

**A National Level Study
On
Status of Consumer Cooperative in India and Policy
Interventions**



Submitted by

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THE EXECUTIVE SUMMARY

1.1 Background

A consumer cooperative store is a voluntary organization of consumers, organized to obtain their requirements of consumer goods and services on terms of greatest advantage to them. These cooperatives undertake retailing, wholesaling and sometimes the production and processing of consumer goods. Consumer Cooperatives are enterprises owned by consumers and managed by democratic means and methods, which aim at fulfilling the needs and aspirations of their members. They operate within the market system, independently of the state, as a form of mutual aid, oriented towards service, rather than profit. Consumer cooperatives often take the form of retail outlets owned and operated by their consumer cooperatives, operating in areas such as health care, insurance, housing utilities and personal finance (including credit unions). A consumers' cooperative comprising of supermarkets, convenience stores, and other businesses independently-owned, and democratically controlled which benefit from joint co-ordination and cooperation, in managing their business.

Consumer cooperatives are organized either on a Unitary or on a federal pattern: Under the unitary pattern a central store with membership operates through branches. In the federal pattern, primary stores with individual members generally form a central, federal organization to give them adequate support in the matter of procurement and supply. The structure can be mixed one, the central stores having individuals as well as primary stores as their members. There has been no uniformity in the pattern of organization of the consumers' stores in India. Andhra Pradesh, Haryana and Punjab have generally adopted the unitary systems while the states of Gujarat, Madhya Pradesh, Karnataka, Rajasthan, Uttar Pradesh, Orissa, West Bengal and Bihar have preferred the federal type. The mixed pattern is found in Tamil Nadu and Maharashtra. The federal type of store ensures autonomy decentralization and inculcation of the cooperative spirit amongst the members. The unitary stores have all the advantages of large scale economies and thereby they would deliver their goods and services at lower cost. There are greater opportunities to make use of aids and thereby provide more efficient service. In a unitary store there is uniformity in policy, prices, staffing pattern, etc.

The consumer co-operatives in India have a four tier structure comprising the National Co-operative Consumers' Federation of India Ltd. (NCCF) at the national level, the State Consumer Co-operative Federations at the State Level, the Wholesale/Central Consumer Stores with their branches at the district/taluka level and Primary Consumer Stores with branches functioning at the level of grassroots. At present there are 26,355 primary societies at the grassroots level, 512 Wholesale/Central Stores at the district level, 30 State Consumer Co-operative Federations at the State level and one National apex organization i.e. the National Co-operative Consumers' Federation of India Limited (NCCF). (A statistical profile – 2018, National Cooperative Union of India)

Consumer cooperatives, which have been serving to the public by providing them quality consumer goods and services at competitive prices, are now witnessing a difficult situation. The complexity of the situation has grown further at an alarming level especially in the post liberalized period, as the Indian retail scenario is undergoing a lot of changes in the aftermath of globalization. Before globalization, the retail sector was fully owned and managed by local players with locally produced goods and services. Competition was within the local players.

The sector was enjoying all sorts of protection from the government. But now, the sector which has partly been opened for Foreign Direct Investments (FDI), is gearing itself up to face the challenges of competition unleashed not only from private organized retail players, but also from imminent foreign players. New players in the retail trade vie with one another in serving the Indian consumers in a professional manner. Consumer cooperatives have been put into a new environment and forced to compete with the new players. The competition is not only on products and services but also on the quality of products and services, price level, and the promotional parameters.

A doubtful question that remains to be answered is whether the consumer cooperatives are well equipped to face the competition on account of the various ills that are afflicting the consumer cooperatives. Some of the ills namely declining member-base, non-availability of sufficient capital in order to expand and diversify their operations, inaccessibility to newer and latest technologies in retail trade. Interference of politicians in the management of cooperatives, lack of young and motivated work force and the list continues. Despite the above noted limitations. There is a ray of hope in the minds of the consuming public that Indian consumer cooperatives could overcome the competition unleashed by private players, and would maintain itself as strong retail segment because of the following ground realities. Some of them have, a strong organizational network stretching from the length and breadth of the country, prior experience in dealing with consumer psyche and market and departmental stores. Moreover, if the consumers' cooperatives excel in their operations professionally, by fulfilling consumers' needs and desires, they would win the hearts of consumers.

