

Tushaar Shah. *Catalysing Co-operation: Design of Self-governing Organisations*. New Delhi: Sage Publications, 1996. 315 pages. Hardbound. Indian Rs 295.00.

Within the different types of organisational structures available, it is generally believed that co-operative organisations serve the poor better than the other available alternatives. This belief is based on the fact that these organisations are usually owned and controlled by the people and their objective is to provide services instead of making profits. They are, therefore, considered an important instrument for equitable development, and have been given a prominent role in the national development strategies in many developing countries. It is surprising, however, that the performance of cooperatives is not as satisfactory as it could have been. They have met with only occasional success in Asia. This book explores the causes of this failure.

The book disagrees with the earlier theories and view points about the success of large cooperative organisations which emphasised the need for several favourable factors, such as outstanding leadership and management, favourable social conditions, homogenous groups, and community participation. The book presents an alternative view that is based on the analysis of the field-work in the Indian region of Gujarat, where, despite the presence of all such favourable factors described by the earlier theories, cases of unsuccessful co-operatives are also noted. The author concludes that while the presence of such factors makes success possible and easy, it is the design and the operational strategy which are major determinants of the success or failure of the organisation in this competitive world.

This book is divided into three parts. The first part, consisting of three chapters, describes the chemistry of cooperation. The introductory first chapter presents different theories, typologies, and thoughts related to the co-operatives. In India, the cooperative movement has enjoyed relatively more success in certain regions, such as Maharashtra and Gujarat. The second chapter describes the performance of successful cooperatives in Surat district of south Gujarat. The third chapter tells the story of the unsuccessful organisations in district Kheda of the same state.

The author's examination of the contrasting experiences is based on field-work undertaken during two spells in 1991 and 1992. The author covered a large number of organisations and events during his field-work. In summarising the history of the functioning of various cooperatives in these districts, he observes the powerful influence of the local culture and the existence of strong leadership in successful functioning of the cooperatives in Surat district. The author notes in particular the examples of personal sacrifice, devotion to work, integrity, and the strong faith of some of the leaders. The author presents a model of the interaction between the leader and the community in the successful scenario based on these

observations. On the other hand, in Kheda district, the author found unsatisfactory performance of the cooperatives despite the liberal laws, minimum political and bureaucratic influence, supportive local culture, and strong leadership. By analysing the contrasting experiences reported in these two chapters the author concludes that, in addition to the favourable local culture and strong leadership, the design and methodology to achieve a purpose are important determinants of the success or failure of an organisation.

In order to compare the high and low performing classes of cooperative organisations, three case studies are presented in the three chapters of Part II of the book. Chapter 4 presents the case study of a farmer organisation for lift irrigation in Gujarat. To examine the organisational performance, two alternative forms of lift irrigation system in district Kheda and district Mehsana are analysed. First, the lift irrigation cooperatives that function under the influence of the State, and second, the tubewell companies that perform completely outside the influence of any external factor. Based on the observations collected from the field, the author concludes that the lift irrigation companies of Mehsana are more successful than the tubewell companies of Kheda. This conclusion is based on analyses of the operating efficiency, economic efficiency, and organising performance. He finds vast differences between the designs of these two organisations.

The success story of the sugar cooperatives in Surat and Valsad districts of Gujarat is presented in Chapter 5. This success is explained by their design which enables thousands of cane-growers to cooperatively own and manage a sugar factory. The experience of the dairy cooperatives in the districts of Mehsana, Sabarkantha, Baroda, Surat and Khaira is described in Chapter 6. The success story of the Khaira District Milk Producers' Cooperative Union is based on Anand Pattern, a much-debated rural development doctrine in India. Anand Pattern represents the methodology of building and sustaining an economic enterprise. This methodology has a core and an auxiliary component. The author has retraced the history of successful dairy cooperatives in Gujarat to reconstruct the 'design-concept' of Anand Pattern. He outlines the six propositions that offer valuable guidelines on how to build any large agro-business and run it successfully. Early cooperatives in Gujarat are also compared with subsequent replication of the Anand Pattern in other states of India. The author concludes that *self-creating*, *self-propagating*, and *self-preserving* are the commonly found features in a successful cooperative.

The third part of the book spread over three chapters presents the synthesis of the problem by comparing the earlier theories with the author's own work. The author explains the function of *design* and *design-concept*. He demonstrates how a robust design shapes the organisation's natural propensity to return to its equilibrium by giving examples of successful cooperatives in western India. This part also highlights the four design principles of a successful cooperative. These principles are expressed as follows: (a) get hold of a purpose which is important to the members

and focuses on the member centrality instead of profit maximisation; (b) design its governance structure for maximum feasible patronage cohesiveness; (c) devise an operating system that serves its members' purpose better than the other competing entities; and (d) ensure sustained member-allegiance through a mutuality of rights between the cooperative and its members.

The major factors responsible for a successful organisation are well-identified through a powerful analysis of the information collected from the field. The book also presents useful guidelines and a framework for restructuring the existing cooperatives to ensure survival and success. However, it ignores the role of external factors, such as political and international, in the success or failure of a cooperative. For example, the changing economic outlook and the encouragement of private enterprise in sectors like credit, dairying, and agri-business exert a negative impact on the cooperative movement. This is especially true in countries like India, Sri Lanka, Indonesia, Nepal, and the Philippines. Given the external factors, it might not be easy to implement all the steps that the author suggests. This difficulty might increase in the presence of strong political structures such as those in India and other neighbouring countries. The political, bureaucratic, and other influential barriers can nullify two out of the four design principles listed by the author, namely, the governance structure and the operating system. This has serious implications for future actions; for example, in re-designing the dairy cooperatives.

On the whole, this book is a useful addition to the literature on self-governing organisations. It will be well-received by the intended audience not only in India but also in other developing countries where the cooperative movement failed to gain momentum.

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