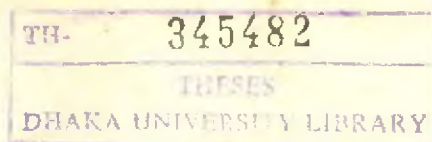


# COOPERATIVES AND THEIR MANAGERIAL EFFICIENCY IN BANGLADESH

THESIS SUBMITTED TO THE UNIVERSITY OF DHAKA  
FOR THE AWARD OF THE DEGREE OF DOCTOR OF  
PHILOSOPHY IN MANAGEMENT



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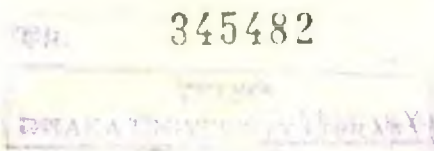
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Department of Management  
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1987

DECLARATION

I do hereby declare that this thesis entitled "Cooperatives and Their Managerial Efficiency in Bangladesh" submitted by me to the University of Dhaka, Dhaka, for the Degree of Doctor of Philosophy in Management is an original work. It has not been submitted earlier partly or wholly to any other university or institution for any degree, Diploma, Associateship, Studentship, Fellowship or Prize.



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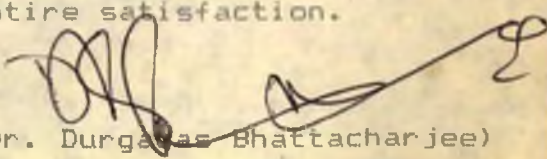
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CERTIFICATE

With regard to this thesis entitled "Cooperatives and Their Managerial Efficiency in Bangladesh", submitted by Md. Musharaf Hossain to the University of Dhaka, Dhaka, for the Degree of Doctor of Philosophy in Management, I certify that:

- i) he has carried out research work under my direct supervision and guidance from July, 1982 to June, 1987 and that the manuscript of the thesis has been scrutinized by me;
- ii) the entire thesis comprises the candidate's own work and personal achievement and that it is a bonafide work done by him;
- iii) this thesis does not contain any conjoint research work either with me or with any one else: and
- iv) the final typed copy of this thesis, which is being submitted to the University of Dhaka, Dhaka, has been carefully read by me for its material and language and is to my entire satisfaction.

Dated: July 5, 1987.

  
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ABSTRACT

Agriculture ranks highest in the field of economic activities in Bangladesh. About 59 percent of the total labour force are engaged in the agriculture sector, which contributes 50.48 percent to the G.D.P. The agriculturist has no organization that has been spread in all the parts of the country except rural cooperatives. On the average 1-2 cooperative societies operate in each village in Bangladesh. Although many researches have been done in the field of cooperative, there is dearth of research attempting to examine the development of cooperative societies and their managerial efficiency in Bangladesh with special reference to Agricultural Cooperative Societies. The research reported in this dissertation represents an effort to find out causes of rise and fall of the development of cooperative societies, factors influencing efficiency indicators of a society and identifying measures to improve effectiveness level of an agriculture cooperative society in Bangladesh.

The sources of data used for analysis of development of cooperative societies including policies, programmes and structural elements were published reports, annual reports of different organizations, and Government publications. The analysis of inter-society variations in performance vis-a-vis efficiency and factors influencing the same was based on empirical investigation. In this regard two sets of interview schedules were used. 20 (Twenty) agricultural

cooperatives societies (KSSs) were selected following random sampling method in Comilla Sadar Upazila, Comilla. Data were processed in the Dhaka University Computer Centre, Dhaka and statistical relations were found out with the help of SPSS-X.

The specific conclusions arrived at by this study are summarized below :

i) Within a period of more than 8 decades of Cooperative movement in this country several measures were taken to develop cooperative societies from time to time. Available data and information reveal that the movement has always been influenced by the Government policies, programmes and socio-economic conditions of the country.

ii) The study reveals that much of the problems in reaping the benefits of cooperative movement were found to lie in the management of the cooperative societies. It has been observed that the Managing Committee acted in the self spirit. In many cases funds of the societies were misappropriated by those entrusted with the task of management;

iii) Efficiency of a cooperative society was measured on the basis of selected indicators like service dimension, size of the collective strength and involvement of members. In this study service dimension was assumed to be the prime indicators of efficiency. The study reveals that service dimension was largely

(vi)

the function of resource mobilization, size of collective strength of the society and involvement of the members. Eighty percent of the variance in the dependent variable was explained by the said factors.

iv) Each of the indicators reflecting efficiency of a society was again found to be influenced largely by one or more of managerial factors chosen for the study. It has been observed that resource mobilization measured in terms of networth is dependent on a set of managerial factors. The multiple correlation coefficient between resource mobilization and the selected managerial factors was found to be significant.

Thus, one overall final conclusion that can be drawn from this research study is that service dimension depends on size of the collective strength, resource mobilization and involvement of members and each of these indicators is influenced by one or more of the managerial factors in varying degrees.

Emphasis should, thus, be laid on improving managerial factors like educational background, job satisfaction, commitment and work-intensity of managers to improve managerial efficiency vis-a-vis service dimension of a society. This can be done either by selecting the right type of managers with enough of competence and favourable attitude or creating a situation favourable to the manager.

ACKNOWLEDGMENTS

I am particularly indebted to my Supervisor, Dr. Durgadas Bhattacharjee, Associate Professor, Department of Management, Dhaka University, Dhaka for his invaluable advice and guidance he provided me throughout my Doctoral Programme in the Department of Management, University of Dhaka, Dhaka, Bangladesh. I express my gratitude for his understanding attitude and able guidance. Without his constructive criticism and able guidance, this thesis could not have been presented in its present form within the appointed time. My supervisor kindly issued various letters to various concerned cooperative organizations to extend hearty cooperation to me. I also remain grateful to him for being able to use his computer programme in the Dhaka University Computer Centre, specially designed for the interest of my Ph.D. research work. This is really a matter of rare luck to work with such an excellent man like him.

While evaluating the annual progress of my research work Professor Muzaffar Ahmed, IEA, Dhaka University and Professor Mainul Islam, Deptt. of Management, University of Chittagong gave me the valuable comments which immensely helped to improve the quality of the present work. I express my gratitude to them.

The idea of preparing a thesis was developed in me in the year 1981 when my respected teacher, Professor Abdul Aziz Khan (Late), consultant, Centre for Integrated Rural Development in Asia and Pacific, Dhaka and my cousin, Dr. Siddiqur Rahman, Associate Professor, Institute of Education and Research, Dhaka University, Dhaka inspired me to develop a thesis on Cooperative Management in Bangladesh. Their advice and encouragement have been of immeasurable value to me. I express my gratitude to both of them.

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*Md. Musharraf Hossain*  
(Md. Musharraf Hossain) 5/2/87.

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ABBREVIATIONS

ADB -	Asian Development Bank
ERDB -	Bangladesh Rural Development Board
BADC -	Bangladesh Agricultural Development Corporation
BJSU -	Bangladesh Jatiya Samabaya Union
BJPUSF -	Bangladesh Jatiya Palli Unnayan Samabaya Federation
CDIRDP -	Comilla District Integrated Rural Development Programme.
CARE =	Cooperative for American Relief Every Where.
DTWS =	Deep Tube-Wells
GNP =	Gross National Products.
HPTWS =	Hand Pump Tube-Wells
HSC =	Higher Secondary School Certificate
ICA =	International Cooperative Alliance
IDA =	International Development Association
KSS =	Krishi Samabaya Samity (Agricultural Cooperative Society)
KTCCA =	Kotwali Thana Central Cooperative Association
LGRD =	Ministry of Local Government and Rural Development
Maund =	One maund is equivalent to 37.27 kgs (APPROX).
NA =	Not Available
RCS =	Registrar of Cooperative Societies
RD-1 =	Rural Development -1
RD-2 =	Rural Development -2
RDA =	Rural Development Academy
RWP =	Rural Works Programme
RDTI =	Rural Development Training Institute
SIRDP =	Serajganj Integrated Development Project

GLOSSARY

Agricultural Society - A Cooperative Society of which the majority of members are agriculturists.

Central Bank - A Cooperative Society, the principal objective of which is to create funds to be lent to other Cooperative Societies which are its members.

Credit Society = Cooperative Society, the primary object of which is to create funds to be lent to its members.

Multipurpose Society = A Cooperative Society which includes amongst its objects two or more of the primary objects specified in clauses (IV), (V), (VII), (XII) to (XIV), of Cooperative Societies Rules, 1942.

National Society = A Cooperative Society, the primary object of which is to facilitate the operation throughout Bangladesh, and which has other societies as its member.

Primary Society = A Cooperative Society, no member of which is a cooperative society.

Upazila = An Administrative Unit which corresponds with the jurisdiction of a police station. It consists of a number of unions.

Union = A small administrative unit comprising of a number of villages.

DISTRICTWISE DISTRIBUTION OF COOPERATIVE SOCIETIES IN BANGLADESH (UP TO MARCH, 1986)



Note : Within parenthesis is the area in sq miles including rivers.

CHAPTER - I

THE GENERAL SETTING, CONCEPT, PRINCIPLES  
AND REVIEW OF LITERATURE

### 1.1 THE GENERAL SETTING

Bangladesh lies in the north eastern part of South Asia between  $20^{\circ} 34'$  and  $26^{\circ} 38'$  North latitude and  $88^{\circ} 01'$  and  $92^{\circ} 41'$  East longitude. The area of the country is 55,598 sq. miles or 143,998 sq. km. The population of the country stood at 89.91 million in 1981.<sup>1</sup> It is one of the most thickly populated countries in the world. Besides, except some narrow tracts of hilly and forest area, the whole of the country is a deltaic plain land traversed by innumerable rivers. Located on the border of the tropics, the country is greatly influenced by monsoon which usually lasts from June to September. The country is bounded by India on the West and north, by India and Burma on the East, and the Bay of Bengal on the South. A network of rivers of which the Padma, the Jamuna, the Teesta, the Brahmaputra, the Surma, the Meghna and the Farnafidly are important, and their tributaries numbering about 230 with a total length of about 1500 miles, cover the country and flow down to the Bay of Bengal. The alluvial soil is thus continuously being enriched by heavy silts deposited by the rivers during the rainy season. Bangladesh has always been subjected to frequent floods and cyclones including tidal surges. In some areas, particularly in the coastal belt the wind speed rises to 160 km or more per hour.

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1. Government of the People's Republic of Bangladesh, Statistical Year Book, Bangladesh Bureau of Statistics Division, Ministry of Planning, Dhaka, 1986, p. 3-4.

Bangladesh emerged as an independent country on December 16, 1971, following the war of liberation from March 26, 1971 to December 16, 1971.

Agriculture provides employment to about 59 per cent of the work force<sup>2</sup>. The share of agricultural sector in the G.D.P. is 50.48 percent<sup>3</sup> (1986). Rice is the main food crop. Rice yields in Bangladesh have been among the lowest in the world, averaging about 12.5 maunds per acre (1 maund =82.27 lbs.). The highest yields have been obtained from the winter crop in which new seeds have been used successfully, and yields upto 50 maunds per acre have been realised there. Jute is the main non-food crop and a cash crop of Bangladesh. Industrial sector in Bangladesh contributes 9.5 percent to the G.D.P.<sup>4</sup>.

With courage and determination, Bangladesh as an independent nation is now seriously involved in the herculean task of developing her agricultural economy. Poverty, malnutrition, widespread indebtedness, low literacy (23.8 per cent)<sup>5</sup>, lack of business experience, uneconomic holdings, antiquated farming methods, inadequate transportation and storage facilities, problems

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2. Government of the People's Republic of Bangladesh, Statistical Pocket Book of Bangladesh, Bangladesh Bureau of Statistics, Dhaka, 1986, p. 189.

3. Government of the People's Republic of Bangladesh, Bangladesh Economic Survey, Ministry of Finance, Dhaka, 1987, P - 7.

4. Ibid p - 69

5. Government of the People's Republic of Bangladesh, Statistical Pocket Book of Bangladesh 1983, Bangladesh Bureau of Statistics, Statistics Division, Dhaka, p. 501.

of weights and measures, a wide price fluctuations, a dearth of regulated markets, exploitation by money lenders and middlemen, sickness & diseases and population pressures are the distinguishing features of the Bangladesh rural economy.

With this picture in mind, it can well be realised that Bangladesh has been confronted with overwhelming problems in its efforts to build a more stable national economy.

In an attempt to provide modern inputs to the rural farming population and help promote cooperation amongst the farmers, the rural cooperation has been viewed as one of the important instruments for accelerating the development process.

## 1.2 THE CONCEPT OF A COOPERATIVE SOCIETY

The term cooperative society, owes its origin to the notion of "cooperation" which is regarded as the cardinal principles of the system. The content analysis of the definitions given by different authors indicates that there is hardly any consensus on various elements of a cooperative society. Here an attempt has been made to examine some of the widely used definitions in order to build a conceptual framework for the present study.



A. M. Muazzam Husain defined a cooperative society as "a voluntary organization operating on a democratic basis to realise some common objectives of its members and sharing the benefits or returns in accordance with patronage or participation. Usually, the primary objectives of cooperative society are economic, though social, educational and other objectives may be considered in some cases"<sup>6</sup>. A society primarily aims at common objectives of its members. Unlike other business organizations, the expression cooperative society does not include "a society which carries on or intend to carry on business with the object of making profits mainly for the payment of interest, dividend or bonuses on money invested or deposited with or lent to the society or any other person"<sup>7</sup>. The cooperatives practised in almost all the countries of the world are not identical in their nature and function as they work under different economic, social, political and legal conditions depending upon the country concerned. As such, it is very difficult to furnish a precise definition of a cooperative society. The International Labour Conference of 1966 in Geneva in its recommendation No. 127 defines a cooperative as<sup>8</sup> "an association of persons who have voluntarily joined

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6. One paper presented by Professor A.M. Muazzam Husain, Bangladesh Agricultural University, Mymensingh in a Seminar on "Cooperative Farming" Organized by Bangladesh Academy for Rural Development, Comilla. (24-26 April, 1972).

7. G.M. Ostergaard and A.M. Halsey, Power in Cooperatives, Basic Black Well, Oxford, 1965, p.1.

8. Report of the International Labour Conference in Geneva, 50th Session 1966, Recommendation No. 127.

together to achieve a common end through the formation of a democratically controlled organization, making equitable contribution to the capital required and accepting a fair share of the risks and benefits of the undertaking in which the members actively participate". This concept appears to be wide in coverage and may be used for purposes of further analysis.

### 1.3 PRINCIPLES OF COOPERATION

Uptil now, several principles of cooperation have been evolved to cope with the changing requirements of a society. The principles were found to vary with the variations in the socio-cultural environment as well as the nature of government and the economic system. The review of literature on the principles of cooperative societies indicates that there is no consensus on the universality of the principles of cooperative societies. This section focuses on the development of some important principles that are being emphasized upon by the different agencies and authorities on the subject.

As adopted by the ICA (1966) principles refer to : "those practices which are essential, that is, absolutely indispensable to the achievement of the cooperative movement's purposes" . According to W.P. Watkins, the former Director of the I.C.A., "Principles are the ideas, inherent

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9. Report of the I.C.A. Commission on Cooperative Principles London, I.C.A., 1966, p.9.

in cooperation, which determined what it is as a mode of action..... They are the ideas which it is the purpose of cooperative activity to realise ....."<sup>10</sup>.

The general principles of cooperation are popularly known to have evolved with the emergence of Rochdale Pioneers of England in 1844. In 1844, the Rochdale group in England pioneered a truly cooperative type of business organisation. Not all the pioneers were poor and destitute. A few were relatively well off. Some 14 were socialists and 14 others were more genuine believers in the capitalistic system. About half were followers of Robert Owen. They came together on Toad Lane to purchase supplies and consumer goods cooperatively. The principles followed by the pioneers were:

1. Open membership
2. Democratic control
3. Limited interest on capital
4. Sales for cash
5. Educational activities
6. Surplus distributed according to patronage
7. Political and religious neutrality
8. Limitation on the number of shares owned.

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10. W.P. Watkins, "The Nature of Cooperative Principles", in Cooperative Principles in the Modern World, Standford Hall, Cooperative Union Ltd., England, 1967. p. 83.

With the passage of time cooperatives have developed all over the world in various forms under different technological and various ideological set-ups. At this point it is necessary to review the Rochdale principles to determine whether these principles are still valid. It is difficult to see how any set of principles designed for a retail cooperative could be generalized for all types of cooperatives.

#### OPEN MEMBERSHIP

The Rochdale pioneers wanted an open cooperative society. Any one, man or woman upto at least a fixed number (250), could join the society on equal terms with the original members. They wanted no discrimination on political, religious or racial grounds. Their main basis for rejecting a member was bad character or bad habits<sup>11</sup>. This has, however, been widely misinterpreted. A cooperative might not effectively operate on a principle of open membership. Membership in a cooperative has to be applied for, documented or proved as to qualification and must be approved of by the Board of Directors by majority votes. A Board might reject a membership application on many grounds. Cooperative such as irrigation and livestock breeding associations have to operate on a restricted membership basis in order to maintain service which would be satisfactory to all the members.

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<sup>11</sup>Ewell Paul Roy, Cooperatives: Development, Principles and Management. The Interstate Printers and Publishers Incorp., U.S.A., 1981, p. 250.

Rochdale itself was very strict in admitting members and in its early years sold goods only to members. It was not until 1852 that the law enabled them to sell to non-members.

DEMOCRATIC CONTROL (one man one vote)

The Rochdale pioneers felt that the person, rather than stock investment, should be the basis of voting. This Rochdale principle is not universal. There are now at least four ways of voting in a cooperative.

They are:

- a. One man, one vote
- b. Vote according to patronage on a dollar volume or on some other basis but with a limitation on votes cast by any one person.
- c. One man, one vote plus additional votes based on patronage, on shares or stock or on some other basis.
- d. Vote according to shares or stock.

The Rochdale societies themselves have modified the one man, one vote principle. According to <sup>12</sup> Digby, Societies that made up the British Cooperative Wholesale Society (BCWS) hold one vote per society plus additional votes in proportion to their patronage with the BCWS.

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12. Margaret Digby, The World Cooperative Management, Hutchinson and Co., London 1960, p. 41.

In the U.S.A., Mississippi and Illinois cooperative laws provide for an option of voting according to shares of stock, under certain stipulated conditions such as election of directors, Illinois limits votes by share to a maximum of five share votes per member. In Bangladesh, the principle of one man, one vote has been followed.

#### LIMITED INTEREST ON CAPITAL

The Rochdale pioneers believed that interest on stock investment should be limited. This idea came from Robert Owen. Five percent was thought to be the maximum rate that should be paid on stock investment at that time. Emelianoff<sup>13</sup> did not wholly agree with this principle. According to him, it is a special case. He argued that if each member had the same proportion of stock as he had of patronage, there would be no reason to pay any interest whatever on stock. The member would simply get his interest on stock as part of the patronage dividend. In other words, in such a case, interest on stock would have no significance.

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13. Ivan Emelianoff, Economic Theory of Cooperation, Edwards Bros, Ann Arbor, Mich., 1942, p. 1983.

In more recent years, "interest on stock" has been changed to "interest on capital". So many cooperatives are not organized on a stock share basis. In such a case, interest may be paid on the money invested, regardless of the form in which it is invested.

In the United States, the maximum rate of interest on invested capital is 8 per cent and in some European Cooperatives 3 per cent. As viewed by some, four per cent rate of interest is found to be most suitable for most cooperatives in the World.

#### SALES FOR CASH

The Rochdale pioneers had this rule because credit evils were rampant in England during the Industrial Revolution. Most students of cooperation now agree that cash trading is an operating practice, not a cooperative principle.

In the United States, most of the forms of supply cooperatives deal in on credit, yet they are still true cooperatives. Many of them were forced into credit selling by the competitors. The survey of practices in Bangladesh indicates that both 'sales for cash' and 'sales on credit' are in vogue.

### EDUCATIONAL ACTIVITIES

The Rochdale pioneers desired to further cooperative knowledge in order to help members understand what cooperation was all about. They probably obtained the inspiration for this principle from Robert Owen, and from William King of Brighton Society in England. While membership education is a noble objective, it is not considered a cooperative principle as such. If all the cooperatives in the world were asked about member education, they would probably reply that they do some of it<sup>14</sup>.

### SURPLUS DISTRIBUTED ACCORDING TO PATRONAGE

The Rochdale pioneers decided to pay all their operating costs and interest on shares invested, and whatever was left was to be prorated to patrons according to the volume of business each had done with the society. This principle recognizes that a cooperative operates at cost and earns no profit for itself.

Now a days patronage is distributed to both members and non-members on the basis of volume of trade in many countries. For example, the distribution of patronage refunds, in the U.S.A. is as follows:

- a. patronage refunds to members only;

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<sup>14</sup>Ewell Paul Roy, Cooperatives: Development, Principles and Management. The Interstate Principles of Publishers Inc., Danville, Illinois, U.S.A., 1981, p. 254.



- b. Patronage refunds to members and non-members;
  - i. Refunds to non-members are not usually paid in cash if a certain minimum investment is required for membership in the cooperative; and
  - ii. Patronage refund rate(s) is/are either equal for members and non-members or higher for members than non-members<sup>15</sup>.

#### POLITICAL AND RELIGIOUS NEUTRALITY

The Rochdale pioneers wanted to keep clear of political and religious entanglements. Of the original 28 Rochdale members 14 were socialists, 8 were chartists, 4 were unitarians, 1 was a congregationalist and 1 was unaffiliated. In later years the Rochdale-type Societies in England violated the political part of this principle by forming a cooperative political party which, at times, joined the British labour party in politics. Cooperatives in various other countries also entered into the political arena. Politicalisation of cooperatives is opposed by some on the ground that a cooperative's own membership may be divided on political conditions; therefore, dissension and conflict are likely to arise. Similarly, the principles of religious neutrality is also not widely followed.

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15. Howard S. Whitney, Principles of Modern Cooperatives - an article presented at the 28th International Seminar on Cooperative Education and Management at the University of Wisconsin, U.S.A., 1984, p.43.

LIMITATION ON THE NUMBER OF SHARES OWNED

This idea came from Robert Owen. The pioneers wanted to limit the control over shares owned by any one member (5 per cent). This is a weak principle because it fails to cover the nonstock cooperatives which have no shares to sell. For example, in federal credit unions in the USA there is a limitation on shares owned per member, or not more than 20% of the total. In various countries cooperatives accepted this principle of limitation on the number of shares owned. The legal framework of Bangladesh also put restriction on the shareholding of members.

Considering variations in the principles of cooperation, cooperatives may be classified into some groups. G. Mladenatz, a historian of cooperative ideas, has classified cooperatives into three main groupings: the Rochdale system, the Raiffeisen system and the Schulz-Delitzsch system. The main principles underlying these three groups has been presented in page 14<sup>14</sup>.

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14. Davidvic, Reformulation of the Cooperative Principles, The Cooperative Union of Canada, p.6.

Rochdale Principles	Raiffeisen <sup>16</sup> Principles	Schulze-Delitzsch <sup>17</sup> Principles
1. Voluntary and open membership	1. Self-help with exclusion of state help, provided cooperative independence is preserved	1. Self-help with exclusion of any outside help - private or public
2. Democratic control by "one member, one vote"	2. Limited area (Parish or village)	2. Large territory of operation
3. Division of surplus in proportion to patronage	3. Allocation of entire surplus to indivisible reserves	3. Division of surplus in proportion to operations.
4. Limited interest on capital	4. Membership without subscription of shares	4. High interest on shares to attract large subscription of shares
5. Political and religious neutrality	5. Unlimited liability of members	5. Limited liability of members (originally unlimited).
6. Cash trading	6. Limitation of the business to members only	6. Business specialization
7. Promotion of education	7. Voluntary work by board members	7. Allocation of 10% of the surplus to reserves

<sup>17</sup>Hermann Schulze-Delitzsch (1808-1883) was a German Lawyer. He formed some 1900 credit cooperatives in Germany during his life time.

<sup>16</sup>The Credit Union idea was that of Raiffeisen (1818-1888) a German Contemporary of Schulze - Delitzsh.

The ICA, however, attempted to formulate some common principles. The ICA approved certain principles in the 23rd congress, as were recommended by the commission on cooperative principles.

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The principles as approved by ICA are as follows :

1. Membership of a cooperative society should be voluntary and available without artificial restriction on any social, political, racial or religious discrimination, to all persons who can make use of its services and are willing to accept the responsibilities of membership.
2. Cooperative societies are democratic organisations. Their affairs should be administered by persons elected or appointed in a manner agreed by the members and accountable to them. Members of primary societies would enjoy equal rights of voting (one member, one vote) and participation in decisions affecting their societies. In other than primary societies the administration should be conducted on a democratic basis in a suitable form.
3. Share capital should only receive a strictly limited rate of interest, if any.

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19. "A Short Summary of the Proceedings of the 23rd Congress of the International Cooperative Alliance", p. 39, Review of International Cooperation, Vol. 60, No. 1, January, 1967.

4. Surplus or savings, if any, arising out of the operations of a society belong to the members of that society and should be distributed in such a manner as would avoid one member's gaining at the expense of others. This may be done by decision of the members as follows:
  - a. By provision for development of the business of the cooperative.
  - b. By provision of common services; or
  - c. By distribution among the members in proportion to their transactions with the society.
5. 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 democratic.
6. All cooperative organisations, in order to serve best the interests of their members and their communities, should actively cooperate in every practical way with other cooperatives at local, national and international levels.

Analysis of public opinions in a study by Monir Uddin Ahmed reveals that the laws and practices of cooperatives in Bangladesh are not duly adherent to fundamental of cooperative principles. The obscured public attitude to the concept, perverted the sense of the purpose and rendered the cooperatives inoperable welfare.

of the common people.

#### 1.4 THE RATIONALE OF COOPERATIVE MANAGEMENT

Cooperative methods are very effective for small unorganised farmers facing problems in production and marketing their produces. A cooperative enables them to purchase consumption goods as well as farm inputs at reasonable prices. It helps them in storing, grading and selling their farm products at reasonable rates. The Cooperative organisation also provides them credit and irrigation facilities, technical guidance, extension services, etc. necessary for increasing production. Small producers in organized farms are in a position to carry on experiments and introduce innovations to develop their industries. Members get training in management and become capable of running their business on profitable lines. Cooperatives may also act as a suitable medium for channeling government assistance for the development of the country, particularly in rural areas.

The success of the Cooperative movement largely depends on the effective managerial operations. This is deemed to be of paramount importance in successful implementation of various programmes of cooperative societies. There exists a close relationship between management and the success of cooperative movement.

It is now conceived that if there is anything nearest to cooperation, it is management because the ultimate purpose of cooperative is the promotion of collective efforts for attaining a common goal.

Even the enthusiasts of cooperation have realized that philosophy bakes no bread; and in the economics of scarcity and the politics of poverty, cooperation can not be an end in itself. It has to prove its merits and this it can do only by developing and maintaining the highest standards of managerial efficiency which would make it survive and grow in the competitive world. The modern world is dominated not only by technological advance but also by organisational innovation. Survival and growth in such a situation demands that the cooperatives fully explore the potentialities of managerial efficiency and their application in their business. The most important ingredient for successful cooperative operation is the efficiency of managerial staff .

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21. H.C. Fledder John. The Management of Cooperatives - Guidelines for Cooperatives in Developing Economics, International Cooperative Training Centre. The University of Wisconsin, Wisconsin, Madison, 1964. p. 95.

Efficient Management provides effectiveness to human efforts. It helps achieve better equipments, plants, offices, products, services and human relations. It keeps abreast changing conditions and it supplies foresight and imagination. Improvements and progress are its constant watch-words.

In an underdeveloped economy like ours where cooperation has been chosen as an instrument for solving various socio-economic problems, development of managerial efficiency of the cooperatives is equally important for effecting their successful and efficient operations and thereby achieving their ultimate goals.

An efficient and well managed Cooperative may attract smooth, wider and continuous participation of its members who are the legal owners and ultimate users of the cooperative. Management makes supervision and control easier and concrete for directing the cooperative towards success. Another important fact which will justify the growing importance of management is that Cooperatives entail certain unique characteristics. Community acceptance is essential to the progress of the cooperatives. Cooperatives' operations must be exemplary of the best run, the most efficient, serviceable and useful business both to their patrons and to the community where they exist.





### 1.5 REVIEW OF LITERATURE

The literature considered in this study is selected from many sources. In so doing the author was careful in utilizing only that material written by the accepted authorities, and/or the one written as a part of some respectable academic research project or for a professional journal related to a particular academic discipline. Much of the material was written by persons actively engaged in the cooperative field of activity.

The major sources of literature are as follow:

Bangladesh Academy for Rural Development, Comilla; Cooperative College, Comilla; Department of Cooperatives, Samabay Sadan, Dhaka; Center for Rural Development in Asia and the Pacific (CIRDAP), Comilla; Bangladesh Rural Development Board, (BRDB), Dhaka; Bangladesh Secretariat Library and Record Room, Dhaka; Dhaka University Library, Dhaka; Bangladesh Agricultural University Library, Mymensingh; University Center for Cooperatives, University of Wisconsin, Madison, U.S.A.; Memorial Library, University of Wisconsin, Wisconsin, U.S.A.; International Cooperative Alliance, New Delhi, India; Cooperative League of U.S.A., New Delhi, India; Cooperative college of Canada, Canada; materials written or collected by the author; and various materials from national and international cooperative organizations.

Just from the beginning of the twentieth century to date, a large number of literature has been published on cooperative. In the year 1924, a study was made by McKay<sup>22</sup> in which he analyzed 1000 dead cooperative associations and gave the following causes of discontinuation: insufficient business, incompetent management, lack of loyalty and specific conditions of the individual associations. A few years later in 1939 Turner made a historical and statistical analysis of cooperative purchasing associations over a 25 year period (1924-1938) in the province of Saskatchewan, Canada. He concluded that mismanagement and lack of proper management and the size of association's membership are related to failure of purchasing cooperatives<sup>23</sup>.

In line with emphasis on communication, a study was made by Copp and Rust<sup>24</sup>. The fictitious name "Highland" is given for this cooperative in which formal interviews and informal contacts with directors, managers, department heads, other employees and a random sample of 140 farmer - patrons provided data for the study. As revealed by the study, thirty two per cent of the farmers interviewed were

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<sup>22</sup>A. W. McKay, What Killed the Cooperative? Farm Journal, Vol. 48, No. 11, Philadelphia, Pennsylvania, 1924.

<sup>23</sup>A. H. Turner, Cooperative Purchasing Associations in the Province of Saskatchewan, Department of Agriculture, Canada, 1939.

<sup>24</sup>James H. Copp and Irwin W. Rust, Exploring Communication Processes in a Farmer Cooperative, Department of Agriculture, Washington D.C., U.S.A., 1961.

not acquainted with the directors, seventytwo per cent did not recall ever being visited by a director; forty four per cent did not know the activities of the directors, sixtyfive per cent of farmers had been visited by a salesman sometime, forty-nine per cent of the farmers did not know why patronage refunds were in stocks rather than cash; sixty-nine per cent had never read the by-laws; less than ten per cent of the total membership have attended "highland" annual meeting, and over half had never attended a membership meeting.

The important committees formed since 1904 to date for suggesting measures for improvement of management of cooperatives are Maclagen Committee (1915), Royal Commission on Agriculture (1928), Agricultural Finance Sub-committee (1934) known as Gadgil Committee, Cooperative Planning Committee (1945) known as Saraiya Committee, Agricultural Enquiry Commission (1951) known as Lord Boyd Orr Commission. The bodies brought various defects behind the development of cooperative societies. Some of them are:

1. The cooperative movement was mainly a credit movement.
2. Lack of constant supervision and audit.
3. The illiteracy and ignorance of the masses.
4. The members of the management committee acted in selfish spirits.
5. Tendency on the part of RCS to automatically register all societies.

The major shortcomings of the literature is the lack of adequate materials related specifically to developing the managerial efficiency of the cooperatives in Bangladesh.

A. M. Muazzam Husain<sup>25</sup> observed that in many underdeveloped countries the Government usually took the initiative in organising and developing cooperatives without enlisting the support of the people by educating them on the principles, methods and benefits of cooperation. In many cases, the attempts so made were uncoordinated, and only half-hearted measures were taken to develop cooperatives. Besides, the operation and management of cooperatives were not efficient. Neither cooperative principles nor sound business methods were followed. As a result, cooperatives could not operate as a more efficient business than other business organization, and they lost their appeal to the people. He suggested the three tier structure of agricultural cooperative as a model for cooperative development in this country. He also emphasized upon the maintenance of favourable public relations by the cooperatives.

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25. A. M. Muazzam Husain, A Model Cooperative Organization for Agricultural Development in East Pakistan, Texas A & M University, U.S.A. 1964, p.4 (Unpublished Ph.D. Dissertation)

A.K.M. Zahirul Hoq<sup>24</sup> observed that the type, structure, and operational managerial procedure of cooperatives from primary to Apex levels for all sectors are to be carefully studied on the basis of past success and lapses in terms of total investment and total return. He suggested that the existing cooperatives should be reorganized and rationalized.

In the year 1982 M.A. Khan<sup>27</sup> conducted a study on Management of Industrial Cooperatives in Bangladesh. It is a comparative study of the management of industrial cooperatives with 3 private firms in Jute Baling, Cotton Spinning and Printing. Regarding the growth of industrial cooperative societies he observed that the slanted and retarded growth of industrial cooperatives in Bangladesh is owing to ineffective management. Since educational attainments are the essential ingredients of managerial proficiency and worker competence, availability of training facilities may help increase managerial proficiency and worker skill. Introduction of the system of reward and punishment may raise the level of productivity.

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<sup>24</sup>A. K. M. Zahirul Hoq, Cooperation, Bangladesh Jatiya Samabay Union, Samabaya Sada, Dhaka, December, 1980, p. 27.

<sup>27</sup>Mohammad Ammeruz Zaman Khan, Management of Industrial Cooperatives in Bangladesh, Institute of Bangladesh Studies, Rajshahi University, Rajshahi, 1982 (Ph.D. Thesis: unpublished)

Akbar<sup>29</sup> conducted a case study on "Managing a Cooperative Farming Society in a selected area of Mymensingh district" with a view to examining the mode of management of a society, determining the effects of management upon its success or failure and suggesting some improvements over the management system.

Regarding the management of the society he observed that management was vested in a Managing Committee consisting of 18 members of various designations and all of the members were elected for a period of one year by the general body of members at the annual general meeting. Members of the managing committee were not found to have received proper education and training necessary for successful operation and running of a cooperative.

In order to study the effects of management towards the success and failure of the society Akbar took into consideration certain management functions, viz, planning, organizing, direction, coordination, motivation and control. He noted that not a single function was effectively carried out by the society, which, according to him, resulted in low yield and high cost of production per acre.

Considering the major weakness of management of the society Akbar suggested some measures for improving the management of the society. In this regard he emphasized the

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<sup>29</sup>Md. Ali Akbar, Managing a Cooperative Farming Society - A case study, Bangladesh Agricultural University, Mymensingh, March, 1974, p. 56.

need for sound organization, formulation of effective by-laws, full-fledged election of the managing committee, provision of sound educational and training programme. His study, however, did not show the relationships between performance of the societies and effectiveness of managerial factor. This was just a case study.

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Kashem in his "Case Studies on Management of Cooperatives in relation to people's interest in the Societies", primarily observed that the cooperative movement in Bangladesh miserably failed. He developed the hypothesis that the causes of this failure of the cooperative movement in the country were that cooperation was imposed on the people by the Government without their mental preparedness and that the cooperatives were inefficiently managed by small groups of influential people serving their own interest. To verify the above hypothesis he studied one sugar cane grower's cooperative society, and one weavers' cooperative society.

From the investigation of the official records of the selected weavers' cooperative society he found that management was vested virtually in one family for a period of thirty two years out of the total life of thirty five years. There were violation of by-laws, misuse of fund and official power and lack of proper maintenance of official

records by the members of the management committee. He emphasized more on the participative aspects of management than on the relationships between performance of societies and managerial factors.

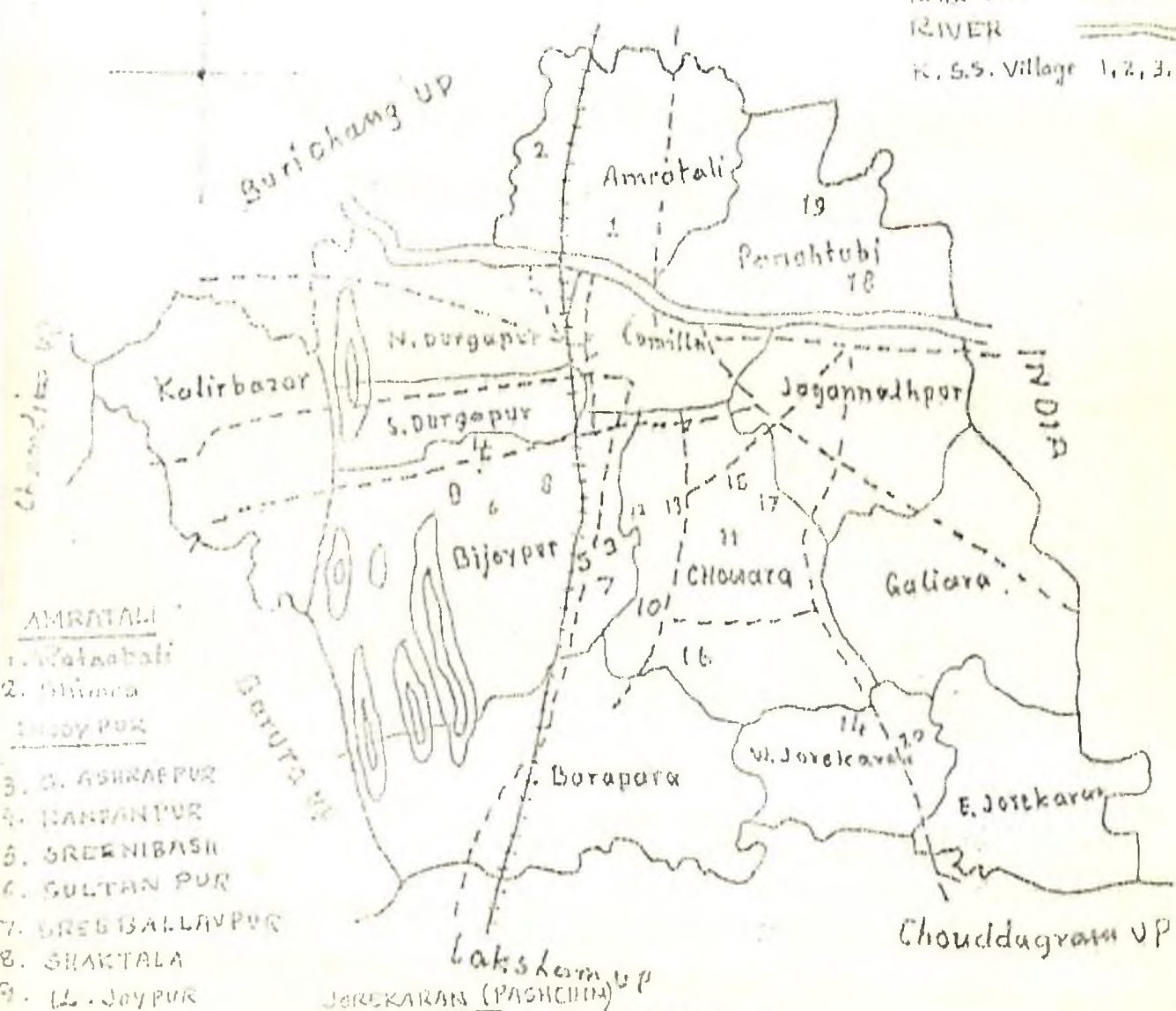
The review of the literature on various aspects of cooperatives and their managements indicates that there has not been any comprehensive study on the managerial efficiency of rural cooperatives in general and of the Comilla type of rural cooperative in particular. In the context of the economy of Bangladesh Comilla type of Cooperative Society is of much importance, for Comilla type of rural cooperative depended more on internal mobilization of resources. In this study attempt has been made to focus on the development of cooperative system along with its management in general and the relations between efficiency of cooperatives and managerial factors with special reference to the Comilla type of Cooperatives in particular.



# COMILLA SADAR UPAZILA

## INDEX

- UPAZILA BOUNDRY ———
- UNION ———
- ROAD - - - - -
- Rail. Rd. ————
- RIVER ————
- R. S.S. Village 1, 2, 3, ....



