

Reducing Unemployment through Co-Operative Movements

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Abstract: *Decision making is a fundamental aspect of human life, influencing the choices we make on a daily basis. Whether it's choosing what to wear in the morning, deciding where to go for lunch, or making significant life- altering decisions, the process of decision making is integral to our existence. At its core, decision making involves selecting a course of action from various alternatives. This process is not only pervasive in everyday life but also crucial for personal development, societal functioning, and organizational success.*

Keywords: Decision making

I. INTRODUCTION

Background of the study Co-operative is a basis for overall transformation of citizenry social and economic problems. According to Berko (1987 :29), co-operative society is a voluntary and democratic association of persons, with variable membership and variable capital whose members pooled themselves and their resources together on mutual and self help basis to form a business enterprise which seeks to solve the socio-economic problem(s) of these members by directly providing goods and services to them in their capacity as either the owner/customer or owner – employees of the cooperative enterprise.

cooperative is defined as an association usually incorporated with economic aims, formed by or for persons or co operations, having common needs, approximately equal voice in management, making approximately equal or proportional contributions to capital, deriving proportionate services and benefits from it. Co- operative in order to promote the welfare of their members involve themselves in most tangible projects like building of houses, building of schools, building of hospitals, building of recreation centers, markets and building of industries. Co-operative serves as a hold to company and local development agency; it also seek to provide a community owned structure.

Statement of Problems:

Today, there is vast unemployment in India in particular. After many years of democracy there are graduates of 15 (fifteen) years standing, that roam the street in search of white-collar jobs that don't exist. Unemployment is still on the increased irrespective of federal government budget to curb the scourge. In the year 2000 the Federal government budgeted 10 billion and 20 billion in 2001 to deal with unemployment yet, unemployment increases on daily basis.

However, the fact remain that no country can succeed in providing a reasonable standard of living for her citizens. It is now obvious that the only option left of us is to adopt the socio – economic model of mutual self help whereby unemployed

individuals can voluntarily join together to achieve a common goal through the formation of co-operative enterprise. Co-operative we know plays multiple roles as institutional frame work for allocating scarce resources, stimulating economic growth and enhancing economic welfare. It raises the income level of the people by

providing income earning opportunities. Many reasons have been given for this critical situation concerning jobs, and such reasons include rapid growth of

population in our country, the movement of capital to the cheap labour and the impact of new technology.

OBJECTIVES OF THE STUDY:

This research has the major objectives of finding in comparative terms on the heavy promotion and creation of cooperative enterprise and exploit the economic benefits associated with them in Enugu North Local Government Area from 2000 – 2004.

Specific Objectives Include:

- To identify the socio – economic characteristic associated with cooperative societies.
- To identify the support for modern farming investment for industrial development and expansion of market through cooperative movement.
- To examine the volume of unemployment created by cooperative society.
- To assess the volume of viable cooperative society.
- To identify the problems of cooperative movement in creating job opportunities in Nigeria and Enugu North in particular.
- To make recommendations on how to improve cooperative societies in order to meet the demand of reducing unemployment.
- To find out possible project cooperative can be involve in.
- To find out the number of people employed by cooperative society in Enugu North from 2000 – 2004.

SIGNIFICANCE OF THE STUDY

There is the need for reducing unemployment in our society and Enugu North in particular and the only way out is through cooperative movement. This analytical study shows the extent of some particular proposals for solutions to these problem of unemployment in Enugu North Areas and also serve as a basis for offering, informed suggestions for improvement on its social-economic development and growth. It is envisaged that the findings, suggestions and recommendations of this study will be beneficial to all members and non members of cooperative society and government as well. Specifically, this research will go a long way to encourage people to join co- operative society. To further the scope of this study, discussion and the possible means of efficient implementation will be based on the followings:

- Enhance economic, social and cultural situation of strata within limited resources and opportunities as well as to promote their initiatives.
- Improve social condition and provide social services in the areas of housing, education, electricity, health and communication.
- Increase personal and national wealth through campaigning against waste. It also impact the element for democratic control of economic activity.

