Liberal Cooperatives and Microfinance in India: Diagnostic Study of a Cooperative Federation

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Abstract

This case study looks at the processes and functioning of mutually aided cooperative societies (MACS), the "liberal" cooperatives created through special legislation by Andhra Pradesh, India in a drive to make the cooperative structure more member- and growth-centric and less government-dependent. It is argued that in the Indian context, where cooperatives historically have remained under the protective and paternalistic care of the state, promotion of liberal cooperative may yield desired results only when appropriate systems of leadership, governance, and user friendly systems are built using a process-oriented approach.

Keywords: mutually aided cooperative societies, liberal cooperatives, microfinance, India, Andhra Pradesh

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Introduction

Cooperatives in India, having originated in the colonial project of making credit available to the debt-ridden farmers of the Indian countryside, evolved into an indispensable instrument of planned economic action in the post-Independence period. They have remained under the protective and paternalistic care of the state, having been co-opted into the expansive institutional structure of administration. The state's approach to the development of cooperatives has centred on their instrumentality in terms of implementing government programmes, which, in turn, has made them vulnerable to political manipulation. As Taimni (1997) observes, state control has been exercised through a variety of institutions and policy instruments. For instance, the office of the Registrar of Cooperative Societies has been vested with the necessary powers to make cooperatives function as government arms, though the cooperative principles uphold democratic control as the greatest virtue of cooperative organizations. The most powerful instrument of state control, however, has been the financial patronage the government extends to the cooperatives in the form of share capital as also subsidies, concessions and guarantees.

The enactment of the Model State Cooperative Societies Act (1990) was an important step in the direction of freeing cooperatives from excessive government control and interference and of reimagining cooperatives as voluntary and democratic institutions based on self-help and mutual aid (Madan, 2007). Following the Model Act, some states (Orissa, Madhya Pradesh and Kerala) amended their laws, whereas some others (Madhya Pradesh, for instance) opted for enactment of a parallel Act with provisions to ensure member centrality and democratic functioning of cooperative societies.

The southern Indian state of Andhra Pradesh, though, did not reform the Andhra Pradesh Cooperative Societies Act or APCSA (1964) and instead enacted a new one in 1995 – the Mutually Aided Cooperative Societies Act (APMACSA)[2]. The APMACSA provides for "the voluntary formation of cooperative societies as accountable, competitive, self reliant business enterprises, based on thrift, self-help and mutual aid and owned, managed and controlled by members for their economic and social betterment…". This Act co-exists with the APCSA (1964). The major differences between APCSA (1964), which dealt with regular cooperatives, and APMACSA (1995), which opened the way for new "liberal" cooperatives, are presented in Appendix 1.

2 The Cooperative Development Foundation (CDF) or *Sahavikasa*, a not-for-profit organization engaged in promoting cooperatives played the critical lobbying role in getting this law passed.

The APMACSA is considered as an important institutional innovation in microfinance that radically alters the rights, responsibilities and risks of cooperative members (Stuart, 2007) and provides a liberal regulatory framework for cooperatives to experiment[3]. The Act allows for formation of mutually aided cooperative societies (MACS) which are prohibited through their bylaws from raising share capital from the government. Cooperative societies registered under the APCSA (1964) can also get registered as MACS, provided they amend their bylaws suitably and return the government share capital. In case of any outstanding loans or guarantees, a MACS may either enter into a memorandum of understanding with or return the amount to the government. With regard to membership, the Act requires every society to fix "minimum performance expected annually of each member vis-à-vis use of services, financial commitment and participation in meetings, in order to be eligible to exercise the rights of membership including the right to vote" and "the consequences of performing below the minimum level fixed". The Act also provides for the appointment of a Registrar of MACS with limited regulatory powers. The management of the MACS is vested in the Board of Directors and the General Body decides the policies. As Stuart (2007) points out, the MACS Act is distinct in terms of three aspects: (i) autonomy of governance of societies; (ii) clearly specified risks and responsibilities of members; and (iii) restrictions on the powers of the Registrar and the government.

