

CHAPTER VII

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The present study has attempted a scrutiny of the leadership in the urban cooperative banks. The investigation is a sample study of the following 4 leading UCBs in Kolhapur city:

- (1) Kolhapur Urban Cooperative Bank Limited,
- (2) Kolhapur Maratha Urban Cooperative Bank Limited,
- (3) Shree Mahaveer Urban Cooperative Bank Limited,
- (4) Shree Veershaiva Urban Cooperative Bank Limited.

For the purpose of analysis, information of all these four banks regarding their working results, persons on boards of directors, chairmen and vice-chairmen since the inception was collected and processed.

Findings of the study are summarised below.

7.1 In 1989, the number of UCBs in India stood at 1,378. Unbalanced growth in respect of UCBs is found in India; 199 districts in the country do not have even a single UCB. Maharashtra leads among all the States. There were 385 UCBs in this State in 1989, constituting 30 per cent of the national total. Even though Maharashtra State has outstanding performance in the growth of PCBs, the growth is spatially

ineven as there is heavy concentration of PCBs in Pune and Bombay Divisions of the State. Development of the PCBs in Maharashtra has remained largely restricted to the Western Maharashtra. Therein also, 36 per cent of the total banks of the State are in Pune Division. Out of 136 PCBs in Pune Division, 42 banks are in Kolhapur district, including 15 banks located in Kolhapur city, the district headquarters. Within Kolhapur district, concentration is heavier in Kolhapur city and Hatkanangale taluka, as both the regions are the hives of industrial and commercial activities.

7.2 In the pre-Independence period, active leadership from the non-governmental officials came forth with a service motive and out of patriotism. After Independence, educated people, rural elite, dominant castes in the regions and active politicians at the local and higher levels were in the vanguard in floating PCBs.

7.3 The leadership of cooperative activity in Kolhapur district came initially from the Rulers of the Princely State and the officials therein. In the establishment of urban cooperative banks in the district, the trading community was in the forefront. The reason is, this class needs banking facility most. It is interesting to note that the agriculturists were active in taking up the lead while floating the banks. Because, even though agriculture was their main occupation, side by side, they had business activities. At present,

the business class leads in the Boards of Directors. It may be noted that the role of women was conspicuous by absence not only in the establishment and growth but also during the last two decades.

7.4 The leadership, in general, has been provided mostly by the middle-aged persons falling between the range of 30 to 50 years. Generally, a person gets settled in his life at the age of about 30 years. Then, he thinks of making a name outside his vocation. The UCBs provide avenues for such ambitions.

7.5 The UCBs, by the process of their establishment and management by persons of specific castes, have attempted to build the leadership from within the dominating castes.

7.6 Most of the UCBs have seen the limelight out of the financial needs of the industry and the business community of relatively small means.

Majority of the directors were from Kolhapur proper, as Kolhapur city provided ample scope since long for endeavours in industry and business.

7.7 Characteristics of majority of persons on the Board of Directors of the four sampled UCBs can be seen from Table 7.1 (on the following page).

7.8 Leadership of the banks has sprung up largely from the less educated sections of the society.

Table 7.1

Characteristics of the majority of persons on the Board of Directors of the sampled UCBs in Kolhapur City

Name of the UCB	Characteristics as revealed by				Residence
	Age-group	Caste	Education	Vocation	
1. Kolhapur	Middle age	Maratha	Upto 7th standard	Businessmen and industrialists	Local
2. Maratha	Young age	Maratha	Upto 7th standard	Businessmen and industrialists	Local
3. Mahaveer	Middle age	Jain	8th to 10th Standard	Businessmen and industrialists	Local
4. Veershaiva	Middle age	Lingayat	Upto 7th standard	Businessmen and industrialists	Local

7.9 Leadership in the four banks in question has contributed its mite to the growth and development of the banks. Especially during the two decades of 1971-91, all the banks showed growth by leaps and bounds as could be seen by their working results. Overall leadership performance, as noticed through the working results, was the best with Maratha Bank, with Veershaiva bank, the second best. Kolhapur and Mahaveer Banks were on par at the third place.

7.10 Regarding the tenure of members, the four banks can be arranged in sequence with decreasing degree of power concentration as follows: Kolhapur, Veershaiva, Mahaveer and Maratha. Leadership of the cooperative banks is in the hands of long tenured persons.

7.11 Regarding the tenure of chairmen, the four sampled banks can be put in increasing order of concentration as follows: Kolhapur, Maratha, Mahaveer and Veershaiva.

7.12 Regarding the tenure of vice-chairmen, the four sampled banks can be arranged in the sequence of increasing degree of concentration as follows: Kolhapur, Maratha, Veershaiva and Mahaveer.

The analysis, on the whole, reveals a tendency towards concentration of power in few hands. As such, in case of each bank, there is a band of chosen few, which is active in managing and monitoring the affairs of the bank, which

is against the principle of cooperatives, that is, democratic control. They can be considered as providing leadership to the bank, whatever be their ultimate motive. It is not clear, however, whether their initiative and active participation is motivated entirely by cooperative spirit or not. However, a deeper probe is necessary in order to gauge the benefits of long tenures of few persons. The inferences will depend on the bank's readiness to supply the required information. This is the avenue which can well be explored with perseverance.