AMRATALI

- 1. KATAABALI
- 2. SHIMRA

BIJOYPUR

- 3. D. ASHRAPPUR
- 4. DANRANTPUR
- 5. GREENIBASHI
- 6. SULTAN PUR
- 7. BREGBALLAVPUR
- 8. SHAKTALA
- 9. U. JOYPUR

CHOWARA

- 10. D. RAMPUR
- 11. LAKSHAPPUR
- 12. AGHANPUR
- 13. NEMGA
- 14. OLGA
- 15. BASKARA MOHANA

PANCH TUBI

- 16. SUBARNAPUR
- 17. SHARIFPUR
- 18. RAMCHANDRAPUR
- 19. SHAMBAKSHI

20. DARIBATAGRAM

CHAPTER - II  
METHODOLOGY

## 2.1 STATEMENT OF THE PROBLEM

Cooperative societies play a very important role in meeting the requirements of the low and the middle income groups in developing nations. With the technological development of a country there has developed large scale organizations involving huge amount of capital outlay as well as joint stock form of ownership with predominance of capital in decision-making. This has resulted in the tendency of concentration of wealth in few hands and paved the way for increasing profit of an organization. Consequent upon large scale production, the profit motive of enterprises and separation of ownership from management, there arose a network of intermediaries between the actual producers and consumers. As such small producers were faced with a number of problems to procure their inputs including credit and sell their output at a reasonable price. This situation among other factors led to the growth of cooperative form of organization in the country. Available data show that the number of primary cooperative societies was 33,858 in 1947-48. The development of cooperative societies, however, remained more or less static during 1947-48 to 1970-71 (Vide graph-1). Immediately after independence the need for cooperative development was recognized in the Constitution of Bangladesh and as a matter of policy, the Government emphasized upon cooperative development in the plans. Within the period from 1970-71 to 1974-75 the number of primary cooperative societies increased to 68387 from 33,306. The total number of primary cooperative societies stood at 1,18,196 with an individual membership of 6480875 upto

31st December 1985 (Table V.3A)

The category-wise distribution of societies indicates that out of the total number of primary cooperative societies, 80571 (68.17%) are agricultural cooperative societies<sup>1</sup>. As it appears from various reports a large number of societies could not achieve their goals. Despite the poor performance of many cooperative societies there also exists some cooperative societies which could attain success much above the average. Variations in the performance levels of different primary cooperative societies might be attributed largely to the variations in the managerial competence of societies.

Until now no comprehensive study detailing the managerial efficiency of rural primary cooperatives and factors influencing the same has been available in published form. The same is true so far as theoretical studies in the area of managerial aspects and cause and affect relations of managerial efficiency. There were, however, some M.Sc. level unpublished theses on selected dimensions of cooperative management done at the Bangladesh Agricultural University. Thus the importance of undertaking a study covering various dimensions of cooperative management can hardly be over-emphasized.

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1. Bangladesh Jatiya Samabaya Union, Cooperation, BJSU, Dhaka, 1986, p.21.

The findings of the proposed study may be of some help to the policy makers to look into the issue in its real perspective. Considering the magnitude of the problem and its theoretical importance a study on "Cooperatives and their Managerial Efficiency in Bangladesh (A Study of the Agricultural Cooperatives with special referene to Comilla Sadar Upazila) has been chosen for the purpose.

## 2.2 Objective of the Study

The following are main objectives of the present study:

- i) Studying the development of cooperatives in the historical perspective;
- ii) Examining the trends of policies and their effects,
- iii) Studying the management patterns of different components of the cooperative system;
- iv) Identification of the general efficiency indicators and of the factors influencing the efficiency level of cooperative societies;
- v) Examining the relationship between the basic efficiency indicator and the selected structural and functional variables; and
- vi) Examining relationships between the selected structural and functional variables and managerial factors.

### 2.3 Hypotheses

On the basis of the findings of the literature survey, spot observation and preliminary interview of those involved in cooperative movement, the following hypotheses were framed for study purpose:

- i) Development of cooperative societies is influenced by socio-economic and political factors;
- ii) The management of the cooperative system is affected by the lack of the application of the democratic principles at the national, the secondary and primary level societies;
- iii) The efficiency of the service dimension of the primary societies is the function of resource mobilization, involvement of members and collective strength of the society;
- iv) Resource mobilization and involvement of members and the collective strength of the society are influenced in varying degrees by managerial factors like educational ability, age, job satisfaction, commitment and work intensity of managers.

### 2.4 Variables Covered in the Study

In the light of the objectives of the study and hypotheses framed, the following variables have been selected for the purpose of the study;

- 1) Policy, programmes and schemes
- 2) Number of societies
- 3) Number of members
- 4) Share Capital
- 5) Savings
- 6) Networth
- 7) Service dimension
- 8) Educational background of managers
- 9) Experience of managers
- 10) Training background of managers
- 11) Involvement of managers
- 12) Remuneration of managers
- 13) Demographic profiles of managers:
  - a) Marital status
  - b) Age
  - c) Size of the family
- 14) Socio-economic profiles of managers
  - a) Family incomes;
  - b) Occupation
  - c) Kinship linkage
  - d) Religious practices
  - e) Social origin of managers
  - f) Past occupational background of managers
  - g) Landholding of managers.
- 15) Psychological profiles of managers.
  - a) Commitment
  - b) Job satisfaction.

## 2.5 METHODS USED IN THE STUDY

The proposed study was intended to focus on the Development of Cooperative Societies in Bangladesh in general and Managerial Efficiency of rural cooperatives in particular. For the purpose of analysis the study is divided into two parts viz, 'Development of Cooperative Societies in the historical perspective and 'Managerial Efficiency of Agricultural Cooperatives.

The sources of data of the first part of the study included official documents, records, published materials, and existing research monographs - both published and unpublished. Data published in various documents were processed to analyse developmental aspects. In some cases content analysis of some selected documents were done.

As data for measuring managerial efficiency indicators were not readily available, field survey method was used. Two sets of interview schedules were prepared to collect both quantitative and qualitative information on various aspects of management of a cooperative society. In view of the time and resource constraints a sample survey method was used. The data from the field were collected during the period from February, 1986 to August 1986 by personal interviews of all the managers of the selected societies. The chosen area was Comilla Sadar Upazila. The reason behind selecting the said area for investigation purposes was that Comilla Sadar Upazila has been taken as the 'laboratory



area' by Bangladesh Academy for Rural Development, Comilla, Besides, the number of cooperative societies per thousand population in the said area is also relatively high. This area is viewed as the fatherland of development of two tier cooperative societies.

## 2.6 SOURCES OF DATA AND TOOLS USED

The sources of data used in the first part of the study included annual reports of cooperative department, official documents, unpublished records and other publications. The data on various aspects of managerial efficiency, socio-economic profiles of managers and their attitude towards cooperative societies and their members were collected by administering two sets of interview schedules.

Data were processed mainly in the IBM computer 4331-J1 of the Dhaka University Computer Centre. Statistical relations and necessary statistics were computed using SPSS-X.

## 2.7 SAMPLE DESIGN

There are twelve unions in Comilla Sadar Upazila, Comilla. During the year 1984-85, the number of agricultural cooperatives (KSSs) under KTCCA was 186 excluding the suspended and unregistered cooperatives. Out of twelve unions six unions were selected for the purpose. Initially the names of these unions were arranged in alphabetical order. This served as sampling frame for selecting unions. Fifty percent of the unions were selected following the random sampling technique. Having selected the unions an attempt was made to prepare a union-wise list of agricultural cooperative societies. As the union-wise separate list

for Agricultural cooperative societies was not readily available, a union-wise separate list for such societies was prepared from the general list collected from the office of the Director(Field), Kotwali (Sadar) Thana Central Cooperative Association(KTCCA)Ltd, Comilla and the names of the societies were arranged in alphabetical order. There were 67 agricultural cooperative societies in the selected six unions of the Upazila, Comilla.

*Samples* of the societies (Thirty three percent of 67 societies) were selected basing on the random sampling technique following the random table prepared by H.G. Kendall and B.B. Smith<sup>1a</sup>. Six unions and twenty three Agricultural Societies (KSSs) were selected for the purpose (Appendix-II). Out of twenty three societies three societies did not respond.

## 2.8 SOCIO-ECONOMIC BACKGROUND OF THE STUDY AREA

Sadar Upazila of Comilla is the upazila surrounding the district town of Comilla and is situated approximately 90 k.m. east of Dhaka. The area covers 289.41 sq. k.m. (111.41 sq. miles)<sup>2</sup> and the number of inhabitants is 415885.

The density of population was 1123 per sq. k.m. (2908 per sq. mile)<sup>3</sup> in 1974 and 1437 per sq. k.m. (3722 per sq. mile) in 1981. The topography of sadar upazila is dominated by the Lalmai hills in the West of the area. The main water source is the river Gumati, following to the West.

1a. Random Table prepared by H.G. Kendall and B. B. Smith, Cambridge University Press, 1939, p. 47.

2. Government of the People's Republic of Bangladesh, Bangladesh Population Census 1981 (Comilla District), Bangladesh Bureau of Statistics Division, Ministry of Finance and Planning, Dhaka, 1984, p.LVI-LVII.

3. Ibid., p. LVIII

The land is very fertile and especially suitable for rice and vegetables. Jute could also be grown profitably.

The upazila comprises of 12 unions and 461 villages. Out of the total area of 107 sq.miles (277 sq. k.m.) 105 sq. miles (272 sq. k.m.) are actual land, while 2 sq. miles consist of forest and river. There are 6 colleges, 54 high schools, 13 Junior High Schools, 144 Primary Schools, 37 Post Office, 31 huts and 3 bazars, 42 banks in the upazila. Literacy rate in the upazila was 34.2 (1983) <sup>4</sup>.

There are about 76 miles of metalled road, 9 miles semimetalled road and 185 miles non-metalled roads in the upazila <sup>5</sup>. There are regular bus services between Comilla town and other district towns of Bangladesh. Rickshaw and bullockcart are two important means of transportation within the upazila. During dry season, almost every village of this upazila is accessible by a jeep or rickshaw. All the villages included in our sample could be easily reached by a cycle or a rickshaw during the winter and the dry season. As a result of the efforts of Bangladesh Academy for Rural Development, a number of primary societies at the village level were organized in the early sixties.

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4. Government of the People's Republic of Bangladesh, Bangladesh Bureau of Statistics, Upazila Statistics (1979-80 to 1982-83). Statistics Division, Ministry of Planning, Dhaka, 1985, p. 110.

5. Ibid., p.190.

Need was felt for a federation of the primary societies - both agricultural and non-agricultural. So in January 26, 1962, the Comilla Kotwali Thana Central Cooperative Association (KTCCA) Ltd., was registered. At present almost every village in comilla upazila has one agricultural primary cooperative society (KSS). Some big villages have more than one primary agricultural societies (KSSs). The scope for increasing number of primary agricultural society in this area is very much limited now<sup>6</sup>.

During the year 1984-85, the number of primary societies under KTCCA Ltd. was 534 of which 428 were agricultural and 106 non-agricultural. The number of members of the primary agricultural societies stood at 5173<sup>7</sup>. Though the scope for organizing new primary agricultural cooperatives in Comilla Sadar Upazila (Thana) is very much limited, there is ample scope for enrollment of new members in the societies. But the very limited nature of services now being provided by the cooperatives fails to attract members in large number to the cooperatives. As a result, only 80 new members were enrolled in the agricultural societies and only 23 members in non-agricultural societies during the year 1984-85 in the entire upazila<sup>8</sup>.

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6. K.M. Tipu Sultan, Twenty Sixth Annual Report of Bangladesh Academy for Rural Development, Comilla, BARD, 1985, p. 61.

7. Ibid., p.62

8. Ibid., p. 62

Though the number of primary societies of KTCCA was quite large, all these primary societies were not working well. As a result, during 1983-85 KTCCA had to put 220 agricultural primaries (KSSs) and 19 non-agricultural primaries under suspension. The number of unregistered agricultural societies is 22<sup>9</sup>.

In the well managed primary societies, the individual members purchase shares every year. In other societies, the annual purchase of shares by members is irregular and inadequate. The full amount of share money accumulated by the primary societies is not used by them for purchase of shares of central association. Major part of these share money were retained by the primary society for use at the primary level.

Some of the societies do not purchase share of the Central Association every year. The result is that the rate of growth of share capital of this Association is very low. In case of savings deposit also all the societies do not properly observe the discipline of regular savings (generally weekly) in their central association. As a result the rate of capital accumulation at the KTCCA level remains at a very low level.

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9. Source: Director, (Field Services) KTCCA Ltd., Comilla.

TABLE - II.1

ACCUMULATION OF SHARE CAPITAL AND SAVINGS BY THE  
 AGRICULTURAL COOPERATIVE SOCIETIES AT THE KTCCA LTD.  
 10  
 UPTO 1984-1985 .

	Balance as on 30-6-1985 (Taka)
Share Capital	= 16,17,360.00
Savings	= 29,39,453.00
Total	= 45,56,813.00

## 2.8 SOME BASIC INFORMATION ABOUT THE 20 (TWENTY) SURVEY COOPERATIVES

### i. COMMENCEMENT OF WORK

Fifty percent of the survey societies started their functions during the period 1961-65, while 35% of the societies started functions during 1966-70 (Table II.1 Appendix).

### ii. EMPLOYEES OF THE SOCIETIES

Sixty percent of the societies under study employed no person in the societies for extending necessary help to the managers for conducting the day to day affairs of the societies. Only 4 societies (20%) had 15 staff and 4 societies had both staff and workers (Appendix-Table-II.2).

iii) SHARE, SAVINGS, NETWORTH

The total registered capital of twenty survey cooperatives was Tk. 5,342.25 (Savings Tk. 552.25 + share Tk. 4,790.00). The average registered capital was Tk. 267.11 (Taka two hundred sixty seven and paisa eleven) only. The face value of each share was Tk. 10.00. The actual accumulation of share and savings of these societies from 1975-76 to 1984-85 were Tk. 3,20780.50 (Tk. three lacs twenty thousand seven hundred eighty & paisa fifty) & Tk. 2,58,729.20 (Tk. two lacs fifty eight thousand seven hundred twenty nine & paisa twenty). Forty percent of the Societies accumulated shares upto Tk. 5000/- and in respect of saving deposit 35% of the societies had Tk.5001/- to Tk. 10,000/- (Appendix-Table II.3). The networth accumulation of the societies at the beginning was Tk. 2,08,109.45 (Taka two lacs eight thousand one hundred nine and paisa forty five) and networth in 1984-85 was Tk. 10,45,546.40 (Taka ten lacks forty five thousand five hundred forty six and paisa forty) only. The average networth in 1984-85 was Taka 52,277.32 .

iv) LOAN OPERATION

Total loan issued by 20 survey cooperatives during the period from 1975-76 to 1984-85 was Tk.11,48,953.20, total recovery was Tk. 7,61,024.20 and balance was Tk. 5,87,929.00. The rate of recovery was estimated to be 66.24%.

v) LAND AND PREMISES

Five societies (25%) had their pucca buildings as offices of the societies. The total valuation of the buildings was Tk. 4,62,000.00 (Approx.) in 1984-85.

Three societies out of 20 societies had kutcha houses meant for the offices of the societies and their valuation was approximately Tk. 23,500.00 (Taka Twenty three thousand five hundred only). Sixty percent of the societies had no premise.

Seven societies out of the twenty societies had 6.62 acres of land under the possession of the societies. i.e. 65% of the societies had no land in their possession (Table-II.5). The land was used for purposes of office, planting etc.

vi) SALARY AND OTHER INCENTIVES TO MANAGERS

Only 3 societies (15%) paid salary to their managers on monthly basis and total amount paid by these societies to the managers was Tk. 1300.00 only p.m. On the other hand, Tk. 9200.00 was paid to managers as yearly incentives by 7 societies (35%).

vii) SERVICES TO MEMBERS

It was also observed from the survey that the number of services rendered by the survey cooperatives vary from 4 to 17. These services include organising



fish culture, supply of fertilizer, poultry raising, supply of insecticides, education facilities to the members of cooperatives, supply of water for irrigation, supply of pesticides to members, supply of marketing information, popularising the use of social products, popularising the modern methods of cultivation, settlement of dispute among the members, facilitating exchange of ideas among the members, conducting adult education programme, breeding of cattle, breeding of hens etc. (Table II.1A and Appendix - Table II.6 - II.7 D).

The study reveals that no society provided transport facilities, essential commodities, seeds, storage & cold storage facilities electricity and loan for self employment to members. On the other hand, all societies under the study settled village disputes of the members, (Appendix- I, Tables II.6-70).

The total lands under the irrigation programme of the societies were 1070.89 acres and except 1 society all other societies had been supplying water for irrigation to the members by installing D.T.W., pumps, etc in their respective areas. The rate of irrigation charges varied from society to society. It varied from Tk. 500.00 to 1250 per acre. It was due to the fact that some societies already raised the charge due to rise of electric charges by FDB, while other societies maintained the old rate.

TABLE II.1A

## DISTRIBUTION OF SOCIETIES ACCORDING TO THEIR SERVICES

Code No.	Names of the Societies	Services provided by the Societies
01	Ratnabati KSS	8
02	Shimra Balashar KSS	7
03	Dakhmin Ashrafpur KSS	5
04	Nandanpur KSS	8
05	Sreenibash KSS	11
06	Sultanpur KSS	6
07	Sreeballabpur KSS	7
08	Shaktala KSS	6
09	Uttar Joypur KSS	17
10	Dakhmin Rampur KSS	14
11	Laxmipur KSS	6
12	Mohanpur KSS	7
13	Neuana KSS	7
14	Olain KSS	6
15	Razapara KSS	5
16	Ramchandrapur KSS	7
17	Shambakshi KSS	6
18	Subarnapur KSS	6
19	Sharifpur KSS	4
20	Daribatagram KSS	6

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viii). GROWTH OF MEMBERSHIP

It is worth noting that 20 societies had 505 members in the beginning (10 years ago) and in 1984-85 the total number of members increased to 1293. The average number of members per society was 64.65.

CHAPTER - III  
DEVELOPMENT OF COOPERATIVE SOCIETIES IN BANGLADESH

### 3.1 HISTORICAL BACKGROUND-PHASES

The development of cooperatives is the function of several factors-economic and non-economic. Economic factors include mainly the economic conditions of those forming such societies and non-economic factors include government policies, role of philanthropic organizations and political motivation of social workers. As viewed by Anayatullah<sup>1</sup>, the main factors responsible for the growth and development of cooperative societies include ecological conditions and socio-economic structure of the community. Ecological conditions refer to the availability of natural resources, the demographic pressure on the resources, favourableness or unfavourableness of the physical location and the extent of exposure to natural calamities. Socio-economic structure of the community has been examined in terms of external control, structural differentiation, community culture, external linkage, etc. Until now there has not been any comprehensive study establishing relationship between various factors and the development of Cooperative societies in Bangladesh. Some bits and pieces of information, mostly not backed by data, are scattered over different publications. Basing on the available information an attempt has been made to analyse the development of cooperatives in Bangladesh. The same has been discussed basing on the number of societies and of members and structural changes.

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1. Anayatullah, Cooperatives and Development in Asia, United Nations Research Institute and Social Development, Geneva, 1972, p.6.

This part could not be extended further due to the lack of data. Broadly the various development phases may be grouped into three; viz, development prior to 1947, development prior to 1971 and development of cooperatives since 1971.

### 3.2 DEVELOPMENT PRIOR TO 1947

During the last quarter of the 19th century the peasantry of the Indian sub-continent was passing through the worst time of their lives mainly due to the curse of famines caused by frequent failure of crops. Towards the middle of the 19th century the rural economy became crippled due to the combined effects of economic and political factors. The British policy of using this country as a hinterland for development of British industries, the land tenure system which stratified the rural society into two classes, viz, the master and Zaminder class and the tenant class, to serve the master as well as the laissez-faire agricultural development policy coupled with the whims and caprices of nature under which farming had to be done, placed the peasantry to a level at which they could hardly earn their livelihood from land.

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As viewed by Akhter Hamid Khan, "Landlords were not the only proteges who were abusing the powers acquired by them under the empire; merchants and money lenders were

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2. Akhter Hamid Khan, Ten Decades of Rural Development. Lessons from India, Agency for International Development Contracts, Michigan State University, Michigan, 1978, p.7.

doing the same. Trade and usury hurt the peasants doing the same. Trade and usury hurt the peasants proprietors to such an extent that their desperation at last attracted the attention of district officers. They discovered that low prices and high interest charges were bankrupting the peasants at an alarming rate. Many of them were losing their lands". It has been said that the farmer was born in debt, he used to live in debt and he died in debt transferring the burden of debt on his children .

The economic condition deteriorated further by the end of the nineteenth century following unplanned cultivation of land year after year and due to oppression by the indigo planters. The growing crises affected the British colonial rulers too. So a move was made by the rulers to safeguard the interest of the farmers, which was indeed more in their own interest. In the year 1879, "Deccan Agricultural Credit Act", in 1883, "Land Development Credit Act" and in 1884 "Agricultural Credit Act" were framed . After the failure of these steps, the need for immediately combating the deteriorating rural problem was first seriously appreciated by the Government of Madras in India, which sent Sir Federick Nicholson to Europe, particularly to Germany, for studying agricultural banking there and suggesting measures

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3. Integrated Rural Development Programme, Five Years of IRDP, Research, Evaluation and Monitoring Division, IRDP, Dhaka, 1978, p.8.

4. Moniruddin Ahmed, Samabaya Gram Bangla , Ahmed Publication. Dhaka, 1978, p.15.

for solution of rural problems in the context. The reports of Nicholson which were published in two volumes in 1885 and 1897<sup>5</sup>, recommending introduction of village banks of Raiffeisen type, were reviewed by the Government.

Towards the end of the nineteenth century, some philanthropic officials wanted to give the peasants the strength of unity by organising them into cooperative societies modeled after the German Credit Unions. It was hoped that in that way they would be able to protect themselves from the excesses of merchant money lenders, just as the German farmers had done a generation earlier.<sup>6</sup>

In the year 1900, Mr. Dupernix, ICS, who had some previous experience of cooperative movement advocated establishment of Raiffeisen type of village cooperative societies and also formation of urban banks to act as agencies for organizing and financing rural credit societies.<sup>7</sup>

On the lines indicated scattered cooperatives began to be started by the far-sighted officers like Mr. Maclagan, ICS, in <sup>the</sup> Punjab and some District Officers in other provinces. Bengal's first few societies began operating before that turn of the Century following relatively

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5 R.D. Bedi, Theory and Fractice of Cooperation, Loyal Book Report, March-24, India, 1969.

6. Akhter Hamid Khan, Op. Cit, p.8.

7. S.A.Safdar, Development of Cooperative in Indo-Bangladesh, Sub-continent, Bangladesh Samabaya Bank, Dhaka, 1977, p.6.

TABLE - III.1

DISTRIBUTION OF NUMBER OF PRIMARY AGRICULTURAL SOCIETIES AND CENTRAL BANKS IN VARIOUS PROVINCES OF INDO-PAK-BANGLADESH SUB-CONTINENT IN 1915:

Provinces	Primary Agricultural Societies	Central Banks
Madras	1250	7
Bombay	569	3
Bengal	1547	33
Bihar and Orissa	766	12
United Provinces	3549	55
Punjab	3261	38
Burma	1092	2
Central Provinces	2083	28
Assam	224	4
Cooleg	22	-
Ajmir	352	5
Total:	13715	189

Source: Maclagan Committee Report on Cooperation.

Government Press, Simla, 1915, p.4.



In 1915 the searching enquiries by the Maclagan Committee brought to light a number of glaring defects which hampered the development of cooperative. The chief defects that were pointed out by the committee were<sup>12</sup>:

1. Tendency on the part of RCS to automatically register all societies without satisfying himself that the society is being formed on a sound basis.
2. Lack of constant supervision and audit.
3. The illiteracy and ignorance of the masses created a number of serious difficulties in the way of management and supervision of the societies.
4. The members of the management committee acted in selfish spirit in as much as they misappropriated the bulk of the loans by means of benami loans, and were found guilty of criminal negligence of duty of mismanagement and fraud.
5. Nepotism in advancing loans to the near relations and friends of the Committee of management was present. Punctuality was not rigidly enforced and this delinquency coupled with apathy stood in the way of other members getting adequate credit.
6. The very notion that cooperation is a government born activity or the societies were "Sarkar's Banks" militated against the success of the movement.

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<sup>12</sup>Maclagan Committee Report on Cooperation, Government Press Simla, 1915, p.5.

7. There was a tendency in some areas, to exclude deserving but poor persons from societies on the ground of caste status.
8. The societies resorted to allowing renewals based on fictitious repayment. It was an insidious and dangerous irregularity.
9. The societies were not properly audited and inspected.
10. Much delay is caused in granting loans to the needy cultivators and to drive them to the money lenders.

The committee very wisely warned against the starting of new societies by remarking that the pace of movement should not be unduly quickened from outside. It emphasised that the urge towards cooperation should be spontaneous as far as possible and pointed to the necessity of guarding against the dangers of granting credit too easily. It further emphasised the need for thorough audit and supervision in order to prevent bad management and embezzlement and to inspire confidence in the investing public. It made many proposals which remained the basis of further development for a number of years. Some of them are:

1. Repayment of loans should be strictly enforced according to the installments fixed.
2. Accounts should be audited by chartered Accountants.

Lastly Maclagan committee also reported that the movement did not take to outgrow the dreams of its founders<sup>13</sup>.

The general progress of the movement in Bengal upto 1922-1923 was as follows<sup>14</sup>:

TABLE - II.2  
GENERAL PROGRESS OF THE COOPERATIVE MOVEMENT IN BENGAL  
(1922 - 1923)

	Societies		Membership		Working Capital	
	1922	1923	1922	1923	1922	1923
Provincial Bank (Federation)	1	1	72	77	20,41,06	25,41,380
Central Banks	71	73	9,826	10,368	121,22,554	130,55,375
Agricultural Societies	5,850	6,146	171,833	180,781	128,26,310	138,78,116
Non-Agricultural Societies	438	453	60,168	68,720	63,37,657	73,93,293

But the progress of the movement in its initial stage was far from being what it was thought of by Raiffeisen who had wanted that, firstly, the bank must provide service to everyone in the village and bring the whole of the village life within its area; Secondly, there must be constant

13. Ibid., p.4

14. Source: Bangladesh Secretariat Record Room, Proceedings of Bengal Assembly, April, 1923.

interaction with the members and genuine adherence to essential cooperative principles; and lastly, concentration on a few selected areas rather than wide multiplicity and diffusion should be aimed at. Further, in Raiffeisen's contemplation, village banks credit operation was to be supervised with members' thrift deposit programme with close linkage between the two. But in actual practice, no importance was given to this vital aspect of the credit movement. The obvious result was that the borrowing members of the cooperatives failed to repay the loan. In the year 1928 the government formed the Royal Commission on Agriculture to review the progress of agriculture in India. The Commission headed by Lord Linlithgow in its report brought the following defects to the development of cooperatives .

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- a. The position of cooperative societies in Bengal is the same, if not worse than other provinces in India.
- b. The cooperative movement was mainly a credit movement.
- c. It could not even meet 5% of the total loan requirement of the province.
- d. It could not cover more than 4% of the total families of the province.

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15. Royal Commission on Agriculture in India, (Abridged Report) Agricultural Publishing Academy, New Delhi, India (Reprinted), 1983.

e. The money lenders with their cut-throat rate of interest ruled supreme in the rural areas.

During the world depression of the thirties, the borrowing members of the cooperatives failed to pay up their dues and this not only crippled the already weak backbone of the cooperatives but also created quite naturally a distrust and disloyalty among the depositors towards the cooperative movement.

In 1938-39 there were 24,256 cooperative societies in this part of Bengal (present Bangladesh)<sup>16</sup>. In Bengal, where the movement was supposed to be a little better than in the rest of the sub-continent, the general trend of expansion was the same. Here in addition to thousands of existing agricultural cooperatives, many societies like consumers' stores, fishermen's cooperatives, sugarcane growers' cooperatives and weavers' cooperative societies came to being during and after world War II due to acute shortage of raw materials and consumer goods. But as soon as the war was over, most of these cooperatives lost much of their dynamism. As regards the financial position and management of the primary cooperatives during 1945-46 only 6.5 percent of their working capital represented deposit from members. Only seven percent of the societies were of medium type while there was no best type society<sup>17</sup>. Primary Cooperative Societies, however, continued to grow till 1947-48. The

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16. A Naim, Organisation Study of Cooperative Directorate (East Pakistan), National Institute of Public Administration, Dhaka, 1963, p. 48.

17. IRDP, Five Years of IRDP, Dhaka, August 1978, p. 9.

number of such societies increased to 32418 in 1947/48. Meanwhile several Committees were formed to review the working of the movement which was rapidly expanding on weak foundation and suggest measures for improvement.

During the period under study other important committees were Agricultural Finance Sub-committee (1924) known as Gadgil Committee and Cooperative Planning Committee (1945) known as Saraiya Committee. These bodies made valuable recommendations for removing the weakness of the movement. As viewed by S.A. Safdar<sup>18</sup> the causes of lack of success of cooperatives in pre-Pakistan period in Bengal may be summed up as follows:

#### A. INTERNAL CAUSES

1. Hasty organization of cooperatives.
2. Lack of cooperative education among members.
3. Introduction of unlimited liability without giving members education about its implication.
4. Violation of established principles and practices of cooperation.
5. Ineffective supervision and guidance resulting in widespread default and indiscipline.
6. Lack of efficient and enlightened leadership.
7. Eagerness of the Government to multiply the number of societies rather than to supervise or finance them properly.

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<sup>18</sup>S.A. Safdar, Development of cooperative in Indo-Bangladesh Sub-continent, Bangladesh Samabaya Bank, Dhaka, 1977, p.16-17.

## B. EXTERNAL CAUSES

1. Effect of depression of thirties
2. Effect of war conditions
3. Great famine of 1943
4. Political turmoil of forties:
  - i) Partition of the country
  - ii) Migration of population.

This is, in short, the history of cooperative movement in the sub-continent upto 1947.

### 3.2 Development prior to 1971

Just after the creation of the then East Pakistan (Present Bangladesh) there were 26,664 rural credit societies in this country. One-sixth of the rural credit societies was primary agricultural societies. Assuming that each society covered one village, they covered nearly 1/3 of the Bangladesh villages. However, most of them were in a bad financial position. The Government appointed the agricultural Enquiry Commission under the chairmanship of Lord Boydorr in 1951 to review the entire situation. In its report it recommended organization of multipurpose societies. A large number of multipurpose societies were organized and rural credit societies were placed under liquidation<sup>19</sup>. Most of the rural credit cooperative societies in 1947 in this part of Bengal which now forms Bangladesh were in a state of collapse.

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The Register of Cooperative Societies, Annual Department Report for the Year 1961-62, Government of East Pakistan, Dhaka, 1964, p.1.

Available data show that as many as 24,675 societies were placed under liquidation by the year 1957<sup>20</sup>. Drastic fall in number of cooperative societies since 1947 was due to the liquidation of village based credit societies & formation of UMFCs. There had been the downward trend of primary societies till 1967 (vide Graph - I).

The rural agricultural credit societies were of unlimited liability, single purpose (credit) with village as the area of operation. The union cooperative multipurpose societies were of limited liability, multipurpose with union as unit of operation. The reasons behind introducing cooperatives at the union instead at the village level were as follows:-

1. The small size of primary units often proved uneconomic and
2. Suitable persons were not always found within the same area of a village for managing the affairs of the societies.

But the union multipurpose cooperative societies could not develop as a truly people's movement in this country. Defective organization, lack of cohesion among members, lack of appreciation of the principles of cooperation, general indifference of management personnel, lack of encouragement of thrift, indiscriminate distribution, misuse and misappropriation of loans, defective audit, etc.,

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20. International Cooperative Alliance, Recent Changes, Trends and Development of the Movement in South-East Asia, ICA, New Delhi, 1979, p. 29-30.



contributed to the weakness and ineffectiveness of the cooperative multipurpose system<sup>21</sup>. By 1953-1954, 3949 multipurpose societies were organized in this country. Of them, 1107 societies were liquidated during 1954-59 on the ground that no businesses were transacted by them for over a year after their registration<sup>22</sup>.

In the year 1960 the Government formed credit Enquiry Commission to investigate the major problems of credit. In the year 1960 the Commission states<sup>23</sup>, "The major problem in the credit field is that the cooperative credit movement at the primary level has in many places become more or less stagnant while the high agencies, viz., the central and provincial banks have neglected the responsibility to the small people in the primary societies. To a large extent, the resources of cooperative banks have been exploited by men of influence for personal and commercial purpose in complete disregard of cooperative idea and objectives. Politically motivated intervention has subverted the movement and led to the use of cooperative funds as instrument of political patronage".

The shortcomings of the traditional cooperative and multipurpose cooperative systems led to an appreciation of the need for an alternative system of cooperative institutions

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21. Mahmoodur Rahman, Union Cooperative Multipurpose Society Under the Old System and Village Cooperative Societies Based on Comilla Approach, BRDB, Comilla, 1972, p.8.

22. Ibid., p.8

23. Government of Pakistan, Credit Enquiry Commission Report, Government of Pakistan Press, Karachi, 1960

to cater to the needs of the rural people. It was felt that a comprehensive and integrated approach to improve the conditions of the farmers at a rapid pace should be developed. Some of the main ideas underlying the new system evolved at Comilla were the result of assimilation of cooperative system of other countries. It drew lessons mainly from German Raifeisen System and the Danish Folk School System<sup>24</sup>.

Keeping in view some basic needs of the rural people, the academy at Comilla proceeded to work. The farmers are organized to form village based cooperative societies. Normally one village has one cooperative society. The village societies are affiliated to a central cooperative association at the upazilla level.

There are distinct advantages of small cooperative groups at the village level over the union based cooperative societies.

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The main advantages are:

1. It is easier to organize a small group of people with common interests and problems into a cooperative at the village level;
2. Management and supervision of small homogeneous group at village level are much easier than at union level;

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24. Mahmoodur Rahman, Union Cooperative Multipurpose Society Under the Old-System and Village Cooperative-Societies Based on Comilla Approach - A Comparative Picture, BRDB, Comilla, 1972, p.8.

25. Ibid., p.12.

3. It is easier to maintain cohesion, solidarity, unity and discipline among a small group;
4. It is easier to attend to peculiar local problems that arise due to local variations; and
5. Communication and interaction between the local people and the urban areas are relatively easy in case of small groups.

As regards the upazila central cooperative, it can not be put on the same footing with the sub-divisional Cooperative Bank for comparison. The former performs a number of supporting and servicing functions, while the latter is merely a banking organization.

About 70 percent of the farmers of Bangladesh may be described as small farmers with landholding size varying from .05 to 2.49 acres<sup>25A</sup>. They generally follow traditional methods of farming and operate on a subsistence level. Any real break-through in agricultural production depends on improving the conditions of this vast number of farmers. Firstly, there were widespread rural indebtedness and the need for agricultural credit. Secondly, there was a great need for development of skill through training and demonstration. Thirdly, there was a need for capital accumulation through mobilization of savings in rural sector. Fourthly, there is a great need for modernization of agriculture by taking to improved methods of farming. Side -

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25A. Government of the Peoples Republic of Bangladesh, Statistical Year Book of Bangladesh, Bangladesh Bureau of Statistics, Dhaka, 1986, p.- 282.

by side, there was a necessity for development of various businesses based on agriculture. Facilities for processing and marketing of agricultural produce were needed to be developed.

In the year 1963, accepting the Comilla KTCCA (Kotwali Thana Central Cooperative Association) as a model, work was started in 3 projects viz, Natore (Rajshahi), Gaibanda (Rangpur) and Gouripur of Mymenshingh (where there were National Development Training Institutes to assist in training programme). Having noted its success and peoples' tremendous response a scheme entitled the "Comilla District Integrated Rural Development Programme (CDIRDP) was drawn up and approved by the then government. Initially seven upazillas of the Comilla District were covered in 1965 and the remaining 13 upazillas were taken up in 1968. The responsibility of implementation of the programme was initially given to the then department of Agriculture of the provincial government with the PARD playing its role as an observer. In 1968 the then East Pakistan Agricultural Development Corporation (EPADC) took over the responsibility of the CDIRDP when the entire district of Comilla was covered under the programme. The programme was evaluated by the project wing of the planning commission, of the erstwhile government of Pakistan in 1970 when a national scheme was prepared for the entire province and submitted to the government for approval. Although the scheme was approved in late 1970, it could make very little progress till January

1972 due to the out-break of War of liberation<sup>26</sup>.

### 3.4 Development Since 1971

During the post liberation period of Bangladesh, fresh ideas generated and new strategies were explored for rural development. The emphasis was laid upon cooperative within a socialistic framework<sup>27</sup>.

Immediately after liberation, the Government of Bangladesh declared promotion of cooperative movement as the cornerstone of their economic and social policy for upliftment of the rural economy which was completely crippled. Thus, the task of reconstruction and rehabilitation of the economy through cooperative got top priority. The relative importance attached to the cooperatives as a development institution may better be estimated if one compares the total share of rural cooperatives in agricultural credit. During 11 months after liberation a total of Tk. 14.16 crore was distributed to farmers as short and medium term loans.

It was further planned that quantum of annual credit to be handled by the cooperatives would be raised to Tk. 50 crore over the next 5 years. Besides, the domain of cooperatives was planned to be diversified. The scheme of

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26. Integrated Rural Development Programme (IRDP), Five Years of IRDP, Research Evaluation and Monitoring Division, IRDP, Dhaka, p.15-16.

27. The constitution of the Peoples Republic of Bangladesh, 1972.

setting up of 62 model villages by the CARE with the help and cooperation of the Government of Bangladesh in collaboration with the Bangladesh Jatiya Sababaya Union was taken up. The union further embarked upon an ambitious scheme of opening up as many as 81 thousand Adult Education centres throughout the length and breadth of the country. Total cost of the proposed work was estimated to be Tk. 40 crore.

In April 1972 the Bangladesh Academy for Rural Development, Comilla organized a Seminar on Cooperative Farming. The seminar focused on different dimensions of cooperative farming both from theoretical and practical point of view. As many as sixteen experts from different parts of the country participated in the seminar. They suggested several policy prescriptions on Cooperative Farming in Bangladesh as well as raised some pertinent issues on the future of Cooperative Farming .

At the instance of the ICA, the Union organized a seminar in 1972 on the importance of cooperatives in National development of Bangladesh, which was inaugurated by the Minister-in-charge of, Local Government, Rural Development and Cooperatives. About 400 cooperators participated in the seminar. Quite a good number of books and booklets to popularise the movement were published. The task of distribution of certain items entirely rested on the

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27a. Bangladesh Academy for Rural Development, Comilla, Cooperative Farming (Report on cooperative Farming Seminar held at BARD from April 24-26, 1972), BARD, Comilla, 1972.

The number of members also increased to 4861585 in 1975/76 from 2865575 in 1971/72. Central societies also increased to 489 from 281 during this period (Table iii.3). Opinion survey for the rapid growth of cooperative societies during this period reveals that the Government at that time gave privileges and incentives to the growth of weavers', fishermen's and other cooperative societies by granting them licences, permits for their proper functioning. The Government took the policy of introducing compulsory village cooperatives in the country in 1975. The announcement regarding formation of village cooperatives was however made just before the overthrow. In the years following the political changes of 1975, some foreign donor agencies were found interested to offer assistance towards the development of rural cooperatives. Some of the important projects financed by foreign agencies included Rural Development (RD-I) project, Noakhali Intergrated Rural Development programme (NIRDP), Sirajgonj Intergrated Rural Development programme (SIRDP) funded by the World Bank, NORAD and Asian Development Bank respectively. BRDB with its new class of rural cooperatives became the focus of attention .

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28. A paper presented by Mohammad Faizullah, Cabinet Division, the Government of the People's Republic of Bangladesh, in a National Workshop on "The follow-up of Cooperative Training, Policy and Standard". organized by Rural Development Academy, Bogra (21-23 April, 1986), p.19

cooperatives. The government policy along with supportive measures provided stimulus to the development of cooperatives in the country. This would be obvious from the fact that the number of primary societies increased from 33,306 in 1970/71 to 41,815 in 1971-72, i.e., within a period of 6 months only there was an increase of 25.55% of societies in relation to that of more than two decades.

The sharp rising trend of primary cooperatives was observed during the period 1971/72 to 1974/75. The cooperatives were also found to diversify their activities to cope with the development needs of the rural economy. Available data show that the number of primary societies increased to 68387 in 1974-75, i.e., there was an increase of 205.33% within a period of only 3 years immediately after independence. Similarly the involvement of people in the societies along with expansion and growth of supporting activities also increased. The rapid growth and expansion of cooperatives may be attributed to the supporting government policy, and sustaining measures taken by the government in activating the rural population. The rising trend of growth of cooperatives and of members continued till 1983/84, although at a lower rate. Data on the number of cooperatives for the period since 1974-75 indicate that the percentage of increase of primary societies was 172.83 only. Average annual growth of primary cooperative societies from 1972/73 to 1984-85 has been estimated to be 573, while the same was estimated to be 85 during 1955/56 to 1969/70. (Vide scattergrams 1,2,3).



The number of members also increased to 4861585 in 1975/76 from 2865575 in 1971/72. Central societies also increased to 489 from 281 during this period (Table iii.3). Opinion survey for the rapid growth of cooperative societies during this period reveals that the Government at that time gave privileges and incentives to the growth of weavers', fishermen's and other cooperative societies by granting them licences, permits for their proper functioning. The Government took the policy of introducing compulsory village cooperatives in the country in 1975. The announcement regarding formation of village cooperatives was however made just before the overthrow. In the years following the political changes of 1975, some foreign donor agencies were found interested to offer assistance towards the development of rural cooperatives. Some of the important projects financed by foreign agencies included Rural Development (RD-I) project, Noakhali Intergrated Rural Development programme (NIRDP), Sirajgonj Intergrated Rural Development programme (SIRDP) funded by the World Bank, NORAD and Asian Development Bank respectively. BRDB with its new class of rural cooperatives became the focus of attention .

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28. A paper presented by Mohammad Faizullah, Cabinet Division, the Government of the People's Republic of Bangladesh, in a National Workshop on "The follow-up of Cooperative Training, Policy and Standard". organized by Rural Development Academy, Bogra (21-23 April, 1986), p.19

Since 1983 further development took place in the BRDB cooperatives with the introduction of BSS (Bhittahin Samabay Samity) and MSS (Mahila Samabay Samity) under RD-II project financed by the World Bank IDA and UNDP. To what extent the big money of the World Bank could help the new branch, the BSS and MSS, at this stage, it is quite early to predict<sup>29</sup>.