Vaikunth Mehta National Institute of Cooperative Management (VAMNICOM), Pune established under Ministry of Agriculture & Farmers Welfare, Government of India as an apex institute for cooperative training in the country. Considering the rich experience of the institute in conducting similar studies, the Ministry of Consumer Affairs, Food and Public Distribution, Government of India has awarded to conduct the National Study on Consumer Cooperatives. The present study attempts to study the current status of the consumer cooperative in the country, to analyze the working of consumer cooperatives and suggest ways to give them impetus, and offers some recommendations policy measures to stimulate growth of the consumer cooperatives in the country including retailing of essential food commodities. The study also documents the best practices followed by the Consumer Cooperatives in the country.

1.2 Objectives of the Study

The objectives of the present study are derived from the letter no. O-16014/12/2019-CPD dated 19th July 2019 from Joint Secretary, Ministry of Consumer Affairs, Food and Public Distribution to Director VAMNICOM. The same are given below:

1. To study the current status of the consumer cooperative in the country.
2. To analyze the working of consumer cooperatives and suggest ways to give them impetus.
3. To recommend policy measures to stimulate growth of the consumer cooperatives in the country including retailing of essential food commodities.

1.3 Scope of the Study

The present work, in fact, is an exploratory investigation into the functioning of the consumer's cooperative stores in the study area. Its geographical scope is confined to the boundaries of states selected. Its topical scope covers evaluation of the performance of the consumer cooperatives in the study area. Its analytical scope covers the fulfilment of the objectives set out for the study, while its functional scope is limited to offering certain meaningful policy measures, strategic road map and detailed action plan to stimulate growth and development of the consumer cooperatives in the country.

1.4 Methodology of the study

1.4.1 Research Design:

1) Explorative and diagnostic research design is used to study the status and functioning of the selected consumer cooperatives. The study was conducted in following phases:

2) Desk Review and collection of information about the consumer stores and consumer cooperative movement in the country including best practices of well-functioning consumer cooperatives.

3) Field study of consumer cooperative stores of all the four types namely, NCCF, State Consumer Cooperative Federation, Wholesale Consumer Stores and Primary Consumer Stores to analyze the performance, identify the issues and assess the potential. Further, to get a first-hand feedback some customers was interviewed.

4) Data Analysis and preparation of the Study Report:

The primary and secondary data collected were subjected to detailed analysis. The information regarding the consumer cooperatives operation viz., incorporation, objectives of formation, profile, management representation, balance sheets, profit distribution, challenges, limitation, etc. along with observation made during the field visits were also critically analyzed using tabular presentations. A case study method was also adopted to analyze to diagnose non-performance or poor performance of consumer cooperatives under study. Attempt was made to analyze the issues critically so as to suggest strategies/ policy directions for strengthening the consumer cooperatives in future.

This study adopted a descriptive design aimed at determining the governance, management and business practices and the challenges encountered by consumer co-operative societies in India in their implementation. Hence the researchers adopted the GMB (Governance, Management, and Business) model as the key parameters for the study.

1.4.2 Data Collection:

Data was collected by interviewing cooperative promotion officials, Zonal officials and by questionnaires from members of concerned cooperative societies. Both qualitative and quantitative data analysis were pursued for the study purpose. In order to understand the operational modalities and the issues and challenges in the functioning of the Consumer Cooperative societies, multiple cases of Consumer Cooperatives were considered in terms of geographic area, length of operation, number of members/shareholders, etc. The study is based on both primary and secondary data. Primary information is collected through focus group discussion (FGD) with the members of Consumer Cooperatives to ascertain more of

interpersonal relations between the members. Structured questionnaires were set for board members/ office bearers of Consumer Cooperatives.

1.4.3 Data Analysis:

Data was first edited for completeness and consistency. Statistical package for social sciences (SPSS) was used to analyze study data. The researchers used percentages and tables carried out to draw meaningful interpretations. The study identified the major causes for poor performance of consumer cooperative societies namely poor result of official initiative, target hunting, unplanned setup, no integration of tiers, weak organizational structure, lack of members participation in management, lack of qualified personnel, lack of knowledge among the members, competition from credit societies, poor management, malpractices, unregulated markets, lack of supervision and audit, and purchase through private persons or traders. This study also forwarded some suggestions for the improvement of consumer cooperative societies such as the promoters must thoroughly understand the principles and methods of consumer cooperation and they also workout detailed plan to establish consumer store, to arrange adequate financial resources, to give suitable accommodation facilities and to supervise the members and working staff.