MACS, microfinance, and poverty alleviation: the Andhra Pradesh model

Andhra Pradesh is one of the first states in India to have devised its official poverty alleviation approach around group-based microfinance and a front-runner in the Self help Group[4]-Bank linkage programme introduced in the early 1990s. The state's involvement in microfinance began in the mid-1990s, when, under the aegis of the South Asia Poverty Alleviation Project (SAPAP), the poor households in three districts started getting mobilized into SHGs that could mediate the process of accessing public resources and services. The project also envisaged

3 Between 1995 and 2003 eight more states – Bihar, Jammu and Kashmir, Madhya Pradesh, Chhattisgarh, Karnataka, Rajasthan, Orissa and Uttaranchal - passed separate self reliant cooperative Acts.

4 SHGs are informal collectives of individuals from similar socio-economic backgrounds, located especially in poorer neighbourhoods and organized around the norms of mutuality and trust. The members pool their thrift in groups to lend among themselves and/or leverage formal bank funds.

strengthening the institutional power of the poor to demand government accountability (Radhakrishna and Ray, 2005).

As the poverty eradication approach of the state evolved, SHG and liberal cooperative movements have been converged to create an innovative institutional arrangement. The state poverty alleviation project, *Indira Kranthi Patham* (IKP)[5], follows a three-tier federation model, a model that it inherited from SAPAP. The three tiers are SHGs, village organizations (or VOs or federation of all SHGs in a village) and the *mandal samakhyas* (federation of many VOs). Though the VOs and *samakhyas* were meant to be unregistered and informal federations as per the original specifications, by around 2003 the implementing officials encouraged them to register as MACS (Stuart, 2007). The s*amakhyas* are registered as cooperative federations. The working group constituted by the Government of Andhra Pradesh in 2002 suggested that the institution building methodology "has to ensure that SHG remains the building block of the Federation, even while it operates within the ambit of AP MACS Act 1995"[6]. The role of *samakhya* is key in that it mediates negotiations with government agencies, financial intermediaries and other resource agencies.

As on 31 December 2009, there were 47,113 cooperatives in Andhra Pradesh registered under the MACS Act, of which 45,110 (i.e., 96%) were new registrations and the remaining, converts from the regular cooperative format. Thrift MACS numbered 36,113 (i.e., 77%), followed at a significant distance by dairy and housing societies. The number of thrift MACS was only 7589 in 2006[7], when four districts – Adilabad, Mahboobnagar, Srikakulam and Vijayanagaram – collectively accounted for close to 57% of all total thrift societies. The distribution had become more broad-based by 2009.

No doubt, the convergence of SHG and liberal cooperative movements makes the state's poverty eradication approach an innovative institutional arrangement.

5 Being implemented by the Society for Elimination of Rural Poverty (SERP), *Indira Kranthi Patham* (IKP) focuses on rural poor families in all the 1097 rural *mandals* (a sub-district level administrative unit similar to block in other parts of India) in the 22 rural districts of the state. It has evolved out of two projects – the Andhra Pradesh District Poverty Initiatives Project (APDPIP), known popularly as *Velugu* and the Andhra Pradesh Rural Poverty Reduction Project (APRPRP), launched in 2000 and 2002 respectively. These receive partial external financial assistance from the World Bank. The overall coverage of IKP is estimated as 30 lakh households.

6 See Annexure to G.O.Ms. No.237 Date: 30-07-2003; Panchayat Raj and Rural Development (RD. III) Department.

7 Government of Andhra Pradesh, Monthly Progress Report of Cooperatives Registered under MACS Act as on 31.12.2009.

However, some challenges exist to the effective working of this unique arrangement that arise partly from the lack of awareness among SHGs about the working of the cooperative principles (Reddy and Prakash, 2003) and partly from the conflict between the old ways of group governance and the newly introduced behaviours, practices and rules. It is more so because many federations came under the MACS Act due to the efforts of promoting NGOs and not as spontaneous community response (Reddy and Prakash, 2003). The ability of the liberal cooperative institutions to deliver the desired economic and social change depends on how efficiently these contradictions are negotiated and resolved during the institution-building course.

This case study strives to look at the processes and functioning of liberal cooperatives in Andhra Pradesh with a view to understand the relative advantages and strengths of such member owned and mutually aided cooperative structures (as compared to the conventional cooperatives) in delivering microfinance. The organization studied is a MACS federation based in the Nizamabad district. The case study is constructed with the help of secondary resources, stakeholder interviews and field visits conducted in 2008-09. We had rounds of interactions with the staff across the hierarchy and visited both village and *mandal* level cooperatives. These constituted the empirical core of the study.

