARCS, *op. cit.*, p.89

¹⁶V.H. Khuma (1999). *Political History of Mizoram*, Aizawl: 3J publication. p.102

distributed to their members with value addition and repayment in their hands. Most of these agricultural credit cooperatives failed to pay back their loans mainly due to lack of marketing facilities of their products. Besides this, the Assam Cooperative Apex Bank, Aizawl branch was burned down with all its records and important documents which resulted in the closure of this office for some time¹⁷.

Mizoram faced a long period of hardship and inflation under the shadow of political crisis. In order to maintain proper administration, the Government of Assam ordered grouping of villages and started driving out people from their villages in January, 1967 and several grouping centres were set up along the main roads of Silchar to Aizawl, Aizawl to Lunglei, Aizawl to Champhai, and at other places as were found convenient. This grouping of four (4) or more villages at one place or village was done on two main reasons – one was security, and the other for administrative expediency¹⁸. On the ground of security, the government felt that it was necessary to protect remote villages from being used as safe havens by the separatist forces of MNF. From the administrative point of view, grouping of villages ensured faster transport and communication and greatly enhanced the provision of civic amenities to the people.

This situation unexpectedly turned out to be a blessing for cooperative movement. The Registrar of Cooperative Societies, Government of Assam, Shillong directed Cooperative Officers to organise cooperative societies at all grouping centres. As a result, during the year 1967-68 alone, nineteen (19) service cooperatives were organised; sixteen (16) in the northern part and another three (3) cooperatives in the southern part of Mizoram¹⁹. These service

¹⁷Rochungnunga, *op. cit.*, p.10

¹⁸As told by Sapzuithanga, a resident in Kawrtethawveng grouping centre who was grouped from the then nearby village of Serhmun, Western Mizoram during an interview held on 2nd March, 2011. 7:00pm. He said that they were not given the chance for preparation. All happened in a day.

¹⁹Mizoram State Cooperative Union, *op. cit.*, prefaces.

cooperatives were formed under the Protected and Progressive Village (PPV)²⁰ Scheme and were known as PPV Service Cooperatives. The first two PPV service cooperatives – Vairengte PPV Service Cooperative Society Limited and Kolasib Service Cooperative Society Limited were organised and registered on November 4, 1967.

During the period of 1967–78, the following PPV service cooperatives were registered:

Southern Mizoram (then Lunglei District) :-

(1) Pangzawl (2) Hnahthial (3) Zobawk.

Northern Mizoram (then Aizawl District):-

(1) Vairengte (2) Kolasib (3) Thingdawl
 (4) Kawnpui (5) Bilkhawthlir (6) Sihphir
 (7) Durtlang (8) Zemabawk (9) Darlawn
 (10) Thingsulthliah (11) Tlungvel (12) Baktawng
 (13) Chhingchhip (14) Chhiahtlang (15) Serchhip
 (16) Bungtlang.

These were followed by the PPV cooperatives at various grouping centres later on. They provided the daily needs and household items to the people and could successfully check problems of inflation, leaving for the time being agricultural development functions. The Administrative Officers, who were in charge of these centres, were also quite instrumental for the well functioning of these cooperatives. Goods and commodities transported by the cooperatives were exempted from taxes and were provided with transport subsidies and capital grants²¹.

²⁰Under the Protected and Progressive Village Scheme, villages along the main road of Silchar to Aizawl, Aizawl to Lunglei, Aizawl to Champhai, and at other places found convenient within about ten miles or so from the grouping Centre were rushed and grouped together without proper arrangement and prior information to the people.

²¹Rochungnunga, *op. cit.*, p.21

In order to facilitate the services of various consumer cooperatives, need was felt to setup a wholesale cooperative and the first one in this area was Mizo Wholesale Cooperative Store Limited registered on December 6, 1969 at Aizawl. During the period, 1966-73, most of the Cooperative Instructors were pooled and deputed to serve as Extension Officers in the newly setup Administrative Centres such as Kolasib, Bairabi, Mamit, Champhai, Serchhip, Demagiri (Tlabung), etc. under the General Administration Department (GAD). The formation of Administrative and Civil Supply Centres in 1966 was followed by grouping of villages and the Cooperative Instructors were again employed in the capacity of Administrative Officers in these grouping centres. The year 1973 witnessed the return of these officers deputed under GAD to their mother departments and the departmental works could again be carried on as before²². Moreover, the birth of Union Territory of Mizoram on January 21, 1972 ushered a new wave of development for cooperatives²³.

Thus, cooperative movement in Mizoram under the then Government of Assam lasted for twenty-two (22) years since the registration of the first cooperative society in 1949. During this span of time, as much as one hundred seventy-four (174) cooperatives were registered. This showed registration of about eight (8) cooperatives every year²⁴. The birth of pioneer cooperatives in different fields and trades in Mizoram under the Government of Assam is given in Table 2.1.

²²Interview and discussion with Rochungnunga, who himself was also deputed as Administrative Officer at that time, on June 10, 2010 at 2:30pm.

²³Vanlalchhandama, ARCS, *op. cit.* p.89

²⁴Rochungnunga, *op. cit.*, p.14-15

Table 2.1
Pioneer cooperatives and their dates of registration in different fields and trades
in Mizoram under the Government of Assam

Sl.No	Name & Kind of Cooperative Society	Date of Registration
1	Aijal Central Trading Cooperative Society Limited	11.11.1949
2	Durtlang Bial Trading Cooperative Society Limited	30.11.1949
3	Kawnpui-Mualvum Trading Cooperative Society Limited	15.12.1949
4	Zanlawn Weaving Cooperative Society Limited	09.08.1954
5	Aizawl Carpenter Cooperative Society Limited	10.09.1954
6	First Assam Rifles Thrift Cooperative Society Limited	05.05.1955
7	Luangmual Jhuming Credit Cooperative Society Limited	06.08.1956
8	Kolasib Regional Marketing Cooperative Society Limited	06.10.1956
9	Aijal Industrial Cooperative Society Limited	29.07.1959
10	Aijal Kamding Cooperative Store Limited	03.02.1960
11	Champhai Credit Cooperative Union Limited	07.03.1960
12	Chaltlang Credit Cooperative Union Limited	07.03.1960
13	Aijal Cattle Farmers Cooperative Limited	05.05.1960
14	Assam Rifles Ex-Servicemen Multipurpose Cooperative Society Limited	20.04.1961
15	Bilkhawthlir Fishery Cooperative Society Limited	22.04.1961
16	Bilkhawthlir Forest Labour Cooperative Society Limited	23.08.1961
17	Thingdawl Service Cooperative Society Limited	05.10.1963
18	Mizo Wholesale Cooperative Store Limited	06.12.1969
19	Zarkawt Knitting Cooperative Society Limited	30.03.1970

Source : Rochungnunga, *Mizoram Cooperative Movement Chanchin*, Aizawl:
Aizawl Printers' Cooperative Society Press, 1977

Under the new Ministry of Mizoram Union Territory, the first Minister of Cooperation was Mr. R. Lalthangliana while the credit of being the first Secretary as well as Registrar of Cooperative Societies in Mizoram goes to Mr. K.B. Gurung, IAS. He took this charge in addition to his normal charge as the Development Commissioner²⁵. Under the Union Territory administration, cooperative activities widened the area of operation based on the requirements of the people. In the domain of knitting, the first cooperative, Zarkawt Knitting Cooperative Society Limited was formed and registered on March 30, 1970 at Aizawl. This cooperative performed not only knitting and sale of its products but also conducted training courses for those who were interested in this area.

²⁵Vanlalchhandama, ARCS, *op. cit.*, p.89

Again, the year 1974 witnessed the birth of another three new kinds of cooperatives such as Canteen Cooperative, Apex Marketing Cooperative and Handicraft Cooperative Societies. The main purpose of the Mizoram Secretariat Canteen Cooperative Limited, registered on February 22, 1974 was to serve the daily requirements of Mizoram secretariat personnel like tea, snacks, lunch and other canteen items through their own cooperative efforts. This cooperative provided jobs to jobless youth and ensured supply of daily necessities at a cheaper rate²⁶.

To facilitate marketing activities of Service and other cooperatives, the Mizoram Apex Marketing Cooperative Society Limited was registered on March 18, 1974 under the Government of India Scheme of 'Linking Credit with Marketing'. This cooperative started functioning with commendable achievement through marketing ginger roots. It collected ginger roots from rural areas and supplied to other states from Mizoram²⁷.

To enhance skills in the field of handicrafts, find market and impart training, Zoram Handicraft Cooperative Society Limited was setup and registered on October 9, 1974. Above all, it was felt that lack of awareness and poor cooperative education among the members as well as to the common people was the most serious constraint which retarded cooperative movement at this time. So, the Mizoram State Cooperative Union Limited (MSCU) was formed and registered on May 20, 1975 to take the charge of imparting cooperative education, awareness and training to members of cooperatives²⁸. In 1977, two multipurpose cooperatives were formed such as, Aizawl Returnee Multipurpose Cooperative Society Limited on March 4, to facilitate the rehabilitation and resettlement of Mizo National Front returnees through various means, and Tuirial Jail Camp Multipurpose Cooperative Society Limited on April 5, 1977 to provide consumer requirements within the prison complex. The decadal growth

²⁶Rochungnunga, *op. cit.*, p.23

²⁷Rochungnunga, *Ibid*, p.25

²⁸Mizoram State Cooperative Union, *op.cit.*, p.1

of cooperatives in Mizoram during the period of 1971-2007 may be seen below (See Table 2.2).

Table No. 2.2
Decadal growth of various cooperative societies in Mizoram during 1971-2007

Sl.No.	Particulars	1971	1981	1991	2001	2007
1	2	3	4	5	6	7
1	Service Cooperative Societies	78	125	138	86	58
2	Industrial Cooperative Societies	25	73	180	132	102
3	Handloom and Weaving Cooperative Societies	5	46	123	157	173
4	Dairy, Livestock, Multi-Commodity Cooperative Societies	1	47	123	122	132
5	Piggery Cooperative Societies	1	121.60	146	194	166
6	Labour Cooperative Societies	7	18	18	11	6
7	Farming, Fruits and Vegetable Cooperative Societies	-	28	191	271	257
8	Fishery Cooperative Societies	-	23	48	77	69
9	Multipurpose Cooperative Societies	1	34	84	193	173
10	Canteen Cooperative Societies	-	9	16	15	10
11	Consumer Cooperative Societies	8	12	115	141	127
12	LAMPS Cooperative Societies	-	8	16	12	11
13	Housing Cooperative Societies	1	4	16	17	10
14	Processing Cooperative Societies	1	4	6	6	-
15	Marketing Cooperative Societies	5	3	14	4	11
16	Poultry Cooperative Societies	-	-	-	26	22
17	Sericulture Cooperative Societies	-	-	-	26	32
18	Floriculture Cooperative Societies	-	-	-	2	-
19	Butcher / Meat Processing Cooperative Societies	-	-	-	8	8
	TOTAL	133	555.60	1234	1500	1367

Source : Statistical Cell, Department of Cooperation, Government of Mizoram, 2010

As mentioned above, most of the pioneer cooperatives had died out or ceased to exist because of various hardships under political crisis that started in 1966 and lasted till 1987, the birth of the state of Mizoram. The state government assumed office and public administration began to flourish in a proper manner and more systematic way. Under this new set of government, cooperative movement could also make a speedy progress faster than ever (See Table No. 2.3).

Table No. 2.3
Growth of cooperative societies in Mizoram during the period of 1950 to 2009

Year	Number of Cooperative Societies	Number of Member
1950 – 1951	3	69
1955 – 1956	13	325
1960 – 1961	51	1145
1965 – 1966	75	1705
1970 – 1971	131	2827
1975 – 1976	231	5610
1980 – 1981	467	11092
1985 – 1986	699	16579
1990 – 1991	1199	29110
1995 – 1996	1306	36500
2000 – 2001	1502	47271
2001 – 2002	1434	45001
2002 – 2003	1511	44130
2003 – 2004	1419	42813
2004 – 2005	1386	41446
2005 – 2006	1434	32346
2006 – 2007	1367	42286
2007 – 2008	1380	42556
2008 – 2009	1390	42791

Source : Office of the Registrar, Cooperative Societies, Aizawl, 2010.

3.2. Cooperative societies; types, nature and dimensions

As stated earlier, the expansion of cooperative movement in Mizoram suffered a serious setback due to the outbreak of insurgency which lasted for twenty years. It was only after Mizoram attained statehood that the movement actually could start making some headway with the provisions made under the Seventh Five Year Plan for its expansion²⁹.

In view of the need to recognise and enforce the viability factor for launching a successful growth of cooperative societies in the state, vigorous efforts had been made in winding up of dead and defunct societies. Accordingly, registration of as much as four hundred fifty-six (456) defunct societies has been cancelled and wound up. On the other hand, the Department of Cooperation

²⁹Office of the Registrar, Cooperative Societies, Government of Mizoram, *Administrative Report and Statistical Data of Cooperative Societies in Mizoram, 2007 – 2008*. p.8

made serious efforts to identify the potentially viable cooperatives in order to gear up the task of making the cooperative movement in Mizoram both meaningful and viable. In this regard, as much as two hundred and six (206) new cooperatives have been registered. Cooperative movement in Mizoram steadily expanded not only in terms of number of societies but also in types and dimensions³⁰.

2.2 (i) Types of Cooperative Societies

As more and more people took interest on cooperative movement, they came up with their own areas of occupation with a hope for further success through joint efforts with others in the same area. This resulted to the birth of new types of cooperatives from time to time and necessitated proper and timely recognition from the department concerned. So, Section 10 of the Mizoram Cooperative Societies Rules of 1996 provides for the classification and sub-classification of societies giving power to the Registrar of Cooperative Societies to that effect at the time of finalizing registration. Classification under this Rule is given below (See Table 2.4).

Table No. 2.4
Classification and sub-classification of societies under Section 10 of the
Mizoram Cooperative Societies Rules of 1996

Sl. No.	Class	Sub-class	Examples of Societies in each class or sub-class
1	Agricultural Marketing Society	-	All Marketing Societies and all purchase and sale Societies of agricultural produces.
2	Consumers' Society	-	Stores, Canteen and all Non-Agricultural purchasing and sales societies
3	Cooperative Bank	(i) State Cooperative Bank. (ii) Central Cooperative Banks. (iv) Other Banks.	State Cooperative Banks, District Central Banks and other Banks having provisions in their bye-laws to advance loans to cooperative societies.
4	Farming	(i) Collective Farming.	Farming Societies where major area of land is acquired from outside agency for cultivation by members.

Contd...

³⁰Office of the Registrar of Cooperative Societies, Government of Mizoram (2012). *Annual Report*.

Sl. No.	Class	Sub-class	Examples of Societies in each class or sub-class
4	Farming	(ii) Joint Farming Society	Society where the major area of land brought together for cultivation is held by members.
5	Housing Society	(i) Tenant Ownership Housing Society. (ii) Tenant Co-partnership Housing Society. (iii) Other Housing Society	Housing Societies where land is held either on lease-hold or free-hold basis by societies and houses are owned or to be owned by members. Housing Societies which held land and buildings, either on lease-hold or free-hold basis and all of them to their members. House Mortgage Societies and House Construction Societies.
6	Processing Society.	(i) Agricultural Processing Society (ii) Industrial Processing Society	Societies which process agricultural produce like Cooperative Paddy-husking Oil-crushing, cotton-Ginning, Fruit - canning societies. Tanners' Cooperative Society.
7	Producers' Society	(i) Industrial Producers' Society (ii) Labours' Industrial Society (iii) Agricultural Producers' Society	Weaver, Carpenter, Potter, Tailor, Brass Maker Societies Forest Labourers' Societies and Labour Contract Societies Cattle Breeding, Poultry, Dairy and Piggery Societies
8	Resource Society	(i) Credit Resource Society (ii) Non-Credit Resource Society (iii) Service Resource Society	Agricultural Credit, Thrift and Urban Credit Societies Seeds and Implements and Agricultural Requirements Societies Service Cooperative and Multipurpose Cooperative societies
9	General Society	(i) Social (ii) Commercial (iii) Others	Better Living Societies and Education Societies Insurance and Motor Transport Societies Not falling in either of the above sub-classes

Source : Section 10 of the Mizoram Cooperative Societies Rules, 1996

The Mizoram Cooperative Societies Act, 2006 (as amended up to 2012), under Section 5 makes a provision for a society which may be registered as, a proposed cooperative which inter alia, has its objects as the promotion of or serving the social, economic and overall interests of its members or of public, self-help and mutual aid in accordance with the internationally recognized principles of cooperation, in force from time to time incorporated under section 6 (which requires cooperatives to conduct business affairs on sound business principles and principles of cooperation) may be registered under this Act³¹. Besides the above mentioned types of cooperatives prescribed by the Mizoram Cooperative Societies Rule of 1996, cooperative societies came up and got registration in different new areas as well (See Table No. 2.5)

Table No. 2.5
Category wise registered primary level cooperatives in Mizoram as on March 31, 2008

Rupees in lakhs						
Sl. No.	Category of Cooperative	No. of Societies	No. of Members	Paid up Share Capital		Total
				Individual	Government	
1	Service	49	2,200	8.57	15.08	23.65
2	Canteen	14	471	3.65	7.36	11.01
3	Multipurpose	176	6,632	23.56	11.54	35.10
4	Housing	7	175	0.50	3.33	3.83
5	Multi-Commodity	46	1,181	2.87	1.33	4.20
6	Dairy / poultry & Livestock	95	1,826	6.74	5.41	12.15
7	Labour	6	786	0.82	-	0.82
8	Fisheries	69	1,579	9.77	10.57	20.34
9	Handloom / weaving & Handicraft	172	4,317	32.54	24.99	57.53
10	Piggery	172	4,129	14.18	6.19	20.37
11	Industrial	85	1,574	5.09	3.13	8.22
12	Consumer	113	5,363	15.38	19.42	34.80
13	Farming	249	11,757	34.26	45.05	79.31
14	Sericulture	29	857	2.58	1.74	4.32
15	LAMPS	9	1,178	1.33	16.75	18.08
16	Marketing	7	409	2.23	6.13	8.36
	Total	1,298	44,434	164.07	178.02	342.09

Source : Statistical Cell, Department of Cooperation, Government of Mizoram, 2010

³¹Section 5 of the Mizoram Cooperative Societies Act, 2006 (as amended upto 2012).

2.2 (ii) Nature and dimensions

The ICA at its Manchester Congress in September, 1995 adopted a statement on “cooperative identity”. The statement includes a definition of cooperatives, a listing of the movement’s key values, and a revised set of principles intended to guide cooperative organisations at the beginning of the twenty-first century. The task of redefining the principles was undertaken under the chairmanship of Ian McPherson. This Congress also accepted the new definition of cooperation. The identity statement, definition, values and principles of cooperative made by the ICA expose the nature and dimension of cooperative society as given below.

The definition reads as, “A cooperative is an autonomous association of persons united voluntarily to meet their common economic and social needs through a jointly owned and democratically controlled enterprise.” This definition brings forth the following characteristic nature of a cooperative organisation:-

- (1) A cooperative is an autonomous body, independent of government or any other body;
- (2) It is an association of persons and not capital;
- (3) It is a body to meet common economic and social needs of the members.
- (4) It is a voluntary organisation owned, managed and controlled by the members in a democratic way. A member is supreme in a cooperative. He is the very purpose of it³².

This is the most widely accepted definition of cooperative society. The above definition conveys the sense that a cooperative society has its own autonomy and its members came together on their own will to have control of their own affairs through democratic decisions.

³²U.M. Shah (2007). Cooperative values and Principles in Indian context. *Hundred Years of Cooperative Development*, New Delhi: Cooperative Union of India. p.15

Values

The identity statement lays down that cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. Cooperative members believe, like in the tradition of their founders, in the ethical values of honesty, openness, social responsibility and caring for others. A cooperative is a value-based organisation. It is the presence of values in socio-economic terms, which makes a cooperative organisation. The basic values of cooperation are universal in nature and in application³³.

Principles

Cooperative principles are guidelines by which cooperatives put their values into practice. There are seven cooperative principles as given below³⁴:

- Voluntary and open membership

Cooperatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

Voluntarism connotes that a person can join a cooperative on his own will and society must also admit voluntarily without imposing restriction. He should also be free to withdraw himself from membership if he desires to do so. Open membership does not mean that all must be admitted in a cooperative. They should have common need and identification of interests. Membership cannot be claimed as a matter of right in a society. The members who join a society must extend their loyalty for the success of the society.

- The principle of democratic member control

Cooperatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In

³³U.M. Shah, *op. cit.*, p.15.

³⁴S. Nakkiran (2006). *Cooperative Management Principles and Techniques*, New Delhi: Deep & Deep Publications Pvt. Ltd. pp.38-50.

primary cooperative members have equal voting rights (one member, one vote) and cooperatives at other levels are also organised in a democratic manner.

This is considered to be the most important principle of cooperation. The General Body which is the supreme body in cooperative democracy has the responsibility for fair conduct of democratic control. The members participate in the deliberation of the General Body and exercise their voting rights. 'One man one vote' principle, which is the basis of cooperative democracy is practised in a cooperative to invoke vigilance in the affairs of society. The members elect their Board of Directors and give powers to act on behalf of all the members. But the Board is accountable for the members and General Body.

- The principle of member economic participation

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes - developing their cooperative, possibly setting up reserve, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative and supporting other activities approved by the membership.

Capital is not unwelcomed in cooperatives. It is very much needed, but it acts as servant and not as a master. Unlike capitalism, capital is not allowed to dominate human beings. Hence, to give importance and to serve its purpose, capital is provided a limited interest in cooperatives.

- The principle of autonomy and independence

Cooperatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative.

Cooperatives in all parts of the world are very much affected by their relationship with the state. Governments determine the legislative framework within which cooperatives may function. In their taxation, economic and social policies; governments may be helpful or harmful in how they relate to cooperatives. The cooperative societies should be autonomous in the same way that enterprises controlled by capital are autonomous in their dealings with government.

In referring to other organisation, the principle acknowledges the fact that, around the world, more cooperatives are entering into joint projects with private sector firms and there is no reason to believe that this tendency will be reversed. It does stress, however, how important it is that cooperatives retain their freedom ultimately to control their own destiny wherever they enter such agreement.

- The principle of education, training and information

Cooperatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperatives. They inform the general public – particularly young people and opinion leaders – about the nature and benefits.

This principle emphasises the vital importance played by education and training within cooperatives. Education means more than just distributing information or encouraging patronage; it means engaging the minds of members, elected leaders, managers and employees to comprehend fully the complexity and richness of cooperative thought and action. Training means making sure that all who are associated with cooperatives have the skills they require in order to carry out their responsibility effectively. It is also the responsibility of cooperatives to inform young people and opinion leaders such as, politicians, public servants, media representatives and educators about the nature and benefits of cooperation.

- The principle of cooperation among cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures. Cooperative societies need to build a healthy inter-cooperative relationship for collective functioning of cooperatives at various levels in line with the trend of modern economy towards closer economic integration and for setting up large units in all sectors. In fact, a nation state has lost its capacity to control the international economy, while cooperatives have a unique opportunity to protect and expand the direct interests of ordinary people. It is also crucially important for different kinds of cooperatives to join together when speaking to government or promoting the cooperative way to the public.

- The principle of concern for community

Cooperatives work for the sustainable development of their communities through policies approved by their members. Cooperatives are organisations that exist primarily for the benefit of their members. Because of this strong association with members often in a specific geographic space, cooperatives are also often closely tied to their communities. They have a special responsibility to ensure that the development of their communities economically, socially and culturally is sustained.

2.3. Structure, functions and processes

Structure, functions and processes in the cooperative societies in general and in Mizoram in particular may be discussed as the institutional structure, administrative hierarchy and the structure of managerial authorities.

The institutional structure of cooperative organisation is generally developed on a five tier framework. This classification is based on the area of jurisdiction and diversification of membership as given below³⁵:

- (i) Primary level cooperative society;
- (ii) District level cooperative society;
- (iii) State level cooperative society;
- (iv) National Level cooperative society;
- (v) International level cooperative society.

2.3 (i). Primary Level Cooperative Society

This is at the base of the cooperative structure. It is the smallest cooperative society both in terms of membership and area of jurisdiction. It is also known as a village level cooperative as it is mostly organised and confined within a village or one locality. One village seldom had more than one cooperatives of the same genius though it may be organised based on population and geographical condition. District wise position of registered primary cooperative societies in Mizoram is shown below (See Table No. 2.6).

Table No. 2.6
District wise position of Primary Cooperatives in Mizoram as on 31.3.2008

Sl. No.	Name of Districts	No. of Societies	No. of Members	Paid up Share Capital		Total Rs. in Lakhs
				Individual	Government	
1	Aizawl West	259	7,781	32.57	29.01	61.58
2	Aizawl East	296	11,161	46.68	42.09	88.77
3	Lunglei	241	5,828	29.23	33.08	62.31
4	Saiha	144	4,848	12.58	15.38	27.96
5	Champhai	198	6,742	21.93	22.34	44.27
6	Kolasib	92	3,688	8.69	20.76	29.75
7	Serchhip	68	4,386	12.39	15.36	27.75
	Total	1,298	44,434	164.07	178.02	342.09

Source : Office of the Registrar of Cooperative Societies, Government of Mizoram.

³⁵National Centre for Cooperative Education, *Study materials for Diploma in Cooperative Education and Development: Cooperative Education*, New Delhi – 16: National Cooperative Union of India. p.57.

2.3 (ii). District Level Cooperative

A number of primary cooperatives of the same kind join together and form a single cooperative to function at the district level. Each of the village cooperative is represented as one member and there is almost no chance for an individual person to be a member. But in the case of Cooperative Unions which deal with the common needs of various types of cooperative societies such as cooperative education and training, all types of cooperatives are supposed to become members of the Union. In Mizoram, there are only two cooperatives which may be called as district level cooperatives functioning at the two district headquarters of Kolasib and Lunglei in the area of milk production in collaboration with the Department of Animal Husbandry and Veterinary, Government of Mizoram. However, as these two cooperatives covered only one township each, they are not appropriate district level cooperatives.

2.3 (iii). State Level Cooperative

State level cooperative societies are formed by district level cooperatives to meet their common requirements at a larger scale and to have more meaningful influence in the state's economy. In Mizoram, Because of the absence of district level cooperatives, a number of primary cooperatives directly form the state level cooperatives. Number and position of state level cooperative societies in Mizoram is given below (See Table 2.7).

Table No. 2.7
Position of State Level Cooperative Societies in Mizoram as on 31.3.2008

Sl. No.	Name of the Societies	No. of Members	Paid up Share Capital		Total
			Societies	Govt.	
1	Mizoram Milk Producers Cooperative Union Ltd.	33	212,200	585,000	797,200
2	Mizoram State Cooperative Marketing & Consumers Federation Ltd.	228	543,550	62,956,398	63,498,948
3	Mizoram Apex Sericulture Cooperative Society Ltd.	30	40,500	200,000	240,500

Cont...

Sl. No.	Name of the Societies	No. of Members	Paid up Share Capital		Total
			Societies	Govt.	
4	Mizoram Women Cooperative Federation Ltd.	32	60,000	150,000	210,000
5	Mizoram Cooperative Fish Farming Marketing & Processing Federation Ltd.	16	21,200	251,000	272,200
6	Mizoram Apex Handloom & Handicraft Cooperative Society Ltd.(MAHCO)	140	52,300	3,780,000	3,832,300
7	Mizoram State Agriculture, Horti-culture & Marketing Cooperative Federation Ltd.	43	106,400	1,256,500	1,362,900
8	Mizoram Pig Producers Cooperative Federation Ltd.	111	330,050	225,000	555,050
9	Mizoram Cooperative Apex Bank Ltd.	965	12,817,000	46,955,000	59,772,000
	Total	1,598	14,182,200	116,358,898	13,054,109 8

Source : Administrative Report and Statistical Data 2007 – 2008. Office of the RCS, Government of Mizoram.

2.3 (iv). National Level Cooperative

The national level cooperatives are formed at the all India level with a membership from different state level cooperative societies. For instance, the consumer cooperative structure in India has been developed on a four tier framework. There are the primary consumer cooperatives at the grass root level followed by district level wholesale or central consumer cooperative societies; state level consumer cooperative federations and the National Consumer Cooperative Federation of India (NCCI) at the national level. Today, there are as much as eighteen (18) national level cooperative federations in India. Some of these are – National Cooperative Union of India, New Delhi, National Farmers Fertilizer Cooperative Limited, New Delhi, National Agricultural Cooperative Marketing Federation of India Limited, New Delhi, National Cooperative Dairy Federation, Anand, Gujarat, etc.

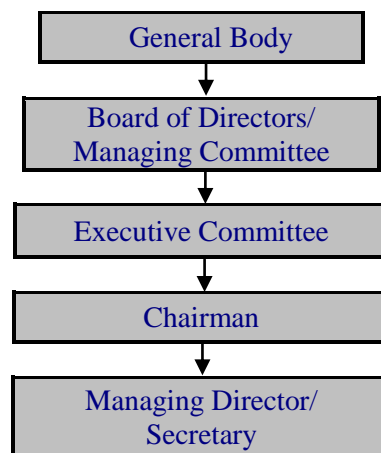
2.3 (v). International Level Cooperative

At the international level, there is the International Cooperative Alliance. It is a worldwide confederation of cooperative organisations of all types. Headquartered at Geneva, it was founded by the International Cooperative Congress held at London on August 18, 1895. At present, it has affiliates in 79 countries, serving over 191 national and 8 international cooperative organisations from all over the world in the membership of the Alliance. The ICA enjoys the right of participation in meetings and development work of the United Nations Organisation's specialised agencies such as Food and Agriculture Organisation and United Nations Educational, Scientific and Cultural Organisation and holds consultative status in the United Nations Economic and Social Council.

Even the primary level cooperatives are related to the ICA through a chain of membership in the Unions. All types of primary cooperatives are affiliated members of district cooperative unions which are again affiliated to state level unions. Membership goes on from state level to national level union like NCUI, which is an affiliated member of the ICA³⁶.

Administrative hierarchy and the structure of managerial authorities within the cooperatives may be studied as shown in Chart No.2.1 below:

Chart No. 2.1
Managerial hierarchy within the cooperatives



Source: Chapter VI of the Mizoram Cooperative Societies Act, 2006

³⁶National Centre for Cooperative Education, *op. cit.*, p.58

General Body

General Body of a cooperative consists of all its members. It is the supreme body as it vests the ultimate power and control over the society. The General Body, represented by the members of the society elects the Board of Directors and through them, the society is managed. It does not take major policies, but all the policy decisions taken at any level must be brought to its notice.

Section 45 (3) of the Mizoram Cooperative Societies Act (Act No. 9 of 2006), 2006 provides that the ultimate authority of cooperative shall, subject to the provisions of the Act, Rules and Bye-law, rests in the General Body consisting of its own members and any reference under this Act to General Body shall equally apply to representative General Body wherever exists.

Section 46 (2) of the Mizoram Cooperative Societies Act, 2006, (as amended up to 2012) lays down the following functions to be dealt with by the General Body:-

- (1) Election of directors of the board of management committee.
- (2) Removal of the board of management committee and filling up of vacancies.
- (3) Consideration of the balance sheet and annual reports presented by the board of management committee, audit reports and auditor's statement of accounts, and audit compliance report.
- (4) Grant of approval for the maintenance of qualified auditors, make appointment and removal of such auditors including statutory and internal auditors.
- (5) Consideration of the action taken report on inquiry, if any.
- (6) Disposal of net surplus.
- (7) Review of operational deficit if any, actual utilization of reserve and other funds, annual report and accounts of subsidiary organisations.
- (8) Approval of the long term perspective plan, the annual operational plan and the annual budget.

- (9) Creation of specific reserves and other funds.
- (10) Report on membership of the cooperative in other cooperatives.
- (11) Decide on partnership with other cooperatives.
- (12) To hear and decide appeal of a person whose application for membership has been rejected or whose membership has been terminated by the board of management committee.
- (13) List of employees recruited who are relatives of board of directors or the executive.
- (14) Amendment of bye-laws.
- (15) Formulation of code of conduct for the board of directors, officers, employees and members.
- (16) Admission, termination and expulsion of members.
- (17) Dissolution, liquidation or winding up of the cooperative.
- (18) Any other functions specified in the bye-laws.

Section 46 (5) of the said Act provides that all meetings of the Annual General Assembly, Special Assembly, Managing committee of the Primary and secondary cooperatives shall be submitted to the concerned District Cooperative Officers for approval, and in case of Federal Cooperatives to the Registrar for approval. Until and unless such approval is obtained from such competent authority, proceedings of such meetings shall not be valid and decisions taken in such meetings shall not have legal force or validity or binding.

Board of Directors or Management Committee

Subject to provisions of Article 243ZJ of the Constitution of India, the number of members of Board of Directors or Management Committee of every cooperative shall not exceed twenty-one. The term of office of elected members or the Committee and its office-bearers shall be five (5) years and the term of office-bearers shall be co-terminus with the term of the Board of the Committee as provided in article 243ZT of the Constitution of India³⁷. The Board of Directors represents the General Body. Though General Body is the supreme

³⁷Section 35 (1) & (2) of the Mizoram Cooperative Societies Rules 2012.

body in the cooperative democracy, it is the Board which plans activities, takes important policy decisions and ensures the implementation of the policies framed. They draw their power on behalf of the members and act on behalf of them. As all the members cannot participate in the decision-making and management of a cooperative, the Board of Directors as representative of the members discharge the responsibilities entrusted to them. Its main functions are to frame policies, review the results and to maintain good relationship between the paid management and the members³⁸.

Section 48 (1) of the Mizoram Cooperative Societies Act, 2006 (as amended up to 2012) mentions that there shall be a board of directors or managing committee for every cooperative (herein after referred as board of management committee) constituted by the General Body consisting of such number of persons specified in the bye-laws which number in any case shall not exceed fifteen. Powers and functions of the board of directors are given under section 54 (1) of the same Act as under:-

The board of management committee shall, in accordance with the bye-laws, have the authority to -

- (1) admit new members in accordance with section 26 and 27 (which deal with membership details);
- (2) elect the chairperson and other office bearers of various committee meeting;
- (3) remove the chairperson and other office bearers of various committee meetings from office for reasons to be recorded in writing after following the due procedure required under law, rules or bye-laws;
- (4) appoint and remove the chief executive of cooperative for reasons to be recorded in writing after following the due procedure required under law, rules or bye-laws;

³⁸S. Nakkiran, *op. cit.*, p.629.

- (5) fix staff strength in proportion to the volume of business of cooperative as determined or prescribed by concerned statutory regulatory authority, if any;
- (6) frame policies concerning :-
 - the organisation and provision of services to members;
 - prescription of qualifications, experience, method of recruitment, service conditions and other staff related matters;
 - the mode of custody, mobilization, utilization and investment of funds;
 - method and manner of keeping books of accounts;
 - monitoring and creation, prescription and maintenance of management;
 - information system including statutory returns to be filed;
- (7) place the annual report, annual financial statement of accounts, plan and budget for the approval of General Body;
- (8) consider audit and compliance reports and place the same before General Body;
- (9) review membership in other cooperatives;
- (10) undertake such other subjects and matters necessary for the effective performance of the cooperative including functions as delegated by the General Body;
- (11) terminate membership under section 35 (2) and confirm termination of membership under section 35 (1).

Executive Committee

The Executive Committee is provided by the bye-laws of cooperatives based on the requirement or the work load of cooperatives and in some cooperative its functions are performed by the Board of Directors or Managing Committee. Section 45 (2) of Mizoram Cooperative Societies Act, 2006 (as amended up to 2012), provides that where the area of operation of the cooperative is far and wide that it shall be neither possible nor feasible for all

members to meet in one place without much inconvenience, the bye-laws may provide for the constitution of smaller representative General Body consisting of delegates of members of cooperative elected or selected in accordance with the provisions of Act, rules and bye-laws and in such cases, the smaller representative General Body as prescribed or specified in the bye-laws of the cooperative.

In pursuance of this provision, for instance, the MSCU constitutes an executive committee. Section 34 of its bye-law prescribes that -

(a) An Executive Committee consisting of not more than seven members including President and the Chief Executive Officer of the Union as may be formed by the Board of Directors of the Union as under :-

- The President of the Board of Directors
- Chief Executive Officer and Executive Officer of the Union
- One Director of the Board of Directors
- Elected Vice President
- One Financing Bank as Board of Directors Select

(b) The business of the Executive Committee will be to carry out such functions as may be entrusted by the Board of Directors from time to time. The Executive Officer shall be ex-officio Secretary.

(c) Any Executive Committee shall be held at the instant of the Registrar, the President of the Union or on requisition by not less than two-third of the body concerned or according to the decision taken by the body concerned.

Bye-law of the Union further gives under section 35 (a), “The Sub-Committee may be formed with consisting members, prescribes by the Board of Directors with the concerned Executive Officer be acting as a member secretary.”

Chairman

The Chairman or Chairperson or President, whatever name is given in the bye-law, presides the meetings of cooperative and plays a very crucial role in the management of cooperative. Section 54 (2) of Mizoram Cooperative Societies Act, 2006 provides that the chairperson and other office bearers as may be prescribed in the bye-laws shall be elected by the board members from among the elected members within seven days from the date of declaration of election results in accordance with the bye-laws.

The chairperson shall :-

- (a) preside over meetings of the board and the General Body;
- (b) have a second vote in the event of equality of votes on any matter being decided upon by the board except in the matters relating to the conduct of election;
- (c) exercise such other powers as delegated by the board specified in the policies framed or resolutions adopted by the board.

Managing Director

In most cases of the state level cooperatives in Mizoram, the Managing Directors are appointed or deputed by the state government from amongst the senior officers of the Department of Cooperation. They perform secretarial functions in the cooperatives³⁹. Section 61 of the Mizoram Cooperative Societies Act, 2006 (as amended up to 2012) mentions that -

- (1) There shall be a Chief Executive, by whatever designation may be called, for every cooperative to be appointed by the state government or the management committee who shall be a full time employee of the cooperative.
- (2) The Chief Executive shall be a member of the board, executive and other committee or sub-committees as may be constituted by the cooperative from time to time.

³⁹Field work, interview and discussion with Mr.Vanlalsawma, Assistant Registrar of Cooperative Societies, Government of Mizoram on October 15, 2010 at 11:45am.

- (3) The Chief Executive shall perform the following functions and such other functions specified in the bye-laws. He shall -
- (a) have overall and general control over the day to day functions, activities and operation of the cooperative;
 - (b) be the authorized person to sue and be sued on behalf of the cooperative;
 - (c) be an authorized person on behalf of cooperative
 - to have power to endorse, sign, negotiates cheques and other negotiable instruments,
 - to operate bank accounts of the cooperative either individually or along with such other person as the board may desire,
 - be the person to enter into agreements or contracts with other individuals, firms, concerns, companies, organisations and institutions;
 - (d) be responsible for staff recruitment, discipline, performance, growth and development;
 - (e) ensure proper maintenance of records and accounts of the cooperative;
 - (f) present draft annual report and financial statements of accounts for the approval of the board, within thirty days of the closure of financial year;
 - (g) convene or ensure the conduct of the General Body, board, executive and other meetings in consultation with chairperson as per bye-law and record the proceedings thereof;
 - (h) assist the board of management committee in the formulation of policies and plans;
 - (i) be accountable to the General Body;
 - (j) furnish the board necessary information for monitoring the performance of cooperative;

- (k) perform any other function as specified in the bye-laws or as decided by resolution of Board and General Body.

Besides the above mentioned general provisions of Mizoram Cooperative Societies Act on the powers and functions of the four management authorities of cooperative, each and every cooperative society in the state has its own bye-law which provides powers and responsibilities of their functionaries within the provisions of the State Cooperative Societies Act. The provisions of the bye-laws are however, complementary and supplementary to the State Cooperative Societies Act.

2.4. Membership details, participation of individuals and groups

As already stated under the first principle of cooperation, i.e., voluntary and open membership, a person can join a cooperative on his own will and society must also admit voluntarily without imposing restriction⁴⁰. He should also be free to withdraw himself from membership if he desires to do so. Open membership does not mean that all must be admitted in a cooperative. They should have common need and identification of interests. Membership cannot be claimed as a matter of right in a society. What is important in this matter is that all the members who join a society must extend their loyalty for the success of their society.

Section 26 of Mizoram Cooperative Societies Act, 2006 (as amended up to 2012) articulates conditions on cooperative membership as follows:-

- (1) Membership in cooperative shall be made open to all eligible persons without any discrimination on ground of sex, race, caste, creed, political or religious affinity.
- (2) The eligible persons as per the provisions of this Act who are desirous of utilizing the services of cooperative at the same time ready and willing to undertake the responsibilities of membership alone shall be admitted as members of any cooperative.

⁴⁰Section 6 (a) of the Mizoram Cooperative Societies Act, 2006 (as amended upto 2012).

- (3) Any individual natural person who, is the citizen of India and above the age of eighteen years in the case of adult or between the age group of fifteen to eighteen years in the case of student and voluntarily applies for joining the cooperative may be admitted as member only in primary cooperatives.
- (4) Any person other than natural person such as cooperative, government, national or state level cooperative development organisations, Government Company or any class or association of persons, may also be admitted as members of a cooperative, primary as well as secondary, central or federal cooperative.
- (5) Every application received by a cooperative for admission as its member shall be disposed of by such cooperative within a period of sixty days from the date of receipt of such application and the decision of such cooperative on such application shall be communicated to the applicant within fifteen days from the date of such decision taken.
- (6) The admission of members in a cooperative shall be made only by a board of management or by the general body meeting where such a board does not exist.
- (7) The administrator or committee of administrators as the case may be appointed by the Registrar during the inventing period of supersession of a cooperative shall not have the right to admit new members.

Besides the above provision, there is also provision for admission of nominal, associate or sympathiser members in the Act⁴¹. It states that -

- (1) A cooperative may admit persons as nominal or associate or sympathiser members if due provision is made in the bye-laws of respective cooperatives.
- (2) The nominal or associate or sympathizer members shall not be entitled to subscribe to the shares of such cooperative or have any interest in the management thereof including the right to vote or to be elected as a director of the board.

Effective exercise of power necessitates popular presence and participation of individual members at the general body meetings. It is, however, not much encouraging, except when elections are to be held to reconstitute Board of Directors and elect office bearers or there is any exciting subject on the agenda of the meeting. Apathy of the members towards the General Body is a kind of self-denial to exercise the powers vested constitutionally in them. This leads to dominance of the few, called vested interests, over the affairs of the society, which is not in conformity with the concept and spirit of democracy.

Another aspect of exercises of power by the members is their participation in the discussions on the agenda items. It is not enough that they should be physically present at their meetings. What is of great value and more importance is their participation in the discussions and deliberations on the agenda subjects. It has been observed that majority of members or delegates sit as positive listeners, while only a few are vocal. In most cases participation is dull and agenda notes presented are pursued without much discussion, formally completing the proceedings in a short time. Other items become still less important, if elections are to be held in a particular meeting. General body meetings, thus, become a formality rather than effective direction-giving and policy-making authority.

⁴¹Section 27 of the State Cooperative Societies Act, 2006 (as amended upto 2012).

Apart from attending and participating in the General Body meetings, members have the power to get a meeting of the General Body requisitioned to discuss or consider any subject of urgent nature, called special General Body meetings. They also have the right to move a vote of no confidence against the Office Bearers or Board of Directors, as the case may be, and get them removed from the office. However, the use of this power is more an exception⁴².

The members participate in the activities of their cooperative through the following provisions given by the Act under Sections 31 and 32 which deal with their rights and duties.

Rights of members

The members of cooperative have the following rights⁴³:

- (a) to work for the benefit of cooperative and be paid in accordance with the bye-laws of cooperative;
- (b) to enjoy dividend and profit corresponding to the extent of contribution made in the form such as capital, labour and production by the members and to the level or extent of using the service of the cooperative;
- (c) to be provided with necessary technical and economic information, copy of the Act, rules, bye-laws and annual statement of accounts of the cooperative;
- (d) to enjoy common welfare benefits of the cooperative;
- (e) to participate in or elect representatives to General Body meeting, other meetings of members for the purpose of taking part in the decision-making process of cooperative and also vote on the affairs of the cooperative;

⁴²Field work, interview and discussion with C.Makliana, Managing Board member of MIZOFED and his colleagues on 24.10.2010 at 12:30mp. and observations at different occasions.

⁴³Section 31, Chapter IV of the Mizoram Cooperative Societies Act, 2006 (as amended upto 2012).

- (f) to contest election to the management committee, other committees such as executive committee, loan committee, deposit committee, etc. and other posts of cooperative to be filled by the process of election, selection or nomination;
- (g) to seek opinions from the board of management and chief executive on all aspects and functioning of cooperative;
- (h) to make demand or call to convene special or extra-ordinary general meeting of members for specified purposes in accordance with the provisions of the Act, rules and bye-laws;
- (i) to cast vote in elections conducted by cooperative;
- (j) to transfer share capital contribution, rights, interests and duties to other members or cooperative or other persons in accordance with the provisions of bye-laws;
- (k) to withdraw from the membership of cooperative in accordance with the provisions of the Act, rules and bye-laws;
- (l) to get the share capital contribution and other interests be returned upon the withdrawal and termination of membership from the cooperative on the grounds specified under Section 33 and 35 of the Act respectively;
- (m) to utilize lawfully the service made available to members by the cooperative as and when required under the Act, rules and bye-laws;
- (n) to know the reasons for the refusal, if any, to render service by the cooperative;
- (o) to make representation to the Registrar or the respective federation against the refusal, if any, made to render service by the cooperative;
- (p) to participate in and benefit from the activities of cooperative;

- (q) to question its management committee and chief executive as to their failures to implement adopted resolutions and to have access to all information concerning his own interests;
- (r) to seek the overturning of resolution or actions by the cooperative bodies which contravene the law or its statutes or are found inappropriate;
- (s) a member of a cooperative who has contributed land to cooperative shall further enjoy the following rights:-
 - to retain his ownership over the land as real estate or an equivalent share;
 - to preserve the established crops on the contributed land;
 - to sell the contributed land to other members of the cooperative;
 - to receive rent for any land thus contributed;
 - to receive part of the rent or remuneration in the form of farm produce.