Therefore, since cooperative thinks about the enhancement of their members well being as their prime ideology, it has to work towards the achievement of this target. Also this research study is primarily concerned in addition to the formal pronouncement of cooperative distribution on how to make them functional that is providing as social-economic development and growth there by creating job opportunities as the prime ingredient to achieving its aim.

UNEMPLOYMENT AND COOPERATIVE –AN OVERVIEW

What is Unemployment?

Unemployment is a term referring to individuals who are employable and actively seeking a job but are unable to find a job. Included in this group are those people in the workforce who are working but do not have an appropriate job. Usually measured by the unemployment rate, which is dividing the number of unemployed people by the total number of people in the workforce, unemployment serves as one of the indicators of a country's economic status.

Understanding Unemployment:

The term “unemployment” is often misunderstood, it as it includes people who are waiting to return to a job after being discharged, yet it does not include individuals who have stopped looking for work in the past four weeks due to various reasons such as leaving work to pursue higher education, retirement, disability, and personal issues. Also people who are not actively seeking a job but do want to work are not classified as unemployed.

Interestingly, people who have not looked for a job in the past four weeks but have been actively seeking one in the last 12 months are put into a category called the “marginally attached to the labor force.” Within this category is another category called “discouraged workers,” which refers to people who have given up looking for a job.

Types of Unemployment:

There are basically four types of unemployment:

- 1) demand deficient
- 2) frictional
- 3) structural
- 4) voluntary unemployment

EXPLANATION

i. Demand deficient unemployment

Demand deficit unemployment is the biggest cause of unemployment that typically happens during a recession. When companies experience a reduction in the demand for their products or services, they respond by cutting back on their production, making it necessary to reduce their workforce within the organization. In effect, workers are laid off.

ii. Frictional unemployment

Frictional unemployment refers to those workers who are in between jobs. An example is a worker who recently quit or was fired and is looking for a job in an economy that is not experiencing a recession. It is not an unhealthy thing because it is usually caused by workers trying to find a job that is most suitable to their skills.

iii. Structural unemployment

Structural unemployment happens when the skills set of a worker does not match the skills demanded by the jobs available, or alternatively when workers are available but are unable to reach the geographical location of the jobs. An example is a teaching job that requires relocation to China, but the worker cannot secure a work visa due to certain visa restrictions. It can also happen when there is a technological change in the organization, such as workflow automation that displaces the need for human labor.

iv. Voluntary unemployment

Voluntary unemployment happens when a worker decides to leave a job because it is no longer financially compelling. An example is a worker whose take-home pay is less than his or her cost of living.

Causes of Unemployment

Unemployment is caused by various reasons that come from both the demand side, or employer, and the supply side, or the worker.

Demand-side reductions may be caused by high interest rates, global recession, and financial crisis. From the supply side, frictional unemployment and structural employment play a great role.

The following are the main causes of unemployment:

Caste System:

In India caste system is prevalent. The work is prohibited for specific castes in some areas.

In many cases, the work is not given to the deserving candidates but given to the person belonging to a particular community. So this gives rise to unemployment.

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Slow Economic Growth:

The rate of industrial growth is slow. Though emphasis is laid on industrialisation yet the avenues of employment created by industrialisation are very few.

Defective Planning:

Defective planning is the one of the cause of unemployment. There is wide gap between supply and demand for labour. No Plan had formulated any long term scheme for removal of unemployment.

Expansion of Universities:

The number of universities has increased manifold. There are 385 universities. As a result of this educated unemployment or white collar unemployment has increased.

Inadequate Irrigation Facilities:

Even after the completion of 9th five plans, 39% of total cultivable area could get irrigation facilities. Due to lack of irrigation, large area of land can grow only one crop in a year. Farmers remain unemployed for most time of the year.