Indur Intideepam MACS: status as microfinance intermediary

The Indur Intideepam Mutually Aided Cooperative Federation has its roots in *Gram Abhyudaya Mandali*, a not-for-profit organization established in 1980 to promote sustainable development of the rural areas in 19 *mandal*s in Nizamabad and Adilabad districts. In the initial years, *Gram* concentrated on agricultural extension and services related to health, sanitation and education. Later, it shifted focus to community-based rural financial services. SHG mobilization began in 1993 with focus on savings and internal circulation of loans. In some cases, it also linked these SHGs to banks.

By the late 1990s the organization decided to spin off a distinct microfinance entity, necessitated partly by the decline in the inflow of grants-in-aid to finance its developmental activities[8]. Taking advantage of the APMACS Act, in 1999 it started organising SHGs into *mandal* level MACS. In 2002, 13 such MACS were federated at the district level into an apex structure and registered as the Indur Intideepam Mutually Aided Cooperative Federation (hereafter, the Federation)

8 For instance, Oxfam Novib, a long-term partner of Gram, withdrew their support completely in March 2008.

with an authorized share capital of Rs. 2.5 million, completing the three tier structure. The Federation manages and regulates the *mandal* level MACS. All the MACS are separate legal entities with distinct ways of functioning and having formal agreement of power sharing with the Federation.

The bylaws of the Federation allow two types of membership – primary and service. The primary members are share-holding members with the right to vote and contest Federation elections. They are eligible to draw dividends. The service members have no right to vote or take part in elections/ decision making. They only have right to voice. The Federation has promoted some nominal membership groups (NMG) based on the joint liability group model as service members of MACS. A membership fee of Rs. 25 per head is charged from them. The membership lasts till the time they do business with the MACS.

The federation's main objectives are to provide institutional services to 'enterprising' member cooperatives, to render thrift based credit services to them on the principles self/mutual help, to help them secure loans, grants and financial services from external agencies and to facilitate insurance services. It also has a larger role in fields like networking, data warehousing, business development services, development of code of conduct and dispute settlement services. The Federation became an independent functional entity in April 2006. The promoter NGO limited itself to activities associated with livelihood promotion, especially dairy development activity, which runs as a separate business unit. This will eventually be registered as a producer company.

Having absorbed more than 80 of the NGO staff, the Federation has been striving to achieve operational self sufficiency. As on March 2009 the number of constituent MACS stood at 20 that were made up of 3705 SHGs spread over 553 villages involving a total of 47,815 women members. The *mandal* level MACS functions more like a micro bank.

Loan products and lending methodology

Groups receive loans after three months of internal saving. The saving-loan ratio is 1:10 for groups above 2 years of age and 1: 8 for the younger ones. The upper limit of the first loan is capped at Rs. 10,000. It can be enhanced to Rs. 20,000 second time onwards. Loans are given to those groups that abide by the MACS banking norms. No fresh loan origination is done in a group which has overdue members. Each MACS holds one of the group leaders as co-obligate to all the loans. The main loan products are crop loans (available also to NMGs), agricultural investment loans, agriculture allied loans, non-farm micro loans (available also to NMGs), asset loans, general purpose loans, and NMG dairy loans.

Savings products

The Federation offers both compulsory and voluntary saving. The compulsory monthly savings of Rs. 10 per person is collected at the MACS level on a half-yearly or annual basis and nominal interest is paid on the amount. The voluntary savings can also be for a fixed term which carries the highest rate of interest. All the SHGs also save internally as well and do inter-loaning.

Insurance products

Single premium death relief assurance is provided at the time of membership in the SHG. In the event of death of the member Rs. 3000 is provided as relief. The Federation facilitates cattle insurance through a private insurer, Royal Sundaram Alliance Insurance Company and earns 15% of the premium as commission.

Tables 1 and 2 present the details of the microfinance operation of the MACS and the Federation. At the time of the field study, the MACS did not have any savings with the Federation, except the loan-linked cash security (8.33% of the disbursed amount).

