

## PERFORMANCE OF DISTRICT CENTRAL CO-OPERATIVE BANKS IN MAHARASHTRA

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### ABSTRACT

The present study intends to analyze the critical evaluation of cooperative credit sector in India as well as in Maharashtra. The study examines the causes of slow progress and highlights the emerging role and challenges of the cooperative sector. The data was collected by personally visiting the bank officials at district level as well as State level. Library Books, Published Annual Reports of the DCCBS, Journals, Statistical abstracts, Audit Reports, office records will be the main source to secondary data. . Cooperatives considered having immense potential to deliver goods and services in areas where both the state and the private sector have failed.

**Keywords:** Co-operative bank, credit sector, Maharashtra

## INTRODUCTION:

Around the world modern co-operatives have developed for over 200 years. Co-operative institutions exist all over the world providing essential services, which would otherwise be unattainable. Globally, co-operatives have been able to elevate its position as a powerful economic model (Arvind, 2006). Co-operatives are the most successful community-based economic democracies in the world. More than 725 million people around the world, in every nation and culture, use co-operatives to meet their economic and social needs. Co-operatives operate successfully in every area of business activity.

Co-operative institutions in India were completed 100 years of their existence in the year 2004 (Vaze & Pawar, 2005). This institution has contributed significantly to different aspects of national life in the last century. Co-operative credit sector, for instance, has played a historic role in creation of institutional infrastructure in rural and urban India. It has helped develop banking habit among the people of small means, and secured mobilization of their savings for economic development. During the last few years, the co-operative movement in India has made considerable progress. However, it has yet to make its impact felt on the economic life of a large number of people. Even among the membership, which has been covered by the cooperative movement, it has yet to infuse real co-operative spirit, which will enthuse them in intelligent participation in the working of their societies.

As per the latest figures more than 75 per cent of India's population lives in rural areas, majority of which depends on agriculture for its livelihood. Indian agriculture is typically characterized with small and medium sized holdings, large number of agricultural workers spread over a large area, low income generation and low savings as a result of which the farmers look upon agriculture not as business but only as a way of life. A substantial proportion of farmers' credit needs are now met by cooperative societies. The co-operative societies have led to the use of better farming methods such as the use of improved seeds, fertilizers, etc. The marketing and processing societies have helped members to buy their requirements cheaply and sell their agricultural produce at acceptable prices. The co-operative structure in India consists of different constituents. At the bottom of this structure are the primary societies, which render various types of services. Of this large number about 80 per cent is concerned with agriculture. Most of these societies, about 60 per cent deal with credit only. Thus a large majority of primary societies are related to agriculture and credit. They perform various functions such things as credit, irrigation, marketing, transports etc. These are generally divided into two groups-

1. *Credit societies and*

2. *Non-credit societies*

Each of these two sub groups is further split up into sub groups:

1. *Agricultural societies and*

2. *Non –agricultural societies.*

Agricultural societies (both credit and non-credit are found in rural areas, but non-agricultural societies both credit and noncredit) are found in urban areas. Since majority of the population of Maharashtra lives in the rural areas and is involved in agricultural activity, the co-operative movement here assumes greater significance.

## REVIEW OF LITERATURE:

Singh V.B. has published land development banking in India the book published in 1990 by common wealth publishers New Delhi the study reveals the overall progress of land development banking in Bihar so far has been inadequate and far from satisfactory. Gosavi N.B. the evaluation of performance of the Taloda sub-branch of MSCLD bank limited in respect of agriculture development of Taloda tehsil which is a dissertation report accepted for the degree of master of philosophy in commerce by the university of Poona in 1991 in this study an attempt has been made to evaluate the performance of the MSCARD bank in Taloda tehsil of Dhule district during 1981-82 to 1985-86. M. Imran Siddeque land development banking is the publishers in 1991 by Khama publishers New Delhi in this book he has made a modest attempt to present an analytical study of and development banking in the country with reference to the Uttarpradesh in its various aspects like organization financial resources recovery of loans and overdue. Gadgil (1994) had discussed in his study that the future likely impact of financial sector reforms on the formal agricultural credit system. Thus, the economic viability and successful and efficient functioning of cooperatives have been the raison of a generation of economists, especially in the aftermath of the dawn of liberalization era and consequent changes in the economic scenario.