The effect of unemployment on our society:

Unemployment affects not just the person himself but also his/her family and in the long run the society where he lives. Unemployment brings with it despair, unhappiness and anguish. It forces people to live their lives in a way they do not wish to. The life expectancy is negatively affected. Life expectancy is the ease by which people living in a time/place are able to satisfy their needs/wants. Here are the main aspects:

1) Mental health:

Mental health problems like: Low self-confidence, feeling unworthy, depression and hopelessness. With the lost income and the frustration involved in it, the recently unemployed may develop negative attitudes toward common things in life and may feel that all sense of purpose is lost. Frequent emotions could be – low self-esteem, inadequateness and feeling dejected and hopeless.

2) Health diseases:

The unemployment overall tension can increase dramatically general health issues of individuals.

3) Tension at home:

Quarrels and arguments at home front which may lead to tension and increased numbers of divorces etc.

4) Political issues:

Loss of trust in administration and the government which may lead to political instability

5) Tension over taxes rise:

Unemployment also brings up discontent and frustration amongst the tax paying citizens. In order to meet the demands of the unemployment fund the government many a times may have to increase the taxes thus giving way to restlessness amongst the tax paying citizens.

6) Insecurity amongst employees:

The prevailing unemployment and the plight of the unemployed people and their families may create fear and insecurity even in the currently employed people.

Definition of Cooperative Society:

A cooperative society is a voluntary association that started with the aim of the service of its members. It is a form of business where individuals belonging to the same class join their hands for the promotion of their common goals.

These are generally formed by poor people or weaker sections of people in society. It reflects the desire of the poor people to stand on their legs or own merit.

His philosophy of the formation of a cooperative society is “all for each and each for all”. Cooperation work with the feeling of helping others.

A cooperative society is a special type of society, which is established by an economically weak person for the betterment and upliftment of their economic condition through mutual help.

Many business organizations have the main motive to earn profit and also exploit customers.

But this organization is based on help each other through available resources and also provide goods to society members without profit or at a lower price.

Simply speaking, we know that cooperative means to work together to improve their economic condition. This organization is based on “all for each and each for all”.

So this organization will function under the mutual cooperative of all the members. In this organization, all members will be equal and free for their rights. Therefore “one man one vote” system will prevail in this society.

Many business enterprises established to earn a profit, but cooperative society has a motive of service to the members of the society for common welfare not to earn a profit.

The main objective of this society was to save poor people providing goods at a lower price from the market price and eliminate the middle man and supply better services to its members.

Characteristics of Cooperative Society

Based on the above definitions, we can derive the following characteristics of cooperative organizations.

1. Voluntary association

Everybody having a common interest is free to join a cooperative society. There is no restriction based on caste, creed, religion, color, etc. Anybody can also leave it at any time after giving due notice to the society.

That is the specialty of any cooperative society. There should be a minimum of 10 members for a cooperative society, but there is no maximum limit for the membership.

2. Separate legal entity

A cooperative society after registration is recognized as a separate legal entity by law. It acquires an identity quite distinct and independent of its members can purchase, dispose of its assets, can sue, and also can be sued.

3. Democratic management

Equalities are the essence of cooperative enterprises, governed by democratic principles. Every member has got equal rights over the function management of that society. As such, each member has only single voting right irrespective of the number of shares held or capital contributed by them.

In the case of a cooperative society, no member detects the terms and conditions of the functioning because “one man one vote” is the thumb rule.

4. Service motive

The main objective being the formation of any cooperative society is for mutual benefit through self-help and collective effort. Profit is not at all on the agenda of the cooperative society. But if members so like, they can take up any activities of their choice to generate a surplus to meet the day-to-day expenses.

5. Utilization of surplus

The surplus arising from the operation of a business is partly kept in a separate reserve and partly distributed as dividend among the members.

6. Cash trading

One exception in the cooperative society is that like other businesses, it never goes for credit sales. It sells goods based on cash only.

Hence, the cooperative society hardly comes across financial hardship because of the noncollection of sales dues. Members can only purchase based on credit, which is an exception to the present rule.

7. Fixed-rate of return

All members are supposed to contribute capital for the formation of a cooperative society or at the time of joining as a member of the cooperative society.

8. Government control

The government regulates all the cooperative societies of the country through its different rules and regulations framed from time to time.