1.5 Limitations

- It may be mentioned that the study and its observations were brought out based on a limited samples in five zones of India i.e. North, Centre, East, West and South. It is quite likely that position concerning Consumer Cooperatives may vary in different states/districts and concerning various donor agencies, promoting institutions, financing banks, etc. Therefore, adequate caution needs to be exercised before generalizing/ interpreting the observations for policy actions.
- The present performance evaluation of the selected consumer cooperatives of five zones is based on the financial and other data upto 31st March, 2019.
- The study is conducted in a mixed urban: rural setting, where individual perceptions of space and time differ widely from those obtaining either in highly urbanized or purely rural settings. The findings of the study may, therefore, have to be understood against this backdrop, wherever necessary.
- The stipulated period within which the study was to be completed is also one of the limiting factors.

1.6 Major Findings:

The findings are represented based on governance, management and business perspective. The major findings emerged from the study are the following:

1.6.1 Governance

1. The method of board selection, followed by timely board meetings, transparency are practiced very well in southern zone followed by western, northern, central and eastern zones respectively. The 85 percent respondents were agreed with having 5 years of tenure of board. The 50 percent of the respondents were opined that, election were not

held for long times in some of the Central and Primary consumer cooperative store. Most of the respondents from all zones were agreed with the Board Meeting held monthly.

2. The most of the respondents from Western and Northern zones were estimated that the annual general meeting held by consumer cooperatives regularly. The numbers of respondents were agreed with the conducting the annual general meetings regularly were more.
3. Out of the total respondents from all zones, 59 per cent belong to the male category and the remaining 41 per cent of the respondents were female. It is significant to note that sizable respondents were female. It can be found that 63 per cent of the respondents belong to the young age group, 19 per cent belong to the middle age and the remaining 18 percent of the respondents belong to the old age. Majority of the respondents have fixed income.
4. The participation of women in the organization and promotion of consumer's stores is of special significance. The stores mainly deal in household requirements and therefore, the association of women with these stores in various capacities is most desirable. Authorities of the stores (Wholesale and Primary) believed in participation of women in the organisation and management of the stores. But there are very few have women participation.
5. In overall structure of consumer cooperative the respondents from apex organization i.e. NCCF reported that, they were not deputed any training programmes or in-service courses during the past five years. It was seen that 40 percent respondents agreed with received good number of training in various areas. The most of the respondents from primary consumer cooperative store informed that there were not receive any training programme in last 5 years.
6. Membership in all sample societies has not increased notably during the study period. The coverage of membership by the northern region is better than other zones. When compared to other societies the poor performance in membership is shown by the SCCF of central, eastern and northern zones. One wholesale stores in northern zone, with smaller size of membership has higher volume of share capital (due to government's contribution). Primary society and the Super market have inadequate capital base.
7. The respondents from Northern and Southern zone reported that, Board of Director followed by Purchase Committee is responsible for the purchase decision whereas the Secretary and Manager are responsible for the purchases. In western zone it was seen that the most of the decision of the purchase was taken up by Manager followed by Purchase Committee, Board of Director, Secretary and sales staff etc. In central zone, major decision of purchase was taken up by Secretary followed by Manager and Purchase Committee etc. In overall structure of consumer cooperative it was observed that, the major purchase decision is taken up by board members and purchase committee across the zones.

1.6.2 Management

1. Lack of computerization in administration is one of the main problems in NCCF as well as SCCF observed in all zones under study. Private trading organizations are functioning speedy with the help of computers. But due to the lack of technological environment, decision-making in managerial functions takes more time.
2. One of the major supports for cooperative societies usually comes from Government contributions towards share capital. Over the years, the Government's contribution towards the share capital of primary cooperative societies has fallen significantly. A decline in Government contribution compelled the primary societies to depend more on borrowings.
3. Working capital mainly consists of cash-in-hand, cash-at-bank, stock in trade and advances to customers. Based on the study; it was found that the working capital position is relatively stable mainly because of large inventory and liquidity. Even though these trends are apparently found to be good, from the angle of a financial analyst this cannot be judged as a positive indicator because liquidity reduces profitability and large inventory signifies low sales volume or increased and unnecessary purchases. Regarding the adequacy of internal resources in the selected stores, 87.50 per cent reported that the internal resources of these stores are inadequate. The main reason for the inadequate internal resources was attributed to the limited profits and the incurrence of losses resulting from trading operations.
4. In order to examine the profitability, financial analysts depend on gross profit and net profit. For all the sample units, the gross profit is positive and significant. But peculiarities were observed in the behaviour of net profit. Among the sample units, many units of different zones recorded marginal net profit or loss. This low net profit or loss led to the dormancy of many cooperative stores. Among the regions, net profit is found to be stable in northern region, followed by central region, southern region and western region. In central region, gross profit is found to be low compared to a high net profit. This is due to very high sales volume as a result of wholesale PDS activities and relatively steady increase in establishment and contingency charges. The high net profit in northern region is the result of business diversification launched by two stores in that region.
5. It was found that all Tires of Consumer cooperative stores in northern and eastern region have made efforts to raise the capital from different sources like Member deposit, profit, new membership and reserve fund for increasing the capital of the consumer cooperative store. The Consumer stores were using their own funds to increase the capital.
6. The most of the managers reported that low remuneration paid to employees is the main problem face by the consumer cooperatives in India followed by untrained employees and Legal proceedings etc. Low remuneration is the key bottleneck in the performance of the employees; it's been found that the central zone followed by eastern and western zones are facing this problem more than the remaining zones.