Duties of member

The members owe the following duties to the cooperative⁴⁴ :

- (a) to abide by the provisions of the Act, rules, bye-law and other lawful decisions taken by the General Body, management committee, other committees and Registrar;
- (b) to make share capital contribution, other fees and payment to the cooperative in accordance with the provisions of the Act, rules and bye-laws;
- (c) to extend full cooperation and support to other members and cooperative, thereby, contributing to the overall development of cooperative;

⁴⁴Section 32, Chapter IV of the Mizoram Cooperative Societies Act, 2006 (as amended upto 2012).

- (d) to perform or extend the minimum economic commitment and business support to the cooperative as prescribed under the Act, rules and bye-laws;
- (e) to undertake jointly and severally the responsibility to bear liability on debts, risks, losses, damage caused to cooperative within the limit of member's share capital contribution in the case of limited cooperative and beyond the limit in the case of unlimited cooperative;
- (f) to compensate for damages caused to the cooperative, if any, in accordance with provisions of the Act, rules and bye-laws.

In regard to group participation, the Act expresses the rights and duties of cooperative societies under Chapter – V, Section 43 and 44 respectively which are presented below.

Rights of cooperative

The cooperative societies registered under the Mizoram Cooperative Societies Act, 2006 have, possess and enjoy the following rights, i.e., the right⁴⁵:-

- (a) to choose the type or kind of business or service or activity to be undertaken;
- (b) to determine the form, structure and extent and economies of scale of business and services of the cooperative;
- (c) to hire employees only in case members of cooperative are unable to satisfy or meet the requirements of business or service or activities of the cooperative;
- (d) to decide on admission of new members, prescription of qualification, disqualification, basis or grounds for withdrawal, expulsion and termination of membership and procedure therefore in accordance with the provisions of this Act;

⁴⁵Section 43, Chapter V of the Mizoram Cooperative Societies Act, 2006 (as amended upto 2012).

- (e) to decide or determine the manner and method of distribution of surplus or losses incurred by cooperative;
- (f) to decide on grant of appreciation and reward for individuals who made substantial contribution and achievement in building, promoting and developing the cooperative;
- (g) to take appropriate action against members who violate provisions of this Act, rules and bye-laws;
- (h) to direct erring members, officers and employees to compensate for damages they may or might have caused to the cooperative;
- (i) to borrow money from banks, raise funds from other sources and lend money to members of cooperative in accordance with the provisions of this Act, rules and bye-laws;
- (j) to legally refuse or deny demands of individuals, institutions and organisations which are contrary to the provisions of this Act and rules.

Duties of cooperative

The cooperative societies owe, follow, observe or discharge the following duties⁴⁶:

- (a) to undertake or carry on business or service or activities in conformity with law and legally recognised or accepted standards or norms;
- (b) to follow and observe the legally reorganised accounting system, procedure and standards prescribed under this Act or any other law for the time being in force;
- (c) to pay the prescribed tax, fee and duty and fulfil all financial obligations as per provisions of law in force from time to time;
- (d) to mobilize, maintain and raise working capital for the cooperative as per the provisions of Act, rules and bye-laws;
- (e) to undertake the responsibility for the repayment of debt and discharge of obligations of cooperative to be met by the capital and assets owned by such cooperative;

⁴⁶Section 44, Chapter V of the Mizoram Cooperative Societies Act, 2006 (as amended up to 2012).

- (f) to ensure enjoyment of right of members and provide economic, social and business commitment to members;
- (d) to protect the interest of members who for the benefit of cooperative and other employees engaged by such cooperative;
- (e) to ensure regular and periodical conduct of educational and training programmes for members, officers, employees and officials and ensure that all such members, officers, employees and officials of cooperative actively participate in building the cooperative;
- (f) to create favourable conditions of the production, business and service oriented cooperatives to operate within cooperative framework by following the principles of cooperation;
- (g) to protect, promote and preserve the environment, landscape and human ecology in accordance with provisions of law.

The above mentioned provisions of Mizoram Cooperative Societies Act, 2006 are in some areas, slightly different from the bye-laws of different cooperatives which prescribe the objectives, duties and responsibilities of members as well as cooperatives based on their own business, activities and trade. But they have to be in accordance with the Act. The provision of bye-law of a cooperative which is in contrast to that of the State's Act would be declared null and void.

To sum up, in this chapter, we have discussed the cooperative societies, bringing up the origin and historical perspectives in the world, India and Mizoram. The chapter also covers discussion on types, nature and dimensions, structure, functions and processes within the cooperatives. Membership, participation of individuals and groups are discussed in detailed based on the provisions and practices under the prevailing Act, rules and bye-laws of cooperative societies in Mizoram. Though the idea and spirit of cooperation was practised and followed since the beginning of human civilisation, the genesis of cooperative movement and its application in the field of economy are said to have started as the aftermath of the Industrial Revolution mainly as a peaceful

reaction of the mercantile economy that brought about concentration of wealth, deprivation and mass poverty. It was born in England first in the form of consumers' cooperatives; in Germany as agricultural and non-agricultural credit cooperatives; in France as factory workers or producers cooperatives; etc. The Indian cooperative movement, like its counterparts in other countries, has been a child of distress. The first Cooperative Societies Act in India was passed in 1904 paving the way for the establishment of cooperative credit societies in rural and urban areas. This movement also entered Mizoram, the then Lushai Hills when it was under the jurisdiction of Assam as one of its administrative districts in 1949 with the registration of the state's first three cooperative societies in the same year. This chapter also discusses the growth and development of cooperative societies in Mizoram during the Union Territory days since 1972 and subsequently as a separate state since 1987 with emphasis on types of societies, members, organisational structures and legal provisions.

Chapter - III

Department of Cooperation in Mizoram

The preceding chapter has discussed the origin and history of cooperative societies briefly in the world, India and Mizoram. It also covers brief information on the types, nature and dimensions, structure, functions and processes in the management of cooperative societies. Issues like membership details, participation of individuals and groups are discussed based on the provisions and practices under the prevailing Act, rules and bye-laws of cooperative societies in Mizoram.

The present chapter deals with the Department of Cooperation in Mizoram by tracing its origin and growth, historical development, structure, function and responsibilities of the Department and the prevalent issues and problems. It also covers the formation of the Department of Cooperation in India, coming to the state of Mizoram, featuring it as a Hills District under the state of Assam, then as Union Territory of Mizoram and statehood up to present day situation, this research study has been conducted.

3.1. Origin and Growth of the Department of Cooperation

Today, the Ministry of Agriculture, Government of India is a nodal ministry for cooperation at the Union Government which comprises of the departments like Department of Agriculture and Cooperation, Department of Agricultural Research & Education and Department of Animal Husbandry and Dairying¹. In Mizoram, there has been a separate Department of Cooperation under the charge of a Minister, created in the year 1972 coinciding with the birth of the Union Territory of Mizoram.

¹<http://agricoop.nic.in/struc.htm#structure>, Last updated on June 01, 2012. Retrieved September 1, 2012. 09:00 am.

3.1. (i) Origin of the Department of Cooperation in India

In India, the existence of the Department of Cooperation may be traced back to June, 1871 when the Department of Revenue, Agriculture and Commerce was set up by the Government of British-India to deal with all matters affecting the practical improvement and development of the agricultural resources in the country, including cooperation. Prior to 1871, the work pertaining to agriculture was the responsibility of the Home Department. The subject concerning cooperation had been transferred to different departments under the government of both the pre and post-independent India. In 1881, the Famine Commission recommended creation of a separate Department of Agriculture and accordingly, the Department of Revenue and Agriculture was reconstituted as a separate department.

In the year 1923, in the interest of economy and efficiency, the portfolios of Education, Health, Revenue and Agriculture were combined to form the Department of Education, Health and Lands. In 1945, the said Department of Education, Health and Land was trifurcated into three separate departments such as Departments of Agriculture, Education and Health. The Department of Agriculture was re-designated as Ministry of Agriculture in August, 1947.

Even under the government of independent India, reorganisation and constitution of ministries and departments took place from time to time. In January 1951, the Ministry of Agriculture was combined with the Ministry of Food to form the Ministry of Food and Agriculture. In October, 1956, this ministry was split into two ministries but they were again combined in April 1957, as the Departments of Agriculture and Food under the Ministry of Agriculture². In December 1958, the subject of cooperation was transferred from the Department of Agriculture to form a separate Department of Cooperation for the first time under the Ministry of Community Development. In January 1966, the Ministry of Community Development and Cooperation was merged with the

²<http://agricoop.nic.in/history.htm>. Last updated on June 01, 2012. Retrieved September 1, 2012. 09:00 am.

Ministry of Food and Agriculture to form the Ministry of Food, Agriculture, Community Development and Cooperation.

The following functions regarding cooperation were added to the Ministry:

1. Agricultural indebtedness and credit.
2. Cooperation in agricultural sector.
3. Matters relating to National Cooperative Organisations.
4. National Cooperative Development Corporation.
5. Incorporation, regulation and winding up of cooperative societies with objects not confined to one state.
6. Training of personnel of cooperative departments and cooperative institutions (including education of members, office bearers and non-officials).

In the year 1971, the Ministry of Food, Agriculture, Community Development and Cooperation was renamed as Ministry of Agriculture with the following four departments under its hands like - Department of Agriculture, Department of Food, Department of Community Development and the Department of Cooperation. Again, in the year 1973, the subject of Consumer Cooperatives was added to the Department of Cooperation in the Ministry of Agriculture and Cooperation. The Ministry of Agriculture, being one of the biggest and the most important ministries in the country, the different departments including Cooperation under it also play a crucial role in the country's economy³.

3.1. (ii) Origin of the Department of Cooperation in Mizoram

Mizoram was formally known as Lushai Hills. The British armed force that was dispatched to this land in 1889 - 1890 was styled Lushai Hills Expeditionary Force. It is generally accepted that the name 'Lushai' has been derived from the word 'Lusei' which was the chief clan among many others

³<http://agricoop.nic.in/history.htm>. Retrieved September 10, 2012. 11:00 am.

inhabiting the state⁴. So, the word Lushai seems to be the corrupted spelling of the term Lusei.

After the annexation of the Lushai Hills in the year 1890, the Government of British-India decided that the North Lushai Hills would be administered by the Chief Commissioner of Assam and the South Lushai Hills should form a district under the Bengal province. To begin the British administration in the region, the Government appointed Captain H.R. Browne, Personal Assistant to the Chief Commissioner, as the Political Officer in the North Lushai Hills. He arrived at Aizawl (Aijal) in May, 1890. The South Lushai Hills which became a district in 1891 was placed under G.S. Murray as Superintendent. These officers had the powers of Deputy Commissioner and were made Heads of all departments including police in their jurisdictions⁵. Realizing the inhabitants of the North and South Lushai Hills were the same tribe and for administrative convenience, the government amalgamated the two districts into one Lushai Hills District with effect from April 1, 1898 and was placed under the Chief Commissioner of Assam⁶.

With the passage of time, in the area of cooperative development and in view of the prevailing depressed condition of the movement resulted by the great depression of the Thirties, the government adopted certain economic and administrative measures in the sphere of cooperative management. The entire province of Assam was divided into three Divisions namely, the Assam Valley Division, the Surma Valley Division and the Hill District (Shillong) Division. Registrar of Cooperative Societies, Government of Assam headed the department which was separated from the Agriculture Department. Two Assistant Registrars

⁴Director, Art and Culture, Government of Mizoram, Education and Human Resources Department (1989). *Mizoram District Gazetteers*, Guwahati: M/S Eastern Press & Publications Pvt. Ltd. p.1

⁵C.G. Joshi (2005). *Mizoram: Past and Present*, New Delhi: Mittal Publications. pp.22-33.

⁶H.C. Thanhranga (2007). *District Council in the Mizo Hills (update)*, Aizawl: Lengchawn Press. p.26.

of Cooperative Societies (ARCS) were appointed to assist him. One of the Assistant Registrars of Cooperative Societies was given charge of the Surma Valley and the Hill Division and other was put in-charge of the Assam Valley Division⁷. The Lushai Hills fell under the then Surma valley Division and the Cachar District Assistant Registrar of Cooperative Societies; Government of Assam looked after the Division from Silchar. When the cooperative movement entered in the 1940s, the Lushai Hills was under the charge of an Assistant Cooperative Officer equivalent to Junior Inspector of Cooperative Society of today⁸. These Cooperative Offices functioned under the guidance and overall supervision of the Registrar of Cooperative Societies, Government of Assam, Shillong, the then capital of undivided Assam.

After the World War-II and following India's Independence, political awakening took place among the Mizos in the Lushai Hills. This had yielded the most important political development in the Hills after India's Independence. In accordance with the provisions to the Sixth Schedule of the Constitution of India, the Lushai Hills District Council, with executive, legislative and judicial powers on certain matter, was inaugurated by Mr. B.R. Medhi, the then Chief Minister of Assam on April 23, 1952. The name "Lushai Hills District" had also been changed into "Mizo District" with effect from September 1, 1954 by an Act called the Lushai Hills District (change of name) Act, 1954 (18 of 1954) which was assented by the President of India on April 20, 1954⁹. Mizoram had, thus, remained as one of the administrative districts of Assam till it attained its status as a centrally administered Union Territory on January 21, 1972.

⁷Chitta Ranjan Samaddar (1991). *Cooperative Movement in Assam*. Guwahati: Published by C. Samaddar. p.135

⁸C.Lalchhunga (2004). *Statistical Statement of Cooperative Societies, Aizawl East District for the year 2004*, Aizawl: p.1.

⁹Director, Art and Culture, Government of Mizoram, Education and Human Resources Department, *op. cit.* p.54.

The origin and growth of government departments in Mizoram are largely influenced and characterised by its mother state of Assam. The first cooperative societies in Assam like Rajahauli Village Bank, Jorhat; Jorhat Cooperative Town Bank, Jorhat and Chrigaon Village Bank, Jorhat were registered on October 10, 1904¹⁰. In 1951, the Government of Assam established a Cooperative Sub-Divisional Office at Aizawl and posted Shri S.R. Chowdhury as a Sub-Divisional Deputy Cooperative Officer and Shri K.C. Das as Assistant Cooperative Officer which are better known as Senior Inspector and Junior Inspector of Cooperative Societies today respectively. At first, there was no separate cooperative office and these two cooperative officers were initially attached to office of the Deputy Commissioner (Civil) at Aizawl. Due to congestion of office room, the Agriculture Office then provided accommodation with clerical staff to assist in the day to day works. Cooperative movement in the Mizo District was progressing year by year and as such, the Government of Assam, on January 31, 1956 posted Shri P.B. Bhattacharjee, Assistant Registrar, Cooperative Societies to open and man a full-fledged District Cooperative Office at Aizawl¹¹. Thus, Sub-Divisional Office was upgraded to a District Cooperative Office and started functioning separately from March 1, 1956. To foster cooperative movement in the area, the government opened Cooperative Sub-Divisional Offices under the Department of Cooperation at Lunglei and Saitual towns in the year 1958¹². These offices were headed by Deputy Cooperative Officers in the rank of Senior Inspector of Cooperative Societies of today. They supervised the registration of cooperative societies and also looked after the registered societies in their own jurisdictions with the help of Field Staff posted under them. At this time, there

¹⁰National Cooperative Union of India, *Profile of First Cooperative Society Registered in States/UT's*, New Delhi: p.6.

¹¹Mizoram State Cooperative Union (1993). *Achievement Report on Cooperative Department & State Level Cooperative Societies, Mizoram*, Aizawl: preface.

¹²Office of the Registrar, Cooperative Societies, Government of Mizoram, *Administrative Report and Statistical Data of Cooperative Societies Mizoram 2007 – 2008*. p.8.

were three offices of the Deputy Cooperative Officers operating at Aizawl, Lunglei and Saitual towns under the supervision of the Assistant Registrar of Cooperative Societies headquartered at Aizawl who was in charge of the whole Mizo District of Assam.

In the year 1960, there was a cooperative departmental reorganisation in the Government of Assam. As a consequence of this departmental reorganisation, the Cooperative Circle Offices were closed and instead, headquarters of Civil Sub-Divisions came into existence. Following this reorganisation, the office of the Deputy Cooperative Officer at Saitual was closed while the office at Lunglei was upgraded to the office of the Sub-Divisional Deputy Cooperative Officer.

Likewise, the office of the Deputy Cooperative Officer at Aizawl functioned as office of the Sub-Divisional Deputy Cooperative Officer for some time¹³. This Sub-Divisional Deputy Cooperative Office soon after, was merged with the office of the Assistant Registrar of Cooperative Societies, Aizawl (See Table 3.1).

Table No. 3.1
Incumbency List of District Cooperative Officers

Sl. No.	Name of Officers	Period	
		From	To
1	P.B. Bhattacharjee	31.1.1956	12.4.1957
2	M. Rahman	13.4.1957	30.4.1959
3	P.B. Bhattacharjee	01.5.1959	20.9.1962
4	M.M Das	21.9.1962	03.1.1966
5	P.S Sanyal	04.1.1966	16.6.1969
6	P.C Deb	17.6.1969	25.7.1974
7	R.A Chowdhury	26.7.1947	30.4.1978
8	K.K Swami, SICS i/c	01.5.1978	15.9.1978
9	L.S Lianhulha	16.9.1978	24.9.1982
10	Sapbawia	25.9.1982	23.3.1988

Source : Office of the Registrar of Cooperative Societies, Aizawl.

¹³Rochungnunga (1977). *Mizoram Cooperative Chanchin* (Mizo), Aizawl: Aizawl Printers' Cooperative Society Press. pp.4-5.

Finally, the Mizo District Council was elevated to a new centrally administered Union Territory in 1972. This brought about one of the most important events in the development of cooperatives in Mizoram. The position of the Department of Cooperation was elevated and improved to a great extent. Shri. K.B. Gurung, the then Development Commissioner took over the charge of office of the Secretary and Registrar, Department of Cooperation in addition to his normal duties. The post of Registrar of Cooperative Societies was then created in the same year i.e. 1972¹⁴. This post, in its initial stages, was occupied by one of the Deputy Secretaries of the Union Territory Government in an ex-officio capacity in addition to his normal works in the Secretariat. This was done during the period starting from December 13, 1972 to November 17, 1976¹⁵.

The government created a full-fledged post of the Registrar in December, 1976 and appointed a senior officer from amongst the Provincial Civil Service personnel which was changed to the cadre post of IAS since 1987¹⁶. In addition to a single District Office, two more District Offices were created and opened in the years 1975 and 1979 at Lunglei and Saiha to look after cooperative societies in Lunglei district and undivided Chhimtuiptui district respectively. By the turn of 1987, when Mizoram got statehood on February 20, the cooperative movement had covered almost all nook and cranny of the state. This development had necessitated the creation of another three more District Offices at Kolasib, Aizawl East and Champhai in the years 1987, 1988 and 1995 respectively. Again in September, 2007, the Government of Mizoram opened a new District Cooperative Office at Serchhip town for Serchhip District. So, the state of Mizoram is having seven (7) District Cooperative Offices manned by the

¹⁴Mizoram State Cooperative Union, *op. cit.*, preface.

¹⁵Vanlalchhandama. (2012, June 11). *Document on Cooperative Movement in Mizoram*, Aizawl: p.2.

¹⁶Office of the Secretary, Department of Cooperation, Government of Mizoram (2008, June 10). *Brief Note on Cooperative Movement (Mizoram)*.

Assistant Registrar of Cooperative Societies with supporting Field Staff, Ministerial Staff and IV Grade Staff¹⁷.

As the apex body of these offices, there is the Directorate of Cooperation at Babutlang, Aizawl headed by the Registrar of Cooperative Societies. While in the Government Secretariat, the supervision work is being performed by the Commissioner of Cooperation and his subordinate officers like Deputy Secretary, Under Secretary and other Ministerial Staff.

3.2. Historical development of the Department of Cooperation

Origin and growth of the department have just been given above and this is followed by further discussion on its historical development featuring mainly the development of the Department of Cooperation in Mizoram under various incidents and circumstances like Mautam famine¹⁸, insurgency and peace time. During the year 1960, some of the Cooperative Officers were engaged along with officers of other departments to manage relief activities necessitated by the outbreak of Mautam famine throughout the state of Mizoram. This, in some way or the other, had impeded the working of the department. But this was only for a short while of about one (1) year.

The steady flow of cooperative movement in Mizoram was greatly hindered by the outbreak of insurgency in the year 1966. The so called Mizo National Army, under the leadership of Laldenga fought for complete independence from India. This untoward situation and incidence resulted in stagnation in the cooperative movement and crippled law and order in the state as a whole. Many villages scattered in the state were grouped together at a number of grouping centres comprising four (4) to five (5) villages to streamline administration of law and order. Albeit all this, the Government of Assam took

¹⁷Office of the Registrar, Cooperative Societies, Government of Mizoram, *op. cit.*, p.9.

¹⁸During Mautam famine, rats feed on the fruits of mautak (*Melocanna baccifera*) and find abundant food, due to which their population increased in great numbers. After finishing the fruits in the jungle, these rats shifted to rice, maize, etc. from jhum and then famine occurs.

different steps to utilise these grouping centres for cooperative development. It was beyond expectation that this situation had turned out to be a blessing in disguise as the Registrar of Cooperative Societies, Assam assigned Cooperative Officers to organise more and more cooperative societies in all the grouping centres in Mizoram. As a result of this, during the year 1967 – 1968, sixteen (16) number of service cooperative societies were organised in the northern part of Mizoram and three (3) numbers of cooperative societies in the southern region. While the number of registered societies was increasing, a good number of Cooperative Inspectors were pulled out to serve as Extension Officers and Administrative Officers in the Administrative Centres and Civil Supply Centres created at different places of Mizoram under the General Administration Department. This interruption happened mostly during the year 1969-1973 thus leaving only one or two Cooperative Inspectors to perform departmental and field works¹⁹. However, in the year 1973, these officers were pushed back to their own departments and the inadequacy of staff had been compensated again.

In spite of the disturbances and insurgency in the state, the cooperative movement in Mizoram was experiencing a slow and steady progress and the number of cooperative societies increased year by year. This necessitated the expansion of the staff as well as field establishments to look after the societies at different places of the state. The government then created new District Offices headed by Assistant Registrar of Cooperative Societies. At present, there are seven (7) District offices known as Offices of the Assistant Registrar, Cooperative Societies.

3.2 (i) Office of the Assistant Registrar of Cooperative Societies, Aizawl West

The Government of Assam established a District Cooperative Office at Aizawl, Mizoram in the month of January, 1956. The office was headed by Assistant Registrar of Cooperative Societies and started functioning from January 31, 1956. After 31 years of functioning as a District Office, it was felt

¹⁹Rochungnunga. *op.cit.* p.16

necessary to establish a new District Office. Therefore, the District Office was bifurcated into two District Offices namely Aizawl West and Aizawl East in March, 1988²⁰. Strength of the staff of this office as on March 31, 2008 is given below (See Table No. 3.2).

Table No. 3.2
Strength of the office staff of ARCS, Aizawl West as on March 31, 2008

Sl. No.	Name of Post	Strength
1	Assistant Registrar of Cooperative Societies	1
2	Head Assistant	1
3	Upper Division Clerk	2
4	Lower Division Clerk	2
5	Senior Cooperative Inspector	5
6	Junior Cooperative Inspector	2
7	Process Server	2
8	Driver	1
9	Peon/Chowkid	5
Total Strength		21

Source: Office of the Registrar of Cooperative Societies, Government of Mizoram.

Office of the Assistant Registrar of Cooperative Societies, Aizawl West started functioning on March 24, 1988. It is headed by the Assistant Registrar of Cooperative Societies. The incumbency period of the head of this office is given below (See Table No. 3.3).

Table No. 3.3
Incumbency period of the ARCS, Aizawl West as on 31.3.2009

Sl.No.	Name of Officer with Designation	Period	
		From	To
1	C. Rozama ARCS	24.03.1988	27.09.1994
2	Vanlalsawma ARCS	27.09.1994	23.01.1996
3	Vanlalsawma DRCS	23.01.1996	16.07.1996
4	Sanghlira ARCS	16.07.1996	19.07.1999
5	Laldailova Colney ARCS	19.07.1999	16.11.1999
6	Laldailova Colney DRCS	16.11.1999	15.03.2000
7	Lalhmuakliana ARCS	15.03.2000	---

Source: Office of the Registrar of Cooperative Societies, Aizawl.

²⁰C.Lalchhunga, *op. cit.*, p.1.

3.2 (ii) Office of the Assistant Registrar of Cooperative Societies, Aizawl East

After it was separated from the Aizawl West District Office, the office of the ARCS, Aizawl East functioned separately from August 23, 1989. Having separated from the Aizawl West District Office, Mr. Vanlalsawma, the then ARCS took over the first charge of this office²¹. Following this development, as much as nine (9) ARCS have taken the charge of this office. The incumbency period of the head of this office is given below (See Table No. 3.4).

Table No. 3.4
Incumbency period of the ARCS, Aizawl East as on 31.3.2009

Sl.No.	Name of Officer with Designation	Period	
		From	To
1	Vanlalsawma ARCS	23.08.1988	27.09.1994
2	Ibrahim Ali ARCS	27.09.1994	31.03.1996
3	Ibrahim Ali DRCS	01.04.1996	07.08.1996
4	R.M Barman ARCS/DRCS	07.08.1996	14.10.1996
5	C. Chhawnzauva ARCS	14.10.1996	13.02.2000
6	C. Chhawnzauva DRCS	14.02.2000	23.02.2000
7	Mohan Gurung ARCS	23.02.2000	17.07.2002
8	C. Lalchhunga ARCS	17.07.2002	31.03.2005
9	Lalrinsanga ARCS	07.04.2005	---

Source: Office of the Registrar of Cooperative Societies, Aizawl.

Initially there were six Rural Development (RD) Blocks within its jurisdiction namely Thingsulthliah R.D block, Serchhip RD block, East Lungdar RD block, Khawzawl R.D Block (including Champhai Sub-division), Darlawn RD block and Ngopa RD block. This boundary had been reorganised with the birth of new District Offices at Champhai and Serchhip²². Strength of the office staff of ARCS, Aizawl East is shown in the Table below (See Table No. 3.5).

²¹C.Lalchhunga, *op. cit.*, p.2

²²Mizoram State Cooperative Union, *op. cit.*, p.8

Table No. 3.5
Strength of the office staff of ARCS, Aizawl East as on March 31, 2008

Sl. No.	Name of Post	Strength
1	Assistant Registrar of Cooperative Societies	1
2	Head Assistant	1
3	Upper Division Clerk	1
4	Lower Division Clerk	7
5	Senior Cooperative Inspector	2
6	Junior Cooperative Inspector	4
7	Process Server	2
8	Driver	1
9	Duftry	1
10	Peon/Chowkidar	4
	Total Strength	24

Source: Office of the Registrar of Cooperative Societies, Aizawl.

3.2 (iii) Office of the Assistant Registrar of Cooperative Societies, Lunglei

In the month of April 1958, the Sub-Divisional Cooperative Office was established at Lunglei. At this time, Chhimtuipui District was under the jurisdiction of Lunglei Sub-Divisional Cooperative Office and all the three District Councils namely the Lai, Chakma and Mara Autonomous District Councils were under its jurisdiction. Lunglei Sub-Divisional Cooperative Office was upgraded to District Office headed by the Assistant Registrar of Cooperative Societies on June 30, 2012²³. The incumbency list of this office is given in the Table below (See Table No. 3.6).

²³Office of the Registrar, Cooperative Societies, Government of Mizoram, *op. cit.*, p.8.

Table No. 3.6
Incumbency period of the ARCS, Lunglei as on 31.3.2009

Sl.No.	Name of Officers	Period	
		From	To
1	C.S Nath	30.06.1974	07.04.1982
2	K.K Swami	07.04.1982	25.07.1982
3	C.S Nath	27.07.1982	05.10.1982
4	L.S Lianhulha	05.10.1982	29.11.1985
5	Lalpekliana	29.11.1985	15.10.1987
6	C. Thanmawia	15.10.1987	18.04.1989
7	Laldailova Colney	18.04.1989	21.10.1994
8	R.Vanmawia	21.10.1994	19.07.1996
9	Hrangvunga	19.07.1996	20.06.2000
10	R.V.L Tluanga	20.06.2000	12.07.2000
11	Lalrinsanga	12.07.2000	06.09.2004
12	Hrangvunga	06.09.2004	05.05.2006
13	Lilypari Sailo	05.05.2006	01.09.2008
14	Hrangvunga	01.09.2008	---

Source: Office of the Registrar of Cooperative Societies, Aizawl.

Staff strength of the office of the Assistant Registrar of Cooperative Societies, Lunglei is shown in the Table below (See Table No. 3.7).

Table No. 3.7
Strength of the office staff of ARCS, Lunglei as on March 31, 2008

Sl. No.	Name of Post	Strength
1	Assistant Registrar of Cooperative Societies	1
2	Head Assistant	1
3	Upper Division Clerk	2
4	Lower Division Clerk	1
5	Senior Cooperative Inspector	3
6	Junior Cooperative Inspector	2
7	Duftry	1
8	Peon	5
	Total Strength	16

Source : Administrative Report and Statistical Data of Cooperative Societies Mizoram, 2007 – 2008, Office of the RCS, Government of Mizoram.

3.2 (iv). Office of the Assistant Registrar of Cooperative Societies, Saiha

The Government of Mizoram established the district level Cooperative Office at Saiha in 1979. Initially, Chhimtuipui District was under the administrative charge of Lunglei Sub-Divisional Cooperative Office and it was upgraded to a District Cooperative Office and started functioning on November 9, 1979. Its headquarters is at Saiha²⁴. The incumbency list of Assistant Registrar of this office may be seen in the Table below (See Table No. 3.8).

Table No. 3.8
Incumbency period of the ARCS, Saiha as on 31.3.2009

Sl.No.	Name of Officers with Designation	Period	
		From	To
1	K.K Swami ARCS	19.11.1979	10.10.1982
2	L.S Lianhulha ARCS	11.10.1982	29.11.1985
3	Lalpeklina ARCS	29.11.1985	09.10.1987
4	C. Thanmawia ARCS	09.10.1987	26.11.1987
5	Ibrahim Ali ARCS	26.11.1987	01.03.1990
6	R.M Barman ARCS	02.03.1990	31.07.1996
7	Mohan Gurung ARCS	09.08.1996	27.09.1998
8	Hrangvunga ARCS	28.09.1998	07.12.1999
9	Hracho Nohra ARCS	08.12.1999	18.07.2002
10	R.V.L Tluanga ARCS	18.07.2002	14.02.2004
11	Lalrinsanga ARCS	22.03.2004	01.09.2004
12	Lilypari Sailo ARCS	01.09.2004	03.05.2006
13	Zosangliana Murray ARCS	04.05.2006	---

Source: Office of the Registrar of Cooperative Societies, Aizawl.

Strength of the office staff of Assistant Registrar of Cooperative Societies, Saiha is shown in the Table below (See Table No. 3.9).

²⁴Vanlalchhandama, *op. cit.*, p.5.

Table No. 3.9
Strength of the office staff of ARCS, Saiha as on March 31, 2008

Sl. No.	Name of Post	Strength
1	Assistant Registrar of Cooperative Societies	1
2	Head Assistant	1
3	Upper Division Clerk	1
4	Lower Division Clerk	2
5	Senior Cooperative Inspector	1
6	Junior Cooperative Inspector	2
7	Process Server	2
8	Duftry	1
9	Peon	3
	Total Strength	14

Source: Administrative Report and Statistical Data, office of the Registrar of Cooperative Societies, Government of Mizoram

3.2 (v). Office of the Assistant Registrar of Cooperative Societies, Kolasib

The Sub-Divisional Cooperative Office at Kolasib was established on May 1, 1987 to take care of the cooperative societies in the northern part of Mizoram under Kolasib Sub-Division. This Sub-Divisional Cooperative Office was upgraded to a District Cooperative Office on March 6, 1990²⁵. The incumbency list of Assistant Registrar of this office is given in the Table below (See Table No. 3.10).

Table No. 3.10
Incumbency period of the ARCS, Kolasib as on 31.3.2009

Sl.No.	Name of Officer with Designation	Period	
		From	To
1	Mohan Gurung SICS	01.05.1987	05.03.1990
2	Lalhmuaakliana ARCS	06.03.1990	31.09.1993
3	C. Rozama ARCS	01.09.1993	26.09.1994
4	Vanlalsawma ARCS	27.09.1994	28.03.1995
5	R. Biakzuala ARCS	28.03.1995	14.03.2000
6	Lalrinsanga ARCS	14.03.2000	01.05.2000
7	C. Lalchhunga ARCS	01.05.2000	11.07.2002
8	F. Lalthianghlina ARCS	11.07.2002	11.09.2008
9	F. Kapliana ARCS	12.09.2008	---

Source: Office of the Registrar of Cooperative Societies, Aizawl.

²⁵Vanlalchhandama, *op. cit.*, p.6.

Strength of the office staff of Assistant Registrar of Cooperative Societies, Kolasib is shown in the Table below (See Table No. 3.11).

Table No. 3.11
Strength of the office staff of ARCS, Kolasib as on March 31, 2008

Sl. No.	Name of Post	Strength
1	Assistant Registrar of Cooperative Societies	1
2	Upper Division Clerk	1
3	Lower Division Clerk	1
4	Junior Cooperative Inspector	2
5	Peon	2
6	Total Strength	7

Source: Administrative Report and Statistical Data 2007 - 2008, Office of the Registrar, Cooperative Societies, Government of Mizoram

3.2 (vi). Office of the Assistant Registrar of Cooperative Societies, Champhai

The Government of Mizoram established the Sub-Divisional Cooperative Office at Champhai in the eastern side of the state on May 5, 1995. This Sub-Divisional Cooperative Office was soon elevated to a District Cooperative Office manned by the Assistant Registrar of Cooperative Societies as Head of the office²⁶. The incumbency list of this office is given in the Table below (See Table No. 3.12).

Table No. 3.12
Incumbency period of the ARCS, Champhai as on 31.3.2009

Sl.No.	Name of Officer with Designation	Period	
		From	To
1	Chhanhima SICS	05.05.1995	22.03.1995
2	Chhanhima ARCS	23.03.1995	25.06.2002
3	Mohan Gurung ARCS	17.07.2002	27.02.2003
4	Chhanhima ARCS	03.03.2003	---

Source: Office of the Registrar of Cooperative Societies, Aizawl.

Strength of the office staff of Assistant Registrar of Cooperative Societies, Champhai as on March 31, 2008 is shown in the Table below (See Table No. 3.13).

²⁶Vanlalchhandama, *op. cit.*, p.6.

Table No. 3.13
Strength of the office staff of ARCS, Champhai as on March 31, 2008

Sl. No.	Name of Post	Strength
1	Assistant Registrar of Cooperative Societies	1
2	Senior Inspector of Cooperative Societies	1
3	Upper Division Clerk	1
4	Lower Division Clerk	1
5	Junior Cooperative Inspector	2
6	Peon	2
	Total Strength	8

Source: Administrative Report and Statistical Data 2007 - 2008, Office of the Registrar, Cooperative Societies, Government of Mizoram.

3.2 (vii). Office of the Assistant Registrar of Cooperative Societies, Serchhip

In addition to other six District offices headed by the Assistant Registrar of Cooperative Societies at Aizawl West, Aizawl East, Lunglei, Saiha, Kolasib and Champhai, the Government of Mizoram opened a new District Cooperative office at Serchhip on November 14, 2007 and appointed Mr. H. Ramherliana to man this office as the first Assistant Registrar of Cooperative Societies in the district of Serchhip²⁷. For the staff strength of this office (see Table No. 3.14).

Table No. 3.14
Strength of the office staff of ARCS, Serchhip as on March 31, 2008

Sl. No.	Name of Post	Strength
1	Assistant Registrar of Cooperative Societies	1
2	Senior Inspector of Cooperative Societies	2
3	Upper Division Clerk	1
4	Lower Division Clerk	2
5	Junior Cooperative Inspector	1
6	Peon	1
	Total Strength	9

Source: Administrative Report and Statistical Data 2007 - 2008, Office of the Registrar, Cooperative Societies, Government of Mizoram.

So, with the inauguration of Serchhip District Cooperative office, the State of Mizoram at present is having seven (7) District Cooperative Offices manned by the Assistant Registrar of Cooperative Societies with supporting Field Staff, Ministerial Staff and IV Grade Staff.

²⁷Office of the Registrar, Cooperative Societies, Government of Mizoram, *op. cit.*, p.9.

3.3. Structure of the Department of Cooperation in Mizoram

Registrar of Cooperative Societies is the Head of the Department of Cooperation in the Government of Mizoram. The appointment of an Indian Administrative Service Officer as Registrar was strongly recommended by the Government of India Committee on Cooperative Administration, 1963. When the Third Five Year Plan was in progress, an attempt was made by the Government of India to review the existing administrative arrangements by appointing a Committee on Cooperative Administration in 1963 under the chairmanship of Sri. V.L. Mehta. The objective of this Committee was to secure continuity of policy and programmes through a reinvigorated procedure for recruitment of officers at various levels. The Mehta Committee felt that in view of heavy responsibility being assigned on the Cooperation Department, specially under Five Year Plans, it would be advantageous to appoint the Registrar from the Indian Administrative Service Cadre²⁸.

As per provision of the Mizoram State Cooperative Societies Act of 2006, the state government appoints Registrar for the purposes of registration, monitoring, regulation, control and supervision of cooperative societies and such other functions, duties and responsibilities specified as under the Act. The Registrar is vested with such power and responsibilities as are provided under this Act or Rules or Bye-Law framed thereunder²⁹.

To assist and facilitate the work of the Registrar of Cooperative Societies, the Government, in consultation with the Registrar, appoints Additional Registrar, Joint Registrar, Deputy Registrar and Assistant Registrar of Cooperatives as per provision of Section 4 (2) of this Act. The Government, may

²⁸S.S. Chandrashekharmath, 'Redefining the Role and Functions of Registrar of Cooperative Societies in Movement's Future Growth' in *Reminiscences, Centenary Celebrations of Cooperative Movement* (ed), Bangalore: Karnataka State Cooperative Federation Ltd., p.20.

²⁹Section 4 (1) of the Mizoram State Cooperative Societies Act, 2006 (as amended upto 2012).

also, by general or special order in writing, delegate to such persons all or any of the powers enjoyed by the Registrar under the State Cooperative Societies Act.

Office of the Registrar of Cooperative Societies is located in the state capital, Aizawl. The Department is headed by an Indian Administrative Service Officer, appointed as per provision of the Mizoram Cooperative Societies Act. He is assisted by the Additional Registrar, Joint Registrar, Deputy Registrar, Assistant Registrar, Senior Inspector, Junior Inspector of Cooperative Societies and other Office Staff at the Headquarters Office. Incumbency list of the office of Registrar of Cooperative Societies during the year 1972 to 2008 may be seen is given below (See Table No. 3.15).

Table No. 3.15
Incumbency list of the office of RCS in Mizoram during the year 1972 to 2008

Sl.No.	Name of Officers	Period	
		From	To
1	T. Gupta as Ex-officio	13.12.1972	17.11.1976
2	T. Gupta MCS	18.11.1976	04.12.1978
3	Dengchhuana MCS	05.12.1978	09.08.1981
4	L.S Lianhulha ARCS	27.05.1981	09.08.1981
5	L.C Thanga MCS	10.08.1981	19.12.1982
6	B. Sanghnuna MCS	20.12.1982	13.11.1983
7	H. Hauthuama MCS	24.11.1983	30.04.1986
8	J.K Kapoor MCS	01.05.1986	18.07.1988
9	S.C Nath DRCS	19.07.1988	13.09.1988
10	T.T Joseph IAS	14.09.1988	07.11.1988
11	Arvin Ray IAS	08.11.1988	28.05.1989
12	L.R Laskar MCS	29.05.1989	30.11. 1992
13	A.K Guha IAS	01.12. 1992	14.10. 1994
14	Lalpekliana ARCS	15.10. 1994	05.01. 1995
15	B. Sanghnuna IAS	06.04.1995	07.06. 1996
16	Ringluaia IAS	08.06. 1996	30.08. 1996
17	Laima Chozah IAS	31.08. 1996	08.11. 1997
18	Lalpekliana ARCS	08.11.1997	08.11. 1998
19	U.K Worah IAS	09.11.1998	21.01.2002
20	L. Tochhawng IAS	21.01.2002	04.07.2002
21	R. Bhattacharjee IAS	05.07.2002	14.11. 2002
22	C. Hmingthanzuala IAS	15.11.2002	21.04.2003
23	A. Kundra IAS	21.04.2003	31.09.2003
24	K. Lalnghinglova IAS	01.10.2003	01.07.2004

Contd...

Sl.No.	Name of Officers	Period	
		From	To
25	K. Riachho IAS	01.07.2004	02.01.2005
26	P. Krishnamurthy IAS	03.01.2005	02.08.2005
27	C. Thanchhuma IAS	02.08.2005	27.09.2005
28	K. Riachho IAS	27.09.2005	07.07.2006
29	H.P Sahu IAS	07.07.2006	30.10.2007
30	R.K Gupta IAS	31.10.2007	07.11.2007
31	Vanengmawia IAS	08.11.2007	22.07.2008
32	H.P Sahu IAS	22.07.2008	---

Source: Office of the Registrar of Cooperative Societies, Aizawl.

The post of the Additional Registrar is a recent development in the Department. The Government of Mizoram created the post of Additional Registrar of Cooperative Societies in the year 2008 in response to the frequent requests made by the concerned Department and the Federal Cooperative Societies, an organized body of cooperators. This was done in pursuance of the provision under section 4 (2) of the Mizoram State Cooperative Societies Act, 2006. The first incumbent of this post began his office on October 3, 2008³⁰ (See Table No. 3.16).

Table No. 3.16
Organisational Composition of Directorate of Cooperation as on March 31, 2009

Sl. No.	Name of Post	Number of Post
1	Registrar of Cooperative Societies	1
2	Additional Registrar	1
3	Joint Registrar	1
4	Assistant Registrar	3
5	Deputy Registrar	4
6	Superintendent	1
7	Senior Inspector	2
8	Junior Inspector	2
9	Assistant	8
10	Accountant	1
11	Junior Engineer	1

Contd...

³⁰Vanlalchhandama, *op. cit.*, p.13.

Sl. No.	Name of Post	Number of Post
12	Upper Division Clerk	9
13	Lower Division Clerk	6
14	Stenographer Grade – II	1
15	Stenographer Grade – III	1
16	Drivers	9
17	Handymen	2
18	Peon	21
19	Chowkidar	1
20	Sweeper	1
	Total	76

Source: Statistical Section, Department of Cooperation, Government of Mizoram.

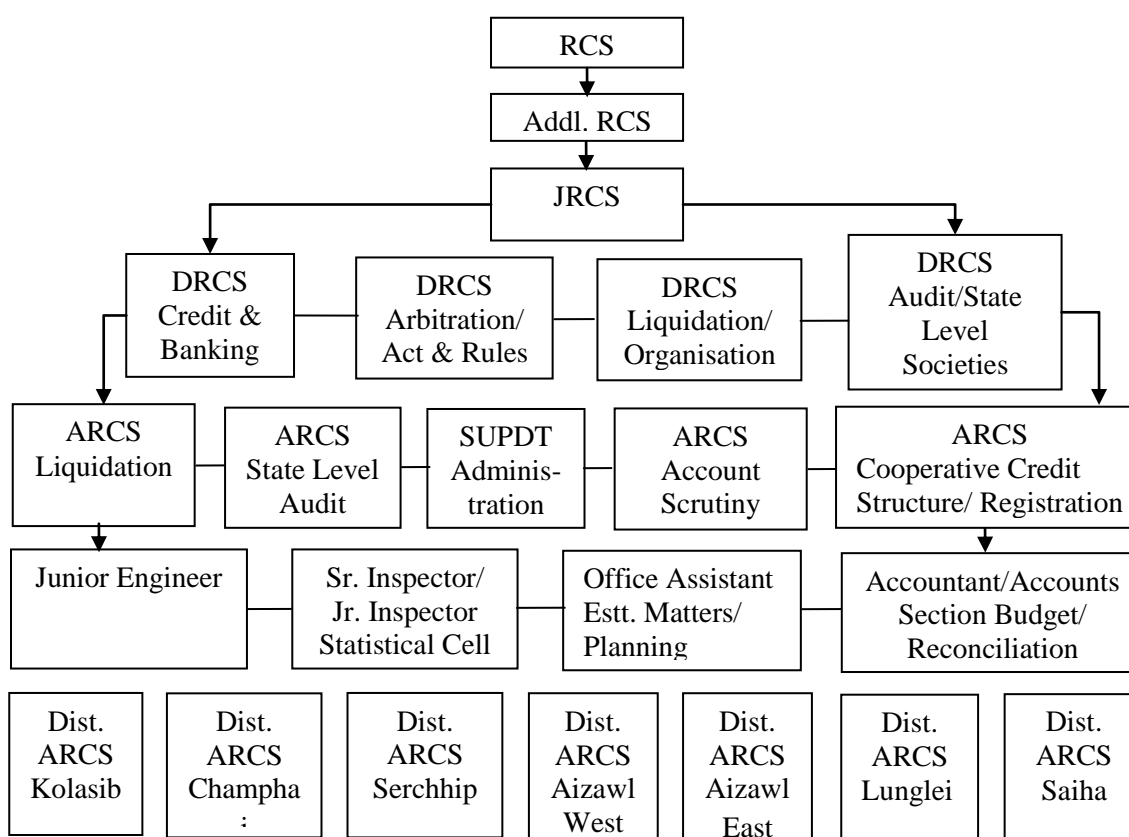
Next to the headquarters office of Directorate are the District Cooperative Offices. To co-operate the Directorate and make the workload less burdensome for the Registrar, the District Cooperative Offices are established at their respective seven District Headquarters viz. Aizawl West and Aizawl East at Aizawl and the rest District Offices at Lunglei, Saiha, Kolasib, Champhai and Serchhip. They are under the charge of Assistant Registrar of Cooperative Societies and look after registered cooperative societies in their respective District. The Assistant Registrar functions with the help of Cooperative Field Staff like Senior Inspector of Cooperative Societies, Junior Inspector of Cooperative Societies and other office clerical staff under him³¹.