The cooperatives are service oriented and productive Organization engaged in various economic activities of the country. Their activities are extended to almost all important sectors of the national economy, such as, agriculture, fisheries, small industries, milk, weavers, marketing, transport, consumer's supply, education and extension. There are 1,18,196 primary cooperatives in this country with an individual membership of 64,80,875 upto 31st December, 1985 (Table-III.3).

The shares and deposits of an average member in the cooperative society amount to about Tk. 96.00 only, while the total of paid up share and working capital of all the societies are 21.20 crore and 185.81 crore respectively upto June 1984 (Table-III.4). The extend of dependence of an average primary society on outside help for its working may be seen from the following percentages of the components to

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29. Ibid., p.5

the total capital<sup>30</sup> employed.

			percentage
a.	Shares	... ..	11.4
b.	Deposits	... ..	2.8
c.	RF & Other funds	... ..	10.8
d.	Loans	... ..	75.0
			-----
			Total= 100.0
			=====

The analysis of development of cooperative societies in Bangladesh shows that there was the declining tendency of cooperatives during 1947-48 to 1964-65 in relation to that of the period prior to 1947-48. There was, however, the rising trend of societies since 1964-65, although the number of societies could not reach the level of 1947-48 till 1970-71. The rapid growth and expansion of cooperatives was observed during 1971-72 to 1974-75 and almost the same tendency continued till 1984-85.

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30A. Ibid, p-19.

TABLE - III.3

## A SUMMARY OF THE ACTIVITIES OF APEX, CENTRAL AND PRIMARY SOCIETIES FOR THE PERIOD FROM 1947 TO 1984

	1947-48	1957-58	64-65	69-70	71-72	72-73	73-74	74-75
a. Apex Societies		8	9	11	11	9	8	8
b. No. of Members		2083	2002	2611	2340	3219	3721	4302
a. Central Societies		171	186	259	281	366	448	455
b. No. of Members		12367	3020	23384	33853	44267	50915	60514
a. Primary Societies	32418 <sup>2</sup>	6689	7917	26910	41342	53592	61535	62337
b. No. of Members		2449632	1583877	2391227	2865575	3910551	4554626	4240556

\*All the figures from 1947-48 1966-68 and 1948-85 are not available from the records.

- Source : 1) Research section, Registrar of Cooperative Societies, Govt of People's Republic of Bangladesh, Dhaka.
- 2) Balaghatullah, Cooperative Movement, Bangladesh Jatio Palli Unnayan Sanghata Federation, Dhaka.
- 3) Durgadas Bhattacharjee, Karbar-Sangathan, Globe Library, Dhaka, 1986.

TABLE - III.3

A SUMMARY OF THE ACTIVITIES OF APEX, CENTRAL AND PRIMARY SOCIETIES FOR THE PERIOD FROM 1947 TO 1984

	1975-76	1976-77	1977-78	78-79	79-80	80-81	81-82	82-83	83-84	84-85
a. No. of Apex societies	8	12	12	13	13	13	14	18	18	<sup>18</sup> N.A.
b. Number of members	4267	4453	4582	5107	3113	3376	3053	3507	3472	N.A.
a. No. of central societies	489	537	589	645	645	764	925	958	972	N.A.
b. No. of members	69288	72144	73610	79347	89327	97966	98855	106657	1,12,672	N.A.
a. No. of primary societies	69247	72764	77544	83497	99963	104672	107025	115452	1,12,622	118196
b. Number of members	8461585	4870693	4928498	5294139	6297497	6602398	5712469	6482057	57,76535	649037

TABLE - III.3A  
DIVISION WISE STATISTICS OF PRIMARY SOCIETIES UPTO 31st DECEMBER, 1985

Name of the Societies	Dhaka Division		Chittagong Division		Rajshahi Division		Khulna Division		Total	
	No. of Societies	No. of Members	No. of Societies	No. of Members	No. of Societies	No. of Members	No. of Societies	No. of Members	No. of Societies	No. of Members
<u>SPONSORED BY COOP. DEPTT. AND OTHERS</u>										
1. Primary U.C.M.P.S. Ltd.	1220	370721	1015	243386	1019	261089	869	353166	4123	1228362
2. Fishermen Coops.	955	138276	1478	118885	552	51138	964	127810	3949	436109
3. Primary KSS	12234	464683	4817	187112	5885	314292	6670	196214	29607	1162301
4. " Weavers Coops.	1331	298632	646	98479	481	78985	515	62603	2973	538699
5. " Sugarcane Coops.	118	13977	2	48	470	64526	124	44087	714	122638
6. " Mahila Coops.	481	22207	160	4106	236	8623	256	13109	1133	48045
7. " Milk Coops.	137	18596	-	-	92	9850	1	205	230	28651
8. " Other Coops.	3826	399919	3574	260069	1945	78635	2073	122381	11418	861004
Total :	20302	1727011	11692	912085	10681	867138	11472	919575	54147	4425809
<u>SPONSORED BY BRDB</u>										
1. K.S.S.	12863	433630	11667	357495	15160	571528	11274	316589	50964	1679242
2. M.S.S.	1743	52403	1127	38985	1258	32931	1488	45397	5616	169716
3. B.S.S.	1851	49816	1373	37497	1553	47413	2002	53194	6779	187920
4. Others	40	1164	335	8965	125	2873	190	5186	690	18188
Total:	16497	537013	14502	442942	18096	654745	14954	420366	64049	2055066
Grand Total:	36799	2264024	26194	1355027	28777	1521883	26426	1339941	118196	6480875

Source: Cooperative Department, Samabaya Sadan, Dhaka.

TABLE - III.4

GROWTH OF WORKING CAPITAL, PAID UP CAPITAL AND LOANS HELD BY ALL TYPES OF COOPERATIVES IN DIFFERENT YEARS

Year	Paid up Capital (Figures in Crores)	Loans held (Figures in Crores)	Working Capital (Figures in Crores)
1959-60	2.77	-	-
1960-61	3.15	15.34	21.23
1961-62	4.13	15.96	23.27
1962-63	3.69	21.23	28.29
1963-64	4.21	23.03	30.89
1964-65	4.55	22.63	31.57
1965-66	5.47	25.36	36.11
1966-67	5.68	27.97	40.81
1967-68	6.53	40.89	55.97
1968-69	7.38	51.05	68.06
1969-70	-	-	-
1970-71	4.35	96.78	117.76
1971-72	10.53	95.97	119.05
1972-73	13.31	122.46	151.72
1973-74	14.87	117.07	156.09
1974-75	15.62	109.73	148.08
1975-76	15.86	125.71	168.64
1976-77	17.49	125.47	173.13
1977-78	18.86	149.59	207.89
1978-79	21.19	175.37	231.94
1979-80	23.73	215.42	278.00
1980-81	28.26	259.10	332.84
1982-83	N.A.	234.00	263.78
1983-84	21.20	139.31	185.81

Source : Annual Departmental Reports of the Department of Cooperatives.

### 3.5 Coverage of Cooperative Societies in Bangladesh

Bangladesh has a total area of 1,43,998 sq. Kilometers with a population of 89.91 million in 1981 of which about 92% are living in the rural areas. Agriculture in Bangladesh ranks the highest in the field of economic activities. It is a source of living for more than 80% of the population. The agriculture sector accounts for about 50.48% of the G.D.P.<sup>31</sup>.

There are at present 1,18,196 primary cooperative societies in this country with an individual membership of 64,80,875 upto 31st December 1985<sup>32</sup>. Out of the total number of primary cooperative societies 80,571 (68.17%) are agricultural cooperative societies (Krishak Samabaya Samity) of which 29,607 are sponsored by the cooperative Department and 50,964 are sponsored by BRDB<sup>33</sup>. About 5.32 percent of the rural population are involved in cooperative activities on the average in Bangladesh.

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31. Government of the Peoples Republic of Bangladesh, Bangladesh Economic Survey, Ministry of Finance, Dhaka, 1987, p - 7.

32. Bangladesh Jatiya Samabaya Union (BJSU), Cooperative, BJSU, Dhaka, 1986, p.21.

33. Ibid., p.21.



There are 493 police stations (upazillas) with an average population of 1,76,714,23 per Upazilla and there are 240 Cooperative Societies per administrative unit (Table III.5). At present there are 25 primary cooperative societies on an average in each union<sup>34</sup> and in each village 1-2 cooperative societies of different categories operate in Bangladesh (Table III.5).

The Cooperatives of Bangladesh are agricultural and non-agricultural engaged in different aspects of economic development and their activities are extended to all important sectors of the national economy.

The agricultural cooperatives, according to their functions, may again be divided into two, viz:

1. Agricultural credit society
2. Agricultural non-credit society.

Most of the agricultural cooperatives are functioning in the rural areas. The non-agricultural cooperatives of Bangladesh are mainly of two types-viz:

1. Non-Agricultural credit society
1. Non-Agricultural non-credit society

Non-Agricultural Cooperatives may again be divided into three viz:

- a. Service
- b. Industrial
- c. Commercial (Trade, Transport, Banking etc.)

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34. Moniruddin Ahmed, Corrupt Practices in Cooperation Bangladesh Jatiya Samabaya Union, Dhaka, 1986, p.21.

Most of the non-agricultural cooperatives are functioning in the Urban areas of Bangladesh .

TABLE - III.5

COVERAGE OF COOPERATIVE SOCIETIES IN BANGLADESH

	Average Population per unit.	Average coop. societies per unit	Total Number of Coops in the country
No. of Upazila = 493	1,76,714 (App.)	240	1,18,196
No. of Union = 4472	19,481 (App.)	25	36
No. of villages = 85650	1,000 (App.)	1-2	37

During late 70's and early 80's a good number of NGOs have been set up to help women (Mahila) and landless peasants in rural areas. Like other cooperatives they are voluntary at common objectives of members, but they are neither registered as cooperatives nor they are affiliated to any organs of the local cooperatives. However, some of them have been reported to have adopted a group approach in bringing together the disadvantaged people living in the rural areas. How far these organizations have been able to achieve the goal of cooperative spirit is a matter of further investigation.

35. Durgadas Bhattacharjee, opcit, p. 271.

36. Bangladesh Jatiya Samabaya Union (BJSU), Cooperation, BJSU, Dhaka, 1986, p.21.

37

Moniruddin Ahamed, Corrupt Practices in Cooperation, Bangladesh Jatiya Samabaya Union, 1986, p.21.

TABLE - III.6

COVERAGE OF COOPERATIVE SOCIETIES IN BANGLADESH  
(AS PER CURRENT ADMINISTRATIVE UNITS)

District/ Region.	Area in sq.Miles including rivers.	NUMBER OF				Number of Cooperative Societies. (Primary) Up to March '86
		Dist- ricts	Upa- zilas	Unions	Villages	
CHITTAGONG/ DIVISION	17536	15	136	1250	21086	25,890
1. Chittagong	2879	2	27	302	1918	5,400
2. Chtg. H.T.	3351	2	22	44	569	1,329
3. Bandarban	1733	1	8	13	163	425
4. Noakhali	2108	3	16	184	2063	3,272
5. Comilla	2549	3	26	363	6397	7,967
6. Sylhet	4911	4	37	344	9976	7,497
DHAKA DIVISION	11881	17	135	1226	25169	36,216
7. Dhaka	2884	6	49	365	7653	11,877
8. Mymensingh	3733	3	35	340	6753	12,398
9. Jamalpur	1293	2	13	110	2323	2,944
10. Tangail	1314	1	11	100	2470	2,406
11. Faridpur	2657	5	27	311	5970	6,591

District/ Region.	Area in sq.Miles including rivers.	NUMBER OF				Number of Cooperative Societies. (Primary) Up to March' 86
		Dist- ricts	Upa- zilas	Unions	Villages	
<b>KHULNA</b>						
DIVISION	12963	16	99	895	13369	26,065
12.Khulna	4698	3	26	216	3512	5,442
13.Jessore	2536	4	21	248	3848	5,095
14.Kustia	1328	3	12	107	1893	2,618
15.Barisal	2818	4	28	225	2726	8,049
16.Patuakhali	1581	2	12	99	1390	4,861
<b>RAJSHAHI</b>						
DIVISION	13219	16	125	1101	26026	28,968
17.Rajshahi	3651	4	32	275	7384	8,157
18.Fabna	1827	2	18	149	3632	5,060
19.Bogra	1501	2	16	140	3644	3,925
20.Dinajpur	2535	3	23	197	5658	3,759
21.Rangpur	3705	5	36	340	5708	8,067

(1)

Source: Statistical Pocket Book of Bangladesh - 1983.

Bangladesh Bureau of Statistics, Dhaka, March, 1976

(2) Register of Cooperative Societies, Quarterly Statistics, of Cooperative Sector in Bangladesh, Department of Cooperatives, Dhaka, 1986.

Note: Before March/1986 a considerable number of primary cooperative was placed under liquidation by the Government.

### 3.6 Place of Cooperative Societies in the Economy of Bangladesh

The constitution of Bangladesh provides three types of ownership rights of property such as state ownership, Cooperative ownership and private ownership<sup>38</sup>

As viewed by M.A. Azim Jahangir<sup>39</sup> the role played by cooperatives in the industrialization programme and economic development of a country can be described with respect to three points:

- a. Cooperative as the means of industrialization for economic development.
- b. Cooperative as the instrument of playing special role in the production process.
- c. Cooperative as the instrument for achieving the aims of economic development - Social Welfare.

As viewed by Mary Jean Mcgrath<sup>40</sup> "Cooperation constitutes an important genus of free associations. With particular reference to its present and potential role in the newly developing regions of the world, it may be restated in the following manner:

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38. The Constitution of the People's Republic of Bangladesh, 1972, p.6. Article No. 13.

39. M.A. Azim Jahangir, The Role of Industrial Cooperatives in the Economic Development of Bangladesh with special reference to the work-cooperatives of Poland. The University of GDANSK, Poland (Unpublished ph.D. thesis), 1980, p.88.

40. An Article Presented by Mary Jean Mcgrath, in the 28th International Seminar on Cooperative Education and Management on "The Promotion and Role of Cooperation of the Developing Regions", University of Wisconsin, 1984, p.1.

"Cooperation should be promoted in such forms and by such means that, on the one hand, its extension strengthens rather than weakens the power and will of the individual to look after himself and his own legitimate interests, on the other hand, its extension should in time enable the state to economise its resources in money and personnel, devoting, relatively less and less, to emergency and short term measures to relative economic distress, and relatively more and more to long-term plans and projects for accelerated growth by orderly progress towards greater economic security and welfare".

The manner in which cooperation is promoted largely determines the role which it is capable of playing in any national economy<sup>41</sup>. The amount of domestic savings of cooperatives in the national economy of Bangladesh is Tk.22.43 Crores during 1982-83<sup>42</sup>. The gross domestic savings in Bangladesh is Tk.2042.33 crores in 1982 - 83 and the percentage of <sup>share of</sup> cooperatives in the total gross domestic savings is 1.1.

Cooperation may never completely eliminate sharp commercial mal-practices but if it becomes widespread and efficient, it may render them socially innocuous. Neither do consumer cooperatives exterminate private trade, but they can ensure that the consuming public is not grossly exploited even in a period of scarcity<sup>43</sup>.

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41. Ibid., p.13

42. Bangladesh Bank, Savings Behaviour in Bangladesh, Department of Public Relation and Publications, Bangladesh Bank, Dhaka, 1983, p.20.

43. Mary Jean Megrath, op.cit. p.13

In Bangladesh 92 percent of the population live in villages. Integrated Rural Development programme can play an important role in cooperative structure. But for this real and planned steps of the Government are essential. Cooperatives, can play a very important role in removing poverty of the low and the middle class people and arranging food, clothes, shelter and employment for them. In Bangladesh agricultural extension and education programmes for farmers through cooperatives can be executed. In various parts of the country the poor agriculturists formed their own capital with the help of thrift deposits in their primary cooperatives.

In this regard the report of Joyanta Roy on the performance of Deedar Cooperative Society of Comilla may be cited. He states "the success of Deedar has been spectacular, to say the least. A cooperative society started in October, 1960 with 9 members (eight of them Rickshaw pullers and one, owner of a small grocery-cum-teashop and six rickshaws) depositing 0.56 Taka (nine annas in those days), accumulated by the end of May, 1982 a share capital of Tk.13,58,320.00. The total number of members stood at 940 in August 1986. The Deedar Society itself has already acquired movable and immovable property worth Taka 70,00,000.00 in August, 1986. The magnitude of this success (signalling excellence of management) must not be permitted to obscure the key role of popular participation in securing

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44. Durgadas Bhattacharjee, op. cit, p.291.

such success. If a researcher intends to experience the thrift of watching how the rural poor can participate in development efforts and literally lift themselves up by their bootstraps, he may turn to Deedar's first register of thrift deposits for the month of October, 1960. This is written in pencil. The society had nine members upto October, 1960, each depositing - one anna every day<sup>45</sup>.

Besides, cooperative is yet to be popular in this country. The very fact that there are about one hundred and eighteen thousand cooperative societies in Bangladesh with 65 lacs of membership<sup>46</sup> is a bold testimony of people's interest. On the basis of family affiliation about 30 million people are directly or indirectly associated with cooperative activities. On that account, cooperative may well be deemed as the highest mass organization in the country. These societies have left its profound impact in building up local leadership in Bangladesh. The societies are by and large managed by elected leaders. In most cases these are the training grounds for the leaders who rise to higher echelon of political circle. In the last parliament election of Bangladesh more than 50 members of the parliament (M.P) were directly

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45. Joyanta Roy, Organising villagers for self reliance - A study of Deedar in Bangladesh, BAPD, Comilla, 1983.

46. Bangladesh Jatiya Samabaya Union, Cooperation (A Quarterly Journal of Cooperative Affairs), Dhaka, July, 1966.



involved in cooperative activities. The contributions of cooperatives in different fields of economic activities are briefly described below:

i) Agriculture

In agriculture the largest contribution of cooperative is technology transfer and increase of production. The use of modern irrigation equipment is dependent on group formation. In this field productive groups are formed through cooperatives; this facilitates the introduction of deep tube-wells, shallow tube-wells and power pumps in the country. Till-to-day agricultural cooperative societies in Bangladesh continue to maintain increasing productivity through various supportive programmes.

ii) Industry

In view of the low level of income and of savings of those living in the rural areas, it is difficult on the part of rural people to organise industrial cooperatives due to larger amount of capital involved in promoting a modern industry.

M.A. Jahangir<sup>47</sup> reviewed the role of industrial cooperatives in the economic development of Bangladesh, while M.A. Khan<sup>48</sup> focused on the management of industrial Cooperatives in Bangladesh in their respective Ph.D. dissertations. From the available records and publications it appears that two large scale industrial enterprises viz,  
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47. M.A. Azim Jahangir, *Opcit.*, p. 88.

48. M.A. Khan, Management of Industrial Cooperatives in Bangladesh, Institute of Bangladesh Studies, Rajshahi University, 1982 (Unpublished Ph.D. Thesis)

the cooperative Jute mills & the Chittaranjan Jute mills are now under the control of cooperators. The other important industrial units are Sonar Bangla Cotton Spinning Mill, Comilla Mohazar Karkhana, Sukur Jarda Factory of Rajshahi and few cold storages situated in different parts of the country. Bangladesh Milk producers Cooperative Union was formed to ensure reasonable price of milk to farmers by freeing them from exploitation of middlemen. This cooperative society established the largest milk processing industry and sells milk under the brand "Milk Vita". It is however difficult to give any categorical comment on their managerial effectiveness as sufficient data are not available.

iii) Banking and Insurance

The cooperatives of this country ~~started~~ banking service in the rural areas long ago and distributed credits among the peasants in mofussil areas. The banks were established in former sub-divisional headquarters. The cooperatives of this country made contribution in banking sector by forming a sizeable number of "urban cooperative banks" in different towns. The central banks of all districts in Bangladesh are performing their jobs through many difficulties till to-day. Short term and medium term credits are distributed among peasants by these banks.

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48. Ibid., p.13.

iv) Fishermen's Cooperative

There are in total 4039 fishermen's cooperative societies in Bangladesh. Cooperatives helped change the lot of poor fishermen through organizing the fishermen, supplying equipment and fish processing facilities. Fishermen's Cooperative introduced nylon net twine in the country. Recently "Jatiya Matshyajibi Samabaya Samity" has established factories to produce fishing equipment for fish processing. These units are running with profit.

v) Weaver's Cooperatives

Handloom weaving has a vital role in the national economy. There is one Apex, 57 secondary and 3614 primary weavers cooperatives in the country. Primary level societies are handling more than 4.28 lakh handlooms and providing employment opportunity to about 7 lakh people. The total coverage of the weavers cooperative is about 78% of the entire weaving industry of the country<sup>49</sup>

vi) Cooperative Housing

Cooperative societies have also been found to operate in the housing sector. As many as 205 Cooperative Housing Societies have grown up at the initiative of the cooperators. Among the cooperative housing societies, Nasirabad Housing Society of Chittagong, Baitul Aman Housing Society and Aziz Cooperatives of Dhaka have made remarkable contributions in the field of housing.

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49. Ahsan Hamid, Arthu Naitik-unnayana Samabya (an article published in Sachitra-Bangladesh, (Forthnightly Vol 4. No.3) January, 1983, p-8.

vii) Mahila and Bittahin (poor) Cooperatives

Cooperative Department and BRDB organized special type of cooperative for the landless and the women. BRDB has formed 20911 Bittahin (Poors) Cooperative Societies upto June, 1985. One thousand three hundred fifty nine "Bhumiheen" (Landless)<sup>50</sup> Cooperative Societies have been formed by the Cooperative Department till to-day. In a preliminary estimate it appears that a total of 141455 critically poor persons have been benefitted from societies sponsored in different fields by the Cooperative Department alone. The income of the people has increased and their expectation has gone up. This has also promoted off-farm activities in the rural areas<sup>51</sup>.

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50. Bangladesh Rural Development Board, Barshik Pratibadan: 1984-85, Planning Evaluation and Monitoring Division, BRDB, 1985, p. 111.

51. Saadat Hussain, Role of Cooperative Sector in the Economic Development of Bangladesh (Published in a Quarterly Journal of BJSU), Bangladesh Jatiya Samabaya Union, Dhaka, p. 15

CHAPTER - IV

TRENDS OF POLICIES, MANAGEMENT OF PROJECTS  
PROGRAMMES AND THEIR EFFECTS

#### 4.1 TRENDS OF POLICIES

The development of Cooperative Societies largely depends on the policies of the Government and the measures taken to implement the policies. These may have positive or negative influence on the development process, for the members of the cooperative societies are yet to be well organized and many of them are yet to be conscious of the need for collective efforts.

Historically cooperative societies were developed in the then British India at the initiative of the Government to meet the economic crisis. In the beginning of the 20th century the Government felt the need to overcome the crisis of rural economy through cooperatives. As a step towards this, the Government sent a Civil Servant in Germany to study the situation there and suggest measures. Following his recommendation a central legislation to regulate cooperatives was passed in 1904. This gave legal status to the cooperative societies.

The Cooperative Societies particularly were developed in the then Bengal immediately after the First and the Second World Wars to meet the economic crises in different parts of the country. In order to make the control of the Government, over the working of the societies more effective, the control of the societies was handed over to the provincial Government in the year 1940, by a legislation. Since then the Cooperative Societies have been

controlled by the provincial legislation<sup>1</sup>. It provided stimulus to many to promote the cooperative societies. The review of the economic conditions during the period indicates that there was serious problem of distribution of food. Besides, both urban and rural population were heavily indebted to the Mohajani System. Considering the magnitude of the problem the Government formed the Debt Settlement Board in 1938 and later on in 1940 the Mohajani Act was passed<sup>1a</sup>.

As a consequence of the Policy of breaking the Mohajani system poor population in general and farmers in particular were freed from the clutches of the Mohajani exploitation, but this also created another problem of scarcity of credit. The Government of Pakistan appointed Pakistan Agricultural Enquiry Committee in 1951 headed by Lord Boyd-Orr<sup>2</sup> and the committee reviewed the working of cooperative societies with reference to agricultural development. Following the recommendation, multipurpose cooperative societies were organized in 4000 Unions and rural credit societies were

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1. S.A. Safdar, Development of Cooperatives in Indo-Bangladesh Subcontinents, Bangladesh Samabaya Bank, Dhaka, 1977, p - 16.

1a. M.A.Rahman, Bangladesher Itihash, Nowroz Kitabisthan, Dhaka, 1981, p, 559.

2. The Registrar of Cooperative Societies, Annual Department Report, for the year 1961-62, East Pakistan, Dhaka, 1964.p.1.

placed under liquidation . Besides, during the period of more than a decade the Cooperative Societies, however, suffered a serious set-back due to unstable political situation and migration of significant number of non muslims after 1947/48 who were involved in the administration of the Cooperative Societies . In contrast to the upward trend of growth of cooperatives there appeared the declining trend of societies till 1960.

In 1960 a separate organization named Pakistan Academy for Rural Development was set up to develop rural economy. In 1962 Government categorically acknowledged the potential of the Cooperative movement as an instrument of national advancement. The then Minister of Food and Agriculture of the Government of Pakistan declared the decision that the Government would provide full support and assistance to the organization and development of the Cooperative Societies in all fields of economic activity .<sup>4</sup>

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3 Ibid., p.1.

4. Lt. General K.M. Sheik, Minister, Food and Agriculture, Government of Pakistan, February 17, 1962.



Immediately after the independence of Bangladesh a completely new dimension of policy was followed. As a matter of cardinal state principle, the importance of cooperative was clearly reflected in the constitution of the People's Republic of Bangladesh. The constitution provides three types of ownership rights of property, such as state<sup>5</sup> ownership, cooperative ownership and private ownership.

In April, 1972, the Bangladesh Academy for Rural Development, Comilla organized a Seminar on Cooperative Farming. The Seminar focused on different dimensions of Cooperative Farming both from theoretical and practical point of view. As many as sixteen experts from different parts of the country participated in the seminar. They suggested several policy prescriptions on cooperative farming as well as raised some pertinent issues on the future of cooperative farming.

As a matter of policy the Government in the year 1972 decided to lease out fisheries to the fishermen instead of auctioning to the highest bidders who were only middlemen motivated by private profit. Government also decided to make available dyes and threads to small scale weavers and sell fertilizers and seeds to the farmers through the Cooperative

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5. The Constitution of the People's Republic of Bangladesh, 1972, p. 6. Article No. 13.

Societies<sup>6</sup>. In 1972 the Government of Bangladesh appointed a Committee with cooperative Leaders and Officials to examine the suitability of existing cooperative Act and Rules and to recommend measures " to ensure democratic management of the movement through self controlled regulatory measures." In the same year system of nomination to the Managing Committee of Cooperatives by the Government was abolished as a step towards democratisation of Cooperatives.<sup>7</sup>

As a step towards strengthening cooperative and two tier cooperative movement following the Comilla Model a legislation was passed in the parliament of Bangladesh in 1972. This Resulted in setting up an institutional frame work for planning, development and controlling the operations of cooperative societies under Integrated Rural Development. In 1975 Government took a policy of introducing compulsory village cooperatives in the country. The announcement regarding formation of compulsory village cooperatives was, however, made just before the overthrow. In 1979 the Government of Bangladesh decided to organise " Youth Cooperative Society" in every union of this country.<sup>8</sup> It was decided that youth cooperative society would be given the responsibility to undertake various activities.

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6. A Portion of the Speech of the President of the People's Republic of Bangladesh on the Occasion of the 50th International Cooperative Day, Observed in Dhaka, 1972, (Source: The Reference Section, The Daily Ittefaq, Dhaka, 2-7-72).

7. S.A.Safdar, opcit p - 30

8. A Portion of the Radio-Talk of Cap. (Retd.) Abdul Halim Choudhury, Hon'ble Minister for L.G.R.D. & Cooperative on the eve of the 8th National Cooperative Day, 3rd November, 1979.

In the year 1982 Government of Bangladesh took a policy to unify the BSBL CCB-UCMPS/KSS (Bangladesh Samabay Bank Ltd. - Central Cooperative Bank - Union Cooperative Multipurpose Society/Krishi Samabay Samity) and BRDB - UCCA -KSS (Bangladesh Rural Development Board - Upazila Central Cooperative Association/Krishi Samabay Samity) System of Cooperative Credit. Rural Development and Cooperative Division of the Ministry of Local Government, was entrusted with the task of bringing about the proposed unification, in collaboration with all other concerned agencies of the Government as well as with the cooperative credit institutions affected by the policy of unification.

Rural Development and Cooperative Division of the Ministry of Local Government devised a scheme and a programme for unifying the Cooperatives at the thana level (present upazila level) as the first step in the process of implementing the government decision. Some of the steps of the programme were as follows:

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9. Constitution and terms of reference of and Operational guidelines for thana committees for unification of Cooperatives at thana level, Rural Development and Cooperatives Division, Ministry of Local Government, Government of the People's Republic of Bangladesh, 1982, p.1.

-All active KSSs affiliated to the CCBs would be transferred from the CCBs to the TCCAs (UCCAs).

-In accordance with the instruction of the Government thana (present Upazila) Committees for unification were formed with Upazila Nirbahi Officer as Chairman.

The Government wanted to introduce one system of Cooperative on the ground that the parallel existence of two Cooperative Systems is wastage of scarce manpower<sup>10</sup>. Unification based on the TCCA/KSS (Present UCCA/KSS) was much discussed, agreed to be necessary.

A programme of converting the traditional system to TCCA/KSS was undertaken by Bangladesh Rural Development Board in RD-1 project. A considerable effort was made and the returns were not commensurate with it. Major difficulties were encountered in tracking down assets, liabilities and defaults, and in the transfer of assets of KSS wishing to reaffiliate from CCB to TCCA (Present UCCA).

As regards the unification of Cooperative Societies in Bangladesh some officials of the Government of Bangladesh and of the World Bank Staff reviewed that policy details but a modus operandi for conversion has never been developed<sup>11</sup>

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10. Bangladesh Integrated Rural Development Programme -A Joint review by Government and the World Bank (Draft Report), 1981, p.24.

11. Ibid., p.14

On the other hand in Second Five Year Plan of Bangladesh - three tier Cooperative System for unification of Cooperatives in the entire country was proposed<sup>12</sup>.

From the above discussion it is evident that the lack of proper planning, policy and of comprehensive programme as well as absence of follow-up of the programmes were partly responsible for uncoordinated cooperative development in Bangladesh.

#### 4.2 MANAGEMENT OF SCHEMES, PROJECTS AND PROGRAMMES

The Planning of development of Cooperative Societies is done mainly by four Government Agencies, viz Ministry of LGRD and Cooperatives, Department of Cooperatives, Bangladesh Rural Development Board, and Planning Commission. The initiation, approval and financial control of various projects are being carried on by the various agencies depending on the magnitude of financial involvement. Available records show that several projects and schemes were taken by the Department of Cooperatives and the Bangladesh Rural Development Board from time to time.

For the purpose of analysis of the projects/schemes the entire period beginning from 1955 has been divided into six phases. The number of projects/schemes under taken by the government with financial allocation for each period may be seen in Table IV.1.

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12. SFYP. p. XII-99.

TABLE - IV.1

DISTRIBUTION OF PROJECTS AND SCHEMES ON  
COOPERATIVES IN FIVE YEAR PLANS

	Name of the Plan	Period	No. of Projects/ Schemes.
1.	First Five Year Plan of Pakistan	1955-60	5
2.	Second Five Year Plan of Pakistan	1960-65	15
3.	Third Five Year Plan of Pakistan	1960-65	10
4.	First Five Year Plan of Bangladesh	1973-78	6
5.	Two Year Plan	1978-80	15
6.	Second Five Year Plan	1980-85	7
			Total 56

Sources: Five Year Plans.

From the table it appears that as many as 56 projects/schemes were taken by the Government over a period of time. The major areas covered by the schemes included development of Cooperative credit and marketing structure, development of weavers' cooperative, development of fishermen's cooperative, development of consumers' cooperative, development of cooperative union, cooperative education and training, sugarcane growers cooperative, development of land mortgage bank etc.

Immediately after independence of Bangladesh, Government gave much emphasis on the development of Cooperative Societies. As stated in the First Five Year Plan the IRDP would be concerned with peasants Cooperatives. The content of the former IRDP programmes were retained and it was planned that the coverage of thanas under the programme would continue to be increased. As many as 6 schemes of Cooperative Department were included in the plan.

During 1984-85 Bangladesh Rural Development Board undertook 12 projects and schemes funded by ADB, UNICEF, FAO, IDA and other non-governmental organizations.

#### PROGRAMMES

Recognizing that agriculture was, and for the foreseeable future would continue to be, the mainstay of the economy and the overwhelming majority of the fast growing population must consequently be provided with employment and income in rural areas the then Pakistan Government launched a rural development programme during 1950s (Village Agricultural and Industrial Development or V-AID Programme) .

13. Bangladesh Integrated Rural Development Programme -A Joint Review by Government and the World Bank (Draft Report), January, 1981, p.2.

This programme, which was diffused and unfocussed, was not successful. However, it did lead to the establishment in 1959, of what is now called the Bangladesh Academy for Rural Development in Comilla. The history of the work at Comilla is well documented. Suffice it to say here that the (very successful) action research programme in the Kotwali Thana of Comilla District, which explicitly dealt with the physical and socio-economic constraints, led to the development of an integrated rural development model comprising four components<sup>14</sup>. The Thana Training and Development Centre, the Rural Works Programmes, the Thana Irrigation Plan; and the two tier cooperative system of Thana Central Cooperative Association (TCCA) and Krishi Samabay Samities (KSSs) known as TCCA/KSS system. This was done in comilla during the sixties during the experimental stage.

The TCCA/KSS system, complemented by the other components, was reported to be successful in Sadar Upazila Comilla. Further the Cooperative model gradually expanded during 1960s, first to three thanas outside Comilla, then, under the Comilla District Integrated Rural Development Programme (CDIRDP). It covered, by 1968, the remaining 20 thanas of Comilla<sup>15</sup>.

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14. Five Years of IRDP, Research, Evaluation and Monitoring Division, Integrated Rural Development Programme, Dhaka, August, 1978, p. 13.

15. Bangladesh Integrated Rural Development Programme -A Joint Review by Government and World Bank (Draft Report), January, 1981. p.2.



a) Integrated Rural Development Programme (Present B.R.D.B.)

Evaluation studies of CDIRDP showed that farmers working jointly could change their lot and respond to production incentives. In 1970 the Government, therefore, decided to replicate the TCCA/KSS system nationally as the Integrated Rural Development Programme (IRDP). But IRDP could not be launched until 1972. Upto January 1981 it covered 270 thanas; 40,000 KSS;<sup>16</sup>. Among important projects taken up in this regard, Rd - I and RD - II are worth mentioning.

As the programme was under implementation, various supplementary schemes were included within its justification and implemented by field staff to provide supporting services to the TCCA/KSS system. Among these the construction of storage facilities (64), construction of marketing and storage/godowns (94), Upazila workshop-cum-training centre(4), construction of TCCA building (170) are worth mentioning.

The First Five Year Plan of Bangladesh<sup>17</sup> recognized the importance of the Integrated Rural Development Programme with some basic components like agricultural extension, credit supply, and marketing. It was felt that location or specific area development projects could achieve command over resources, inputs and services. On the basis of this assumption three intensive area Development Projects were taken up with foreign assistance.

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16. Ibid., p.3.

17. The First Five Year Plan of Bangladesh.

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The Second Five Year Plan has, however, decided to discontinue the area development projects until the existing projects had been properly evaluated. There was a strong feeling that heavy investment of resources in a few areas would make for social and economic imbalances among regions and within regions and therefore a programme oriented approach as represented in the original concept of IRDP (Present BRDB) is felt to be more desirable.

b) Thana Irrigation Programme

The Thana Irrigation Programme (T.I.P) was designed to provide irrigation facilities and coordinated supplies and services from the then Thana (Present Upazila) head quarter to farmers all over the country. In preparing the blueprint for the programme experiences of different departments and of agencies and experiments conducted by the Bangladesh Academy for Rural Development (BARD), Comilla have been taken into consideration. The Thana Irrigation Programme (T.I.P) was put in operation from 1967-68 all over the Country<sup>19</sup>.

The programme was originally meant for raising an additional Crop., i.e. Boro, in the winter.

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18. The Second Five Year Plan (1980-85) of Bangladesh, p.96.

19. Bangladesh Academy for Rural Development, Evaluation of Thana Irrigation Programme in Bangladesh, 1974-75 p.2.

Although the groups were formed as informal groups in the initial stage, they were subsequently converted into registered cooperative societies and affiliated to the Central Cooperative bank (CCB). In view of the government decision, they were re-organized, amalgamated and affiliated to the TCCA. Upto 1974 approximately 64.07% of the groups of irrigation programme (TIP) were converted into Krishak Samabay Samity (K.S.S.)<sup>20</sup>. How far they could bring desirable affect in reality is yet to be known.

#### 4.3 INPUT DISTRIBUTION PROGRAMME

Keeping in view the problem of agricultural inputs the Government took up several measures for ensuring timely distribution of inputs through several organizations. In this regard, BRDB is reported to have coordinated the activities of cooperatives in respect of managing inputs from the respective organizations through UCCAs. The quantum of different types of inputs distributed through UCCAs under the control of BRDB system may be seen in Table IV.2.

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20. BARD Evaluation of Thana Irrigation Programme in Bangladesh, 1974-75, p.- 2 & p.- 64

TABLE - IV.2

POSITION OF THE BUSINESS OF AGRICULTURAL PRODUCE AND OTHER  
INPUTS OF THE SOCIETIES UNDER UCCAs DURING 1984-1985.

Name of the Product	No. of UCCAS	Quantity purchased	Quantity Sold	Profit earned (Taka)
Fertilizer	125	28,883 tons	22,913 tons	21,28,942
Agriculture produce of different projects (pady, wheat, pulses, oil seeds)	20	24,485 mqunds	35,735 mqunds	9,56,981
Insecticides	77	24.47.725 Taka	N.A.	1,48,750
Marketing of paddy and rice under 'Mukta Project'.	10	10,186 mqunds	4,576 mqunds	31,770
	232			32,66,443

Source: Marketing Section, BRDB, Dhaka.

In contrast to the BRDB system of inputs distribution those not within the domain of BRDB were found to procure the same from respective organizations themselves. Here an attempt has been made to focus on the distribution mechanism of the following inputs:

- (a) Credit facilities.
- (b) Assuring timely supply of fertilizers to the members of the agricultural cooperatives.
- (c) Distribution of irrigation equipment at down payment.

a. CREDIT FACILITIES

One of the main reasons for the slow growth of rural economy is the lack of capital from the institutional sources. The farmers had no alternative but to depend on the traditional money lenders and traders who used to exploit the poorer farmers. In the past, many attempts were made to reduce this dependence by means of formation of credit cooperative societies, banks and agricultural finance bodies. But the combined efforts of all these institutions could meet but a fraction of the actual requirements of farm credit and that too was confined to the richer section of the farmers. The small and medium farmers had little access to these institutional loans due to various formalities involved in getting loans. Delay in distribution of institutional credit not only forced the common farmers to depend on the money lenders who were easily accessible but also led them to use the loans for unproductive purposes

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As viewed by A.Z.M. Shamsul Alam less than 7% of the total agricultural credit is distributed through cooperatives and 93% through alternative agencies like commercial banks, Bangladesh Krishi Banks etc.

In view of the realities of institutional credit in the past, attempts have been made under the two tier cooperative system to meet the farmer's reasonable requirements of

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21. IRDP Five Years of IRDP. Research and Monitoring Division, Dhaka, p.31.

22. A.Z.M. Shamsul Alam "Some Problems of Cooperatives in Bangladesh", BJS Union, 1983, p.5.

credit with minimum formalities so as to ensure that the credit is made available in time<sup>23</sup>.

In order to sanction the loan one representative of the K.S.S., generally the manager, presents the production plan to the UCCA. Rural Development Officer of the UCCA recommends the same to the manager of <sup>the</sup> Sonali Bank in the area after getting it passed in the UCCA's meeting. The K.S.S. is under obligation to submit necessary deeds, for the loan is to be secured against mortgage of lands of the members. After having sanctioned loan the concerned branch of the Sonali bank disburses money to the UCCAs who again disburse the same to the KSSs who are entrusted with the responsibility of distributing credit to the member farmer. In comparison with the procedure of getting loan from the commercial bank/Krishi bank, the procedure followed for granting loan to the member-farmer of KSS appears to be more lengthy and complex for there is no certainty whether the farmer would get credit even after submitting the mortgage deed to the society much in advance.

As viewed by Akhter Hammed Khan<sup>24</sup> "If we want a good system of rural credit, it is not enough that loans should come once a year from Dhaka through a multitude of agencies. The money should be available in the central Association. The power to make decisions should be there as well as the power to see that these loans are properly used"

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23. Ibid., p. 31.

24. Bangladesh Academy for Rural Development (BARD), The Works of Akhter-Hammed Khan, BARD, Comilla, 1983, p. 181.

The loan granted to the members of the K.S.S. under BRDB is supervised to ensure its proper utilization for productive purposes. The loan is mostly for a short term period for a particular crop.<sup>25</sup>

The loan provided by various Commercial Banks to the non-cooperators/farmers is not supervised. The loan operation of BRDB through Sonali Bank upto March 1984 is as follows :<sup>26</sup>

		<u>(Taka in lacs)</u>
1.	Loan issued	= 19,286.83
2.	Loan recovered	= 13,417.82
		<hr/> 5,869.01

The present credit policy of the Government for granting loan to the noncooperators is more simple which discourages development of cooperatives.

b) Distribution of Fertilizer

In order to ensure timely supply of different agricultural inputs in general and fertilizers in particular it has been a declared policy of the Government to promote self management of fertilizers at the grassroot level. Accordingly the UCCAs have been provided with the whole-sale fertilizer distributorship at the Upazila level. This would also help the UCCAs to earn some profit every year and become economically viable.