Cooperative societies of the country are required to register, and sometimes different State Governments also frame laws regarding the registration and functioning of cooperative societies for their states.

9. Capital

The capital of the society is raised from its members by way of share capital. However, the major part of finance is raised by the society by taking a loan from the government or by accepting grants and assistance from the Central or State Government or from the apex cooperative institutions like state and cooperative central banks operating in that state.

Principles of Cooperative Society

The followings are some of the principles on which a cooperative society stands:

i. Voluntary association

The membership of a cooperative society is voluntary and open to all adult persons having common interests. Any person can become a member of the organization irrespective of caste, creed, color, sex, and religion.

ii. Autonomy

A cooperative society is a self-governing institution. It enjoys the status of autonomy because it is self-sufficient, self-renewing, and self-controlling organization. It has a continuous existence because it is not affected by the death of any member of society.

iii. Capital

The capital of a cooperative society is raised from its members in the form of share capital. As the share capital is not sufficient to meet its operational cost, it borrows loan from the government or apex cooperative organization.

iv. Service motive

It is organized to render service to its members and not to make a profit

v. Democratic management

The management of a cooperative society is done on the democratic line. The management is vested in the hands of a managing committee elected by the members. The general body of the members determines rules and regulations for the management, the managing committee functions within the framework of the principles framed by the general body.

vi. Government control

The cooperative organizations are subject to the rules and regulations of the government because it is registered.

vii. Status of the members

In a cooperative society, each member is given one vote irrespective of the number of shares held by him. In this organization, nobody can control society based on his share capital.

viii. Distribution of surplus

The income of the cooperative societies is distributed among the members based on their capital contribution.

ix. Cash Trading

The trading operation of the cooperative society is done based on cash. It never allows the principles of credit in its trade practice.

x. Mutual help

It always aims at developing the spirit of cooperation among the members. Every member of the society is required to act for the maximum benefit to other members. It is based on the principle “all for each and each for all”.

Objectives of Cooperative Society

Cooperative societies and organizations have several main objectives.

Such organizations are considered to be jointly controlled by those working at the organization and those receiving services from the organization. So, in essence, there are high levels of cooperation between these two parties of people.

Cooperative societies originally came about to unite business owners with their staff members. They led to the practice of private companies being ‘split’ into shares, which were given to employees at various levels of the company.

Essentially giving each individual within a firm a small piece of it raised

productivity, as people gained the sense that they were very much part of the organization, rather than just somebody working for it.

The following points describe some of the main objectives a cooperative society has.

a) Enhancing cooperation:

Cooperative societies aim to encourage complete cooperation between

everybody involved with an organization. They are generally against the idea of any sort of hierarchy, and consider everyone to be equal.

This can improve relationships between staff members and senior management, as well as between service providers and customers.

b) High level of service:

Better working relationships naturally lead to higher productivity levels, so a better service is given to customers. This raises customer satisfaction levels, which is the primary aim of many cooperative societies.

For instance, student accommodation units may be cooperative societies. Students will

be happier with their accommodation and the staff remembers will find their working life much easier.

c) Higher profits:

Many cooperative societies are essentially out to make a profit and believe that enhancing relationships will lead to high-profit levels. Of course, this plan may not always work, but in many cases, it has proved effective.

Some charities have also benefited from operating as a cooperative society, as charity members become more focused on their work, raising more money for the cause in question.

Role of Cooperative society

a) Creation of unity:

“Unity is strength” is the guiding principle of a cooperative society. In this purpose cooperative united the weaker and guide them to go ahead with mutual cooperation which helps to endure social relationship

b) Awaking working zeal:

Co-operate society helps to awake a new working spirit in the mind of those people who are defeated and spiritless in the struggle of life.

Cooperative society encourages people to dream a new dream and work with new inspiration.

c) Bringing welfare for the members:

A cooperative society is established just for bringing the economic and social welfare for its members. In this purpose, cooperative society develops thinking working attitude as well as the mental condition of the constituents.