Besides the above mentioned office establishments, fourteen (14) Cooperative Officers and Personnel are being deputed and attached to state level cooperatives Societies and District Cooperative Unions as on March 31, 2009. These Cooperative Officers are distributed in the cooperatives like Mizoram Multi-Commodity Producers Cooperative Union Ltd. (MULCO), Mizoram State Cooperative Marketing & Consumers Federation Ltd. (MIZOFED), Mizoram Apex Sericulture Cooperative Society Ltd. (MASCOS), Mizoram Women Cooperative Federation Ltd. (WOMENFED), Mizoram Cooperative Fish Farming Marketing & Processing Federation Ltd. (ZOFISHFED), Mizoram

³¹Vanlalchhandama, *op. cit.*, p.13

Apex Handloom & Handicraft Cooperative Society Ltd. (MAHCO), Mizoram State Agriculture, Horticulture & Marketing Cooperative Federation Ltd. (MAHFED), Mizoram State Cooperative Union (MSCU), Lunglei District Cooperative Union, Chhimtuipui District Cooperative Union and Mizoram Cooperative Apex Bank Ltd. (MCAB) in various capacities. Organisational chart of the Department of Cooperation as per sanctioned posts as on March 31, 2009 is shown in the Chart below (See Chart No. 3.1)

Chart No. 3.1
Organizational Chart of the Department of Cooperation as on March 31, 2009

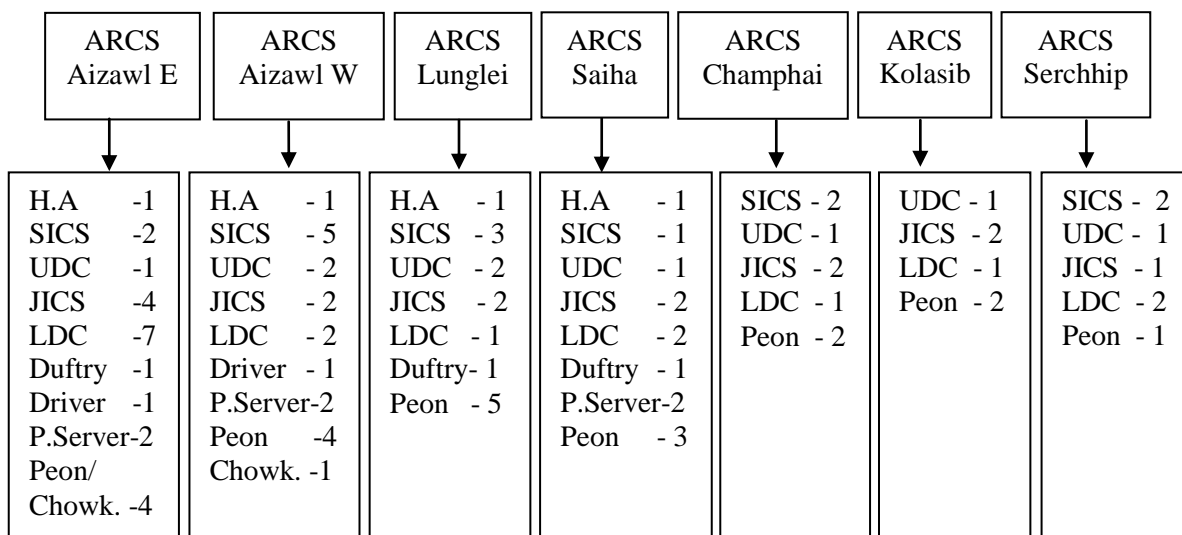


Where; RCS = Registrar of Cooperative Societies, Addl. RCS = Additional Registrar of Cooperative Societies, JRCS = Joint Registrar of Cooperative Societies, ARCS = Assistant Registrar of Cooperative Societies, SUPT = Superintendent, Asstt. = Assistant, J.E = Junior Engineer, Acctt. = Accountant, UDC = Upper Division Clerk, LDC = Least Division Clerk, etc.

Source: Statistical Cell, Department of Cooperation, Government of Mizoram, 2009.

Chart No. 3.2
Organizational Chart of the District Cooperative Offices, Department of
Cooperation as per sanctioned posts as on March 31, 2009

DISTRICT OFFICES



Source: Statistical Cell, Department of Cooperation, Government of Mizoram,
2009.

3.4. Functions and responsibilities in the Department

The Department, under the Registrar, performs the work of overall supervision, controlling, registration, assistance, organization, arbitration, liquidation and guidance of registered cooperative societies as well as employees and offices under this department. The District Offices under the supervision of Assistant Registrar of Cooperative Societies perform the work of audit, inspection, supervision, organization, verification, etc. of the cooperative societies within their jurisdiction and maintain correspondence with the Directorate.

3.4 (a) Powers and responsibilities of Officers and Employees in the Department may be mentioned as follows

- The Registrar of Cooperative Societies

The post of Registrar is manned by an Indian Administrative Service Officer. Being the head of the Department of Cooperation, he delegates financial powers³² and he is consulted in the appointments and promotions of all Inspecting Staff, Upper Division Clerks, Lower Division Clerks and Drivers and all Group 'D' Staff. Transfers and postings of all Inspecting Staff, Upper Division Clerks, Lower Division Clerks and Drivers and Group 'D' Staff and granting of leave and sanction of pension of all Non-Gazetted Officials under the Directorate are within his purview. He approves registration of different kinds of state level, district level and primary level societies. He is vested with such power and responsibilities like supervision, assistance, counsel and control of all kinds of registered societies, concern for the development of cooperative movement in the state, control overall cooperative education and with such other powers and responsibilities as provided under Cooperative Societies Act and rules of the state or bye-laws framed thereunder.

- Additional Registrar of Cooperative Societies

The post of Additional Registrar of Cooperative Societies is manned by the senior most officer in the department. He assists the Registrar in the day to day works by giving advice whenever necessary. Whenever the Registrar is on leave or he is out of station, he takes the charge of Registrar. He is supported by the Joint Registrar, Deputy Registrar and the Assistant Registrar of Cooperative Societies as powers delegated to them by the state as provided by the Mizoram Cooperative Societies Act³³. There is one (1) post of the Additional Registrar of Cooperative Societies in the Department of Cooperation.

³²Rule 3 (f) of the Delegation of Financial Power Rules, 1978.

³³Section No. 4 (2) of the Mizoram Cooperative Societies Act, 2006 (as amended upto 2012).

- **The Joint Registrar of Cooperative Societies**

The post of Joint Registrar of Cooperative Societies is manned by the second senior most officer in the department. He assists the Registrar and the Additional Registrar in the day to day works and gives advice as and when necessary. He also conducts inspection of District Offices and cooperative societies whenever necessary. He supervises the working of Deputy Registrars and the Assistant Registrars of Cooperative Societies in the Department.

- **The Deputy Registrar of Cooperative Societies**

There are four (4) posts of Deputy Registrar in the Department of Cooperation at the time of this research study. Their main task is to assist the Registrar, Additional Registrar and Joint Registrar of Cooperative Societies. The Deputy Registrars are assigned various kinds of duties such as office administration, the task of Drawing and Disbursing Officer, planning, registration, audit and arbitration of all kinds of cooperative societies in the state.

- **The Assistant Registrar of Cooperative Societies**

There are twelve (12) posts of Assistant Registrar in the Department including one Chief Audit Officer. Seven (7) of them function as Head of Office in the Aizawl East, Aizawl West, Lunglei, Saiha, Champhai, Kolasib and Serchhip Districts. The remaining five (5) Assistant Registrars including Chief Audit Officer are in the Directorate Office. Their main duties are to assist Registrar, Additional Registrar, Joint Registrar and Deputy Registrar as a subordinate officer in discharging all duties and responsibilities assigned to them for the speedy development of cooperative movement in the state³⁴.

- **Senior and Junior Inspectors of Cooperative Societies**

There are eighteen (18) posts of Senior Inspectors of Cooperative Societies and thirty-two (32) posts of Junior Inspectors of Cooperative Societies in the Department of Cooperation. They are field officers mostly attached to different District Offices. They assist the District Officers as field level workers

³⁴Section No. 4 (2) of the Mizoram Cooperative Societies Act, 2006 (as amended upto 2012).

who are assigned works such as inspection, annual statutory audit of cooperative societies and also inquire into the economic feasibilities of all the proposed cooperative societies for registration. They are also assigned liquidation works under their respective jurisdictions.

- **Office Superintendent**

Superintendent is the head of the Ministerial Staff in the Office of the Registrar of Cooperative Societies or Directorate and his main duties are supervisory in nature, such as enforcing punctuality, discipline in general functioning of the entire Directorate. There is one (1) post of Superintendent in the Directorate as on March 31, 2011.

- **Head Assistant**

There are four (4) posts of Head Assistant, one each in the offices of Assistant Registrar of Cooperative Societies like Aizawl East, Aizawl West, Lunglei and Saiha district offices. He is the head of ministerial staff in the district office. The duties and responsibilities are similar to those of superintendent of the directorate.

- **Assistants, Accountants, Upper Division Clerk & Lower Division Clerk**

There are ten (10) Assistants or Accountants, nineteen (19) Upper Division Clerks and twenty-two (22) Lower Division Clerk posts under the department. They are clerical staff dealing with the works and files allotted to them by the superior officials under the close supervision of the Office Superintendent or Head Assistant as the case may be in their respective offices.

- **Junior Engineer**

There is one (1) post of Junior Engineer in the Directorate to prepare plan and estimates of departmental buildings and repair works of the office buildings. He also conducts and supervises the departmental works as and when necessary.

- **Drivers**

There are fifteen (15) posts of Driver to take care of the departmental vehicles attached to officers.

- **Handyman**

There are two (2) posts of Handyman. Their main duties are to assist drivers. However, since the department has only light vehicles, their services are being utilized as peon in the office in addition to their normal duties.

- **Duftry**

There are, at present, three (3) posts of Duftry in the Directorate office. Their main task is to look after the duplicating machines in the office. The post has, now, been declared as a withering post and it would be abolished with the retirement of the present incumbents.

- **Process Server**

There are seven (7) posts of Process Server. The Process Servers assist the work of Inspecting Staff in the process of liquidation and arbitration of the cooperative societies in various villages, towns and in the city. Their services are being utilised as messengers conveying necessary information from the Inspecting Staff to the summoned societies or persons as a case may be. This post is also declared as a withering post.

- **Peon**

There are forty-three (43) sanctioned posts of Peon to assist officers and staff by putting up files, etc. in the office.

- **Chowkidar**

There are five (5) posts of Chowkidar. The main task of a Chowkidar is to watch and guard the office buildings at the night time. He makes sure that office gate and doors are opened and closed as scheduled.

- **Sweeper**

There are five (5) posts of Sweeper in the Registrar's office. The sweepers are responsible in keeping the office building and its premises clean and hygiene.

3.4 (b). The procedure followed in the process of decision making and the channel of supervision and accountability

All matters requiring decisions are initiated by the dealing assistant and put up to Deputy Registrar of Cooperative Societies through Superintendent or Assistant Registrar of Cooperative Societies as the case may be. The Deputy Registrar, after thorough examination of the subject, consulting all relevant Rules and Regulations, procedures, Acts, Rules and Bye-laws, put up the matters with comments or suggestions to Registrar of Cooperative Societies through Joint and Additional Registrars of Cooperative Societies³⁵.

3.4 (c). The norms set by the Department for discharge of its functions

Apart from what have been stated above, the department has no set norms except that the department has to function within the audit of the Mizoram Cooperative Societies Act, 2006 (as amended up to 2012), rules in force and bye-laws of registered cooperative societies.

3.4 (d). The Rules, Regulations, Instructions, Manuals and Records held by the Department or under its control or used by its employees for discharging functions

As adopted by Government of Mizoram, the Central Rules such as Fundamental Rules Service Rules Part 1, Central Civil Services (Leave) Rules, Travelling Allowances Rules, Central Civil Services (Pension) Rules, Central Civil Services (Classification, Control and Appeal) Rules, Central Civil Services (Conduct) Rules, General Provident Fund Rules, General Financial Rules, Delegation of Financial Power Rules, House Building Advance Rules, Medical Attendance Rules etc. Central Treasury Rules, Service or Recruitment Rules of

³⁵Research Field Works, acquired from the Office of Registrar of Cooperative Societies, Government of Mizoram.

Employees, Staff Car Rules, Manual on Office Procedures, Seniority and Promotion etc. are used by this department for discharging its functions. Apart from these Rules, the Department has to follow and comply with the Mizoram Cooperative Societies Act, Rules and Bye-Laws of registered cooperative societies.

In the year 1904, the government of British-India enacted its first Cooperative Societies Act, known as the Cooperative Credit Societies Act of 1904. As the 1904 Act was dealing with credit societies only, another Act known as the Cooperative Societies Act of 1912 was enacted with provisions for the establishment of other kinds of cooperative societies. In 1919, the Government of India Act or the Reform Act was passed and cooperation was one of the subjects transferred from the jurisdiction of the Central legislature to that of the Provincial legislatures and continues to be included under State Lists in the Constitution of India. This gave greater opportunities to Provincial Governments and cast greater responsibilities on them. The Government of Bombay was the first to take advantage of this and enacted the Bombay Cooperative Societies Act in 1925³⁶. This enactment was made with some modifications in the Act of 1912 and other provinces followed the footprint of Bombay. The state of Mizoram enacted its first Cooperative Societies Act, (Act No. 19 of 1991) which got the assent of the Governor of Mizoram on May 15, 1991. The second Act named the Mizoram Cooperative Societies Act, 2006 (Act No. 9 of 2006) was also enacted with the Government Notification No. H. 12018/177/06 – LJD, November 23, 2006 with April 1, 2007 as the effective date for its implementation.

So, in this chapter we have mentioned about the Department of Cooperation in Mizoram. Discussion begins with the origin, growth and development of the Department of Cooperation in India to give the readers the basic and wider knowledge at the national level with the year 1871 as the birth of

³⁶R.V. Nadkarni (2007). *Origin and Development of Cooperation in India (1904-1951). Hundred Years of Cooperative Development in India* (ed), New Delhi: National Cooperative Union of India. p.38.

the department in India. Then, coming to the context of Mizoram in particular with the birth of the state and the Department of Cooperation giving its origin and growth, historical development, structure, function and responsibilities in the department and some issues and problems in the process of acquiring information. With changes in the ministries and departments, the subject of cooperation also experienced transfer and attachment to different ministries under the governments of both pre and post independent India as before the birth of the Department of Agriculture and Cooperation alongside other two departments of Animal Husbandry and Dairying and Department of Agricultural Research and Education, clubbed together in the Ministry of Agriculture as is designated today. Mizoram was designated as Lushai Hills under the government of British-India following its annexation in 1890s and continued to be so even under the Government of India till 1954 when it was changed as Mizo District. When cooperative movement entered then Lushai Hills in the 1940s, it was looked after by Assistant Cooperative Officer under the guidance of Registrar of Cooperative Societies, government of Assam headquartered at Shillong³⁷.

Mizoram remained as one of the administrative districts of Assam till it attained its status as a centrally administered Union Territory in 1972 that was followed by statehood in 1987. This development brought along with it the creation and growth of different departments which ushered the establishment of a full-fledged post of Registrar in December, 1976. The outbreak of insurgency in 1966 that lasted till 1986 retarded the growth of cooperative movement in Mizoram to certain extent. The Cooperative Societies Act of Assam was adopted first and a separate Act was enacted in 1991. The second Act, named the Mizoram Cooperative Societies Act, 2006 (Act No. 9 of 2006) was enacted with effect from April 1, 2007. At present, Mizoram is having seven (7) District Cooperative Offices headed by the Assistant Registrar of Cooperative Societies with supporting Field Staff, Ministerial Staff and IV Grade Staff. Directorate of Cooperation at Aizawl headed by the Registrar of Cooperative Societies

³⁷Shillong, the present capital of the state of Meghalaya was formally the state capital of Assam before the birth of Meghalaya.

coordinate the working of these sub-ordinate offices. While in the Government Secretariat, the secretarial work is performed by the Commissioner of Cooperation and his subordinate officers like Deputy Secretary, Under Secretary and other ministerial staff.

Chapter - IV

Study of Cooperative Societies

In the previous chapter, we have mentioned about the Department of Cooperation in Mizoram, tracing its origin and growth, historical development, structure, functions and responsibilities. It also covers the birth and development of the Department of Cooperation in India under the colonial regime, independent India and then in the state of Mizoram. Mizoram has been featured and highlighted as a hills district under the state of Assam, as a Union Territory of Mizoram and after statehood up to present day situation.

This chapter contains the study of selected cooperative societies in Mizoram conducted mainly through questionnaires, interview of the members and access of their records and publications. It discusses the manner how questionnaires are prepared and disseminated to members of cooperatives, and also how the interviews are conducted and what type of questions are asked. This is followed by the study of reports and publications with an aim to highlight the condition of cooperative movement, achievements and the steps taken by the concerned department while looking after the cooperatives. In the concluding part comes analysis of data obtained through questionnaires and schedules.

4.1. Questionnaires

A questionnaire may be understood as a list of questions set to be answered by the target group of people in order to provide the required information for a research study or any kind of survey. Questionnaire method is a method in social research, in which information is obtained with the help of a questionnaire, which is prepared exclusively for the purpose¹. In other words, with the help of a set of questions the required data and relevant information are collected. A questionnaire, thus, is a list of questions sent to a number of persons

¹Hans Raj (1992). *Theory and Practice in Social Science Research*, Delhi: Surjeet Publications. p.136.

for them to answer. It secures standardised results that can be tabulated and treated statistically².

For the purpose of this research study, as much as four hundred questionnaires are prepared and disseminated to the members of different cooperative societies in the two districts of Mizoram such as, Aizawl district and Mamit district. Apart from this, a number of questions are prepared and used as schedules to assess the performance aspects, strength and weaknesses of the selected cooperatives. Cooperative societies and their members, which are under study, are selected in such a way to ensure balanced representation of both rural and urban settings and characters as far as possible. Besides, cooperatives of various kinds with different trades are also targeted to represent wider opinion and issues.

Selection of the two districts of Aizawl and Mamit is also done with the view in mind to represent both the most developed and the least developed districts so far as cooperative movement and its coverage in Mizoram is concerned. There are 671 cooperative societies with a total membership of 13,420 in Aizawl district alone while Mamit district hosts only 10 cooperative societies with a total membership of 266³. As Mamit district does not have its own Cooperative District Office, it is under the exclusive charge and jurisdiction of the office of the ARCS, Aizawl West at the time of our research study. About 51.70 per cent of cooperative societies in Mizoram are concentrated in Aizawl district alone and the rest 48.30 per cent are shared by other seven districts of Mizoram.

²Hans Raj, *op. Cit.*, p.136.

³State Public Information Officer, Office of the Registrar of Cooperative Societies, Government of Mizoram. *Letter No.H. 11021/3/2006-RCOOP(Estt.)*. Dated Aizawl, January 17, 2012. Information provided in answering the questions asked through the Right to Information.

Each of the questionnaires contains as much as 19 (nineteen) questions which are set keeping in view to address and answer the research questions and other relevant issues related to the problems and prospects of cooperative movement in Mizoram. Though all the questions asked are close ended in character, space and opportunities are provided for the respondents to express their views freely on some relevant issues of our topic in the questionnaires. Multiple choice answers and the grades are also provided against each question as much as possible, including a box of “no idea” for those who failed to form concrete ideas on the issue being raised or asked. This would ensure varieties in opinion expressed by the sample respondents.

As stated above, four hundred questionnaires (400) are disseminated covering twenty (20) different cooperative societies in both rural and urban areas respectively. Out of the above four hundred questionnaires dispatched, two hundred fifty-four (254) valid responses, that is, 63.50 per cent are received back from the respondents. These feedbacks are carefully analysed and compiled later in this chapter. Again, out of the two hundred fifty-four (254) valid responses received back, one hundred twenty-five (125) responses, that is, 49.20 per cent are from the rural areas or villages, while one hundred twenty-nine (129) responses, that is, 50.80 per cent are received from members of cooperative societies in the urban areas.

4.2. Interview

Interview is one of the most important methods of data collection in social science research especially when gathering of primary data is concerned. In the interview method, the researcher or the interviewer himself approached the respondents or the target group of people, puts questions to them and records the replies. There is a direct contact between the respondents and the informant. Interview is a face to face inter-personal situation in which one person, the interviewer, asks a person being interviewed, the respondent, questions designed to obtain answers pertinent to research problems⁴. While undertaking the present

⁴Hans Raj, *op.cit.*, p.176.

research study, both structured and unstructured methods of interviews are followed. As much as twenty (20) cooperative societies from different places of Aizawl and Mamit districts of Mizoram are covered. As stated above, these sample cooperatives are selected in such a way to ensure balanced representation of both rural and urban settings and characters as far as possible and 10 (ten) cooperative societies each from rural and urban areas are covered and their leaders are interviewed using structured questions to assess the performance aspects, strength and weaknesses of cooperative societies in Mizoram.

Separate questions are framed and used as schedules for acquiring information from the department of cooperation. A number of data are also sought and acquired by asking questions and demanding information under the Right to Information Act. Interviews and discussions are also conducted with thirty-five (35) people from different walks of life and profession which includes besides members of cooperative societies, officers working and who had worked and retired from the department of cooperation, ex-minister who used to be in-charge of the department of Cooperation, Members of Legislative Assembly who had been posted as Chairman of some state level cooperatives societies, members of the central, state and primary or village level cooperatives and other prospective citizens. Analysis and assessment of the above scheduled questions is given in the later part of this chapter. Besides this, three (3) national level cooperative institutions and ten (10) state level cooperative societies are also visited and studied by conducting interviews and discussion with their leaders as well as accessing their official records, reports and statistical data.

4.3. Study of reports and publications

Study of reports and publications is done to highlight the condition of cooperative movement in Mizoram, achievements and the steps taken by the concerned department while looking after the cooperatives. It also gives us general idea on the issues and challenges that confronting the department and the state government as a whole.

At the time of this research study, the department of cooperation has just a few numbers of publications which are found mostly in the forms of annual reports, achievement report and statistical record books. As these are the common sources of information available on cooperation as well as cooperative societies in Mizoram, they are already covered in one form or the other at different places of this thesis. This unit of the study of reports and publications is designed to highlight only some relevant issues on cooperatives and cooperation and to have some assessment of the movement. It is understood from the answer furnished by the Department's Public Information Officer against questions asked through the Right to Information Act, the Department of Cooperation has not conducted any research project to carry out an in-depth study on cooperative movement in Mizoram nor there any assessment on the contribution of cooperative sector in the state's economy.

First of all, *Mizoram Cooperative Movement Chanchin* (Story of Cooperative Movement in Mizoram), a Mizo edition, the first ever publication on cooperative movement in Mizoram as claimed by the author, published in the year 1977 by Mizoram State Cooperative Union and authored by Rochungnunga discusses in detailed the history of cooperative societies and the department of cooperation in Mizoram. This publication is commendable especially for its emphasis on the consequences of Mizo insurgency on cooperative movement and its detailed reports on the growth of cooperatives in number and varieties. The first cooperative society in Mizoram named, Aijal Central Trading Cooperative Society was formed on November 11, 1949. Most of the cooperatives which sprang up in Mizoram are organised on government initiatives. This shows that as have been in the case of most of the developing countries in the world and the rest of India, government initiative and sponsorship are the main driving force for the growth of cooperative movement in Mizoram.

Achievement Report on Cooperation Department and State Level Cooperative Societies in Mizoram by Mizoram State Cooperative Union 1993 mentions the progress and achievements made by the department of cooperation

as well as the seven state level cooperative societies. This is the first edition ever made in English as reported by Sanghlira, the then Chief Executive Officer of MSCU. The first Cooperation Office in Mizoram, manned by a Deputy Cooperative Officer was opened in the year 1951 and was hosted by the department of Agriculture until 1956 when it was provided a building of its own with the first District Cooperative Officer being appointed to man it. Up till 1956, all the cooperatives in Mizoram, numbering thirteen (13) were registered at the office of the ARCS, Silchar. They were mostly trading and credit cooperative societies. Since some of the contents of this Report booklet are already covered in the preceding chapters, it may be proper to take it short with the part that highlights the dark side of department's plan outlay. In 1992 – 1993, the department's Annual Plan outlay was Rs.180 lakhs as indicated in the achievement statement. Out of this amount, Rs.35.50 lakhs and Rs.2.33 lakhs were diverted by government of Mizoram for the purchase of site for Mizoram House at Guwahati and for the construction of Lunglei Greater Water Supply Scheme respectively⁵. Besides this, an amount of Rs.6.41 lakhs, proposed for the creation of new posts in the Department of Cooperation could not be utilised due to non-creation of the required posts on account of imposition on it. This act of the state government reveals the points of grievances of many cooperators in Mizoram, alleging the government to have neglected the department even in the allocation of funds while finalising annual plans.

Administrative Report and Statistical Data of Cooperative Societies Mizoram, 2007 – 2008 by Office of the Registrar, Cooperative Societies, Government of Mizoram. This book is published to fulfil the increasing demand for reliable statistical data based on apex or state level cooperative societies and the primary cooperative societies in Mizoram. It also discusses in some length about the history of cooperatives as well as Department of Cooperation in the state. According to this report, the expansion of cooperative movement in

⁵Mizoram State Cooperative Union (1993). *Achievement Report on Cooperative Department and State Level Cooperative Societies, Mizoram*, Aizawl: Mizoram State Cooperative Union. Preface.

Mizoram had a serious impediment due to the outbreak of insurgency which lasted for twenty (20) years. It was only after 1986 when Mizoram got statehood that cooperative movement could make proper progress especially with the provisions made under the Seventh Five Year Plan for its expansion. As a result of this, the number of cooperative societies which stood at six hundred fifty-seven (657) as on March 31, 1988 rose to one thousand three hundred fifty-four (1354) in March, 2006. As the post of Registrar is reserved for an IAS officer, there is no chance for the sub-ordinate officers to be promoted to this top post of the department. In order to assist the Registrar in the discharge of his function and to cope with the increasing volume of works in the department, the government of Mizoram created one new post of Additional Registrar of Cooperative Societies vide notification No. A.11013/1/2000-COOP Dt. 24.9.2008. This post was accordingly filled up from the feeder post of Joint Registrar of Cooperative Societies by the government notification No.A.32013/1/2002-COOP Dt.3.10.2008 and consequent upon this, there is expansion in the department.

This publication shows the incumbency list of the Registrar of Cooperative Societies in Mizoram during the year 1972 to 2008. This list shows that during this thirty-six (36) years span, as much as thirty-two (32) different officers have taken the charge of this post. The average duration of each incumbency would be slightly above one (1) year per person only. If this is the trend even in the case of any other department in the state, the department might be at risk of poor supervision and mal-administration since the head, who needs strong rapport with his subordinates and good understanding and thorough knowledge of the department has not been provided with enough time to build up all this.

This publication also furnishes the position of state level cooperative societies as on 31.3.2008. Noteworthy to this is while the total paid up share in these ten (10) cooperatives is Rs.162,695,098.00, government share out of this is as much as Rs.142,567,898.00. This reveals that government of Mizoram alone

holds as much as 87.63 per cent of the total paid up share. This makes the cooperatives in Mizoram vulnerable to government interference and its consequent control thus rendering the very principles of democratic member control and autonomy at risk. On the performance of primary cooperatives, it is mentioned that as on March 31, 2008, there are 1298 primary cooperative societies with total membership of 44,434 in Mizoram. The total paid up share in these cooperatives is Rs.34,209,000.00. Again, the government of Mizoram holds as much as Rs.17,802,000.00 while the individual member's share contribution is Rs.16,407,000.00, that is, in the ratio of 52 : 48 contributions between the government and the individual members share contributions. The average share holding of individual member is Rs.370.00 only amounting to Rs.12,640.00 share per cooperative society. This conveys the fact that individual members need motivation to gear up share contribution in their cooperative societies and this would automatically give a sense of ownership and more control of their own exchequers as well as their cooperative societies.

4.4. Data analysis

Analysis of data is done with the help of statistical tools like Statistical Package for Social Sciences (SPSS) and Excel. As stated above, four hundred (400) number of questionnaires were disseminated and the total responses received are two hundred fifty-four (254) that is, 63.50 per cent. The results of analysis are presented with the help of statistical tables, pie charts and bar graphs to make it more comprehensible in the following pages.

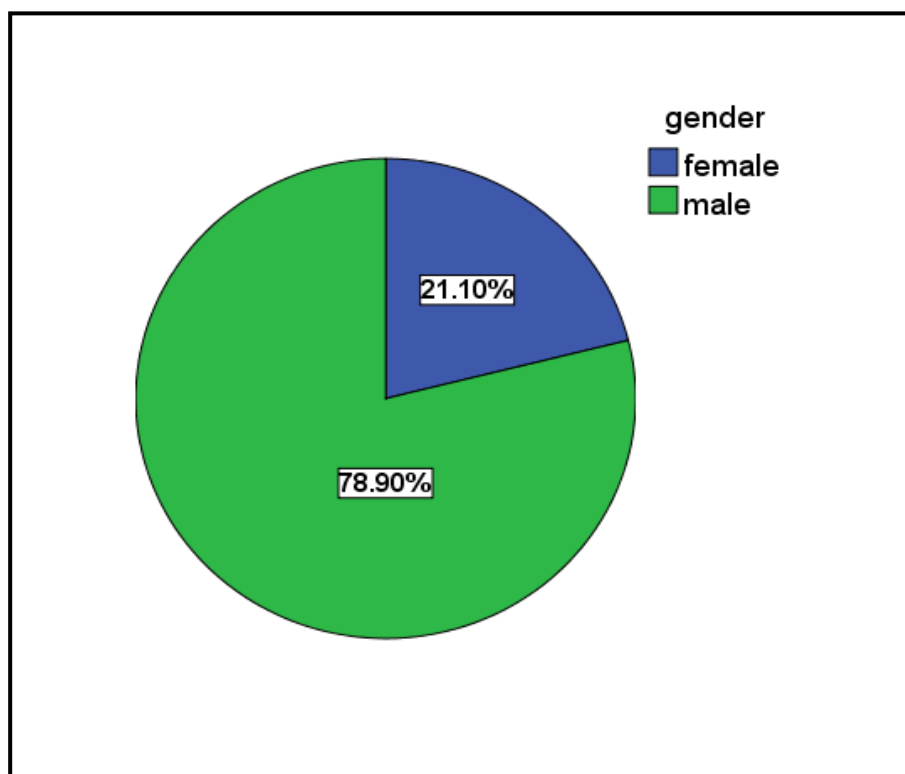
4.4 (i) Personal Data of the respondents

Gender:

As shown in the Chart below, out of the total two hundred fifty-four (254) respondents, 78.90 per cent are males while 21.10 per cent are females. But this figure may not convey the general gender composition of members of cooperatives in Mizoram as members in some trades like weaving cooperatives are mainly female which contribute a large proportion of members. Moreover,

among the members of cooperatives, men seem to be more active and curious to respond the questionnaires (See Chart No. 4.1).

Chart No. 4.1
Gender composition

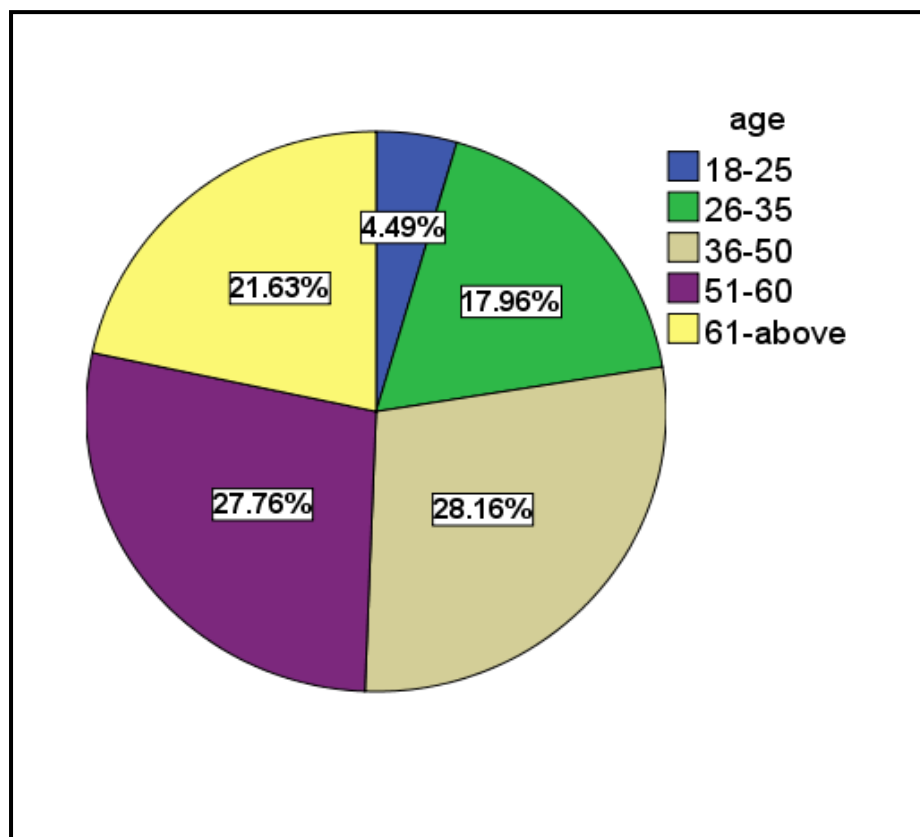


Source: Field work

Age:

The Chart below shows the age distribution of members of cooperative societies who have responded research questionnaires. It highlights that senior citizens take the majority age category. More than half of the respondents are at the age of above 51; 27.76 per cent aged 51 to 60 and 21.63 per cent aged 61 and above (See Chart No. 4.2).

Chart No. 4.2
Age group of the members

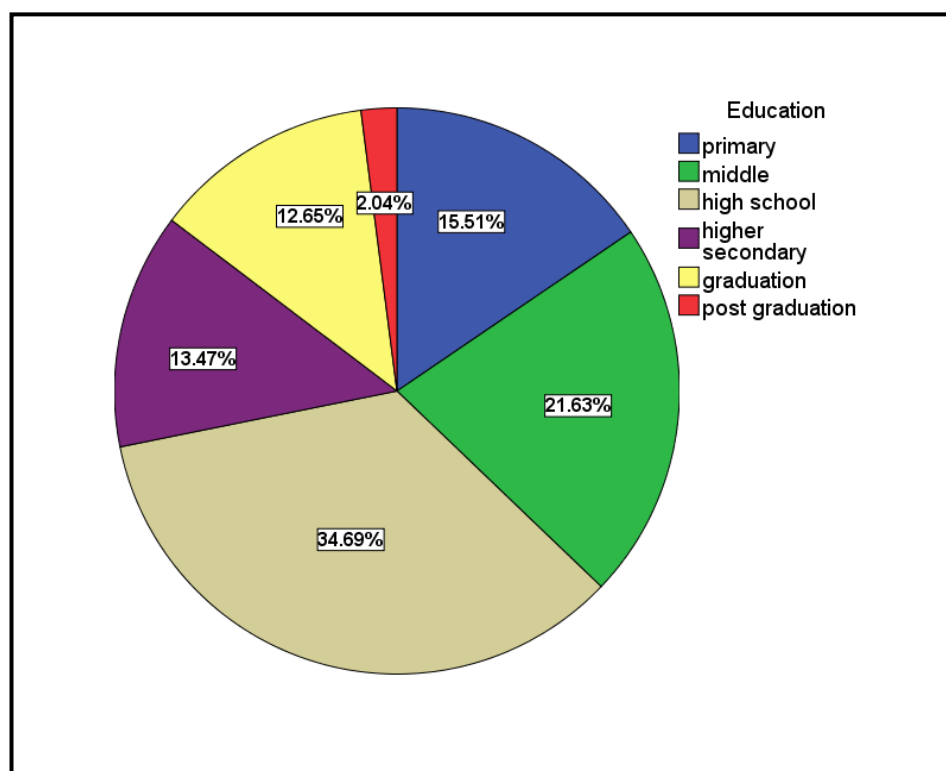


Source: Research Field work

Education:

The Figure below highlights the educational qualifications of the respondents. It shows that 71.83 per cent are below high school including 15.51 per cent primary, 21.63 per cent middle school and 34.69 per cent high school standard. So, in general, the education level of members of cooperative societies is not very bad (See Chart No. 4.3).

Chart No. 4.3
Education composition

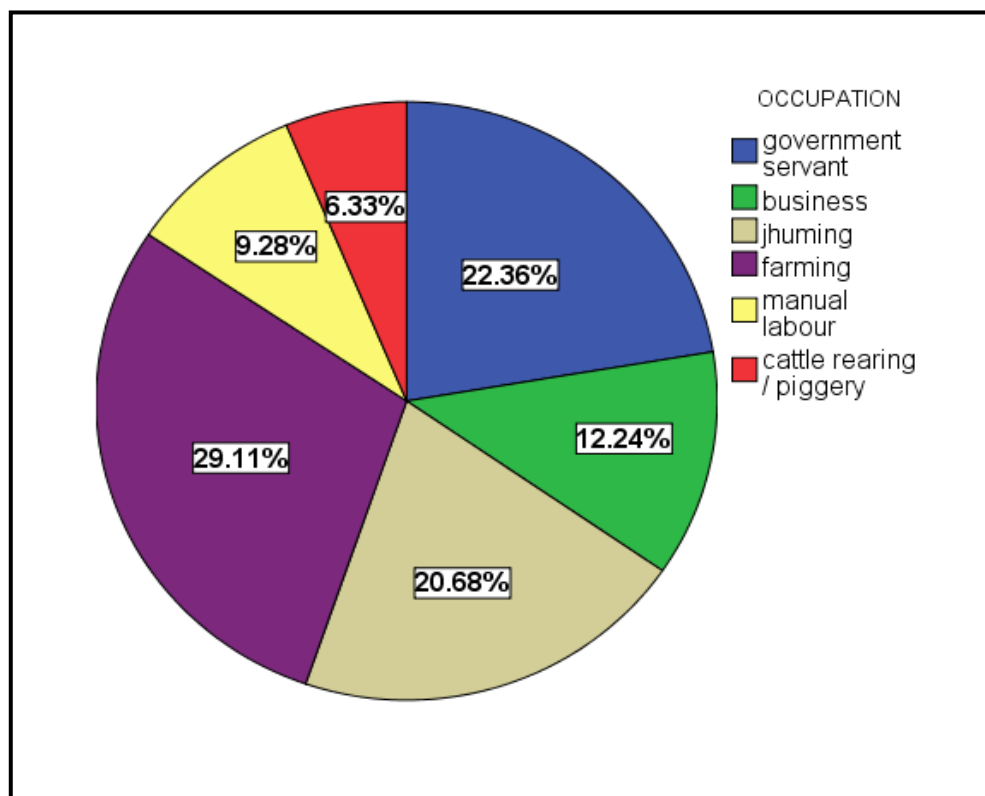


Source: Research Field work

Occupation:

Regarding the main occupation of the member respondents, the study shows that 22.36 per cent are government servants while 9.28 per cent are manual labourers. The single largest number i.e. 29.11 per cent are engaged in farming and another 20.68 per cent are doing jhuming or shifting cultivation as these two are of the most common occupations of rural people in Mizoram today. The rest two categories like, business and cattle rearing or piggery are mostly related to the activities or trades of their cooperative societies (See Chart No. 4.4).

Chart No. 4.4
Occupation of members of cooperative societies

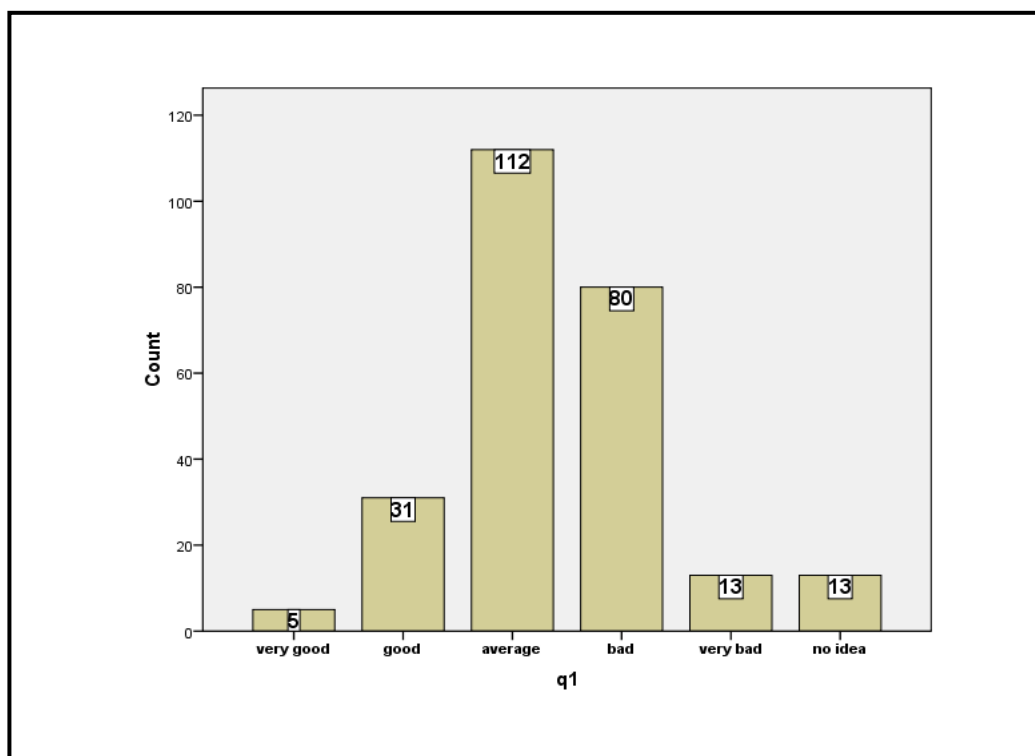


Source: Research Field work

4.4 (ii) Questionnaires

The first question asked in the questionnaire is set to understand the popular opinion of cooperators on the way cooperative societies are being looked after by Government of Mizoram and let them grade on the basis of 6 scales provided to them. As given in the above mentioned table and graph, out of the total 254 respondents, 5 persons (2 %) grade it 'very good' while 31 (12.20 %) grade it 'good'. As much as 112 (44.10 %) grade it as 'average' and 80 respondents (31.50 %) are of the opinion that it is 'bad' and still 13 (5.10 %) grade it 'very bad'. The rest 13 (5.10 %) do not have opinion on the question raised. It may be concluded that the way cooperative societies are being looked after by Government of Mizoram is average (See Chart No. 4.5).

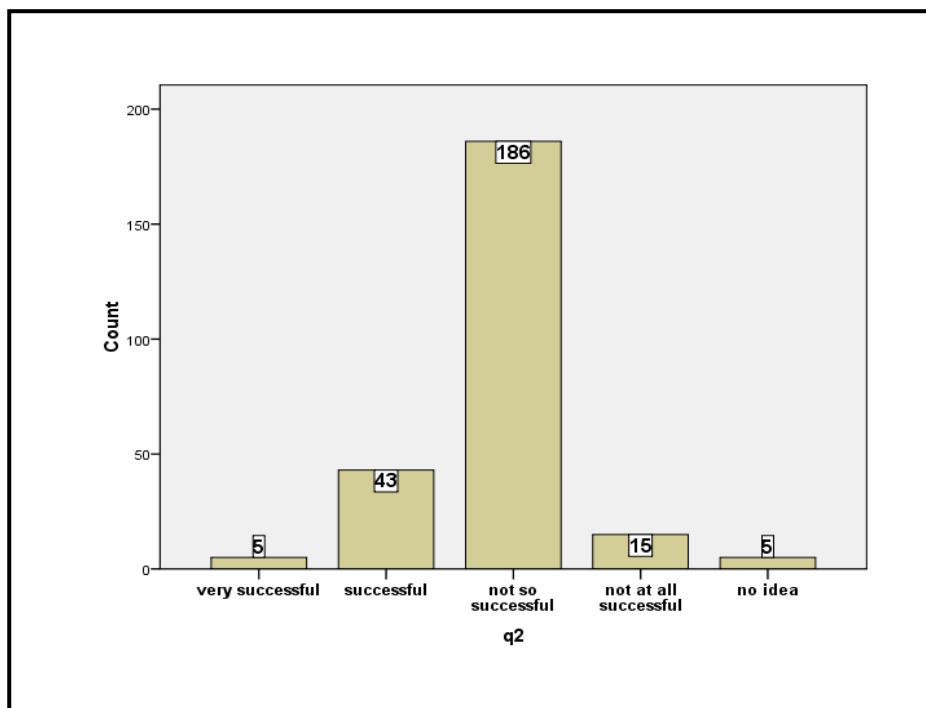
Chart No. 4.5
Opinion of cooperative members on how Government looks after the cooperatives



Source: Research Field work

The second question asked is “Do you think that cooperative movement in Mizoram is successful?” This is responded by 254 sample members of cooperatives out of which 5 (2.00 %) members grade it ‘very successful’ while 43 (16.90 %) grade it successful. In contrast of the above, as much as 186 (73.20 %) opined that it is not successful and 15 (5.90 %) grade it ‘not at all successful’. At the same time, 5 members are of ‘no idea’ as given in the table below. It may be generalised that cooperative movement in Mizoram is not successful as of today (See Chart No. 4.6).