A study undertaken on Cooperative Finance and Taxation (1995) by Robert C. Rathbone provides an overview of cooperative finance and the characteristics of agricultural cooperatives that make their financial and taxation

requirements unique. Discussion includes member equity, base capital plan, equity redemption, special equity redemption. Patil M.B. has published a research article on performance of primary cooperative agriculture and rural development banks in Karnataka in cooperative perspective the journal of cooperative management volume 30 published in 1995 in his work he has attempted to evaluate the performance of these grass root level investment credit cooperatives in Karnataka the searchers has incorporated the parameters like membership share capital working capital deposits loans overdue cost of management profit and loss.

One of the most important studies on Cooperative Historical Statistics (1998) by Celestine C. Adams provides time series data on marketing, farm supply, and related service cooperatives from 1863 to 1996. Statistics include memberships and number of cooperatives by type, business volume by commodity, and size of business. Information is carried on new organizations and discontinuances of cooperatives. Market share data for selected years are given programs, measuring equity performance, debt capital, cooperative taxation, and the future of cooperative finance. 'Role of cooperatives in agricultural financing: a case study of Basti District, U.P.- published in -Indian Cooperative Review 1990 Vol. 28 No. discussed that the services rendered by cooperatives in the form of credit and non-credit support to farmers set a pace to the rate of development in the overall economy in rural areas, especially in the poorer sections of society by mobilizing finance to the agriculture sector. The study examines the role of cooperatives in agricultural finance with the specific objective of examining the nature and extent of cooperative loans. A sample of borrower farmers from Basti District in Uttar Pradesh, India, are examined. Data were collected on farm size, cropping intensity, and source of borrowings. Cooperative agencies as opposed to commercial banks were determined as playing the vital role in providing credit. Money-lenders were relatively insignificant. It is concluded that cooperative societies are very accessible to farmers seeking credit facilities. Subrahmanyam (1999) - While examining reforms in the cooperative credit sector, he not only delves into the positive and negative effects of the policy reforms but also suggests some new steps that need to be initiated to truly restructure and bolster the cooperative credit sector in the country.

### **OBJECTIVES OF THE STUDY:**

The major objectives of the study are as follows:

1. To take the review of Cooperative banking in India & Maharashtra.
2. To study the organizational and Management structure of Co-operative Banks in Maharashtra.
3. To know the major trends and changes in the banking operations of Co-operative banks in Maharashtra.
4. To study the published financial statements of Co-operative banks in Maharashtra.
5. To find out the factors affecting profitability of DCC Banks.
6. To make a study of the performance of DCCBs in Maharashtra.
7. To make suitable suggestion for improvement in performance of District Central Co-operative Banks in Maharashtra.

### **HYPOTHESES:**

The study was based on certain hypotheses which are follows.

- 1.The District Central Co-operative Banks in Maharashtra has made satisfactory progress during the study period.
- 2.The organization and Management of District Central Co-operative Banks is active.
- 3.There are some difficulties faced by banks officials in lending and recovery function in Maharashtra.

### **RESEARCH METHODOLOGY:**

The present study is based mainly on both secondary as well as primary data. The data was collected by personally visiting the bank officials at district level as well as State level. Library Books, Published Annual Reports of the DCCBS, Journals, Statistical abstracts, Audit Reports, office records will be the main source to secondary data. The data with regard to Capital, Loans, Advances, Expenditures and Incomes to be collected from published sources. Personal interview technique is used to collect information and discuss with officers and personnel of co-operative banks to know the performance of co-operative banks. In order to get the information in regard to the performance of District Central Co-operative Bank a structured interview will be conducted with Bank Managers & Loan Officers.

### **SCOPE & LIMITATIONS OF THE STUDY:**

The study deals with, the work done by District Central Co-operative Banks in its area of operation i.e. Maharashtra. The detailed study covers only from the year 2000-01 to 2007-08. The functioning of District

Central Co-operative Bank thus becomes the universe of the present study. A detailed investigation on the functioning of DCCBs and sample respondents (Bank Managers) would certainly disclose and highlighted the factors affecting the performance of the DCC Banks. The scope of this research work is restricted only to a study of the various aspects mentioned in the objectives.

Co-operative Banking sector is very vast in nature. Here the researcher selected only District Central Co-operative Banks in Maharashtra for the performance study. 'Performance' is be find out in the nature of Capital, Deposits, Loans, Borrowings, Income, Expenditure, etc. from the published records of DCCBs. For the data and information researcher is depends on the interview of selected Bank Managers and published annual reports of DCCBs.