1.6.3 Business

1. As far as primary consumers' cooperative stores are concerned, the pattern, volume and frequency of purchases are very important because the sales performance and

consequently financial performance is based on purchases and the purchase policy. As per cooperative ideology a well-defined hierarchy is to be maintained in the purchases. For instance, a wholesale consumer cooperative store is expected to make purchases from the State Cooperative Consumers' Federation. But the study revealed that in practice there is no linkage between the different tiers of consumer cooperatives in the matter of purchases. Regarding the frequency of purchases, 89.50 per cent reported that there is no specific plan or procedure for determining the frequency of purchases for different items. Also, none of the societies under study had fixed minimum or maximum or economic order quantities for the different types of goods. The quantities to be purchased on certain products were mainly based on the offer of credit facilities extended by the dealers.

2. Based on survey data it was found that over the years, the purchases of all sample stores increased over the years and the major items of purchases included groceries, provisions, and stationery. Across the regions, purchases are found to be more in central region, followed by northern region. The purchases are found to be higher in central region because of the wholesale PDS activities undertaken by stores in that region.
3. Sales are directly linked to purchases. In the case of all selected stores, sales volume made rapid progress over the years and the major items demanded by the consumers include grocery, provisions and stationery. But the data analysis indicated that there is stock accumulation over the years. This may be due to a fall in sales or indiscriminate purchases rather than the volume of sales. Sales strategies and customer attitudes are more relevant in the working of a consumer- cooperative society. Even though there is an increase in sales volume in all the regions, the central region outstands other regions as a result of large volume of sales recorded in the societies because of their PDS activities. Compared to southern region, the sales volume is more in northern region.
4. The survey also revealed that a good percent of non-members (46.33 percent) also prefer primary consumers' cooperative stores. Region-wise, members constitute only 56 per cent in southern region, 44 per cent in central region, 61 per cent in northern region, 52 in eastern region and 43 in western region. Relatively higher percent of member customers in northern region is the result of cooperative spirit prevailing in that region. Limited first preferences and large share of non-member customers infer the lack of loyalty of the members.
5. As far as a consumer cooperative store is concerned, one of the important factors deciding sales volume is the reasonable price from the customers' point of view. During the course of the survey, majority of the customers opined that the prices prevailing in the primary consumer cooperative stores are reasonable and attractive. But they also felt that for certain items, the prices are relatively high, compared to the open market price. It is found that this price difference is due to the absence of active price policy, which takes into account the day-to- day fluctuations in the open market. Absence of scientific pricing strategy may be one of the reasons for stock accumulation also. Thus, in order to compete in the era of openness, a pre-requisite is the amendment in the pricing strategies, taking into account the micro and macro market environments.

6. The prosperity and prospects of a consumer cooperative store depends on the preferences of customers towards consumer cooperative stores. This was examined in detail and the major inferences are the following.
7. Majority of the customers who prefer a consumers' cooperative store belong to the category of a middle class or even lower middle class with respect to education, occupation and income. This is true for all regions. This validates that the majority of the customers of the consumers' cooperative stores belong to a low social status category.
8. A customer wants to purchase different types of goods and they are conventionally grouped into (a) food grains, (b) provisions and groceries, (:c) beverages, stationery and cosmetics, (d) vegetables and cold storage items, (e) textiles, (f) utensils, gift articles and consumer durables. An attempt was made to identify the customers' first preferred stores during the course of survey. From the survey results it was revealed that two major groups frequently preferred by the customers are provisions and groceries (53 per cent) and food grains (33.33 per cent). The share of the customers who prefer primary consumers' cooperative stores for the purchase of vegetables and textiles are nominal. Thus we may infer that the preferences towards primary consumers' cooperative stores are limited to a few items only. During the course of the survey the customers also opined that preferred brands were not always available in a primary consumers' cooperative store. This provides enough potential for further business diversification which is quite relevant in the era of globalisation, Liberalisation and privatisation.