Chart No. 4.6
Opinion of cooperative members on how far the cooperative movement in Mizoram is successful

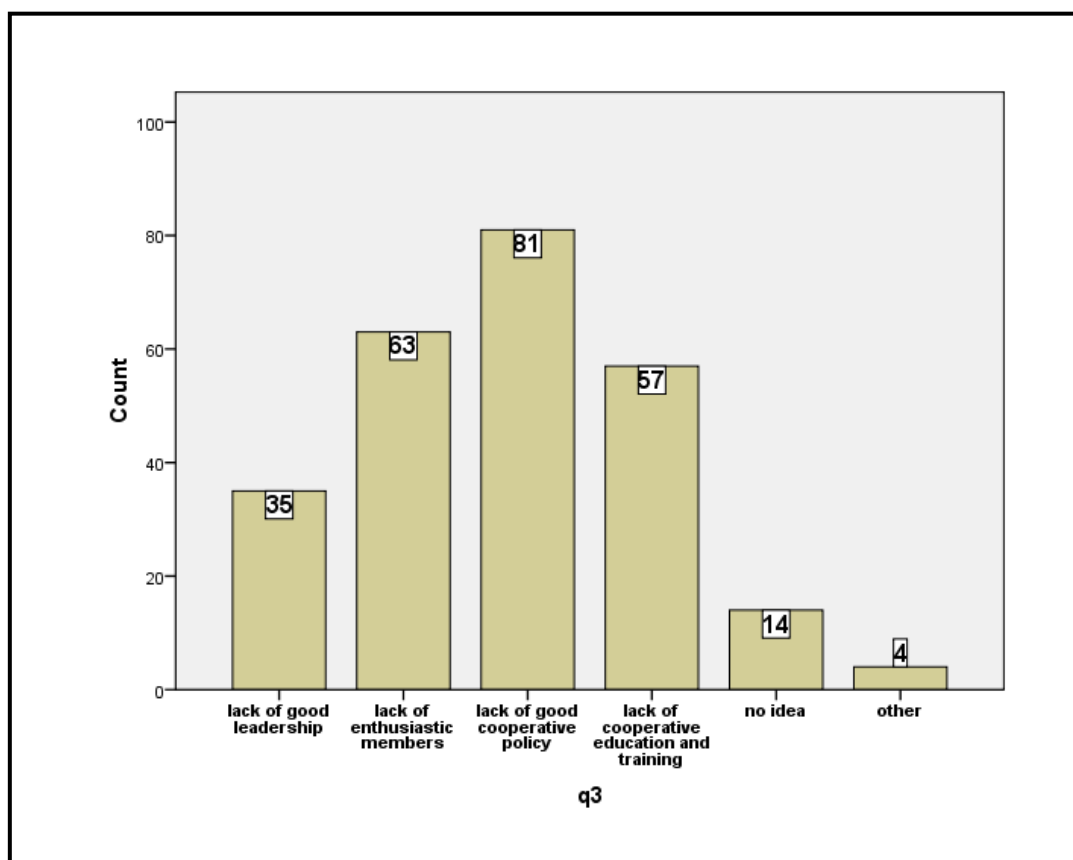


Source: Research field work

The third question is set to ensure the main reason behind the failure of cooperatives in Mizoram. For this, 6 (six) choices are provided to the respondents. Out of the total 254 respondents, 35 (13.8 %) people say that it is because of lack of good cooperative leadership. 63 (24.8 %) hold lack of enthusiastic members to be responsible. Lack of good cooperative policy on the part of the state government is held responsible by as much as 81 (31.9 %) to be the highest single factor. Still 57 (22.4 %) blame the lack of cooperative education and training in the state, while 14 (5.5 %) have no idea on it and the rest 4 (1.6 %) have other reasons for it.

Thus, the most common or the highest factor behind the failure of cooperatives societies in Mizoram is lack of good cooperative policy on the part of the state government followed by lack of enthusiastic members and the lack of cooperative education and training in the state (See Chart No. 4.7).

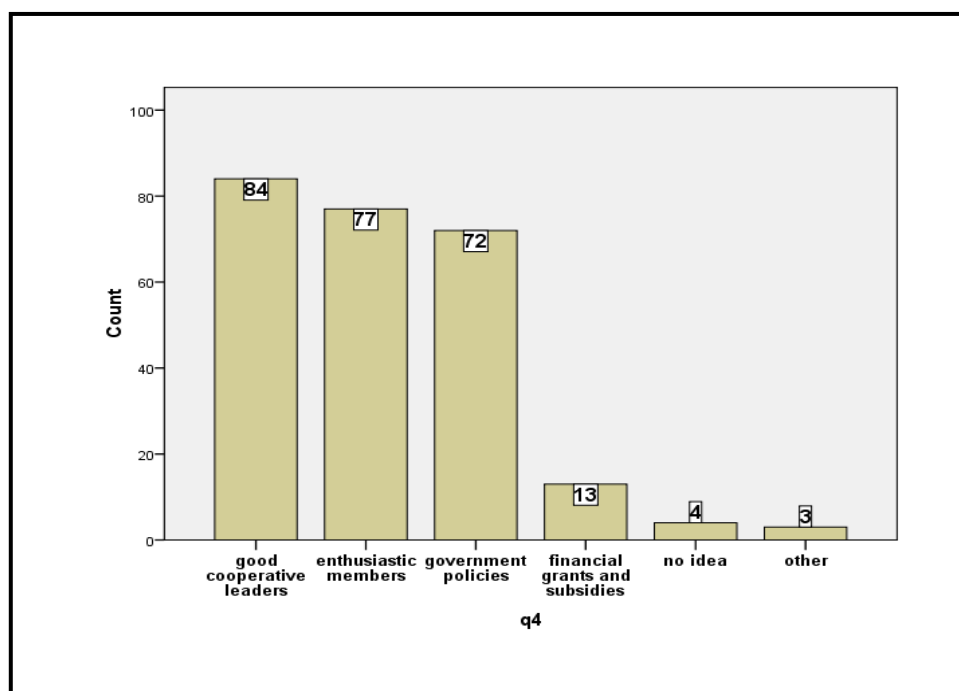
Chart No. 4.7
Members' opinion on the reason behind the failure of cooperatives in Mizoram



Source: Research field work

The most important factor for the success of cooperatives societies in Mizoram is sought through the fourth question from the cooperators. As much as 6 (six) choices of answers are provided for this purpose and 253 valid responses are received while 1 (one) is invalid or missed out. The responses received in order of descending order of frequency are – 84 (33.2 %) suggest good cooperative leaders; 77 (30.4 %) favour enthusiastic members; 72 (28.5 %) say government policies; 13 (5.1 %) opine financial grants and subsidies; and 4 (1.6 %) have no idea while 3 (1.2 %) suggest other factors (See Chart No. 4.8).

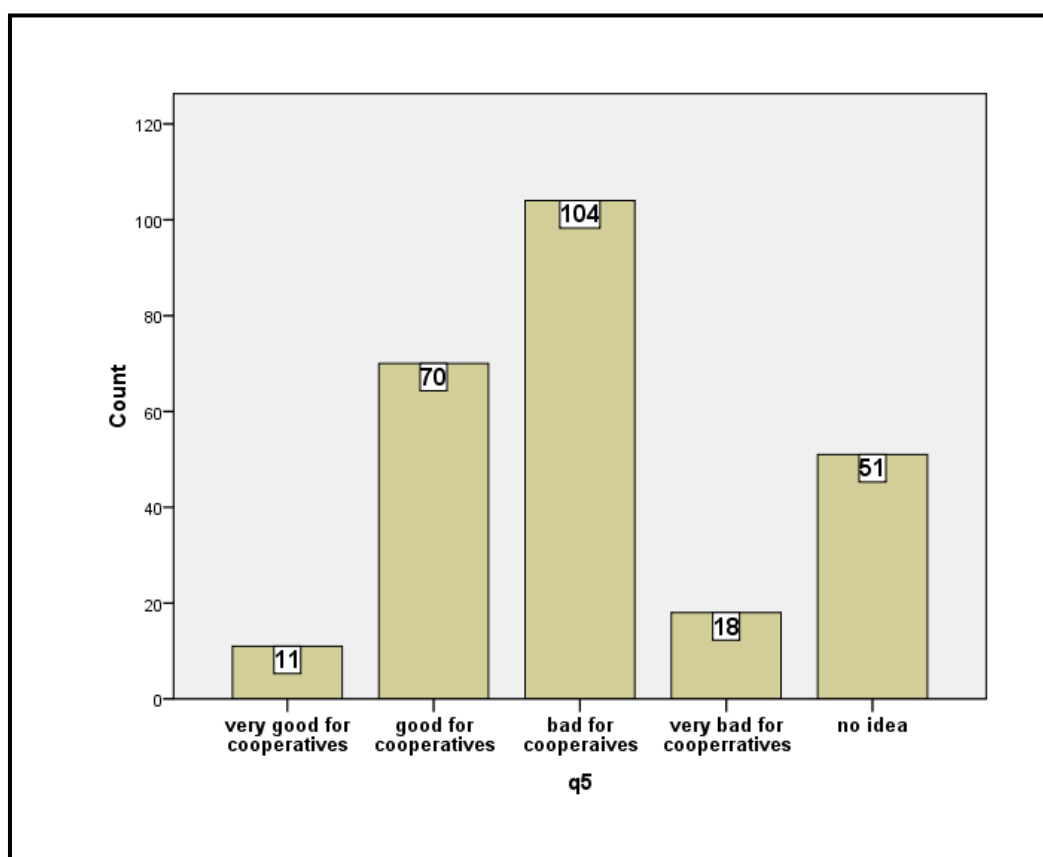
Chart No. 4.8
Opinion of cooperative members on important factor for the success of
cooperatives societies in Mizoram



Source: Research field work

Question asked here is meant to find out the majority opinion among the cooperators on the deputation of officers in cooperative societies from the Department of Cooperation in Mizoram so as to know if it is good or bad for cooperative societies. Out of the total 254 respondents, 104 (40.90%) opine that deputation of officers at various capacities in state level cooperatives is bad for cooperatives; 70 (27.60%) say it is good for cooperatives; 51 (20.10%) fail to form a concrete idea on it; 18 (7.10%) opine it very bad for cooperatives; only 11 (4.30%) give a strong support saying that it is very good for cooperatives. Here, as much as 50 (20.10%) respondents have no idea mainly because they rarely have a direct contact with the federal or state level cooperatives. It is clear that the majority cooperators are against the deputation of officers to hold key posts in their societies (See Chart 4.9).

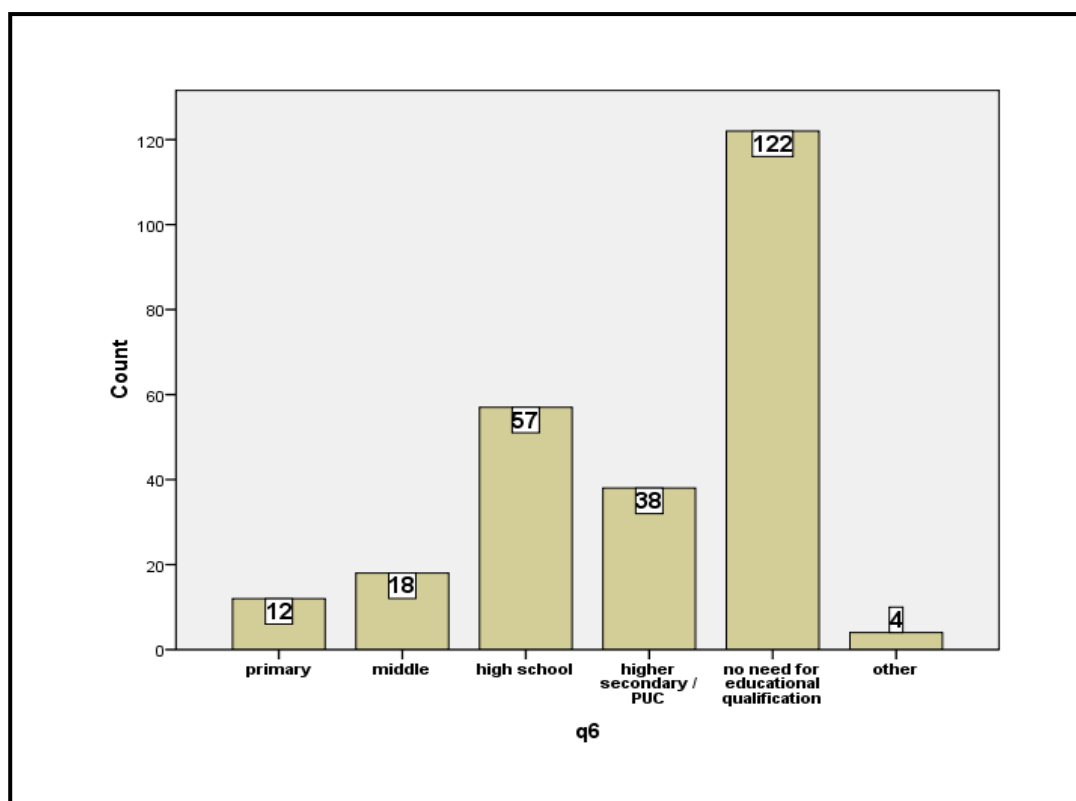
Chart No. 4.9
Opinion cooperative members on the deputation of Officers in cooperative societies from the Department of Cooperation in Mizoram



Source: Research field work.

On the issue of educational qualification to become leaders in primary or village level cooperatives, the largest number of respondents, 122 (48.6 %) hold that no need for educational qualification; 57 (22.7 %) want high school level; higher secondary or Pre-University degree by 38 (15 %); middle by 18 (7.2 %); primary by 12 (4.8 %); while 4 (1.6 %) persons suggested others, out of the total 251 respondents. Thus, this data shows that the majority members do not want to prescribe educational qualification for leadership positions at primary level cooperatives (See Chart No. 4.10).

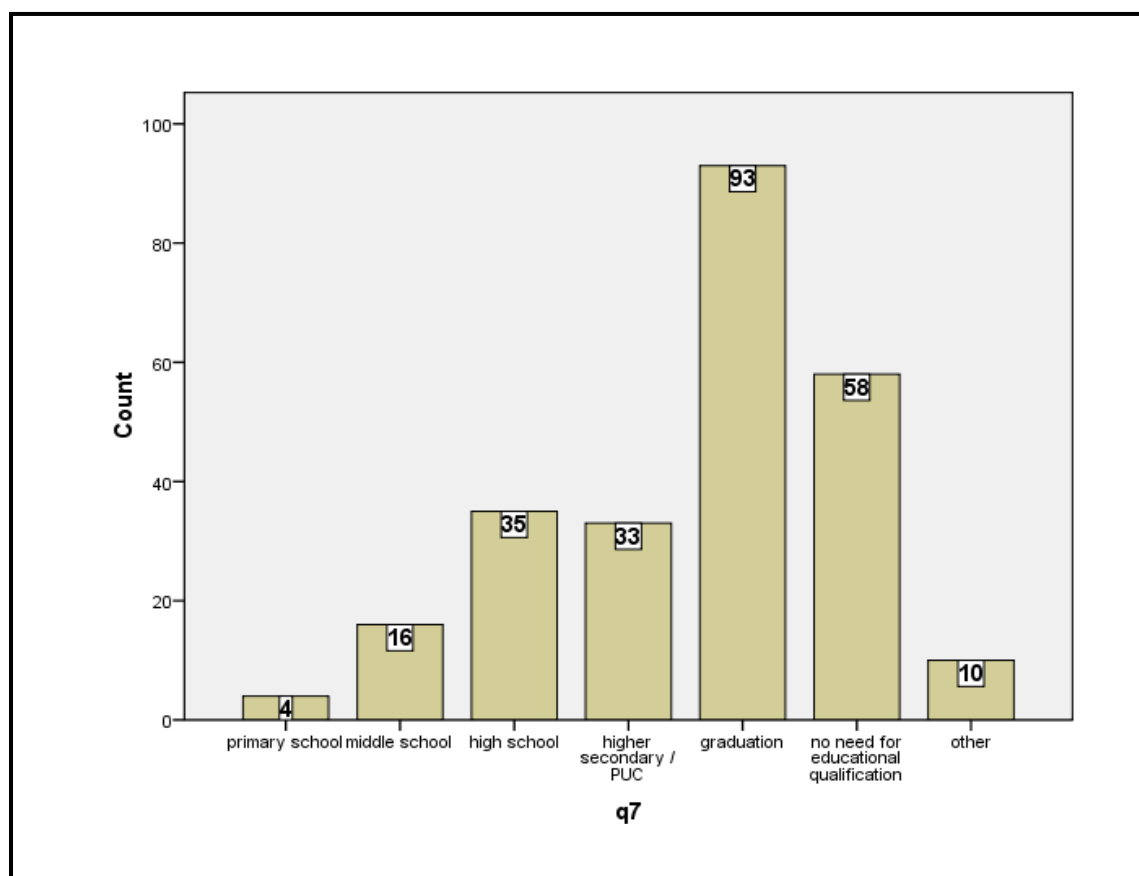
Chart No. 4.10
Opinion of cooperative members on educational qualification to become leaders
in village level cooperatives



Source: Research field work

This question tries to establish the popular opinion on the issue of educational qualification for leadership in the State Level cooperative societies. Out of the total 249 valid responses, the highest number of respondents, i.e. 93 (37.3 %) choose graduation, while 58 (23.3 %) respondents say no need for educational qualification. Another 35 (14.1 %) prefer high school level; 33 (13.3 %) higher secondary or Pre-University standard; 16 (6.24 %) prefer middle standard; 4 (1.6 %) primary school and the rest 10 (4 %) suggest other idea. There are 5 (2 %) invalid responses (See Chart No. 4.11).

Chart No. 4.11
Opinion of cooperative members on educational qualification to become leaders
in state level cooperatives

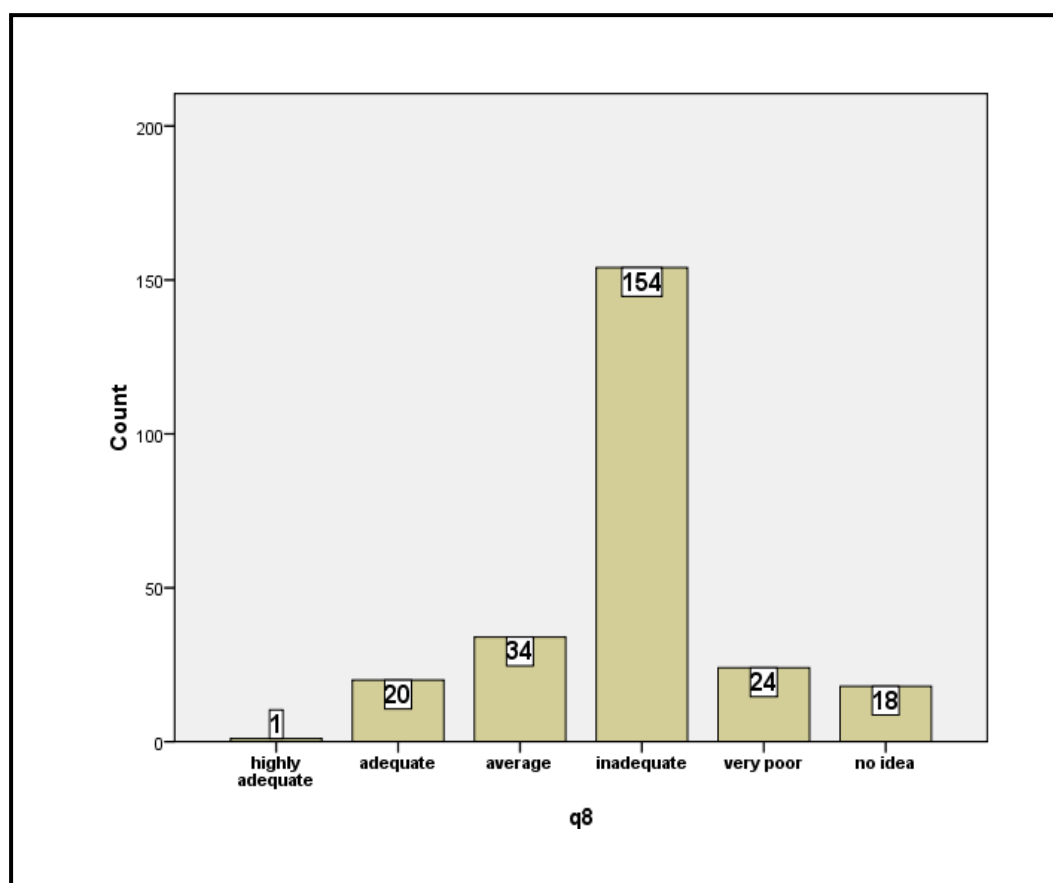


Source: Research field work

On the issue of adequacy of cooperative education and training imparted to members of cooperatives in Mizoram, more than half of the 251 valid respondents i.e. 154 (61.4 %) say it is 'inadequate'; 34 (13.5 %) grade it 'average'; 24 (9.6 %) say 'very poor'; 20 (8 %) say it is 'adequate'; 18 (7.2 %) have 'no idea' and only 1 (0.4 %) grades it 'highly adequate' while 3 responses are invalid. So, according to the majority opinion collected, cooperative education and training imparted by Mizoram State Cooperative Union to the cooperators is inadequate (See Chart No. 4.12).

Chart No. 4.12

Opinion of cooperative members on the issue of adequacy of cooperative education and training imparted to members of cooperatives in Mizoram



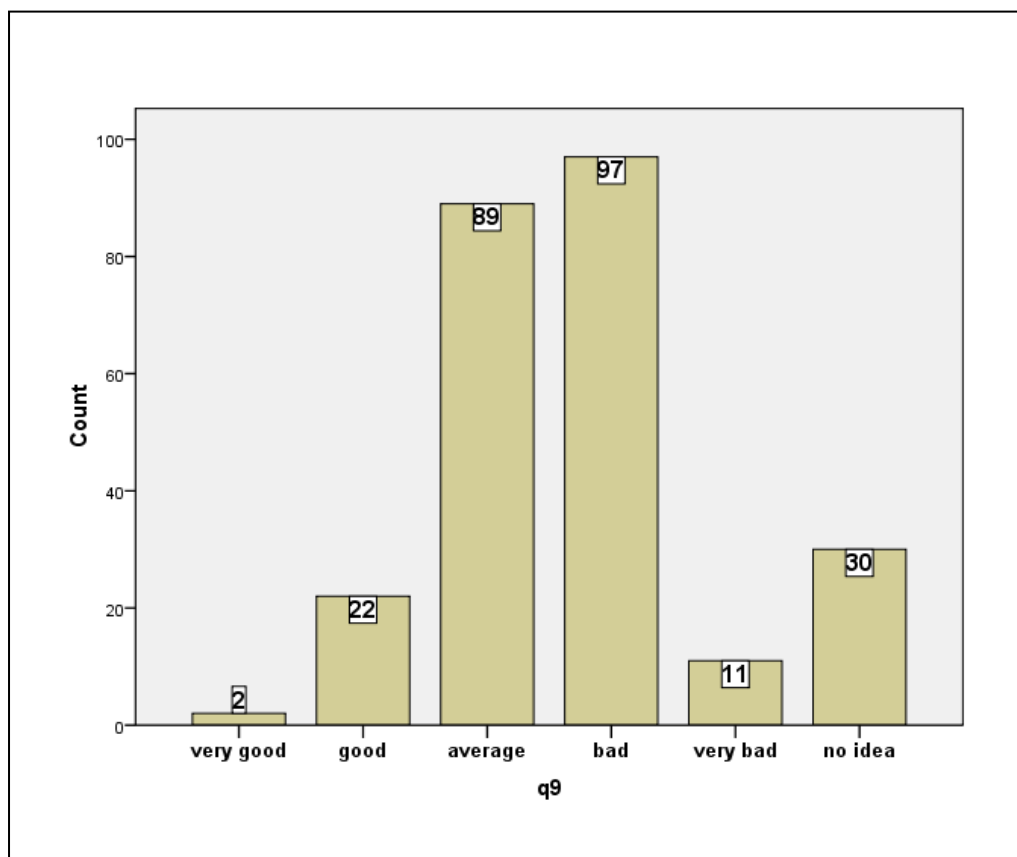
Source: Research field work

In response to the next questionnaires, the respondents grade the system of cooperative education and training as imparted by the State and District Cooperative Unions in Mizoram. The respondents are provided with choices of grades like - very good, good, average, bad, very bad and no idea. Out of 254 responses, 251 are valid and 3 responses are invalid. Among the 251 respondents, 97 (38.64 %) opine that it is bad, 89 (35.45 %) grade it average; 30 (12.95 %) of them have no idea; 22 (8.76 %) say that it is good; while 11 (4.38 %) are of the opinion that it is very bad. At the same time, only 2 (0.8 %) of them grade it very good. It may be summed up that the system of cooperative

education and training as imparted by the state and district Cooperative Unions in Mizoram is not satisfactory (See Chart No. 4.13) below.

Chart No. 4.13

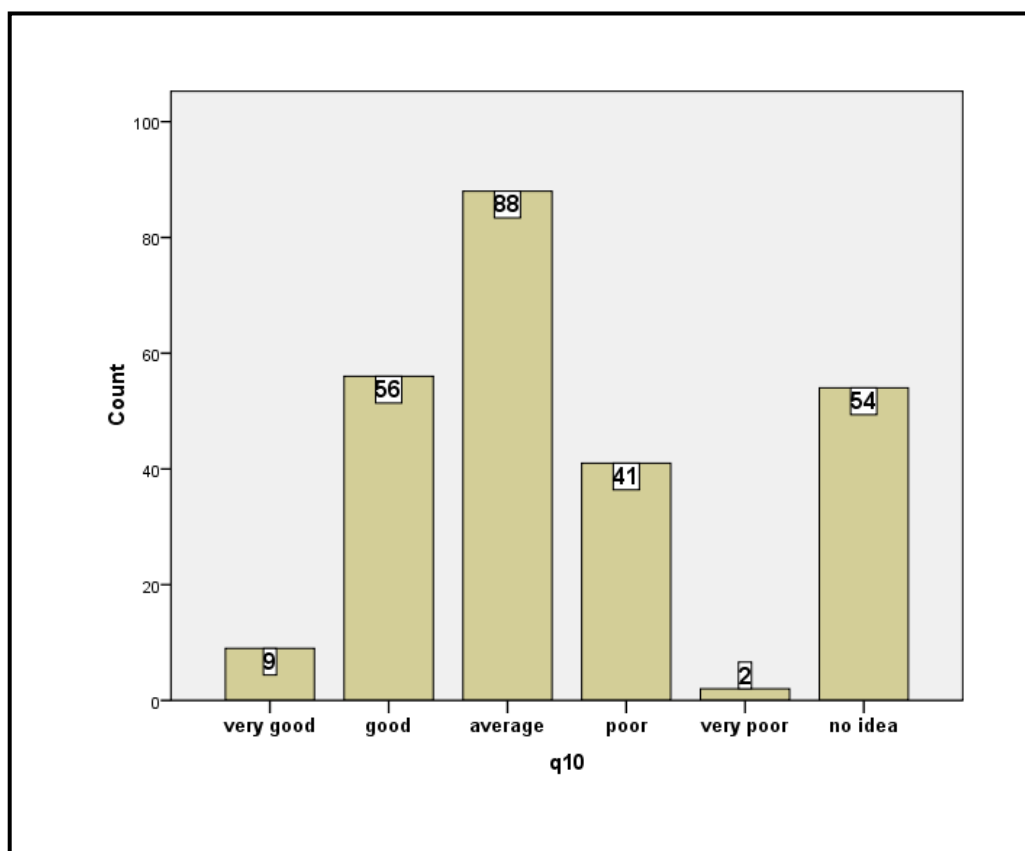
Opinion of cooperative members on the system of cooperative education and training as imparted by the state and district Cooperative Unions in Mizoram



Source: Research Field Work

Here, the respondents grade the course contents of cooperative education and training in Mizoram as follows – very good by 9 (3.6 %); good by 56 (22.4 %); average by 88 (35.2 %); poor by 41 (16.4 %); very poor by 2 (0.8 %); 54 (21.6 %) have no idea and 4 (1.6 %) responds are invalid. Thus, the majority respondents hold that the course contents and the subjects taught in cooperative education and training in Mizoram are neither good nor bad but average (See Chart No. 4.13 below).

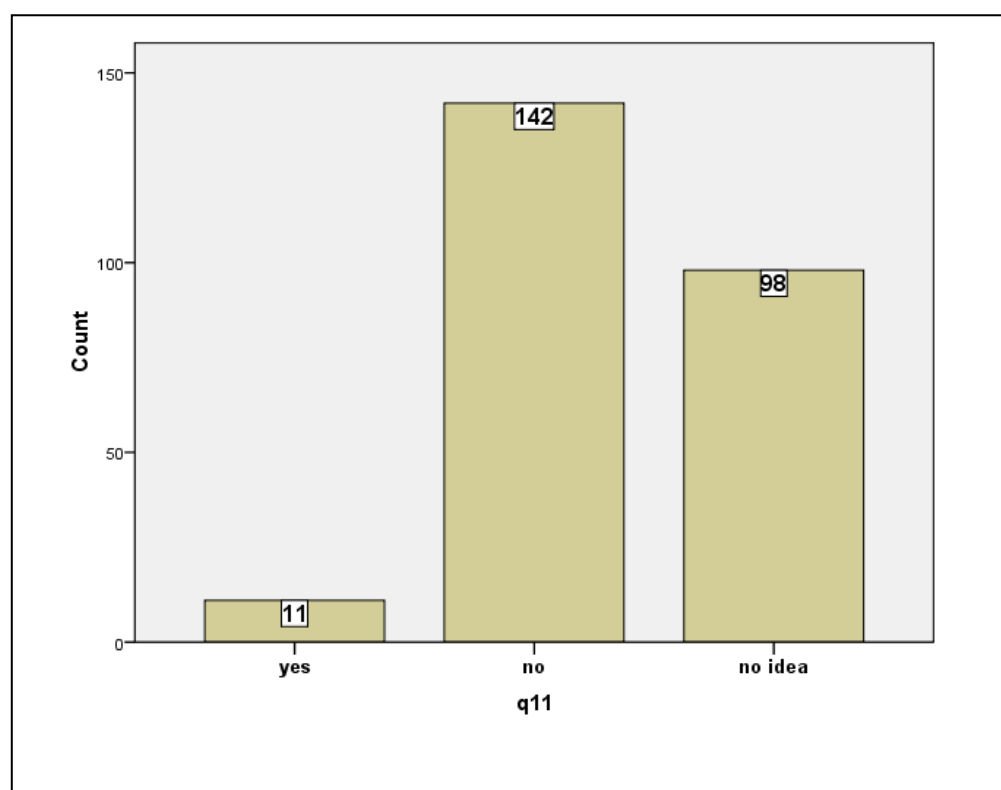
Chart No. 4.14.
Opinion of cooperative members on the issue of the course contents of cooperative education and training in Mizoram



Source: Research field work

Here, the respondent cooperators are asked to express their awareness on whether the Government of Mizoram consults cooperative societies while formulating developmental plans in the state or not. As a whole, 254 responses are received of which 251 are valid and 3 (1.2 %) responses are categorised as invalid. The responses are as follows – ‘yes’ by 11 (4.4 %); ‘no’ by 142 (56.6 %); and ‘no idea’ by 98 (39 %). Hence, the majority members, i.e. 56.6 per cent hold that Government of Mizoram never consult cooperatives or cooperators while formulating developmental plans in the state (See Chart No. 4.15).

Chart No. 4.15
Opinion of cooperative members on whether the Government of Mizoram consults cooperative societies or not

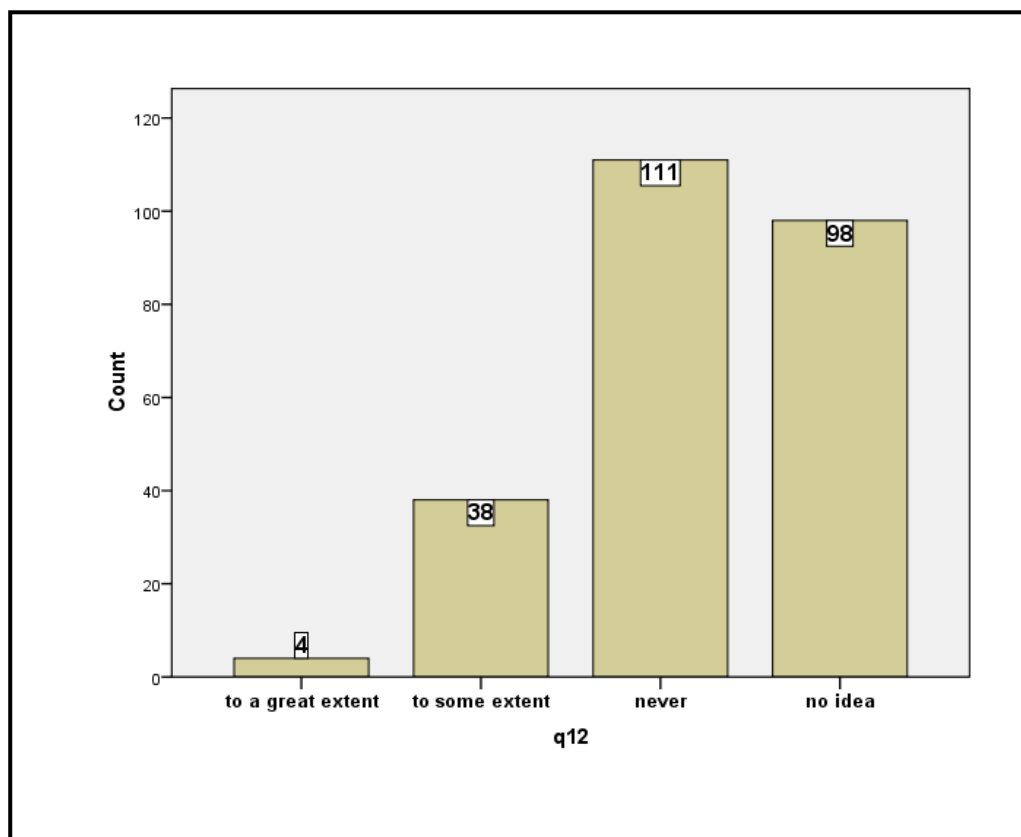


Source: Research Field Work.

Here, the respondent cooperators are asked to express their knowledge on whether the Government of Mizoram uses cooperative societies as implementing agencies of economic policies and other developmental plans in the state. As a whole, 254 responses are received of which 251 are valid and 3 (1.2 %) responses are invalid. Out of the 251 valid responses, 4 (1.6 %) say 'to a great extent'; 'to some extent' by 38 (15.1 %); 'never use' by 111 (44.2 %); and 'no idea' by 98 (39 %). This shows that majority members are of the opinion that Government of Mizoram never uses cooperative societies as implementing agencies for economic policies and other developmental plans (See Chart No. 4.16 below).

Chart No. 4.16

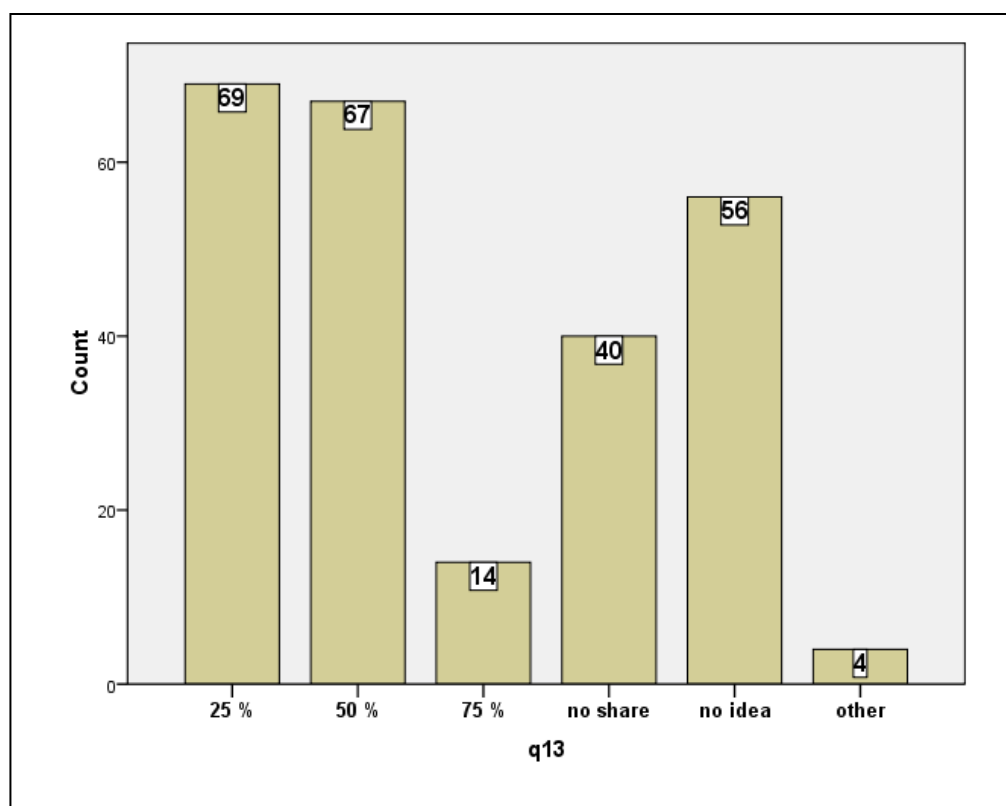
Opinion of cooperative members on whether the Government of Mizoram uses cooperative societies as implementing agencies of economic policies and other developmental plans in the State



Source: Research Field Work.

On the issue of share holding the government should have in cooperative societies in Mizoram, member respondents express their views as follows – up to 25 per cent by 69 (27.6 %); 50 per cent by 67 (26.8 %); 75 per cent by 14 (5.6 %); and 40 (16 %) respondents are in favour of no share; and 56 (22.4 %) have no idea. While 4 (1.6 %) suggest other way, another 4 (1.6 %) are invalid making 250 valid out of 254 total responses (See Chart No. 4.17 below).

Chart No. 4.17
Opinion of cooperative members on the issue of share holding the government should have in cooperative societies in Mizoram

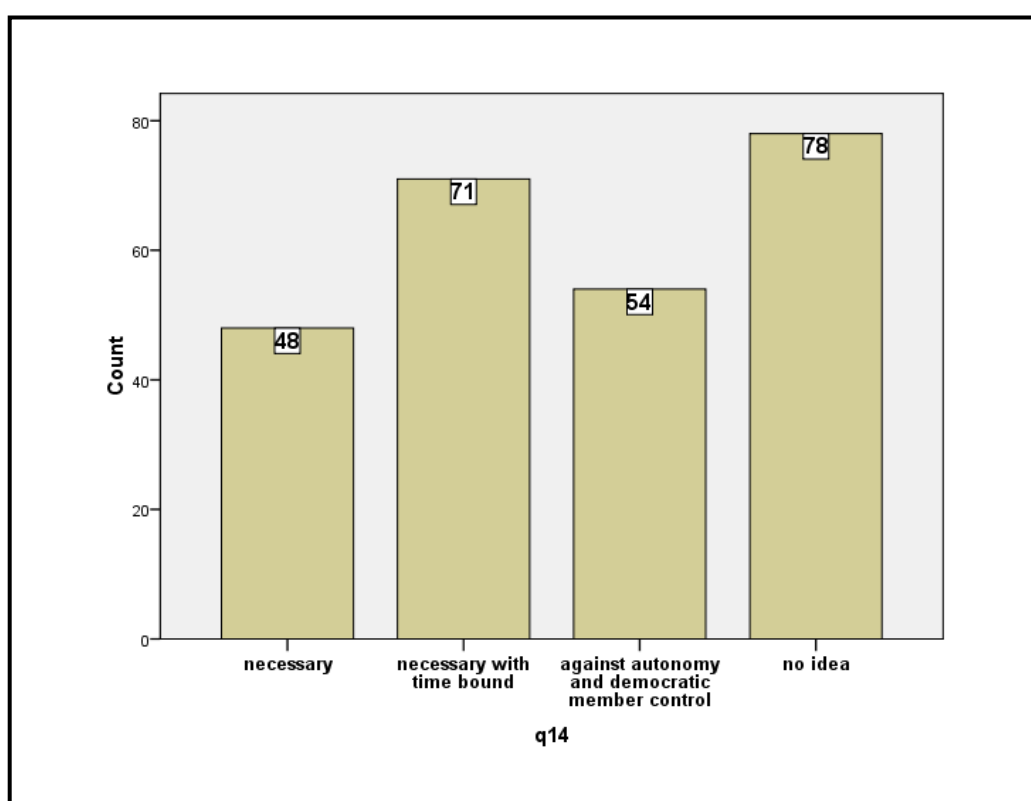


Source: Research Field Work

Here, member respondents are requested to articulate their view on the provision of Mizoram Cooperative Societies Act, 2006 (as amended up to 2012), Section 46 (5) which requires all the proceedings and decisions of the Annual General Assemblies, Special Assemblies and Managing Committees of Primary, Secondary and Federal Cooperatives to be approved by their concerned Cooperative Officers without which such meetings shall not be valid and decisions thereof have no legal force or validity. Responses on this issue highlights that cooperators in general are lack of concern and interest on the States Cooperative Societies Act, which govern their very existence and management.

As a whole, 254 responses are received and 3 (1.2 %) are invalid. Out of the total 251 valid responses, as much as 78 (31.1 %) have ‘no idea’ on the issue provided; 48 (19.1 %) say ‘it is necessary for the smooth functioning of different cooperative societies’; 71 (28.3 %) say ‘it is necessary provided that officers are bound to approve such decisions or take appropriate action within time frame’; and 54 (21.5 %) are of the opinion that ‘it should be deleted as it infringes and undermines the principles of cooperative autonomy and democratic member control’. Although many of the respondents do not have idea on this issue, it may be concluded that this is necessary provided that officers are bound to approve such decisions or take appropriate action within time frame or it should be deleted as it infringes and undermines the principles of cooperative autonomy and democratic member control (See Chart No. 4.18) below.

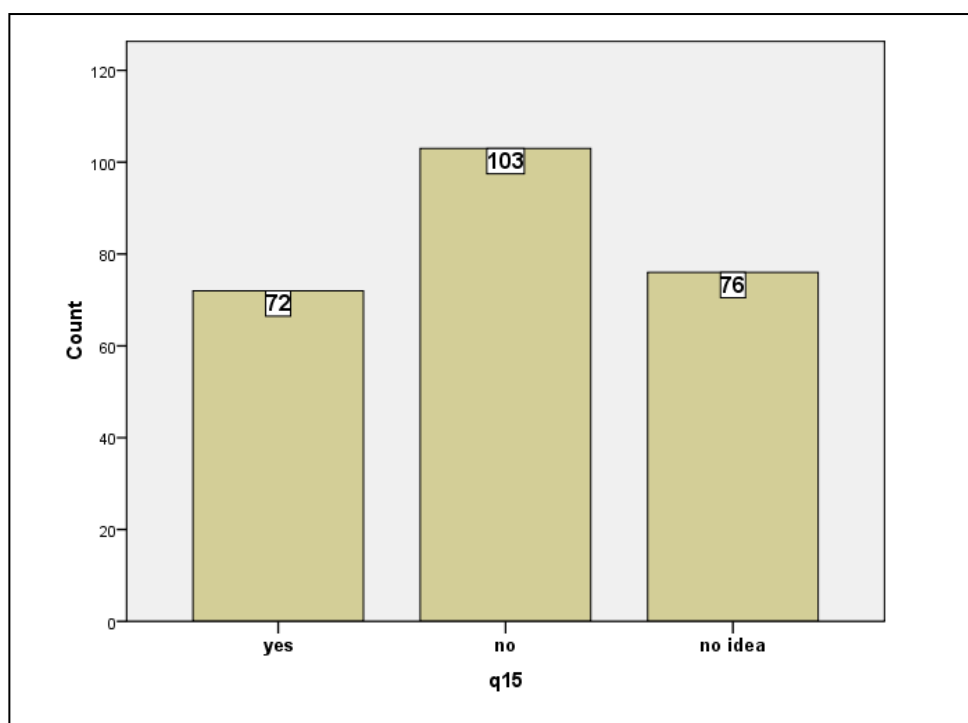
Chart No. 4.18
Opinion of cooperative members on the provision of Section 46 (5) of the Mizoram Cooperative Societies Act, 2006



Source: Research Field Work

In response to the question on the issue of interference of political parties in the election of cooperative leaders, especially at state level in Mizoram, out of the total 251 valid respondents, 72 (28.68 %) say ‘yes’ while 103 (41.03 %) say ‘no’ and the rest 76 (30.27 %) have no idea. There are 254 responses including 3 (1.2 %) invalid responses. So, according to the majority opinion of member respondents i.e. 41.03 per cent, political parties do not interfere in the election of cooperative leaders. This is shown in the Chart No. 4.19.