Table 1: Microfinance through the Federation: operational highlights (as on 31 March 2009)

Savings of MACS in the Federation (Rs.)	Nil
Total member savings and fixed deposits - 20 MACS (Rs. million)	29.1
Total external borrowings - Federation (Rs. million)	152.3
Loans outstanding - Federation (Rs. million)	160.8
Total loan outstanding - 20 MACS (Rs. million)	211.6
Average loan - Federation to MACS (Rs. million)	6.9
Average loan - MACS to SHG members (Rs.)	17,024

Source: Federation records.

Table 2: Key financial ratios (as on 31 March 2009)

Portfolio at risk (≥60 days)	Current repayment rate	Risk weighted capital adequacy ratio	Weighted average cost of funds	Yield to annual percentage rate
0%	100%	23.27%	11.53%	98%
Yield on portfolio	Other income to average portfolio	Financial cost ratio	Loan loss provisioning ratio	Operating expense ratio
16.32%	0.41%	10.93%	1%	3.14%
Total income to average total assets	Total expenses to average total assets	Return on average total assets	Operational self sufficiency	Financial self sufficiency
14.59%	12.55%	2.03%	116%	116%

Source: Federation records.

Structure, governance, and management

Roles and functions

SHGs are the basic management unit in the microfinance operations of the Federation. The members meet and save regularly for at least three months (reduced from the earlier requirement of 6 months) before they can be considered for membership in the MACS. Most of the financial transactions take place in the weekly meetings of SHGs.

Every SHG member pays Rs.50 at the time of joining MACS towards joining fee and stationary charges. Each of them also makes a share capital contribution (minimum of 10 and a maximum of 30 shares) of Rs. 10 per share (i.e., between 100 and Rs.300). The SHGs also deposit Rs. 50 per month with the MACS as book-keeping service charges.

The MACS deposit a one-time membership fee of Rs. 1000 and the share capital contribution of Rs. 200 per SHG member at the time of joining the Federation. The minimum and maximum share holding limit is fixed by the bylaw as one and 100. Every shareholding member has one vote, irrespective of the number of shares held.

Headquartered in Nizamabad the Federation is engaged in policy making, monitoring, conflict resolution and managing external collaborations for the constituent MACS, besides acting as a financial intermediary for them. As per the bylaw, apart from share capital, fees and thrift, the Federation's financial resources consist of donations, grants, contributions, deposits and loans. It is stipulated that the maximum external borrowing of the Federation should not exceed a sum 10 times the paid up share capital, members' thrift, and accumulated reserves minus losses. Similarly, the borrowing limit of the share holder is fixed as not exceeding a sum 10 times her share capital and deposits. The deposits cannot be withdrawn until the loan is fully repaid.

The Federation has obtained loan funds from a variety of sources that include an apex microfinance institution, a microfinance company, private commercial banks, a venture fund, a public sector bank and a development financial institution. Though MACS used to directly receive external funds earlier, the Federation has later taken over this function completely. The MACS prefer this arrangement as the interest rate is competitive – 15% on declining balance. Moreover, in Andhra Pradesh the public sector banks prefer to lend under the IKP project, while the private sector banks are keen to lend to the Federation as it is seen as a better managed entity.

