

Prologue

Co-operative must change their mind set from a humble beginning in the field of agriculture credit diminution in the 20 th. Their co-operative sector in India has played an important role in economic development of the country. It has certainly made a significant contribution in sectors like farming, manufacturing, sugar, dairies, and pro cussing co operative. Spinning textive, fisheries distribution of fertilizers housing banking co-operative branches etc. one can not think of normal credit without the co-operative credit has a her work with covering call villages, their lending has covering call villages, and their lending has reached to 700 cro. Rs. During 1997-98. At the district level 23, DCC bank plays a vital role in channeling rural credit. Today their deposit position is almost Rs. 3000 crs registering 300% growth in the work a privatilizatim and liberalization presently the DCBS take multiple challenges like competition with commercial banks.

The impact of new economic policy (NEP) will also have far reading effects on the functioning of consumer co-operatives, particular traders when these consumers co-operative have to compacts with private Traders, even when there is declining trend in getting support from the scale. In the face of serious required constants, the performance of consumer co-operative recent past is not impressive he rice consumer co-operative have to find out their own new financial resources internally like mobilizing deposits from public also.

Co-operative marketing and co-operative banking sector is a required step proposed for improvement.

The co-operative processing include sugar, oilseeds, milk fruits vegetables, flowers etc. the cooperative in industries add

value to primary product and contribute to rapid economic development generate employment private employee opportunities to rural educational youths encourage. Leadership and co-operative Entrepreneurship, there are co-operative entrepreneurship, there are 420 sugar mills producing 20 million tonnes sugar annually. Cooperative occupy a dominant position in sugar production contributing about 60 to 65 % to total National productizing 25 million members are directly or indirectly involved and benefited through co-operative sugar production, alcohol, paper panel Board, power, generation acetylene plants are diversified areas of sugar co-operative.

Maharashtra role in sugar production quiet admirable. India is the 4th major producer in the world

During recent years co-operative significantly increased its importance are now 211 co-operative sugar mills in India in which Maharashtra has a lon's share with 120 sugar mills. However in the wave of globalization privatization the whole scheme of sugar control is not in the interest of sugar industrial or economy. As a part of restore price and distribution controls on malasses appear to be abolished. Despite many handicaps the Co-operative. In this sugar sector has developed fast.

Urban co-operative banks are one of the important constitutions of banking system in the country. The distinguishing features are democratic management local full and familiarity compactness in area of operative and mutual knowledge of members.

These special characteristics strengthen then the system. However there are some weaknesses also. E.g. many of them can

not about the damages caused by - management and injudicious lending.

Hence, they have to be carefully managed in order to be helpful to its members.

Due to deregulation of interest rates on deposits, as well as advances, permission granted to banks to increase capital base (Public issue) full functional autonomy and most significantly permission given in private sector to open new banks. Entry given to foreign banks. These factors may create the road of success very hard, for urban co-operative banks

Regarding cooperatives legislation co-operative have superior and admirable features, co-operative can confer better.

While sugar co-operative in Maharashtra milk co-operative in Gujarat, Bidi in Karalla are examples of better run co-operatives. Bulks of co-operative have also failed even in Maharashtra, at of 1.20 lakh societies only 85000 were in operation and 35000 were in sick. Bulk of co-operatives failed due to one man – one vote.

This type of legislation provides a good ground for politicians to interfere in business. Maharashtra state co-operative Act can in force in may 1961 to give a boost state's economy, but may co-operative still depend on the Government the present act power are delegated to few officers. There is backlog of appeals. Appeal procedure also numbers some. Hence Maharashtra co- operative act also needs to be changed in the light of liberalization and Globalization.

1. As India enters next millennium of increasing liberalization across the board and the graving globalization of the world economy under WTO regime co-operative are going to face some challenges like

- a) Inter signified competition both domes and external
- b) Modernizing absolute technology
- c) Producing goods of international
- d) Worry for environmental protection and over coming

2. In conclusion , we can say in a globalization world co – operative can not expects any finance assistants from the Govt. in order to meet the major changes of the new liberalizes economy co-operative should take following measures.

I. Co-operative must concentrated only on key areas where they have a competitive as edge. Such as processing rural credit disbursement marketing dairy industrial etc. co-operative have a vast network through the country etc.

II. Co-operative must change their mind set from proprotectionist policies to promotional policies.