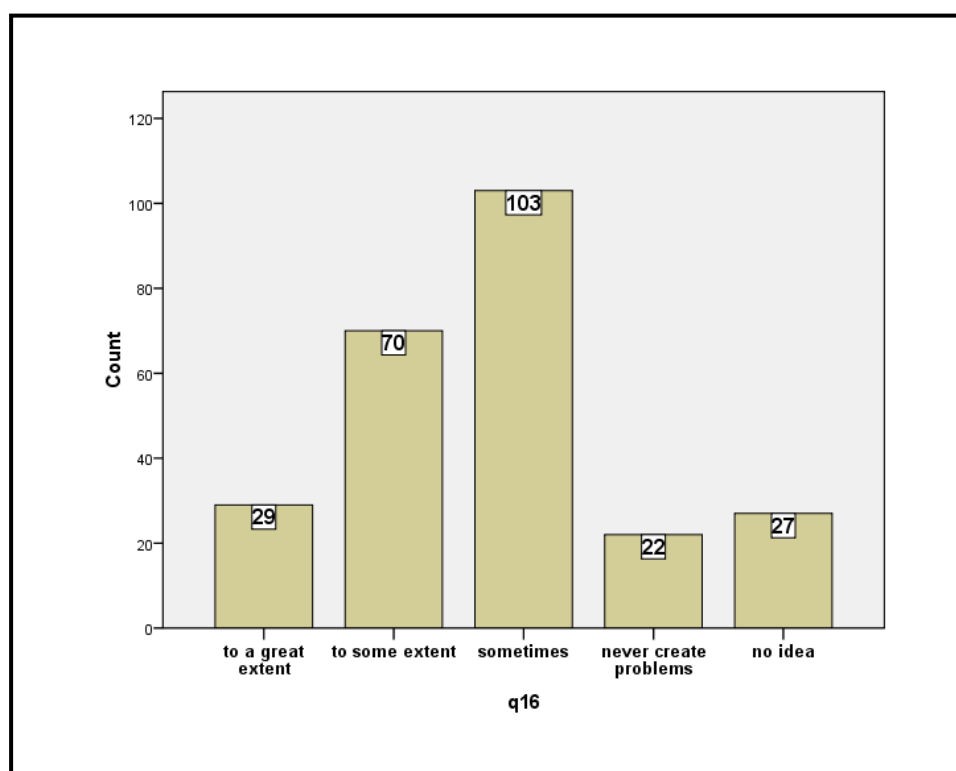
Chart No. 4.19
Opinion of cooperative members on whether political parties interfere in the election of cooperative leaders



Source: Research Field Work

Here, the respondents express their idea on whether the struggle for leadership creates problems in the management and functioning of cooperative societies in Mizoram. Out of 251 valid respondents, 29 (11.6 %) affirm to a great extent; 70 (27.9 %) to some extent; 103 (41 %) sometimes; 22 (8.8 %); and 27 (10.8 %) have no idea, while 3 (1.2 %) are invalid. Hence, it may be concluded that struggle for leadership creates problems in the management and functioning of cooperative societies in Mizoram (See Chart No. 4.19 below).

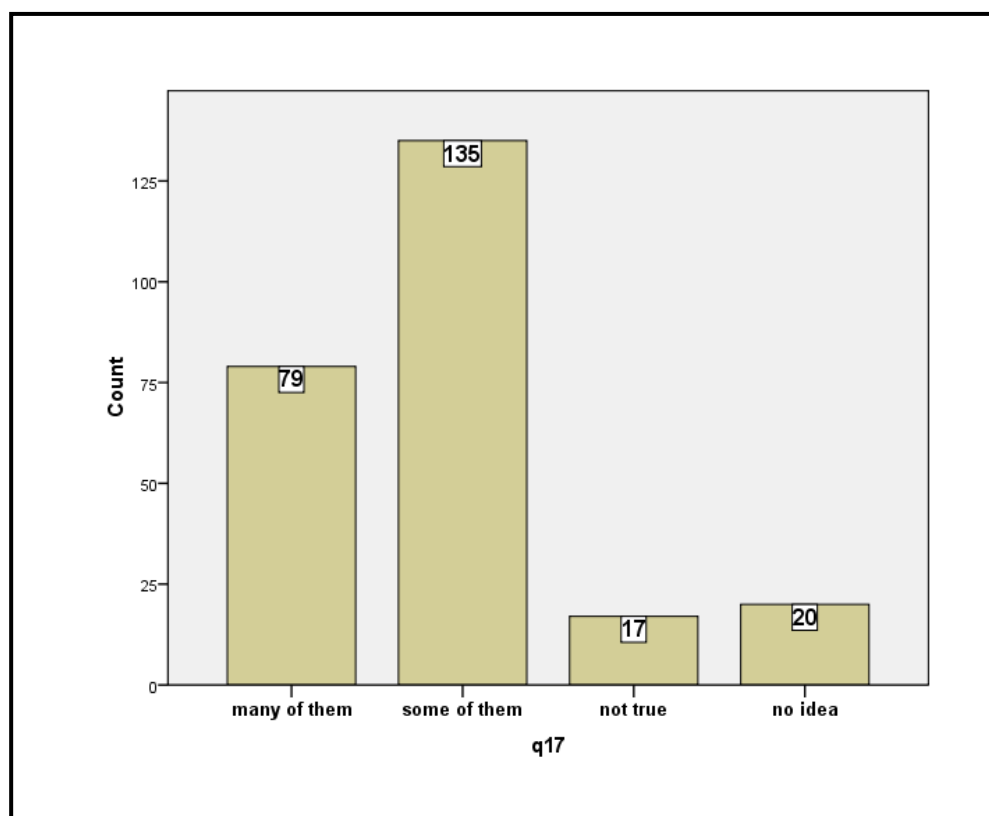
Chart No. 4.20
Opinion of cooperative members on the struggle for leadership in cooperative societies



Source: Research Field Work

This question requests the respondents to state their opinion on the issue that a good number of cooperative societies in Mizoram are formed only for receiving loans and grants from government and other financing agencies. The member cooperators express their views as follows – ‘many of them’ by 79 respondents (31.5 %); ‘some of them’ by 135 (53.8 %); ‘not true’ by 17 (6.8 %); 20 (8 %) have ‘no idea’ on it and 3 responses are invalid. Total responses received are 254, out of this 251 are valid. So, we can visualise from the majority opinion that a good number of cooperatives in Mizoram are formed only for receiving loans and grants from government and other financing agencies (Chart No. 4.20 below).

Chart No. 4.21
Opinion of cooperative members on the issue of loans and grants

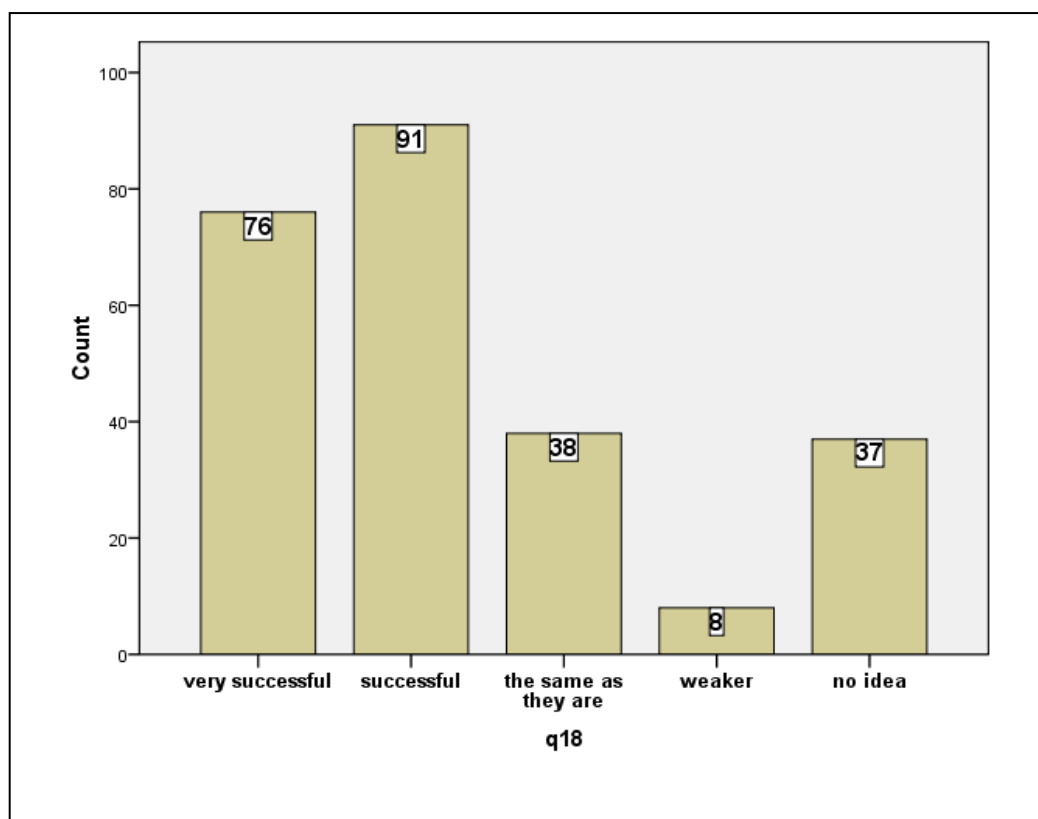


Source: Research Field Work

On the issue of membership participation, respondents articulate their idea that if more educated youth participate, cooperative societies in Mizoram will be – ‘very successful’ by 76 (30.4 %); ‘successful’ by 91 (36.4 %); ‘the same as they are’ by 38 (15.2 %); ‘weaker’ by 8 (3.2 %); and 37 (14.8 %) have ‘no idea’ on it. There are 4 (1.6 %) invalid responses out of the total 254 responses rendering the number of valid responses to 250.

The above responses show that absolute majority, i.e. 167 (66.8 %) taking together those who subscribe that it will be ‘very successful’ and those of ‘successful’, believe that educated youth participation is a must for the success of cooperative societies in Mizoram (See Chart 4.21 below).

Chart No. 4.22
Opinion of cooperative members on the participation of more educated youth in cooperative societies

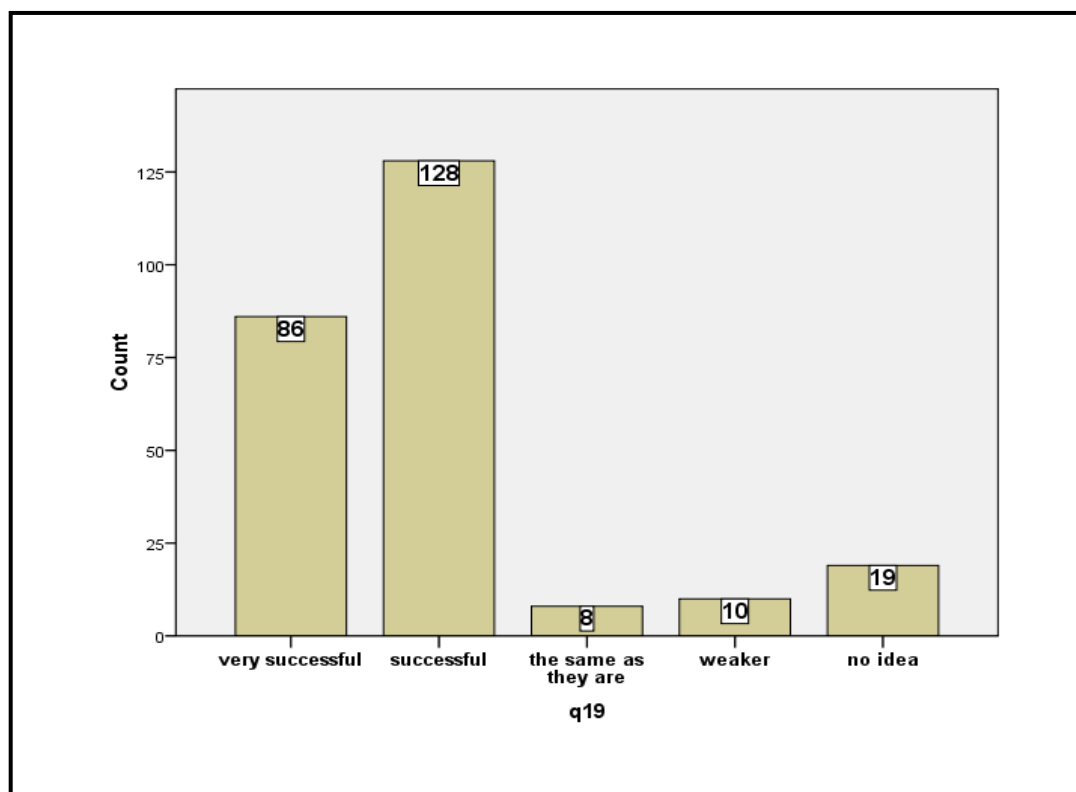


Source: Research Field Work

Here, the total 251 valid respondents expressed their opinion as follows - If cooperative societies in Mizoram are provided with adequate capital to invest in various activities, they will be – ‘very successful’ by 86 (34.3 %); ‘successful’ by 128 (31 %); ‘the same as they are’ by 8 (3.2 %); ‘no idea’ by 19 (7.6 %). There are 3 invalid responses out of the total 254 responses.

Therefore, taking the first two positive responses together, we may conclude that as much as 214 (85.6 %) of the total respondents believe that cooperative societies in Mizoram will be successful if they are provided with adequate capital to invest in various activities (See Chart No. 4.22 below).

Chart No. 4.23
Opinion of cooperative members on how would be the performance of cooperatives if provided with adequate capital



Source: Research Field Work

4.4 (iii) Analysis of scheduled data

We have stated that twenty (20) cooperative societies, ten (10) each both from rural and urban areas were visited and studied to assess and understand the performance aspects, strength and weaknesses of cooperative societies in Mizoram. These twenty (20) cooperatives have as much as one thousand (1,000) members with an average of fifty (50) members in each cooperative and the most common or the largest opinion in all the issues raised and provided to the respondents for their judgement is given the highest weight while making decision and judgement.

While conducting the interview, question was asked to know gender composition of each cooperative and it was established that of all the members of these twenty (20) cooperatives we have studied, 71 per cent are male and the remaining 29 per cent are female. This shows that gender composition of cooperators in Mizoram is not fair enough or in other words, it is disproportionately dominated by the male members. This is largely because of the Mizos having a patriarchal system of society. Women in Mizo society are traditionally supposed to take care of household affairs more than those of men. This is mainly the case even today especially in the rural areas. The system itself is not conducive for women to participate and take responsibilities beyond family affairs. Women mostly out-numbered men only in a few cooperatives performing activities like weaving, tailoring and sale of garments. There are also a few women cooperative societies in Mizoram.

The second question aims at studying whether the cooperative societies are able to conduct general body meetings (Annual General Assembly) every year or not. Though the cooperatives are required to convene Annual General Assembly at least once in a year, one out of the selected twenty (20) cooperatives fails to convene such meeting even once in a year. This is because, as its leaders said, they do not have important agenda to be discussed in the Assembly. Even the leadership election is not held annually as the government authorities allowed the present incumbents to continue in their office to finish their task of recovering their debts. Moreover, they claim that a poor cooperative like them does not afford to convene expensive General Assembly in which all the members expect meeting allowances to be given. We can conclude that all this difficult condition faced by this particular cooperative shows its weakness and poor performance.

Answers to the third question reveals that eight (8) out of the twenty (20) cooperative societies used to convene Special Assemblies besides normal Annual General Assembly necessitated by exigency of the time and their day to day business, while twelve (12) cooperatives never hold such assemblies. It shows

that out of the above eight cooperatives who used to have Special Assemblies, seven (7) cooperatives hold such assemblies once to three times a year and only one cooperative could hold more than six times in a year. It is presumable that the more assemblies convened by the cooperative societies, the more active and vibrant that society would be.

Regarding the timely election of Office Bearers or Executive members, two (2) out of the twenty (20) cooperatives failed to hold such election to conform provision of the bye-laws, Act and rules governing them. It is because of bankruptcy of the cooperatives and the government authorities instruct and allow their present Office Bearers to continue in office to carry on rejuvenation works of their cooperatives. This is also one of the most serious weaknesses and indicators of failure of some cooperatives societies in Mizoram. At the same time, majority eighteen (18) cooperatives fulfil the provisions of their bye-laws, Act and rules of cooperatives.

Regarding the Managing Committee meetings or Office Bearers meetings again, one cooperative could not hold even one such meeting within a year while the rest nineteen (19) cooperatives could have in a normal interval. It has been revealed that out of the above nineteen (19) cooperatives, six (6) could have such meetings one to three times a year. Four (4) could hold as much as four to six times in a year while the rest eight (8) cooperatives used to have more than six such meetings in a year. This means that most of the cooperatives under study are active and they are having important issues to be discussed in the meetings.

Responses on cooperative education and training show that out of the twenty (20) cooperative societies under study, not a single member of the three (3) cooperatives has attended cooperative education and training. Two of them never received information or notice for such trainings, while leaders of another one said that two of their members who had attended such education and training have migrated to other village. Members of the majority seventeen (17) cooperatives have undergone cooperative education and training. Out of the above one thousand (1,000) members of the twenty (20) cooperative societies,

only sixty (60) members, fifty-three (53) men and seven (7) women had undergone cooperative education and training, that is, six per cent (6%) of the total membership and women are still lagged behind.

Leaders of cooperatives are asked if they could conduct in-house training or awareness programmes for their members to increase performance efficiency and effectiveness of the cooperative. Responses to this shows that fifteen (15) of them used to conduct in-house training in which senior leaders and expert cooperators give training and teaching to new entrant members regarding the business and functioning of their cooperatives. The rest five (5) cooperatives could not conduct such awareness and training programmes.

Answers to the question which requires responses on the issue of liabilities (loans, borrowings etc.) of the cooperatives reveal that twelve (12) of the twenty (20) cooperative societies had availed loans and other borrowings, while other eight (8) cooperatives never do. Different financing agencies approached by them include NCDC, PIGFED, MCAB Ltd., SBI and NABARD. Amongst those who availed loans, nine (9) of them could settle their debts within the stipulated period of time while three (3) of them failed to do so.

On paid up share in the cooperatives, members of all the twenty (20) cooperatives have share contribution the grand total of which in Rupees accrued to Rs. 2,013,410.00 (Rupees Two Million Thirteen Thousand Four Hundred and Ten only). Average paid up share of each member is Rs.2, 013.41.

Exclusive of share contributions, the interview reveals that cooperative societies in Mizoram, based on their business and trade activities, have the following sources of income – loans and other aids from government and other financial agencies; trade and other business, cooperative stores; sales of animal feeds; rents and fees from cooperative buildings and other belongings; personal loans given to their own members; dairy; interest from bank deposits; products from small scale industries like weaving, turmeric powder, etc.

Among the twenty (20) societies studied, thirteen (13) of them have fixed or immovable assets like buildings and house sites the value of which varies from Rs. 30,000.00 to as much as Rs. 4,000,000/- The average value of fixed assets of the above thirteen (13) cooperatives is Rs.739,000/- per cooperative. At the same time, the rest seven (7) cooperative societies do not have any immovable or fixed properties.

Again, out of the twenty (20) cooperatives under study, three cooperatives had received recognition of good performance awards. Two of them received State Level Awards like Best Organised Group of Farmers which carries cash award of Rs.10,000.00 and Functional Top Ten Award carrying cash award of Rs.500.00. Only one of them had received National Level Award.

The government of Mizoram is holding share in as much as seven (7) cooperative societies which is always blamed by the cooperators to be a source of government control and interference in management of cooperatives insulting the principles of democratic member control and autonomy.

When leaders of the cooperatives under study were asked to express their opinion on the pros and cons of government having shares in their cooperatives, eleven (11) of them opined that it is good for cooperatives while nine (9) of them expressed their disapproval.

Arguments for the government having share in the cooperatives are mainly as follows :

- If the government has share contribution in the cooperative societies, it pays good attention and proper care to cooperatives to preserve its shares;
- Government's share contribution gives impetus to the members cooperatives;
- Government's interference in cooperatives at least in some ways is required in many occasions to solve the problems encountered by them, and shares contribution is one of such ways;

- Government's share contribution ensures more capital at the cooperatives' exchequers besides the shares contributed by its members. This enables and facilitates expansion of cooperative business and other activities; etc.

Arguments against the government having share in the cooperatives are mainly as follows :

- From the experiences and history of cooperatives in Mizoram and elsewhere in the country that the more shares the government holds in the cooperatives, the more administrative and other problems erupted in its management;
- It is apparent that share contribution is a source of government intervention and undue control of the cooperatives that is sharply against Pandit Jawaharlal Nehru's remark that various kinds of government's aid to cooperatives should not be used as a source of control on it;
- Cooperative members always lose loyalty towards their cooperatives and it weakens a sense of ownership;
- Fair and just distribution of profit and interest accrued by cooperative is almost impossible as government alone; being one of its members would have the largest portion from it⁶; etc.

Regarding the question that requires the cooperatives or its leaders to furnish information if they distribute the profits (if any) to the shareholders at the end of each cooperative year, eight (8) of them could distribute the profits they accrued from various sources of their activities, while other twelve (12) cooperatives do not have enough profit to be distributed or shared among the members. Most of them give out interests in the form of daily allowances at the time of annual general assemblies and special assemblies. This is cleverly done

⁶ Distribution of profits and interests earned by cooperative societies is done in proportion to the share contribution made by each and every member. Based on this principle, the Government; being one of its members, would take the largest portion of interest so distributed and the rest, smaller portion would be shared by other members.

in order to avoid the notice of government, who alone would get a large chunk of the shares if it is distributed in a proper manner based on the amount of each member's contribution.

Leaders of cooperatives who never distribute profits to the members posed the following points for failing to do so:

- There is no time to earn profit for those newly established cooperative societies.
- Most of the cooperatives who earned income and profits used the same for further development and expanding trades and other activities.
- Leaders of one of the cooperatives under study expressed that they could not earn surplus to be divided because of bankruptcy indulged by its retired leaders.
- Profit thereof is used for recreation and amusement of the members and their families and helping the needy within the cooperatives.
- The provision of Mizoram Cooperative Societies Act, 2006, Section 46 (5) requires all the proceedings and decisions of the Annual General Assemblies, Special Assemblies and Managing Committees of primary, secondary and federal cooperatives to be approved by their concerned cooperative officers without which such meetings shall not be valid and decisions thereof have no legal force or validity. In connection to this provision, disbursement of shares and profits is also required to be approved by the cooperative officer and the cooperatives always failed to get government approval for shares distribution.
- Some cooperatives are utilising their profits for buying shares in federal cooperatives and also enhancing shares of their members in their societies.
- Those who have not yet divided share profits in cash sometimes distribute it in kind to the members.

- Leader of some cooperatives also said that they are still using their profits for repayment of loan dues.

To conclude, in this chapter, we have discussed the research questionnaires; how the sample cooperative societies are selected for questionnaires and interview coverage and more specific studies. The ‘what’ and ‘how’ of questionnaires set and interviews conducted are also discussed in brief. The study of some publications is also covered though the Department of Cooperation does not have sufficient number of publications which are commendable enough. The analysis of data obtained through questionnaires and schedules in this chapter is also one of the most important parts of this research study.

Chapter - V

Role of Government in the Context of Cooperative Societies

The preceding chapter contains the study of cooperative societies in Mizoram conducted mainly through questionnaires, interview of the members and access of their records and publications. It discusses the manner how questionnaires are prepared and disseminated to members of cooperatives, and also how the interviews are conducted and what types of questions are asked. This is followed by the study of reports and publications with an aim to highlight the condition of cooperative movement, achievements and the steps taken by the concerned department while looking after the cooperatives. In the concluding part comes analysis of the data obtained through questionnaires and interview schedules.

The dawn of cooperative movement in different countries took two broad forms. In countries like England, members of cooperatives themselves took initiatives in organising cooperative societies with more or less autonomy in their business and other activities. While countries like India and most of the third world nations witnessed cooperative movement under the initiative and guidance of the government through specific legislation or statutory recognition. Because of this, government in the latter form has been playing a crucial role in the success and failure of cooperative societies. This chapter contains a brief highlight on the role of government and its agencies at the centre as well as at the state levels in relation to cooperative societies in India.

Most governments in the developing countries of Africa, Asia and Latin America have recognised that cooperative institutions are pillars of progress. In many cases, the Constitution of the country concerned mentions the recognition of cooperation¹. In practice, this may range from merely recognising and therefore, protecting them according to the law of the country to give them

¹Herald Kerbs (1972). *Consumer Cooperatives and Developing Countries*, Bielefeld, Germany: Friedrich–Ebert–Stiftung, 2nd Edition. p.50

educational, technical, and even financial assistance. The strongest expression of support by the government to the cooperative is the establishment of an independent Ministry or Department of Cooperation².

5.1. Role of central government

Cooperatives in India have been given preference in many areas for undertaking economic activities for the benefit of their members and the poor, particularly in the rural areas. The guiding principles of cooperatives are democratic control, service motive and limited return on profit. Within this parameter, cooperatives have been working since 1904 when the first statute of cooperatives came into operation. The cooperative form of business is user oriented and it leads to decentralised control over resources. With the advent of planning, cooperative movement was given significant place in the economic policies of the government. The First Five Year Plan went to the extent that the success of the Plan would be judged by the extent its programmes were executed through cooperative method. The cooperatives were, in fact, integrated with the community development institutions like, a village panchayat, a village cooperative and a village school, known as the three pillars of community development³. The present thrust of the movement is to build a democratically vibrant, economically viable and self-reliant cooperative movement in the country. The Department of Agriculture and Cooperation, Government of India formulates and implements national policies and programmes aimed at achieving rapid agricultural growth and development through optimum utilization of country's land, water, soil and plant resources. It adopts new institutional arrangements through the involvement of Non-Governmental Organisations, Farmer's Organisations and Agricultural Universities. Through appropriate policy measures and through organisations like NCDC, the National Agricultural Marketing Federation of India Limited (NAFED) and the NCUI, the department strives to strengthen the cooperative movement.

²Herald Kerbs, *op. cit.*, p.50

³Planning Commission, Government of India (1991). *Report of the Committee on Model Cooperative Act*, New Delhi. p.i

The provision of comprehensive service for strengthening agricultural economy, bringing farm technology nearer to the farmers, providing post-harvest technology to the farmers, revitalising cooperatives and making members more active in participation in the management of cooperatives have been identified at the thrust areas for development of cooperative in the country. Keeping these objectives in view, several parastatal and promotional agencies such as NCDC, NAFED, NABARD, etc., have been operating at the national level for the promotion and development of cooperatives.

The Department of Agriculture and Cooperation has been implementing various Central Sector and Centrally Sponsored Schemes to promote the cooperatives in the country. Some of the schemes which are in operation are given below.

5.1 (i) Cooperative Education and Training

The Government of India has been implementing a Central Sector Scheme for Cooperative Education and Training through NCUI and NCCT since the Third Five Year Plan. Education in the context of cooperatives means imparting of knowledge about principles, methods, aims and practice of cooperation among people and developing among them the cooperative spirit and abilities to work together. However, it does not imply only formal education or training, cooperative action itself is a vast process of cooperative education and it is therefore, above all, a vast process of education and training⁴. The Government is providing hundred per cent (100%) financial assistance in the form of grants-in-aid to NCUI for implementing the Special Schemes of Intensification of Cooperative Education in Cooperatively Under Developed States and twenty per cent (20%) of the total expenditure for approved activities like monitoring of Cooperative Education Programmes being implemented by the State Cooperative

⁴Mahesh Kadam (2008, October). Role of Cooperative Education: An Analysis with Special Reference of Sangli District (Maharashtra). *The Indian Cooperative Review*. Delhi: National Cooperative Union of India. 46, 2, p.83.

Unions, publications, convening of conferences, running of National Centre for Cooperative Education (NCCE), etc.

The Cooperative Training Programmes are being conducted by the NCCT through its five Regional Institutes of Cooperative Management, located in different states and the Vaikunth Mehta National Institute of Cooperative Management, Pune. Government of India provides hundred per cent (100%) financial assistance in the form of grants-in-aid to NCCT for conducting cooperative training programmes⁵.

5.1 (ii) Assistance through National Cooperative Development Corporation

The NCDC was set-up in the year 1963 under an Act of Parliament with a countrywide mandate for planning and promoting programmes for processing, marketing, storage, export and import of agricultural produce and certain notified commodities through cooperatives. It is engaged in the development of rural areas and agriculture sector through cooperatives.

In order to strengthen and develop cooperatives, liberal assistance to the extent of 90-95 per cent of the project cost, which may include subsidy component of 20-25 per cent under certain schemes, is provided by the Government of India through the Corporation to cooperatives in the cooperatively under-developed and least-developed states. By the end of March, 2008, Government of India provided a cumulative financial assistance of Rs. 18,657 crore to the cooperative societies through the Corporation for various activities. NCDC's funding is based on specific patterns of assistance for a given scheme⁶.

⁵Department of Agriculture and Cooperation, Government of India, *Annual Report, 2005-2006*, New Delhi. p.111.

⁶National Cooperative Development Corporation (2008). *Schematic Patterns of Assistance*, New Delhi: p.4

5.1 (iii) Assistance to Cooperative Spinning Mills

In order to improve the economic condition of the cotton growers as well as handloom and power-loom weavers and to consolidate the gains achieved so far, the Department through NCDC continue to provide financial assistance to the spinning mills and ginning and pressing units in the cooperative sector⁷.

5.1 (iv) Cooperative Cold Storage

The Department of Agriculture & Cooperation, Government of India, through NCDC, has been providing financial assistance through State Government and also directly to cooperative societies for establishment of Cold Storages aimed at facilitating expanded shelf life of potatoes and other fruits and vegetables. By the end of financial year 2010-11, total cold storage capacity created with NCDC's finance has increased to 9.268 lakh tonnes.

The Department of Agriculture and Cooperation, Government of India, through NCDC has been making systematic and sustained efforts to assist cooperatives in creating additional storage capacity, aimed at facilitating expanded operations of cooperative marketing on inputs, distribution of inputs and sale of consumer articles. Storage capacity assisted by the Corporation and owned by the cooperatives has increased from 11 lakh tones in the year 1962 - 1963 to 142.42 lakh tones by 2006⁸.

5.1 (v) Integrated Cooperative Development Projects

The Department has made systematic efforts for developing primary cooperatives as multi-purpose entities to provide a package of services to rural communities. With this in view, NCDC is implementing the scheme of Integrated Cooperative Development Projects (ICDP) in the selected districts in

⁷Department of Agriculture and Cooperation, Government of India, *op. cit.*, 2005 – 2006. p.112

⁸Department of Agriculture and Cooperation, Government of India, *Annual Report*, 2011-2012, New Delhi. p.134.

the rural backdrop. This kind of project is also being implemented in Thingdawl Rural Development Block of Mizoram at the time of this study.

5.1 (vi) Strengthening of National Level Federations

The progressive expansion and diversification of cooperative movement has led to organisation of national level cooperative institutions in different fields of economic activities with a view to accelerating the pace of cooperative development in various directions and also to strengthen the cooperatives in their economic activities in a coordinated manner. National level cooperative federations have been playing a significant leadership role⁹. Government of India has been providing both policy direction and financial support to these federations. Objective of the scheme is to assist the national level federations to undertake in an extensive manner, promotion and research activities, improvement in infrastructure facilities, and also to assist in building up their equity base.

5.1 (vii) Assistance to Cooperatives in Under-Developed States

The process of economic development in the country brought to light certain regional disparities and imbalances in some of its parts resulting from the inherent factors like topography, agro-climatic conditions, poor infrastructure as well as the easy approach to the economic planning for achieving a rapid pace in key sectors including the most favourably placed areas with minimum investments. Some states are lagged behind in various sectors of economic development including cooperative movement and during the formulation of the Fifth Five-Year Plan, the limitations of this approach came to the fore as a sequel thereto; the concept of cooperatively under-developed states and the need for special care got evolved to ensure the balanced regional development¹⁰.

⁹Department of Agriculture and Cooperation, Government of India, *op. cit.*, 2005-2006. p.113.

¹⁰Department of Agriculture and Cooperation, Government of India, *Ibid.* 2005-06. p.113.

5.1 (viii) Revitalisation of Cooperatives

With phenomenal expansion of cooperatives in almost all the sectors, signs of structural weakness and regional imbalances have also become apparent. The reason for such weakness would be attributed to the large percentage of dormant membership, heavy dependence on Government assistance, poor deposit mobilisation, lack of professional management, mounting overdues, etc. Concrete steps had been initiated to revitalise the cooperatives to make them vibrant democratic organisations with economic viability and active participation of members. The step taken for revitalisation of cooperatives include enunciation of a National Policy on Cooperative, revamping of cooperative credit structure and reforms in cooperative legislation for providing an appropriate legislative frame-work for sound and healthy growth of cooperatives.

Besides the above general activities, the Government of India (Allocation of Business) Rules, 1961 (as amended up to 1998) allocates fifty-two (52) subjects relating to agriculture and cooperation to the Department of Agriculture and Cooperation. These subjects are divided into four parts, of which, six (6) points under part – III, directly mention cooperation. These are :–

- Cooperation in agricultural sector, agricultural credit and indebtedness;
- General Policy in the field of Cooperation and coordination of cooperation activities in all sectors. (The Ministries concerned are responsible for cooperatives in the respective fields);
- Matters relating to National Cooperative Organisations;
- National Cooperative Development Corporation;
- Incorporation, regulation and winding up of Cooperative societies with objects not confined to one state; and
- Training of personnel of cooperative departments and cooperative institutions including education of members, office bearers and non-officials.

The National Common Minimum Programme of the United Progressive Alliance (UPA) government also states, inter-alia that it will bring forward Constitutional amendment to ensure the democratic, autonomous and professional functioning of cooperatives which is still under consideration¹¹.

5.2. Role of state government

Since cooperative societies fall under the state subject, the legislative and executive responsibilities for the promotion and development of cooperatives rest with the state governments to a great extent. It is the government or the ministry concerned who is responsible to formulate policies and schemes for cooperative development, while the work of implementation is done by the department of cooperation, mostly named as office of the Registrar of Cooperative Societies in the states. As the role played by the Department of Cooperation, Government of Mizoram is discussed in the subsequent pages of this chapter, constitutional obligations and some of the legislative functions of the states in general, are given below.

It was the Government of India Act of 1919, which was regarded as the milestone of decentralisation of cooperative legislation in India. The law making power on the subject of cooperation remained with the British government prior to this Act. As a process of the ongoing administrative reforms in India and to meet grievances of the Indian leaders, the British government thought it proper to transfer the law making power on less important subjects, including cooperation, to the Provincial governments. In this connection, the Government of India Act, 1919 was passed which contained lists falling under the British government and that of the Provincial governments. As per this list, the subject of cooperation was transferred to the Provincial government along with

¹¹Department of Agriculture and Cooperation, Government of India, *op. cit.*, 2005-2006, New Delhi. pp. 114.

conferment of power to regulate the cooperative societies through enactment¹². Based on this transfer of power, the Bombay provincial government became the first Indian province to enact its own law on control and regulation of cooperatives within its own territorial limits. This process, in due course, led to the enactment of several cooperative legislations roughly numbering twenty (20) by provincial governments in India. The Bombay Cooperative Societies Act, passed in 1925 was followed by Madras Cooperative Societies Act, 1932, Bihar Cooperative Societies Act of 1935, Orissa Cooperative Societies Act of 1935, Bengal Cooperative Societies Act of 1940, Assam Cooperative Societies Act of 1940, etc. Once the cooperation became the subject matter of the concerned province, the cooperation departments came to be formed in each state by provincial governments¹³ and this trend was carried on by different states after independence.

The Assam Cooperative Societies Act, enacted in 1940 was in force in Mizoram in toto, till it attained Union Territory status in 1972, and this Act was adopted in Mizoram with certain modifications and was used till Mizoram legislature enacted its own Cooperative Societies Act in 1991. State government also formulated Cooperative Societies Rules in 1996 under the Mizoram Cooperative Societies Act, 1991. To contain increasing complexities of needs and the growth of cooperative movement in different directions, government of Mizoram prepared a new State Cooperative Societies Bill, 2006. This Bill was introduced in the state legislature and was passed in the same year¹⁴.

¹²R.V Nadkarni (2007). Origin and Development of Cooperation in India (1904 – 1951). *Hundred Years of Cooperative Development in India*, New Delhi: National Cooperative Union of India. p.38.

¹³National Cooperative Union of India (2008). *15th Indian Cooperative Congress Background Papers*. New Delhi: National Cooperative Press. p.74

¹⁴Office of the Registrar of Cooperative Societies, government of Mizoram, *Achievement of Cooperation Department from 1999 – 2000 to 2007 – 2007 – 2008*. Aizawl: p.5.

The adoption of Constitution bestowed fundamental rights upon the people and placed constitutional obligations on the government to safeguard these rights. Important of these are right to form association; right to carry profession, occupation, trade or business and right to own property. The Constitution also specifies directives addressed to the state in regard to its policy towards the people. One of the most important directive principles enshrined in Article 39-C mentioned, "The state shall, in particular, direct its policy towards securing - that the operation of economic system does not result in the concentration of wealth and means of production to the common detriment". Article 43 provides that the state shall endeavour to secure by suitable legislation or economic organization or in any other way to all workers, agricultural, industrial or otherwise, work, a living wage, conditions of work, ensuring decent standards of life and full enjoyment of leisure and social and cultural opportunities and, in particular, the state shall endeavour to promote cottage industries on an individual or cooperative basis in rural areas. The Article-246 provides for the subject matter of laws made by Parliament and by the State Legislature. Article-32 in List-II (State List) of the 7th Schedule to the Constitution defines the powers of the State Legislature to make laws relating to incorporation, regulation and winding up of cooperative society.

The state found cooperatives as an appropriate instrument and institutional framework. Therefore, a comprehensive plan of action as recommended by All-India Rural Credit Survey Committee, 1955 was formulated to implement the concept of state sponsorship or partnership in cooperatives at all levels. The plan visualised a comprehensive package of support of the state to cooperatives in various forms such as support in the shape of equity capital, management subsidy and infrastructure development. Besides, technical and managerial support was also provided by sending government officials on deputation to manage cooperatives and to formulate rules and

regulations for personnel of cooperatives. The responsibility for further expansion and development of cooperatives was also assumed by the state¹⁵.

As budget is called ‘the life blood of administration’, budgetary support to the Department of Cooperation and other financial supports are crucial for the success and progress of cooperatives and its movement as a whole.

The government of Mizoram has been working in collaboration with the Government of India and NABARD since the year 2009 towards total recapitalisation assistance to cleanse the balance sheets of primary agriculture cooperative societies under the scheme of special Revival Package. Under this Revival Package, as much as 133 cooperative societies are selected by the Registrar of Cooperative Societies from different places of Mizoram for special audit and the total recapitalisation assistance would be shared the Government of India and Government of Mizoram in the ratio of 90 : 10, while the NABARD will be the nodal monitoring agency as appointed by the Government of India as in case of other states. There are three strategies for the successful implementation of this revival package namely, Financial Assistance, Legal and Institutional Reforms and Management and Human Resource Issues¹⁶.

5.3. Role of central agencies

The government of India set up institutions like National Cooperative Union of India, National Council for Cooperative Training, National Centre for Cooperative Education and National Cooperative Development Corporation to function as agencies for cooperative development in the country. These institutional agencies receive funds from Government of India and take steps in their respective area of activities for the growth and progress of cooperative

¹⁵B.D. Sharma, *Reforms Initiative - Vision for Autonomous and Competitive Cooperatives*, New Delhi: ICA-ROAP. p.3.

¹⁶Registrar of Cooperative Societies, Government of Mizoram, *Letter No. H.11021/3/2006-RCOOP(Estt.) Dated Aizawl, the 17th January, 2012*, in respond to the information requested through the Right to Information.

movement both qualitatively and quantitatively. The role played by these agencies may be given as under.

5.3 (i). National Cooperative Union of India

National Cooperative Union of India is the apex body of cooperative organisations in the country. Its organisational set up and management comprises of general body, governing council, executive committee, president and the chief executive as elaborated below.

General Body

The General Body consists of delegates of member societies. The supreme authority of NCUI vests with the General Body. The General body meets once a year to review the progress of the work programme of the previous year and also decide the policy and programmes for the next year.

Governing Council

The General Body elects the Governing Council once for a period of five years. The Governing Council consists of twenty one members elected from different constituencies including President, Vice Presidents and two co-opted members. The Chief Executive, NCUI is the ex-officio member of the Governing Council. The Governing Council meets once in every quarter and functions through the Executive Committee and other functional committees¹⁷.

Executive Committee

The Executive Committee is a smaller body constituted out of the members of the Governing Council. It consists of President, Vice Presidents and other members. The Executive Committee is responsible to execute the decisions of the Governing Council.

President

The President is the head of the NCUI and is elected from amongst the members of the Governing Council. He is supported by the Chief Executive who operates through various functional divisions of the NCUI Secretariat.

¹⁷[http://:www.ncui.net](http://www.ncui.net) (Retrieved September 15, 2012. 8:00pm).

Chief Executive

The Chief Executive is the Executive head of the NCUI. He performs all the responsibilities as entrusted to him by the management and exercises such power as has been assigned to him under the Act, rules, and bye-laws and also delegated to him by the Governing Council, Executive Committee and the President.

Strategic Objectives

- i) Promote and develop the cooperative movement in India.
- ii) To educate, guide and assist the people in their efforts to build up and expand the cooperative sector.
- iii) To serve as an exponent of cooperative opinion in accordance with cooperative principles.

Functions

In furtherance of these objects, the Union undertakes the following functions:

- i) Organise cooperative education and training programmes and popularise the principles and practices of cooperation.
- ii) Develop inter-cooperative relations and help the coordinated functioning of the cooperative movement in various sectors.
- iii) Organise, conduct, collaborate and assist in carrying out research, investigation of cooperative problems and formulation of projects for cooperative development.
- iv) Arrange for the production and publication of literature and audio-visual and other aids including films, filmstrips on cooperation and allied subjects.
- v) Give publicity to the achievements of cooperatives through periodicals, journals, newspapers, pamphlets, books, films, broadcasts, Television and the like for creating favourable atmosphere for the development of the cooperative movement.
- vi) Maintain an information bureau and library.

- vii) Express opinion on matters of cooperative policy and act as the accredited representative of the Indian cooperative movement in the national and international spheres.
- viii) Convene and hold the National Cooperative Congress and cooperative seminars, meetings, conferences, exhibitions, etc.
- ix) Select delegates, representatives and observers on behalf of the Union for participation in the international, national and state conferences.
- x) Facilitate the promotion of cooperative institutions and assist the member societies in resolving their problems and difficulties and formulation of programmes and their implementation while also preserve and safeguard the democratic character of the cooperative movement in the country.
- xi) To confer honour on the eminent cooperators.
- xii) Acquire, hire, purchase, own or dispose off immovable property by way of sale, lease or otherwise for the furtherance of objects of the Union.
- xiii) Promote international cooperative relations through active collaboration with international institutions like International Cooperative Alliance, United Nations Organisations, Food and Agriculture Organisation, International Labour Organisation, United Nations Development Programme, United Nations Industrial Development Organisation and other international agencies involved in cooperative development.
- xiv) Establish effective liaison and relations with ICA member-organisation and national cooperative organisations of other countries.
- xv) Help; promote international marketing on cooperative to cooperative basis by documenting necessary information and to act as nodal agency for the benefit of Indian Cooperative Movement.
- xvi) To provide consultancy services to the cooperatives.

- xvii) To undertake such economic activities, directly or through strategically collaborative joint ventures or partnerships with cooperative and other organisations including insurance business as may be considered necessary for consolidation of financial position of National Cooperative Union of India or for furtherance of any or all of the above stated objects.
- xviii) To generally undertake such activities or functions as are considered incidental or conducive to the attainment of the objects of the Union.

5.3 (ii). National Council for Cooperative Training

The National Council for Cooperative Training (NCCT) has been constituted by the NCUI under its bye-laws with the concurrence of Government of India, Ministry of Agriculture, Department of Agriculture and Cooperation. The Council is responsible for organising, directing, monitoring and evaluating the arrangements for cooperative training for the personnel working in the cooperative sector. Its main objective is to organise need based training programmes and facilitate the process of human resource development for cooperatives for the country. It also envisages conducting research in critical areas of cooperative movement¹⁸. The NCCT is the only cooperative training institute in the country with a strong institutional based structure. Training of the cooperative employees, both institutional and departmental, is being undertaken through this institution. The three tier training structure of the cooperative training comprises of Vaikunth Mehta National Institute of Cooperative Management (VAMNICOM), Pune, five Regional Institutes of Cooperative Management (RICMs), fourteen Institutes of Cooperative Managements (ICMs) located at state capitals and as much as 107 Junior Training Centres (JCTs) located at far flung areas of the states meant for training of senior, middle and junior level officials respectively. As a step towards tapping the best talent in the

¹⁸ National Council for Cooperative Training, *Annual Report, 2007 – 2008*, New Delhi: National Cooperative Union of India. p.1

cooperative sector, Post Graduate Diploma Programme in Business Management of two years duration is run at VAMNICOM, Pune. VAMNICOM also runs Diploma in Cooperative Business Management for in-service personnel working in the cooperative organisations.

Programmes Conducted by NCCT:

Name of Programme	Duration of Course
(i) MBA	two years
(ii) MCA	three years
(iii) PGDBM	two years
(iv) PGDCA	one year
(v) HDCM	six months/nine months.

The following activities are also undertaken by NCCT:

- (i) Sectoral Diplomas (Banking, LDB, Marketing, Consume, Industrial, etc);
- (ii) Management Development Programmes (3-5 days);
- (iii) Seminars/Workshops/Conferences; and
- (iv) Consultancy Research.