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25. Ibid., p. 31

26. Source: Accounts Section, BRDB, Dhaka.

Initially 7 UCCAs of comilla district received dealership from the BADC in 1969 by an agreement signed between BADC and the respective UCCAs<sup>27</sup>. At present the number of such UCCAs is 15. All the UCCAs are now interested to have the dealership. But UCCAs are reported to have a lot of problems in this regard.

Some of such problems are:

- i) No control of UCCA in appointing and cancelling retail fertilizer dealership;
- ii) Difficulty in procuring fertilizer in the peak season, and
- iii) Parallel arrangement of sale of fertilizer by the BADC to the retailers in selected Upazilas.

Due to the problems faced by UCCAs an attempt is made by the higher authority of BRDB to get dealership directly from fertilizer factory or main source of supply. If this attempt is successful, this may in future, help the UCCAs to extend more services to the members of the cooperative societies.

At present the members of the cooperative societies get fertilizers at normal BADC price from UCCAs. In spite of the existing problems faced by the UCCAs most of the UCCAs have been running this business at a profit to the benefit of members of the cooperative societies. Total amount of fertilizer distributed by the UCCAs during last three years

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27. IRDP, Five Years of IRDP, Research Evaluation and Monitoring Division, IRDP, Pabna, 1978, p. 36.



(1982-1985) is as follows<sup>28</sup>:

TABLE - IV.3  
DISTRIBUTION OF FERTILIZER BY UCCAS  
DURING 1982-85

Year	Amount (in tons)	Total distribution of chemical fertil- izer in Bangladesh (in tons)	Percentage distributed by UCCAs
1982-83	23,760	407852	5.83
1983-84	25,349	485856	5.22
1984-85	28,885	583802	4.95
Total:	77,992	14,77,510	

From the above table it appears that a negligible portion of fertilizer is channelled through cooperatives in Bangladesh. The fertilizer and input distribution programmes may work more effectively if only one system of cooperatives work systematically after execution of an amalgamation policy.

c) Distribution of Irrigation Equipment at Down Payment

The K.S.S.s get supply of deep tube-wells, low lift pumps at 10% down payment<sup>29</sup>. The balance of the cost of the irrigation equipment is to be paid on 10 equal instalments by the KSS. Sonali Bank branch in respective Upazilas grants this loan on the basis of recommendation from the Executive Engineer, BADC and project Director, BRDB<sup>30</sup>. When the loan is granted by Sonali Bank, the entire amount is transferred to BADC account for supply of the same to the respective K.S.S.

28. Source: Marketing Section, BRDB, Dhaka, 1985.

29. BRDB, Banking Plan, BRDB, Dhaka, 1983, (Deep-tube-well Section)

30 Ibid., 1983 (Deep Tube-well Section)

On the other hand, a farmers' group who are not the members of any Cooperative Society is entitled to get supply of deep-tube-wells and other irrigation equipments at 20% down payment, while cooperators get their irrigation equipment at 10% down payment.

In view of the difficulty in installing and operating low-lift pumps and deep-tube wells and their high costs, manually operated shallow tube-wells are considered very suitable to our situation. Such tube-wells commanding a small area in a single block would also break the closed shop attitude of the big farmers which is very often observed in case of low-lift pumps and deep-tube wells. It would also help crop diversification, specially cultivation of fruits and vegetables, on commercial lines. In 1975-76, the project started with 6,536 tube-wells<sup>31</sup>.

In the recent years the project expanded rapidly in collaboration with the UNICEF. In view of good response from the farmers, the target for distribution of tube-wells was increased to 25,500 in 76 upazilas during 1976-77. Upto March, 1984 the following irrigation equipments were distributed through 428 UCCAs, in Bangladesh<sup>32</sup>.

a. Deep Tube Wells	=	2,418 Nos.
b. Shallow Tube-wells	=	18,450 Nos.
c. Low Lift Pumps	=	1,981 Nos.
d. Hand Tube-Wells	=	1,12,417 Nos.

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31. IRDP, Five Years of IRDP, Research, Evaluation and Monitoring Division, IRDP, Pabna, August 1978, p. 38.

32. BRDB, Quarterly Report (January-March 1985), Monitoring Section, BRDB, Dhaka, 1984, p. .

#### 4.4 Marketing of Agricultural Produce

For all round development of the rural area, it is not enough to increase production only. Farmers require to get fair and economic price for their produce at the right time. Due to lack of sufficient cash with the farmers just after the harvesting of crops and imperfection in the market mechanism, a chain of middlemen creep into the system and reap the fruits of the farmers.

To ensure fair and economic price to the growers, the UCCAs undertook marketing programmes of agricultural commodities. UCCAs mainly purchase jute, oil seeds, pulses, molasses, rice and paddy. Except rice and paddy most of the goods were stored in UCCAs godown and later on are sold in the secondary markets. This is another kind of privilege given to the cooperators under BRDB System. Uptill now the scheme has been introduced in a limited scale in 232 UCCAs of BRDB,<sup>33</sup>.

#### 4.5 CLIENTELE SATISFACTION OF SUPPORTING ORGANIZATIONS

The successful operation of the rural primary societies largely depend on the cooperative efforts of those Government and non-governmental organizations engaged in providing supporting services. In the study area as many as seven different organizations were found in operation in

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<sup>33</sup> Bangladesh Rural Development Board Annual Report 1984-85 p.22.

Note: Marketing Section also deals with the distribution of fertilizer, insecticides, etc.

varying degrees. Here an attempt has been made to study how far the primary cooperative societies working within the framework of Comilla model could obtain the needed support from the supporting organizations. The study reveals that the following organizations were found to render certain services to the rural cooperatives.

1. Bangladesh Jatiya Samabaya Union.
2. Central Cooperative Bank.
3. Upazila Central Cooperative Association/Central Cooperative Society.
4. Local Union Council.
5. Power Development Board.
6. Bangladesh Academy for Rural Development, Comilla.
7. Bangladesh Palli Unnayan Samabaya Federation.

In an attempt to identify the type of services desired from the respective organizations and actual support received by them, managers of the sample cooperatives were asked questions pertaining to operation of each organization. Information on actual service received from different organizations and the degree of adequacy of the given service may be seen in the Table IV.4.

The review of services provided by the department of cooperatives indicates that about 25% of the societies did not get any support. Out of 75% respondents obtaining service 20% were of the opinion that auditing service was not at all adequately done by the department. Out of 20 respondents only one considered the development activity to

be adequate. The main reason behind this state of affairs might be attributable to the fact that the sample societies were not directly sponsored by the department. Thus, the categorical comment on the promotional/supporting activities of the Department cannot be given basing on the informaton collected from the sample societies.

The first two organizations namely Bangladesh Jatiya Samabay Union and Central Cooperative Bank are not concerned with primary agricultural cooperatives of the present study area. No existance of the departmental cooperatives is found in the study area which are directly concerned with National Cooperative Union and Central Cooperatie Bank.

The managers of the study areas were asked different questions with regard to desired support, actual support and satisfacton level of the actual support from various organizations. The managers desired 15 types of supports from Upazila Cental Cooperative Association and 10 types from Bangladesh Government. Out of these desired supports, they get 30 types of actual support from different organizations and Bangladesh Government. Actual support and clientle satisfaction of actual supportḡ has been shown elaborately in Table IV.4.

TABLE - IV.4

## CLIENTELE SATISFACTION OF ORGANIZATIONAL SUPPORT

Name of the Organization	Actual Support	Whether Service is provided		No. of respondents for				
		Yes	No	Some what adequate	Adequate	Very much adequate	Not adequate	Not at all adequate
1. Central Cooperative Association.	1. Credit	15	5	7	2	2	3	1
	2. Training	7	13	2	1	2	1	1
	3. Supervision	2	18	-	-	-	1	1
	4. Supply of input	1	19	1				
	5. Deep Tube-Well	1	19	1				
2. Union Council	1. Construction of road and High Ways	4	16	2				2
	2. Relief & Rehabilitation	3	17				1	2
	3. Repairing of roads and high ways	6	14	2	2	1	1	
	4. Settlement of Disputes	1	19			1		
	5. Drinking Water	4	16	1	1	-	1	1
3. Krishi Bank	1. Credit	5	15	-	2	1	-	2
4. WAPDA	1. Electricity	16	4	2	1	-	2	11
5. B.A.D.C.	1. Deep Tube-Well	11	9	1	4	3	-	3
	2. Pumps	1	19	-	1	-	-	-
	3. Shallow Tube-Wells	1	19	-	-	-	-	1
	4. Fertilizer	4	16	-	2	-	-	2
	5. Seed	1	19	-	1	-	-	-
	6. D.T. Repairing	1	19	-	1	-	-	-
	7. Others	1	19	-	1	-	-	-

TABLE - IV.4

## CLIENTELE SATISFACTION OF ORGANIZATIONAL SUPPORT

Name of the Organization	Actual Support	Whether Service is provided		No. of respondents for				
		Yes	No	Somewhat adequate	Adequate	Very much adequate	Not adequate	Not at all adequate
6. Cooperative Department	1. Audit	16	4	2	3	9	-	2
	2. Inspection	2	18	1	-	1	-	-
	3. Others	-	-	-	-	-	-	-
	4. Rules & Regulation	1	19	1	-	-	-	-
	5. Development of Cooperative Admn.	1	19	-	1	-	-	-
7. BARD, Comilla	1. Training	14	6	2	1	9	-	2
	2. Research	2	19	-	-	1	-	1
	3. Cooperation	1	19	-	-	1	-	-
	4. Joint-effort of BARD KTCCA-village Cooperative	-	-	-	-	-	-	-
8. Bangladesh Government	1. Development of Education	1	19	1	-	-	-	-
	2. Instruction (Proper)	1	19	1	-	-	-	-
	3. Development of Acts and Rules.	1	19	1	-	-	-	-

#### 4.6 Effects of the Policies and Programmes

It has been recognized that the rural cooperatives as voluntary organizations of farmers can play an effective role in the rural development. Keeping in view the crucial role of cooperatives, institutional framework has been developed. Effectiveness of the cooperative system is not only dependent upon policy parameters of Government plans and programmes but also on the coordinated approach to their implementation in spirit and content. Review of policies and programmes indicates that there is a wide gap between the policy and programmes. There is hardly any similarity between the policies and the plans. No less gap exists between the plans and implementation. The Five Year Plans emphasized upon rural development. To accelerate the pace of rural development the Government also adopted the policy of decentralization up to the upazila level. But there is no effective mechanism through which the end users of the output of the supporting system can effectively interact. It has been observed that the existing cooperative network could not function in the desired manner. Besides the rural development strategy has been constrained by the multiplicity of complex organization relations.

Despite the fact that Upazila Central Cooperative Association has been assigned the key role in coordinating the activities of the primary societies through managing the required resources provided by various supporting agencies, their role has not been observed to be as effective as their member societies desire.



With the implementation of the Government Policy of decentralizing administration upto the upazila level, the possibility of coordinated efforts became bright, for offices of all the supporting agencies have been set up at the upazila level. But the review of the activities of the primary societies and of the upazila central cooperative (KTCCA Comilla) along with the management of the supporting system reveals that neither the primary societies nor the central cooperative could get required assistance from concerned agencies for rural development. At present the delivery of the supporting assistance is largely dependent upon the persuasion of the management of primary societies. There is hardly any mechanism through which primary societies can make the concerned supporting agencies aware of their need and ensuring follow up of the operations of the input delivery system.

As viewed by the managers of the primary societies Upazila Cooperative Association (KTCCA) may be assigned the increasing role in facilitating interchange of ideas between the primary cooperative and concerned supporting agencies. In this regard a broad based committee consisting of leaders of cooperatives, cooperative officers, and representative of the supporting agencies may be formed. The Committee may identify the needs and prepare operational plan, review progress and identify problems. In the event of failure on the part of any supporting agency the matter may be referred

to the Upazila Nirbahi Officer and the concerned higher authorities so that speedy corrective measures are taken.

A Cooperative Society has to maintain relationship with various organizations like Upazila Central Cooperative Association, Banks, Government Department etc. A manager of a Krishi samabaya Samity (BRDB) has to maintain relationship through Upazila Central Cooperative Association (UCCA) with various organizations like the Power Development Board (PDB), Bangladesh Agricultural Development Corporation (BADC), Department of Cooperatives and Local Union Council for the attainment of objectives of the Cooperative Society.

A manager of a Krishi Samabaya Samity (Departmental) has to maintain relation with these organizations and departments directly. A Manager of a Krishi Samabaya Samity (Both BRDB and Department) has to maintain relation with the local officers and staff of Power Development Board (PDB) in order to get supply of electricity in his area particularly for the irrigation project.

Sometimes Krishi Samabaya Samities (KSSs) have to come forward to take the help of local bodies like Union Council for settlement of disputes among members or outside organizations. Members of local bodies generally try to settle the disputes if the KSS fails to do the same in its weekly meetings.

KSS again makes necessary approach for local bodies

for construction and repairing of the roads in their area. Poor members of the KSSs have to depend much on help from the Government in respect of relief and rehabilitation through Union Councils.

Bangladesh Agricultural Development Corporation (BADC) supplies irrigation equipment, seeds, and fertilizers to the farmers of KSSs. A manager of a KSS prepares scheme in consultation with the Upazila B.A.D.C. officer to get supply of irrigation equipment like deep tube wells, power pumps etc<sup>36</sup>.

Bangladesh Academy for Rural Development (BARD) Comilla and Rural Development Academy, Bogra are the two semi-autonomous organizations<sup>37</sup>. They organize training programmes for the managers, members of the Managing Committees and members of the KSSs. They also undertake research and experimental projects for the benefit of the societies in their respective areas in Bangladesh.

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36. Government of the People's Republic of Bangladesh, Proceedure for Purchase and sale of Deep Tybe-Wells, Planning Commission, Dhaka, 1980. p.1.

37. Government of the Pepple's Republic of Bangladesh, Table of Organization and equipment, Ministry/Division, constitu-tional Bodies etc. Cabinet Division, Bangladesh Secretariate Dhaka, 1983, p.64.

On the other hand, Bangladesh Jatiya Samabaya Union and National Federation for UCCAs, Dhaka, Cooperative College, Comilla and other Cooperative Institutes located in different places are also engaged in imparting training to the members, managers and members of Managing Committees of the Cooperative Organizations for their development. Managers of Cooperative Societies require to develop relationship with those organizations for their own benefit. In practice, many of the organizations find it more convenient to administer their programmes through UCCA - KSS structure<sup>30</sup>.

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<sup>30</sup>Integrated Rural Development Programme, Rural Development in Bangladesh - its prospects and problems, IRDP., Dhaka, August, 1978, p. 10.

CHAPTER - V

ORGANIZATION AND MANAGEMENT OF  
SUPERVISORY INSTITUTIONAL SET-UP

### 5.1 Structural Components of the Cooperative System

The operation of cooperative system has been influenced by the nature of the Government and the policies pursued by them. The Government have been performing mainly two types of functions, viz, regulatory and promotional. Regulatory functions of the Government are performed by the Department of Cooperatives under the concerned Ministry. The Department of Cooperatives has also been formed to initiate some developmental projects from time to time.

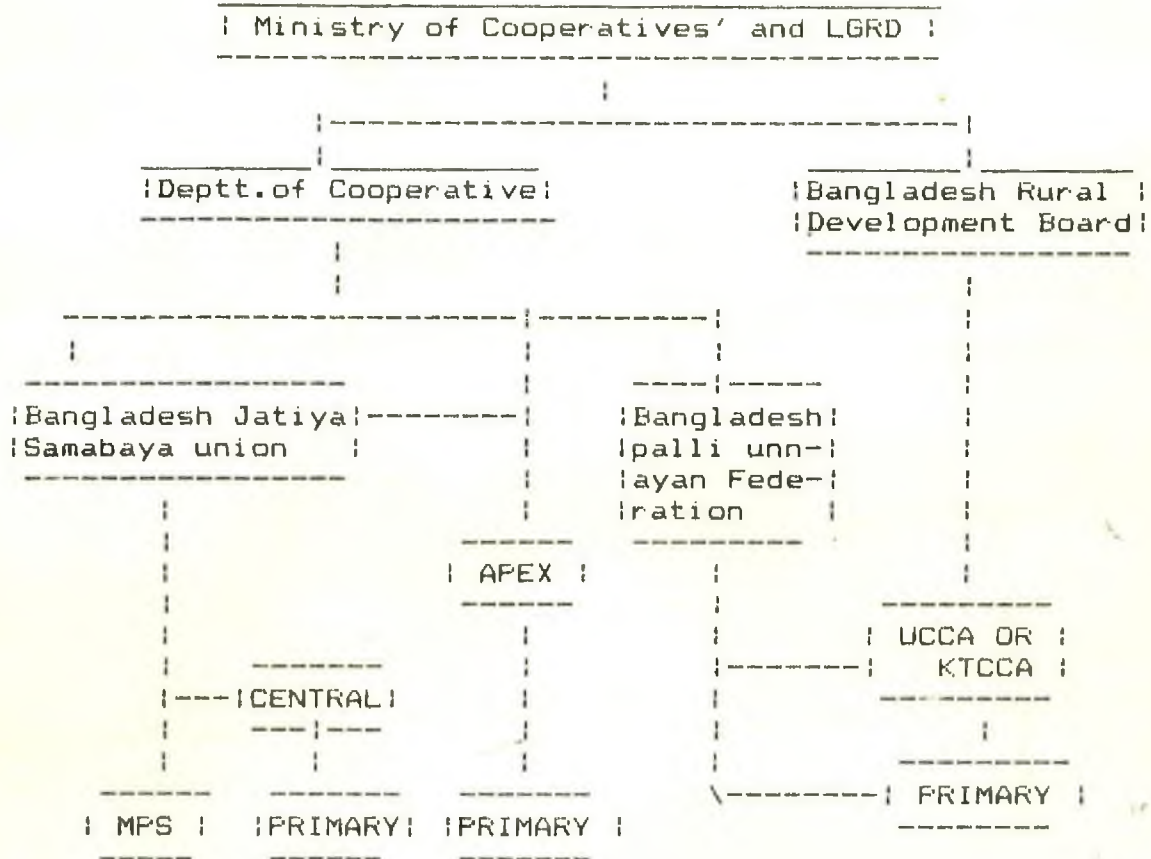
Depending on the nature of initiative, control and over-all management of the societies, Sadat Hossain identified seven patterns of cooperatives in Bangladesh. He, however, observed that primary societies were common in six out of the seven patterns<sup>1</sup>.

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1. Sadat Hossain, Structure of Cooperatives in Bangladesh, Cooperation (quarterly journal) PISU, Dhaka, Jan.- June, 1987 p. 11.

The structure of cooperative societies may be seen in the chart V.1.

CHART - V.1



From the chart it appears that the Bangladesh Jatiya Samabaya Union is the association of central and Apex societies which are not under the jurisdiction of the BRDB. Within the frame-work of the above mention system, there are some mulipurpose cooperative societies at the primary level which may or may not be the member of central multipurpose cooperative Societies. As revealed by the study all of the central multipurpose societies are members of the Bangladesh Jatiya Samabaya Union.

The Comilla two tier cooperative or BRDB system consists of two components viz., Upazila Central Cooperative Association and primary cooperative societies. Bangladesh Jatiya Palli Unnayan Federation is the association of Upazila Central Cooperative Association and of those brought under jurisdiction of BRDB. For the purpose of analysis all the cooperatives may, however, broadly, be grouped into two, viz., Conventional Three Tier Cooperatives and BRDB system.

From the study of the different sub-systems of the cooperative system it appears that the following structural components are in operation in varying degrees in different parts of the country:

1. Department of Cooperatives.
2. Bangladesh Jatiya Samabaya Union.
3. Different Apex Organisations.
4. Bangladesh Jatiya Palli Unnayan Samabaya Federation
5. Bangladesh Rural Development Board (BRDB)
6. District/Central Cooperative Association/Bank.
7. Upazila Central Cooperative Association (UCCA)

## 5.2 Cooperative Department

Unlike other forms of ownership the Government maintains the special Department under the Ministry of Local Government, Rural Development and Cooperatives. As per law the Department is managed by the Registrar and acts as and when required, either by the provisions of law or by the directives of the Government given from time to time. The



Department of Cooperatives is run like other Government Departments, while the Bangladesh Rural Development Board is managed by an Ordinance as Semi-autonomous body<sup>2</sup>.

The main functions of the Cooperative Department are:<sup>3</sup>

- (i) to guide and supervise the cooperative movement in the various sectors of economic activities so as to develop the movement into a self-propelled democratic organisation and also
- (ii) to use the cooperative institutions as instruments of achieving some vital national objectives such as social justice and economic democracy.

Other important objectives of the Department are:

- (a) to formulate policy decisions on the administration and management of the movement;
- (b) to supervise the practical application of the provisions of the cooperative societies Act/ Ordinance and Rules made thereunder;

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2. Government of the People's Republic of Bangladesh, Table of Organization and Equipment Ministry/Divisions, Constitutional Bodies etc., Cabinet Division, Govt. of the People's Republic of Bangladesh, Dhaka, 1983, p. 64.

3. Registrar of cooperative Societies, Cooperative Department at a glance, Cooperative Department, Govt. of the People's Republic of Bangladesh, Dhaka, 1985. p.2

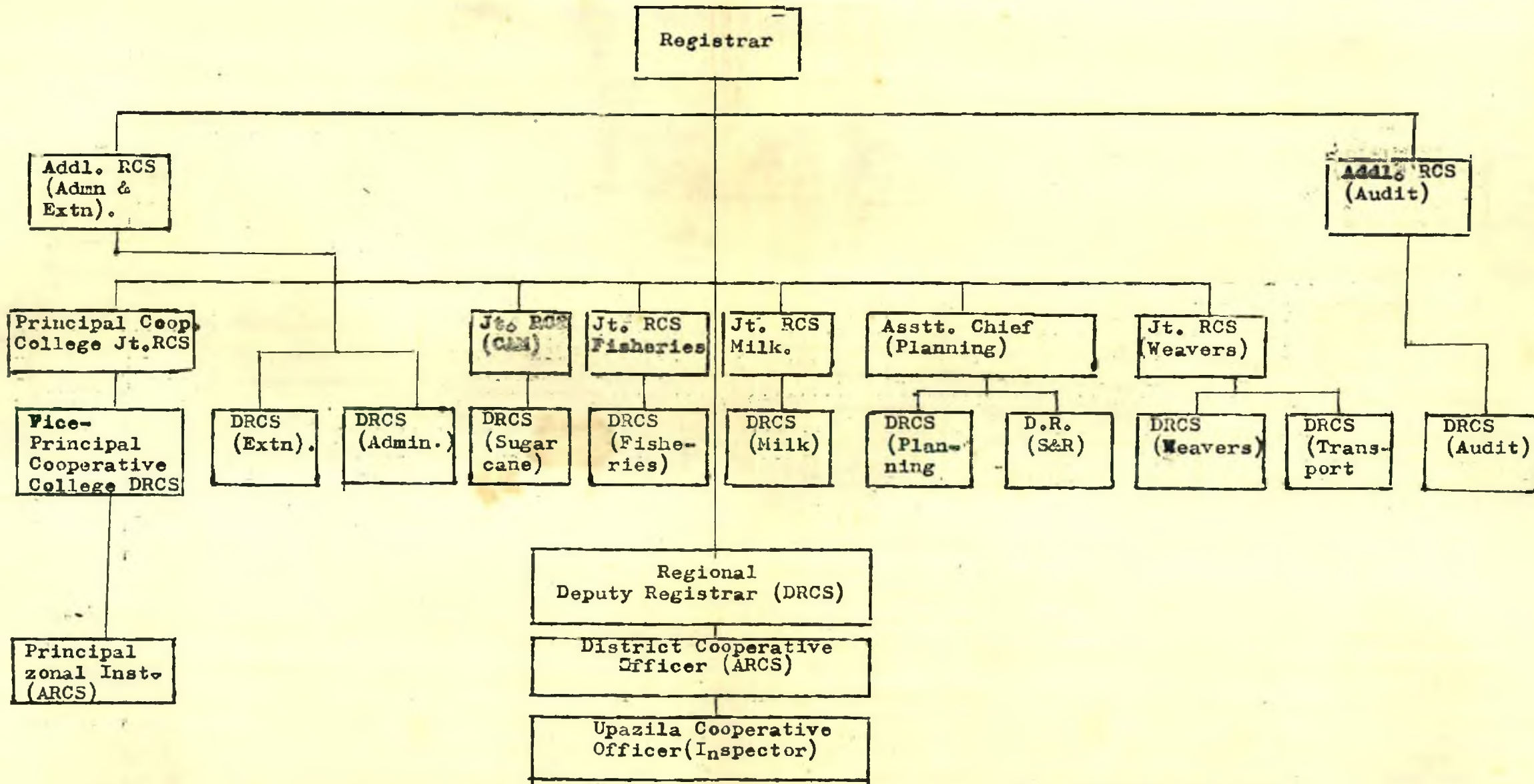
- (c) to suggest measures to the Government and other authorities for the healthy growth of the movement;
- (d) to educate the people on the principles and practices of cooperation through various methods and institutions and train up the members, office-bearers and paid employees of the cooperative societies as well as the departmental officers under the Directorate;
- (e) to organize, register and audit the accounts of the Cooperative Societies to ensure proper execution of the provisions of the Act and the Rules with respect to formation and investment of capital, management, appropriation of funds, distribution of surplus and other matters relating to smooth and legal functions of the cooperative societies;
- (f) to suggest amendment of the Act and the Rules and to exercise statutory obligations and powers conferred therein on the Registrar of cooperative societies;
- (g) to conduct survey, research and case study on the working of the cooperative societies, publish results and reports and make recommendations to the Government;

- (h) to prepare and implement development schemes with approval of the Government, evaluate their working and impact on the movement and economy as a whole and revise the schemes as and when necessary;
- (i) to cooperate with other Government departments and autonomous bodies like Bangladesh Bank, BADC, Krishi Bank, etc. for procurement of loan and equipments, setting up of plants, import and export of goods and arrangement of other materials and service necessary for cooperative societies.

The Organizational Setup of Cooperative Department in 1984 may be seen in Chart V.2.

ORGANOGRAM OF THE COOPERATIVE DEPARTMENT

(1984)



Project Staff are not shown here.

The study of the organizational pattern since 1921 indicates that the registrar has been the Chief Officer in the Cooperative Department. The responsibility of administration of officers and staff, formulation and the execution of policies for proper working and growth of societies lie on him. During the British rule he was assisted by one Deputy Registrar, four Assistant Registrars, one Chief Auditor and other field staffs (Vide Appendix VII.A).

During the Pakistan period the Registrar was assisted by three Deputy Registrars of Cooperative Societies, one Chief Auditor, two Assistant Registrars of Cooperative Societies and other field staffs. (Appendix VII.B). At present he is assisted by two Additional Registrar of Cooperative Societies, one Assistant, Chief (Planning) and other field staffs. One Additional Registrar advises in respect of administration and the other advises in respect of audit.

Over a period of time the Department of Cooperatives underwent changes which affected the smooth functioning of the Department. As the Department of Cooperatives has to perform both promotional and regulatory functions in the sphere of cooperative movement, the Department of Cooperatives needs committed leadership with necessary experience, and training background. This aspect of cooperative development, however, did not receive due attention of the concerned authority.

The Credit Enquiry Commission<sup>4</sup> in its report in 1959 viewed that the Cooperative Department was weakened by the departure of many officials at all levels. Sub-ordinate and inexperienced staff were inevitably thrown into the breach. Over the years, the departmental structure had been so built as to depend heavily on the qualities of the men at the top. To provide effective leadership, the need was for men who believed in the cooperative movement, who had learnt its theory and know its practice, who possessed drive and vision. Most importantly, the registrars had to afford the necessary time to plan and execute sound and imaginative policies for developing the movement. Frequent transfers made this impossible. Some of them had little or no background in the cooperative movement and were yet placed incharge of it without adequate training or none at all. The list of the registrar of cooperative societies since 1942 may be seen in the Appendix -V.

This department is always financed by the Government. The budget allocation for 1984-85 was as follows:

		<u>( in lakh Taka)</u>
Head Quarter and Division	... Tk.	109.30
District and Upazila	... Tk.	668.23
Cooperative College and Zonal Institutes	... Tk	26.90
		-----
		Tk. 804.43

Source: Accounts Section, Department of Co-operatives

4. Credit Enquiry Commission Report 1959, Government of Pakistan Press, Rawalpindi, 1962, p. 27.

### 5.3 Bangladesh Rural Development Board (B.R.D.B.)

The Bangladesh Rural Development Board was established in December, 1982 converting the former Integrated Rural Development Programme by an Ordinance. The Integrated Rural Development Programme which was functioning without any defined status since its inception was encountering numerous administrative, financial and functional difficulties<sup>5</sup>. The Bangladesh Rural Development Board has been created defining its administrative status and determining its purpose, scope and area of its responsibilities in order to retain the nature of the Integrated Rural Development Programme. Besides promotion of rural cooperatives the Board formulates policies, coordinates activities and supervises implementation of various development projects and programmes.

Bangladesh Rural Development Board is headed by the Director General whose rank is equivalent to that of the Joint Secretary of the Government. He acts as the Chief executive of the organization. Operational policies of the board are formulated by a body consisting of 9 full time members of which Director General is also a member. All of them are appointed by the Government. They are to work within the framework of Government policies and the organization is subject to the control and supervision of the Ministry of Cooperatives and LGRD.

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5. Ministry of Finance and Planning, Finance Division, Government of Bangladesh, Bangladesh Economic Survey, 1982-83, P. 334.

Formerly IRDP (Present BRDB) was set up to organize "Comilla type of Cooperative" for optimum utilization of human as well as material resources available for development<sup>6</sup>.

At present the main functions of Bangladesh Rural Development Board (BRDB) has been stated to be as follows<sup>7</sup>.

1. Promotion of village based primary cooperative societies and Thana Central Cooperative Association to channelise institutional support and services to the farmers through their own organizations, self managed and financially viable;
2. Encouraging functional cooperatives for generating income and employment for the rural poor;
3. Promotion of intensive irrigated agriculture as a means to develop cooperatives;
4. Channelising institutional credit through the village cooperatives and Thana Central Cooperative Association and ensuring their productive utilization;
6. Arranging effective training of members of the Managing Committee of village level societies, Thana Central Cooperative Associations and Model Farmers;

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6. Integrated Rural Development Programme, Five Years of Integrated Rural Development Programme - A review of activities from 1972-73 to 1976-77, Dhaka, p.22.

7. Ministry of Finance and Planning, government of the People's Republic of Bangladesh, Bangladesh Economic Survey, 1982-83, p. 334.



7. Maintaining liason with concerned Ministries, departments and agencies for mobilizing supplies, services and supports; and
8. Promoting the district and national federations of Thana Central Cooperative Associations.

During 1984-85 Bangladesh Rural Development Board has undertaken 12 annual projects funded by World Bank, ADB, UNICEF, FAO, IDA, DANIDA and other non-Governmental Organizations (Table V.1 ). Bangladesh Rural Development Board executed 15 projects/programmes during 1984-85. One of the main source of fund of B.R.D.B. projects is the foreign aid or loan.

TABLE - V.1

PROJECTS AND PROGRAMMES UNDER BRDB DURING 1984-1985

(Taka in lakhs)

Name of the Project/ Programme	Total Allocation	Govt. allocation	Capital expendi- ture.	Revenue expendi- ture	Foreign aid for 1984-85	Sources of Fund
1. Integrated Rural Development Programme.	535	535	-	535	-	
2. S.I.R.D.P.	800	100	750	50	700	ADB, UNICEF
3. Hand Tube-well Project.	1355	455	960	395	900	IDA
4. South West R.D. Project	65	15	40	25	50	IDA
5. Project for the distribution of fertilizer on credit.	55	5	50	5	50	FAO, UDA
6. Rural Dev. Trg. Inst. Sylhet.	10	10	-	10	-	-
7. R.D.-2, Project	1050	30	850	200	1000	IDA, UNCDF
8. Deep Tube-Well-2 Project.	315	15	298	17	300	IDA, CDA
9. North-West R.D. Project.	170	10	132	38	160	ADB, IFAD
10. ADB Tube-Well Project-2.	75	5	55	20	70	ADB
11. Noakhali R.D-2 Project	765	15	640	125	750	DANIDA
12. Population Planning and Rural Women's Cooperatives.	124	8	71	53	116	IDA
<b>Total</b>	<b>5299</b>	<b>1203</b>	<b>3826</b>	<b>1473</b>	<b>4096</b>	

Source : Budget Section, BRDB, Dhaka, 1985.

#### 5.4 Bangladesh Jatiya Samabaya Union (BJSU)

Bangladesh Jatiya Samabaya Union was established and registered in the year 1961. It is the National Cooperative Organization of the country. It is the apex, promotional and ideological cooperative organization and spokesman of the cooperative movement<sup>8</sup>.

The member associates of the union include national apex, secondary and district level primary cooperatives. Available data show that 300 members of 19 Apex organizations and 56,000 primary cooperative societies were brought under the purview of the scheme of the union<sup>9</sup>.

The main functions are:<sup>10</sup>

- a. Organisation and administration of cooperative education and training programmes;
- b. Development of Inter-cooperative relationships;
- c. Production and publication of Cooperative literature and other education materials including audio-visual aids;
- d. Public relation and publicity activities;

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8. Bangladesh Jatiya Samabaya Union (BJSU) Cooperation, BJSU, Dhaka, 1980, p. 40.

9. A.K.M. Jahirul Haque, Cooperative Member Education and Extension in Bangladesh, in Cooperation (Quarterly Journal) BJSU, Dhaka, June-July, 1984. p. 10.

10. Ibid., p. 44

- e. Maintenance of information bureau and library auditorium;
- f. Arrangement for audit and supervision of Cooperatives;
- g. Maintenance of liaison and coordination with Government, National and International Governmental and non-Governmental Agencies in the interest of the Cooperative Development;
- h. Undertaking Pilot Projects and demonstrating the effectiveness of the Cooperative approach in the socio-economic developments;
- i. Promoting perspective planning for the Movement;
- j. Participation in the National Development Planning
- k. Consultancy Services and Member relations;
- l. Maintenance of legal autonomy of the Movement;
- m. Encouraging and assisting Cooperatives and their members to attain financial independence;
- n. Organising Code of conduct for the Cooperators and Cooperatives and developing committed leadership for the movement;
- o. Organisation of Congress, Seminars, Conferences, Convention, Workshop, Exhibition, Meetings, display of films, etc;
- p. Conducting, Study, Survey, Research, and Evaluation on Cooperation;
- q. Staging Drama, Folksongs, Jarigan, etc. on cooperation;

- r. Organising and developing Cooperatives in all economic sectors; and
- s. Developing and introducing self financing methods for Cooperative Movement.

The main sources of fund of the union are annual subscription and donation received from the primary cooperatives. Total income and expenditure of the union during 1980-83 are as follows:

Year	Income (Taka)	Expenditure (Taka)
1980-81	8,90,037.00	8,13,545.00
1981-82	5,35,179.00	5,81,657.00
1982-83	5,67,201.00	5,03,556.00

The union spends larger portion of its income for the training of the cooperators. Sometimes various projects of the Union are financed by the Government and private organizations. From the date of its inception this organization arranged training courses for about thirty thousand members of different primary cooperatives.

The table below indicates the total number of cooperators who received training through this organization since 1971:

TABLE - V.2

DISTRIBUTION OF NUMBER OF COOPERATORS TRAINED UP DURING 1971-82 BY BJSU

Year	No. of Cooperators Trained
1971-78	15,000
1978-79	44,600
1979-80	1,10,000
1980-81	85,000
1981-82	33,400

Source: Journal (July 1983) of Bangladesh Jatiya Samabaya Union, Dhaka, p.6

#### 5.5 BANGLADESH JATIYA PALLI UNNAYAN SAMABAYA FEDERATION

The Bangladesh Jatiya Palli Unnayan Federation (BJPF) was set up in 1973 as a National Cooperative Organization of the country with prime objective of promoting two-tier Cooperative Societies in the country. All Upazila Central Cooperative Associations and District Cooperative Associations are the members of this federation. The management of the federation is vested in a committee of 18 members who are elected by the members (sec.25)<sup>1</sup>. The Chief executive of the federation is the Chairman who is directly elected by the members. The Chairman holds office for a term of one year.

<sup>1</sup> Bangladesh Jatiya Palli Unnayan Federation (UPABIDI), (By lay), BJUF, Dhaka, 1973, p. 10.

The main sources of fund of the federation include subscription of the members and grants from BRDB. The analysis of the sources of fund indicates that 32.31% of the revenue are collected from subscription, while rest of the amount is given by BRDB.

The Bangladesh Palli Unnayan Samabaya Federation, as mentioned in the bye laws of the federation, is to perform several functions in promoting two-tier cooperative Societies. The brief outline of the proposed activities may be stated as under:

- a. Development of inter-cooperative relationship;
- b. Facilitating the growth of village-based Agricultural Cooperative Societies and profession based special Cooperative Societies;
- c. Facilitating the modern method of cultivation;
- d. Conducting research work on the major problems of Cooperative Societies in Bangladesh;
- e. Maintenance of liaison and coordination with Bangladesh Rural Development Board, Government, National and International Agencies for the interest of the Cooperatives;
- f. Public relation and Publicity activities;
- g. Publication of cooperative literature and other education materials, etc; and
- h. Organisation and administration of Cooperative education and training programmes;

The study of the operational effectiveness of the federation indicates that its performance in some cases contributed much towards the development of two-tier Cooperative Societies, while the said federation could not contribute much in some other areas. The analysis of the performance of the federation reveals that the federation could organize a good number of training programmes for the members. In the same way it could also publish quite a good number of works.



## 5.6 Apex Societies

There are several top level National Associations of Cooperative Societies. They have been organized mainly basing on functional areas. Apex societies consist of member central societies. There are also Apex societies where memberships are not limited only to central societies but are extended to primary societies and individual members. In majority of the Apex societies memberships are, however, limited to central societies only.

The sources of fund of Apex societies include share capital subscribed by the members, deposit of the members and loan capital. The fund is mainly used for promoting the interest of the central societies.

An apex society is headed by the chairman and the operational policies are formulated by the Management Committee consisting of 12 members who are ordinarily elected by the members for a term of two years. In an Apex society with the Government fund at its disposal 3 directors including Chairman are nominated by the registrar with the approval of the Ministry of Cooperatives and LGRD.

The study of the management practices prevalent during the period of investigation indicates that in majority of the Apex societies the registrar of the cooperative societies who was the custodian of legal framework of the cooperative societies was found to act as Chairman of the Apex societies and the directors were nominated by him with the approval of the Ministry of Cooperatives & L.G.R.D.

The list of the Apex societies with names of the Chairman and their official status may be seen in the Appendix. The study of the management patterns of the Apex societies during the last decade indicates that the real members had hardly any scope of holding Chief Executive positions in the Apex societies. Thus, the scope of developing leadership of cooperators remained unexplored.

#### 5.7 Upazila Central Cooperative Association (UCCA)

An Upazila Central Cooperative Association promotes, supervises and controls the operations of the rural cooperatives at village level. There were 448 such associations upto 1983-84. (Table V.7 page 147) Both UCCA and its KSSs are managed by an elected 13 member Managing Committee. The Committee consists of the following:

a.	Chairman	. . .	1
b.	Vice Chairman	. . .	1
c.	Upazila rural Development Officer (Ex-officio Secretary)	. . .	1
d.	Members	. . .	10

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Total = 13

The Bangladesh Rural Development Board has a provision of three officers at the upazila level. These are the Upazila Rural Development Officer, Assistant Rural Development Officer (R.R.D.O.) and one Accountant. Upazila Central Cooperative Association (UCCA) hires field inspectors and accountants who visit KSSs regularly. The

standard pattern is to have an assistant inspector per twelve KSSs, an accountant per 6 KSSs and an inspector for each five assistant inspectors. UCCA transmits all requests for inputs and rural credit from KSSs to agencies concerned and channelise the same to farmers.

The main sources of fund of the UCCA are the BRDB grants, and UCCA margin from the total interest collected from the loanees of KSS. The fund of UCCA is used mainly for staff maintenance and training of the cooperators.

The major objectives of the UCCA may be stated as under:

- a. It shall promote service and support the sound development of member cooperators.
- b. It shall serve as a research and demonstration laboratory in cooperative development and rural modernization .

The Association may use funds to:

- a. Promote service and support the sound development of member cooperatives. This may be accomplished through:

- i) Purchasing activities:

The Association may arrange for the purchasing, transporting, processing, packaging or preparing of materials in order to supply them to members.

ii) Marketing activities:

The Association may purchase, transport, clean, grade, store, process and arrange to sell products grown or manufactured by member cooperatives.

iii) Credit activities:

The Association may borrow funds for its use. It may accept deposits from member cooperatives. It may provide loans, from its own and borrowed capital to member cooperatives. It may provide such personnel - facilities as may be required to carry out this function.