Besides by self retirement opportunity and giving dividends. It ensures economic development.

d) Reducing inequality of wealth:

Capitalism creates inequality of wealth, and cooperative society helps to reduce this as well as helps the equal distribution of wealth. It creates self-employment opportunities and encourages the members to compete with others.

e) Establishing equal rights:

To establish equal rights, cooperative society fixed the limitation of purchasing shares. Besides this, democracy and equal voting rights are also followed.

Equal right contributes to establishing social order and justice.

f) The teaching of moral principles:

Cooperative society plays an important role in mental improvement by teaching moral principles like unity, trust, honesty, order, cooperation, which ensure social order.

g) Improving skill:

Cooperative society leads a great role by providing a training program for improving the skill of uneducated poor and unskilled members.

h) Removal of middle man:

The cooperative society helps to protect the lower and middle-class people of the society who have fixed income, from the greedy clutch of profiteering, capitalist, and the middle man.

This society produces or collects goods from the manufacturer and supplies these goods to the members at a cheap rate. In this way, it achieves its objectives.

i) Loan facilities:

Poor producers suffer from capital problems. Cooperative credit society, multipurpose cooperative society lend money to these people at a very low- interest rate.

j) Economic development:

By developing agricultural and irrigation systems and to give loans and counseling for small industries and cottage. It also helps to remove poverty and ensure economic development of the country.

DESCRIPTIVE ANALYSIS

unemployment rates are high and steady, there are negative impacts on the long-run economic growth. Unemployment wastes resources, generates redistributive pressures and distortions, increases poverty, limits labor mobility, and promotes social unrest and conflict. The effects of unemployment can be broken down into three types:

Individual:

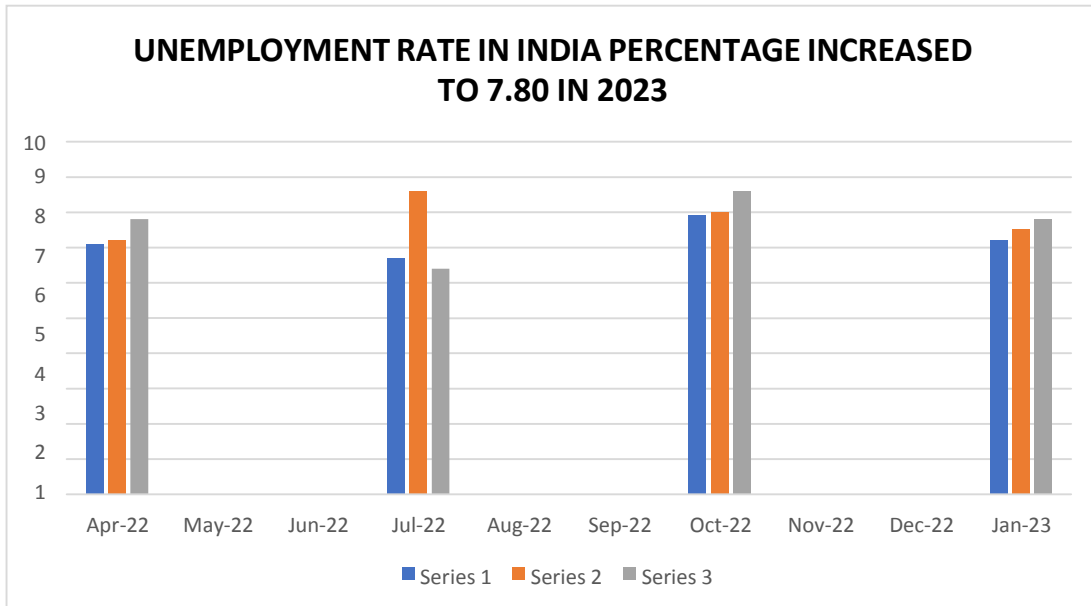
people who are unemployed cannot earn money to meet their financial obligations. Unemployment can lead to homelessness, illness, and mental stress. It can also cause underemployment where workers take on jobs that are below their skill level.