5.3 (iii). National Council for Cooperative Education

The National Council for Cooperative Education, set up in 1958 organises cooperative education programmes in the country. It envisages cooperative education programme for all sections showing its wide reach. While the Diploma Programme in Cooperative Education and Development provides general inputs, the Leadership Development Programmes for the Chairmen or Directors of cooperative movement aims to sharpen the competence of the leaders by imparting modern management skills. Orientation courses in cooperative management for university and college lecturers and faculty members of Junior Cooperative Training Centres are designed to provide them latest knowledge in cooperatives.

The following courses are conducted under the National Council for Cooperative Education:

- Leadership Development Programmes;
- Trainer's Training Programmes;
- Orientation Courses;
- Out-station need based Programmes;
- Diploma course in Cooperative Education and Development; and
- Design training materials for State Cooperative Unions.

The National Council for Cooperative Education has been organising leadership development programmes for the non-official Directors of the cooperative organisations at the districts and higher levels. Generally, it organises 30 – 40 Leadership Development Programmes of one week duration covering different sectors of the movement in a year which are participated by nearly 40 non-official directors. It has also launched a Diploma programme of twelve (12) week duration for Cooperative Educators, Member Relation Officers, Cooperative Development Officers and functionaries of Non-Governmental Organisations involved in cooperative development activities. The Leadership Development Programmes have also been designed to suit the role perception of the cooperative leaders and much emphasis is being given to the development of entrepreneurial skills¹⁹.

In accordance with its objective to develop the cooperative movement in India according to cooperative principles, the Union monitors and supervises cooperative education programmes to popularise principles and practices of cooperation. Presently, three types of cooperative programmes are conducted in India:

- General Cooperative Education Programme for agricultural cooperatives implemented by the State Cooperative Unions.

¹⁹National Centre for Cooperative Education, *Diploma in Cooperative Education and Development*, New Delhi: National Cooperative Union of India. pp.9-10.

- Sector specific cooperative education programmes covering industrial, handloom, diary, fisheries, women housing, marketing cooperative, etc.
- Special cooperative education projects based on area development approach.

NCUI provides the academic guidance to the state Cooperative Unions besides supplying study materials on various topics for organising education programmes at the village level. The education personnel are trained periodically at the training units of NCUI.

5.3 (iv). National Cooperative Development Corporation

Government of India set up the National Cooperative Development Corporation in the year 1963 under an Act of Parliament²⁰ with a nation-wide mandate for planning and promoting programmes for processing, marketing, storage, export and import of agricultural produce and certain notified commodities through cooperatives. It is engaging in the development of rural and agriculture sector through cooperatives²¹.

Under the provisions of NCDC Act, policies and programmes are prepared by the Corporation with the guidance of its General Council and Board of Management, which are constituted by the Government of India out of the cross section of the cooperatives, officials and non-officials. Its management vests in General Council consisting of fifty-one (51) members. The Union Minister for Agriculture is the President and Secretary, Department of Agriculture & Cooperation is the Vice President of General Council²².

²⁰Section 3 of the National Cooperative Development Corporation Act, 1962.

²¹National Cooperative Development Corporation, *Annual Report*, 2004 – '05, New Delhi. p.5

²²National Cooperative Development Corporation, *op. cit.* p.4.

The General Council has representatives of the central and state governments, national and state level cooperatives, NABARD, Central Financial Institutions, experts and eminent cooperators. The Board of Management consists of twelve (12) members drawn from the General Council. The Managing Director is the Chief Executive and he is assisted by two Deputy Managing Directors and experts in various disciplines.

With the amendment of NCDC Act in 2002, the scope of activities has widened and in addition to post harvest activities designed to enhance the income of the farmers and economically weaker sections of the society, it is also now covering livestock, cottage and village industries, handicrafts, micro-irrigation, animal care/health, agricultural insurance, agricultural credit, rural sanitation, drainage and sewage systems. NCDC has also been authorised to lend directly to cooperative societies against adequate securities. With effect from June, 2005, labour cooperatives have been added to the portfolio of NCDC.

In order to strengthen and develop cooperatives, liberal assistance to the extent of 90 to 95 per cent of the project cost, which may include subsidy component of 20 to 25 per cent under certain schemes, is provided by the Corporation to cooperatives in the cooperatively under-developed and least-developed states. By the end of March, 2008, a cumulative financial assistance of Rs. 18,657 crore has been provided through the Corporation for various activities²³.

NCDC's funding is based on specific patterns of assistance for a given scheme. For the purpose of financial assistance, states are divided into three broad categories, approved by the Planning Commission as given below:

²³National Cooperative Development Corporation, *op. cit*, 2008. p.4.

Cooperatively Developed States/UTs

Gujarat, Haryana, Karnataka, Kerala, Maharashtra, Punjab, Tamil Nadu, Union Territory of Chandigarh, Delhi, Daman and Diu, Dadra and Nagar Haveli and Pudduchery.

Cooperatively Under-Developed States/UTs

Andhra Pradesh, Chhattisgarh, Goa, Himachal Pradesh, Madhya Pradesh, Odisha, Rajasthan, Uttar Pradesh, Uttarakhand, West Bengal, Andaman and Nicobar Islands and Lakshadweep.

Cooperatively Least-Developed States

Arunachal Pradesh, Assam, Bihar, Jharkhand, Jammu and Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura²⁴.

As stated above, these three categories of states are given preferential discrimination while providing financial and other assistance from the central government.

5.4. Role of the Department of Cooperation, Government of Mizoram

The Plan strategy of the Department of Cooperation, Government of Mizoram is to strengthen and enhance the progress of cooperative movement within the state which broadly aims at socio-economic development of the people of Mizoram. Socio-economic uplift through cooperative movement envisages organisation and registration of new cooperative societies to cover wider field of activities, cancellation and winding up of defunct societies, strengthening of cooperative credit structures, obtaining credit facilities, providing financial assistances to cooperative, providing cooperative education and training and strengthening the organisational setup and infrastructure of the department²⁵.

²⁴National Cooperative Development Corporation, *Ibid.*, p.5

²⁵Office of the Registrar of Cooperative Societies, government of Mizoram, *Achievement of Cooperation Department from 1999 – 2000 to 2007 - 2008*, Aizawl. p.1.

The main function and role played by the Department of Cooperation for the development and success of cooperative societies in Mizoram may be highlighted under the following heads:

5.4 (i). Organisation and registration of new cooperative societies

In order to boost up cooperative movement in the state and to enable the members to attain economic improvement through productions, the following cooperatives have been organised and registered by the department of cooperation under the provision of the Mizoram Cooperative Societies Act, 2006 as shown in Table 5.1 below.

Table 5.1
Number of cooperative societies registered during the year 1999 - 2008

Year	No. of societies formed
1999-2000	52
2000-2001	55
2001-2002	54
2002-2003	14
2003-2004	10
2004-2005	40
2005-2006	44
2006-2007	54
2007-2008	65
Total	388

Source: Achievement of Cooperation Department from 1999 – 2000 to 2007 – 2008. Office of the Registrar, Department of Cooperation, Mizoram

5.4 (ii). Cancellation and winding up of defunct cooperative societies

In order to create chance for registration of potential cooperative societies, sincere efforts have been made to cancel and wind up the registration of defunct societies. Accordingly, the registration of such defunct cooperative societies under the following various District Offices have been cancelled. See Table No. 5.2.

Table No. 5.2
Cancellation and Winding up of defunct Cooperative Societies

Year	Aizawl 'W'	Aizawl 'E'	Lunglei	Saiha	Champhai	Kolasib
1999-2000	15	14	9	1	10	3
2000-2001	14	15	4	Nil	3	Nil
2001-2002	28	8	33	2	8	5
2002-2003	14	15	35	Nil	1	5
2003-2004	3	3	3	Nil	Nil	Nil
2004-2005	34	27	80	5	5	7
2005-2006	20	28	39	8	2	2
2006-2007	7	5	35	3	Nil	1
2007-2008	1	1	Nil	Nil	Nil	Ni
Total	136	116	238	19	29	23
Grand Total = 561						

Source: Achievement of Cooperation Department from 1999 – 2000 to 2007 – 2008. Office of the Registrar, Department of Cooperation, Mizoram

It may also be mentioned that the liquidation proceedings of the following cancelled societies have been taken up and closed during the year 1999 – 2000 to 2007 - 2008. See Table No. 5.3 below.

Table No.5.3
List of liquidated Cooperative Societies

Year	No. of societies liquidated
1999-2000	11
2000-2001	38
2001-2002	26
2002-2003	45
2003-2004	17
2004-2005	49
2005-2006	24
2006-2007	10
2007-2008	1
Total	221

Source: Achievement Report of Cooperation Department from 1999 – 2000 to 2007 – 2008. Office of the Registrar, Department of Cooperation, Mizoram

5.4 (iii). Financial Support to Cooperative Societies

The Department of Cooperation is making necessary arrangement and moves the state government for providing fund to foster the existing cooperative societies for attaining economic and financial viability. In this aspect, fund has been allocated in the Annual Plan.

The amount of such financial assistances sanctioned by the government and disbursed to various categories of cooperative societies routing through this department during the periods from 1999 – 2000 to 2007 – 2008 is given below. See Table No. 5.4 below.

Table No. 5.4
Amount of government financial assistance to various categories of cooperatives
in Mizoram

Sl. No	Category/Name of Cooperative Societies	Amount disbursed (In lakhs)
1	Mizoram State Cooperative Union	438.27200
2	Lunglei District Cooperative Union	42.90
3	Chhimituipui District Cooperative Union	39.50
4	MIZOFED Ltd.	318.99
5	Mizoram State Cooperative Apex Bank Ltd.	521.30
6	Mizoram Urban Cooperative Bank Ltd.	307.89
7	MAFF Ltd.	101.50
8	PIGFED Ltd.	21.11
9	MULCO Ltd.	23.50
10	MASCOS Ltd.	10.40
11	ZOFISHFED Ltd.	5.00
12	HOUSEFED Ltd.	2.90
13	Primary Cooperative Societies	44.70
14	WOMENFED Ltd.	11.00
15	MAHCO Ltd.	90.50
	TOTAL	1,979.46200

Source: Achievement Report of Cooperation Department from 1999 – 2000 to 2007 – 2008. Office of the Registrar, Department of Cooperation, Mizoram

5.4 (iv). Audit of the Cooperative Societies

As per the provision of Section 85 (1) of the Mizoram State Cooperative Societies Act, 2006, the audit of cooperative societies, particularly state level cooperatives is taken up by the Officers of Cooperation Department duly authorised by the Registrar of Cooperative Societies. Similarly, the audit of primary cooperative societies is taken up by the Inspector of Cooperative Societies of respective district jurisdiction duly authorised by the Registrar.

The Audit Cell is created in the Directorate to perform audit works. It is headed by the Chief Audit Officer with supporting field staff and ministerial staff. This Cell performs audit of cooperative societies, prepares statement of income and expenditure, trading account, profit and loss account, balance sheet and audit reports based on which corrective steps have been taken up for the progress and improvement of cooperative societies. The table below gives the achievement of Audit Cell of the Department of Cooperation during 1999 – 2007. See Table No. 5.5 below.

Table No. 5.5
Number of state level cooperative societies audited during 1999-2007

Sl.No.	Year	Number of State Level Cooperative Societies Audited
1	1999-2000	10 Societies which includes 12 branches of M.C. Apex Bank Ltd. and 16 branches of MIZOFED Ltd.
2	2000-2001	10 Cooperative Societies which includes 12 branches of M.C. Apex Bank Ltd. and 16 branches of MIZOFED Ltd.
3	2001-2002	11 Societies including 12 branches of M.C. Apex Bank Ltd. and 16 branches of MIZOFED Ltd.
4	2002-2003	11 Societies which includes 12 branches of M.C. Apex Bank Ltd. and 16 branches of MIZOFED Ltd.
5	2003-2004	12 Societies which includes 12 branches of M.C. Apex Bank Ltd. and 16 branches of MIZOFED Ltd.
6	2004-2005	13 Societies which including 13 nos. of MIZOFED Ltd.
7	2005-2006	13 Societies which including 13 nos. of MIZOFED Ltd.
8	2006-2007	13 Societies which including 13 nos. of MIZOFED Ltd.

Source: Achievement Report of Cooperation Department from 1999 – 2000 to 2007 – 2008. Office of the Registrar, Department of Cooperation.

5.4 (v). Collection and Deposits of Audit Fees

It is mandatory on the part of the department to assess and collect the audit fees from the registered cooperative societies. The provision of Rules 83 (2) of the Mizoram State Cooperative Societies Rules, 1996 provides that the audit fees of every registered cooperative society shall be assessed and such fees shall be collected at the time of audit for the cooperative year to which the audit relates. Accordingly, the following audit fees have been collected and deposited to the Government under appropriate head of account. See Table No.5.6.

Table No. 5.6
Audit fees collected from primary cooperative societies during 1999-2008

Sl.No.	Year	Amount of Audit Fees Collected and Deposited in Rs.
1	1999-2000	33,000.00
2	2000-2001	14,000.00
3	2001-2002	25,800.00
4	2002-2003	25,800.00
5	2003-2004	6,000.00
6	2004-2005	6,000.00
7	2005-2006	10,000.00
8	2006-2007	10,000.00
TOTAL		= 98,800.00

Source: Achievement Report of Cooperation Department from 1999 – 2000 to 2007 – 2008. Office of the Registrar, Department of Cooperation, Mizoram

5.4 (vi). National Cooperative Development Corporation Cell

The National Cooperative Development Corporation has been extending financial support to various categories of cooperative societies in Mizoram for their improvement and progress routing through this department and the state government of Mizoram. To take charge and management of this fund, the National Cooperative Development Corporation Cell is established in the department of cooperation. The Cell maintains records of such financial support and loans received from NCDC, disbursements of such fund including the recoveries.

The following table shows the financial assistance received from the NCDC, New Delhi by different category of cooperative societies in Mizoram during the past nine years.

Table No. 5.7
Financial assistance received from NCDC during 1999 – 2008

Category	Year	Purpose	Amount of Assistance	Subsidy	Total
Handloom	1999-2000	Construction of work-shed	7,50,000	6,75,000	14,25,000
Farming	1999-2000	Godown	4,60,000	4,14,000	8,74,000
Service	1999-2000	Godown	2,30,000	2,07,000	4,37,000
Handloom	2000-2001	Workshed	11,97,000	15,04,400	27,01,400
Poultry	2000-2001	Share Capital	9,80,000	Nil	9,80,000
Fishery	2000-2001	Pisciculture	22,500	8,77,500	9,00,000
Handloom	2001-2002	Workshed	5,56,000	5,00,000	10,56,000
Handloom	2002-2003	Workshed	6,75,000	5,31,500	12,06,500
MAFF	2002-2003	Vehicle	1,20,000	8,09,400	9,29,400
MIZOFED	2005-2006	Loan & Advances	1,96,30,000	65,43,000	2,61,73,000
MAHCO	2005-2006	Margin Money	50,00,000	Nil	50,00,000
		TOTAL	2,96,20,500	1,20,61,800	4,16,82,300

Source: Achievement Report of Cooperation Department from 1999 – 2000 to 2007 – 2008. Office of the Registrar, Department of Cooperation, Mizoram

This Cell also recovered repayment of NCDC Loan from the beneficiary societies and remitted the same to the NCDC routing through the state government, the amount of NCDC Loan recovered from the beneficiary societies during the span of nine years is given below. See Table No. 5.9.

Table No. 5.8
Amount of NCDC loan recovered from beneficiary cooperatives
during 1999–2008

Amount of Loan Recovered				
Year	Purpose	Principal	Interest	Total
1999-2000	Workshed	3,36,000	2,73,334	6,09,334
1999-2000	Godown	3,45,000	2,99,783	6,44,783
2000-2001	Workshed	8,18,500	69,685	8,88,185
2001-2002	Workshed	3,20,000	Nil	3,20,000
2002-2003	Workshed	4,94,500	81,500	5,76,000
2002-2003	Vehicle	1,20,000	37,800	1,57,800
2005-2006	Loan & Advances	25,00,000	16,68,550	41,68,550
2005-2006	Margin Money	20,00,000	Nil	20,00,000
TOTAL =		69,34,000	24,30,652	93,64,652

Source: Achievement Report of Cooperation Department from 1999 – 2000 to 2007 – 2008. Office of the Registrar, Department of Cooperation, Mizoram

5.4 (vii). Arbitration Cell

As per the provision of Section 105 of the Mizoram State Cooperative Societies Act, 2006, the Registration or Arbitrator or persons authorised by Registrar is to be Civil Court while exercising powers under the aforesaid Act for recovery of amount by attachment and sale or by sale without attachment of any property, or when passing any orders on any application made by cooperatives societies for recovery or for taking steps in aid of such recovery. Accordingly, this department maintains Arbitration Cell exclusively for dealing disputes arising out of the members and the cooperative societies. The post of Arbitrator is manned by the department officer in the rank of DRCS duly appointed by the Registrar as per the provision of the aforementioned Act.

The number of applications received by the Arbitration Cell and number of Court case handled and solved along with the amount of recoveries made by the cooperatives concerned through the Arbitration Court during the year 1999 to 2008 is given in the Table below:

Table No. 5.9
Performance of arbitrary cell during the year 1999 – 2008

Year	No. of cases filed/taken up	Amount involved	No. of cases settled	Amount recovered
1999-2000	Nil	Nil	Nil	Nil
2000-2001	25	Rs.173.07 lakhs	9	Rs.54.84 lakhs
2001-2002	Nil	Nil	Nil	Nil
2002-2003	30	Rs.130.66 lakhs	18	Rs.32.79 lakhs
2003-2004	7	Rs.4.54 lakhs	3	Rs.1.89 lakhs
2004-2005	319	Rs.982.80 lakhs	82	Rs.166.86 lakhs
2005-2006	Nil	Nil	Nil	Nil
2006-2007	39	Rs.16.53 lakhs	5	Rs.134.07 lakhs
2007-2008	34	Rs.356.84 lakhs	2	Rs.63.47 lakhs
TOTAL	454	Rs.1664.44 lakhs	119	Rs.453.94 lakhs

Source: Achievement Report of Cooperation Department from 1999 – 2000 to 2007-2008, Office of the Registrar, Department of Cooperation, Mizoram

5.4 (viii). Opening of New District Office

In order to boost up cooperative movement in the state and to enable the Department to look after the functioning of existing registered cooperative societies satisfactorily, a new District Office was opened at Serchhip town, headquarters of Serchhip district in September, 2007. This District Office is manned by the ARCS with supporting field staff, ministerial staff and grade IV staff.

5.4 (ix). Framing of Cooperative Law

The Department of Cooperation has been engaging from time to time in the preparation of Cooperative Societies Act and Rules. During the year 2006, the department, by way of engaging expert drawn from National Institute of Cooperative Management, Pune, has framed Mizoram Cooperative Societies Act afresh in the context of Mizoram state and its people and was passed in the session of Mizoram Legislative Assembly in 2006²⁶. The government of Mizoram has amended this Act three times so far. The first amendment was in

²⁶Office of the Registrar of Cooperative Societies, government of Mizoram, *Achievement of Cooperation Department from 1999 – 2000 to 2007 - 2008*, Aizawl. p.5

2009²⁷ that received the assent of the Governor of Mizoram on November 9, 2009, second 2010²⁸ and for the third time in 2012²⁹.

This chapter has discussed the role played by the Government of India, state government of Mizoram and other government agencies for the development and success of cooperative societies and cooperative movement as a whole. To fulfil the thrust of cooperative movement of building a democratically vibrant, economically viable and self-reliant cooperative movement in the country, the Department of Agriculture and Cooperation, Government of India formulates and implements national policies and programmes. These programmes help in achieving rapid agricultural growth and development through optimum utilization of country's land, water, soil and plant resources making use of institutional arrangements through the involvement of Non-Governmental Organisations, Farmer's Organisations and Agricultural Universities. The Department of Agriculture and Cooperation has been implementing various Central Sector and Centrally Sponsored Schemes like Cooperative Education and Training, various Sectoral Assistances through NCDC, Integrated Cooperative Projects, Strengthening of National Level Cooperative Federations, Revitalisation of Cooperatives, etc., to promote cooperatives in the country. Government of India Act, 1919 transferred the subject of cooperation from central to the provincial governments, which was inherited by the states after India got independence. Besides the constitutional obligations assigned to them, the states have to make legislation and take care of all necessary measures for the growth and success of cooperative movement in their jurisdictions.

²⁷Published in the Mizoram Gazette VOL – XXXVIII Aizawl: 16.11.2009, Kartika 25, S.E 1931, Issue No. 523.

²⁸Published in the Mizoram Gazette VOL – XXXIX Aizawl: 20.10.2010, Asvina 27, S.E 1932, Issue No. 396.

²⁹Published in the Mizoram Gazette VOL – XLII Aizawl: 16.1.2013, Pausa 26, S.E. 1934, Issue No. 25.

Chapter – VI

Problems and Challenges of Cooperative Societies in Mizoram

In the previous chapter, we have given a brief discussion on the role of government and its agencies at the centre and state levels in relation to cooperative societies in India. Various Central Sector and Centrally Sponsored Schemes like Cooperative Education and Training through National Cooperative Union of India and National Council for Cooperative Training, Sectoral Assistances through National Cooperative Development Corporation, Integrated Cooperative Projects, Strengthening of National Level Cooperative Federations, Revitalisation of Cooperatives, Cooperative Spinning Mills, Cooperative Cold Storage, Special Projects for cooperatives in under-developed states, etc. are being implemented by the Ministry of Agriculture and Cooperation to promote cooperative movement in the country. At the state level, besides the constitutional obligations assigned to them, the states have to make legislation and take care of all necessary measures for the growth and success of cooperative movement in their respective jurisdictions. To fulfil these tasks, the state of Mizoram is also taking different steps and this has been discussed under the role of state government. It also covers the steps taken by the Department of Cooperation, Government of Mizoram.

The present chapter discusses the problems and challenges being faced and experienced by cooperative societies in Mizoram. As stated before, though the cooperative movement has a long history among the Mizos, the people hardly found any commendable success made by the cooperative societies in Mizoram. While the Mizos are known to have good community life and a closely knitted social life, the cooperative movement occupies a back seat in the Mizo society. In spite of all arrangements and support given to the cooperative societies by the state and the central governments, the cooperative movement could not make any remarkable stride. Most of the problems faced by the cooperatives of different states in India are the same in nature. While many of these problems can safely be generalised, there are also some problems and challenges which are peculiar

and that may be applied to the cooperative societies in Mizoram. These problems are discussed under different heads like, problems relating to organisation discussing some loopholes and challenges on the existing structures and institutions; personnel and office bearers; functions and processes; finance and other resources; laws, rules and regulations; administrative problems; and material, technological, social and cultural and political problems.

In regard to the task of uplifting the cooperative societies as well as reinforcing the Department of Cooperation, the performance of state government, especially in Mizoram has not been satisfactory in the eyes of some of the enthusiastic cooperators¹. At the same time, it is the cooperative societies and the members themselves, who are no less responsible for the success of cooperative movement as a whole in Mizoram. There are a number of problems prevalent and being faced by the cooperatives here, which have been diagnosed through the answers and remarks given by the majority members of cooperatives and other concerned people while responding to the questionnaires and its related questions asked on this issue. These problems and challenges are tried out from various corners and angles using different methods which are given under the following heads.

6.1. Problems relating to organisation and structure

Since cooperative societies in different states of India largely owe their existence to the government and the concerned department which deals with their working and very existence, it is necessary that the organisational and the institutional set up, both in the department as well as in the cooperatives themselves should be sound and proper.

¹Interview and discussion with Mr. Lianthangpuia, President, Mizoram State Cooperative Union on 12.06.2010. He expressed his deep concern on the poor performance of the Government of Mizoram in general and the Department of Cooperation in particular to boost up cooperative movement in Mizoram. This idea is subscribed by a good number of cooperative members under study.

The term 'organisation' refers to a mechanism which enables people or members to work together. In a static sense, it is a structure, manned by group of individuals who work together towards a common goal. As a framework, it facilitates proper utilisation of men, material and money for the achievement of goal². Organisation may be of two kinds like formal and informal organisations. By formal organisation, we mean the organisation as deliberately planned, designed and duly sanctioned by competent authority. It is the organisation as it appears to the observers from outside and as shown on the organisation chart or as described in the manuals and rules. Informal organisation, on the other hand, comes into existence due to social interactions and interpersonal relationships. It exists outside the formal authority system without any set rigid rules. Though unrecognised, it exists in the shadow of formal structure as a network of personal and social relations, which must be understood and respected by the management³. Hence, the informal kind of organisation also needs to be recognised and strengthened for the well functioning of any kind of the organisation.

Though the Department of Cooperation is one of the oldest departments in the state which had started its functions from 1951 as a Sub-Divisional Office under the Government of Assam, it still remains as one of the smallest and neglected developmental departments in Mizoram⁴.

Taking first the institution of Registrar of Cooperative Societies, the post itself seems to have lost its significance on the part of the state government. While the institution of Registrar was created by the Cooperative Credit Societies Act of 1904, he was deemed to be regarded as friend, philosopher and

²B.L Fadia and Kuldeep Fadia (2008). *Public Administration: Administrative Theories and Concepts* (Sixth Edition). Agra: Sahitya Bhawan Publications. p-178.

³B.L Fadia and Kuldeep Fadia, *Ibid.*, p.180-181.

⁴Interview with C.Lalchhunga, Asst. Registrar of Cooperative Societies (Rtd.) on 23rd October, 2010. He expressed his concern and resentment against the Government of Mizoram on many issues like, unsatisfactory allocation of budget, reluctant in post creation, etc. Other enthusiastic cooperators also hold the same idea.

guide of cooperatives and also to act as Brahma (Creator), Vishnu (Nurturer) and Mahesh (Destroyer). The Governor General while replying to the debate on the Bill explained the importance of the institution of Registrar and mentioned that the Registrar's first duty would be to preach the gospel of cooperation in the province to which he was attached; select places for his experiment; and induce people by his personal influences and by his observing power to entrust themselves in his schemes. He was visualised to occupy an enviable position in the administrative set up⁵. In Mizoram, the government fails to fulfil most of these recommendations except an IAS officer is appointed as Registrar; but this used to be done without serious consideration of personal suitability and for the progress of the cooperatives and the department as well. As was seen during this research study, the post of Registrar was filled with junior and newly conferred IAS officers. They serve the office for just a short while and are replaced with new ones. This is the trend even today and is clearly revealed by the appointment of as many as 32 (thirty-two) officers to manage the post of Registrar of Cooperative Societies during the period from Mizoram was a Union Territory in 1972 to March 31, 2009 i.e. 36 (thirty-six) years⁶. The average incumbency of each Registrar is slightly more than a year.

It may be understood, here, that nothing great could be achieved during such a short period of time or one could not have an in-depth knowledge and interest on cooperative movement of the state as visualised by the Cooperative Societies Act of the state itself.

The Department of Cooperation lacks administrative and financial expertise. This is understood in its practices and from the views and experiences shared by retired cooperative officers. There is no provision in its recruitment

⁵B.D Sharma (2007). Cooperative Legislation : From State Control to Autonomy and Independence of Cooperatives. *Hundred Years of Cooperative Development in India*, New Delhi: National Cooperative Union of India. p.88.

⁶Office of the Registrar, Cooperative Societies, Government of Mizoram, *Administrative Report and Statistical Data of Cooperative Societies Mizoram, 2007 – 2008*. p.11.

and service rules to infuse administrative and financial experts like Mizoram Civil Service (MCS) and Mizoram Finance and Account Service (MF&AS) officers in the department. Almost all the administrative positions are filled and filled in by promotion from below.

Moreover, chance for direct recruitment of educated youth to manage the Mizoram State Cooperative Service is so poor that only few Junior Cooperative Inspectors are recruited through competitive examination conducted by the Mizoram Public Service Commission. Method of recruitment given by the Mizoram State Cooperative Service (Amendment) Rules, 2009 is as follows - 75% of vacancies in Grade-IV of the service shall be filled up by promotion from amongst the members of Sr. Inspector/Auditor of Cooperative Societies who have put in not less than 5 years regular service in the grade. The method of recruitment shall be 'Selection' on the basis of Merit-cum-Seniority; 25% of vacancies in Grade-IV⁷ shall be filled up by direct recruitment through open Competitive Examination from graduates of any discipline from a recognized university.

As the office of Registrar is restricted to an IAS cadre post, the department could hardly have permanent Registrar. He comes only for one or two years and goes to other departments. Even in this short span of time, he is always made to hold his office in addition to other departments, thereby denying him from concentrating in the affairs of cooperation and its movement.

Besides, the senior officers of the Department of Cooperation aspire for chances of promotion to the top post in the department which is saturated at the level of Additional Registrar as they do not belong to the IAS cadre. This feeling may result in loss of interest and motivation in service.

⁷Rule 5 of the Mizoram State Cooperative Service (Amendment) Rules, 2009 has given the following Grades of Service namely, Grade-I Additional Registrar of Cooperative Societies; Grade-II Joint Registrar of Cooperative Societies; Grade-III Deputy Registrar of Cooperative Societies; and Grade-IV Assistant Registrar of Cooperative Societies.

Cooperative societies in Mizoram also seem to be suffering on account of limitation in area of coverage. Most of the cooperatives, especially in villages, are very small in size as they are concentrated in one village or locality only. As a result, they cannot boost up their resources and this makes their paid up share more or less stagnant thwarting their progress and extension of operation.

Unlike in other places like European countries, where the people initiated the movement under their own leaders who actually had striven for ameliorating the economic conditions of the people and sought for cooperative solution, the cooperative movement in India was rather imposed on the people.⁸ As it is in the case of most of the developing societies, the formation of cooperative societies in Mizoram is based largely on the initiatives of the government. This kind of cooperative formation is always blamed for the lack of belongingness and the sense of responsibility toward their own cooperatives among the members.

There are three tiers structure of cooperative societies in most of the states of India based on the area of jurisdiction like primary or village levels, district levels and at the state level. In some states, there are cooperatives even at the block levels. This kind of three or four tiers formation is not followed in Mizoram. It was found during the course of this study that only two tiers structure of functional cooperative societies are active in the state having jurisdictions at the village and state levels; thus allowing wide gap of communication and interaction between the two extremes.

The state level cooperatives in Mizoram are also known as Cooperative Federations and the village level cooperatives are associated as members of these cooperative federations. Here, the gap between the two levels of cooperatives, skipping cooperative organisations at the district or block level, is so wide that it is difficult to have good link and proper cooperation for the progress of cooperative movement. It is always difficult for primary cooperatives that are at

⁸Chitta Ranjan Samadder, *Cooperative Movement in Assam*, Guwahati, Assam: Published by C. Samaddar, 1991, p.166.

the remote countryside to participate and bring their interests directly at the state level cooperative fora.

It is found, after visiting cooperative societies of different categories and trades, that a good number of them, especially weaving cooperatives, are what the members themselves called 'Family Societies'. Though the Mizoram State Cooperative Societies Act, 2006 (as amended up to 2012) clearly prescribes that membership in the cooperatives should be in the manner of one member from one family⁹, this is not followed in many places that some societies comprise of members who are living under one roof, their kin and next of kin only. This kind of mal-practice is against the cooperative spirit and movement.

6.2. Problems relating to functions and processes

With the functions and processes, we mean that the functions provided to the Department of Cooperation, Government of Mizoram and to the cooperatives themselves by the Mizoram Cooperative Societies Act, Rules and bye-laws which are in operation and the processes under which the cooperatives discharge their business.

Section 7 (1) of the Mizoram Cooperative Societies Act, 2006 (as amended up to 2012) gives the power of auditing cooperatives to the Registrar of Cooperative Societies or person authorised by him¹⁰. As being practised, the cooperative audit team is always led and headed by a senior Cooperative Inspector from the Department and set out to different places to audit the accounts of cooperative societies. Here, it is not proper and looks odd that an Inspector is made to audit the funds and financial performance of his superior deputed as Managing Director in the state level cooperatives who has always

⁹Section 7 (1) of the Mizoram State Cooperative Societies Act, 2006 (as amended up to 2012) provides that a primary cooperative may be registered with a minimum of twenty natural persons drawn from or belonging to different families either with limited or unlimited liability.

¹⁰Section 85 (1) of the Mizoram State Cooperative Societies Act, 2006 (as amended upto 2012) provides that the Registrar shall audit or cause to be audited by person authorised by him by general or special order in writing in this behalf, the accounts of every registered Society and Society under liquidation once at least every year.

been the writer of his Annual Confidential Report. He might be hesitating to disclose financial misappropriations and would compromise with malpractices thereupon.

Another factor for the weakness of a good number of cooperatives in Mizoram is narrow area of operation and membership coverage. A good number of cooperative societies in Mizoram are of single purpose cooperatives. This kind of cooperatives always fails to entertain and attend to the multiple problems of their members and the public at large; as the assistance rendered by them is more or less from a single direction and one angle only. Under this situation, it has been difficult to make much progress and development. Membership drive and quantitative expansion are also hampered by this tendency of single purpose operation.

Lack of faithfulness and a sense of self-sacrifice for the good of cooperatives are some of the most serious problems faced by the cooperative societies in Mizoram. Almost all members of the cooperatives under study lay emphasis on faithfulness and sacrifice for the success of their cooperative societies. This study reveals that lack of faithfulness and the feeling of self-aggrandisement among the leaders greatly responsible for the bankruptcy of cooperative societies. The history of one cooperative may be mentioned here which shows that its new leaders, who occupied governing positions by means of secret campaign and vested interest, soon after they hold the key position, started misappropriation of funds in the business of cooperative. A criminal case involving corrupt practices was filed and all of their cash books and business records were seized by the authorities sent by the Registrar of Cooperative Societies. Since then, they have been suffering from the burden of debt repayment which makes their cooperative almost impossible to be revived.

The cooperative societies in Mizoram also lack proper action plans and long term goals. From the research field work and interviews, it has been found that most of the cooperatives covered in Mizoram do not have proper action plans and set goals to be achieved within a stipulated time frame. This largely

leads to the slow progress and failure of the cooperatives in Mizoram. Most of them seem to be contented with the status-quo or have no vision for future progress and expansion. To be successful and have a steady progress, it is more or less indispensable that the organisation sets an action plan and programmes for the success of which all the members are responsible. Maintenance of the status-quo for a long time is the sign of weakness and failure of the organisation and this holds true in the case of cooperative organisations. The Department of Cooperation, Government of Mizoram is also blamed of lack of long term action plans and vision as criticised by some of the enthusiastic cooperators so long as qualitative and quantitative growth of cooperatives is concerned.

The criteria prescribed by the bye-laws of state level cooperatives to contest election for leadership positions are too vague and can debar good and experienced cooperators from contesting leadership posts. One has to be an acting president of the concerned affiliated or member cooperative to file nomination and contest for leadership election to a federal cooperative society. This shows that a good, experienced cooperator, who is not a chairman or president of his primary cooperative at the time of state level cooperative election would automatically be disqualified from contesting the election.

Pre-leadership election pledges made by the candidates are always the source of preferential treatment and corrupt practices in the cooperatives. While carrying out research field works, free and frank discussions were held; besides interview of members of cooperatives. It was found that at the time of cooperative leadership election campaign, the candidates or the contestants used to make election pledges and promises to the member voters. Some of the contestants promised that voters would be appointed as Board Members of state level cooperatives if they make them leaders. They also made pledges to give them cooperative loans if the members elect them to occupy leadership posts especially of the credit cooperative societies. These kinds of promises invite misuse of official power, narrow mindedness and undue favouritism in the management of cooperative affairs and business.

The system of election for cooperative leadership in Mizoram is also found unhealthy. The contestants are always busy with making pre-poll leadership line up for election that shattered the feeling of oneness among the cooperators. Making of supporting line-up for election is about a decade-old practice in Mizoram¹¹. When a particular line up occupies the leadership posts at the state level cooperative federations, some members of their allied cooperatives are automatically taken in as Board Members and are favoured in many respects to reward their support. Witnessing this kind of preferential treatment on the part of the leaders, cooperators who were defeated at the time of election came out with dismay and the feeling of suspect towards their leaders.

Many of the cooperatives in Mizoram seem to be old age homes especially in the rural areas. Bye-laws of different cooperatives prescribe membership to individuals from the time of joining the cooperatives till death and do not provide age of retirement. They provide only minimum age for general membership at eighteen (18) and fifteen (15) in case of the students. Because of this, chances for the recruitment and inclusion of educated and vibrant youth in the cooperatives as leaders or members are very poor. This is a problem not only in Mizoram, but also throughout India¹².

In a strategy of cooperative development, it is important that besides educating those who are already within the fold of cooperatives, those who are outside of it should also be made aware of the role and contribution of

¹¹We met some contestants of the coming leadership election who were visiting cooperative societies at different places and had good time for discussion on election processes and issues on 8.5.2011 at 3:00pm. Some are also doing house to house campaign visiting cooperative members with a hope to make their line stronger.

¹²While having an informal discussion with Sri V.K Suri, Chief Managing Director of National Cooperative Development Corporation in his office, New Delhi on February 9, 2009, he stressed on the need of incorporating educated and vibrant youth as much as possible in the cooperative movement of India to cope with the New Economic Policy and the consequent changes which have taken place in the country's economy.

cooperative sector. This is particularly relevant in the case of younger generation which can, in the course of time, throw up a large number of cooperators¹³.

6.3. Lack of awareness and inadequate cooperative education and training

The need for cooperative education has been recognised ever since the inception of the cooperative institutions. In fact, it figured as one of the most important rules adopted by the Rochdale Pioneers. Since then, cooperative leaders have repeatedly stressed its importance. Despite this historical background, the cooperative education failed to receive recognition as a fundamental cooperative principle in 1973 when a Committee of the ICA enunciated this principle for international adoption relegating it to the status of subsidiary principle. But after nearly three decades, the ICA Commission on cooperative principles stressed cooperative education as one of the basic principles of cooperation. It postulated that all cooperative societies should make provision for the education of their members, officers and employees and of the general public in the principles and techniques of cooperation, both economic and democratic¹⁴.

The general public and the cooperative members in particular are not well informed about the objectives of the cooperative movement and the contributions it makes in helping and rebuilding the society. Besides, most of the members of cooperatives under study are ignorant of the rules and regulations that govern their very existence¹⁵. Special effort is required in this direction to shape the public opinion for the good of the movement. Many people look upon the cooperative institutions as means for obtaining loans, grants, concessions and

¹³S.S Puri (1979). *Ends and Means of Cooperative Development*, New Delhi: National Cooperative Union of India. p.176.

¹⁴S.S Puri, *Ibid*, p.169.

¹⁵Most of the members of cooperatives under study were ignorant of the rules and regulations that govern them. This is largely because of the negligence of the members and publication of the State Cooperative Societies Acts and Rules only in English which is not understood by the majority members.

other facilities from the government and other institutions¹⁶. This conception is found even among members of cooperative societies. This clearly shows that the very motive behind the formation of many of the cooperatives in Mizoram is also detrimental to the spirit of cooperative movement itself.

Factors like lack of cooperative education and training; dirty politics of the village, bureaucratic attitudes of the government officers at the lower rank, etc. are some of the hurdles in spreading the correct information about the cooperative movement and in educating the people about its true character and vital role in the society.

Leaders of some of the cooperatives are also educationally unfit to hold leadership posts especially at the state level cooperatives. Because of this, cooperatives in Mizoram always failed to send representatives at the national level workshops, meetings and conferences. The Mizoram Cooperative Societies Act, 2006 is silent on the issue of educational qualification to become leaders or Office Bearers in the village and state level cooperatives.

The Mizoram State Cooperative Union, which is the sole agent of the National Cooperative Union of India for Cooperative Education and Training in the state, is not equipped with adequate manpower and financial resources. There are only five (5) Cooperative Education Instructors to give cooperative education and training to more than 1,400 cooperative societies scattered throughout the state at the time of the present study¹⁷.

It is almost impossible for the Cooperative Education Instructors to go out for field visit and give cooperative education and training to the cooperatives in the rural areas because of lack of funds and transportation facilities. They are not

¹⁶Research questionnaires proved this fact that majority of the respondents (53.8%) opined that many of the cooperatives are so; and still 31.5 % accepted that some of them are formed for obtaining loans, grants, concessions and other facilities.

¹⁷Visit of office of the Mizoram State Cooperative Union and interview of Lalthanhima, Senior Cooperative Education Instructor and his colleagues on 7.12.2010 at 11.00am.

provided with vehicles or adequate financial support. This is a serious problem that reveals the haphazard effort and lack of care for cooperatives by the state government who can allocate more funds for this purpose.

6.4. Problems relating to Finance and other Resources

Budget is accepted as the life blood of administration. This also holds true in case of administration and management of cooperative societies. To deal with cooperative finances, it may be broadly classified into two as internal finances and external finances. Internal finances are essentially what the cooperatives mobilise from members and non-members or accumulated as corporate savings. While the external finances, as the term itself implies, are provided to cooperatives by external agencies such as the state, public financial institutions and commercial banks¹⁸.

The state government is accused of giving half-hearted effort towards cooperative development. A number of cooperative leaders and even the department officers expressed their grievances that the state government is always reluctant to allocate adequate funds for the Department of Cooperation in its annual financial plans against all the proposals to strengthen cooperative movement and its activities in the state. As mentioned before, the neglect of the Department of Cooperation by the Government of Mizoram can be seen from what was committed to the detriment of the movement in the past like diversion of as much as Rs.35.50 lakhs and Rs.2.33 lakhs for purchase of site to build Mizoram House at Guwahati and for Lunglei Greater Water Supply Scheme respectively from the 1992-1993 Cooperation Department's Annual Plan outlay of Rs.180 lakhs¹⁹. Diversion of 21 per cent from the total plan outlay is not a small thing.

¹⁸S.S Puri, *op. cit.*, p.149.

¹⁹Mizoram State Cooperative Union (1993). *Achievement Report on Cooperative Department and State Level Cooperative Societies, Mizoram*, Aizawl: Mizoram State Cooperative Union. Preface.

Small allocation of funds in the budget is also blamed for unsatisfactory coverage of primary level cooperative societies by the MSCU under cooperative education and training programmes. Funds available for one financial year is always below the expected amount and too tight to cover the rural areas with it.

Leaders of some cooperative societies, especially at the village or primary levels, complained that some auditors used to borrow money from their cooperatives and neglected to repay it. When cooperative officers who audited their accounts and financial conditions requested them to lend money, they dared not turn it down and lent money to please them. This aggravated financial shortages and problems of cooperative societies. It also exposes apparent misuse of official power by the department officers to the detriment of cooperative movement in Mizoram.

Cooperative societies in Mizoram could not avail loans and other cooperative promotion schemes of NCDC up to their expectations as they always failed to meet the required matching share of twenty five per cent (25%) of the total amount to be sanctioned. Moreover, it is difficult and almost impossible for them to have a direct contact with the NCDC, headquartered at New Delhi. Most of the village level cooperative societies in Mizoram are poor both in terms of financial and human resources. They badly need help and support of government to avail such loans.

The system and structure of shareholdings and paid up shares in the cooperatives also need to be revised or restructured. The government holds too much portion of the accumulated share holdings in the cooperatives especially at the state level. As of January 17, 2012, the average percentage of government's share capital in all the nine state level business cooperatives is 83.30 per cent. This seems to be too high and makes the members feel alien in their own cooperative societies. They cannot have the feeling of belongingness and ownership since government controls almost all their financial domain. They cannot, but depend on the mercy of the government.

The cooperators resent that Government of Mizoram or the Department of Cooperation always counted almost all the financial contribution and grants it provided to the cooperative societies as its share contribution making their share holding highly unbalanced. This creates a problem that members need to boost up their individual share contribution to strike the balance of share in their cooperatives. Even the business cooperatives that make profit could not divide and give away the interests they earned from their hard works as this should be shared in proportion to the amount of share contributed by each member. More than eighty per cent (80%) of the interests earned will go in favour of the government and only the remaining twenty per cent (20%) would be left for the majority members of cooperative. This seems to be unacceptable to the members.

Deputation of cooperative officers at various capacities in cooperative societies is also thought to be waste of money and manpower by some cooperators. Most of the officers deputed are reported to have sucked the budget of cooperatives for their own personal benefits. The cooperatives where they are posted have to provide them with all facilities, official benefits and allowances, official vehicles, etc. from their own funds. This has become a burden and creates problems in their day to day administration.

Financial assistance and loans available through the Department of Cooperation, Government of Mizoram or the Mizoram State Apex Cooperative Bank Limited is too meagre for cooperatives who want to invest more finance in their business operations. Some of the cooperatives visited expressed their concerns in this regard. Government selects some consumer cooperative societies that it thinks fit and gives financial assistance of Rs.10,000.00 per year. Leaders of one village level cooperative society expressed that Mizoram State Cooperative Apex Bank Limited offered Rs.60,000.00 as loan assistance with interest at the rate of six (6) per cent per year in 2010, but they turned it down as the amount was too meagre and would fail to meet their requirement for

expansion of business establishment. They asked for higher amount of loan, but the same could not be provided.

6.5. Problems relating to Laws, Rules and Regulations

Most of the cooperative members, especially in the rural areas and many others from urban cooperatives expressed their concern on the Mizoram Cooperative Societies Act, 2006 and the rules designed for enforcing this Act that they wanted it to be translated in Mizo. As all the volumes of the Act are published in English, majority of the members and even some of the leaders of cooperatives do not understand its contents and provisions. They just listen and depend on the interpretation of their cooperative officers and few of their well versed leaders. So, this has become a problem and could become a big hurdle in the way of cooperative management.

