

The Co-operative movement and the way forward

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The Co-operative movement of Sri Lanka has completed 100 years of service to the People of Sri Lanka. A significant characteristic of the socio-cultural patterns of the Lankan society from its very early years is that it has had characteristics, activities and basic structures of that of a formalised co-operative movement as such. The European rulers of the country has introduced the formal structure of a co-operative movement which was gaining ground in neighbouring countries to Sri Lanka in 1906, as a means of finding satisfactory answers to many of the socio-economic problems the island faced then. Since then, the co-operative movement of Sri Lanka has done an enormous service to the social and economic progress of the nation, by fulfilling felt needs of the society during various stages of its existence to date.

At the very inception the objectives of the movement had been to inculcate the habit of thrift among the people and to provide for its immediate credit needs. With the commencement of the second world war, the provision of consumer goods to the people effectively too was handled by the Consumers Co-operative Society Movement. With the gaining of independence in 1948, the emphasis was on the upliftment of the rural agriculture to make the country self-sufficient. This gave birth to the concept of Agricultural Co-operative Societies, which served as the institutional frame-work to provide for the needs of the farming community. This evolution of the Co-operative movement underwent a vast restructuring in its scope of activities in 1957. The year saw the establishment of the Multi-purpose Co-operative Societies, responsible for providing for most of the basic needs of the majority of the population living in villages. Its scope of activities were widened to accommodate, agriculture, production, consumer needs, transport, marketing, banking etc., to ensure economic and social progress of the people and prosperity in the rural economy. In the 70's Government felt the need to revitalise the movement to adopt it to the changing aspirations of the people and emerging economic trends. This restructuring of the co-operative movement saw the establishment of a Ministry for co-operatives, and introduction of new legislations, management concepts, and streamlining of administration, to equip co-operative societies to serve as, the grass root level institution implementing government policies. State involvement with the movement and the advisory role it played guided it to liaise

more actively with International Co-operative Movement. With the introduction of liberalized economic policies the movement had to adapt itself to the open economy. Many of the local co-operative movements obtained membership of the International Co-operative Movement and received guidance and assistance to re-orient their operations to accommodate changing patterns of national and international environment. This perhaps is the most challenging task it had to face in revitalising the movement to fall in line with the changing economic scenario.

Sri Lanka, too is faced with the challenges of socio-economic and cultural transformation in an globalised economic environment. How can the movements as protect its national identity and undertake necessary restructuring in this scenario? This is the problem that confronts the co-operators. This compels us to inquire about the requisite new trends the co-operative movement should adopt to fulfill its obligations.

The first priority would be to understand the role that the movement is assigned to play and the formulation of national policies accordingly along with empowerment. This formulation of policies, with a clear and enlightened understanding of the concept of co-operatives, policies, ethics and values embedded in it, is an essential factor, that would pave the way to establish an independent movement that could play the assigned role in an forthright manner. Empowered leadership and education rooted in ethics and values of co-operative movement and those of true co-operators have become essential criteria, in this regard.

To adopt to this changing scenario, the movement, has to provide products and services that stands upto the challenges before it, on one hand whilst incasing its market share on the other. To make this a reality it has to modernise itself realign by diversifying business and services and adopting modern technology and scientific methodology. Co-operatives formed to fulfill various objectives and purposes must realign themselves to those and streamline the administration and efficiency of the Multi-Purpose Co-operatives to enhance productivity.

The crucial felt need of the active co-operators and the movement as a whole is an array of leaders who could inspire the members and rally round people behind the movement as it was during their golden years of the past. Apart from honesty, integrity, dedication and public spiritedness, they should have a sound knowledge and exposure in

modern management methodologies, along with skills, attitudes and experience. Co-operative movement needs a host of leaders of such quality to revive the movement and lead it in a transparent manner, adhering to concepts left behind by pioneers as their legacy. The leadership should emerge at many levels, Village, Pradeshiya, Provincial and National etc., who can inspire the members and impart into them virtues, knowledge, education etc, to turn a new leaf in their very existence. The leaders should be men of standing, courage, integrity, who cannot be assailed by the pressures and powers of politics and political establishment operating at various levels. Co-operative culture is part of our heritage from the ancient times, and can still become an essential and inherent ingredient new contemporary culture, if leaders of such caliber are allowed to lead the movement back to its roots.

Co-operators, believe that red tape, administrative regulations etc., that inhibit in adopting a response to the demands of the market of the day should be curtailed. Another essential need is minimizing of Government and official influence over the movement. Many believe the grip the politicians, administrators hold should be removed, if not relieved and allow the new breed of leaders to usher in a fresh lease of life to cooperators and the co-operatives. Many a country with developed co-operative structures are a testimony to freedoms the co-operators enjoy in those countries. The new approach of the Sri Lankan Co-operative movement should be to emulate them.

Co-operatives and the Co-operative movement are people based organization structures. Even after an existence of 100 years this basic factor still holds true. Although the movement has lost its vitality, there is public sympathy and a public demand for a revival of the movement. Specially by the majority of the people. That is the basis for the demand for the reorientation and revitalisation of the movement.