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12. East Pakistan Cooperative Union, Bye-Laws of the Central Cooperative Association Ltd., Dhaka, 1970, p. 4.

iv) Group contracts:

The Association may enter into contracts with the government, other cooperatives or other agencies or individuals to carry out its objectives.

v) Facilities:

The Association may provide tools, machinery, transport, godowns, offices or other materials, equipments or buildings needed to carry out its programme.

vi) Operations assigned by the Government:

The Association may carry out such programmes as the Government may assign it to carry out as required by law. The Association may engage in:

- a) Guidance, training, supervision, inspection, auditing and correcting member cooperatives to ensure adherence to the Act, Rules and By-Laws, and to other sound principles of organization and management.
- b) General training in subjects required in modernizing the rural community.
- c) Technical training to teach members the technology of modernization.

vii) Cultural Development:

The Association may promote activities related to improving home and family life, medical care, general education and culture.

viii) Other Operations:

The Association may carry on research and demonstration activities in its area for members' benefit.

5.8 Central Cooperative Societies

Central Cooperative Societies have been formed to help develop primary societies and work as connecting link between the primary societies and the Apex societies. Central societies consist of primary societies of a given area and individuals are not entitled to become a member of the central societies. Data on the development of central societies include share capital deposits, loans, and grants. The fund is mainly used for promoting the interest of the member societies. The objectives and purposes are same as mentioned for present Upazila Central Cooperative Association<sup>1</sup>.

There are two types of management patterns of the Central Societies. A Central Society having no government share in its capital is headed by a chairman elected by the members of the society. The Chairman has to work in accordance with the decisions taken by a Managing Committee consisting of 2 members of whom Chairman and Vice-Chairman are also members. They are all elected by the members, usually for a term of two years.

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<sup>1</sup>(The Than) East Pakistan Cooperative Union, By-Laws of The Thana Central Cooperative Association Ltd., (East Pakistan), 1970, p.4.

Another pattern of management is that out of 12 members, 9 members are elected directly by the members and three including Chairman of the Managing Committee are appointed by the Registrar of cooperative societies. This pattern of management is prevalent in a society having 50% or more of the shares/loans given by the Government.

Review of the management practices of the central societies indicates that majority of them were being headed by an officer in the rank and status of district audit officer and he is appointed by the Registrar. As a matter of rule he is subordinate to the Management Committee. But in practice he was found to exercise supreme authority in the affairs of the central society, for he was empowered to implement or not to implement the decisions of the Management Committee or suspend the same for the time being or refer the same to the Registrar for decision. Although conceptually he was subject to the control of the elected body, he was factually found to operate independent of the decisions taken by the Managing Committee.

#### 5.9 ANALYSIS OF PERFORMANCE OF SUPERVISORY INSTITUTIONS

The growth and development of the cooperative societies and their effectiveness is influenced by a complex set of factors. One of the major determinants of the development of Cooperatives is deemed to be the managerial effectiveness of the supervisory cadres. The Managerial effectiveness, may be measured in terms of both qualitative and quantitative

indicators. Comprehensive studies detailing operational efficiency of the respective components of the system are few in number. As such it is difficult to provide any categorical comments on the respective components of each system of cooperatives along with determinants of managerial effectiveness.

For the purpose of analysis, a few indicators like number of societies, number of members and quantum of credits given by different systems have been used for reflecting the performance of the supervisory bodies. In the absence of sub-system wise data pertaining to performance indicators and multiplicity of systems with too much of over-lapping, the present analysis has been primarily limited to the operations of mainly two broad types of the cooperative sub-system viz, BRDB cooperatives and Departmental Cooperatives. This reflects operations of 90% of the activities at the national level.

Available data show that there has been a rising trend of number of societies (KSSs) along with number of members of the BRDB sub-system. Like the BRDB sub-system there has also been an increase of primary societies of the traditional sub-system in the rural areas. Data on the progress of the respective systems with respect to the number of societies and the number of members may be seen in table V.7A



DIVISION WISE STATISTICS OF PRIMARY SOCIETIES UP TO 31ST DECEMBER 1986.

Name of the Societies	Dhaka Division		Chittagong Division		Rajshahi Division		Kaula Division		Total	
	No. of Societies	No. of Members	No. of Societies	No. of Members	No. of Societies	No. of Members	No. of Societies	No. of Members	No. of Societies	No. of Members
<b>SPONSORED BY COOP. DEPT. AND OTHERS</b>										
1. Primary U.C.M.P.S. Ltd.	1220	370721	1015	243386	1019	261089	369	353156	4123	1228362
2. Fishermen Coops.	955	138276	1478	118885	552	51138	964	127810	3949	436109
3. Primary ESS	12234	464683	4817	187112	5886	314292	6670	196214	29607	1162301
4. " Weavers Coops.	1331	298632	616	93479	481	78985	515	62603	2933	538699
5. " Sugarcane Coops.	118	13977	2	48	470	64526	124	44087	714	122658
6. " Habila Coops.	481	22207	160	4106	236	8623	256	13138	1133	48045
7. " Milk Coops.	137	78596	-	-	92	9850	1	205	230	28651
8. " Other Coops.	3824	399191	3574	260069	1945	78635	2073	122381	11418	861004
Total :	20302	1727011	11692	212085	10681	867138	11472	919575	54147	4425809
<b>SPONSORED BY BRDB</b>										
1. K.S.S.	12863	433630	11667	357495	15160	571528	11274	316589	50964	1679242
2. M.S.S.	1743	52403	1127	38683	1258	32931	1488	95937	5616	169716
3. B.S.S.	1851	49816	1373	37497	1553	47413	2002	53194	6779	187920
4. Others.	40	1164	355	8965	125	2873	190	5186	690	18188
Total =	16497	537013	14502	442942	18096	654745	14954	410309	64049	2055066
Grand Total =	36799	2264024	26194	1355027	28888	1521883	16426	1339941	118196	6480875

Data show that there are also interlocational variations of performance. The present total number of Departmental KSS (Primary) is 29,607 and total membership is 11,62,301 in entire Bangladesh. The highest number of departmental KSS is 12,234 in Dhaka Division. In case of B.R.D.B., KSS also, the highest number of societies is in Dhaka Division. In promoting cooperative societies in Dhaka Division the Bangladesh Agricultural University is reported to have played a very important role. Other reasons might be the nearness to headquarter, frequent visits of the supervisory personnel of the cooperative department and of the BRDB and concomitant effect of close supervision. The rural Development Project-I undertaken by the BRDB in the district of Mymensingh might have brought positive impact on the motivation of the rural population of the area to initiate cooperative.

Total share capital accumulated by BRDB Cooperatives (Primary) upto 31st March, 1985 is Tk. 1614.85 lakhs (50.19%). Of the total accumulation by two types of Cooperatives, total reserve fund and thrift deposits were Tk. 88.21 (17.19%) lakhs and Tk. 1923.55 lakhs (57.45%) respectively.

On the other hand, the departmental cooperatives and others (Primary level) accumulated total share capital of Tk. 1602.37 lakhs (49.81%). Secondly, reserve fund and thrift deposit of Departmental Cooperatives and others (Primary) amounted to Tk. 425.05 lakhs (82.81%) and 1424.62 lakhs (42.55%) respectively upto 31st March, 1986.

The Structure of internal sources of fund may be seen in Table V.4.

TABLE - V.4

GROWTH OF SHARE CAPITAL, RESERVE FUND AND THRIFT DEPOSIT BY THE BRDB AND DEPARTMENTAL COOPERATIVES UP TO 31st MARCH, '86  
(Taka in lakhs)

	Share Capital	Percen- tage	Reserve Fund	Percen- tage	Thrift Deposit	Percen- tage
<b>B. R. D. B.</b>						
Central Societies	1371.31	-	435.14	-	1825.05	
Primary Societies	1614.85	50.19	68.21	17.19	1923.55	57.45
<b>Departmental and Others Central Societies.</b>						
Primary Societies	1602.37	49.81	425.05	82.81	1424.62	42.55

Source: Register of Cooperative Societies. Quarterly Statistics of Cooperative Sector in Cooperative Development, Dhaka, Bangladesh, March 1986.

The present total capital of BRDB Cooperatives is Tk. 3626.61 lakhs and the total capital of Departmental Cooperatives (Primary) is Tk. 3452.04 lakhs. The total loan receipts upto March 31, 1986 by BRDB and Departmental Cooperatives were Tk. 47221.36 lakhs and Tk. 29845.01 lakhs respectively.

As regards the loan disbursement, by the respective Cooperative sub-systems, it appears that there has been a rising trend of loans disbursed by the BRDB sub-system, while there has been a downward trend of loans disbursed by the conventional cooperative sub-system. Like cooperatives other organizations, viz, British Bank and NCB also provided loan to the farmers. Data on the quantum of loans provided

by the respective organizations may be seen in the table below:

TABLE - V.5

DISBURSEMENT OF AGRICULTURAL CREDIT BY DIFFERENT FINANCIAL INSTITUTIONS

(Taka in lakhs)

Institution	Bangladesh Krishi Bank	National Commercial Banks	Bangladesh Rural Deve- lopment Board	Bangladesh Samabaya Bank Ltd.	Total
1980 - 81	181.12 (51.76)	118.05 (33.73)	24.25 (6.93)	26.53 (7.58)	349.95 (100)
1981 - 82	37.28 (18.15)	72.79 (35.43)	30.79 (14.99)	64.57 (31.43)	205.43 (100)
1982 - 83	357.39 (54.10)	231.45 (35.02)	48.94 (7.41)	22.94 (3.47)	660.72 (100)
1983 - 84	507.43 (55.71)	332.19 (36.47)	50.52 (5.55)	20.68 (2.27)	910.82 (100)

The reason behind the variations in the loan disbursement might be attributed to the credit policy of the Government along with the tied nature of loan provided by donor agencies.

The recovery of loan upto 31st March, 1986 by Departmental Cooperatives (Primary) is Tk. 20987.82 lakhs and BRDB Cooperatives is 32467.77 lakhs respectively and the rates of recovery are 70.32% and 68.76% respectively.

TABLE -V.6

THE YEARWISE ADOPTION OF UPAZILAS BY BRDB.

Year	Year-Wise adoption of Upazilas
1970-71	23
1971-72	10
1972-73	53
1973-74	65
1974-75	10
1975-76	1
1976-77	38
1977-78	47
1978-79	14
1979-80	38
1980-81	51
1981-82	80
1982-83	1
1983-84	17
	448

Source: BRDB, Research and Evaluation Section (1984-85), 1985

CHAPTER - VI

MANAGEMENT OF AGRICULTURAL PRIMARY COOPERATIVE SOCIETIES  
AND SOCIO-ECONOMIC PROFILES OF MANAGERS

## 6.1 MANAGEMENT PATTERNS OF COOPERATIVES

The survey of literature on management practices in the cooperative Societies reveals that there are several patterns of management of the Cooperative Societies. The main patterns of management as observed by Singha<sup>1</sup> in developing countries mainly include management by members, management through federation, management by Government executives, and management by State partnership in Cooperatives. The study of management practices in Bangladesh indicates that most of the patterns exist in varying degrees in the field of Cooperative of Bangladesh.

In respect of the shareholding each member of the cooperative society has to subscribe to one share and he has equal legal rights to participate in its management. Although the members are supposed to participate in the management of cooperative societies as equal partners, the magnitude of influence exerted by the members varies from one society to another and from one country to another.

Theoretically the members own and run a cooperative. At the primary level management is conducted directly by the members and their elected representatives. The usual organization structure envisages the general body of members as its supreme authority. It takes decision on vital issues and acts as an appellate body. It elects a committee of

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1. An address delivered by B.K. Sinha during the business week on Cooperative Management in Developing Countries Organized by the Business Studies Association of the College of Technology, Cababar, 1976,

management including the office bearers, such as, chairman, vice-chairman, manager and treasurer to attend to the day-to-day affairs. The paid staff are also delegated with certain management responsibilities and they act as a link between the patrons and the committee of management. Each member has one and only one vote in a primary cooperative society in our country.

Management of the primary cooperative societies is associated with performance of the managing Committee whose responsibility is to manage the whole affairs of the society. As per law the Managing Committee may appoint professional managers or any member of the society as manager to run day-to-day affairs of the society. Such personnel may be salaried or non-salaried. In the event of no manager, the chairman of the society performs the functions of manager and in his absence the vice-chairman conducts the affairs of the society.

The present survey indicates that in all the societies manager selected by the Managing Committee has been assigned the task of executing its policies. Out of 20 managers 3 managers are salaried persons. It has been observed that the Managing Committee of the societies formulates policies, approves the decisions of the managers and guides the managers in running the whole affairs of the societies. The average size of the Managing Committee as revealed by the study has been found to be 6(6.25). Size of the collective strength of a society ranges from 11 to 144 members. The



study further reveals that the manager played a key role in the management of the society. The members of the Managing Committee attend the meetings to give opinions on broad policies. In many cases the members of the Managing Committee even do not attend the meetings regularly. The most important mechanism through which the decisions of the societies are taken is the Annual General meetings where the members of the society including those of the Managing Committee participate.

Attendance of the members in Annual General Meetings was found to vary from one society to another. It has also been observed that the involvement of the general members in terms of their participation in Annual General Meetings was found to exert certain amount of influence on the decision making process. Here an attempt has been made to discuss mechanism of decision making.

#### 6.2 DECISION MAKING PROCESS AND BARRIERS TO EFFECTIVE DECISION MAKING.

The successful operation of a cooperative society depends on effectiveness of decision taken by the management. Like other organizations a society has to take long term and short term decisions. Some decisions involve capital investment while others are of routine nature. In some cases situation emerges where the management faces both internal and external pressures.

Decision making process of a cooperative society is largely influenced by ability, comitment and other attitudinal dimensions of managerial personnel. Involvement of the members as well as organizing ability of leaders of the cooperative society is also very important in attaining the goal of the society, for the goal attainment is not possible without collective efforts.

The survey of the decision making process in the selected cooperatives indicates that long term decision involving capital investment and formulation of policies having serious implications on member's individual interest are ordinarily taken by the Managing Committee and they are placed before the Annual General Meeting for approval. Routine decisions within the framework of broad policies are taken by the manager. In case of a situation arising out of the emergency need for any service about which members have almost equal amount of interest, decisions are taken in a general meeting convened for the purpose.

As mentioned earlier successful decision making largely depends on the ability and the involvement of the managerial personnel. Managerial personnel include managers, and members of the Managing Committee. Ability of managerial personnel is assumed to be the function of educational background, training and experience. The survey of the academic qualification of the members of the Managing Committee reveals that more than 79.03% of the members of the Managing Committee have very poor educational background, i.e., their educational level was below Class X.

The distribution of the members of the Managing Committee, according to educational background, may be seen in table VI.2. The opinion survey on the qualification of members as perceived by the managers also shows almost similar results. Poor educational background along with lower involvement of the members in decision making might be one of the factors which influences decision making process of the cooperative society.

In some societies it has been observed that group dynamics in the concerned villages have been found to stagnate the process of decision making. In the village there exists some family rivalries for years together. This is reported to be one of the causes for which decisions affecting the village life as a whole can not be taken. In selected cases, groupings made for membership of union council election also affect the operations of the societies. Such cases are however few in number in the survey area.

Sometimes the Government extension officers also exert influence on the decision making process of the society. Cases where union council chairman persuades the managerial personnel to participate in certain developmental programme have also been found in the survey area. Societies having support of the local bodies and government officers have been found to be more successful as far as involvement of members in decision making and service dimensions are concerned. As viewed by the managers of the sample societies, one of the factors that adversely affect the

decision making process is that the members of the Managing Committee do not take much interest in the executive committee meetings. The distribution of societies according to nature of participation may be seen in table VI.1.

TABLE - VI.1

PARTICIPATION OF THE MEMBERS OF MANAGING COMMITTEE  
IN DECISION MAKING PROCESS

	Frequency	Percentage
All the members participate	1	5
Majority of the members participate	13	65
Some of the members participate	1	5
Very insignificant number of members participate	1	5
Hardly any member participate	4	20
	20	100

As per rule decisions may be taken by the majority of the members. But a serious problem arises when absentee members do not participate or denounce the majority decisions at a subsequent meeting or persuade their followers not to abide by the decision. In the selected societies such situation was found to contribute towards an unfavourable environment in implementing the decisions.

### 6.3 MANAGING COMMITTEE

Managing Committee plays a key role in the management of the cooperatives. The directors of managing committee or board have a position between members and executives. Usually one must be a cooperative member to be eligible for election to the board. Subject to the provision of the rules every member of a cooperative society above the age of 21 years shall be qualified to be selected or appointed as a director<sup>2</sup>.

The officers of the board, e.g., Chairman, Vice-Chairman, Manager and Model farmer, are elected or selected from among the members of the managing committee. The Chairman presides over all meetings and looks after overall affairs of the society. The Vice-Chairman takes over the responsibilities of the Chairman in his absence. Manager is the Chief Executive of a society. He manages day-to-day affairs of the society. He is entrusted with the task of calling weekly, special and annual general meetings of members and monthly meetings of Managing Committee of the society. He is the custodian of the official seal and the books of accounts of the society.

The Managing Committee generally meets once in a month to take policy decisions. The model farmer of an agricultural cooperative demonstrates the modern methods of cultivation to the members of the society. The managing committee usually consists of 6 (six) members.

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<sup>2</sup>. Government of the People's Republic of Bangladesh, The Bengal Cooperative Societies Rules, 1942, as amended up to 1973, p-15.

#### 6.4 FUNCTIONS OF THE MANAGING COMMITTEE

The Managing Committee of a cooperative Society is entrusted with the tasks of managing the whole affairs of the society. The Committee, however, may appoint salaried or non-salaried officers for conducting the business of the society. The ultimate responsibility of policy formulation in all cases remains with the Managing Committee. On the basis of the experiences in the working of societies some authors endeavoured to point out how a Managing Committee or Board of Directors should function. Roy emphasized upon regularity of meetings, selection of chairman, attendance, good minutes, regular report, conducting meetings and timely preparation of agenda, use of specialists, etc. Mohn suggested that all votes cast on any motion should be recorded by the names of directors. Elaborating the nature of functions he viewed that the Managing Committee should perform an advisory function for both executives and stock holders. His opinion, however, does not seem to be relevant in the context of the societies employing no professional personnel.

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3. Ewell Paul Roy, Cooperatives: Development, Principles and Management, Interstate Printers and Publishers, Inc., Danville Illinois, 1981, p. 438.

4. Leon Garoyun and Paul O. Mohn, The Board of Directors of Cooperatives, Cooperative Extension Division of Agricultural Science, University of California, U.S.A., p. 3.

The review of rules, regulations and bye-laws of cooperative societies indicates the rules of the cooperative societies as were in operation at the time of investigation gave emphasis more on the specific issues than on the detailed procedure as to how the Managing Committee should function. The state of affairs pertaining to the Managing Committee would be clear if one examines the powers and duties of the Managing Committee as stipulated in the cooperative societies rules<sup>5</sup>.

The nature of power of the Managing Committee as stipulated in the rules may be stated as under:

- a. to admit new members and fine, suspend, remove or expel existing members;
- b. to raise funds;
- c. to invest funds;
- d. to appoint salaried or non-salaried officers for conduct of business of the society and to define their duties.
- e. to compound or abandon or delay or enforce any debt or demand of the society or to institute, defend or compromise legal proceedings;
- f. to dispose of applications for loans and to determine the security to be taken; and
- g. to appoint sub-committee as may be deemed necessary from time to time.

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5. Government of the People's Republic of Bangladesh, Cooperative Societies Rules, 1942, 20.

In addition to the powers conferred on the Managing Committee by the rules, the Managing Committee is also to cause to perform the following duties:

- a. to receive and disburse money;
- b. to maintain true accounts of money received and expended and accounts of the assets and liabilities;
- c. to prepare for submission to the annual general meeting:
  - (i) an annual report on the working of the society
  - (ii) an annual statement of accounts which shall include;
    - (a) cash account;
    - (b) balance sheet;
    - (c) profit and loss account; and
    - (d) profit and loss appropriation account;
    - (e) to prepare the statements of accounts required and to place them before the auditors
    - (f) to prepare and submit all statements and returns required by the Registrar in such forms as he may direct;
    - (g) to enter accounts of the society regularly and punctually in proper books;
    - (h) to maintain a registrar of members up to date;
    - (i) to facilitate the inspection of books by those entitled to inspect them;



- (i) to facilitate the inspection of books by those entitled to inspect them;
- (j) to convene General Meeting on requisition;
- (k) to convene the Annual General Meeting in due time;
- (l) to watch that the loans and advances are applied to the purposes for which they are made and that they are punctually repaid;
- (m) to examine and take prompt action in case of all arrears and defaults in repayment of loans and advances; and
- (n) to perform such other duties as may be entrusted by the General Meeting.

## 6.5 SIZE OF THE MANAGING COMMITTEE

The size of the Managing Committee of the Cooperative Society as per cooperative societies standing rules 'shall have not less than 6 nor more than 18 elected members' and the number of such elected directors should always be a multiple of 3 (Section No. 28). Except Ratnabati K.S.S., Dakhmin Rampur K.S.S., Neura K.S.S. and Ramchandrapur K.S.S., all other cooperative societies of the unions under the study were found to have formed 6-member Managing Committees. In Dakhmin Rampur K.S.S. and Ramchandrapur K.S.S. of Chowara Union the size of the Managing Committee is limited to 9. On the other hand, Ratnabati K.S.S. of Chowara Union kept the size of the Managing Committee to 5. Managers of both the societies reported that they kept the size of the Managing Committee to 5 because they could not find out more suitable members to be selected for the Managing Committee on the date of their election. The survey reveals that 85% of the societies have a Managing Committee consisting of 6 members.

## 6.6 EDUCATION LEVEL OF THE MANAGING COMMITTEE MEMBERS

More than thirty three per cent of the Managing Committee members of the societies of the study area have five to eight years of schooling, while 6.45% are illiterate. None of them belongs to the category of graduate and 25.81% of the Managing Committee members have education below class five. This may be seen in table VI.2.



### 6.7.1 Weekly Meetings

Weekly meeting of the general members is a special feature of the majority of the cooperatives brought under the purview of the study. Weekly meetings of the selected Societies were reported to serve the following purposes:

- a. Participation of general members in the activities and decision making process of the society;
- b. Promotion of group cohesion among the members;
- c. Introduction of cooperative motivation, education and training;
- d. Collection of weekly savings of the members;
- e. Interaction amongst the members and management and better disposal of the problems of the members<sup>6</sup>.

The manager of each society usually guides and coordinates the meeting. These weekly meetings also act as a control mechanism in each and every society. The decision taken by the members of Managing Committee (MC) are placed before the weekly meetings for approval. As revealed by data collected for two consecutive meetings held immediately prior to field investigation, 12 societies held meetings out of 20 societies.

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6. Pijush Kanti Chowdhury and others, Cooperatives as Institutions for Development of the Rural Poor, The centre on Integrated Rural Development on South and Pacific (CIRDAP), Dhaka 1985, p. 42.

TABLE - VI.3

DISTRIBUTION OF MEMBERS ATTENDANCE IN WEEKLY MEETINGS  
OF AGRICULTURAL COOPERATIVES IN COMILLA SADAR UPAZILA

C O D E	Number of members present in 1st meeting	Total number of members	Percen- tage of presence in (1st meeting	Number of members present in 2nd meeting	Percen- tage of presence in 2nd meeting	Percen- tage of presence in two meetings
1	11	70	16	10	14	15
2	18	68	26	15	22	24
3	15	35	43	15	43	43
4	20	72	28	25	35	31
5	105	112	94	105	94	94
6	10	65	15	32	49	32
7	20	60	33	27	45	39
8	N.M.	120	-	N.M.	-	-
9	30	139	22	33	24	45
10	52	144	36	46	32	34
11	15	28	54	16	57	55
12	N.M.	18	-	N.M.	-	-
13	14	42	33	5	12	23
14	N.M.	45	-	N.M.	-	-
15	N.M.	40	-	N.M.	-	-
16	16	59	27	16	27	27
17	N.M.	11	-	N.M.	-	-
18	N.M.	65	-	N.M.	-	-
19	N.M.	73	-	N.M.	-	-
20	N.M.	27	-	N.M.	-	-

N.M= means no meeting held.

Among the survey societies the highest attendance of members in weekly meeting is the Sreenibash K.S.S. (94%) and lowest participation is the Ratnabati K.S.S. (15%). This may be seen from Table VI.3. and Appendix III (p-326-328). In 12 societies (60%) weekly meetings were regularly held, while in other 8 societies (40%) weekly meetings were held irregularly prior to and during the season of irrigated Boro crop. Small number of members attend these meetings only to ensure their share of irrigation water and to settle the transaction of water charge mainly. The members of these societies were reported to attend the meetings with limited objective only. It shows that in 8 societies proceedings of the meetings are not properly maintained. This indicates the low level of interest and participation of the members in the management and activities of the cooperative societies.

ii) Annual General Meeting (AGM)

In countries that follow the British Indian pattern of cooperative legislation normally split quorum is used depending on the number of members of the cooperative society. As stipulated in the Rules:

"Unless otherwise provided in the bye-laws, the quorum for general meeting shall be one-fifth of the total number of members subsisting as such as on the date of notice of the meetings"<sup>7</sup>.

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7. Government of the People's Republic of Bangladesh, Cooperative societies Rules-1942, Bangladesh Jatiya Samabaya Union, Dhaka, P-12.

If there is no quorum there is also no valid group decision. In such case it is usually provided that the meeting stands adjourned for one week. At the next meeting all members present form a quorum, irrespective of their number. This is done to ensure that the necessary decisions of the group entity are taken in order to keep the cooperative society active, even though member participation is low<sup>8</sup>.

The adjourned meeting is ordinarily held at the same time and place. If the time, place and date of adjourned meeting are fixed otherwise than the same day, in the next week at the same time and place, the chairman of the meeting shall record the reasons for such change and announce it to the members present, but in no case meeting be adjourned to a date later than 21st day.

Provided that - a meeting which has been called on requisition shall not be adjourned but dissolved<sup>9</sup>.

The cooperative being organizations with relatively large number of members the general meetings usually are summoned once or twice every year. An organ composed of a smaller number of persons who meet more frequently to take decisions on current affairs of the cooperative society is the Managing committee or Board of Directors.

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8. Ibid., p. 12-13

9. Ibid., p. 12-13

The Managing committee is a purely executive organ which is strictly bound to follow the decisions and to execute the orders of the general meeting of members. The committee can only decide and act on its own when it is expressly empowered by the general meeting or when general meeting leave matters of urgency undecided, the general members have power to intervene and to veto such decision. Thus the general meeting of members is the superior organ in the society<sup>10</sup>.

Annual General Meeting is an important form where in various statutory functions are performed. In well managed societies the election of new Managing Committee members occur in time in the AGM. Because of the irregularity of AGM in ill-managed societies, election of new Managing Committee members did not occur and the old members continued to hold office in the committee. Some of them were reported to have not published in their annual report when AGM was held.

TABLE - VI. 3A

DISTRIBUTION OF SOCIETIES ACCORDING TO WHETHER AGMs WERE HELD DURING LAST ONE YEAR

	Frequency	Percentage
AGM held regularly	14	70
AGM held irregularly/ not at all.	6	30
	20	100

10. Munknor Hans-H, Six Lecturers on Cooperative Law, Federal republic of Germany, Friederich-Ebert-Stifung, 1978.p.43-44



It appears from the table VI.4 that among the survey societies majority of societies (70%) hold their annual general meetings regularly in time following the provisions of law, while others (30%) do not. The attendance of members in AGM in respect of Uttar Joypur K.S.S. is the highest (96%). Percentage of attendance of members in respect of Sreenibash K.S.S., Sreeballavpur K.S.S., Nandapur K.S.S., Dakshin Rampur K.S.S. are 90%, 83%, 75% and 72% respectively. The members of Ramchandrapur K.S.S. has got the lowest attendance (12%). The societies where attendance of members in meeting is highest, the growth of networth and share are also high. There is a high correlation between the attendance of members in the meetings and selected efficiency indicators. The co-efficient of correlation between attendance of members and networth of a cooperative was estimated to be .55 and the said relation was significant at .006 level of significance.

TABLE VI.4

DISTRIBUTION OF SOCIETIES ACCORDING TO PERCENTAGE OF MEMBERS ATTENDING ANNUAL GENERAL MEETING AND AGE OF A MANAGER

Percentage Age	Age			Row total
	Upto 35	36 - 50	51 and above	
Upto 40	3 30.0 33.3 15.0	4 40.0 57.1 20.0	3 30.0 75.0 15.0	10 50.0
61 - 80	5 71.4 55.0	2 28.6 10.0		7 35.0
81 and above	1 33.3 5.0	1 33.3 5.0	1 33.3 5.0	3 15.0
Column	9	7	4	20
Total	45.0	35.0	20.0	100.0

TABLE VI.5

DISTRIBUTION OF SOCIETIES ACCORDING TO PERCENTAGE OF MEMBERS ATTENDING ANNUAL GENERAL MEETING AND WORK-INTENSITY OF A MANAGER

Percentage Age	Time Spent(hours)				Row total
	Upto 1	2 - 3	4 - 5	5 - 6	
Upto 40	4 40.0 80.0 20.0	5 50.0 55.6 25.0		1 10.0 25.0 5.0	10 50.0
61 - 80	1 14.3 20.0 5.0	3 42.9 1033.3 15.0	2 28.6 100.0 10.0	1 14.3 25.0 5.0	7 35.0
81 and above		1 33.3 11.1 5.0		2 66.7 50.0 10.0	3 15.0
Column	5	9	2	4	20
Total	25.0	45.0	10.0	20.0	100.0

### 6.7.3 Special General Meetings

It is a meeting of general body convened for a specific purpose. The general members discuss the special issues in such meetings. Among 20 survey cooperatives only 4 societies (20%) called special general meetings of members for taking decision with regard to the observance of national cooperative day and other special issues in the year 1984-85. The percentages of members present in the meetings of such societies are Sreenibash K.S.S. (60%), Dakhmin Rampur (60%), Ratnabati K.S.S. (30%) and 27% in Uttar Joypur K.S.S.

### 6.7.4 Managing Committee (MC) Meetings

As per cooperative law, the members of the managing committee should meet at least once in a month. In a society where AGM is irregular, managing committee meeting is also irregular. Where such meetings are held the members of the MC check the activities of the management every month in this meeting. It is generally held in a fixed date every month.

### 6.7.5 Place of Meeting

Among the survey cooperatives 25 percent of the societies have their own pucca office building for holding meeting of members. Fifteen per cent of the societies have their won Kutcha offices for holding meetings.

Remaining (60%) of the societies have no office and 45% of the societies use member's houses, 10% of the societies use village Maktab and 5 per cent of societies use primary school buildings for the purpose of holding meetings of the societies (Table VI.6).

TABLE - VI.6

DISTRIBUTION OF PLACES OF MEETINGS OF THE SOCIETIES  
IN SADAR UPAZILA, COMILLA

Nature of Promises	No. of Societies	Percentage
Pucca Building (Own)	5	25
Kutcha house (Own)	3	15
Members house with no charge	9	45
Village Maktab	2	10
Primary School Building	1	5
	20	100

#### 6.7.6 NATURE OF BUSINESS CONDUCTED

In addition to the business conducted in weekly meeting and special meeting of the members already discussed, various important functions are conducted in an annual general meeting. Some of those functions are :

- i. discussion on the annual report of the manager of the society. Discussion on the annual income and expenditure, balance sheet and audit report of the society ;
- ii. approval of the budget of the next year;
- iii. election of one third of the M.C. members;
- iv. distribution of prizes among members, employees for good performance ; and
- v. fixation of the monthly honorarium and pay for the manager and employees of the society respectively etc.

Well-managed societies invite some important personalities of the district to attend AGM and to advise them for future development. In well-managed and financially sound societies members thoroughly discuss any objection raised by the district auditors of the Department of Cooperatives and decide to take corrective measures accordingly. In some societies having excellent performance members were found to critically review the activities of the management and of the members. They also distributed prizes among the members, M.C. members and employees for good performance. Members generally get prizes for timely repayment of loan, regular attendance in weekly meetings and regular deposit in weekly savings.

#### 6.8 Manager, His Status and Role

A Manager of a society is a person above the age of 18 who is entrusted with the responsibility and delegated with the authority to run partially or wholly the affairs of the society subject to the control of the Managing Committee of the concerned society. His domain of operations and status are determined by the Managing Committee elected by the members, for his action is also decided ordinarily by the Managing Committee and approved by the members in the general meeting. Similarly terms and condition of his service are decided by the Managing Committee within the limits of the laws and Rules governing the cooperative societies of the country. He may be a paid or an honorary person. There is no legal bar to appoint any member as manager.

As revealed by the study the manager of the cooperative society was reported to have performed several functions. Some of the major functions as performed by them may be stated as under:

1. to receive all moneys on behalf of the society and issue receipts for the same;

2. to prepare budget of expenses and possible incomes and submit the same to the Managing Committee;
3. to prepare plan of operations, maintenance of the services;
4. to deposit money on account of share and deposits with the central cooperative;
5. to maintain proper books of accounts and records of other activities.
6. to arrange convening meetings of the Managing Committee in consultation with the members and concerned authority;
7. to prepare reports, returns etc. to be submitted to the central cooperatives and keep the members of Managing Committee informed of the same;
8. to act as liason between the Managing Committee and General Members as well as the Central Cooperative Societies and supporting organizations;
9. to study members attitude, possible opportunities for expansion activities, and suggest appropriate measures; and

10. to help conducting the departmental audit of accounts of the society.

The study of the functional areas of managers indicate that intensity with which the managers perform their functions varies from society to society. It has been observed that variations in their activities might be partly attributable to differences in ability and other behavioral factors. There are evidences that some of the efficiency indicator of the society are highly associated with the behavioral factors.



## 6.9 SOCIO-ECONOMIC AND DEMOGRAPHIC PROFILES OF MANAGERS

Efficiency of a Cooperative Society depends, among other factors, partly on socio-economic and demographic profiles of managers. Here an attempt has been made to give an account of the socio-economic and demographic characteristics of managers of the sample cooperatives.

### 6.9.1 Age, Sex, Martial Status, size of the family and occupation

Until now, number of women entering managerial profession is very few. Not a single woman manager was found as manager of the sample cooperatives. Average age of managers was found to be 40.45 years and the standard deviation of age was estimated to be 13.87 years. The majority of the managers belonged to the age bracket 51 and above. Ninety five percent of the managers interviewed were married. Out of these 80% married once and 20% of them married twice. The size of the family ranged from 1 to 16. Seventy percent of the managers had family size varying from 5 to 10. This may be seen in Table VI.7.

TABLE - VI.7

DISTRIBUTION OF MANAGERS ACCORDING TO NUMBER  
OF MEMBERS IN THEIR FAMILY

No. of members in the family	Frequency	Percentage
Upto 4	2	10
5 - 6	4	20
7 - 8	7	35 (50%
9 - 10	3	15 (7 to 10 mem. bers.)
11 - 12	1	5 (20% (abo-
13 - 14	2	10 (ve 10
15 and above	1	5 (members)
	20	100

The members of the families of 50% of managers were found to work in the agricultural field and help the managers in agricultural production. On the other hand, the members of the families of 20% managers work in industry. It is also revealed in the study that the members of the families of 85% of the members used to attend educational institution - upto a certain age.

#### 6.9.2 Social Status and Occupation

Out of the twenty managers interviewed in Comilla Sadar Upazila 12 managers (60%) were persons of high social status as perceived by them, 8 managers (40%) as medium status according to the respect they received from the members of their respective societies.

The status of the managers is shown in the table below:

TABLE - VI.8

## DISTRIBUTION OF MANAGERS ACCORDING TO THEIR STATUS IN THE SOCIETY

Status	Frequency	Percentage	Valid per cent
High	12	60	60.00
Medium	8	40	40.00
Low	-	-	-
Poor	-	-	-
	20	100	100

Agriculture (crop production) is the principal occupation of the largest proportion of managers of the societies interviewed. Those who were exclusively dependent on agriculture constituted 85%, while the remaining 15% had business and service as major occupations. The occupational distribution of the managers is shown in the table below:

TABLE - VI.9

## DISTRIBUTION OF MANAGERS ACCORDING TO MAJOR OCCUPATION

Occupation	Frequency	Percentage
Agriculture	17	85
Business	2	10
Service	1	5
	20	100

The same trend has been observed in case of Managing Committee members and employees of the selected cooperative societies.

### 6.9.3 Land Holding and Income

The average land holding of the managers is 2.86 acres. It is revealed in the study that 15% of managers had less than 1 acre of land, while 50% of the managers had land from 1.01 to 3.00 acres. The land holding here includes land owned for house, cultivation, pond, etc.

The average monthly income of the managers in the survey cooperatives was Tk. 2237.00. About 40% of them had a monthly income of Tk. 1100 to Tk. 2000. On the other hand 20% of the managers had monthly income from Tk. 3100/- to Tk. 5000/-.

Majority (50%) of the managers' monthly income from agriculture was below Taka 1500/- only, while 40% of the managers' monthly income from agriculture was Taka 1500/- to 3000/- only. It has been further observed that 75% of the managers' had no income from other sources except agriculture.

### 6.9.4 Major Occupation Prior to Joining Cooperative and Work Experience

Majority of managers were drawn from the agricultural sector. The distribution of managers according to major occupations prior to joining the cooperative may be seen in table VI.14 (Appendix) It appears from the table that the major occupation of 65% of managers' prior to joining cooperatives was agriculture, while 30% of managers' major occupation was cottage industry. One managers' major occupation prior to joining cooperative was small industry.

The study of work experiences of managers in the field

of cooperatives shows that the majority of the respondents had more than 6 years of work experience. Only 35% of the managers had work experience below 5 years. This may be seen in Table VI.10. The mean work experience on managers was estimated to be 6.4 and the standard deviation was 5.32.

#### 6.9.5 Other Information About Managers

A few of the managers were found to prepare plan in writing for their managerial activities and check their activities every day. Ninety percent of the managers checked their activities simply by observation, 55% of the managers prepared no plan of their managerial activities and they even did not take corrective measures in case of deviations.

The majority (65%) of the managers interviewed had no near relation as officer in Government service, Defence or in other service in Bangladesh and they had no near relation as member of central committee/district committee/upazila committee of any political party. Twenty five percent of the managers were found to have near relations as officers, in the Government service of Bangladesh.

On the other hand, 10% of the managers had near relation as members of different political parties in central, district or upazila level (Appendix Table VI.12).

When managers of the survey areas were asked to state their present degree of happiness in their family lives, 45% of the managers reported that they were some what happy,

thirty percent very happy, fifteen percent happy, fifteen percent not at all happy.

TABLE - VI.10

DISTRIBUTION OF MANAGERS ACCORDING TO  
NUMBER OF YEARS SPENT IN COOPERATIVE MANAGEMENT  
INCLUDING THE PRESENT JOB

Value level (No. of Years)	Value	Frequency	Percent	Valid percent	Cum percent
Below 5	1	7	35.0	35.0	35.0
6 - 10	2	7	35.0	35.0	70.0
11 and above	3	6	30.0	30.0	100.0
Total :		20	100.0	100.0	

CHAPTER - VII

EFFICIENCY OF COOPERATIVE SOCIETIES

## 7.1 CONCEPTUAL DIMENSIONS OF EFFICIENCY OF A SOCIETY

In measuring the performance of an organization several terms are often used. In this regard, efficiency, effectiveness, productivity, profitability, surplus, capacity utilization, etc. are used. In the business organizations profit criterion is frequently used, for people promote business mainly for earning profit. As regard the criterion of profit as a measure of performance authors like Walters and Mosen<sup>1</sup>, Solomon<sup>2</sup>, Sobhan<sup>3</sup>, Katz and Khan<sup>4</sup> were found to be critical about the profit criterion, while Simon<sup>5</sup> Dean<sup>6</sup>, Spencer<sup>7</sup> and many others held the view that profit might be used as a primary measure of efficiency or of success.

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<sup>1</sup>K.D. Walters and R.E. Mosen, Managing the Nationalized Company California Management Review, No.25,(Summer), 1983, pp.16-26.

<sup>2</sup> E. Solomon, The Theory of Financial Management, Columbia University Press, New York, 1963, p. 17.

<sup>3</sup> R. Sobhan, Public Enterprise and the Nature of the State, Centre for Social Studies, Dhaka, 1983, p.10.

<sup>4</sup>D. Katz and R.I. Khan, Social Psychology of Organization, Wiley and Sons, New York, 1966.

<sup>5</sup>H.A. Simon, Administrative Behaviour Macmillan and Company New York (2nd Ed.) 1957 Cf. R.M. Cyert and J.C. A Behavioral Theory of the Firm. Prentice-Hall, Engle Wood Cliffs.

<sup>6</sup>J. Dean, Managerial Economics, Prentice-Hall, New Delhi, 1951, p.3.

<sup>7</sup>M. Spencer, Managerial Economics : Text, Problems and Short Cases, Richard D. Irwin Home Wood, 1968. p. 77.



Amongst those favouring the use of profit as a criterion some preferred the use of profitability instead of profit as a measure (Solomon). Commenting on profit and efficiency Narayan<sup>8</sup> Commented: "All said and done, efficiency is consciously and unconsciously associated with the profit earned". This concept has been shared by some other economists in measuring the success of Cooperative Societies in Bangladesh. Sobhan and Ahmed<sup>9</sup> used value added, capacity utilization, sales and profitability and production trends in evaluating the performance of public sector enterprises in Bangladesh.

In contrast to the conventional criteria of measuring a performance, Sobhan<sup>10</sup> used the concept of surplus. In another study on efficiency and profitability of public enterprises Habibullah<sup>11</sup> used as many as eleven financial ratios. Considering the peculiarities of enterprise ownership Walters and Mønsen commented<sup>12</sup> when the owners are a nation's citizenry and its elected officials, success and failure are not defined in terms of profit and loss.<sup>12</sup>

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8. L. Narayan, Principles and Practice of Public Enterprise Management, S. Chand and co., New York, 1980, p. 200.