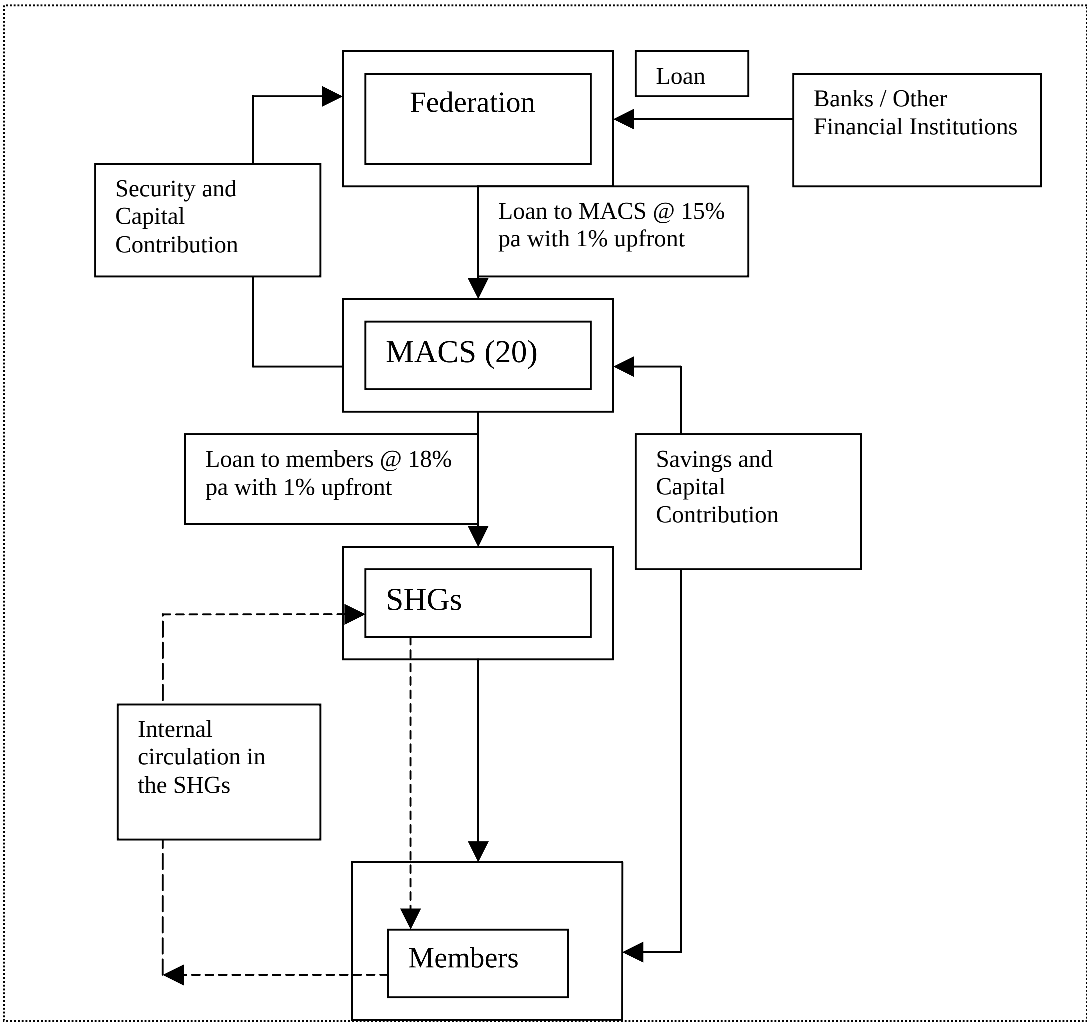
In Figure 1 is depicted the flow of funds among the different layers of the Federation.

Governance

The governance of the three-tiered structure is built around the principles of representative democracy. All SHGs in a village elects a village representative (VR). All the VRs under the specific *mandal* level MACS constitute its representative general body (RGB). The general body (GB) of MACS consists of all its individual members. It meets once every year, whereas the RGB meets once every month to review operations and to undertake preliminary appraisal of loan applications. Villages with inactive RGBs are not considered for lending until they become active. The RGB elects the board of directors of the *mandal* level MACS. This board with a fixed tenure of three years meets once a month to undertake loan appraisals and discuss policy matters. One third of the board retires by rotation, but is eligible for re-election.

The MACS delegates constitute the general body of the Federation and the presidents of constituent MACS form the RGB, which elects its board. The annual general body meetings are held publicly.

Figure 1: Flow of funds across tiers



Management

The Federation is managed by a professional CEO appointed by the Board. He is an MBA in Finance and has work experience in a merchant banking company, a stock broking company and a large microfinance intermediary. He is highly respected among the staff. According to him his rural background and interest in development issues made him change his career from corporate finance to microfinance.

The SHGs, the basic management units of the Federation, elect two representatives, who preside over meetings, authenticate transactions and represent the SHG in the Federation meetings. At the Federation level the core management team is constituted by the CEO, operations managers (in charge of monitoring MACS), risk manager and MIS manager. Accounts are handled by one accounts manager and an assistant. The operations at each MACS are handled by a manager (employed by the Federation) while transaction assistants maintain accounts. The field operations (formation of the SHGs, attending SHG meetings and follow-up of the loans) are carried out by field officers. Federation is seen as the employer in matters like staff appointment and transfer. Each MACS contributes towards staff cost. Staff under MACS reports to MACS manager and staff working with Federation reports to CEO.