1.7 Strategic Road map for Building Strong Consumer Cooperatives in India

- **Changes in Government provisions, Norms Utilising vast network of the consumer cooperatives:**
- **Utilising the vast network of consumer cooperatives:** The Government (Both Central and States) can utilise the vast network of consumer cooperatives for reaching out to the length and breadth of the country- this is an important aspect as there are a total of 26,355 primary societies at the grassroots level, 512 Wholesale/Central Stores at the district level, 30 State Consumer Co-operative Federations at the State level and one National apex organization i.e. the National Co-operative Consumers' Federation of India Limited (NCCF).
- **Connecting with the vast masses of “prosumers”:** They can act as a crucial link between different categories of the consumers as well as “prosumers” (who are producers as well as consumers like farmers, MSME entrepreneurs etc.) – this aspect is very important for utilising the vast potential of the members who are consumers for some of the items as well as producers of some others. For example a farmer is producer of food grains while he is consumer of other household items or farming inputs.
- **Utilising the Coop Consumer Stores for sustainable development**

- Government (Both Central and States) can utilise the vast network of consumer cooperatives for reaching out to the length and breadth of the country including far flung areas
- The government is implementing two very large schemes for procurement and Public Distribution System. The Government can make the consumer cooperatives an agency of government (GoI or State) for procurement of food grains on Minimum Support Price (MSP) as well as providing commodities to consumers under Public Distribution System (PDS). This way both the producers as well as consumers can be connected to the consumer movement.

➤ **PACS role expansion:**

- There is a vast network of Primary Agricultural Cooperative Societies (PACS) – numbering almost 1 lakh in the country which are an integral part of the three tier credit cooperative structure (State Cooperative Bank at the state, District Central Cooperative Bank at the District and PACS at the village level). These institutions are existing for long time – many of them for more than 50 years and serving the cause of village community – mainly the farmers. The main business which they conduct is providing credit to the farmers under Kisan Credit Card (KCC) scheme. There is a scheme of NABARD for converting the PACS into Multi Service Centre (MSC) wherein they were envisaged to become “one stop shop” for all the requirement of rural people. The scheme has met with varying level of success in different states and districts – some PACS showing more success than most others but there are efforts of various state governments in this direction. For example, In Madhya Pradesh (MP) and Chhattisgarh, the PDS shop has been adopted as a part of PACS activities. In the case of report on MP, the same has been brought out also. However, in order to capitalise on this idea at a strategic level, GoI may launch a national project to integrate PACS at village level with consumer cooperatives. This will help in expanding outreach of the PACS and make it sustainable. This will also help in doing away with multiple unviable institutions at village level.

➤ **Websites of consumer cooperatives:**

In today’s era, internet presence of the store especially dealing with consumer items need to have very modern and state of the art websites. Hence the websites of state federations, District Federations/ Wholesale stores and primary stores need to be standardized to have important information including Audited accounts - with consumer centricity about online purchase as well as Governance, Management & Business. GoI may help the cooperative consumer stores in this regard by nudging them in this direction.

➤ **Creation of national level advisory body for cooperatives**

Since the cooperatives at their level are not able to engage professional advisors / consultants or specialised staff for facing the challenges, the GoI may consider creating a national level advisory body who could comprise of market practitioners especially in the field of marketing and technology so that all the consumer cooperatives can consider adopting such cutting edge technologies.

➤ **Role of NCCF and State Federations**

NCCF- as mentioned earlier, is the National Consumer Cooperative Federation of the country and is expected to lead the consumer cooperative movement by supporting, facilitating and guiding the state level federations, district level federations and other cooperative stores. As per its byelaws the NCCF needs to:

- Assist, aid and counsel its member institutions as per the principles of cooperation
- Facilitate their working including providing supply support to consumer cooperatives
 - Provide technical guidance and assistance to them for improving their managerial and operational efficiency
 - Act as spokesman of consumers’ cooperative movement in India for policy advocacy
 - To assist organization and promotion of consumer cooperative institutions

Similar provisions exist at the state level for the state federations. Although the NCCF and the state federations are expected to perform the above roles, the present activities and the perception of the stakeholders is that they are simply competing with lower tiers for the similar business. Therefore there is an urgent need for role clarity and defining the business model. This needs to be guided by the GoI for the long term growth and sustainability of the consumer movement.