The Mizoram Cooperative Societies Act, 2006 (as amended up to 2012), under Section 46 (5) requires all the proceedings and decisions of the Annual General Assemblies, Special Assemblies and Managing Committees of primary, secondary and federal cooperatives to be approved by their concerned cooperative officers without which such meetings shall not be valid and decisions thereof have no legal force or validity. This is persistently criticised and opposed by the cooperators as it infringes and undermines the principles of cooperative autonomy and democratic member control. In this regard, even the President of NCUI, G.H. Amin sent a letter in 2004 to the Minister, in charge of the Department of Cooperation in Mizoram requesting him to delete this Section 46 (5) of the Mizoram Cooperative Societies Act, 2006 (as amended up to 2012). G.H. Amin, in his letter to K.Sangthuama, Minister of Cooperation, Government of Mizoram, stated that from the above section, it is clear that no proceedings of the meetings of General Body, Special General Body or Managing Committee of any cooperative society has the legal validity unless and until the same is duly approved by the concerned officer of the cooperative department. You will kindly appreciate that cooperative societies, which belong to their members are to be managed as per the cooperative principles adopted by the International

Cooperative Alliance and followed by cooperatives all over the world including India. One of the cooperative principles viz. “democratic member control” states that the cooperatives are democratic organisations controlled by their members who actively participate in setting their policies and making decisions. The above-mentioned section in Mizoram Cooperative Societies Act, 2006 is glaringly against the cooperative principles adopted by the ICA and the spirit of these principles which is not found in the Multi-State Cooperative Societies Act, 2002 or any of the State Cooperative Societies Acts in India²⁰.

Section 53 (1) of the Mizoram State Cooperative Societies Act, 2006 (as amended up to 2012) prescribes the term of office of the Board of Management Committee of all levels of cooperative societies to be of five (5) years from the date of election and the term of office bearers shall be coterminous with the term of the board. Section 53 (2) of the same Act states, “Provided that no member shall hold office for more than ten (10) years in succession, or having already held office for ten (10) years, whether in succession or not, be re-elected within a shorter interval than five (5) years from the date on which he ceased to be a member of such Council or Body”. While conducting interviews of the members of cooperatives, a number of them expressed their concern on this provision that the cooperators themselves know who is fit for leadership from among themselves and they would support some of their good leaders to remain in office and manage their affairs even for more than ten (10) consecutive years. But the said provision restricts them from doing so. Before the enactment of the Mizoram State Cooperative Societies (Amendment) Act, 2012, terms of office was prescribed for two (2) years only and not more than four (4) consecutive years that invited many complaints and grievances from the cooperators in Mizoram.

²⁰President, National Cooperative Union of India (2008, November 24). *Letter to Mr. Sangthuama Ji*.

6.6. Administrative Problems

Administration is the organisation and use of men and materials to accomplish a purpose²¹. The English word 'administer' is derived from the Latin word 'ad' and 'ministrare' which means 'to serve', 'to care for' or to look after people²². It is a process of management which is practised by all kinds of organisations from the household to the most complex system of the government²³. As it encompasses variety of issues, administrative problems would also cover different activities that an organisation performs and is related to.

One of such problems is the problem relating to coordination and interactions with the government departments and agencies. Since cooperative movement includes almost all sections of economy and the activities of different government departments, good coordination with them has been a necessary ingredient for the progress of the movement. Mutual aids may be channelized and practised in such a way that the Public Works Department may give contraction works to labour cooperatives without tendering the work. But this kind of preferences is not provided to the cooperatives in Mizoram. Some privileges could also be given to consumer cooperatives under the Department of Food, Civil Supply and Consumer Affairs if they want and are capable of serving retail works under Public Distribution System (PDS). But, no cooperative is doing retail of controlled items and commodities and PDS itself is being

²¹M.P Sharma and B.L Sadana (1998). *Public Administration in Theory and Practice* (Third Edition), Allahabad: Kitab Mahal. p.4.

²²Douglas Harper, *op. cit.*, http://etymonline.com/index.php?term=administer&allowed_in_frame=0.

Late 14c., *administren*, *aministren* "to manage as a steward," from Old French *amenistrer* "help, aid, be of service to" (12c., Modern French *administrer*, the -d-restored 16c.), and directly from Latin *administrare* "manage, control, guide, superintend; rule direct," from *ad-* "to" to plus *ministrare* "serve"

²³B.L Fadia and Kuldeep Fadia, *op. cit.*, p.1.

politicised and made for favouring party loyalists by the ruling parties in Mizoram as observed during the research study.

Too much interference of government in the day to day administration and functioning of cooperative societies is also a problem. In India, cooperative movement was initiated formally in the year 1904 with the enactment of the first Cooperative Act under the British government. Right from the beginning, the government adopted an attitude of patronising the movement and treated cooperative organisations as part and parcel of economic development and administrative set up. The government interference thus became an essential element in the working of these institutions. As a result, people's sense of enthusiasm could not grow. This holds true even in the case of cooperatives in Mizoram where the Government took almost all the initiatives for cooperative movement. Even under the clouds of insurgency, the government propagated the gospel of cooperative and set up a number of cooperative societies in various grouping centres of Mizoram where three to five villages were grouped together in the name of good administration and easier management of the affairs of the people. Even today, the state government posted Cooperative Officers as Managing Directors and Managers to head different state level cooperative societies in Mizoram. This deputation of officers is not welcomed by most of the cooperatives except where specialised skill and functional knowledge are required. Moreover, their voices are always ignored by the authorities while doing so. The cooperators feel that their autonomy and democratic member control are at risk.

The Government of Mizoram always failed to strike a balance between cooperative societies and government corporations. In this connection, the cooperators have a grievance that the government, in trying to promote its Corporations like Mizoram Handloom and Handicraft Development Corporation Ltd., Mizoram food & Allied Industries Corporation Ltd., etc., which are running on loss of financial resources, neglects the cooperatives which are the movement of the people. The Government of Mizoram organised and set up Mizoram Apex

Handloom and Handicraft Cooperative Society Limited on September 2, 1977 with an objective to promote the Mizo Handicraft and to obtain self sufficiency in Handloom and Handicraft in the state and selling the produces at reasonable prices²⁴. While this Mizoram Apex Handloom and Handicraft Cooperative Society Limited was progressing day by day with increasing number of member societies, Department of Industries, government of Mizoram set up Mizoram Handloom and Handicraft Development Corporation Ltd. to perform exactly the same function with that of Mizoram Apex Handloom and Handicraft Cooperative Society. A large portion of the funds for promoting handloom and handicraft in Mizoram which were available to the cooperatives before has been diverted and incurred for Mizoram Handloom and Handicraft Development Corporation Ltd.

There is also a grievance from the part of cooperative societies that vested interests and favouritism disturbed and hindered coordination and mutual aid between them and the government. For instance, Mizoram Apex Handloom and Handicraft Cooperative Society Limited was appointed to be a supplying agent vide Government of Mizoram order No. B/8012/1/86- IND dated 30th May, 1991, as such supply was issued to government offices, inspection bungalows, rest houses, quarters, agencies, cooperation, institutions, hospitals, dispensaries and jails in the form of curtains, bed-sheets, patients dresses, etc. This made Mizoram Apex Handloom and Handicraft Cooperative Society Ltd. held an important position in the industrial development of Mizoram state as long as this appointment and coordination was in channel. But, with the change of time and government in the state Assembly, things also changed against the weaver cooperatives and the supply of these items in the government establishments was also used for favouring their party loyalists and friends by the politicians and some government officials and their wives.

²⁴Objects given in the Bye-laws of the Mizoram Apex Handloom and Handicraft Cooperative Society Limited. p.3.

The cooperators also resent that Government of Mizoram always reluctant to use the cooperative societies as implementing agencies for social and economic development schemes. The Department of Cooperation is also not included in the process of the New Land Use Policy (NLUP) of the Government of Mizoram; the flagship programme of the ruling Indian National Congress party while other development departments are used as implementing agencies²⁵. There are different kinds of cooperatives doing different trades and activities who stand and joint together for a common purpose of self-development in Mizoram. These cooperatives can be effectively used as channels of implementation of various developmental schemes. In other words, the target group of persons may be clubbed together in a cooperative society for easy and efficient implementation of any developmental programme.

6.7. Political Problems

Politics as the actions and activities concerned with achieving and using power in a country or society permeates through all the economic and social systems of the country. Cooperative movement and politics have a very close relationship. While the policy of political parties towards cooperative movement can prove to be quite fruitful for the progress and success of cooperatives; undue interference and excessive hold and control of it can be a big hurdle in the way of cooperative development.

In countries which have multi-party political system and where there are strong cooperative movements or where many people are covered by the movement, all the parties try to influence and have a hold over cooperatives. To illustrate the past experience and performance of some countries, it may be stated that in Italy cooperatives in the urban area are much closer to Communist Party and Socialist Democratic Party²⁶, whereas those in rural areas have obvious

²⁵NLUP Media Cell, I & PR/NLUP Implementing Board (2012, June). *New Land Use Policy (NLUP) Newsletter*, Aizawl: Government of Mizoram.

²⁶R.C Dwivedi (1982). *Democracy in Cooperative Movement: an Indian Profile*, New Delhi: National Cooperative Printing Press. p.153.

dominance of Christian Democratic Party and other local parties. At the national level, the Lega Nazionale delle Cooperative Mutue is said to be closer to left parties. In Austria, farmers' cooperatives and cooperatives of small farmers are close to People's Party, whereas consumers and housing cooperatives are closer to Socialist Party²⁷. In Denmark, Urban Cooperative Movement is nearer to and influenced by Socialist Party, whereas farmers' cooperatives have greater proximity to Liberal Party. In Sweden, Agricultural Cooperatives are closer to the Central Party, whereas consumer cooperative movement is said to have inclination towards Democratic Party. In United Kingdom, there is a Cooperative Party which has long affiliation with Labour Party. Similarly, party closeness is observed in other countries like Norway, Finland, Germany, etc²⁸.

In India, relationship between cooperative movement and politics has a historical background. The Indian National Congress and other major political parties always included development programme for cooperatives in almost all their propaganda and election manifestoes. Different political leaders also expressed and reiterated their deep concern for cooperative movement. Jawaharlal Nehru, in his message to the 1954 Conference of State Ministers of Cooperation stated that the whole approach to cooperation has been inherent in the National Congress for a generation or more past. Gandhiji also spoke and often wrote about cooperation in the 'Village' and even about cooperative farming. Indeed, the objective of the Congress laid down long ago to build up Cooperative Common Wealth in India²⁹.

In Mizoram, the nexus between politics and cooperatives is rather complicated so far as past experiences of cooperative movement in the state are concerned. Though the questionnaires revealed that most of the members of

²⁸R.C Dwivedi (1982). *Democracy in Cooperative Movement: an Indian Profile*, New Delhi: National Cooperative Printing Press. p.153.

²⁹R.C Dwivedi, *Ibid*, p.153.

cooperatives are not aware of political interferences in the process of cooperative leadership elections, the treatment and recognition of cooperatives by the Government of Mizoram is not satisfactory according to some enthusiastic leaders and members of cooperatives. In the past, some Members of State Legislature were appointed as Chairmen of State Level Cooperative Federations. One retired Member of Legislative Assembly of Mizoram, who held the post of Chairman of one of the Federation Cooperatives was deliberately interviewed in the process of collecting primary information. This man expressed that the posts of Chairmen, at that time, were used as baits and allotted to Members of Legislative Assembly who were not given any other high posts in the ministry to gratify them. This kind of practice was quite detrimental to the spirit of the movement. Whenever there was change in the ruling party, Chairmen of the Cooperative Federations were also replaced with another new comer Legislative Member. Moreover, a layman, who has no interest and awareness of the cooperative principles and values of the movement were, many a time, appointed as Chairmen of Cooperative Societies. But, the practice of decorating Members of Legislative Assembly with chairmanship of cooperatives no longer seen and experienced since the year 1998 in Mizoram when the then Indian National Congress ministry decided to hand over the Chairmanship and other governing posts of cooperatives to democratically elected leaders from amongst the cooperators³⁰.

While political parties at the national level and in other states mostly formulated their own policies for the development and progress of cooperatives, political parties in Mizoram have failed to give appropriate attention towards the growth of cooperative movement. To be the first one among political parties in the state, the Mizoram Pradesh Congress Committee included cooperatives in its

³⁰Interview and discussion with T.C. Pachhunga, former Member of Mizoram State Legislative Assembly who was the last MLA to be appointed as Chairman of State Level Cooperative Society, on December 7, 2012. He also said that had no interest in cooperative movement and denied when the Government nominated him to sit as Chairman of MIZOFED, but had to accept the decision of his senior political party leaders.

Election Manifesto in the 2008 General Election making pledge to set up Mizoram State Cooperative Development Council (MSCDC) to take care of all the schemes and cooperative development programmes and its implementation in the state. This was fulfilled in their fourth year of ruling but has not yet started any business at the time of this study. Moreover, the Government of Mizoram does not have any separate State Cooperative Policy and this may be taken as a good indicator that no political party in the state is interested enough in the welfare and development of the cooperatives. This may also mean that cooperatives in Mizoram are being blindly guided and managed without adequate and proper policies.

When the then Minister of Cooperation laid the Mizoram State Cooperative Societies Bill, 2006 in the Assembly House, it was unfortunate and surprising that only one of the members present in the House delivered a speech on it during the discussion hour that followed. This also indicated that the majority members of the state's Legislative Assembly were not interested enough in the field of cooperation and its movement.

6.8. Social and Cultural Problems

It is the general conception and practice among the Mizos that there have been a good community spirit and a closely knitted social life since the time they found settlement in villages. Till the time when the British annexed the Mizo Hills during 1890s, each and every village had a Village Dormitory where all the adult males and young married men used to sleep at night. The Dormitory played a vital role both in the fields of social and security services as it provided and enabled rapid action force during the time of emergencies. Team work and community voluntary services have always been called and rendered for the common good and wellbeing of the villagers by the competent authorities i.e., the then village chiefs or by the Village Councils later, as and when necessary.

Though this has been a trend in the social life of the Mizos, there is something different in their economic activities like jhuming³¹ or other economic activities. As the main stay of the Mizos was agriculture, almost all the village households practised jhuming and tried their level best to become self-sufficient in daily requirements to support their livelihood. It was a common practice that a single family would cultivate all kinds of crops available in the village like food crops, cash crops, vegetables, etc. and would domesticate animals like pig, cow, fowls, etc. Because of this independent life, a sense of common ownership and economic cooperation or any kind of partnership in the economic endeavour seems to be a new practice. This tendency seems to have influenced the practice of cooperative and retards the smooth progress of cooperative movement among the Mizos.

6.9. Technological Problems

Technology literally refers to the methods, systems and devices which are the result of scientific knowledge being used for practical purposes. The problems relating to or associated with technology would be phenomenal in the way of cooperative development. Though there may not be a complete alternative and substitute for human efforts in an organisation or enterprise, it is an undisputed fact that technology can play a crucial role in the success of the organisation by facilitating and enhancing human endeavours in various ways.

In the field of technological development and modernisation, cooperatives in Mizoram are generally lagged behind and still have a long way to go. State level cooperatives in the city are far better in this regard in comparison to primary level cooperatives especially in the rural areas. The Mizoram State

³¹Jhuming or shifting or slash and burn method of cultivation is a system where farmers shift and leave their fields after harvesting the crop one in a year or in a single season. The field, after harvest is abandoned for three or more years during which the field regains its fertility. This kind of cultivation is commonly found in the hilly areas of North Eastern India.

Cooperative Union, which is the sole agency for cooperative education and training in the state, is also in need of computer and digital facilitated class room to give training in its most effective way to the cooperators. Other cooperatives which are doing different businesses like dairying, retailing, weaving, handloom and handicraft production, etc. also require modernised technology and improved implement to compete with private enterprises and imported items in the open market of today³².

Besides the points mentioned above, there may also be other problems and challenges being faced by the cooperatives in Mizoram and still others which are common with elsewhere in India. Some of the common managerial problems of the Indian cooperatives may be mentioned here. Firstly, as the cooperative movement was initiated and financed by the state, it got itself interlinked and dictated its policies. The need of the movement and the strategies to achieve the needs must be planned by the movement itself and not by the state. Secondly, weakness of cooperative leadership is still a problem in spite of decades of their existence. As the Indian society is caste and class ridden, the leadership has to be developed within these limits. Even after independence, the situation has not changed. They continue to depend on official help. Thirdly, though the old adage says that vigilance is the price of democracy, in the Indian cooperative movement, the democratic institutions like the General Body and the Board of Directors do not function properly. Effective functioning of these institutions alone can ensure vigilant cooperative democracy and impartial functioning of the cooperatives. Moreover, members rarely attend the General Body meetings and normally do not question the management³³.

³²Interview with Mr.Lalchhanhima, Senior Cooperative Education Instructor, Mizoram State Cooperative Union on November 25, 2012.

³³S. Nakkiran (2006). *Cooperative Management Principles and Techniques*, (Revised and Updated 5th Edition), New Delhi: Deep & Deep Publications Pvt. Ltd. pp.619-620.

Another weak link in the cooperative management is lack of professionalisation of the management. The personnel of the cooperatives look amateurish and the modern personnel management techniques are yet to percolate over many of our cooperatives. Autonomy of the cooperatives is also a critical problem³⁴. Cooperatives in all countries are guided by the principles of cooperation laid down by the International Cooperative Alliance. If the cooperatives have to adopt all the principles of cooperation, especially the principle of democratic management, they must be free from any external interference and control. But in countries like India, the interference of government in the administration of cooperatives has become a historical incidence rather than practical necessity. Another problem is the lack of self-reliance in resources. Democratic freedom of a cooperative institution is decided by the internal resources mobilised by it. In other words, self-reliance in resources alone can ensure democratic freedom and non-interference by outside agencies. But the cooperatives in India are still depending on government and other agencies like Reserve Bank of India. Once you are inviting money from outside, you have to abide by the conditions laid down by the lender who would always be interested in the safety and profitability of his funds. Cooperatives being borrowers cannot be exempted from such conditions and regulations. The un-dynamic federal institution in India is also one of the problems faced by the cooperatives in India. In keeping the cooperative democracy alive, the federal institutions have to play a predominant role, which is lacking in Indian circumstances. Freedom and autonomy in cooperatives are shared by all the institutions in a federal set-up. The apex institutions must try to help the lower level affiliated societies by way of providing them enough financial resources, managerial and technical guidance, and keeping away the interference of outside agencies. As the cooperative leaders of lower level societies manage the apex institutions they must work for the success of the federal structure as a whole. In India, many of the apex institutions are dormant. Only recently steps were taken

³⁴S. Nakkiran, *Ibid.* p.620.

to revitalise many of the Central and State Cooperative Banks. This step may have to continue in several states and enlarge its area of coverage.³⁵

While dealing with the management problems in cooperative societies, we may also look into it through the theory of POSDCORB that stands for Planning, Organising, Staffing, Directing, Co-ordinating, Reporting and Budgeting in the administration of an enterprise as postulated by Luther Gullick. This falls under the managerial activities of the organisation. Planning, here, would mean working out in broad outline the things to be done and the methods to be adopted for accomplishing of the purpose in the cooperatives. Organisation pertains to building up the structure of authority through which the entire work to be done, is arranged into well-defined subdivisions, and co-ordination. Staffing refers to the work of appointing suitable persons to the various posts under the organisation, and also the whole of personnel management in the cooperative organisation. Directing would stand for making decisions and issuing orders and instructions embodying them for the guidance of the staff. While Co-ordination deals with inter-relating the various parts of the work and eliminating overlapping and conflict in the organisation, Reporting is all about keeping both the superiors and subordinates informed of what is going on, and arranging for the collection of such information through inspection, research, and records. At last, Budgeting would perform all the activities relating to financial administration.³⁶ Having had a critical evaluation of the cooperatives in Mizoram through the above POSDCORB theory of managerial functions, it is found that cooperative societies in Mizoram are below expectation and need to lay emphasis in these areas also.

To conclude, in this chapter, we have dealt with the problems and challenges of cooperative societies in Mizoram in particular, and the general problems of cooperatives elsewhere in the country or in the world are also

³⁵S. Nakkiran, *op.cit.* p.621.

³⁶ Luther Gullick and L. Urwick (1937). *Papers on the Science of Public Administration*, New York: Institute of Public Administration. p.14

featured. The sequence of the problems discussed here are problems relating to organisation discussing some loopholes and challenges on the existing structure and institution, personnel and office bearers; functions and processes; lack of awareness among the people and inadequate cooperative education and training; finance and other resources; laws, rules and regulations; administrative problems; materials and technological problems; social and cultural and political problems.

Chapter - VII

Conclusion

The present chapter is divided into two parts. The first part deals with summaries of all the previous chapters while the second part contains answers to research questions, concluding observations, suggestions for future activities and research.

Part - I

The first chapter gives general introduction of the thesis, the body of the thesis, methodology of the research study, statement of problems, research questions and methodology of data collection and analysis. It also highlights the origin of the word cooperation, 'what' and 'how' of cooperation and cooperatives that helps us to have fundamental knowledge of the title of this thesis. It makes us understand that cooperation, as a way of life, is the key to stability and growth in almost all spheres of human existence. The growth of families, clans and villages, towns and cities are the outcome of cooperation. In regard to the main concepts and ideas on cooperatives and cooperation, we see that there are three schools of thought such as Cooperative Enterprise School of thought which holds that cooperative society as a voluntary association of independent economic units, i.e. firms, business and households to form a business enterprise organised, capitalised and managed by, of and for its members; Cooperative Commonwealth School of thought which is not satisfied with a mere improvement of the members but wants as a long-term objective, to eliminate the competitive, capitalistic system and replace it by an economic system based on mutual cooperation; and Socialist Cooperative School of thought, said to be the most recent among the three schools, is based on the Marxist-Leninist theory believing that cooperative can be an important step in socialist progress. It finds cooperatives as the part of a transitory stage which facilitates the transformation from capitalism to socialism and eventually to communism as a part of the historical process of revolutionary development.

This chapter also contains statement of the research problems which necessitated the present research study. It tells us that though cooperative movement has a long history among the Mizos; it has not yet shown a commendable success among the people in Mizoram. The problem of poor performance of cooperatives in Mizoram is accounted for absence of adequate awareness and cooperative education among the people; too much dependence on grants and other supports from the central and the state governments; lack of commitment among the members for the development of their respective societies; too much interference of government in the day-to-day functioning of the cooperative societies; thirst and struggle for leadership among the members of societies, which sow the seeds of mistrust among themselves; interference of the political hands and the indulgence of some of the cooperative officials in trade for their private or individual financial benefits; lack of efficient management of financial, human and material resources; etc.

In the second chapter, we have seen that the idea of cooperation is not typical to any particular society or country. It had been practised by different nations all through the stages of their civilisations. Cooperative movement, as formally practised and carried on till today, is traced back to be an offshoot of the Industrial Revolution as a peaceful reaction against the mercantile economy. India also started to legalise cooperative societies in the year 1904 with the enactment of the Cooperative Credit Societies Act of 1904. This is also said to be the beginning of State's patronage to the cooperative movement in India. Cooperation as a way of life and activity is also a part and parcel to the Mizo society who had been practising mutual help and developed closely linked village communities long in their history. Though initiatives for establishing cooperatives in Mizoram were witnessed from the year 1942, the first legally registered cooperative society was formed in 1949 and this was followed by other two cooperatives in the same year. The births of the first cooperative societies in different trades of occupation in Mizoram are also given in this chapter. Cooperative movement in Mizoram witnessed and suffered a serious setback during the time of twenty years insurgency from the period of 1966 to 1987.

The second chapter also provides different types and classes of cooperative societies as classified under Section 10 of Mizoram Cooperative Societies Rules of 1996 such as, agricultural marketing societies, consumers' societies, cooperative banks, farming societies, housing societies, processing societies, producers' societies, resource societies and general societies. These classes of societies are also divided into different sub-classes. Cooperative societies are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. We also see the seven principles of cooperatives designed and articulated by the International Cooperative Alliance and adopted by different countries of the world such as, principle of voluntary and open membership, democratic member control, member economic participation, autonomy and independence, principle of education, training and information, cooperation among cooperatives and the principle of concern for community. Different cooperative societies in the world are formed and expected to function in conformity to these seven cooperative principles. Hierarchy of the managerial authorities within the cooperatives is also given as provided in the Mizoram Cooperative Societies Act of 2006 (as amended up to 2012). There is the General Body as the highest decision making authority which is followed by the Board of Directors or the Managing Committee, the Executive Committee, Chairman and the Managing Director or Secretary at the bottom within the cooperative society.

In the third chapter that deals with the Department of Cooperation in Mizoram, we see that the subject of cooperation was introduced in India as early as 1871 when the Department of Revenue, Agriculture and Commerce was set up by the Government of British-India to deal with all matters affecting the practical improvement and development of the agricultural resources in the country, including cooperation. Following this development, the subject of cooperation was transferred from one department to another from time to time and at the time of this research study, the Ministry of Agriculture, Government of India was the nodal Ministry for cooperation at the Union Government which comprises of the Departments such as, Department of Agriculture & Cooperation, Department of Agricultural Research & Education and Department of Animal Husbandry and

Dairying. The origin and growth of government departments including cooperation in Mizoram was largely influenced and characterised by its mother state of Assam. The first Cooperative Sub-Divisional Office was opened at Aizawl, in Mizoram in the year 1951 and as cooperative movement in the Mizo District showed a good progress, the government of Assam upgraded this office to a full-fledged District Cooperative Office on January 31, 1956. A separate Department of Cooperation, to be under the charge of a minister was created in the year 1972 coinciding with the birth of the Union Territory of Mizoram carving it out from the state of Assam. Union Territory of Mizoram gained its statehood in 1976 and following this development, the government created a full-fledged post of the Registrar of Cooperative Societies in December, 1976.

The historical development of the Department of Cooperation in Mizoram under various incidents and circumstances like Mautam famine, insurgency and peace time is also given in this chapter. The year 1960 witnessed the engagement of some of the Cooperative Officers as Administrative Officers to manage relief activities necessitated by the outbreak of Mautam famine throughout the state of Mizoram. Because of this, the Department of Cooperation suffered shortage of personnel and impeded the working of the department to some extent though the engagement was only for a short while of about one (1) year. Besides this, the steady flow of cooperative movement in Mizoram was greatly hindered by the outbreak of insurgency in the year 1966 when the Mizo National Army fought for independence from India. The Government of India tried to suppress this independence movement with strong military action and took different strategies such as grouping of villages, raid and burning of villages, etc. which were supposed to be the supporters of underground outfits. In spite of the disturbances and insurgency in the state, the cooperative movement in Mizoram was experiencing a slow and steady progress and the number of cooperative societies increased year by year. This necessitated the expansion of the staff as well as field establishments to look after the societies at different places of the state. The Government then created new district offices headed by Assistant Registrar of Cooperative Societies. At present, there are seven district offices known as Offices

of the Assistant Registrar of Cooperative Societies in Mizoram and the highest post, office of Registrar is manned by an Indian Administrative Service officer. The Registrar is supported by his sub-ordinate officers such as, Additional Registrar, Assistant Registrars, Deputy Registrars, and so on. Mizoram adopted the Cooperative Societies Act of Assam and a separate Act was enacted in 1991. The second Act, named the Mizoram Cooperative Societies Act, 2006 (Act No. 9 of 2006) was enacted with effect from April 1, 2007.

In the fourth chapter, we have studied selected cooperative societies in Mizoram. It has been conducted mainly through questionnaires, interview of the members and people who are associated with cooperative movement, and by means of accessing of their records and publications. In all, four hundred questionnaires are prepared and disseminated covering cooperatives in the two districts of Mizoram such as, Aizawl district representing the most cooperatively developed district and Mamit district for the most backward district. Besides this, a number of questions are prepared and used as schedules to assess the performance of the cooperatives as well as that of the Department of Cooperation. Different kinds and types of cooperative societies are selected in an attempt to ensure fair and balanced representation of both rural and urban settings, and to represent wider opinion and issues on cooperatives in Mizoram. Different kinds of data and questionnaires received are assessed and analysed in this chapter.

The study of reports and publications shows that up till 1956, all the cooperatives in Mizoram, numbering thirteen were registered at the office of the ARCS, Silchar, Assam. These pioneer cooperatives were mostly trading and credit cooperative societies. During the years 1972 to 2008, the Department of Cooperation had as much as thirty-two officers who took the charge of Registrar with slightly more than a year incumbency period per person. In regard to the position of cooperatives in Mizoram, as on 31.3.2008, the total paid up share in the ten (10) state level cooperatives is Rs.162,695,098.00, and out of this amount of total share, the Government holds as much as Rs.142,567,898.00, that is, 87.63 per cent of the total paid up share. There are 1,298 primary cooperative societies with

total membership of 44,434 in Mizoram with the total paid up share of Rs.34,209,000.00. Again, the government of Mizoram holds as much as Rs.17,802,000.00 while the individual member's share contribution is Rs.16,407,000.00, that is, in the ratio of 52 : 48 contributions between the government and the individual members.

Analysis of questionnaires shows opinion of the cooperators on various issues of cooperative movement in Mizoram. First of all, the way cooperative societies are being looked after by Government of Mizoram is ranked as average and the cooperative movement itself is not successful as of today. The most common or the highest factor behind the failure of cooperatives societies in Mizoram is lack of good cooperative policy on the part of the state government followed by lack of enthusiastic members and the lack of cooperative education and training in the state. Different factors voted for the success of cooperative societies in Mizoram, in the descending order are good cooperative leaders, enthusiastic members, government policies and financial grants and subsidies. It is clear that the majority cooperators are against the deputation of officers to hold key posts in their societies and the majority of them do not want to prescribe educational qualification for leadership positions at primary level cooperatives. While regarding educational qualification for leadership in the state level cooperative societies, the highest numbers of respondents choose graduation. According to the majority opinion collected, cooperative education and training imparted by MSCU to the cooperators is inadequate and the system of cooperative education and training as imparted by the cooperative union in Mizoram is not satisfactory. At the same time, the course contents and the subjects taught in cooperative education and training in Mizoram are neither good nor bad but ranked average. The majority members hold that Government of Mizoram never consult cooperatives or cooperators while formulating developmental plans in the state nor are never used as implementing agencies for economic policies and other developmental plans. In regard to the amount of share that Government may hold, the majority member respondents are in favour of lesser amount i.e., not more than twenty-five per cent and some are against government's interference as

shareholder in their cooperatives. The provisions of the Mizoram Cooperative Societies Act that bind all the decisions or resolutions of cooperatives to be approved first by the concerned department authorities is blamed to be infringing the principles of cooperative autonomy and democratic member control. It should be deleted or at least there must be a time frame that the concerned officers to approve such decisions or take appropriate action within time frame. The majority opinion of member respondents shows that political parties do not directly interfere in the election of cooperative leaders while struggle and fight for leadership posts create problems in the management and functioning of cooperative societies in Mizoram. It is also revealed that a good numbers of cooperatives in Mizoram are formed only for receiving loans and grants from government and other financing agencies. Participation of more numbers of educated, vibrant youth is a must for the success of cooperative societies in Mizoram. It also recommended that cooperative societies in Mizoram would be more successful if they are provided with adequate capital to invest in various trades and activities.

We see the role of government in the context of cooperative societies in the fifth chapter. This chapter provides a brief highlight on the role of government and its agencies at the centre as well as at the state levels in relation to cooperative societies in India. While in countries like England, members of cooperatives themselves took initiatives in organising cooperative societies with more or less autonomy in their business and other activities, in countries like India and in most of the third world nations, cooperative movement started under the initiative and guidance of the government through specific legislation and statutory recognition. This chapter tells us that the Government of India, at the time of Independence, gave utmost importance to cooperative movement for the uplift of the rural poor. Cooperatives were integrated with the community development institutions like, a village panchayat, a village cooperative and a village school which were known as the three pillars of community development. The thrust of this movement is to build a democratically vibrant, economically viable and self-reliant cooperative movement in the country. To fulfil this trust, the Department of Agriculture and

Cooperation, Government of India has been formulating and implementing national policies and programmes aimed at achieving rapid agricultural growth and development through optimum utilization of country's land, water, soil and plant resources.

The Government of India has been implementing a central sector scheme for cooperative education and training through the NCUI and the NCCT since the Third Five Year Plan. The NCDC was set-up in the year 1963 under an Act of Parliament with a countrywide mandate for planning and promoting programmes for processing, marketing, storage, export and import of agricultural produce and certain notified commodities through cooperatives. It is engaged in the development of rural areas and agriculture sector through cooperatives. In order to strengthen and develop cooperatives, liberal assistance to the extent of ninety to ninety-five per cent of the project cost, which may include subsidy component of twenty to twenty-five per cent under certain schemes, is provided by the Government of India through corporation to cooperatives in the cooperatively under-developed and least-developed states.

Since cooperative societies fall under the state subject, the legislative and executive responsibilities for the promotion and development of cooperatives rest with the state governments to a great extent. The government of Mizoram has also been working in collaboration with the Government of India and NABARD since the year 2009 towards total recapitalisation assistance to cleanse the balance sheets of primary agriculture cooperative societies under the scheme of special Revival Package. The Plan strategy of the Department of Cooperation, Government of Mizoram is to strengthen and enhance the progress of cooperative movement within the state which broadly aims at socio-economic development of the people of Mizoram. Socio-economic uplift through cooperative movement envisages organisation and registration of new cooperative societies to cover wider field of activities, cancellation and winding up of defunct societies, strengthening of cooperative credit structures, obtaining credit facilities, providing financial assistances to cooperative, providing cooperative education and training and

strengthening the organisational setup and infrastructure of the department. The Department of Cooperation is making necessary arrangement and moves the state government for providing funds to foster the existing cooperative societies for attaining economic and financial viability. In this aspect, fund has been allocated in the Annual Plan.

The sixth chapter deals with the problems and challenges of cooperative societies in Mizoram in particular, and the general problems of cooperatives which are common elsewhere in the country or in the world. We see the problems faced by cooperatives under different heads such as, problems relating to organisation discussing some loopholes and challenges on the existing structure and institution, personnel and office bearers; problems of functions and processes in cooperatives; lack of awareness among the general people; inadequate cooperative education and training among the members of cooperatives; inefficiency in the management of financial and other resources; laws, rules and regulations; administrative problems; materials and technological problems; social, cultural and political problems; etc. Besides, the managerial problems are also discussed from the view point of the theory of POSDCORB, the acronym representing the managerial functions in the organisation such as planning, organising, staffing, directing, co-ordinating, reporting and budgeting in the administration of an enterprise as postulated by Luther Gullick.

Part - II

As mentioned in the first chapter, five research questions have been formulated which are attempted and solved with the relevant information acquired from the present research study. In fact, the second chapter to the sixth chapter are designed in such a way to address and incorporate these research questions.

In addressing the first research question on the organisational structures of cooperative societies in Mizoram, we see that the organisational structures of cooperative societies in Mizoram may be said to have been developed on a two tier framework based on the area of jurisdiction and diversification of membership.

Though there was a time in the past that cooperatives which bore the name of district level societies existed and active, there is no any such kind of cooperative societies or proper record on their performances to be accessed at the time of our research study. There are primary level and the state level cooperative societies who come together and stand together to meet their common requirements at a larger scale and also to have more meaningful influence in the state's economy.

The primary level cooperatives are at the base of the cooperative structure. Being the smallest both in terms of membership and area of jurisdiction, they are also known as village level cooperatives and they are mostly organised and confined within a village or a locality. Next to the primary level come the state level cooperative societies. In Mizoram, primary cooperatives are directly members of the state level cooperative societies without any intermediary bodies in the structure. In other states of India, the state level cooperatives are formed by district level cooperatives and still some states have cooperatives at the block level that again form the district level cooperatives. Such kind of organisational structure or hierarchy goes on upward, which starts from the village level, block and district levels where they exist, and to the state level. Different kinds of the state level cooperatives unite together at the national level or the union level cooperative societies. Again, national cooperatives from different countries join together in the world level or international level structure known as the International Cooperative Alliance with its headquarters at Geneva, Switzerland.

The second question requires an explanation of the management of cooperative societies in the state of Mizoram. In response to this, there has been no much difference in the management of cooperatives in Mizoram from that of other states in India. This is largely because of the fact that different kinds of cooperatives in India link together in the national level cooperatives and shares information and management practices. Again, in the second chapter, we see the four functional management authorities through which cooperatives in Mizoram are run and managed such as, General Body, Board of Directors, Executive Committee, Chairman and the Managing Director.

The General Body is the supreme body in the management of a cooperative society. It is composed of all members of the cooperative and the ultimate power and control over the society rests in it. The Board of Directors is also elected by the General Body through which the society is managed. As provided by Section 45 (3) of the Mizoram Cooperative Societies Act, 2006, the ultimate authority of cooperative shall, subject to the provisions of the Act, rules and bye-law, rests in the general body consisting of its own members and any reference under this Act to general body shall equally apply to representative general body wherever exists.

The Board of Directors is the authority next to the General Body in line in the functional management authorities of cooperatives. It is also sometimes known as the Managing Committee and represents the general body in function. Though General Body is the supreme body in the cooperative democracy, it is the Board which plans activities, takes important policy decisions and ensures the implementation of the policies framed. Section 48 (1) of the Mizoram Cooperative Societies Act, 2006 states that there shall be a board of directors or managing committee for every cooperative which is sometimes, referred as Board of Management Committee, constituted by the General Body consisting of such number of persons specified in the bye-laws which number, in any case, shall not exceed fifteen (15). Section 46 (2) of the Mizoram Cooperative Societies Act (Act No. 9 of 2006), 2006 also lays down different management functions to be performed by the General Body as listed under the second chapter of this thesis.

Next to the Board of Directors comes the Executive Committee. It is provided by the bye-laws of cooperatives based on the requirement or the work load of the concerned cooperatives and in some cooperatives its functions are performed by the Board of Directors or Managing Committee. Section 45 (2) of Mizoram Cooperative Societies Act, 2006 provides that where the area of operation of the cooperative is far and wide that it shall be neither possible nor feasible for all members to meet in one place without much inconvenience, the bye-laws may provide for the constitution of smaller representative general body consisting of delegates of members of cooperative elected or selected in

accordance with the provisions of Act, rules and bye-laws and in such cases, the smaller representative general body as prescribed or specified in the bye-laws of the cooperative.

In pursuance of the provision of Section 45 (2) of the above mentioned Act, for instance, the MSCU constitutes an executive committee. Section 34 of the bye-law of Mizoram State Cooperative Union prescribes that an Executive Committee consisting of not more than seven members including President and the Chief Executive Officer of the Union as may be formed by the Board of Directors of the Union that would consists of the officials such as, (i) President of the Board of Directors; (ii) Chief Executive Officer and Executive Officer of the Union; (iii) One Director of the Board of Directors; (iv) Elected Vice President; and (v) One Financing Bank as Board of Directors Selects. Bye-law of the Union further gives under section 35 (a) that the Sub-Committee may be formed with consisting members, prescribed by the Board of Directors with the concerned Executive Officer be acting as a member secretary.

The Chairman or Chairperson or President, whatever name is given in the bye-law is next to the Executive Committee in the cooperative management. He or she has the power to preside the meetings of cooperative and plays a very crucial role in the management of cooperative. Section 54 (2) of Mizoram Cooperative Societies Act, 2006 provides that the Chairperson and other office bearers as may be prescribed in the bye-laws shall be elected by the Board members from amongst the elected members within seven days from the date of declaration of election results in accordance with the bye-laws. The chairperson shall - preside over meetings of the board and the General Body; have a second vote in the event of equality of votes on any matter being decided upon by the board except in the matters relating to the conduct of election; and exercise such other powers as delegated by the board specified in the policies framed or resolutions adopted by the board.

Next to the Chairman in line of the four management authorities of cooperative is the Managing Director who also acts as a Secretary of the cooperative. In most cases of the district and state level cooperative societies in Mizoram, the Managing Directors are appointed or deputed by the state government from amongst the senior officers of the Department of Cooperation. They perform secretarial functions in the cooperatives. Section 61 of the Mizoram Cooperative Societies Act, 2006 provides for the post of the Chief Executive, by whatever designation may be called, for every cooperative to be appointed by the state government or the management committee as a full time employee of the cooperative. He shall be a member of the Board, Executive and other committee or sub-committees as may be constituted by the cooperative from time to time. The Chief Executive shall perform the functions prescribed by the said Act and such other functions specified in the bye-laws.

The third research question deals with the role played by the government in promoting the cooperative societies, and the issues regarding this have been discussed in this thesis that contains a brief discussion on the role of government and its agencies at the centre as well as at the state levels in relation to cooperative societies in India. We see that governments in most of the developing countries of Africa, Asia and Latin America have recognised that cooperative institutions are useful means for socio-economic progress. In many cases, the constitution of the country concerned mentions the recognition of cooperation that may range from merely recognising and protecting them according to the law of the country or give them educational, technical, and financial assistances. Establishment of an independent Ministry or Department of Cooperation is one of the strongest expressions of support by government to the cooperatives.

The Department of Agriculture and Cooperation, Government of India formulates and implements national policies and programmes aimed at achieving rapid agricultural growth and development through optimum utilization of country's land, water, soil and plant resources. In the way of fulfilling this objective, cooperatives proved to be the parts and parcels in many areas for

undertaking economic activities at the centre as well as at the state levels. The central agencies like the National Cooperative Development Corporation (NCDC), National Agricultural Cooperative Marketing Federation of India (NAFED), National Bank for Agriculture and Rural Development (NABARD), etc., have been operating at the national level for the promotion and development of cooperatives.

Some schemes for the promotion of cooperative movement are in operation under the Government of India such as, Cooperative Education and Training being implemented through the NCUI and the NCCT; Assistance through NCDC under which liberal assistance to the extent of 90-95 per cent of the project cost, which may include subsidy component of 20-25 per cent under certain schemes, is provided by the Government of India to cooperatives in the cooperatively under-developed and least-developed states; assistance to Cooperative Spinning Mills for improving the economic condition of the cotton growers as well as handloom and power-loom weavers and to consolidate the gains achieved so far in the country; Cooperative Cold Storage Scheme, providing financial assistance through state governments and also directly to cooperative societies for establishment of cold storages aimed at facilitating expanded shelf life of potatoes and other fruits and vegetables; Integrated Cooperative Development Projects, the Department's systematic efforts for developing primary cooperatives as multi-purpose entities to provide a package of services to rural communities. This kind of project started in Thingdawl Rural Development Block of Mizoram was also visited at the time of this study; Strengthening of National Level Federations being implemented by Government of India by providing both policy direction and financial support to the national level cooperative federations to assist them to undertake in an extensive manner, promotion and research activities, improvement in infrastructure facilities, and also to assist in building up their equity base; Assistance for Cooperatives in Under-developed States under which different states of India that suffer regional disparities and imbalances resulting from the inherent factors like topography, agro-climatic conditions, poor infrastructure and transportation, etc. are given special supports. During the formulation of the Fifth

Five-Year Plan, the concept of cooperatively under-developed states got evolved to ensure the balanced regional development; Revitalisation of Cooperatives under which concrete steps had been initiated and undertaken to revitalise the cooperatives to make them vibrant democratic organisations with economic viability and active participation of members. The steps taken for revitalisation include enunciation of a National Policy on Cooperative, revamping of cooperative credit structure and reforms in cooperative legislation for providing an appropriate legislative frame-work for sound and healthy growth of cooperatives; etc.

Besides the above stated schemes, the Department of Agriculture and Cooperation, Government of India has different subjects allocated to it which are directly related to cooperation such as, cooperation in agricultural sector, agricultural credit and indebtedness; general policy in the field of cooperation and coordination of cooperation activities in all sectors in which the ministries concerned are responsible for cooperatives in their respective fields; matters relating to national cooperative organisations; National Cooperative Development Corporation; incorporation, regulation and winding up of cooperative societies with objects not confined to one state; and training of personnel of cooperative departments and cooperative institutions including education of members, office bearers and non-officials.

With the enactment of the Government of India Act of 1919, the subject of cooperation was decentralised. Since then, the legislative and executive responsibilities for the promotion and development of cooperatives rest with the Provinces and state governments after Independence, to a great extent. It is the government or the ministry concerned who is responsible to formulate policies and schemes for cooperative development, while the work of implementation is done by the department of cooperation in the states. Once the cooperation became the subject matter of the concerned province, the cooperation departments came to be formed in each state by provincial governments and this trend was carried on by different states after independence.

So far as cooperative legislation in the state of Mizoram is concerned, Assam Cooperative Societies Act, 1940 was directly in force till it attained the status of a UT in 1972. This Act was adopted in Mizoram with certain modifications and was used till Mizoram legislature enacted its own Cooperative Societies Act in 1991 and the Mizoram Cooperative Societies Rules, 1996 was formulated under this Act. To contain increasing complexities of needs and the growth of cooperative movement in different directions, Government of Mizoram enacted its own Cooperative Societies Act in the year 2006 which has been amended three times till date i.e. in 2009, 2010 and 2012. The Constitution of India also provides certain safeguards for cooperatives under the Directive Principle of State Policies such as Article 39-C mentions that the state shall, in particular, direct its policy towards securing - that the operation of economic system does not result in the concentration of wealth and means of production to the common detriment; Article 43 states that the state shall endeavour to secure by suitable legislation or economic organization or in any other way to all workers, agricultural, industrial or otherwise, work, a living wage, conditions of work, ensuring decent standards of life and full enjoyment of leisure and social and cultural opportunities and, in particular, the state shall endeavour to promote cottage industries on an individual or cooperative basis in rural areas; Article-246 provides for the subject matter of laws made by Parliament and by the state legislature; Article-32 in List-II (State List) of the 7th Schedule to the Constitution defines the powers of the state legislature to make laws relating to incorporation, regulation and winding up of cooperative society; etc. Besides the budgetary support, government is making a comprehensive package of support to cooperatives in various forms such as support in the shape of equity capital, management subsidy and infrastructure development, technical and managerial supports by sending government officials on deputation to manage cooperatives and to formulate rules and regulations for personnel of cooperatives, etc.