#### DATA ANALYSIS:

The progress of the District Central Co-operative Banks in Maharashtra can be seen from the following figures:

**TABLE NO. 01:NO. OF DISTRICT CENTRAL CO-OPERATIVE BANKS IN MAHARASHTRA.**

Sr. No.	Year	No's
1	2000-01	30
2	2001-02	30
3	2002-03	30
4	2003-04	31
5	2004-05	31
6	2005-06	31
7	2006-07	31
8	2007-08	31

*Source: Cooperative Movement at a Glance in Maharashtra*

Table No. 6.01 and Graph No. 6.01 shows the data about total number of District Central Cooperative Banks in Maharashtra. The table shows that during the year 2000-01 to 2002-03 there was 30 DCCBs and during 2003-04 to 2007-08 there was 31 numbers of DCCBs working in Maharashtra State.

**TABLE NO. 02:NO. OF BRANCHES OF DISTRICT CENTRAL CO-OPERATIVE BANKS INCLUDING HEAD OFFICE.**

Sr. No.	Year	No's	Increase / Decrease (Rs. in Lakh)
1	2000-01	3718	100.00
2	2001-02	3804	102.31
3	2002-03	3807	102.39
4	2003-04	3793	102.01
5	2004-05	3729	100.30
6	2005-06	3689	99.22
7	2006-07	3646	98.06
8	2007-08	3683	99.06

*(Source: Cooperative Movement at a Glance in Maharashtra)*

Table No. 6.02 shows the total number of branches of DCCBs in Maharashtra during the year 2000-01 to 2007-08. In the year 2000-01 the number of branches of DCCBs was 3,718 increased up to 3,807 in the year 2002-03 and then decreased up to 3,683 up to the year 2007-08. The study concludes from the table that the number of branches of DCCBs is decreased during the study period.

**TABLE NO. 03: TOTAL MEMBERS OF DISTRICT CENTRAL CO-OPERATIVE BANKS**

Sr. No.	Year	No's	Increase / Decrease (In Thousands).
1	2000-01	114	100.00
2	2001-02	119	104.39
3	2002-03	121	106.14
4	2003-04	129	113.16
5	2004-05	123	107.89
6	2005-06	116	101.75
7	2006-07	131	114.91
8	2007-08	136	119.30

(Source: Cooperative Movement at a Glance in Maharashtra)

The Table No. 6.03 shows the total number of members of DCCBs during the year 2000-01 to 2007-08. In the year 2000-01 the total number of members was 1,14,000 increased up to 1,36,000 up to the year 2007-08. The number of increases in the branches shows during the study period was 119.30 per cent. The study concludes from the above table that only 19.30 per cent increase records during the study period in the total members.

**TABLE NO. 04: SHARE CAPITAL OF DISTRICT CENTRAL CO-OPERATIVE BANKS IN MAHARASHTRA**

Sr. No.	Year	Rs.	Increase / Decrease (Rs. in Lakh)
1	2000-01	68315	100.00
2	2001-02	78632	115.10
3	2002-03	86591	126.75
4	2003-04	93992	137.59
5	2004-05	100153	146.60
6	2005-06	108191	158.37
7	2006-07	118441	173.37
8	2007-08	129272	189.23

Source: Cooperative Movement at a Glance in Maharashtra

The Table No. 6.04 shows the data about Share Capital of DCCBs in Maharashtra. It is evident from the table that the share capital of DCCBs increased during the study period. In the year 2000-01 the total share capital of DCCBs was Rs. 68,315 lakh increased up to Rs. 1,29,272 Lakh in the year 2007-08. The conclusion drawn from the Table that during the year 2000-01 to 2007-08 the share capital of DCCBs was increased by 89.23 per cent.

**TABLE NO. 05: SHARE CAPITAL OF DISTRICT CENTRAL CO-OPERATIVE BANKS OCCUPIED BY GOVERNMENT**

Sr. No.	Year	Rs.	Increase / Decrease (Rs. in lakhs)
1	2000-01	785	100.00
2	2001-02	672	85.61
3	2002-03	484	61.66
4	2003-04	548	69.81
5	2004-05	458	58.34

6	2005-06	458	58.34
7	2006-07	458	58.34
8	2007-08	2,435	310.19

*Source: Cooperative Movement at a Glance in Maharashtra*

State Government occupies the part of share capital of DCCBs. The Table No. 6.05 shows the data about the occupied share capital of DCCBs by State Government of Maharashtra. In the year 2000-01 the government undertakes Rs. 785 Laks share capital increased up to Rs. 2,435 lakhs in the year 2007-08. It is concluded from the table that the State Government's share was increased during the study period by more than three times.