1.7.1 Policy support expected from Government for consumer cooperatives for marketing:

- GoI and state government including the various undertakings and institutions offer a vast market. For enabling the consumer cooperatives to tap those markets, the GoI/ state governments may give some preferential treatment to cooperatives – without sacrificing quality and quantity parameters- like relaxing EMD (Earnest Money Deposit)/ guarantee requirement for the suppliers etc.
- GoI, State Govt. and various Govt bodies can give preference to Cooperative Stores on GEM (Government E-market – website: <https://gem.gov.in/>) platform which is an end-to-end online marketplace to facilitate online procurement of common use goods and services required by central and state government ministries, departments, public sector undertakings, autonomous institutions, organizations, etc.

1.7.2 Recommendations for the Management of Cooperatives

➤ **Customer centricity needs to be focused**

The consumer cooperatives are operating in a highly vibrant and competitive market and therefore, the saying “Consumer is the King” applies fully in this area. As a strategic policy of the organisation, the consumer cooperatives need to adopt Consumer centricity in all their activities. Some of these areas are as under:

- Adopting well thought out business strategies with customer at the heart
- Continuous scanning of environment and market to find the strategies of competitors.
- Aggressive marketing including digital methods

- adopting modern methods/ technologies like:
 - Mobile apps
 - Whatsapp
 - Home delivery
 - Modern Payment options- credit card, debit card, Paytm, Google Pay, ‘Phone Pe’, etc
 - Linking certain methods of payment with the store. We can learn from Jio linking with SBI credit card or Amazon linking with ICICI Bank credit card with some incentives like discounts etc.
 - Providing credit to customers (credit sales).
 - Discounts/ offers on festivals/ bulk purchase etc.

The above is an illustrative list but the market situation is very dynamic and new technologies or products need to be adopted with changing circumstances.

Governance matters

- Regular holding of Annual General Body meetings and meetings of the Board of Directors need to be ensured.
- The Chief Executive Officers of the NCCF, State Federations etc should be full time and not in additional charge of some other organisation. This is required for full time focus.
- Internal management procedures need to be strengthened especially in purchase of items –
- Purchase policy should be in place and followed in letter and spirit
- Board should have Purchase Committee which should work according to the best interest of their store
- Audited accounts should be published timely and made available on the website.

1.7.3 Professional Management of Cooperatives:

Need for a National pool of managers:

The need for professionalization of management of the consumer cooperatives has been highlighted in the study. In this regard, it is recommended that the Government of India may create or facilitate to create a national level pool of managerial staff for manning the consumer cooperatives at different levels. This has been in vogue in many states in respect of credit cooperatives where the State Cooperative Bank (SCB) creates and maintains such cadre of managerial staff and deploys them to different cooperative banks according to the level of the staff. At senior level they manage the District Cooperative Banks (DCCBs) as CEOs/ Managing Directors for tenure and then shifted to the SCB or another DCCB. In case of Consumer Cooperatives similar “Cadre” may be created with NCCF and these cadre members may be deputed to State Federations/ District level Wholesale Stores or other stores for efficient and effective management.

Human Resource Management and Development

It is obvious that in a customer centric B2C business model, the quality and quantity of the human resources – the staff of different kinds are of utmost importance. The most important role is played by the front linestaffs who deal with the customers. However this area seems to be neglected by most of the consumer cooperatives. Hence Human Resource management needs to be incorporated as a core of the organisation involving:

Manpower planning

Compensation planning – including incentives/ disincentives

Capacity need assessment- training, etc

The consumer cooperatives at all levels need to focus on these areas through a long term strategic policy.

Conclusion:

A consumer cooperative is an autonomous association of consumers united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise. Member needs are satisfied through distribution networks ranging from small corner shops to large outlets, elaboration of food quality policies, and publication of member-magazines, information and education campaigns, and so on. Consumer cooperatives play an important role in the local social and economic fabric of a country. The consumer cooperative movement has a lot of potentials which can be tapped with some strategic inputs from the Government of India playing the role of friend philosopher and guide besides the regulator. The consumer cooperatives are expected to take a welfare-oriented approach towards its members rather than a business-oriented approach. Co-operative marketing societies have made progress in India. It is suggested that following the basic principle of cooperation, i.e., each for all and all for each, integration of agricultural processing credit and marketing activities, diversification of activities of marketing co-operative societies with the help of financial and technical assistance by the government etc. can help in unlocking the huge value in the entire cooperative movement in the country.