What should be if the focal point for revitalisation. It undoubtedly is the human resource of the movement. They are the vital link between the owners and the consumers. As the real owners of a properly structured co-operative movement are the people themselves, the staff's knowledge, talents, skills, concern, attitudes, integrity public spiritedness and leadership qualities have a tremendous impact on the expected restructuring and results. Positive

development of all these factors should be the focus of a national programme for human resource development of co-operators.

The obvious current drawbacks are irregular recruitments, absence of proper induction, training and development, lack of proper staff evaluation policies and procedures, lack of interest in staff discipline and productivity of staff, evident imbalance between national wage policies for other sectors of the economy and those of the co-operative sector, absence of a proper human resource development policy for the movement which motivates them and provide for other returns such as better prospects in employment etc. In the present context, the movement has to compete with other economic structures of the liberalized economy. To compete successfully, specially in the field of trading, the movement needs modernization, adoption of new management culture and strategies and must be equipped with a well motivated energetic workforce led by a public spirited leadership. Continuous development of human resources, institutional development, modernization and effective corporate governance are vital factors in this regard. They must be on going process at all times.

Countries all over the world, pay due attention to corporate governance. Public and private sector institutions specially those in developed rely on good corporate governance as the basis for their success. Fulfillment of corporate objectives, enhancement of efficiency and productivity of the institutions and contribution to national development etc., are all achieved by them through good corporate governance. Hence, our co-operative movement too should adopt good corporate governance, if it is to live upto expectations of the people of the 21st century. The movement should adopt following principles of corporate governance:

1. Consensus Orientation of the Co-operative Organisation

A common characteristic evident in many a co-operative organization, is the ignoring of or rejection of common consensus and undertake activities as per the wish of an individual or a handful of individuals. This should not happen in a body collectively organized, and collectively owned institution like a co-operative organization. Common consensus are arrived at, after giving due consideration to proposals, views, allegations, various conflicting concepts etc. and giving a fair hearing to criticisms and arriving at a decision by the majority. A procedural approach like this is the most democratic way as it affords an opportunity for everyone to present alternate views, proposals if any, before arriving at a consensus. This is essential to build co-

operation and confidence among a group of people, who have joined hands to pursue a common goal for the benefit of everyone in keeping with the founding principles of co-operation and co-operatives.

2. Accountability

All parties and individuals serving a co-operative body, should fulfill assigned or accepted tasks and responsibilities within the promised time frame fulfilling qualitative and quantitative objectives and targets, in an efficient manner to the satisfaction of everyone concerned. Every organisation thus will be able to prove to their stakeholders, that its performance has fulfilled qualitative and quantitative targets in a productive manner.

3. Transparency

Transparency at all levels of operations of co-operative societies whether, at Managerial, operational and staff levels will ensure openness in decision making and implementation, of all its programmes. This will help build confidence in everyone about openness and sincerity in all dealings of the co-operative society, an essential criteria for success.

4. Responsibility

Responsibility should not be shouldered by a single person or a handful of persons. It should be shared by all members at all levels. Then only everyone would be on their toes to fulfill the assigned or accepted tasks in a productive and efficient manner, ensuring progress of the society.

5. Justice in an equitable and inclusive basis

When proposed policies of a co-operative society are being transformed into an active programme of action it should ensure justice for everyone in an equitable manner. Failure to do so would be the recipe for disaster. Discontent, conflicts etc would emerge if one fails to adhere to this cardinal principle in co-operation. By ensuring justice to everyone, the society concerned will be able to motivate staff and other parties, and rally them round for corporate objectives getting their maximum co-operatives and effort.

6. The following of the Rule of Law, is willingly

Legislatively, rules and regulations and directives are there to ensure effective management and administrations of an organization. They guide and manage the human resource in a disciplined and productive manner towards the progress of an organisation, and not otherwise. Hence all co-operators,

collaborates and employees must adhere to the rule of law willingly and not wait for enforcement. Willingness to be a disciplined member is an essential quality, expected of a co-operator.

7. Ensuring efficiency and productivity

To development and success of an organisation depends on the productivity and efficiency of an organization.

Thus, qualitative and quantitative value in corporate activities should be confirmed by displaying effectiveness and efficiency in executing responsibilities. These qualities must be maintained at highest levels to ensure productivity at all times.

8. Participatory Approach

Maximum participation by everyone concerned in decision making, assignment of responsibilities, sharing of results and returns too is an essential criteria. This not only assures participation by everyone, it also builds up unity and solidarity among the stakeholders and employees, building up brotherhood dedicated to a common goal.

At every national forum, alleviation of poverty in Sri Lanka is taken up as an important economic and social issue. As majority of the population are affected by poverty, all development efforts focus its attention on this. Co-operative movement too has an assigned role in this regard. The experiences of other countries and international institutions should be shared with the local co-operators, in moulding up them for the tasks lying ahead.

As the Sri Lankan Co-operative Movement steps into 21st Century, it should take a walk down the memory lane, to reflect on the successes and failures of the last century, to learn from the past in equipping itself to play its role in meeting social, economic and cultural challenges before the nation. The co-operative movement should learn from the experiences of their colleagues in neighboring countries and how they faced upto challenges of the global economy protecting, their identify their good names and reputations. The national Co-operative Movement has an important role to play in this regard and in national development.

The challenges before the movement is how it is going to live upto the expectations. The resilience of the movement is a good indicator, that it certainly can deliver, if the right people joins the movement to lead it towards a new era. ■