**TABLE NO. 06: OWNED FUNDS OF DISTRICT CENTRAL  
CO-OPERATIVE BANKS IN MAHARASHTRA**

Sr. No.	Year	Rs.	Increase / Decrease (Rs. in lakhs)
1	2000-01	2,40,999	100.00
2	2001-02	3,16,017	131.13
3	2002-03	3,93,927	163.46
4	2003-04	4,71,525	195.65
5	2004-05	5,08,277	210.90
6	2005-06	5,80,970	241.06
7	2006-07	6,32,221	262.33
8	2007-08	6,96,600	289.05

*Source: Cooperative Movement at a Glance in Maharashtra*

Table No. 6.06 shows the figures about the owned funds of DCCBs. In the year 2000-01 the owned fund of DCCBs was Rs. 2, 40,999 lakhs increased up to Rs. 6, 96,600 lakh in the year 2007-08. The study concluded from the Table that during the eight years of duration the own funds of DCCBs was increased by 189.05 per cent.

**TABLE NO. 07:DEPOSITS WITH DISTRICT CENTRAL  
CO-OPERATIVE BANKS IN MAHARASHTRA.**

Sr. No.	Year	Rs.	Increase / Decrease (Rs. In lakhs)
1	2000-01	17,86,285	100.00
2	2001-02	19,57,347	109.58
3	2002-03	21,42,020	119.91
4	2003-04	23,88,731	133.73
5	2004-05	24,82,254	138.96
6	2005-06	26,40,230	147.81
7	2006-07	27,65,725	154.83
8	2007-08	31,94,916	178.86

*Source: Cooperative Movement at a Glance in Maharashtra*

Deposit is the important part of any banking institutions. The Table No. 6.07 shows the total deposits of DCCBs during the period 2000-01 to 2007-08. The table shows the amount of deposits in the year 2000-01 was Rs. 17,86,285 lakh was increased up to Rs. 31,94,916 lakhs up to the year 2007-08. The study concludes that the amount of deposits was increased by 78.86 per cent during the study period.

**TABLE NO. 08: BORROWING OUTSTANDING OF DISTRICT CENTRAL CO-OPERATIVE BANKS IN MAHARASHTRA**

Sr. No.	Year	Rs.	Increase / Decrease ( Rs. in lakhs)
1	2000-01	2,44,574	100.00
2	2001-02	2,99,197	122.33
3	2002-03	2,67,556	109.40
4	2003-04	2,36,167	105.53
5	2004-05	2,26,689	92.69
6	2005-06	2,57,566	105.31
7	2006-07	4,51,403	184.57
8	2007-08	4,24,906	173.73

*Source: Cooperative Movement at a Glance in Maharashtra*

Table No. 6.08 displayed the data about borrowing outstanding of DCCBs. It is evident from the table that there was Rs. 2,44,574 Lakh borrowing outstanding in the year 2000-01 increased up to Rs. 4,24,906 Laks. It is concluded from the Table No. 6.08 that that borrowing outstanding was increased by 73.73 per cent during the eight years period.

**TABLE NO. 09: WORKING CAPITAL OF DISTRICT CENTRAL CO-OPERATIVE BANKS IN MAHARASHTRA**

Sr. No	Year	Rs.	Increase / Decrease ( Rs. in lakhs)
1	2000-01	24,27,842	100.00
2	2001-02	27,49,865	113.26
3	2002-03	29,90,487	123.17
4	2003-04	32,90,258	135.52
5	2004-05	34,72,005	143.01
6	2005-06	36,86,387	151.84
7	2006-07	40,70,177	167.65
8	2007-08	45,62,938	187.94

*Source: Cooperative Movement at a Glance in Maharashtra*

Working Capital of DCCBs during the year 2000-01 to 2007-08 is covered in the Table No. 6.09. The Table shows that the position of working capital in the year 2000-01 was Rs. 24,27,842 Lakh continuously increased up to the year 2007-08 is Rs. 45,62,938. It is concluded from the table that the working capital increased of DCCBs during the study period by 87.94 per cent.