We have seen during our research study that the government of Mizoram has taken some steps in collaboration with the Government of India and NABARD since the year 2009 towards total recapitalisation assistance to cleanse the balance

sheets of primary agriculture cooperative societies under the scheme of special Revival Package covering as much as 133 cooperative societies from different places of Mizoram. The total recapitalisation assistance would be shared by the Government of India and Government of Mizoram in the ratio of 90:10, while NABARD will be the nodal monitoring agency as appointed by the Government of India. This scheme has three strategies such as, Financial Assistance, Legal and Institutional Reforms and Management and Human Resource issues for the successful implementation of revival package. The Department of Cooperation, Government of Mizoram envisages organisation and registration of new cooperative societies to cover wider field of activities, cancellation and winding up of defunct societies, strengthening of cooperative credit structures, obtaining credit facilities, providing financial assistances to cooperatives, providing cooperative education and training and strengthening the organisational setup and infrastructure of the department itself.

The fourth research question aims at studying the main problems and challenges faced by cooperative societies in Mizoram. Some of the main problems faced by cooperative societies in Mizoram are discussed under different heads such as, problems relating to organisation and institutions; personnel and office bearers; functions and processes; finance and other resources; laws, rules and regulations; administrative; material and technological; social, cultural and political problems.

Though the Department of Cooperation is one of the oldest departments in the state which had started its functions from 1951 as a Sub-Divisional Office under the Government of Assam, it still remains as one of the smallest and neglected developmental departments in Mizoram. Appointment of Registrar, head of the department also seems to be done without serious consideration of personal suitability and for the progress of the cooperatives. As was seen at the time of our study, the post of Registrar was filled with junior and newly conferred IAS officers and for the last 36 years, i.e. from 1972 to 2009, as much as thirty-two officers have been appointed as Registrar of Cooperative Societies. They serve the office

just for a short while and are replaced with new ones with average incumbency of each Registrar slightly more than a year. Nothing great could be done and achieved during such a short period or one could not develop an in-depth knowledge and interest on cooperative movement of the state as visualised by the Cooperative Societies Act of the state itself.

Lack of administrative and financial expertise is one of the most common problems an organisation always faced. This is also encountered by the department of cooperation as understood in its practices and from the views and experiences shared by retired cooperative officers. There is no provision in its recruitment and service rules to infuse administrative and financial experts like MCS and MF&AS officers in the Department except an IAS officer occupies the top post.

Chances for direct recruitment of educated youth in the Department of Cooperation is so poor that only recently five (5) Junior Cooperative Inspectors are recruited through competitive examination conducted by the Mizoram Public Service Commission. As told by the department officers, this recruitment through competitive examination is done for the first time and they do not know when this kind of recruitment will be conducted again. Senior officers of the department also aspire for chances of promotion to the top post in the department which is saturated at the level of Additional Registrar, as they do not belong to the IAS cadre. This feeling may result in loss of interest and motivation in service.

Most of the cooperatives, especially in villages, are very small in size as they are concentrated in one village or locality only. As a result, they cannot boost up their resources and this makes their paid up share more or less stagnant thwarting their progress and extension of operation.

Absence of district level cooperative federations in all trades of cooperatives in the state, except two district level diary cooperative societies, makes the gap between the two structures i.e. village level and that of the state level is too wide that to have good communication, cooperation and interaction is difficult.

The formation and membership registration of some of the cooperatives are also not up to the mark that one member one family is not followed. In fact, some of them are what the members themselves called 'family societies'.

There are some loopholes in the process of audit of cooperatives by the Department of Cooperation in Mizoram. Senior Inspectors of Cooperative Societies are always authorised to audit the cooperatives. Here, it seems not proper that an Inspector is made to audit the account and financial performances of his superior officers who are deputed as Managing Directors in the state level cooperatives who has always been the writer of his Annual Confidential Report. It is so sad to hear complaints of leaders of some cooperative societies, especially at the village or primary levels during our study that some auditors used to borrow money from the cooperatives and neglected to repay it. It is also reported that some of the auditors used to ask for their personal conveyance and other expenditure from the cooperatives.

Many of the cooperatives in Mizoram always failed to entertain and attend the multiple problems of their members and the public at large as they are single purpose cooperatives. The assistance rendered by them is more or less from a single direction and one angle only.

Lack of faithfulness and self-sacrifice for the good of cooperatives among the members are some of the most serious problems faced by the cooperative societies in Mizoram. The practice of self-aggrandisement and other kinds of unfair means among the leaders as well as members seem to have ruined a good number of cooperatives in Mizoram.

In our study, we have found that most of the cooperatives working in Mizoram do not have proper action plans and set goals to be achieved within a stipulated time frame. This largely leads to the slow progress and failure of the cooperatives in Mizoram.

System of leadership election in state level cooperatives debar many of the good and experienced cooperators as one has to be an acting President of the concerned affiliated or member cooperative to file nomination and contest for leadership election to the federal cooperative society. The contestants are always busy with making pre-poll leadership line up for election that shatters the feeling of oneness among the cooperators. Besides, pre-leadership election pledges made by the candidates are always the source of preferential treatment and corrupt practices in the cooperatives.

Chances for the recruitment and inclusion of educated and vibrant youth in the cooperatives as leaders or members are poor and majority members of the many cooperatives are senior citizens of above sixty years of age. Bye-laws of different cooperatives prescribe membership to individuals from the time of joining the cooperatives till death and do not provide age of retirement.

In Mizoram, the general public and members of cooperatives in particular, are not well informed about the objectives of the cooperative movement and the contributions it makes in helping and rebuilding the society. Besides, most of the members of cooperatives under study are ignorant of the rules and regulations that govern their existence. Many people look upon the cooperative institutions as means for obtaining loans, grants, concessions and other facilities from the government and other institutions. Answers to our questionnaires and interviews confirm that this is a common conception even among members of cooperative societies. The sole agency of cooperative education and training in the state, the Mizoram State Cooperative Union is not equipped with adequate manpower and financial resources. There are only five (5) Cooperative Educators to give cooperative education and training to more than one thousand and four hundred (1,400) cooperative societies scattered throughout the state at the time of this study.

Most of the village level cooperative societies in Mizoram are poor both in terms of financial and human resources. They always failed to avail loans and other cooperative promotional schemes from the NCDC as they could not meet the

required matching share of 25 per cent of the total amount to be sanctioned. The cooperators resent that Government of Mizoram or the Department of Cooperation counted almost all the financial contribution and grants it provided to the cooperatives as its share contribution making their share holding highly unbalanced. With the average percentage of government's shareholding in the cooperatives being 83.30 per cent as on January, 2012, the member always lost the feeling of belongingness and ownership since government controls almost all their financial domain. They cannot, but depend on the mercy of the government.

Many of the cooperators suggest that the Mizoram Cooperative Societies Act, 2006 and the Rules published under it in English to be translated into Mizo for majority of them do not understand English. This has become a problem and can be a hurdle in the way of cooperative management. Section 46 (5) of the Mizoram Cooperative Societies Act, 2006 (as amended up to 2012), which requires all the proceedings and decisions of the Annual General Assemblies, Special Assemblies and Managing Committees of primary, secondary and federal cooperatives to be approved by their concerned cooperative officers is persistently criticised and opposed by the cooperators as it infringes and undermines the principles of cooperative autonomy and democratic member control.

It has been found during the study that members of the cooperatives have grievances that the government, in trying to promote its Corporations like Mizoram Handloom and Handicraft Development Corporation Ltd., Mizoram food & Allied Industries Corporation Ltd., etc., which are running on loss of financial resources, neglects the cooperatives which represent the real movement of the people. The cooperators resent that much of the financial resources and policy undertakings have been diverted towards the government Corporations to the detriment of the cooperatives who are doing the same business for the people. The cooperators also resent that government of Mizoram always reluctant to use cooperative societies as implementing agencies for social and economic development schemes.

The treatment and recognition of cooperatives by the government of Mizoram is not satisfactory according to some enthusiastic leaders and members of cooperatives. Members of State Legislative Assembly were sometimes appointed as Chairmen of state level cooperative societies in the past. Though this has been given up today, it sowed the seeds of mistrust and political favouritism within the cooperative movement. Political parties in Mizoram do not give appropriate attention towards the growth of cooperative movement. Strong political will is required to make appropriate policy decisions as Mizoram is still in need of good cooperative policy.

Though the Mizos have a closely knitted social and community life, there is something different in their economic activities and aspiration for self-sufficiency. It has always been the practice among the Mizos that each and every family tried to become self-sufficient, cultivating and acquiring all their daily requirements. Because of this independent life, a sense of common ownership, economic cooperation and other kinds of partnership in the economic field such as cooperative efforts seems to be a new practice when it was introduced among them. This tendency seems to have influenced cooperative societies and retards the smooth progress of cooperative movement among the Mizos.

In the field of technological development and modernisation, cooperatives in Mizoram are mostly lagged behind and still have a long way to go. State level cooperatives in the city are far better in this regard in comparison to primary level cooperatives especially in the rural areas. The MSCU, which is the sole agency for cooperative education and training in the state, is also in need of computer and digital facilitated class room to give training in its most effective way to the cooperators.

The fifth and last research question asks for the remedial measures to ensure effective working of cooperative societies in Mizoram. Our research questionnaires reveal that the majority of the cooperators are not satisfied with the way how they are being looked after by the Government of Mizoram. They feel being neglected in many ways. So, it is suggested that the Government should feel

every nerve of the cooperators; hear their voices of resentment and take steps to contain their grievances by means of allocating of more funds for the Department of Cooperation; facilitating institutional and infrastructural developments, etc.

Majority of the cooperative members under study approve that cooperative movement in Mizoram is not successful. At the same time, the largest numbers of them blame the absence of good cooperative policy for its failure followed by lack of enthusiastic members and leaders. It is a must that the state government should formulate a good cooperative policy with a concrete and long vision in mind for the development of cooperative movement in the state. Members of the cooperatives are also responsible to a great extent for the success of their own cooperatives. They should comprehend that they are a part and parcel of the movement and can take positive parts in the process of formulation of policy, plan formulation, its implementation and evaluation, etc.

Careful step has to be taken while doing deputation of officers in the cooperatives. While seeking the majority opinion of the cooperators on the deputation of officers in cooperative societies from the Department of Cooperation in Mizoram, the majority of them are against the deputation of officers to hold key posts in their societies. This is mainly because of the extravagant expenditure incurred on the office of the deputed officers and thinks as waste of money in some ways. Some cooperatives see deputation as an interference of the government in their day to day administration and feel that their autonomy, democratic members' control, etc. are at risk. In this regard, it is suggested that officers should be deputed only where they are really in need and with utmost care, after consultation with leaders of the concerned cooperatives. The cooperators themselves should also be trained to be able to run and manage their own businesses without the help of the concerned department personnel except where highly specialised skills are required. The government should be available as a guide, trainer, and facilitator when needed.

Regarding educational qualification to be leaders in the cooperatives, it is desirable that graduation should be made as minimum qualification at the state level cooperative societies and middle standard at the village level cooperatives. This is suggested based on our findings while visiting and studying the performance of cooperatives in Mizoram. Cooperatives in Mizoram are facing various problems because of the incapability of their leaders to interpret Cooperative Laws and Rules; give awareness to them; and to communicate with their counterparts in other states including national level cooperative institutions.

On the issue of cooperative education and training imparted to members of cooperatives in Mizoram, we have found out that the performance of the State Cooperative Union is inadequate and unsatisfactory to the cooperative members. So, it is suggested that the sole agency of cooperative education and training, MSCU must be strengthened and equipped with skilled manpower, transportation facilities and be provided with financial requirement to be able to cover cooperatives throughout the state. Out of the one thousand members of the twenty cooperative societies under study, only sixty members had undergone cooperative education and training that is, only six per cent (6 %) of the total membership.

The system and the course contents of training should also be revised as regular as possible to cope with the ever increasing demands and peculiar problems brought about by the modern fast changing society. Some of the members of cooperatives are not satisfied with the course content of training conducted by MSCU.

Looking and examining the variety and the large coverage of cooperatives in Mizoram, it is desirable and suggested that government should consult cooperatives while formulating developmental plans and take step to make use of them as implementing agencies for developmental projects and other schemes of socio-economic development whenever possible. Since cooperative movement is the movement of the people, it can ensure direct participation of the people and the beneficiaries in the execution of the programmes meant for them.

Our study reveals that the practice of shareholding by the government of Mizoram in various cooperatives needs to be reviewed and restructured. As of January 17, 2012, the average percentage of government's share capital in all the nine state level business cooperatives is 83.30 per cent. This seems to be too high and makes the members feel alien in their own cooperatives as almost all their activities have to be first approved by the government. Our questionnaires find out that majority of the cooperators feel that government should not hold more than twenty-five per cent of the total paid up share and some are completely against the government having share in their cooperatives. Moreover, they accused of the government having counted almost all the financial contribution and grants it provided to them as its shareholdings in their cooperatives. In this connection, it is suggested that cooperatives should be given more financial and administrative autonomy. Government's aids and assistances to the cooperatives are necessary; it must be continued but as an economic policy in line with other developmental schemes. Thus, the overwhelming amount of share hold by government should be reduced to a certain minimum level such as, at twenty-five per cent or below fifty per cent and the remaining surplus may be taken as soft loan or endowment fund.

Section 46 (5) of the Mizoram Cooperative Societies Act, 2006 (as amended up to 2012) requires all the proceedings and decisions of the Annual General Assemblies, Special Assemblies and Managing Committees of primary, secondary and federal cooperatives to be approved by their concerned cooperative officers without which such meetings shall not be valid and decisions thereof have no legal force or validity. This provision is glaringly against the principles of cooperative movement. It infringes and undermines the principles of cooperative autonomy and democratic member control. It is, therefore, suggested that this Section should be amended so as to ensure that the concerned officers are bound to approve such decisions and take appropriate action within a stipulated time frame or the whole Section should be deleted.

Struggle for leadership in cooperatives and the system of election at the state level cooperatives need to be reviewed and reformed. Our questionnaires reveal that struggle for leadership and some practices during election campaign used to create problems in the management and functioning of cooperatives in Mizoram. Huge financial involvement and pre-poll pledges made by leadership aspirants have to be checked and done away with.

We also find out that a good number of cooperatives in Mizoram are formed only for receiving loans and grants from the government and other financial institutions resulting waste of financial resources. A number of cooperatives are formed and existed merely in name and without any activities. They are not known even by people in the localities where they are claimed to be functioning. It is suggested in this connection, that the societies deemed to be registered as cooperatives under the concerned department have to be carefully investigated first to avoid registration of fake cooperatives.

Cooperatives in Mizoram are generally poor and need to raise funds through purchase of more shares or contribution and other agencies to boost up their businesses and other activities. The majority members of cooperatives who respond our questionnaires believe that cooperative societies in Mizoram will be successful if they are provided with adequate capital to invest in various activities.

Emphasis need to be given on in-house training and awareness programmes within cooperatives. Leaders and senior members of cooperative societies who had attended cooperative trainings conducted by the MSCU should give awareness and cooperative education to other members of their own cooperatives as much as possible. During this research study, the importance and effectiveness of in-house training and awareness programme was clearly witnessed.

Main occupations of the members of cooperatives in Mizoram have to be linked with the activities undertaken by the cooperative societies to which they are members. Unlike many cooperatives in other states of India, the livelihood of majority members of cooperatives in Mizoram is not depended on the activities

performed by the cooperatives they belong to. This is the main reason why cooperative movement here always lacked enthusiastic members and sacrificed leaders.

Cooperative societies in Mizoram need the participation and services of educated, vibrant youth to be more successful. Majority of the cooperative members who responded our questionnaires believed that they would be more successful with the inclusion and participation of more and more educated youth in the cooperatives. Many of the members of cooperatives in Mizoram are retired persons and around sixty years of age. It is difficult to introduce modern advanced technology and adaptability to new development and changes is weak. Bye-laws of different cooperatives prescribe membership to individuals from the time of joining the cooperatives till death and do not provide age of retirement. This means that older cooperatives would be hosting more senior citizens that always deny chances for the recruitment and inclusion of educated, vibrant youth in the cooperatives as leaders or members. This is a problem not only in Mizoram, but elsewhere in India. The theme for the International Day of Cooperatives 2011, “Youth, the future of cooperative enterprise” also highlights how the cooperative model of enterprise can successfully empower the youth.

More participation of youth in cooperatives can be encouraged to utilise their energetic and youthful resources as they are in the most productive category. The participation of youth in different types of cooperatives would help in bringing latest technology for cooperatives to perform better.

Innovative cooperative campaigns must be launched so that youth can be connected to the cooperative concept and its movement. Cooperatives should devise new programmes which attract youth in an effective manner by involving youth in cooperative organisations.

The following action plans may be adopted to attract the youth:

- Modern information technology and social media network such as facebook, twitter, etc. should be introduced and utilised in the cooperative field to disseminate the gospel of cooperative and spirit and principle of cooperative among the youth;
- Organise essay and debating competition on cooperation for students of schools and colleges to propagate the gospel of cooperative;
- Visit programmes to successful cooperative organisations;
- Interactive sessions with cooperative leaders by youth;
- Curriculum in schools and colleges should include cooperatives as compulsory or optional subject;
- Organising cooperative societies for the unemployed youth for generating self-employment opportunities;
- Organisation of consumer cooperative societies at the level of schools, colleges and universities.

Our study reveals that gender composition in the sample cooperatives is in the ratio of 71:29. There are also women cooperatives in some trades such as weavings, tailoring, sales of garments, piggery, etc. In the majority cooperatives, men dominate and marginalise women. It is desirable and suggested that sex ration should be as high as possible to ensure equal participation of the groups; male and female.

To encourage participation of women in cooperatives, the following action plans may be taken:

- Organisation of education and training programmes for women representatives and members;
- Commitment to gender justice to handle women issues and ensure induction of more women in cooperatives;
- Reservation of seats for women in the Board of Cooperatives at the state level and village level cooperatives;

- Organisation of Self-Help Groups for women to provide micro-credit facilities;
- Organise seminars, meetings and conferences for women for promoting their involvement in cooperative movement;
- Conduct leadership development programmes for women leaders;
- Organise awareness classes in child nutrition, health care and family planning;
- Awareness programmes on welfare schemes for women and their implementation;
- Arrange classes for adult education for illiterate women cooperative members, if any;
- Conduction of awareness programmes on legal protection, human rights, labour laws, etc. pertaining to women;
- Organise marketing training programmes, etc.

As always faced by social science research work, there are some limitations in this research study. While performing the work of data collection, we sometimes, failed to earn good cooperation from the part of the department concerned mainly because of the inadequacy and inefficiency of staff and less importance given to research activities by the department.

Moreover, the Department of Cooperation does not have any branch or special wing to undertake research study, analysis and evaluation works except a statistical section which performs statistical records and compilation works. It is not well equipped with good system of record keeping and data accumulation so far as we have experienced and understood.

Accounts available and given in this study, especially on the birth and development of the Department of Cooperation under the then Mizo District of Assam may not be adequate and satisfactory but it may be assured that what have been mentioned here would serve as an initiative and provide secondary source of data for further studies. Besides this, cooperation, as a field of study or textual publication, is still occupying a back seat in Mizoram. Only few monographs,

published and unpublished works are found on the subject of cooperation and the department itself, the majority of which belongs to the departmental booklets and reports. However, efforts were given to acquire as informative and satisfactory data as possible on cooperative societies and the department of cooperation, government of Mizoram. The Right to information Act has also proved to be quite helpful for acquiring information of different kinds though it takes a bit more time.

In regard to the response to our scheduled question on cooperative education and training, it has been revealed that out of one thousand members of the selected twenty sample cooperative societies, only sixty members have participated in cooperative education and training, that is, only six per cent (6%) of the total membership. Here, we may further clarify that some of the members have undergone cooperative education and training two or three times but only number of persons who actually participated are taken in record to know the number of members who received cooperative education and training.

There are still some limitations in our research questionnaires even though it has been disseminated after testing to some people. We find out that the understanding capabilities are quite different from one member to another based on educational qualification, place of residence, rural urban disparity, etc. As a result of this, few responses were found invalid.

As stated in the previous chapter, the first cooperative society in Mizoram, Aijal Central Trading Cooperative Society Ltd. was registered on November 29, 1949. This indicates that cooperative movement in Mizoram would be as old as sixty years of age on November 29, 2013. At the same time, if we count the initiatives and efforts taken by Mrs. Jean Christom McCall to develop the lives of Mizo women through cooperatives of the Lushai Weavers in the year 1942, cooperative movement in Mizoram would be at least seventy years of age in 2013.

The following points may be suggested for future activities and research to popularise cooperative movement among the general public as well as to make it more successful in the state of Mizoram:

- Special project or case study should be carried out to assess cooperative movement and the contribution made by it in the state's economy. It is understood that till the time when the present research study is conducted, there is no case study especially to establish the actual position and contribution made by cooperative sector in the economy of the state of Mizoram.
- There is an ample scope for further research study covering the different cooperative sub-sectors such as, cooperative retails, credit cooperatives, cooperative farming, fishery cooperatives, cooperative small scale industries, handicraft cooperatives, sericulture cooperatives, etc. in the state of Mizoram. After careful analysis of these different areas, specific points of suggestions could be easily made for further progress and development.
- The importance and actual contribution made by women and youth in the development of cooperative movement in the state of Mizoram is also vague till today. Special study project in this area is also required to be carried out without further delay.
- The performance and day-to-day functioning of the more successful cooperatives in the state should also be studied and suggested for other cooperatives to be followed. In this regard, it is desirable that the state Government should take step to develop successful cooperatives as Model Cooperatives and arrange programmes for field trip and study tours for dormant or inactive cooperative societies to follow suit as being done by the so to be called model cooperatives.
- From the part of the state government and the cooperators, it is suggested that both should try to follow and achieve the cooperative principles and spirit as articulated and adopted by the ICA for different countries.
- While too much interference of the government is harmful to the health of cooperatives, neglect of the same can also ruin the cooperative movement. Financial and other support of the government to the cooperatives should

not be used as a means for controlling them. All this should be done without threatening or compromising the principles of cooperative democratic member control and autonomy. At the same time, the cooperators should understand that government and the concerned department are the guides, facilitators and redeemers when in need.

- Instead of single purpose cooperative societies, multi-purpose cooperative societies need to be emphasised based on the requirement and living condition of the people of Mizoram. While single-purpose cooperatives seem to be more suitable and useful as they can concentrate on specific needs of the members as well as the common people, experiences suggest that unless problems of the people are viewed and solved in an integrated way, the cooperative movement can make only limited progress.
- There is also an urgent need for helping the weaker sections and vulnerable groups of mini-minorities in Mizoram such as, the Brus, Chakmas, Hmars, etc. who are dwelling alongside the majority Mizos to form cooperatives in order to be free them from deprivation and exploitation in the hands of middle-men by concession and facilities, whatever is possible to them.

Finally, there should be regular watch, continuous monitoring and inspection about the problems and prospects of cooperative societies in the state. This would facilitate the government and all the concerned authorities to take appropriate actions and come for timely rescue when in need. On the other hand, the cooperatives must try their level best to survive in the modern fast changing society with ever increasing competition from other economic players so as to have further progress and development. It may be concluded here that the Mizo society which is having a long tradition of socio-cultural cohesion and unity, should be reoriented with the values and spirit of cooperation and cooperative societies which will go a long way in augmenting the socio-economic development of the people and the state.

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Appendix – I**QUESTIONNAIRE**

Research Project on “Cooperative Societies in Mizoram : Problems and Prospects” for the award of Doctor of Philosophy under the Department of Public Administration, Mizoram University.

The data collected with the help of this questionnaire will be used only for academic purposes. These data, including the personal information, if any, will not be disclosed in any manner which may not be required for the academic work. Your kind cooperation is solicited for the progress of Cooperative movement in Mizoram.

John C. Lallawmawma, Research Scholar. Ph. No. 09436144913

Please tick (✓) against the most appropriate answer using the box () provided.

1. The way cooperative societies are being looked after by Government of Mizoram is-

- | | |
|---------------|--------------------------|
| (1) very good | <input type="checkbox"/> |
| (2) good | <input type="checkbox"/> |
| (3) average | <input type="checkbox"/> |
| (4) bad | <input type="checkbox"/> |
| (5) very bad | <input type="checkbox"/> |
| (6) no idea | <input type="checkbox"/> |

2. Do you think that cooperative movement in Mizoram is successful?

- | | |
|---------------------------|--------------------------|
| (1) very successful | <input type="checkbox"/> |
| (2) successful | <input type="checkbox"/> |
| (3) not so successful | <input type="checkbox"/> |
| (4) not at all successful | <input type="checkbox"/> |
| (5) no idea | <input type="checkbox"/> |

3. The main reason behind the failure of cooperatives in Mizoram is –

- | | |
|------------------------------------------------|--------------------------|
| (1) lack of good leadership | <input type="checkbox"/> |
| (2) lack of enthusiastic member | <input type="checkbox"/> |
| (3) lack of good cooperative policy | <input type="checkbox"/> |
| (4) lack of cooperative education and training | <input type="checkbox"/> |
| (5) any other reason (please specify) _____ | |

4. Which one do you think is the most important factor for the success of cooperatives in Mizoram ?

- | | |
|--------------------------------------------|--------------------------|
| (1) good cooperative leaders | <input type="checkbox"/> |
| (2) enthusiastic members | <input type="checkbox"/> |
| (3) government policies | <input type="checkbox"/> |
| (4) government grants and subsidies | <input type="checkbox"/> |
| (5) no idea | <input type="checkbox"/> |
| (6) any other factor (please specify)_____ | |

5. What is your opinion on the deputation of Officers in Cooperative Societies from the Department of Cooperation in Mizoram?

- | | |
|-----------------------------|--------------------------|
| (1) very good for Societies | <input type="checkbox"/> |
| (2) good for Societies | <input type="checkbox"/> |
| (3) bad for Societies | <input type="checkbox"/> |
| (4) very bad for Societies | <input type="checkbox"/> |
| (5) no idea | <input type="checkbox"/> |

6. Educational qualification for leadership in Primary Level cooperatives should be fixed as -

- | | |
|-------------------------------------------|--------------------------|
| (1) primary school | <input type="checkbox"/> |
| (2) middle school | <input type="checkbox"/> |
| (3) high school | <input type="checkbox"/> |
| (4) higher secondary school | <input type="checkbox"/> |
| (5) no need for educational qualification | <input type="checkbox"/> |
| (6) any other (please specify)_____ | |

7. Educational qualification for leadership in a State Level cooperative society should be fixed at the standard of –

- | | |
|-------------------------------------------|--------------------------|
| (1) primary school | <input type="checkbox"/> |
| (2) middle school | <input type="checkbox"/> |
| (3) high school | <input type="checkbox"/> |
| (4) higher secondary school | <input type="checkbox"/> |
| (5) graduation | <input type="checkbox"/> |
| (6) no need for educational qualification | <input type="checkbox"/> |
| (7) any other (please specify)_____ | |

8. Do you think that cooperatives in Mizoram receive adequate cooperative education and training?

- | | |
|---------------------|--------------------------|
| (1) highly adequate | <input type="checkbox"/> |
| (2) adequate | <input type="checkbox"/> |
| (3) inadequate | <input type="checkbox"/> |
| (4) very poor | <input type="checkbox"/> |
| (5) no idea | <input type="checkbox"/> |

9. The system of Cooperative education and training imparted by State/District Cooperative Union to cooperative societies in Mizoram is –

- | | |
|---------------|--------------------------|
| (1) very good | <input type="checkbox"/> |
| (2) good | <input type="checkbox"/> |
| (3) average | <input type="checkbox"/> |
| (4) bad | <input type="checkbox"/> |
| (5) very bad | <input type="checkbox"/> |
| (6) no idea | <input type="checkbox"/> |

10. How do you rate the course contents of cooperative education and training in Mizoram?

- | | |
|---------------|--------------------------|
| (1) very good | <input type="checkbox"/> |
| (2) good | <input type="checkbox"/> |
| (3) average | <input type="checkbox"/> |
| (4) poor | <input type="checkbox"/> |
| (5) very poor | <input type="checkbox"/> |
| (6) no idea | <input type="checkbox"/> |

11. Does the Government of Mizoram consult cooperative societies while formulating developmental plans in the state?

- | | |
|-----------------------|--------------------------|
| (1) to a great extent | <input type="checkbox"/> |
| (2) to some extent | <input type="checkbox"/> |
| (3) never | <input type="checkbox"/> |
| (4) not at all | <input type="checkbox"/> |
| (5) no idea | <input type="checkbox"/> |

12. Does the Government of Mizoram use cooperative societies as implementing agencies for economic policies and other developmental plans in the state?

- | | |
|-----------------------|--------------------------|
| (1) to a great extent | <input type="checkbox"/> |
| (2) to some extent | <input type="checkbox"/> |
| (3) never | <input type="checkbox"/> |
| (4) not at all | <input type="checkbox"/> |
| (5) no idea | <input type="checkbox"/> |

13. How much share holding the government should have in cooperative societies?

- (1) 25 %
- (2) 50 %
- (3) 75 %
- (4) no share
- (5) no idea

14. What is your view on the provision of Mizoram Cooperative Societies Act, 2006, Section 46 (5) which requires all the proceedings and decisions of the Annual General Assemblies, Special Assemblies and Managing Committees of Primary, Secondary and Federal Cooperatives to be approved by their concerned Cooperative Officers without which such meetings shall not be valid and decisions thereof have no legal force or validity?

(1) it is necessary for the smooth functioning of different cooperative societies

(2) it is necessary provided that Officers are bound to approve such decisions or take appropriate action within time frame

(3) it should be deleted as it infringes and undermines the principles of cooperative autonomy and democratic member control

(4) no idea

15. Is it true that political parties interfere in the elections of cooperative leaders in Mizoram, especially at state level?

- (1) yes
- (2) no
- (3) no idea

If yes

15.1. Does it create any problem on cooperative management and success?

- (1) yes
- (2) no
- (3) no idea

16. Is it true that struggle for leadership creates problems in the management and functioning of cooperative societies in Mizoram?

- (1) to a great extent
- (2) to some extent
- (3) sometimes
- (4) never creates problems
- (5) no idea

17. Is it true that a good number of cooperative societies in Mizoram are formed only for receiving loans and grants from government and other financing agencies?

- (1) many of them
- (2) some of them
- (3) not true
- (4) no idea

18. If more educated youth participate, cooperative societies in Mizoram will be –

- (1) very successful
- (2) successful
- (3) the same as they are
- (4) weaker
- (5) no idea

19. If cooperative societies in Mizoram are provided with adequate capital to invest in various activities, they will be –

- (1) very successful
- (2) successful
- (3) the same as they are
- (4) weaker
- (5) no idea

Personal Data. Please tick (✓) against the appropriate statements using boxes () :-

(1) Male: / Female:

(2) Age Category: (i) 18-25 (ii) 26-35 (iii) 36-50
(iv) 51-60 (v) 61 or More

(3) Education : (i) primary school (ii) high school
(iii) higher secondary/PUC (iv) Graduate (v) Post-Graduate
(vi) Any other (please specify) _____

(4) Occupation: (a) Government servant (b) Business
(d) Wet Rice Cultivation (c) Jhumming
(e) Farming (f) Wage Labourer
(g) Any other (please specify): _____

(5) Name and address of your Cooperative Society: _____

(6) Your position in Cooperative Society : _____

(7) Year of joining the Cooperative Society: _____

****NB.** Please give your further suggestions, if any, for the success of cooperative societies in Mizoram in the space of this paper _____

Appendix – II

Scheduled questions used for conducting interview to assess the performance of cooperative societies in Mizoram:

1. What is the membership strength of the society?

Answer :- Male = ____; Female = ____; Total = ____.

2. Is the society able to conduct general body meetings (Annual General Assembly, etc.) every year?

Answer :- (1) Yes (2) No

If no, please state –

2.1 Reasons for the same?

Answer :-

3. Besides the Annual General Assembly does the society conduct Special General Assembly?

Answer :- (1) Yes (2) No

If yes, please state –

3.1 How many Special General Assemblies are held in a calendar year ?

(1) 1 – 3 (2) 4 – 6 (3) more than 6

4. Are Office Bearers/Executive members elected according to the Bye-laws and Rules governing Societies?

Answer :- (1) Yes (2) No

If no, please state –

3.1. Reasons for the same?

Answer :-

5. Does the society conduct Managing Committee/O.B meetings?

Answer :- (1) Yes (2) No

If yes, please state –

4.1 Number of meetings held in one calendar year

(1) 1 – 3 (2) 4 – 6 (3) more than 6

6. Have any members of the society undergone/undertaken any Cooperative Training Course?

Answer :- (1) Yes (2) No

If no, please state –

5.1 Reasons for the same?

Answer :-

If yes, please state –

5.2. The total number of members having attended such courses?

Answer :- Male = _____ Female = _____ Total = _____.

7. Does the society conduct in-house training or awareness programmes to increase its efficiency and/or effectiveness?

Answer:- (1) Yes (2) No

8. Does the society have any liabilities (loans/borrowings, etc.)?

Answer:- (1) Yes (2) No

If loan/borrowing has been availed, please state –

7.1. Where has the loan been taken from?

Answer :-

7.2. Has the loan been repaid during the loan period?

(1) Yes (2) No

If no, please state–

7.2(1) Reasons for the same?

Answer :-

If loan/borrowing has not been availed, please state –

7.3. Reasons for the same?

9. Do the members of the society have shares?

Answer:- (1) Yes (2) No

If yes, please state –

8.1. What is the total monetary value of the share?

Answer :- Rs. _____.

If no, please state –

8.2. Reasons for the same?

Answer :-

10. Exclusive of shares, state any other sources of income of the society?

Answer :-

11. Does the society have any fixed assets?

Answer:- (1) Yes (2) No

If yes, please state –

10.1. Total value of all fixed assets?

Answer :- Rs. _____.

12. Has the society received any awards in recognition of its services/performance?

Answer:- (1) Yes (2) No

If yes, please state –

11.1. Name of the award and financial benefits (if any)?

Answer :-

13. Does the Government have any share in your society?

Answer:- (1) Yes (2) No

If yes, please state –

12.1. What is the Government's share?

Answer :-

14. In general, what is your personal opinion of Government having shares in societies?

Answer:- (1) Positive (2) Negative

If positive, please state –

13.1. Reasons for the same –

Answer :-

If negative, please state –

13.2. Reasons for the same –

Answer :-

15. Does the society distribute the profits (if any) to shareholders at the end of the year?

Answer:- (1) Yes (2) No

If no, please state –

14.1. Reasons for the same?

Answer :-

Appendix - III

Questions asked to the Registrar of Cooperative Societies, Government of Mizoram:

1. What are the strategies taken by the Government of Mizoram for the progress and development of cooperative societies in the state?
2. Has the Department of Cooperation singly or in collaboration with any other institution conducted any research or case study on the problems of cooperative societies in Mizoram? If so, please state -
 - (i) The main problems faced by the cooperatives in Mizoram as found out by the study?
 - (ii) Remedial measures required to be taken for the progress and development of cooperatives in Mizoram?
3. Are there any schemes or programmes of assistances available for the cooperatives to be availed from Mizoram under the Central Government or institutions under it? If so, please state –
 - (i) The name/names and general guidelines of the scheme/schemes available;
 - (ii) Names and addresses of the cooperatives that have availed those schemes in Mizoram.
4. Does the Department of Cooperation, Government of Mizoram have any partner-institution such as research institutions, financial institutions, etc. in its efforts to develop cooperative societies in the state? If so, please state –
 - (i) Name of the institution;
 - (ii) Terms and conditions of association with photo-copy of Agreement.
5. Is there any system of grading of cooperatives based on their performances in Mizoram? If so, please state –
 - (i) Names of different grades;
 - (ii) Criteria of grading;
 - (iii) Are there any preferential treatment among different grades;
 - (iv) Number of cooperative societies under each grade.

6. Is there any award or incentive measure for cooperative societies in recognition of their performances? If so, please state –
 - (i) Name of the award or incentive with the amount of money given (if any);
 - (ii) Process of selection;
 - (iii) Number of cooperatives covered in a year.
7. What are the main reasons responsible for the cancellation and liquidation of cooperative societies?
8. State the process of liquidation of cooperative societies as executed by the Department of Cooperation, Government of Mizoram.
9. Does the Government of Mizoram have any share in the state level cooperative societies? If so, please state –
 - (i) Amount of shareholdings of Government in all the ten (10) state level cooperative societies.
10. Does the Government of Mizoram have any share in the cooperative societies other than state level cooperative societies? If so, please state –
 - (i) Number and names of the cooperative societies where the Government has shareholdings;
 - (ii) Total amount of government share;
11. Has the Mizoram State Cooperative Societies Act, 2006 been amended in the past? If so,
 - (i) How many times has it been amended?
 - (ii) Please provide photo-copy of amended Articles and Sections of the said Act.
12. How many cooperative societies are there within the administrative district of Aizawl? Please give total number of their membership.
13. How many cooperative societies are there within the administrative district of Mamit? Please give total number of their membership.

Appendix - IV**National, State and Village Level Cooperative Societies and Institutions visited****National Level:**

1. National Council for Cooperative Training, New Delhi.
2. National Cooperative Development Corporation, New Delhi.
3. National Cooperative Union of India, New Delhi.

State Level:

1. Mizoram Apex Handloom & Handicraft Cooperative Society Ltd. Aizawl, Mizoram.
2. Mizoram Apex Sericulture Cooperative Society Ltd., Aizawl, Mizoram.
3. Mizoram Fish Farming, Marketing & Processing Federation Ltd., Aizawl, Mizoram.
4. Mizoram Milk Producers' Cooperative Union Ltd., Aizawl, Mizoram.
5. Mizoram Pig Producers Federation Ltd., Aizawl, Mizoram.
6. Mizoram State Agriculture, Horticulture & Marketing Cooperative Federation Ltd., Aizawl, Mizoram.
7. Mizoram State Cooperative Apex Bank Ltd., Aizawl, Mizoram.
8. Mizoram State Cooperative Marketing & Consumers Federation Ltd., Aizawl, Mizoram.
9. Mizoram State Cooperative Union Ltd., Aizawl, Mizoram.
10. Mizoram Urban Cooperative Development Bank Ltd., Aizawl, Mizoram.
11. Mizoram Women Cooperative Federation Ltd., Aizawl, Mizoram.

Village Level:

1. Aibawk Piggery Cooperative Society Ltd., Aibawk, Aizawl district, Mizoram.
2. Aibawk Consumers' Cooperative Society Ltd., Aibawk, Aizawl district, Mizoram.
3. Darlung Sericulture Cooperative Society Ltd., Darlung, Mamit District, Mizoram.
4. Darlung Service Cooperative Society Ltd., Darlung, Mamit district, Mizoram.
5. Durtlang North Multi-commodity Producers' Cooperative Society Ltd., Aizawl district, Mizoram.
6. Durtlang Multi-commodity Producers' Cooperative Society Ltd., Aizawl district, Mizoram.
7. Luangmual Multi-purpose Cooperative Society Ltd., Luangmual, Aizawl, Mizoram.
8. Luangmual Weaving Cooperative Society Ltd., Aizawl, Mizoram.
9. Maubuang Consumers' Cooperative Society Ltd., Maubuang, Aizawl district, Mizoram.
10. Reiek Multi-farming Cooperative Society Ltd., Reiek, Mamit district, Mizoram.
11. Sihphir Service Cooperative Society Ltd., Sihphir, Aizawl district, Mizoram.
12. Sihphir Multi-commodity Producers; Cooperative Society Ltd., Sihphir, Aizawl district, Mizoram.
13. Sateek Consumers' Cooperative Society Ltd., Sateek, Aizawl district, Mizoram.
14. Sateek Piggery Cooperative Society Ltd., Sateek, Aizawl district, Mizoram.
15. Tanhril Service Cooperative Society Ltd., Tanhril, Aizawl district, Mizoram.

16. Zawlnuam Consumers' Cooperative Society Ltd., Zawlnuam, Mamit District, Mizoram.
17. Zawlnuam Fishery Cooperative Society Ltd., Zawlnuam, Mamit district, Mizoram.
18. Zemabawk Service Cooperative Society Ltd., Zemabawk, Aizawl district, Mizoram.
19. Zotlang Multi-purpose Cooperative Society Ltd., Aizawl, Mizoram.
20. Zotlang Pig Producers' Cooperative Society Ltd., Aizawl Mizoram.

Appendix - V**Persons Interviewed:**

1. Biakliana, Chairman, Mizoram Cooperative Apex Bank, Aizawl, Mizoram.
2. Duhawma, Secretary, Sateek Consumers' Cooperative Society Ltd., Sateek, Aizawl district, Mizoram.
3. Edenthara R.C, Secretary, Zawlnuam Consumers' Cooperative Society Ltd., Mamit district, Mizoram.
4. Jacob-a, Secretary, Sihphir Multi-commodity Producers' Cooperative Society Ltd., Sihphir, Aizawl district, Mizoram.
5. Kapliana, Executive Officer, Mizoram State Cooperative Union.
6. Lalchhanhima, Senior Cooperative Education Instructor, MSCU.
7. Lalchhunga C, JRCS (Rtd), Ramhlun, Aizawl.
8. Lalduha R.V, Secretary, Aibawk Piggery Cooperative Society Ltd., Aibawk, Aizawl district, Mizoram.
9. Lalhlira R, Secretary, Zemabawk Service Cooperative Society Ltd., Zemabawk, Aizawl district, Mizoram.
10. Lalkima K, Chairman, Zotlang Piggery Cooperative Society Ltd., Aizawl.
11. Lalpekliana, Addl. Registrar of Cooperative Societies, Gov't of Mizoram.
12. Lalramzaua, Secretary, Consumers' Cooperative Society Ltd., Maubuang, Aizawl district, Mizoram.
13. Lalrinliana, Chairman, Tanhril Service Cooperative Society Ltd., Tanhril, Aizawl district, Mizoram.
14. Lalthangzauva P, former President of MSCU Ltd., Aizawl.
15. Lalzamlova R, JRCS, Department of Cooperation, Gov't of Mizoram.
16. Lalzidinga B, Secretary, Zotlang Piggery Cooperative Society Ltd., Zotlang, Aizawl.
17. Lianthangpuia, President, Mizoram State Cooperative Union Ltd.

18. Makliana C, Chairman, Zotlang Piggery Piggery Cooperative Society Ltd., Zotlang, Aizawl.
19. Mawia V.L, Chairman, Reiek Multi-farming Cooperative Society Ltd., Reiek, Mamit district, Mizoram.
20. Pachhunga T.C, Former MLA of Mizoram and Chairman of MIZOFED.
21. Ralte Rosiamliana, Member, Zotlang Multi-purpose Cooperative Society Ltd.
22. Registrar of Cooperative Societies, Government of Mizoram.
23. Rochungnunga, ARCS (Rtd), Chanmari, Aizawl.
24. Rohmingliana K, Secretary, Darlung Service Cooperative Society Ltd., Darlung, Mamit district, Mizoram.
25. Ronguri, Vice Chairman, Luangmual Weaving Cooperative Society Ltd., Aizawl, Mizoram.
26. Saikapthianga, Former Minister of Cooperation, Government of Mizoram.
27. Sapzuithanga, resident of Kawrtethawveng, Mamit district, Mizoram.
28. Suri V.K, Chief Managing Director, NCDC, New Delhi.
29. Thangbuaia, Chairman, Consumers' Cooperative Society Ltd., Zawlnuam, Mamit district, Mizoram.
30. Thangzuali, Former President, Mizoram State Cooperative Union Ltd.
31. Tluangi, Chairman, Mizoram Women Cooperative Federation Ltd., Aizawl, Mizoram.
32. Valpuia, Secretary cum manager, Sihphir Service Cooperative Society Ltd., Sihphir, Aizawl district, Mizoram.
33. Vanlaldiki, member, Zotlang Piggery Cooperative Society Ltd., Aizawl Mizoram.
34. Vanlalsawma, Joint Registrar of Cooperative Societies, Gov't of Mizoram.
35. Vena V.L, senior member, Darlung Service Cooperative Society Ltd., Darlung, Mamit district, Mizoram.

Appendix - VI

Table No. 5.1
Annual Plan and Expenditure, Department of Cooperation, Government of
Mizoram during 2004-05 to 2008-09

SI No	Schemes/ Project	2004-05		2005-06		2006-07		2007-08		2008-09	
		Apprvd Outlay	Expdr	Apprvd Outlay	Expdr	Apprvd Outlay	Expdr	Apprvd Outlay	Expdr	Apprvd outlay	Expdr
1	Director & Administration	133.1	128.27	164.1	169.4	172	173.2	177.31	166.4	205.14	201.5
2	Training & Education	4.5	4.5	3	3	3	3	2	2	5	5
3	Audit & Education	9.2	8.75	9.4	9.4	11	9.37	13	10.71	14.86	14.05
4	Assistance to Multi. & Rural Coops.	-	-	-	-	-	-	5	5	5	5
5	Assistance to credit & Banking	5	5	200	200	169	169	240.69	245.7	106	106
6	Assistance to other Coops.	16	16	23.5	23.5	49.5	49.3	68	72.4	81	81
7	Assistance to Public Sector & other Undertaking	75	75	50	50	55	55	69	69	69	69
8	Cooperative Training & Education	62.5	62.5	65	75.5	70.5	81	85	85	98	98
	Total	305.3	300.47	515	530.8	530	540.1	660	656.2	605	600.5

When, 'apprvd' = approved and 'expdr' = Expenditure.

Source: Office of the Registrar, Cooperative Societies, Government of Mizoram,
15.10.2012.