9. R. Sobhan and M. Ahmed, Public enterprises in an intermediate Regime: A study in the Political Economy of Bangladesh, BIDS, Dhaka, 1980. pp. 402 - 411.

10. R. Sobhan, Public Enterprises, and the Nature of the State Centre for Social Studies, Dhaka, 1983, p. 70.

11. M. Habibullah, Efficiency and Profitability of Industrial Enterprises in Bangladesh, Bureau of Economic Research (D.U.), Dhaka, 1978.

12. K.D. Walters and R.E. Mønsen, Managing the Nationalized Company, California Management Review, No. 25., (Summer) 1983, pp. 16-26

What counts, as viewed by them, is the company's political performance, and in judging political performance, there is no bottom line. If a reporting organization is taken as an organizational unit designed to achieve some goal through the process of production and disposal of output, managerial performance may be measured in terms of productive efficiency or of its two main components—technical efficiency and factor price efficiency<sup>13</sup>. The organization is considered technically efficient if it attains the predetermined quantitative standards of performance or if it works up to the claims made upon it. Factor price efficiency measures the skill in achieving the optimum combination of inputs with due consideration of their relative prices<sup>14</sup>. An economic system is, according to Speight, economically efficient if it is technically efficient and if it succeeds in rationing scarce resources and scarce products in most desirable ways<sup>15</sup>. There is, however, hardly any consensus on the interpretation of the phrase - most desirable way. Performance of an organization, as viewed by Punyaratabandhu-Bhakdi<sup>16</sup>, is often understood to imply some

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<sup>13</sup>M.J. Farrel, The Measurement of Productive Efficiency, J.B.S.S.120, 1957, Series A. p. 3.

<sup>14</sup>Durgadas Bhattacharjee, Managerial Performance of the Public Sector Industry : A Review of concepts and Trends of Performance of the Sugar Industry in Bangladesh, The Dhaka University Studies, June, 1985, p.77.

<sup>15</sup>Ibid, p.77

<sup>16</sup>S. Punyarata Bandhu Bhakdi, Individual Values, Organizational Structure and the Problems of Performance Public Administration Review, No.6(Nov-Dec.,1983)pp.510-519.

degree of 'efficiency' where production is compared with cost, as well as effectiveness as measured by output only". As observed by Thorndike<sup>17</sup>. "There was a general tendency on the part of personnel and industrial psychologists to accept as "ultimate criteria" of organizational success the following: Organization productivity, net profit, the extent to which the organization accomplishes its various missions, and the success of the organization in maintaining or expanding itself.

In evaluating the performance of cooperative societies the criteria of productivity, capacity utilization, net profit and profitability may not serve the purposes of reflecting the efficiency level of cooperative societies in general and of the agricultural societies are in particular, for agricultural cooperative societies are designed not to deal in products or engage themselves in production with a view to earning profit. They are primarily meant for managing services for and on behalf of the members. Thus, performance/efficiency of the society is better judged in terms of the extent to which the organization accomplishes its various missions. In this regard the term effectiveness appears to be more appropriate for the purpose. Effectiveness ordinarily refers to the degree of attainment of goals of an enterprise. Conceptualization of the term effectiveness also varies. Conceptualization was found to differ between individuals, between functions and between

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17. R.L. Thorndike, Personnel Selection: Tests and Measurement Techniques, Wiley & Sons, New York, 1949, pp.121-124.

levels of an organisation<sup>18</sup>. Effectiveness may be measured in terms of goal attainment, of balancing conflicting demands, of acquiring essential resources or of maintaining healthy organizational process<sup>19</sup>. In evaluating effects of a programme some used efficacy with effectiveness. Efficacy is concerned with the benefit of a programme to individuals under ideal conditions of use, while effectiveness refers to average conditions of use. While drawing distinction between efficacy and effectiveness Wortman stated; "... efficacy involves determining whether a programme can have an impact, while effectiveness is concerned with whether it does have an impact<sup>20</sup>. Molony<sup>21</sup> and Sjoberg<sup>22</sup> emphasised upon the need to make evaluation, congruent with the intent of the programme. The content analysis of various annual report prepared by the Department of cooperative indicates that emphasis has been made mainly on the membership, share capital, surplus and savings. As revealed by the analysis of content of policy statement and of the concomitant rules,

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18. A.C. Newby, The Evaluation of Training, Part-II, Journal of European Industrial Training, Vol. 8, No. 7, 1984.

19. K. Cumeron, Critical Question and Assessing Organizational Effectiveness, Organizational Dynamics, Autumn, 1980, pp.631-45.

20. P.M. Wortman "Evaluation Research: A Methodological perspective: Annual review of Psychology, vol. 34, 1983, pp.223-60.

21. C. Molony, "Hoding the Evaluations Accountable" Urban Review. vol. 9, No. 1, 1976, pp. 50-8.

22. G. Sjoberg, Politics, Ethics and Evaluation Research, in E.L. Struening and M. Guttentag, Handbook of Evaluation Research, Sage Publication, Beverly Hills, 1975.

main thrust is on promoting collective efforts for collective benefits through generating common services necessary for agricultural development.

As cooperative societies are run mostly by honorary managers, and premises of the society are neither owned by the society nor hired, the input of the society in real sense of the term is very negligible. Output of the society is service generation and input used in bringing out necessary output is the collective will of the members-which is more or less dependent upon the manager of a society. In this sense, effectiveness, efficiency and efficacy may be used synonymously. Efficiency may be measured in terms of the intent of society's formation i.e. how much services could be arranged for the members. There is no denying the fact that service dimension is the function of how much resources could be mobilized for the society and how much collective strength of the society could be increased. As viewed by Eberhard<sup>23</sup>, the question of efficiency can be regarded as a question of the targets and objectives to be attained by the cooperatives or through the medium of cooperatives. He further asserts that it is not wise to use the conventional criterion of profit for measuring the efficiency of cooperative societies, for/ society is meant to provide a special type of service to the customers. In this study,

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23. Dulfer Eberhard, Operational Efficiency of Agricultural cooperatives in Developing Countries, F.A.O./U.N.O., 1974, p. 2.

an attempt has been made to measure the operational efficiency of cooperative societies in terms of service dimension and supporting efficiency indicators like resource mobilization, membership strength and involvement of members.

## 7.2 ANALYTICAL FRAMEWORK

On the basis of literature survey and opinions of the concerned people, a functional relationship between service dimension of a cooperative society and factors influencing the same has been assumed as under :

Service Dimension = (Resource mobilization, involvement of members and collective strength of the society)

These factors are deemed to have exerted influence on the service dimension both individually and collectively in varying degrees. Service dimension has been measured on the basis of the number of services provided to the members. The list of the services provided by the sample societies may be seen in Appendix. v. The mean service dimension has been estimated to be 7.25 and standard deviation to be 3.02.

Resources of the society for ensuring services mainly included share capital, savings and surplus generated at a given point of time. In order to reflect the total resources created by the members, the indicator of networth is used. The interrelationship between dependent variables and explanatory variables may be seen in Table VII.1.

TABLE VII.1

MEAN, STANDARD DEVIATIONS AND INTERCORRELATIONS OF SELECTED VARIABLES

Variables	Mean	SD	1	2	3	4	5	6
1. Service dimension	7.25	3.02						
2. Size of collective strength	64.65	38.08	.71					
3. Networth	60750	65775	.73	.57				
4. Share capital	16039	37185	.76	.50	.76			
5. Savings	12936	9022	.50	.58	.46	.08		
6. Involment of members	43	34.69	.55	.44	.55	.35	.48	

Involvement of the members is the reflection of the urge and interest of the members to participate in the affairs of the society. This has been assumed to be one of the factors influencing the service dimension. Involvement of members has been measured in terms of the attendance of members in the Annual General Meeting and weekly meetings of the societies. Involvement of members in terms of attendance in the Annual General Meeting has been used for the purpose of statistical analysis.

The collective strength of the society in terms of the number of members has influence on the number of services provided by the society, for procurement of the services demands optimum size of beneficiaries in order to make the operation economically viable. In the succeeding paragraphs an attempt has been made to focus on the relationships between service dimension and the selected independent variables, the degree of dependence of the service dimension on the selected variables and their inferential value.



### 7.3 WHETHER COLLECTIVE STRENGTH OF A SOCIETY AFFECTS THE EFFICIENCY INDICATOR.

The success of an organized efforts is the function of the strength of the organization -- both in term of number and resources that the organization can pool for carrying on its extension work. The collective strength of the organization has multidimensional effects on the operational efficiency of the cooperative society. The increase in the collective strength of the organization is likely to bring favourable effect on per unit cost of services. Probably with this promise, legal provision of the minimum number of members with no maximum limit has been made. In view of the importance of the size of the organization the Grameen Bank also prescribed upper and lower limit of the size of the group. Similarly some NGOs engaged in promotional activities has prescribed their preferred size<sup>24</sup>. In an attempt to strike out a generalized formula some have preferred to limit the size of the organization. There are others who do not favour to limit the size of the society either in terms of membership or in terms of volume of transaction. There is, however, no doubt about the importance of the size or collective strength on the performance of the cooperative society, for it has implications for the group interaction, motivation, management style and economic viability<sup>25</sup>.

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24. Saadat Hossain, Structure of Cooperatives in Bangladesh Cooperatives (Journal) BJSU, Dhaka, January - June, 1987, p.9

25. Ibid., p.9

In this study, it is hypothesized that service dimension is associated with the collective strength of the society. In an attempt to study the relation between the size of the society and the number of services rendered correlation coefficient has been found out and the simple regression equation has been computed to show the dependence of the services rendered on the collective strength of a society. Here the collective strength of the society has been measured in terms of the number of members.

The distribution of the societies according to collective strength and of size and of shareholding may be seen in Table VII.1A & VII.4. The relation between the collective strength of the society and the age of the society i.e. year of commencement has been shown in table VII.2. The collective strength has also influence on per member shareholding (Table VII.3). The mean size of the collective strength of society has been found to be 64.65 and the standard deviation is computed to be 38. The coefficient of correlation between the size of the collective strength of the society and the services rendered has been estimated to be .7101, which has been found to be statistically significant, at .0005 level, of significance. The simple regression equation reflecting the dependence of the services rendered on the size of the collective strength has been stated as under:

$$X_1 = 3.603712 + .0564 X_2 \quad \dots (1)$$

$$(R^2 = .50436; t = 4.28; sig. .0005)$$

Where.

$X_1$  denotes service dimension,

$X_2$  denotes size of the collective strength of the society.

The analysis of the equation shows that 50% of the variations in the services rendered have been explained by the equation<sup>1</sup> ( $R^2 = .50$ ). This indicates that with increase in the size of the collective strength the service dimension widens. Hence, the hypothesis that service dimension is associated with the size of the collective strength is accepted.

TABLE - VII. 1A

DISTRIBUTION OF SOCIETIES ACCORDING TO SIZE

No. of Members value level	Value	Frequency	Percent	Valid percent	Cum percent
Upto 50	1	8	40.0	40.0	40.0
51-100	2	8	40.0	40.0	80.0
101-150	3	4	20.0	20.0	20.0
Total		20	100.0	100.0	

TABLE - VII.2

DISTRIBUTION OF SOCIETIES ACCORDING TO SIZE\* AND YEAR OF FORMATION

Size	Year of formation			Row Total
	Upto 61	62-71	72-81	
Upto 50	1	6	2	8
51-100	2	1	7	8
100-150	3	1	3	4
				20.0
Column Total	2	16	2	20
	10.0	80.0	10.0	100.0

\* Size expressed in terms of no. of members.

TABLE - VII.3  
DISTRIBUTION OF SOCIETIES ACCORDING TO PER MEMBER  
SHAREHOLDING

Per member shareholding (Taka)	Value	Frequency	Percent	Valid percent	Cum percent
Upto 200	1.00	14	70.0	70.0	70.0
201-400	2.00	3	15.0	15.0	85.0
401-600	3.00	2	10.0	10.0	95.0
Above 600	5.00	1	5.0	5.0	100.0
Total		20	100.0	100.0	

TABLE - VII.4  
DISTRIBUTION OF SOCIETIES ACCORDING  
TO SIZE AND SHARE HOLDING

(in taka )

No. of members	Upto 10,000	10,001 to 20,000	20,001 to 30,000	30,001 and above	Row Total
Upto 50	1 6 75.0 42.9 30.0	2 25.0 50.0 10.0			8 40.0
51-100	2 7 87.5 50.0 35.0		1 12.5 100.0 5.0		8 40.0
101-150	3 1 25.0 7.0 5.0	2 50.0 50.0 10.0		1 25.0 100.0 5.0	4 20.0
Column Total	14 70.0	4 20.0	1 5.0	1 5.0	20 100.0

#### 7.4 WHETHER RESOURCE MOBILIZATION AFFECTS THE EFFICIENCY INDICATOR

In the economy characterized by the market mechanism with the dominance of private ownership of land, service generation of any kind requires capital or resources. Efficiency of an organization depends largely on optimum capital or resources. Too little of resources stand as an obstacle to developing infrastructural facilities like deep tube-well or other irrigation facilities, while too much of capital mobilized results in under utilization of resources and hence increase cost. In the rural cooperative societies, however, there is the problem of scarcity of capital rather than the problem of over capitalization, for members forming the cooperative societies belong to lower income bracket. The cooperative is more for their survival than for generating surplus for distribution. Thus, the amount of resources mobilized for providing services reflect the degree of efficiency that society could attain. In an attempt to measure the resource mobilization aspects, two indicators viz, share capital and networth of the society have been used.

The study reveals that the mean share capital and mean networth of the sample societies have been estimated to be Tk. 16,039 and Tk. 60,749.60 respectively. The standard deviation of the said variables have been estimated to be Tk. 37,184.63 and Tk. 65,775.00 respectively. Available data show that the service dimension of the society has been

associated with the resources mobilized. This would be evident from the fact that the coefficient of correlation between the service dimension and the share capital of the sample societies has been calculated to be .7633 and the coefficient of correlation between the service dimension and the networth of the societies has been .7274. Both of the coefficients of correlation have been found statistically significant.

In an attempt to estimate the magnitude of dependence of service dimension on share capital and networth of the societies, simple regression equations have been computed.

They are as follows :

$$X_1 = 6.254356 + .000063X_3 \dots\dots\dots (2)$$

$$(R^2 = .58; F = 25.13; Sig. = .0001$$

$$X_1 = 5.21841 + .000033X_4 \dots\dots\dots (3)$$

$$(R^2 = .529; F = 20.22; Sig. = .0003$$

Here,

$X_3$  denotes share capital, and

$X_4$  denotes networth.

From the equation 2 and the equation 3 it appears that the explanatory power of the capital is 58 percent and of the networth is 53 percent.

The amount of saving of the members is one of the important sources of finance of a society and the said factor is also believed to have exerted influence on service dimension. The study reveals that there has been a moderate correlation between the amount of savings & service



dimension of the societies brought under the perview of the study. The coefficient of correlation between the two variables is computed to be .50.

The dependence of service dimension on the amount of savings is reflected in the following simple regression equation:

$$X_1 = 5.098 + .00017X_6 \quad \dots\dots\dots (4)$$

Here,  $X_6$  denotes savings of the society.

The study of the equation shows that about 25 percent of variance in service dimension have been explained by the factor - amount of saving ( $R^2 = .25$ ).

From the analysis it is evident that more emphasis on resource mobilization from among the members may help enhance service dimension of a given society. This, however may also depend on how well services are given to the members.

#### 7.5 WHETHER MEMBERS INVOLVEMENT AFFECTS THE SERVICE DIMENSION

As the agricultural cooperative societies are primarily service oriented and professional management is yet to develop, the success of the society largely depends upon the involvement of the members in decision making process. Unlike other forms of ownership of the business organizations, man and his will have been given the dominant position by the law. In case of joint-stock companies share holding determines the voting power, while members of Cooperative Societies enjoy equal rights irrespective of their share holding. The philosophy behind the provision of

equal rights in decision making is encouraging democratization. Here activities are assumed to be generated through the process of collective efforts and collective involvement in all spheres. For the purposes of ensuring participation of members, a legal provision has been made to hold Annual General Meeting where members are supposed to participate in the policy matters. This has been made mandatory. Well managed societies however hold even weekly meetings regularly for enhancing involvement of the members. The study reveals that out of 20 societies 12 societies were found to have held weekly meetings. A positive association between attendance of members with weekly meetings and some selected performance indicators was observed. This may be seen in Table VII.5. In the absence of the practice of weekly/monthly meetings by all societies brought under the pervue of the study, attendance of the members in the Annual General Meeting which is held in almost all the societies is used as indicator of involvement of the members for the purpose of statistical analysis. Here an attempt has been made to study how far members are involved in decision making and whether involvement of the members is related to service dimension of the societies. The frequency distribution of societies according to involvement of members may be seen in Table VII.5A

The relationship between the members' involvement and the service dimension has been shown in Table VII.5B. The mean involvement and its standard deviation have been found

to be 42.75 and 34.69 respectively. The coefficient of correlation between the said variable and the service dimension is estimated to be 0.5531. The test statistics indicates that the above relation is statistically significant at .01 level of significance.

For the purpose of ascertaining the influence of members' involvement on the variations in the service dimension of the societies, the following simple regression equation has been computed;

$$X_1 = 5.1877 + .0482X_5 \quad \dots (5)$$

$$(R^2 = .306; F = 7.94; \text{Sig.} = .01)$$

Here,  $X_5$  denotes members' involvement in the affairs of the society.

The regression equation shows that a unit change in the independent variable would change by .05 in service dimension. About 31 percent of the variance of the service dimension might be attributable to the involvement of members. From the above relation it follows that service dimension of the agricultural society may be enhanced substantially if more members may be persuaded to participate in the decision making.

TABLE VII.5

DISTRIBUTION OF SOCIETIES ACCORDING TO THE MEMBERS INVOLVEMENT IN WEEKLY MEETING AND SOME PERFORMANCE INDICATORS

% of presence in weekly meetings	No. of society- ties	% of society- ties	No. of member- s	Accumulation of share (Taka)	savings (Taka)	Average share capital per society (Taka)	Average savings per society (Taka)	Average share per member (Taka)	Average savings per member (Taka)
No Meeting	8*	40	399	29459.50	71674.50	3,682.44	8959.31	73.83	179.64
1 - 25	3	15	180	19450.00	31014.00	6483.33	10,338.00	108.06	172.30
26 - 50	7	35	574	237874.50	112937.70	33,982.07	16,133.96	414.42	196.75
51 - 75	2	10	140	25925.00	43103.00	12,962.50	21551.50	185.18	307.88
	20	100	1293	312709.00	258729.20	15635.45	12936.46	241.85	200.10

\* Out of 20 societies 8 societies were found not to have held weekly meetings.

TABLE - VII.5.A  
DISTRIBUTION OF SOCIETIES ACCORDING TO MEMBERS  
INVOLVEMENT AND SERVICE DIMENSION

: No. of Services :					
No. of members :	Upto 5 :	6 - 10 :	11 - 15 :	16 - 20 :	Row Total :
Upto 50	1	2	8		10.
61 - 80	3		6	1	7
81 and above	4		2	1	3
Column Total	2	16	1	1	20
	10.0	10.0	5.0	5.0	100.0

## 7.6 MULTIPLE REGRESSION ANALYSIS

The service dimension of an agricultural society is the function of a complex set of variables. In the previous paragraphs simple relationships between service dimension of a society and the selected independent variables have been analysed. Out of the independent variables as mentioned earlier some variables were found highly interrelated. In order to avoid the problem of multicollinearity certain variables have been dropped. Here an attempt has been made to build a multiple regression model of service dimension of a cooperative society. At the initial stage correlation matrices of selected variables both dependent and independent were found out in order to select important variables for the purpose of analysis. Table VII.1 shows intercorrelations between selected variables. Having selected the independent variables a multiple regression equation was found out. In order to ascertain the magnitude to goodness of fit of the regression equation and the magnitude of association between the dependant and independent variables, coefficient of multiple correlation, coefficient of determination ( $R^2$ ) and adjusted coefficient of determination were computed. For testing the hypothesis F-test was done.

As units of measurement of the variables brought under the purview of statistical analysis were different, an attempt was made to transform the variables into standardized variables ( $z$ ). Having transformed the variables the standardized regression equation was computed

for ascertaining the relative importance of the factors as explanatory variables.

The most important aspect of agricultural cooperative societies is service orientation. The coverage of service packages given by a society is one of the determining factors to improve income level of members. The coverage of services depends on several factors, viz., members' involvement, size of the collective strength of the society and its capital resources. Here the number of services provided by the society has been assumed to be one of the performance indicators, accumulated share capital and savings have been deemed to be the resource factor and the percentage of attendance of the members in Annual General Meeting has been used to reflect the involvement of members in the affairs of the society. The regression equation between the service dimension and the explanatory variables as mentioned above may be stated as under:

$$X_1 = 3.82 + .01051X_5 + .00005X_3 \\ + .000094X_6 + .015089X_2 \dots\dots (6)$$

$$[R^2 = .80; F = 15.25]$$

The analysis of the equations and of statistics reveals that about 80% of the variance in the coverage of services were explained by the equation. The coefficient of multiple correlation between the dependant and independant variables was computed to be .90.

The standardized regression equation may be stated as under:

$$X_1 = .120675 + .604173 + .281776 + .189997Z_2 \dots (7)$$

From the standardized regression equation it appears that share capital has been found to be the most important factor explaining the variations in the service dimension of the society. Next in order of importance is the amount of savings followed by size and members' involvement.



CHAPTER VIII

MANAGERIAL FACTORS AND THEIR INFLUENCE ON  
SELECTED EFFICIENCY INDICATORS

### 8.1 MANAGERIAL FACTORS INFLUENCING MANAGERIAL EFFICIENCY OF A SOCIETY

Performance or efficiency of a society is a reflection of the efficiency with which the society is run. Performance of a society and managerial factors are highly associated. Unless managerial personnel effectively work for increasing operational effectiveness of the society, the performance can never improve. Individual performance of a manager or efficiency of a manager depends on several factors. One of the first models of managerial performance was developed by Porter and Lawler in 1968<sup>1</sup>. As proposed by them, performance was a function of abilities, traits, effort, and role perception. While discussing the determinants of success of cooperative societies in Bangladesh, Saadat Hossain<sup>2</sup> Stated: "The seeds of success have to be sought for in some other variables perhaps the more real ones like commitment, Skill and hard work".

McNamara<sup>3</sup> has suggested that it is unreasonable to expect managers to be effective if they have less than 16 years basic education (the time required to complete a first degree) and less than 14 years work experience. This, he suggested for

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<sup>1</sup>As quoted by Raymond A. Noe in an article on Trainees, Attributes and Attitudes: Neglected Influences on Training Effectiveness (An Article) Published in Academy of Management Review, 1986, Vol. 11, No. 4, p. 736-749.

<sup>2</sup>Saadat Hossain, Structure of Cooperatives in Bangladesh, an article published in Cooperation (Journal - Jan-June 1987), Bangladesh Jatiya Samabaya Union, Dhaka, 1987, p. 18.

<sup>3</sup>V. McNamara, Learning to operationalise Policies: Factors in the Administrator Development Lag, Administration for

public service but this is also to a certain extent true so far as other organizations are concerned. As viewed by Wayne F. Cascio<sup>1</sup>, the effects of leadership and situational factors on morale and performance have been well documented (BASS, Valenzi, Farrow and Solomon, 1975, Fielder, 1965, Fiedler and Mahar, 1979, Vroom and Jago, 1978). These studies demonstrate that variations in job performance are due to characteristics of individuals (age, sex, job experience, etc). Again as viewed by Phillip Baumel<sup>2</sup>, a balanced board of directors is desirable in a cooperative society to manage. By balance he means a board that is composed of both the youth and the experienced. It is also worth noting that 20 managers interviewed in the study are also directors of the Board of Management.

In this regard another study by Sundeen<sup>3</sup> is worth mentioning. He correlated individual's age, sex, educational qualifications and experience against the occupational levels of the respondents. The combined background variables as mentioned above accounted for 5% of the variance of the dependent variables.

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<sup>1</sup>Wayne F. Cascio, Applied Psychology in Personnel Management, Boston Publishing Company Inc., Boston, Virginia, 1982, p.111.

<sup>2</sup>Phillip Baumel, Responsibilities of the Board of Directors, an article presented in Director-Manager Conferences held in Midland Cooperatives Inc., U.S.A. 1974, p.6.

<sup>3</sup>R.A. Sundeen, "Explaining Organizational Rank Among Senior Level Public Servants in Papua New Guinea Using Bayes" Theorem, (Mimeo) 1980. This is quoted in an article on Assessing Managerial Skills of Senior Managers in East New Britain by Stewart, J. Forsyth and others in a Journal on Administration For Development, No. 23 July, 1984 (Papua New Guinea) Admn. College of P.N, Guinea.

As agricultural cooperative societies are more for service than for generating surplus and managers are mostly non-paid social worker in Bangladesh, their work interest is of prime importance in enhancing operational effectiveness of the societies. As observed by Sharma<sup>7</sup>, job satisfaction is "closely connected with the upkeep of the right spirit in one's work". Thus, there is a high positive correlation between the extent of job satisfaction and the interest of an employee in his work. The higher the level of job satisfaction, the greater and fairer are chances of his putting heart and soul with single minded devotion and undivided attention to give perfection to the task". Thus, it is hypothesised that each of the efficiency indicators is the function of age, education, experience, job satisfaction, commitment and work intensity of managers. Means, standard deviations and intercorrelations of selected efficiency indicators and managerial factors have been set out in table VIII.IA and table VIII.IB respectively.

From the tables it appears that each of the efficiency indicators is highly related to one or more of the managerial factors. Here an attempt has been made to focus on the relation of each managerial factor with efficiency indicators.

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7. Ravindra Sharma, Job Satisfaction of the Village Extension Workers in Rajasthan, the Indian Journal of Public Administration, January - March, 1986, Vol. XXXII.

TABLE VIII.1A

MEAN, STANDARD DEVIATIONS AND INTERCORRELATIONS OF SELECTED VARIABLES

Variables	Mean	SD	1	2	3	4	5	6	7	8
1. Networth	60750	65775								
2. Share capital	16039	37185	.76							
3. Savings	12936	9022	.46	.08						
4. Age	40.85	13.87	-.34	-.10	-.08					
5. Experience	6.40	5.33	-.19	-.08	-.16	.35				
6. Work Intensity	3.65	3.68	.65	.51	.74	-.21	-.06			
7. Job satisfaction	36.45	4.30	.30	.38	.06	.06	-.28	.004		
8. Commitment	20.95	3.71	.33	.10	.31	-.18	-.39	.40	.07	

TABLE VIII.1B

MEAN, STANDARD DEVIATIONS AND INTERCORRELATIONS OF SELECTED VARIABLES

Variables	Mean	SD	1	2	3	4	5	6	7	8
1. Networth per member	1019	1048								
2. Share capital per member	217	280	.50							
3. Savings per member	252	201	.45	.19						
4. Age	41	14	-.40	-.10	-.15					
5. Experience	6	5.33	-.14	-.06	-.08	.35				
6. Work Intensity	4	4	.14	.33	-.07	-.21	-.06			
7. Job satisfaction	36	4.30	.25	.43	.08	.06	-.28	.004		
8. Commitment	21	3.71	.09	-.09	-.48	-.18	-.39	.04	.07	

## 8.2 WHETHER EDUCATION AND TRAINING AFFECT THE EFFICIENCY INDICATOR

Education and training of managers play a very important role in enhancing the efficiency level of an organisation. The survey indicates that most of the managers (90%) are literate. The level of their literacy ranges from class V to graduation degree. Majority of managers (65%) have education from Class V to Class X. Ten percent of the managers have education upto S.S.C. level. On the other hand, only 10% of the managers have education upto H.S.C. level, while 5% of them have education upto graduation level. All the managers in the sample have received training on the job by attending weekly managers' training classes organized by the central society. Most of them also participated in various training classes organized by the Bangladesh Academy for Rural Development, Comilla from time to time. One of the managers in the sample has management training outside Bangladesh.

It can be further observed from table VIII.1 that 25% of the managers in the sample have education either upto S.S.C./H.S.C. or graduation level - and the cooperative organizations of these managers accumulated highest percentage (44.23%) of the total net worth accumulated by all the sample societies. The average accumulation of net worth of these societies was Tk. 107,490.58 (8.85% of the total accumulation). Managers having VI-X level of education represented 50% of the total number of managers and could accumulate 40.7% of the total network.

The average net worth accumulation was found to be Tk. 49,447.07. On the other hand, 25% of the managers in the sample have either no education or upto Class V. The societies managed by these managers could accumulate only 15.07% of the total net worth (Tk. 1,83,070.40). The average accumulation of net worth of this group is Tk. 36,614.08 (3.014% of the total accumulation).

The relationship between education levels of managers and average networth of a society may be seen in Table. VIII.1C.

TABLE VIII.1C

DISTRIBUTION OF MANAGERS BY LEVEL OF EDUCATION  
AND NET WORTH/SHARE ACCUMULATION

Level of Education	Frequency	Percentage	Networth accumulation	Percentage	Share accumulated	Average of share capital (Taka)	Average of Net worth (Taka)
No Education	2	10	29,832.56	2.46	12,450.00	6225.00	14,916.29
Upto Class V	3	15	1,53,237.84	12.61	7,020.00	2340.00	51,079.28
VI-X	10	50	4,94,470.72	40.70	100,119.00	10011.90	49,447.07
S.S.C.	2	10	1,39,856.15	11.51	17,510.00	8255.00	69,928.08
H.S.C	2	10	1,43,053.57	11.77	17,975.00	8987.50	71,526.79
Graduate	1	5	2,54,543.21	20.95	1,57,635.00	157635.00	2,54,540.21
	20	100	1214,993.90	100%	3,12,709.00		

From the table it appears that average networth of a group of societies has been found to increase with the increase in the level of education of managers.



### 8.3 WHETHER AGE OF A MANAGER AFFECTS THE EFFICIENCY INDICATORS

Managerial efficiency of a society, as viewed by some experts, is influenced by age and experience of a manager. The present study reveals that the majority (60%) of the managers of the survey cooperatives were above 35 years of age and only 5% of the managers are below 26 years of age and none was below 20 years. On the other hand, 15% of the managers belonged to the age group of 26-30, while 20% of them belonged to the age group of 31-35. The average age of managers was found to be 43.85. Managers who were below 36 years of age represented 40% of the total managers and the societies under their leadership and control could accumulate 55.14% of the total networth. On the other hand, managers above 35 years of age represented 60% of the total number of managers interviewed and the societies managed by them could accumulate 44.86% of the total networth accumulated by 20 survey societies.

The relationship between age of manager and average networth of a society has been shown Table VIII.2.

TABLE VIII.2

## DISTRIBUTION OF MANAGERS BY AGE, NET WORTH ACCUMULATION

Age group (years)	Frequency	Percentage	Present Networth	Percentage	Average Networth
20 - 25	1	5	13,845.95	1.14	13,845.95
26 - 30	3	15	3,23,569.76	26.63	107,856.59
31 - 35	4	20	3,32,488.50	27.37	83,122.13
36 - 40	2	10	22,236.56	1.83	11,118.28
41 - 45	1	5	4,415.53	0.36	4,415.53
46 - 50	4	20	1,99,431.79	16.41	49,857.75
51 and above	5	25	3,19,005.81	26.26	63,801.16
	20	100	18,14,993.90	100%	

Table shows that age has both positive and negative influence on efficiency indicator. Efficiency indicator improves with the increase of age upto certain limit and beyond that limit efficiency decreases. The same is true so far as experience is concerned.

The coefficients of correlations between age and selected indicators reflecting resource mobilization of society may be seen in Table VIII.1A. Taken all the societies as a whole age was found to have negative relationship with the efficiency indicators. Relationships were not however found statistically significant.

8.4

WHETHER WORK-INTENSITY OF A MANAGER AFFECTS THE  
EFFICIENCY INDICATORS

The successful implementation of policies of a given society largely depends on work-intensity of a manager. Work-intensity of managers may be measured in terms of time spent by a manager in managing the affairs of a society. It is believed that managerial efficiency is associated with work-intensity of a manager. The study reveals that the average time spent by the managers per day in respect of cooperative management was 3.69 hours, educating children 0.5 hours, performing religious duties 1.6 hours, cultivating or looking after his land 2.3 hours, taking rest, sleep, etc. 6.8 hours, gossiping with friends 2.05 hours, attending the meeting of political party 0.38 hours, household activities (other than as mentioned above) 5.13 hours, and other jobs 1.63 hours.

It has been observed that average networth of a society increases with the increase in work-intensity of a manager. For example, those who spent 1-3 hours per day for the management of their cooperatives could accumulate average networth of TK. 38,177.23, while those spent 4-6 hours per day on the average in managing the society could accumulate networth of Tk. 69,928.08. Ten percent of the total managers interviewed were found to spend 7-9 hours per day for the management of their cooperatives and their average accumulation was Tk. 78,452.90. Two managers who spent 10 hours and above per day in cooperative management had average accumulation of networth of Tk. 1,91,875.41. This

indicates that average networth of a society increases with the increase of work-intensity of a manager.

TABLE VIII.3

DISTRIBUTION OF MANAGERS ACCORDING TO HOURS SPENT  
PER DAY ON COOPERATIVE MANAGEMENT

No. of hours spent	Frequency	Percentage	Networth Accumulation	Average Accumulation
1-3 hours	14	70	5,34,481.18	38,177.23
4-6 hours	2	10	1,39,856.15	69,928.08
7-9 hours	2	10	1,56,905.79	78,452.90
10-hours and above	2	10	3,83,750.83	191,875.41
	20	100	12,14,993.90	-

The mean and standard deviation of work intensity measured in terms of time spent by managers per day in managing the society may be seen in Table VIII.1.A. The co-efficients of correlations between work-intensity and selected dependent variables have been shown in table VIII.IA. From the table it appears that networth, share capital and savings are positively correlated with managerial work-intensity. The co-efficient of correlations have been found statistically significant. The dependence of networth on work intensity of manager has been measured with the following simple regression equation;

$$X_4 = 18474.91 + 11582.11 X_{13} \dots\dots\dots (8)$$

Here  $X_4$  denotes the networth of a society;  
and  $X_{13}$  denotes work intensity of a manager.

The study of the goodness of fit of the equation indicates that the equation is statistically significant at .002 level of significance.

#### 8.5 WHETHER JOB SATISFACTION OF MANAGERS AFFECTS THE EFFICIENCY INDICATORS

As viewed by some experts, job satisfaction of working personnel is closely connected with the upkeep of the right spirit in one's work. This is also believed to have impact on other dimensions of work behaviour of personnel engaged in job. Job satisfaction has been measured using 5 point Likert Scale. Accordingly varying degrees of satisfaction in respect of each element of the said construct have been divided into 5 levels, viz highly satisfied, satisfied, somewhat satisfied, not satisfied and not at all satisfied. Here the focal point is satisfaction. Highly satisfied has been assigned the value 5, satisfied assigned the value 4, and so on. This is done only to estimate the aggregate level of satisfaction in respect of ten dimensions of a job.

The Table VIII.4 shows that only 10% of the managers are highly satisfied and there is no manager, who is not at all satisfied with the work environment, job security, salary and other benefits etc. Twenty percent of the managers are satisfied with the work environment, job security, salary, and other benefits etc., while 25% of them are not satisfied.

The societies of highly satisfied group of managers accumulated networth of Taka 3,06,815.89, satisfied group Taka 86,223.90, somewhat satisfied group Taka 5,95,116.29, and not satisfied group-Taka 2,26,837.87. It is also found from the table that the societies having highly satisfied group of managers could accumulate highest average amount of networth. (Taka 1,53,407.94 on the average).

TABLE - VIII.4

## DISTRIBUTION OF MANAGERS ACCORDING TO THE JOB SATISFACTION AND NETWORTH ACCUMULATION.

Level of satisfaction	No. of respondents	% of the total respondent	Networth accumulation (Taka)	% of the networth accumulation	Average accumulation (Taka)
Highly satisfied	2	10	3,06,815.89	25.25	1,53,407.94
Satisfied	4	20	86,223.90	7.10	21,555.98
Somewhat satisfied	9	45	5,95,116.29	48.98	66,124.03
Not satisfied	5	25	2,26,837.87	18.67	45,367.57
Not at all satisfied	0	0	0	0	0
	20	100	12,14,993.90	100	

The mean job satisfaction of the managers has been found to be 36.45 and standard deviation has been computed to be 4.30 (Table VIII.1A)

The co-efficients of correlations between job satisfaction and networth, share capital and saving have been found to be .30, .38 and .06 respectively. The coefficient of correlation between job satisfaction and networth has been significant at .10 level of significance

and coefficient of correlation between job satisfaction and share capital has been found significant at .05 level of significance.

The simple regression equation between networth and job satisfaction may be stated as under;

$$X_4 = -103868.71 + 4516.28 X_{14} \dots\dots\dots (9)$$

Here  $X_4$  denotes networth; and

$X_{14}$  denotes job satisfaction

The equation shows that an amount of Tk. 4516.28 of networth is increased with an unit change in the job satisfaction level of a manager.

#### B.6 WHETHER COMMITMENT OF MANAGERS AFFECTS THE EFFICIENCY INDICATORS

Out of the twenty managers interviewed 3 managers (15%) were found to be highly committed to their respective jobs. The societies of these managers (15%) could accumulate networth of Taka 5,05,912.16 (41.64%). It is found from table VIII.5 that the societies having highly committed managers could accumulate highest amount of networth of Tk. 1,68,637.38 on the average.

The majority (65%) of the managers of the survey cooperatives are committed to their jobs. Total accumulation of these societies is Tk. 16,50,442.02. The average accumulation is Tk. 50,034.00. Managerial commitment is of much importance in attaining the objectives of a society, for individual economic interest is subordinate to

collective interest. Managerial commitment has also been measured using 5 point Likert Scale and 5 major aspects relating to commitment have been covered. Table VIII.5 shows that 10% of the managers have been found to be somewhat committed and remaining 10% of the managers have not been committed to their jobs.

TABLE VIII.5

## DISTRIBUTION OF MANAGERS ACCORDING TO THE NETWORTH AND COMMITMENT OF MANAGERS

Level of Commitment	No. of respondents	% of the total respondents	Networth accumulated	% of the networth accumulated	Average accumulation
Highly committed	3	15	5,05,912.16	41.64	1,68,637.38
Committed	13	65	6,50,442.20	53.53	50,034.00
Somewhat committed	2	10	41,375.00	3.41	20,687.05
Not committed	2	10	17,264.72	1.42	17,264.72
Not at all committed	0	0	0	0	0
	20	100	12,14,993.00	100	

The coefficient of correlation between commitment of manager and networth of a society has been estimated to be .33 (Table VIII.1A). The said relation has been found to be significant at .076 level of significance. Very weak linear relation was observed between commitment of managers and other dependent variables.

The simple regression equation between commitment of manager and networth of a society may be stated as under;



$$X_4 = -62651.21 + 5890.25 X_{15} \dots \dots \dots (10)$$

Here  $X_4$  denotes networth,

and  $X_{15}$  denotes commitment of a manager.

#### 8.7 ANALYSIS OF SELECTED MULTIPLE REGRESSION MODELS OF MANAGERIAL EFFICIENCY.

The previous chapter focused on the relationship between service dimension of a society and its determinants. The present chapter has dealt with the relationships between selected managerial efficiency indicators and managerial factors like educational background, age and experience, job satisfaction, managerial work-intensity and commitment. The study of linear relationship between performance/efficiency indicators and selected managerial factors has shown that there exists relationship between them in varying degrees.

With the help of these variables several multiple regressions have been computed and some of the independent variables have been dropped either to avoid the problem of multicollinearity or due to very weak relations.

The four variable multiple regression equation between networth and selected managerial factors may be stated as under;

$$X_4 = -164813.31 + 1162.54 X_{15} + 11097.19 X_{13} + 4408.86 X_{14} \dots \dots \dots (11)$$

The coefficient of multiple correlation has been estimated to be .71 and the coefficient of determination has been found to be .51 i.e. the equation explains 51 per cent of the variance in the dependent variable. The value of F-statistics is 5.50 with 16 degrees of freedom, which exceeds

that of tabulated value. The said equation has been found to be significant at .009 level of significance.

In order to estimate the relative importance of the explanatory variables, standardised regression coefficients have been found out. The standardized regression equation may be stated as under;

$$X_4 = .29214 + .62213 + .07215 \dots\dots\dots (12)$$

It appeared from the equation that work-intensity of managers is the most important factor followed by job satisfaction and commitment. Like networth the amount of savings of the society has been influenced by a set of three factors viz; job satisfaction, work intensity of the manager and commitment of manager. The coefficient of multiple correlation between the amount of savings and the said factors has been computed to be .74.

The four variable regression equation explaining the variations in the savings may be stated as under

$$X_6 = 937.28 + 40.39 X_{15} + 1801.9 X_{13} + 125.54 X_{14} \dots\dots\dots (13)$$

The coefficient of determination of the equation has been estimated to be .55. The computed value of F statistics is 6.59 which exceeds that of tabulated value and as such the null hypothesis has been rejected.

The standardized regression equation, as computed, is as follows :

$$X_6 = .06 Z_{14} + .73 Z_{13} + .02 Z_{15} \dots\dots\dots (14)$$

From the standardized regression equation it appears that managerial work-intensity ranks first followed by job

satisfaction and commitment of managers respectively so far as relative importance of variables in explaining variance in the amount of savings of a society is concerned.