**TABLE NO. 10: LOANS ADVANCED BY DISTRICT CENTRAL CO-OPERATIVE BANKS IN MAHARASHTRA.**

Sr. No	Year	Rs.	Increase / Decrease (Rs. in lakhs)
1	2000-01	20,20,830	100.00
2	2001-02	15,82,090	78.29
3	2002-03	13,95,700	69.07
4	2003-04	11,51,736	56.99
5	2004-05	13,93,449	68.95



6	2005-06	13,31,883	65.90
7	2006-07	15,65,606	77.47
8	2007-08	18,59,848	92.03

*Source: Cooperative Movement at a Glance in Maharashtra*

The data about the loans advanced by DCCBs during the eight years distributed in Table No. 6.10. The table shows that the loan amount advanced by DCCBs in the year 2000-01 Rs. 20,20,830 Lakh decreased up to Rs. 18,59,848 in the year 2007-08. It is concluded from the Table that the loans disbursed by the DCCBs during the eight year was not shown progressing trends. During the eight years period the loan amount decreased by near about 8 per cent.

**TABLE NO. 11: LOANS OUTSTANDING OF DISTRICT CENTRAL CO-OPERATIVE BANKS IN MAHARASHTRA.**

Sr. No	Year	Rs.	Increase / Decrease (Rs. in lakhs)
1	2000-01	13,58,906	100.00
2	2001-02	15,57,563	141.67
3	2002-03	15,99,048	163.75
4	2003-04	18,45,529	135.81
5	2004-05	17,13,296	126.08
6	2005-06	19,25,102	141.67
7	2006-07	22,25,158	163.75
8	2007-08	24,44,636	179.90

*Source: Cooperative Movement at a Glance in Maharashtra*

Loans outstanding of DCCBs during the years 2000-01 to 2007-08 is distributed in Table No. 6.11. It is evident from the table that the loans outstanding was Rs. 13,58,906 lakh in the year 2000-01 was increased up to Rs. 24,44,636 Lakh in the year 2007-08. The Table concludes that the outstanding loans were increased by 79.90 per cent during the eight years periods.

**TABLE NO. 12: RECOVERY OF LOANS OF DISTRICT CENTRAL CO-OPERATIVE BANKS IN MAHARASHTRA.**

Sr. No	Year	Rs.	Increase / Decrease (Rs. in lakhs)
1	2000-01	5,05,334	100.00
2	2001-02	4,27,845	84.67
3	2002-03	4,57,088	90.45
4	2003-04	4,38,237	86.72
5	2004-05	5,90,079	116.77
6	2005-06	3,87,414	76.66
7	2006-07	5,01,006	99.14
8	2007-08	3,79,930	75.18

*Source: Cooperative Movement at a Glance in Maharashtra*

The amount of Recovery of loans of DCCBs shows in Table No. 6.12. In the year 2000-01 the amount of recovery was Rs. 5,05,334 lakh. The recovery amount figures decreased up to Rs. 3,79,90 up to the year 2007-08. It is concluded from the study that the amount of recovery is decreased by near about 25 per cent during the study period.



**TABLE NO. 6.13: LOANS OVERDUE OF DISTRICT CENTRAL CO-OPERATIVE BANKS IN MAHARASHTRA**

Sr. No	Year	Rs.	Increase / Decrease (Rs. in lakhs)
1	2000-01	2,01,613	100.00
2	2001-02	3,41,603	169.44
3	2002-03	3,77,632	187.31
4	2003-04	5,53,205	274.39
5	2004-05	4,38,966	217.73
6	2005-06	5,25,995	260.89
7	2006-07	5,53,423	274.50
8	2007-08	7,75,214	384.51

*Source: Cooperative Movement at a Glance in Maharashtra*

The amount of loans overdue of DCCBs shows in Table No. 6.13. The amount of overdue in the year 2000-01 was Rs. 2,01,613 lakh was continuously increased up to Rs. 7,75,214 in the year 2007-08. The study concludes from the table that the amount of overdue was heavily increased by 284.51 per cent during the study period.