Social:

an economy that has high unemployment is not using all of its resources efficiently, specifically labor. When individuals accept employment below their skill level the economies efficiency is reduced further. Workers lose skills which causes a loss of human capital.

Socio-political:

High unemployment rates can cause civil unrest in a country.



FINDING:

Information and technological development has modernized and increased the pace of life and business throughout the world, customers do not prefer to wait and their tastes and preferences have changed, expectations have increased. Due to unemployment, thousands of educated youth have lost their confidence and future. They have registered their names in the employment exchanges and waiting for their turn to come. The precious Human Resources of the youth are wasted. To tap and utilize talent and capability and earn for their livelihood, the co-operative can be organised. The unemployed youth co-operative basically emanated because of the need for providing gainful employment to the youth. The Society will generate direct employment to around 5000 youth and indirectly another 5000 will get employment. The society has foreseen the need for services in three areas namely finance, judiciary and administration, which normally requires very quick transmission or communication of information. An amendment can be made in Civil Procedure Code enabling the court to send notices through service authorized by the High Court to the petitioner and defendant. It is also intended to extend service to the general public, business organization, and educational institutions. The private courier service is very active and monopolizing the market, the public sector organization of Service could not compete with the private. This paved the way for the organization of co-operative. The Co-operative can provide exclusive service to the customers. The profit earned by the society can be shared by members and employees, thereby contributing to their economic development.

MAJOR FINDINGS:

The Principal object of the society is securing profitable employment to the members of the society particularly youth by way of carrying on the entire work with the help of its members or through them.

- To obtain courier contracts from government, government departments, government undertaking, public or private bodies or individuals or co-operative societies and other private parties and thereby provide employment to the members.
- To own, hire or acquire buildings, vehicles, equipments for the purpose of carrying on the activities of the society
- To undertake joint purchase of domestic and other requirements of members
- To encourage self help, mutual help and co-operation among the members.

DIAGNOSTIC ANALYSIS

When India's growth was blooming in 2016-17, it earned the tag of the fastest- growing major economy in the world. Even as the country kept clocking impressive growth numbers for successive quarters, economists were worried about one anomaly — jobless growth.

India's rate of jobless growth had emerged as a top concern among economists who had repeatedly questioned how jobs were not growing as fast as the country's GDP. They warned that the rate of jobless growth could severely impact India's economy which depends heavily on the middle class population, engaged primarily in salaried jobs and entrepreneurship.

While GDP growth in India had been falling since the beginning of last year, the coronavirus shock in 2020 had an overwhelming impact on India's economy and jobs. The pandemic and consequent lockdown laid bare the fragility of India's formal job market, which has collapsed.

Five months into the lockdown, India has witnessed a sharp decline in the number of jobs in the formal sector — the largest source of salaried employment in the country. Even after unlocking the economy, there has been no improvement in the salaried jobs space. The government has cited the unprecedented economic crisis behind the job situation in the country.

However, the coronavirus pandemic may not be the only reason why salaried jobs— one of the most secure forms of employment — are losing prominence in India.

Unemployment in the country had been a problem since 2017-18. A government job survey, whose publication was delayed just ahead of 2019 Lok Sabha election, showed how the country's unemployment reached a four-decade high of 6.1 per cent in 2017-18. The report noted that unemployment was higher in urban areas in comparison to rural areas — an indication that salaried jobs have been dwindling in India for at least three years.

RECOMMENDATION

Following are the suggestions to solve unemployment problem through cooperative movement :

a) Change in industrial technique:

Production technique should suit the needs and means of the country. It is essential that labour intensive technology should be encouraged in place of capital intensive technology.

b) Policy regarding seasonal unemployment:

Seasonal unemployment is found in agriculture sector and agro based industries.

To remove it:

- Agriculture should have multiple cropping
- Plantations, horticulture, dairying and animal husbandry should be encouraged,
- Cottage industries should be encouraged.

c) Change in education system:

Educational pattern should be completely changed. Students who have liking for higher studies should be admitted in colleges and universities. Emphasis should be given on vocational education. Qualified engineers should start their own small units.