The dependence of share capital of a society on managerial factors has been shown in the following three variable regression equation. The co-efficient of multiple correlation between the amount of share capital and job satisfaction of manager along with managerial work intensity is .63.

The three variable regression equation as mentioned above may be stated as under;

$$X_3 = - 123124.32 + 5099.36 X_{13} + 3307.29 X_{14} \dots\dots\dots (15)$$

The above mentioned equation explains 40 per cent of the variance in the dependent variable. The value of F statistics is estimated to be 5.70 which is much above the tabulated value. The said relation is statistically significant at .01 level of significance.

The standardized regression equation for the variables as mentioned above may be stated as under;

$$X_3 = .38 Z_{14} + .50 Z_{13} \dots\dots\dots (16)$$

The above mentioned equation shows that managerial work-intensity has been predominant followed by job satisfaction.

Commitment of a manager refers to a belief in the rationale

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of his work, attachment to the job & his belongingness to the society. This is believed to have much influence on how much time a manager would devote to managing the affairs of a society. Commitment of a manager has been measured using the 5-point Likert Scale. As many as five elements have been covered viz, his feeling about the essentiality of service for socio-economic development of the country, feeling about essentiality of service for the society, essentiality of his service for achieving the goal of the society, belongingness to the society & his belief about the role of cooperative in supporting national economic development. It may be mentioned here that like commitment, job satisfaction is a function of feeling of a manager, while work-intensity is the actual average time spent by manager per day in cooperative management.

CHAPTER IX

CONCLUSION

### 9.1 SUMMARY OF MAJOR FINDINGS

The economy of Bangladesh is characterised by predominance of agriculture, high density of population, low per capita income, acute problem of unemployment and rural indebtedness. During the last quarter of the 19th century, the peasants of the Indian sub-continent was passing through the worst time of their life mainly due to the curse of famines caused by frequent failure of crops. Towards the middle of the 19th century the rural economy became crippled due to the combined effects of economic and political factors. The British policy of using this country as a hinterland for development of British industries, the land tenure systems which stratified the rural society into two classes viz, the master and Zaminder class and the tenant class, to serve the master - placed the peasantry to a level at which they could hardly earn their livelihood from land. The economic condition deteriorated further by the end of the nineteenth century following unplanned cultivation of land year after year and due to oppression by the indigo planters. The growing crises affected the British colonial rulers too. So a move was made by the rulers to safeguard the interest of the farmers. In the year 1879, "Deccan Agricultural credit Act," in 1883 "Land Development credit Act" and in 1884 "Agricultural credit Act" were framed. After the failure of these steps, some Philanthropic officials wanted to give the peasants the strength of unity by organising them into cooperative societies. Some far-sighted officers started organising cooperative in the Punjab and other provinces.

A few societies also began operating in the then Bengal before that turn of the century following relatively successful Madras experiments.

The Indian Famine Commission of 1901 advocated for formation of agricultural banks in the lines of mutual credit association of Europe in order to provide relief to the farmers. Accordingly in 1904 the then British Government passed the Cooperative Credit Societies Act. This may be viewed as a beginning of the cooperative movement in the sub-continent. Within a period of more than 8 decades of cooperative movement in this country, there were several socio-economic and political changes in the sub-continent inclusive of Bangladesh, which have had much influence on the cooperative movement. The country has always been influenced by the government policies and socio-economic conditions. The review of the cooperative movement in the country prior to 1947 indicates that the movement got momentum primarily due to availability of credit to the cooperative societies. Within a period of more than 4 decades since the initial stage of development of cooperative societies, a large number of societies developed in the rural areas. But real farmers suffering from various problems could get very little relief due to the inadequancies in the organizational structure of societies. The members of the managing committee, as observed by MacLagan Committee, acted in self spirit and the bulk of the funds was misappropriated by means of benami loans. Nepotism

in advancing loans to the near relations and friends of the Managing Committee was also present. The findings of the Royal Commission (1928) were also not altogether different. As observed by the Royal Commission, Cooperatives could not even meet 5% of the total loan requirement of the then Bengal and could not cover even 4% of the total families. Available data show that as many as 24,256 cooperative societies were in operation during 1945-46. About 6.5% of the working capital represented deposits from members.

As viewed by Safdar there were many external and internal causes which adversely affected the cooperative societies during 40s. Some of the important causes included great famine of 1943, partition of the country and migration of population. Available information shows that leadership of the cooperative societies in most of the areas was in the hands of well-to-do non-muslim families, a sizable portion of which migrated immediately after partition of the country. This might be considered to be one of the factors which turned the prevailing bad situations into worse. Besides, adequate Government patronization through funding was also lacking in during 50's. As recommended by the Agricultural Credit Enquiry Commission 1951, efforts were made to organize multipurpose cooperative societies. Consequent upon the policy of developing multipurpose cooperative societies a large number of societies were brought into existence and rural credit societies were placed under liquidation. As revealed by the



present study the said measure could not achieve much. In this regard credit Enquiry Commission 1960 observed that politically motivated intervention had subverted the movement and led to the use of cooperative fund as instrument of political patronage.

Since 1960 a new dimension of cooperative development opened with the change of Government policy along with the starting of inflow of foreign aid. During 1960's an impetus was given to develop a two tier cooperative system in Comilla thana on an experimental basis. Donor agencies in particular took much interest to the said system and provided assistance. In addition to providing credit and supplying other agricultural inputs the Comilla model also incorporated the elements of training in modern methods of cultivation and supervised credit system. This approach is reported to have brought favourable impact on the socio-economic conditions of the members in the area. The traditional cooperatives which spread in the nook and corner of the country, however, could neither develop or could get adequate support from Government and donor agencies.

Immediately after independence of the country in 1971, Government of Bangladesh took it as a matter of policy to develop cooperatives as a corner stone of economic and social policy for upliftment of the rural economy. Development of Cooperatives along with other important sectors got top priority. Different types of supporting measures were taken by the Government to activate the

cooperative movement. The cooperative form of ownership was recognized in the constitution as one of three forms of ownership.

As a result of the policy measures combined with incentives given to the Cooperative movement, there has been a sharp rising trend of the number of primary societies and of members. During the period of four years, the number of societies increased to 68,387 in 1975 from 33,306 in 1971. Similarly the number of members also increased. Despite the change in the Government and shift in the emphasis previously laid on cooperative development, expansion of the cooperative sector in the rural areas continued, although at a lower rate. In 31st December, 1985 the number of cooperative societies came upto 1,18,196 and the number of members increased to 64,80,875. Out of these agricultural cooperative societies constituted 68.17 percent.

Broadly agricultural societies in operation may be divided into two categories viz Departmental sponsored Cooperative Societies and BRDB sponsored Cooperative Societies. These Societies have been functioning in different parts of the country with varying degrees of success. Out of the different types of societies Comilla KTCCA type of societies were reported to have been working following an integrated approach to rural development. The present study made an attempt to examine the role of selected societies in Comilla Sadar Upazila area and identify the factors influencing the variation in the

performance score of the respective societies. The study reveals that all the societies in the sample area did not function with the same degree of efficiency, although socio-economic and political environment including the system of cooperative structure remained the same.

Variations in the efficiency have been assumed to be mainly due to managerial factors including involvement of members. Efficiency of a society may be measured in terms of how much services could be arranged for the members. There is no denying the fact that service dimension is the function of how much collective strength of the society could be increased. The study reveals that resource mobilization, involvement of members and size of collective strength of the society have exerted influence on the service dimension both individually and collectively. Service dimension has been measured on the basis of the number of services provided to the members. The mean service dimension has been estimated to be 7.25 and its standard deviation to be 3.02. Resources of the society for ensuring services mainly included share capital, savings and surplus generated at a given point of time. In order to reflect the total resource created by the members, the indicator of networth has been used.

Involvement of members is the reflection of the urge and interest of the members to participate in the affairs of the society. The size of the society in terms of the number of members has influence on the number of services provided by

the society. The study reveals that the mean share capital and mean networth of the sample societies were Tk. 16,039 and Tk. 60,749.60 respectively. Available data show that the service dimension of the society has been associated with the resources mobilized. The coefficient of correlation between the service dimension and the share capital of the sample societies has been computed to be .7633 and the coefficient of correlation between the service dimension and the networth of the societies has been .7274. Both of the co-efficients of correlation have been found statistically significant.

Similarly the co-efficient of correlation between the involvement of members and service dimension has been found to be statistically significant. The magnitude of dependence of service dimension on size of the collective strength, involvement of members and resource mobilization has been demonstrated with the help of following multiple regression equation :

$$X_1 = 3.82 + .01051 X_5 + .00005 X_3 + .000094 X_6 + .015089 X_2$$

$$[ R^2 = .80; F = 15.25 ]$$

Here  $X_1$  denotes service dimension;

$X_2$  denotes size of the collective strength of the society;

$X_3$  denotes share capital;

X<sub>4</sub> denotes members' involvement; and

X<sub>6</sub> denotes savings of the society.

The analysis of the equations and of the statistics reveals that about 80% of the variance in the coverage of services are explained by the equation. The co-efficient of multiple co-rrrelation between the dependent and independent variables has been estimated to be .90.

Each of the independent variables influencing service dimension of a society is again dependent on managerial factors like age, educational level, job satisfaction, commitment and work intensity of managerial personnel of a society. Out of the above mentioned managerial factors influencing efficiency indicator of a society, educational background of managers, their job satisfaction, their commitment and their work intensity were found to have had significant amount of influence on most of the efficiency indicators of a society. The magnitude of influence of the selected independent variables on the selected efficiency indicators has been found out with the help of simple and multiple regression equations. The influence of managerial factors on resource mobilization of a society measured in terms of networth has been estimated with the help of the multiple regression equation. This may be seen as under :

$$X_4 = 164813.31 + 1162.54 X_{15} + 11097.19 X_{13} + 4408.86 X_{14}$$

Here X<sub>4</sub> denotes networth of a society;

X<sub>13</sub> denotes job satisfaction; and

X<sub>15</sub> denotes commitment.

The Co-efficient of multiple correlation has been estimated to be .71 and the co-efficient of determination has been found to be .51 i.e. the equation explains 51 percent of the variance in the dependent variable. The value of F statistics is 5.50 with 16 degrees of freedom which exceeds that of tabulated value. The said equation has been found to be significant at .009 level of significance.

## 9.2 POLICY IMPLICATIONS

Some of the major policy implications that follow from the study may be stated as under :

1. The economy of Bangladesh is characterised by a multiplicity of cooperative systems, and in some cases they were found operating in conflict with one another. Although the top level policy formulation is in the hands of the Ministry of LGRD and Cooperatives and all the apex organizations are to function within the policy framework of the ministry, there is hardly any cooperation amongst the Apex Organizations representing each system. There is the need to evolve an effective mechanism of enhancing coordination amongst different cooperative systems working in the country. This may be done by forming a high powered committee at the national level to formulate policies and monitor the same. The said Committee may consist of Government

representatives, elected representatives of each system and public representatives.

2. The development of Cooperatives largely depends on policies, programmes and supports of allied development agencies. At present BADC, PDB, BRDB, various Commercial Banks and Samabaya Bank are engaged in providing various types of inputs to the farmers. As there is no specific policy prescription to channelise various inputs through the cooperatives, the Government Officials or the Officials of the respective organizations are not under obligations to pay heed to the requirement of the UCCA, and as such the UCCA could not implement its policies to serve the primary societies. As a result there arose a tendency amongst the societies to approach the supporting organizations individually. As a result often services rendered by development agencies could not be availed of by the Societies having little influence on the officials of the respective supporting organizations. This problem may be overcome if categorical policy regarding distribution of agricultural inputs through the UCCA is formulated. Besides Government issued directives withdrawing certain privileges previously given and transferring the same to middlemen appeared to have adversely affected cooperative development in the country.
3. As majority of the members of the cooperatives are not

literate and constitute the disadvantaged section of the population, the issue of having supervisory organs for the primary societies is imperative. But the existence of multiple organizations in controlling the operations of Cooperatives has been found to bring adverse effects on the morale of the cooperators. There is the need to evolve an uniform system of supervision along with the enforcement of the principles of unity of command.

4. As revealed by the study of policy statements, Government gave emphasis on the development of Cooperatives in the rural areas. But the breakup of the resources put at the disposal of different developmental agencies for rural development indicates that cooperative sector did not get preferential treatment in respect of credit released by the Bangladesh Bank. In accelerating the pace of rural development cooperative sector needs to be given preferential treatment.
5. Most of the Cooperators do not possess higher education and they are lacking in the required knowledge of English. But the rules, laws and different regulations have been published in English. This is considered as an obstacle to understanding the rules and regulations. These need to be translated into Bengali in order to solve the problem of understanding the same.
6. Until now an uniform system of accounting and of



recording proceedings of the meetings have not been developed. Cooperators or managers of the societies having no training in accounting system or office management are not expected to develop a sound accounting system. In this regard a set of prescribed forms of maintaining records of financial transactions may be prepared and managers of the societies may be imparted short training in this regard. This may help improve accounting system of a cooperative society.

7. Government took up the policy of generating non-farm employment for the rural population. In this regard, agricultural cooperatives may act as an effective implementing agency in the respective rural areas if an appropriate supporting system is developed. The cooperative societies may also help identifying the stock of existing skill and possible areas where employment may be generated.
8. Unlike some developed countries the higher education curricula of the general universities did not lay emphasis on various dimensions of cooperative management in Bangladesh.

As such commerce/management graduates who enter the job market in different spheres of rural development often fail to appreciate the rationale of cooperative development. The cooperative department as well as the BRDB and local bodies also did not lay much emphasis on recruiting highly educated and trained up personnel

having specialization in cooperative management. As revealed by the study, special emphasis has been given by the Bangladesh Agricultural University on cooperative management in the B.Sc. Agricultural Economics Course. But employers in the concerned fields were not found to give preferential treatment to B.Sc. Ag.Eco. (Hons.) graduates in recruiting executives in the cooperative sector. This needs attention of the concerned authority.

9. Service dimension of a society is mainly the function of collective strength of a society, resource mobilization and involvement of members. In some of the societies, the amount of resources mobilized from the members is not adequate to manage necessary inputs for the members i.e. they are lacking in seed capital. Thus, an arrangement is necessary to estimate the optimum amount of seed capital and provide the same to the society so that the concerned society may start function efficiently.
10. Performance or dynamism of the society largely depends on involvement of members, which is again the function of the attitude and work intensity of managers. Until now little efforts have been taken to popularise the necessity of collective efforts to solve the economic problem in the rural areas. In this regard interest of the rural mass in getting themselves involved in solving problems together through their involvement in the Cooperative may be generated if a certain amount of

time is devoted to a programme of radio and television on how a good society works and how involvement of members helps increase efficiency of the societies.

11. Efficient management of a society needs highly skilled managerial personnel and management of society is not likely to be efficient if the concerned manager does not have personal economic interest. There is a need to develop managerial cadres in the cooperative sector and the job of managing requires to be made attractive to those joining the cooperatives as managers. Initially the Department of Cooperatives and the BRDB may take necessary measures, for an individual society or UCCA may not be able to appoint qualified manager in view of resource constraint. A manager under the control of either BRDB or Department should be placed and withdrawn as and when requested by the managing committee. Such qualified manager may be placed in charge of one or more societies for a fixed term on an experimental basis.
12. In order to protect fund of the society or to check misuse of funds, there is the need to introduce management audit to be conducted by the team of members to be selected by the members at the AGM. Members of the team may also be selected from outside the society if such competent persons are not available. The said team would examine the whole affairs of the society and also examine any grievance put by any member and would report the same in AGM for decision.

### 9.3 SUGGESTIONS FOR FURTHER RESEARCH

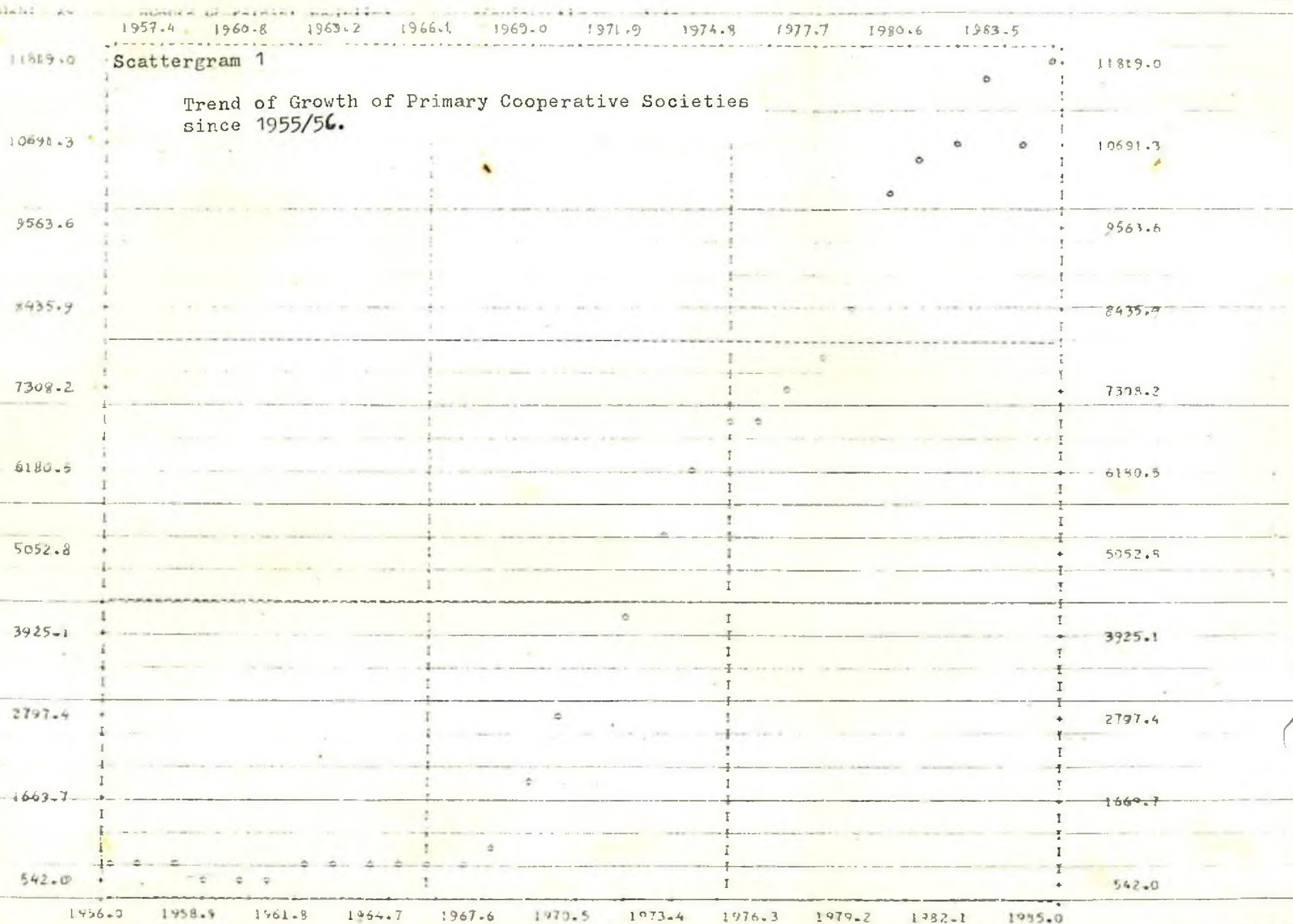
The present research work attempted to focus on certain aspects of Cooperative Development in general and of Management Efficiency of two tier Cooperative System in Comilla Sadar Upazila in particular. On the basis of experience gathered in conducting the present study it has been felt that certain areas require to be investigated further. The major areas for further research may be stated as under:

- 1) The same type of study on Departmental and BRDB sponsored societies may be replicated in other areas with the objective of comparing the results of the present study with those of others.
- 2) A study on Operational Efficiency of Cooperative Societies being run by Government Executives may be done to ascertain how far the system of deputation of Government Officers is effective.
- 3) There is the need to conduct a study on Training Needs Assessment of Managerial Personnel and Effectiveness of the Existing Training Programme with a view to identifying appropriate measures for increasing effectiveness of training.
- 4) A comparative study on the Input Delivery System followed by Departmental sponsored cooperatives, BRDB sponsored Cooperatives & Two Tier Cooperatives having no supervisory role of BRDB may be

conducted and ascertain the most effective delivery system of factors influencing the effectiveness level.

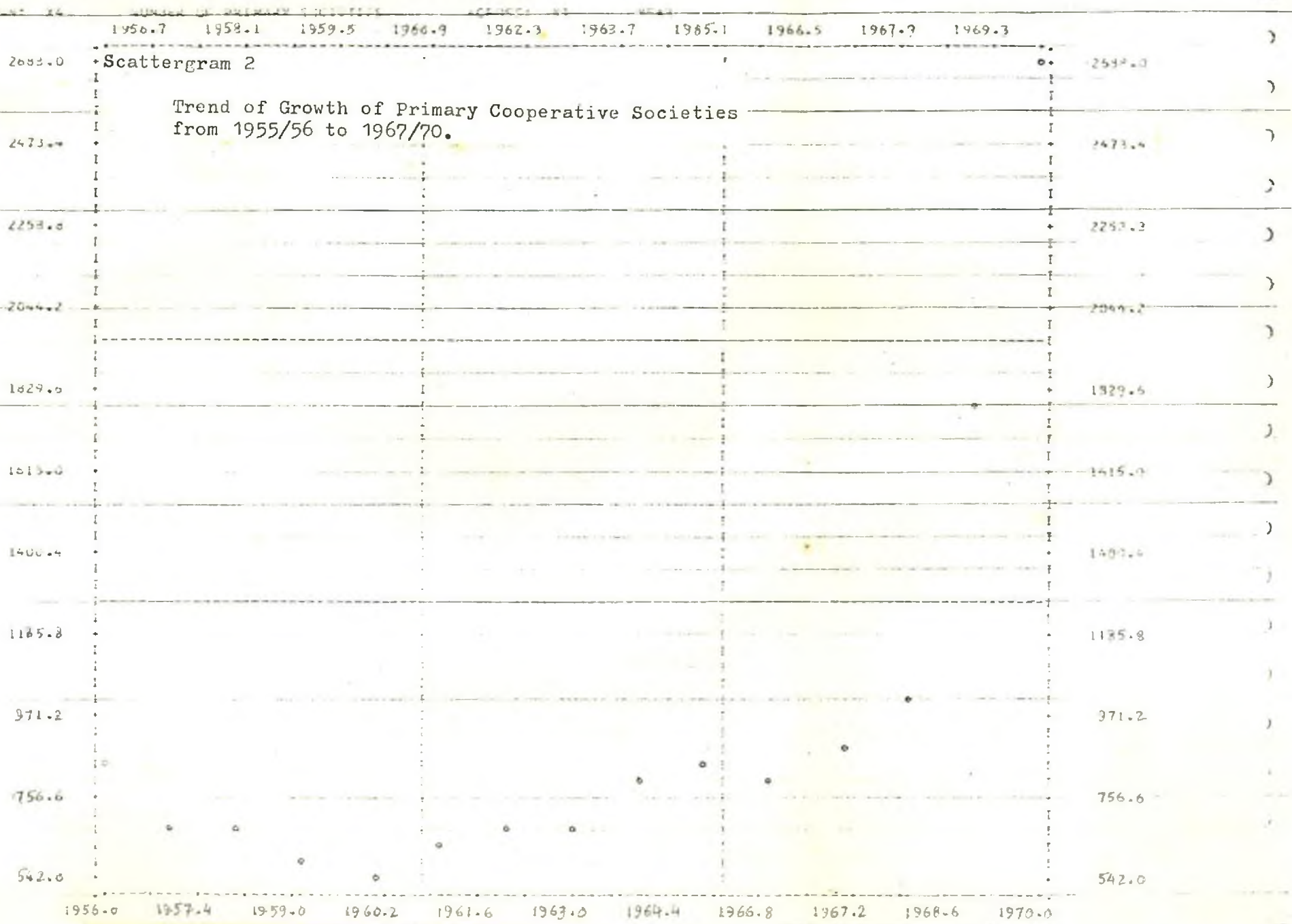
- 5) A study on Working Capital Requirements of Agricultural Cooperatives, uses and misuse of the same, and sources & problem may be undertaken.
- 6) A study on group dynamics in the rural societies & their effects on cooperative management may be conducted in selected regions in Bangladesh in order to find out the casual relations of group dynamics & identify possible measures to improve managerial performance.
- 7) A specific in-depth study on organizational effectiveness of supporting organizations engaged in agricultural development vis-a-vis cooperative organization may be undertaken with a view to indentifying the problems involved in managing supporting activities and identifying unnecessary duplication of efforts.

SCATTERGRAMS



Note : Year refers to financial year ending on 30th June  
 ( i.e. 1956 should be read as 1955/56, 1972 as  
 1971/72 and so on)

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 COMPUTER CENTRAL, UNIV OF DHAKA IBM 331-11 DOS/VSE 3.1



Note : Year refers to financial year ending on 30th June.



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 COMPUTER CENTER, UNIV OF DHAKA - 108 4311-31 615/058 3.1

	1972.0	1973.9	1976.2	1976.5	1977.8	1979.1	1980.4	1981.7	1983.0	1984.3	
11819.0	Scattergram 3										11819.0
	Trend of Growth of Primary Cooperative Societies from 1971/72 to 1984/85.										
11055.5											11055.5
10292.0											10292.0
9528.5											9528.5
8765.0											8765.0
8001.5											8001.5
7238.0											7238.0
6474.5											6474.5
5711.0											5711.0
4947.5											4947.5
4184.0											4184.0
	1972.0	1973.3	1974.0	1975.9	1977.2	1978.5	1979.8	1981.1	1982.4	1983.7	1985.0

Note : Year refers to financial year ending on june ( i.e. 1972/72 is referred to 1972)

APPENDIX - I

TABLES

TABLE - II.1

DISTRIBUTION OF SOCIETIES ACCORDING TO YEAR OF COMMENCEMENT OF WORK.

Year	Frequency	Percentage
Upto 1960	1	5
1961-65	10	50
1966-70	7	35
1971-75	1	5
1976-80	1	5
Total	20	100

TABLE - II.2

DISTRIBUTION OF EMPLOYEES IN THE SOCIETIES.

Employees	Frequency	Percentage of the Societies
NII	12	60
Officer	4	20
Staff/Workers	4	20
	20	100

Note: Two societies have both staff and workers.

TABLE - 11.3

DISTRIBUTION OF SOCIETIES ACCORDING TO ACCUMULATION  
OF SHARES AND SAVINGS (1985).

Share (Taka)	Frequency	Percentage	Saving	Frequency	Percentage
Upto 5000	6	40	Upto 5000	3	15
5001-10000	6	30	5001 - 10000	7	35
10001-15000	3	15	10001- 15000	4	20
15000 and above	3	15	15001 and above	6	30

TABLE - 11.4

Frequency Distribution of Societies According to the  
value of the premises owned.

Valuation of Premises (Taka)	Frequency	Percentage
Nil	12	60
Upto 10000	2	10
10001-20000	2	10
20001 and above	4	20

TABLE - 11.5

Distribution of societies according to the size of land  
under the possession of societies (land measured in acres)

Size of land	Frequency	Percentage
Nil	13	65
Less than .10 acre	3	15
.11-20 acre	2	10
.21 and above	2	10
	20	100

TABLE - 11.6

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON  
WHETHER CREDIT WAS PROVIDED

Where Service is Provided	Value	Frequency	Percent	Valid percent	Cum percent
Yes	1	20	100.0	100.0	100.0
Total		20	100.0	100.0	100.0

TABLE - II.7

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER CREDIT IS PROVIDED

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	19	95.0	95.0	95.0
No	2	1	5.0	5.0	100.0
Total		20	100.0	100.0	

TABLE - II.8

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER LOAN WAS PROVIDED FOR INCOME GENERATION.

Whether Service was provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	18	90.0	90.0	95.0
No	2	2	10.0	10.0	100.0
Total		20	100.0	100.0	

TABLE - 11.9

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER LOAN IS PROVIDED FOR INCOME GENERATION.

Whether service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	3	15.0	15.0	15.0
No	2	17	85.0	85.0	100.0
Total		20	100.0	100.0	

TABLE - 11.10

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER LOAN WAS GIVEN FOR SELF EMPLOYMENT.

Whether service was provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	12	60.0	60.0	60.0
No	2	8	40.0	40.0	100.0
Total		20	100.0	100.0	

TABLE - 11.11

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER LOAN IS GIVEN FOR SELF EMPLOYMENT.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
No	2	20	100.0	100.0	.0
Total		20	100.0	100.0	

TABLE - 11.12

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER COLLECTION OF DEPOSIT WAS MADE.

Whether Service was provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	20	100.0	100.0	100.0
Total		20	100.0	100.0	



TABLE - 11.13

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER COLLECTION OF DEPOSIT IS MADE.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	19	95.0	95.0	95.0
No	2	1	5.0	5.0	100.0
Total		20	100.0	100.0	

TABLE - 11.14

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER CREDIT WAS PROVIDED FOR AGRICULTURAL INPUT.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	14	70.0	70.0	70.0
No	2	6	30.0	30.0	100.0
Total		20	100.0	100.0	

TABLE - 11.15

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER CREDIT IS PROVIDED FOR AGRICULTURAL INPUT.

Whether service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	1	5.0	5.0	5.0
No	2	19	95.0	95.0	100.0
<b>Total</b>		<b>20</b>	<b>100.0</b>	<b>100.0</b>	

TABLE - 11.16

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER ELECTRICITY WAS PROVIDED.

Whether service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	4	20.0	20.0	20.0
No	2	16	80.0	80.0	100.0
<b>Total</b>		<b>20</b>	<b>100.0</b>	<b>100.0</b>	

TABLE - 11.17

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER ELECTRICITY IS PROVIDED.

Whether service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
No	2	20	100.0	100.0	100.0
Total		20	100.0	100.0	

TABLE - 11.18

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER TRAINING WAS PROVIDED.

Whether service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	19	95.0	95.0	95.0
No	2	1	5.0	5.0	100.0
Total		20	100.0	100.0	

TABLE - 11.19

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER TRAINING IS PROVIDED.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	1	5.0	5.0	5.0
No	2	19	95.0	95.0	100.0
Total		20	100.0	100.0	

TABLE - 11.20

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER STORAGE FACILITY WAS PROVIDED.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	4	20.0	20.0	20.0
No	2	16	80.0	80.0	100.0
Total		20	100.0	100.0	

TABLE - 11.21

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER STORAGE FACILITY IS PROVIDED.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
No	2	20	100.0	100.0	100.0
Total		20	100.0	100.0	

TABLE - 11.22

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER COLD STORAGE FACILITY WAS PROVIDED.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	3	15.0	15.0	15.0
No	2	17	85.0	85.0	100.0
Total		20	100.0	100.0	

TABLE - 11.23

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER COLD STORAGE FACILITY IS PROVIDED.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
No	2	20	100.0	100.0	100.0
	Total	20	100.0	100.0	

TABLE - 11.24

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER EDUCATION FACILITY WAS PROVIDED.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	20	100.0	100.0	100.0
	Total	20	100.0	100.0	

TABLE - 11.25

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER EDUCATION FACILITY IS PROVIDED.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	1	5.0	5.0	5.0
No	2	19	95.0	95.0	100.0
Total		20	100.0	100.0	

TABLE - 11.26

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER WATER FOR IRRIGATION WAS PROVIDED.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	20	100.0	100.0	100.0
Total		20	100.0	100.0	

TABLE - 11.27

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER WATER FOR IRRIGATION IS PROVIDED.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	19	95.0	95.0	95.0
No	2	1	5.0	5.0	100.0
Total		20	100.0	100.0	

TABLE - 11.28

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER DRINKING WATER WAS PROVIDED.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	16	80.0	80.0	80.0
No	2	3	15.0	15.0	95.0
No Response	1	1	5.0	5.0	
Total		20	100.0	100.0	



TABLE - 11.29

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER DRINKING WATER IS PROVIDED.

Whether service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	1	5.0	5.0	5.0
No	2	19	95.0	95.0	100.0
Total		20	100.0	100.0	

TABLE - 11.30

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER SEEDS WERE SUPPLIED.

Whether service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	17	85.0	85.0	85.0
No	2	3	15.0	15.0	100.0
Total		20	100.0	100.0	

TABLE - 11.31

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER SEEDS ARE SUPPLIED.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
No	2	20	100.0	100.0	100.0
Total		20	100.0	100.0	

TABLE - 11.32

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER ESSENTIAL COMMODITIES WERE SUPPLIED.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	17	85.0	85.0	85.0
No	2	3	15.0	15.0	100.0
Total		20	100.0	100.0	

TABLE - 11.33

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER ESSENTIAL COMMODITIES ARE SUPPLIED.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
No	2	20	100.0	100.0	100.0
Total		20	100.0	100.0	

TABLE - 11.34

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER FERTILIZER WAS SUPPLIED.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	2	20	100.0	100.0	100.0
Total		20	100.0	100.0	

TABLE - 11.35

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER FERTILIZER IS PROVIDED.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	3	15.0	15.0	15.0
No	2	17	85.0	85.0	100.0
Total		20	100.0	100.0	

TABLE - 11.36

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER PESTICIDES WERE SUPPLIED.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	18	90.0	90.0	90.0
No	2	2	10.0	10.0	100.0
Total		20	100.0	100.0	

TABLE - 11.37

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER RESTRICTED ARE SUPPLIED.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	2	10.0	10.0	10.0
No	2	18	90.0	90.0	100.0
Total		20	100.0	100.0	

TABLE - 11.38

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER FUNCTIONS WERE SUPPLIED.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	17	85.0	85.0	85.0
No	2	3	15.0	15.0	100.0
Total		20	100.0	100.0	

TABLE - 11.39

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER FUNGICIDES ARE SUPPLIED.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
No	2	20	100.0	100.0	100.0
<b>Total</b>		<b>20</b>	<b>100.0</b>	<b>100.0</b>	

TABLE - 11.40

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER SOCIAL PRODUCTS WERE SUPPLIED.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	12	60.0	60.0	60.0
No	2	8	40.0	40.0	100.0
<b>Total</b>		<b>20</b>	<b>100.0</b>	<b>100.0</b>	

TABLE - II.41

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER SOCIAL PRODUCTS ARE SUPPLIED.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	5	25.0	25.0	25.0
No	2	15	75.0	75.0	100.0
Total		20	100.0	100.0	

TABLE - II.42

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER MARKETING INFORMATION WAS SUPPLIED.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	7	35.0	35.0	35.0
No	2	13	65.0	65.0	100.0
Total		20	100.0	100.0	

TABLE - 11.43

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER MARKETING INFORMATION IS SUPPLIED.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	1	5.0	5.0	5.0
No	2	19	95.0	95.0	100.0
Total		20	100.0	100.0	

TABLE - 11.44

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER AGRICULTURE EQUIPMENTS WERE PROVIDED.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	19	95.0	95.0	95.0
No	2	1	5.0	5.0	100.0
Total		20	100.0	100.0	



TABLE - 11.45

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER AGRICULTURE IMPLEMENTS ARE PROVIDED.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	1	5.0	5.0	5.0
No	2	19	95.0	95.0	100.0
Total		20	100.0	100.0	

TABLE - 11.46

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER AGRICULTURE IMPLEMENTS ON CREDIT WERE PROVIDED.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	14	70.0	70.0	70.0
No	2	6	30.0	30.0	100.0
Total		20	100.0	100.0	

TABLE - 11.47

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER AGRICULTURAL IMPLEMENTS OR CREDIT ARE PROVIDED.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	1	5.0	5.0	5.0
No	2	17	95.0	95.0	100.0
Total		20	100.0	100.0	

TABLE - 11.48

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER TRANSPORT FACILITIES WERE PROVIDED.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	7	35.0	35.0	35.0
No	2	13	65.0	65.0	100.0
Total		20	100.0	100.0	

TABLE - 11.49

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER TRANSPORT FACILITIES ARE PROVIDED.

Whether service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
No	2	20	100.0	100.0	100.0
Total		20	100.0	100.0	

TABLE - 11.50

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER POPULARISING SOCIAL PRODUCTS WAS MADE

Whether service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	6	30.0	30.0	30.0
No	2	14	70.0	70.0	100.0
Total		20	100.0	100.0	

TABLE - 11.51

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER POPULARISING SOCIAL PRODUCTS IS MADE.

Whether service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	2	10.0	10.0	10.0
No	2	18	90.0	90.0	100.0
Total		20	100.0	100.0	

TABLE - 11.52

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER POPULARISING OTHER FAMILY PLANNING PROGRAMME WAS MADE.

Whether service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	5	25.0	25.0	25.0
No	2	15	75.0	75.0	100.0
Total		20	100.0	100.0	

TABLE - 11.53

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER POPULARISING OTHER FAMILY PLANNING PROGRAMME IS MADE.

Whether service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	1	5.0	5.0	5.0
No	2	19	95.0	95.0	100.0
Total		20	100.0	100.0	

TABLE - 11.54

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER POPULARISING MODERN METHODS OF CULTIVATION WAS MADE.

Whether service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	20	100.0	100.0	100.0
Total		20	100.0	100.0	

TABLE - II.55

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER POPULARISING MODERN METHODS OF CULTIVATION IS MADE.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	18	90.0	90.0	90.0
No	2	2	10.0	10.0	100.0
Total		20	100.0	100.0	

TABLE - II.56

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER SETTLING OF DISPUTES WAS MADE.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	20	100.0	100.0	100.0
Total		20	100.0	100.0	

TABLE - 11.57

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER  
SETTLING OF DISPUTES IS MADE.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	20	100.0	100.0	100.0
Total		20	100.0	100.0	

TABLE - 11.58

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER  
POPULARIZING EXCHANGE OF IDEAS WAS MADE.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	20	100.0	100.0	100.0
Total		20	100.0	100.0	

TABLE - 11.59

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER POPULARISING EXCHANGE OF IDEAS IS MADE.

Whether service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	19	95.0	95.0	95.0
No	2	1	5.0	5.0	100.0
Total		20	100.0	100.0	

TABLE - 11.60

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER THE DISPLAY OF PRODUCTS WAS FACILITATED.

Whether service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	10	50.0	50.0	50.0
No	2	10	50.0	50.0	100.0
Total		20	100.0	100.0	



TABLE - II.61

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES WHETHER  
DISPLAY OF PRODUCTS IS FACILITATED

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
No	2	20	100,0	100,0	100,0
Total		20	100,0	100,0	

TABLE - II.62

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON  
WHETHER ADULT EDUCATION PROGRAMME WAS CONDUCTED.

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	19	95,0	95,0	95,0
No	2	1	5,0	5,0	100,0
Total		20	100,0	100,0	

TABLE - 11.63

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON  
WHETHER ADULT EDUCATION PROGRAMME IS CONDUCTED

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	2	10.0	10.0	10.0
No	2	18	90.0	90.0	100.0
	Total	20	100.0	100.0	

TABLE - 11.64

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON  
WHETHER BREEDING OF CATTLE WAS DONE

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	20	100.0	100.0	100.0
	Total	20	100.0	100.0	

TABLE - 11.65

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON  
WHETHER BREEDING OF CATTLE IS DONE

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	2	10.0	10.0	10.0
No	2	18	90.0	90.0	100.0
Total		20	100.0	100.0	

TABLE - 11.66

DISTRIBUTION OF SOCIETIES ACCORDING TO  
RESPONSES ON WHETHER BREEDING OF HENS WAS DONE.