**TABLE NO. 6.14: PERCENTAGE OF OVERDUE TO OUTSTANDING OF DISTRICT CENTRAL CO-OPERATIVE BANKS IN MAHARASHTRA**

Sr. No	Year	Percentage	Increase / Decrease (Rs. in lakhs)
1	2000-01	14.84	100.00
2	2001-02	21.93	147.78
3	2002-03	23.61	159.10
4	2003-04	29.98	202.02
5	2004-05	25.62	172.64
6	2005-06	27.32	184.10
7	2006-07	24.83	167.32
8	2007-08	31.71	213.81

*Source: Cooperative Movement at a Glance in Maharashtra*

The percentages of overdue of DCCBs are shown in Table No. 6.14. It is evident from the table that the percentage of overdue increased year after year. It was 14.84 per cent in the year 2000-01 is increased up to 31.71 per cent in the year 2007-08. It is concluded from the Table that the increase percentage is 113.81 per cent during the eight years.

**TABLE NO. 6.15: NO OF DISTRICT CENTRAL CO-OPERATIVE BANKS IN PROFIT IN MAHARASHTRA**

Sr. No	Year	Numbers
1	2000-01	22
2	2001-02	16
3	2002-03	16
4	2003-04	16
5	2004-05	16

6	2005-06	16
7	2006-07	16
8	2007-08	16

*Source: Cooperative Movement at a Glance in Maharashtra*

The Table No. 6.15 shows number of DCCBs in profit during the study period. In the year 2000-01 there was 22 DCCBs in profit and it was decreased from the year 2001-02 up to 16 numbers in the year 2007-08. The study concludes that the number of profit earning DCCBs in Maharashtra decreases year after year.

**TABLE NO. 6.16:AMOUNT OF PROFIT OF DISTRICT CENTRAL CO-OPERATIVE BANKS IN MAHARASHTRA.**

Sr. No	Year	Rs.	Increase / Decrease (Rs. in lakhs)
1	2000-01	9,579	100.00
2	2001-02	13,063	136.37
3	2002-03	13,520	141.14
4	2003-04	9,766	101.95
5	2004-05	10,746	112.18
6	2005-06	9,875	103.09
7	2006-07	7,745	80.85
8	2007-08	8,325	86.91

*Source: Cooperative Movement at a Glance in Maharashtra*

Amount of profit of DCCBs in the period 2000-01 to 2007-08 is covered in Table No. 6.16. It is evident from the table that the amount of profit was Rs. 9,579 lakh in the year 2000-01 was increased up to 13,520 lakh in the year 2002-03 and after this year except 2004-05 it was in declining trends up to the year 2007-08. It is concluded from the study that the amount of profit come down up to 86.91 per cent in the year 2007-08.

**TABLE NO. 6.17:AMOUNT OF LOSS OF DISTRICT CENTRAL CO-OPERATIVE BANKS IN MAHARASHTRA.**

Sr. No	Year	Rs.	Increase / Decrease (Rs. in lakhs)
1	2000-01	13,097	100.00
2	2001-02	1,50,662	1150.36
3	2002-03	1,64,017	1252.32
4	2003-04	1,41,227	1078.32
5	2004-05	1,44,009	1099.56
6	2005-06	1,50,662	1150.35
7	2006-07	1,64,014	1252.30
8	2007-08	1,85,070	1413.07

*Source: Cooperative Movement at a Glance in Maharashtra*

The amount of loss of DCCBs also covered in Table No. 6.17. The table shows that the loss amount of Rs. 13,097 lakhs in the year 2000-01 was continuously increased up to Rs. 1,85,070 in the year 2007-08. It is concluded from the study that the amount of loss was heavily increased by 1313.07 per cent during the study period.

## DISCUSSION OF RESULTS:

The present study intends to analyze the critical evaluation of cooperative credit sector in India as well as in Maharashtra. It is now increasingly recognized that the co-operative credit system in India as the capacity and potentiality to neutralize the adverse effects merging from the process of globalization. After economic liberalization under the new economic environment, cooperatives at all levels are making efforts to reorient their functions according to the market demands. The failure of the public sector in several cases is a worrisome trend. Privatization has also failed to make an impact in the rural areas. Therefore there is great hope on the cooperative sector. The study examines the causes of slow progress and highlights the emerging role and challenges of the cooperative sector. In comparison to the step-motherly treatment of the past, cooperatives are now considered an important plank of development. The government is committed to cooperative development. The cooperatives have inherent advantages in tackling the problems of poverty alleviation, food security and employment generation. Cooperatives are also considered to have immense potential to deliver goods and services in areas where both the state and the private sector have failed.

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