Financial products are designed by the operations committee in consultation with (and formally approved by) board members and as per the need of the community members. As each organizational policy change warrants staff orientation, staff training is organized in April every year in three batches. The managers undergo training every month.

All the MACS largely follow the same lending policies and procedures. Loans are given in individual capacities. Application is only through the SHG, which undertakes preliminary appraisal, extends group guarantee and forwards it to the MACS. The loan applications are discussed in the monthly meetings of the loan committee of the MACS that consists of some RGB members and the manager. Members apply along with group guarantee letter and are assessed by the MACS manager. After the final approval of the loans by the MACS board, the applications are sent to the Federation for sanction and disbursal. The appraisal and sanction of loans are done in the monthly meetings of the board of the Federation.

Disbursement of loans usually takes place in the MACS office, while the repayments are collected in the respective villages. Disbursement and repayment of the loan takes place through drafts. RGB members get Rs. 150 for forming and linking a new group to MACS (it may or may not be SHG) or for re-forming and linking a defunct group.

Issues in focus

Microfinance at the cost of cooperation

Combining the principles of cooperation and the notions of microfinance remains a major challenge. The cooperative mode of functioning, some in the organization believe, puts unnecessary brakes on the microfinance operations. One way to subvert the problem is to lend to NMGs as they are sheer borrowers without any stake in ownership and management. Also, the management believes that SHGs are prone to be misused by the members, especially the more educated ones. Thus the very basis of the innovation seems to be in question.

Community vs. management: signs of conflict

As the Federation is being professionalized and its business practices streamlined, it becomes clear that the top management is getting increasingly uncomfortable with the incompetence of the community representatives in operational matters. One can see a progressive dilution in the role of board members in operational decision making. The CEO is not confident about trusting the current board "with a Rs. 20-30 million portfolio as its members lack any background in finance". He has already started taking decisions at his level. One such decision was to reduce the size of the loan committee that included all board members to just three members. He has also decided to make the operations manager a part of the 'Loan Sanctioning Committee' with a view to mitigate lending risk.

It appeared that with a few exceptions, most of the board members are not active. Many have left everything to the staff. In some instances (monitoring visits, for instance) they in liaison with the staff have allowed organizational norms to be flouted. Signs of a culture conflict was also evident between the staff and the members. The staff complains about the overall irresponsibility of SHGs with respect to handling financial business. The SHG members and their board representatives feel that their power is being curtailed by the staff. According to them MACS Federation only makes them feel that they own the cooperative, whereas in reality everything is decided by the professionals.

While professionalization and operational efficiency are very critical to maintaining financial health of microfinance, denying the community the opportunity to represent its voice goes against the spirit of cooperation. The members being very poor, illiterate and powerless cannot take the reins of management in their hands without active support from the professionals.

Communication incompetence

The organization has not been able to maintain a standard communication line with the community. As a result a sizeable number of women do not have a clear idea as to the primary objective of the organization they are part of. They often find the processes tedious. This has led to some leaving MACS soon after joining it.

With aspirations growing, more and more women have found that being a member of an SHG not only ensures regular flow of cash, but will also enhance their credit worthiness in a situation where different agencies vie with each other to increase their SHG outreach. Their participation in microfinance, hence, is passive. There is also a tendency among women to take membership in multiple SHGs. The recent developments in the state's microfinance sector has proved that multiple SHG membership has led in many cases to over-indebtedness and loan default.

Threat of politicization

The retired office bearers of MACS have reportedly been trying to influence the working of MACS even after stepping down, and exploit the relationship for political gains. It may be argued that in a democratic set up a community-based structure like MACS will always be a site for political negotiations. However, this has led to demoralization of the groups in some cases. There is no formal mechanism available to MACS and the Federation to discourage members from misusing their position.

Missing member responsiveness

Unfortunately, the Federation does not demonstrate any true development orientation other than organizing some development activities like health picnic. But these are carried out as part of the routine operations policy. There is no social orientation among the MACS members too. Though CEO had proposed the idea of 'evening schools' for adult learners, the MACS leadership has not done much to implement it.