Whether Service was provided	Value	Frequency	Per cent
Yes	1	20	100.0
Total		20	100.0

TABLE - 11.67

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON  
WHETHER BREEDING OF HENS IS DONE

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	3	15.0	15.0	15.0
No	2	17	85.0	85.0	100.0
Total		20	100.0	100.0	

TABLE - 11.68

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON  
WHETHER FISH CULTURE WAS DONE

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	20	100.0	100.0	100.0
Total		20	100.0	100.0	

TABLE - II.69

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER FISH CULTURE IS ~~BEING~~ DONE

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	4	20.0	20.0	20.0
No	2	16	80.0	80.0	100.0
Total		20	100.0	100.0	

TABLE - II.70

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON WHETHER ANY OTHER SERVICE WAS PROVIDED

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	4	20.0	20.0	20.0
No	2	16	80.0	80.0	100.0
Total		20	100.0	100.0	

TABLE - 11.71

DISTRIBUTION OF SOCIETIES ACCORDING TO RESPONSES ON  
WHETHER ANY OTHER SERVICE IS RENDERED

Whether Service is provided	Value	Frequency	Percent	Valid Percent	Cum Percent
Yes	1	1	5.0	5.0	5.0
No	2	19	95.0	95.0	100.0
Total		20	100.0	100.0	

TABLE - VI.1

DISTRIBUTION OF MANAGERS ACCORDING TO MARITAL STATUS

Marital Status	Frequency	Percentage
Unmarried	1	5
Married	19	95
Divorced	-	-
Widowed	-	-
Separated	-	-
Total	20	100

TABLE - VI.2

DISTRIBUTION OF MANAGERS ACCORDING TO NUMBER OF TIMES MARRIED

No. of Times Married	Frequency	Percentage
Once	16	80
Twice	4	20
Thrice	-	-
More than Thrice	-	-
Total	20	100

TABLE - VI.3

DISTRIBUTION OF MANAGERS ACCORDING TO NUMBER OF MEMBERS  
IN THE FAMILY OF MANAGERS WORKING IN AGRICULTURAL FIELDS

No. of Family members	Frequency	Percentage
Nil	10	50
1-2	10	50
3-4	-	-
5-6	-	-
7 and above	-	-
Total	20	100

TABLE - VI.4

DISTRIBUTION OF MANAGERS ACCORDING TO NUMBER OF MEMBERS  
IN THE FAMILY OF MANAGERS WORKING IN INDUSTRY

No. of Family members	Frequency	Percentage
Nil	16	80
1-2	4	20
3-4	-	-
5-6	-	-
Total	20	100



TABLE - VI.5

DISTRIBUTION OF MANAGERS  
ACCORDING TO NUMBER OF MEMBERS IN THE FAMILY OF MANAGERS  
ATTENDING EDUCATIONAL INSTITUTION

No. of members	Frequency	Percentage
Nil	3	15
1-2	8	40
3-4	6	30
5 and above	3	15
Total	20	100

TABLE - VI.6

DISTRIBUTION OF MANAGERS ACCORDING TO SIZE OF LAND OWNED

Size of land owned	Frequency	Percentage
Less than 1 acre	3	15
1.01 - 2.00	5	25
2.01 - 3.00	5	25
3.01 - 4.00	3	15
4.01 - 5.00	1	5
5.01 and above	3	15
Total	20	100

TABLE - VI.7

DISTRIBUTION OF MANAGERS ACCORDING TO SIZE OF MONTHLY INCOME

Monthly Income (Taka)	Frequency	Percentage
Up to 1000	3	15
1001 - 2000	8	40
2001 - 3000	5	25
3001 - 4000	2	10
4001 and above	2	10
Total	20	100

TABLE - VI.8

DISTRIBUTION OF MANAGERS ACCORDING TO  
MONTHLY INCOME FROM AGRICULTURE

Value Label (Taka)	Value	Frequency	Percent	Valid Percent	Cum Percent
Below 1500	1	10	50.0	50.0	50.0
1501 - 3000	2	8	40.0	40.0	90.0
3001 - 4500	3	1	5.0	5.0	95.0
4501 - 6000	4	1	5.0	5.0	100.0
Total		20	100.0	100.0	

TABLE - VI.9

DISTRIBUTION OF MANAGERS ACCORDING TO  
MONTHLY INCOME FROM OTHER JOBS

Value (Taka)	Frequency	Percent	Valid percent	Cum percent
0	15	75.0	75.0	75.0
240	1	5.0	5.0	80.0
300	1	5.0	5.0	85.0
337	1	5.0	5.0	90.0
500	1	5.0	5.0	95.0
800	1	5.0	5.0	100.0
Total	20	100.0	100.0	

TABLE - VI.10

DISTRIBUTION OF MANAGERS ACCORDING TO RESPONSES  
ON WHETHER THEY PUT THEIR PLAN IN WRITING

Value	Label	Value	Frequency	Percent	Valid percent	Cum percent
1	Yes	9	45.0	45.0	45.0	45.0
2	No	11	55.0	55.0	55.0	100.0
	Total	20	100.0	100.0		

TABLE - VI.11  
DISTRIBUTION OF MANAGERS ACCORDING TO  
REASON FOR THEY ARE IN CHECKING ACTIVITIES

Value Label	Value	Frequency	Percent	Valid Percent	Cum Percent
Observation	1	18	90.0	90.0	90.0
H.C. Meeting	2	1	5.0	5.0	95.0
Ho. Tool used	3	1	5.0	5.0	100.0
Total		20	100.0	100.0	

TABLE - VI.12

DISTRIBUTION OF MANAGERS ACCORDING TO RESPONSES ON  
WHETHER THEY HAVE RELATIONS IN GOVT. SERVICE/POLITICAL PARTY

Value Label	Value	Frequency	Percent	Valid Percent	Cum Percent
No	0	13	65.0	65.0	65.0
Civil Service	1	1	5.0	5.0	70.0
Defence Service	2	1	5.0	5.0	75.0
Govt. Service	3	3	15.0	15.0	90.0
Member of a Political Party	4	2	10.0	10.0	100.0
Total		20	100.0	100.0	

TABLE - VI.13

DISTRIBUTION OF MANAGERS ACCORDING TO RESPONSES ON THEIR HAPPINESS

Value	Label	Value	Frequency	Percent	Valid Percent	Cum Percent
1	1	1	1	1	1	1
1	Very Happy	6	6	30.0	30.0	30.0
2	Happy	3	3	15.0	15.0	45.0
3	Somewhat Happy	9	9	45.0	45.0	90.0
5	Not at all Happy	2	2	10.0	10.0	100.0
	Total	20	20	100.0	100.0	

TABLE - VI.14

DISTRIBUTION OF MANAGERS ACCORDING TO THEIR OCCUPATIONS PRIOR TO JOINING THE COOPERATIVE SOCIETY

Value	Label	Value	Frequency	Percent	Valid Percent	Cum Percent
1	1	1	1	1	1	1
1	Agriculture	13	13	65.0	65.0	65.0
2	Cottage Industry	5	5	30.0	30.0	95.0
4	Small Industry	1	1	5.0	5.0	100.0
	Total	20	20	100.0	100.0	

APPENDIX - II

INTERVIEW SCHEDULES\*

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\*Here two sets of interview schedules adopted in the field study are presented. In the study I have not fully used all the information. However, all these information was helpful to have a better understanding of the problems as a whole and which facilitated ~~my~~ me analysing the situation more objectively.

SCHEDULE FOR GENERAL INFORMATION

Confidential

Title of the research project:

Code No. \_\_\_\_\_

"COOPERATIVES AND THEIR MANAGERIAL EFFICIENCY IN BANGLADESH"

1. Name of the Society and address : \_\_\_\_\_

2. Date of Registration : \_\_\_\_\_

3. Date of commencement of work : \_\_\_\_\_

4. No. of persons employed as at 30th June, 1985 : \_\_\_\_\_

a) Officer : \_\_\_\_\_

b) Staff : \_\_\_\_\_

c) workers : \_\_\_\_\_

5. Registered Capital : \_\_\_\_\_

a) Share: Tk. : \_\_\_\_\_

b) Savings: Tk. : \_\_\_\_\_

6. Paid up capital in the beginning : Tk. \_\_\_\_\_

7. Face value of share : Tk. \_\_\_\_\_

8. No. of members : \_\_\_\_\_

a) as at the time of registration : \_\_\_\_\_

b) as at present (30-6-85) : \_\_\_\_\_

9. No. of members in the Managing Committee : \_\_\_\_\_

a) as at the time of registration : \_\_\_\_\_

b) as at present (30-6-85) : \_\_\_\_\_

10. Does the Society have its own premises ?

Yes               

No

If you, please state the type of premises:  
(Please give Tick Mark to your chosen answer)

	No. of <u>S. foot</u> <u>rooms</u>	<u>Present value</u> Tk.
a)		
1. Pucca Building	_____	_____
2. Fin shed with pucca floor	_____	_____
3. Fin shed with pucca floor and walls	_____	_____
4. Kutchra house with finished	_____	_____
5. Kutchra House	_____	_____
6. Others, if any (specify)	_____	_____

b) Please state the nature of acquiring the premise.  
(Please give Tick-Mark) ( ) to your chosen answer)

1. Bought:	No. of <u>S. foot</u> <u>rooms</u>	<u>Present value</u>
a. Pucca Building	_____	_____
b. Fin shed with pucca floor	_____	_____
c. Fin shed with pucca floor and walls	_____	_____
d. Kutchra house with finished	_____	_____
e. Kutchra House	_____	_____
f. Others if any (specify)	_____	_____

11. Please state the nature of land holding of the Society.

- a) Total No. of acres of land under the possession of the Society.....acres.
- b) Uses: (1) Building.....acres.  
(2) Model Farming.....acres.  
(3) Fish culture.....acres.



- (4) Vacant Land.....acres.
  - (5) Vegetable Nursery.....acres.
  - (6) Others if any.....acres.  
(specify)
- Total.....acres.

c) Land ownership:

- (1) Cooperative Society.....acres.
  - (2) Lease (sharing).....acres.
  - (3) Others if any.....acres.  
(specify)
- Total .....acres.

	Whether the Society was formed for the follow- ing Services	Whether the following services provided	Year of start of the service provided	
	Yes	NO	Yes	NO
1. Credit facilities to members				
2. Loan for generating supplies of ...				
3. Loan for self-employment				
4. Collection of deposits				
5. Credit for buying other agricultural inputs				
6. Electricity to members				
7. Training to members				
8. Storage facilities to members				
9. Cold Storage facilities to members				

	Whether the Society was formed for the follow- ing Services	Whether the following services are provided	Year of start of the service provided	
	Yes	No	Yes	No
10.	Educational facilities to the children of the members			
11.	Supply of water for irrigation			
12.	Supply of drinking water			
13.	Supply of seed to members			
14.	Supply of essential commodities to members			
15.	Supply of fertilizers to members			
16.	Supply of pesticides to members			
17.	Supply of fungicides to members			
18.	Supply of social products			
19.	Supply of marketing information to members			
20.	Supply of agricultural implements at a reasonable price			
21.	Supply of agricultural implements on credit			
22.	Transport facilities to members			
23.	Popularising the use of social products			
24.	Popularising other family planning programmes			

	Whether the Society was formed for the following Services	Whether the following services are provided	Year of start of the service provided	
	Yes	No	Yes	No
25.	Popularising the modern methods of cultivation			
26.	Settling dispute among members			
27.	Facilitating exchange of ideas among members			
28.	Facilitating the display of products of members			
29.	conducting adult education programme			
30.	Breeding of cattle			
31.	Breeding of hens			
32.	Fish culture			
33.	Others if any (specify)			

13. a. How often meetings of members other than General Meeting are held? (Please give Tick-Mark( ) to your chosen answer)

Daily	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Twice in a week	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Weekly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fortnightly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monthly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quarterly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

b. Please state the following about the last two meetings held:

1st Meeting      2nd Meeting

- (1) Date of meeting \_\_\_\_\_
- (2) No. of members present \_\_\_\_\_
- (3) agenda \_\_\_\_\_

c. Please state the following about the last Annual General Meeting:

- (1) Date of meeting \_\_\_\_\_
- (2) No. of members present \_\_\_\_\_
- (3) Agenda:

- i.
- ii.
- iii.
- iv.

14. a. Please mention who is the chief executive of your society?

Chairman | 1 |

Secretary | 2 |

Manager | 3 |

Others, if any (Specify) | 4 |

b. How is he selected? (Please give Tick-Mark to your chosen answer).

1. Appointed by Managing Committee.
2. Elected at a General Meeting (Selection)
3. Appointed by Cooperative Department.
4. Appointed by Central Association.
5. Specify others (if any)

c. Is he a salaried person?

Yes | 1 |

No. | 2 |

If yes, how much salary and other benefits does he get per month.

(a) Salary Tk. \_\_\_\_\_

(b) Allowance Tk. \_\_\_\_\_

(c) Other benefits Tk. \_\_\_\_\_

Yearly incentives Tk. \_\_\_\_\_

Others (if any) specify Tk. \_\_\_\_\_

Total: Tk. \_\_\_\_\_

d. Is he a member of the Society?

Yes | 1 |

No. | 2 |

e. State the prior occupation of the chief executive.

15. (a) How many members form the Management Committee and how often the Managing Committee is to be selected.

(1) No. of members in M.C. \_\_\_\_\_

(2) How often \_\_\_\_\_

(b) When was the last selection of the Managing Committee held? \_\_\_\_\_  
Date \_\_\_\_\_

(c) Please mention the nature of Selection:

Election  1  1

Unanimous selection in general meeting  2

Committee selected by Cooperative Deptt.  3

Committee selected by Central Association  4

Other, if any (specify)  5

If it was an election, please state the number of persons who submitted nomination papers or brought election.

(d) In the event of election, please state how many groups participated in the election. (Please give tick-mark to your chosen answer).

Two groups  1  1

Three groups  2

More than three groups  3

No. grouping  4

16. And please also state the basis of forming groups (Please give Tick-Mark to your chosen answer).

Kinship  1  1

Religion  2



c. Please state whether they previously held directorship of this cooperative.

Yes

No.

If yes, how many of them held directorship

Number

d. How have they been re-elected?

Yes

No.

e. Please state some of the reasons why existing persons have been re-elected? (Please give Tick-Marks to your chosen answer).

11 Larger No. of kin among the members

12 Support of the existing directors

13 Support of the existing manager

14 Support of the local administration

15 Support of the Union Council members

16 The amount of land holding

17 Support of the larger political party in the locality

18 Saving

19 Education



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1101 Family status

1111 Social Service

1121 Others, if any (specify)

18. Please state whether directors have any near relation as officer/member in the following:

11 : Civil Service other than teaching

12 : Defence Service

13 : Central Committee of a political party

14 : District Committee of a political party

15 : Upazila Committee of a political party

16 : University Service

17 : Government College.

18 : Others, if any.

If yes, please mention in details:

Name of the Director	No. of his political leaders with whom he is related	Position	Status	Nature of relationship	Whether he has contacts with them
	(more than)				
	(three in)				
	(order of)				
	(importance)				

1	2	3	4	5	6
1.					
2.					
3.					

19. Would you please mention the limitations for which all other objectives of your society could not be attained?

Confidential \_\_\_\_\_

Code No. \_\_\_\_\_

SCHEDULE: (FOR MANAGERS OF THE SOCIETY

PART - I

1. Name of the respondent \_\_\_\_\_
2. Position held \_\_\_\_\_
3. Name of the society \_\_\_\_\_
4. Union \_\_\_\_\_
5. Upazila \_\_\_\_\_
6. District \_\_\_\_\_
7. Date of appointment/selection in this cooperative \_\_\_\_\_

PART - I

8. Sex :
 

Male	1 1 1
Female	1 2 1
9. Age on 20-6-88 :
10. Marital status: (Please give Tick Mark to your chosen answer)
 

Unmarried	1 1 1
Married	1 2 1
Divorced	1 3 1
Widow	1 4 1
Separated	1 5 1

11. Religion: (Please give Tick-Mark to your chosen answer)

Islam	<u>  1  1  </u>
Hindu	<u>  1  2  </u>
Christian	<u>  1  3  </u>
Other if any (Specify)	<u>  1  4  </u>

12. Caste: (Please give Tick-Mark to your chosen answer)

Sunni Muslim	<u>  1  1  </u>
Shia muslim	<u>  1  2  </u>
Hindu (Caste)	<u>  1  3  </u>
Hindu (scheduled caste)	<u>  1  4  </u>

13. If married more than once, please mention times (Please give Tick-Mark).

Once	<u>  1  1  </u>
Twice	<u>  1  2  </u>
Thrice	<u>  1  3  </u>
More than thrice	<u>  1  4  </u>

14. How many years of education have you obtained? Please mention below:



17. Could you tell something about your father-in-laws family?

Age	Education	Occupation	Acres of land owned	Monthly income from agricultural field.	Yearly income from all sources.

a. Father-in-law

b. Mother-in-law

c. Brother-in-law

1.

2.

3.

4.

5.

d. Sister-in-law

1.

2.

3.

4.

5.

a. No. of years in cooperative (excluding that of the present job)

(1) Years \_\_\_\_\_

(2) Capacity \_\_\_\_\_

(3) Whether paid

Yes | 1 |

No. | 2 |

b. No. of years in the present job

c. \_\_\_\_\_

18. What was your occupation prior to joining cooperative?  
 19. What is your major occupation (Please give Tick-Mark to your chosen answer).

Agriculture	<u>1 1 1</u>
Business (major)	<u>1 2 1</u>
Cottage Industry	<u>1 3 1</u>
Small Industry	<u>1 4 1</u>
Teaching	<u>1 5 1</u>
Manager in Cooperative	<u>1 6 1</u>
Job in other Organizations	<u>1 7 1</u>
Others if any (Specify)	<u>1 8 1</u>

20. Please state on average how many hours per day did you spend on account of the following during last one week?

- a. Cooperative Management \_\_\_\_\_ hours
- b. Educating children \_\_\_\_\_ hours
- c. religious duties \_\_\_\_\_ hours
- d. Cultivating or looking after your land \_\_\_\_\_ hours
- e. Taking rest, sleep etc. \_\_\_\_\_ hours
- f. Gossiping with friends \_\_\_\_\_ hours
- g. Attending at the meeting of the Political party \_\_\_\_\_ hours
- h. Household activities (Other than as mentioned above) \_\_\_\_\_ hours
- i. Other jobs, if any specify) \_\_\_\_\_ hours

Total = \_\_\_\_\_

21. Please state your monthly income from each occupation,

- |                |       |                |
|----------------|-------|----------------|
| 1. Cooperative |       | Tk. _____ p.m. |
| 2. Agriculture |       | Tk. _____ p.m. |
| 3. Business    |       | Tk. _____ p.m. |
| 4. Others      | Total | Tk. _____ p.m. |

22. Do you have any relation in present Board of Directors of the Society? Please mention below in details:

Name of the Director	Relationship
_____	_____
_____	_____
_____	_____
_____	_____

(b) Do you have any near relation as officer/in: (Please give tick-mark to your chosen answer)

11 Civil Service other than teaching

12 Defence Service

13 Central Committee of a Political Party

14 District Committee of a Political Party

15 Upazila committee of a Political Party

16 University Service

17 Government Service

18 Journalism.

If yes, please give the following information:



Name of the Office or Member/Member-ass)	No. of times you have called for services/for your relation with them below you (not more than three in related order of importance)	Status of your relation with them	Nature of relation	Whether you have contact with them
--	--	-----------------------------------	--------------------	------------------------------------

- 1.
- 2.
- 3.

23. Please enumerate your various activities as a Manager of your Society:

Name of the activity	No. of hours spent during last one week	Average time spent
----------------------	---	--------------------

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.

24. (a) Do you put your plan in writing?

Yes 11

No. 12

(b) Do you check your activities every day?

Yes 111

No. 121

If yes, what tools and mechanism do you use in checking your activities? \_\_\_\_\_

(c) Please mention whether you also take corrective measures in case of deviations of your activities from your plan?

Yes 111

No. 121

25. Please give your opinion about the importance of the following factors in determining the success of a Cooperative Society. (Please use tick-mark ( ) in appropriate grade (Important/very important/important/not important/not at all important)

	Very Important	Very Important	Important	Not Important	Not at all Important
a) Members interest in Cooperative Development					
b) Members commitment to Cooperative development					
c) Educational levels of members					
d) Economic status of members					
e) Members involvement in coop. activities					
f) Need feeling of the collective efforts					
g) Government Policy					
h) Low rate of interest					
i) Financial strenght of the Cooperative					
j) Role of the Model farmer on agricultural Cooperative					

	(Very very Important)	(Very I Important)	(Not Important)	(Not at all Important)
k)	Orientation or orienta- tion of the manager of a Cooperative			
l)	Training in Cooperative			
m)	Financial support of the Central Cooperative			
n)	Support of BADC			
o)	Financial support of Agricultural Bank			
p)	Support of WAPDA			
q)	Support of Coop. Department			
r)	Support of BRDB			
s)	Support of BARD Committee			
t)	Non interference of the respective agencies in coop. administration			

26. What kind of support/privileges that you expect from the following organisations and what you actually get at present?

Name of the Organization	Desired Support	Actual Support	Please give your opinion on the effectiveness level /adequacy of the following services (Please give a tick Mark in appropriate box marked 1)Somewhat adequate 2)adequate 3) Very much adequate 4)Not adequate 5) Not at all adequate)				
			1	2	3	4	5
a) Central Co-operative Association	1. 2. 3.	1. 2. 3.	1. 1 2. 1 3. 1	2 2 2	3 3 3	4 4 4	5 5 5
b) Union	1. 2. 3.	1. 2. 3.	1. 1 2. 1 3. 1	2 2 2	3 3 3	4 4 4	5 5 5
c) Agricultural Bank	1. 2. 3.	1. 2. 3.	1. 1 2. 1 3. 1	2 2 2	3 3 3	4 4 4	5 5 5
d) BARDA	1. 2. 3.	1. 2. 3.	1. 1 2. 1 3. 1	2 2 2	3 3 3	4 4 4	5 5 5
e) BADC	1. 2. 3.	1. 2. 3.	1. 1 2. 1 3. 1	2 2 2	3 3 3	4 4 4	5 5 5
f) Coop. Department	1. 2. 3.	1. 2. 3.	1. 1 2. 1 3. 1	2 2 2	3 3 3	4 4 4	5 5 5
g) BRDB	1. 2. 3.	1. 2. 3.	1. 1 2. 1 3. 1	2 2 2	3 3 3	4 4 4	5 5 5
h) BRBD, Comilla	1. 2. 3.	1. 2. 3.	1. 1 2. 1 3. 1	2 2 2	3 3 3	4 4 4	5 5 5
i) Bangladesh Govt.	1. 2. 3.	1. 2. 3.	1. 1 2. 1 3. 1	2 2 2	3 3 3	4 4 4	5 5 5

27. Are you happy with your family?  
(Please give Tick-Mark) to your chosen answer.
- |                  |  |       |
|------------------|--|-------|
| Very happy       |  | 1 1   |
|                  |  | ----- |
| Happy            |  | 1 2   |
|                  |  | ----- |
| Some what happy  |  | 1 3   |
|                  |  | ----- |
| Not happy        |  | 1 4   |
|                  |  | ----- |
| Not at all happy |  | 1 5   |
|                  |  | ----- |
28. Do the members of the management committee actively participate in the decision making process? (Please give Tick-Mark)
- 11 | All the members participate
- 
- 12 | Majority of the members participate
- 
- 13 | Some of the members participate
- 
- 14 | Very insignificant number of members participate
- 
- 15 | Hardly any member participates
- 
29. Do you think those who participate in decision making process have adequate qualification? (Please give Tick-Mark).
- 11 | Majority of the managing committee members have adequate qualification.
- 
- 12 | All have adequate qualification
- 
- 13 | Some of them have adequate qualification
- 
- 14 | None has adequate qualification
- 
- 14 | Very few of them have adequate qualification
-

30. Did you receive any management training:

Yes | 1 |

No. | 2 |

If yes, is it,

On the job | 1 |

Off the job | 2 |

Outside Bangladesh | 3 |

31. Do you agree to the fact that the cooperative managers work more when they are paid more? (Please give Tick-mark to your chosen answer)

Agree | 1 |

Strongly agree | 2 |

Very strongly agree | 3 |

Do not agree | 4 |

Do not at all agree | 5 |

32. What do you believe is your status in the society? (Please give Tick-mark)

High | 1 |

Medium | 2 |

Low | 3 |

Poor | 4 |

None | 5 |

33.	Land under your control	No. of acres of land.	Approx. value.	Annual income
i)	Land owned: for house	-----	-----	-----
	for cultivation	-----	-----	-----
	for pond, etc.	-----	-----	-----
	for other purposes	-----	-----	-----
ii)	Other land for share cropping.	-----	-----	-----
iii)	Land taken on lease:	-----	-----	-----
iv)	Disputed lands	-----	-----	-----
v)	Other, if any (specify)	-----	-----	-----

34. Your valuable comments on agricultural cooperative and cooperative movement in Bangladesh. (Use additional sheet, if required).

35. Do you favour to bring agriculture sector under cooperative in Bangladesh?

Yes

1 1 1

No.

1 2 1

If yes, why?

If no, state the reasons,

36. (a) Please state whether Govt. deputed any officer to act as executive Officer of your society at any time. If so, please state the duration of service of that officer.

(b) Please also state the reasons for such deputation.

37. Do you find any success of your society during last 5 years? If yes, please state the answers. If so, why?

Please state your degree /level of satisfaction with respect to the following aspects of your job.

Highly satisfied	15
Satisfied	14
Somewhat satisfied	13
Dissatisfied	12
Highly dissatisfied	11

1. Salary & other benefits \_\_\_\_\_
2. Security of job \_\_\_\_\_
3. Relationship with superiors \_\_\_\_\_
4. Physical working conditions \_\_\_\_\_
5. Existing informal grouping \_\_\_\_\_
6. Scope of training \_\_\_\_\_
7. Relationship with members \_\_\_\_\_

(Please comment on the following giving tick ( ) mark to the appropriate box placed before your chosen answer).

1. According to your feeling how much is your service essential for accelerating the pace of socio-economic development of the country ?

15	Very much essential	14	Very essential
13	Essential	11	Not at all essential
12	Not essential		



2. As perceived by you how much is your service essential for your society?

15 | Very much essential

14 | Very essential

13 | Essential

12 | Not essential

11 | Not at all essential

3. As perceived by you how essential is your work in the Society towards to achieving the goal of your society?

15 | Very much essential

14 | Very essential

13 | Essential

12 | Not essential

11 | Not at all essential.

4. Would you like to change your job if you get an alternative?

a. at once I would quit if I get anything else to do. 11

b. I would take almost any job similar to that of present one. 12

c. I would quit if I get better job. 13

d. I would not quit even if a better job is available in other sectors 14

e. I would not quit the job even if better opportunity is given in another society 15

5. Would you agree to the view that Cooperative can contribute more effectively towards supporting national economic development ?

15 | Very strongly agree

14 | Strongly agree

13 | Agree

12 | Donot agree

11 | Not at all agree.

21. Please give us the following information in the tables below:

Year	Number of loans granted during	Number of persons who received	Principal amount	Maximum amount	Basis of granting loan	Total loan (2 & 3)	Loan recorded	Balance
1	2	3	4	5	6	7	8	9
1973-74								
1974-75								
1975-76								
1976-77								
1977-78								
1978-79								
1979-80								
1980-81								
1981-82								
1982-83								
1983-84								
1984-85								

11. Basis of granting loan may be any one of the following:

- (a) Size of land holding; (b) total property
- (c) Family size; and (d) Special requirement.

Table-B: Supply of Fertilizers to members

Year	No. of members who applied for ferti- lizer	Total amount applied for	No. of members who received fertilizer	Amount given in physi- (in Taka) cal unit
1973-74				
1974-75				
1975-76				
1976-77				
1977-78				
1978-79				
1979-80				
1980-81				
1981-82				
1982-83				
1983-84				
1984-85				

A

Table C: Irrigation facilities enjoyed by members

Year	No. of members served for water supply	No. of members served for water supply	Total Culti- vable land	Total Irri- gated	Rate of Charge (in Tk.)	Amount of Charge (in Tk.)
1973-74						
1974-75						
1975-76						
1976-77						
1977-78						
1978-79						
1979-80						
1980-81						
1981-82						
1982-83						
1983-84						
1984-85						

Table D: Supply of Seeds to members

Year	No. of members who applied for seeds	Total amount applied for in amount	Amount given	No. of members who received
1973-74				
1974-75				
1975-76				
1976-77				
1977-78				
1978-79				
1979-80				
1980-81				
1981-82				
1982-83				
1983-84				
1984-85				

Table E: Supply of Agricultural implements to members

Year	No. of members who applied for agricultural implements	Amount applied for (in Tk.)	Amount given (in Tk.)	No. of members who received
1973-74				
1974-75				
1975-76				
1976-77				
1977-78				
1978-79				
1979-80				
1980-81				
1981-82				
1982-83				
1983-84				
1984-85				

Table F : Supply of insecticides to members

Year	No. of members who applied for	No. of members who received	Total amount applied for (in Tk.)	Amount given (in pound)
1973-74				
1974-75				
1975-76				
1976-77				
1977-78				
1978-79				
1979-80				
1980-81				
1981-82				
1982-83				
1983-84				
1984-85				



Table II. Fish culture facilities provided to members

Year	No. of members who applied for fish culture	No. of members who received	Area covered	No. of ponds
1973-74				
1974-75				
1975-76				
1976-77				
1977-78				
1978-79				
1979-80				
1980-81				
1981-82				
1982-83				
1983-84				
1984-85				

22. Please give us the following information

of

Year	No. of members	No. of members present in the General Meeting	Special Meeting	
			No. of meetings (a)	No. of members present in the meeting (b)
1973-74				
1974-75				
1975-76				
1976-77				
1977-78				
1978-79				
1979-80				
1980-81				
1981-82				
1982-83				
1983-84				
1984-85				

b) Please state why the number of members changed over a period of time.

Signature of the Investigator:

Date of Interview

APPENDIX - III

LIST OF SELECTED UNIONS AND AGRICULTURAL  
COOPERATIVE SOCIETIES

APPENDIX-III

LIST OF UNIONS IN COMILLA SADAR UPAZILA,  
COMILLA

1. Amabali Union
2. Barapara Union
3. Bijoypur Union
4. Chandra Union
5. Durgapur Union II
6. Durgapur Union III
7. Gollon Union
8. Jagobochpur Union
9. Kalibazar Union
10. Purna Jorkanon Union
11. Paschim Jorkanon "
12. Pauchhubi Union

Names of the selected unions and the Agricultural Cooperative Societies (A.C.S.S.) in Comilla Sadar Upazila, Comilla.

AMRATALI UNION

1. KATHIBATI K.S.S.
2. SHIAR & DALASHAR K.S.S.

DINDYUR UNION

3. DAKHIN ASHAPUR K.S.S.
4. NADDEPUR K.S.S.
5. SPOONDASH K.S.S.
6. SULTANPUR K.S.S.
7. SHEBAILAYPUR K.S.S.
8. SHAKATA K.S.S.
9. TOTATALI K.S.S.
10. ULAR JOYPUR K.S.S.

CHOPARA UNION

11. DALHAIP KAMPUR K.S.S.
12. LAKHPUR No. 1 K.S.S.
13. BOHANPUR K.S.S.
14. HEWA K.S.S.
15. DUVIG K.S.S.
16. RAJAPARA NOAPARA K.S.S.
17. RANCHANDRAPUR 1 K.S.S.
18. SHAMAKSHI BAILAYPUR K.S.S.

DURGAPUR UNION II

19. Basuchandrapur Anandashar K. S. S.

PUNCHTHUBI UNION

20. Gurechhapur K. S. S.

21. Suraichpur K. S. S.

PADUCHHETI JURKANDOL UNION

22. DARI-BATAGRAM K. S. S.

23. Dhanpur K. S. S.

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Source: Director (Field Services), Kotwali Thana Central  
Cooperative Association Ltd., Comilla.

## Number of Societies Selected From Six Unions

Name of the Union	Total Number of HSSs in the union	Number Selected
1. Amalaki Union, Comilla Sadar, Comilla.	5	2
2. Durgapur Union, Comilla Sadar, Comilla.	23	8
3. Durgapur Union, Comilla Sadar, Comilla.	3	1
4. Chawara Paltan, Comilla Sadar, Comilla.	24	8
5. Panchthuli Union, Comilla Sadar, Comilla.	5	2
6. Panchthuli Gorkhoni Union, Comilla Sadar, Comilla.	7	2
Total :	67	23

Out of 67 societies 23 societies were selected applying random sampling technique. Number of non-responding societies was three.

## APPENDIX-IV

List of Registrars of Cooperative Societies Since 1947 as follows:

Sl. No.	Name	From	To
1.	Mr. Inbal Achar Ali, I.C.S.	14-8-1947	31-3-1948
2.	Mr. Harnuddin, B.A.R.	1-4-1948	31-8-1948
3.	Mr. Khan Bahadur Choudhury Ahsan Ali, B.C.S.	1-9-1948	31-10-1950
4.	Mr. M.A. Galim Ullah, B.C.S.	1-11-1950	30-6-1954
5.	Mr. H.N. Saha, C.S.P.	1-7-1954	31-12-1955
6.	Mr. Ghyasuddin Ahmed, I.P.C.S.	1-1-1956	30-11-1956
7.	Mr. S.H.H. Rizvi, I.P.C.S.	1-12-1956	31-3-1958
8.	Mr. Lutfurrahman Ahmed, C.S.P.	5-5-1958	23-8-1959
9.	Mr. A.K.H. Ansan, C.S.P.	24-8-1959	11-1-1964
10.	Mr. Abul Hasan, C.S.P.	29-2-1964	11-9-1964
11.	Mr. M.B. Sahan, C.S.P.	11-9-1964	2-8-1966
12.	Mr. P.O. Hajar, C.S.P.	3-8-1966	23-6-1969
13.	Mr. L.R. Khan, C.S.P.	25-7-1969	24-4-1973
14.	Mr. A.H.H. Fusuhi	24-4-1973	21-7-1975
15.	Mr. L.R. Khan	24-9-1975	30-8-1977
16.	Mr. Hedayat Ahmed	30-8-1977	10-11-1979
17.	Mr. S.Z.H. Nasiruddin	10-11-1979	30-7-1982
18.	Mr. A.Z.H. Shamsul Alam	30-7-1982	18-7-1983
19.	Mr. Syed Rezaul Hayat	18-7-1983	21-10-1984
20.	Mr. Saadat Husain	21-10-1984	to date

\* Registrar of cooperative Societies, Bangladesh Cooperative Department At a Balance Department of Cooperatives, Government of the People's Republic of Bangladesh, Dhaka, 1985, p.8.



APPENDIX-V

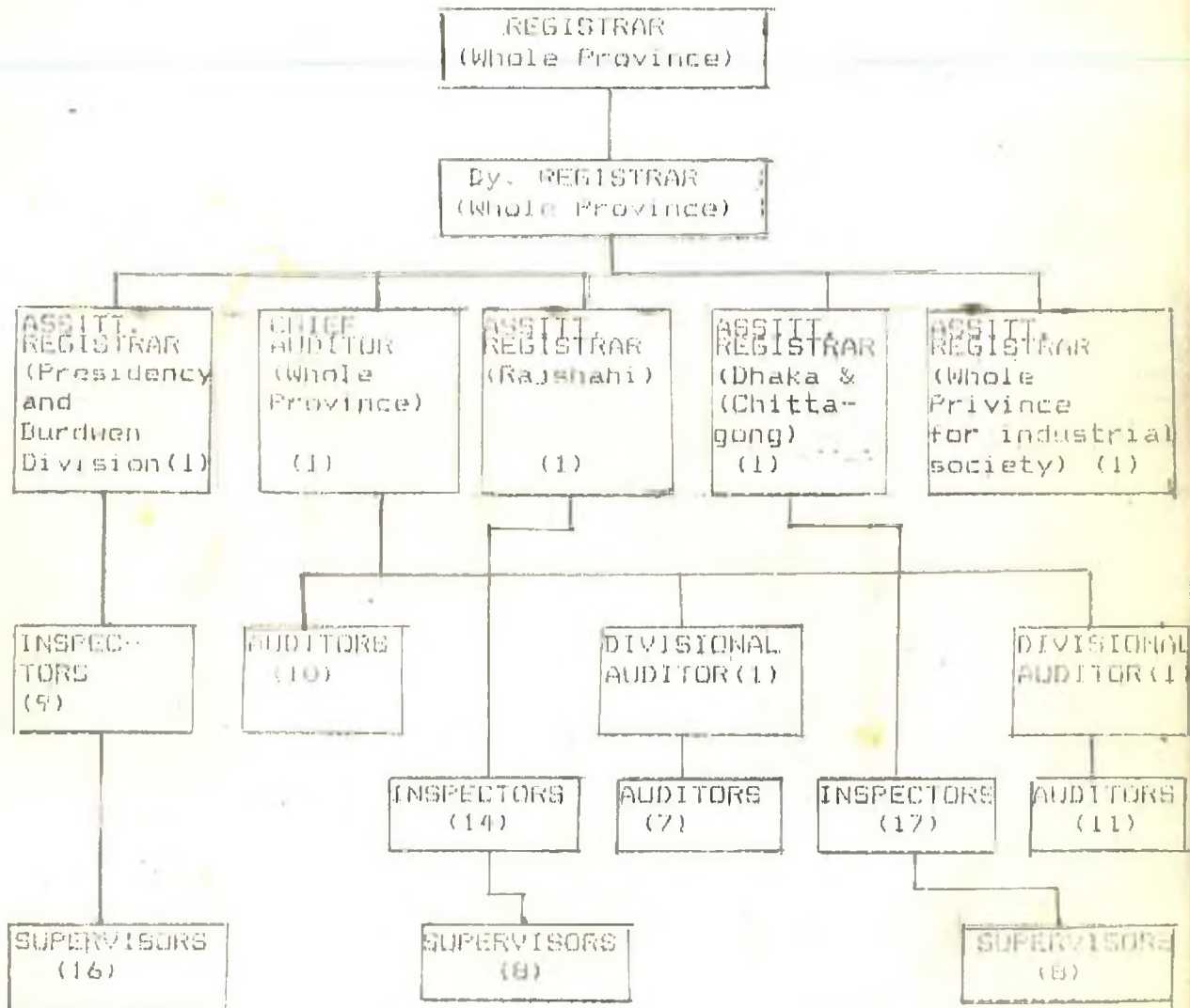
LIST OF SERVICES PROVIDED BY THE SURVEY COOPERATIVES

1. Credit facilities to members.
2. Collection of deposits.
3. Educational facilities to the children of the members.
4. Grant for buying other agricultural inputs.
5. Supply of water for irrigation.
6. Supply of drinking water.
7. Supply of fertilizer to members.
8. Supply of pesticides to members.
9. Supply of social products.
10. Supply of marketing information to members.
11. Popularising the modern methods of cultivation.
12. Settling disputes among members.
13. Facilitating exchange of ideas among members.
14. Conducting adult education programme.
15. Breeding of cattle.
16. Breeding of hens.
17. Fish culture.
18. Training to members.
19. Transport facilities to members.
20. Loan for generating supplementary income.
21. Supply of seeds to members.
22. Supply of agricultural implements at a reasonable price.

APPENDIX - VI  
ORGANISATION - CHARTS

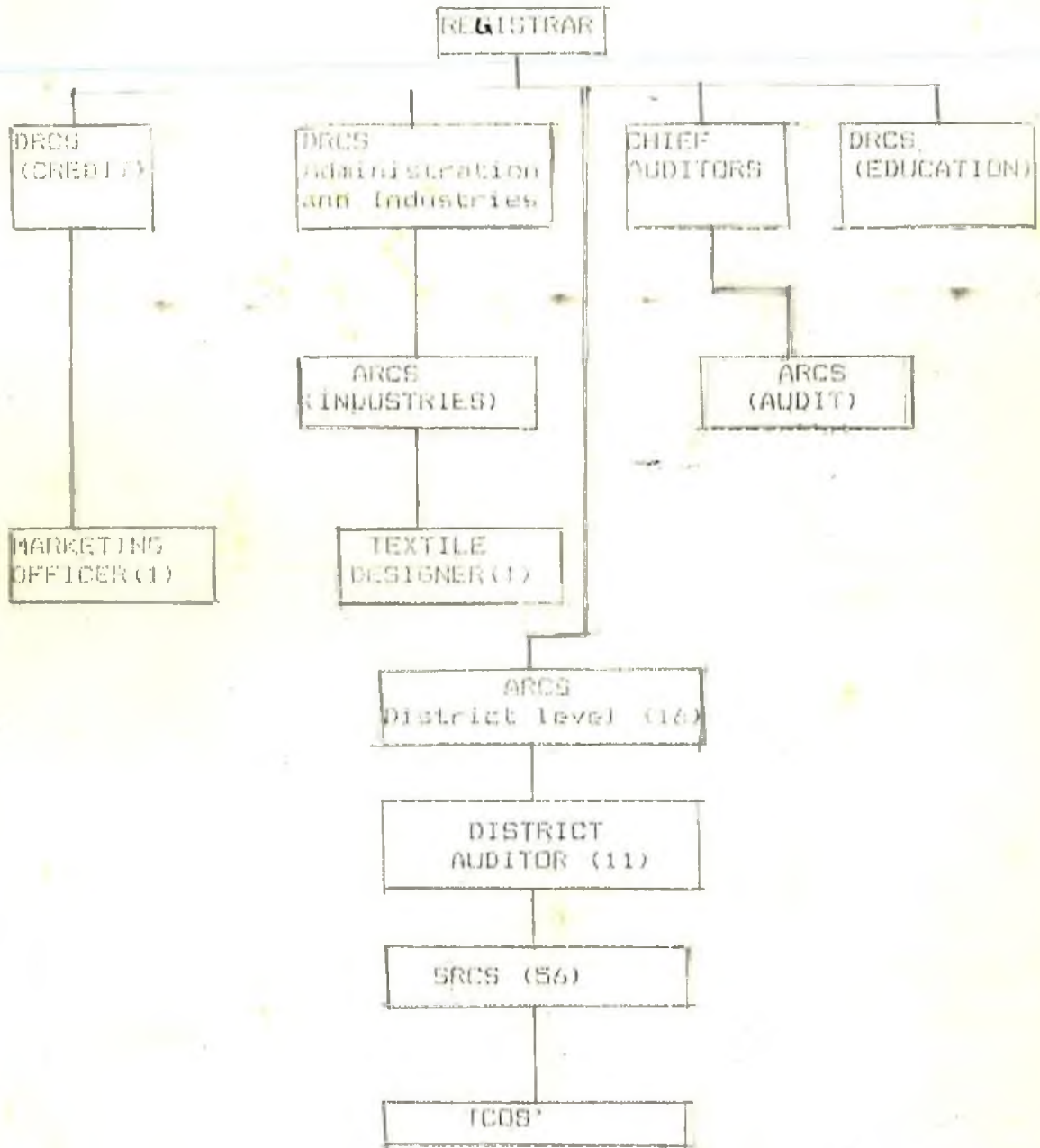
APPENDIX-VIA

4. THE HIERARCHY OF THE COOPERATIVE DEPARTMENT IN 1921



Source: Record Room, Bangladesh Secretariate, Proceedings of Bengal, March, 1921, p. 16.

ORGANIGRAM OF COOPERATIVE DEPARTMENT  
(1958-59)



Source : Annual Report, 1958-59, Cooperative Department, Dhaka.

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