Conclusion

This case study demonstrates both the strengths and dilemmas of the innovative cooperative arrangement represented by MACS in Andhra Pradesh, where, as elsewhere in the country, cooperatives have historically been the handmaidens of the state and political leadership. While the APMACSA created the legal space for the formation of more member-centric cooperatives, making the MACS work still remains a daunting task. The poverty and illiteracy of women members, the differences in ways of working of SHGs and cooperatives, the increasing reluctance on the part of trained professionals to engage with the 'community' are some the challenges faced by MACS. The case study thus argues that building member centric pro-poor institutions requires processes that are complex, time consuming and resource intensive. Merely putting an 'enabling law' in place may not ensure their automatic emergence and successful survival.

Appendix 1

Major differences between APCSA (1964) and APMACSA (1995)

	Regular cooperative (APCSA, 1964)	**Liberal cooperative (APMACSA, 1995)**
Principles of cooperation	Not stated	Incorporated
Role of government	Frames rules; appoints Registrar; can postpone elections, exempt cooperatives from legal provisions, nominate directors to board, appoint staff, handle appeals/ revisions/reviews and hold equity in cooperatives; sets up Special Courts and Tribunals	No rule making power; appoints Registrar; can not provide share capital, may provide other funds and guarantee based on MoU; sets up Special Courts and Tribunals
Role of Registrar	Registers coops and bylaws; classifies cooperatives; approves of transfer of assets & liabilities, division, amalgamation; can compulsorily amalgamate/ divide coops and amend bylaws, admit members; must approve of expulsion of members; can disqualify committee members, call for special general meetings and no-confidence meetings; conducts elections; can supersede committees; fixes honorarium to president; approves of bank to keep deposits; must approve of investments in own business; audits; inspects; inquires; can summon documents; can suspend officers; settles disputes; winds up cooperative; appoints liquidator; can cancel registration and recover dues; serves on cooperative tribunal; sanctions institution of prosecution; handles appeals, revisions, reviews; can appoint supervisory staff in cooperatives; approves of staffing pattern; must approve of appointment/ removal of chief executive where cooperative is in receipt of government aid	Registers MACS; registers amendments to certain bylaw provisions; convenes general body meeting where a board fails to do so in stipulated time; receives annual reports and audited financial statements; inquires; can conduct special audit where non-member funds are involved; can recommend dissolution to the tribunal if a cooperative works in contravention of the Act and principles of cooperation, etc

Management	Board size, term and composition fixed; elections by Registrar; reservations on board	Size, term, composition of board left to bylaws; elections by incumbent board failing which by ad-hoc committee; disqualification of all directors in case of delay in election, GB meeting and preparation of audited accounts
Share capital	Government and other non-members may contribute	Members alone can contribute
Mobilization of funds	Within the limits fixed by Registrar	Within the limits fixed by bylaws
Investment of funds	Restricted even in own business; lending limits are fixed by Registrar	No restriction in investment in own business; other investments to be in any non-speculative manner specified by bylaws
Audit	By the audit wing of the cooperative department; no penalty for non-conduct of audit	Responsibility of the board; auditor is cooperative's discretion; non presentation of audit report to GB results in disqualification of all directors
Subsidiaries	Cooperatives cannot set up subsidiary organization	Cooperative can set up subsidiaries
Disputes	Registrar or his appointee is the sole arbitrator	Bylaws contain manner of dispute settlement
Dissolution	Only by Registrar, only in the event of poor functioning; voluntary dissolution by members is not possible; no time limit on liquidation proceedings	By members and by Tribunal; reasons could be non-viability, lack of interest in continuing cooperative, violation APMCSA and cooperative principles; liquidation to be complete in 2 years
Final disposal of assets	After dissolution, surplus assets of a cooperative will vest in Registrar	After dissolution, surplus assets of a cooperative will be disposed of in accordance with the bylaws of the cooperative
Cooperative	Projected as an instrument for public good, as channel for distribution of government resources	Defined as an instrument of its members for their socio-economic betterment, based on mutual aid.

Source: http://cooperation.ap.nic.in/pdf/comparism1.pdf

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