

# *Asian Credit Union Forum 2006*

**Speech on effective Member Relations essential to keep  
Credit Unions alive and kicking**

**Speech by :-**

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## *Who is member ?*

A member of a Credit Union is a person who holds equity shares of the Credit Union, who is a stake-holder and who is also an owner of the Credit Union.

There are two kinds of members in Credit Union.

(1) Regular Member : Those are original members who have also a stake in the Credit Union, who have voting rights. In India the regular members are classified as A Grade members.

(2) Nominal / Non-regular Members : These members do not have voting not power and therefore are classified as Non-regular members. In India those are called as B Grade members.

A loan of large amount is granted to Regular members or A grade members. Whereas a small amount of loan particularly a consumer loan or vehicle loan is granted to Non-regular members i.e. B grade members.



## *Eligibility or Qualification of Member*

As per co-operative laws and regulations existing in India a member is eligible and qualified to become a member if .....

1. Resident or Place of Business is in service area of the Credit Union.
2. Competent to contract with the Credit Union as per Indian Contract Act.
3. Submits an application for Membership and also pays admission fee equivalent to on share.
4. Application should be per prescribed format.
5. Eligible to become a Member of more than one Credit Unions.
6. Become a Nominal Member merely by paying admission fee only.



## *Rights of Members*

The member of a Credit Union is de-facto owner of a Credit Union and therefore by virtue of his membership he derives following rights:

1. To know the object, purpose & the role of the Credit Union, its achievements from time to time.
2. To know the balance sheet and other financial statements.
3. To know the actual amount of profit and its distribution to Reserves.
4. To know the procedure, application, execution of the work and the conduct of the Institution.
5. To attend a General body meeting.
6. To question the Boards of the Credit Union to get himself fully informed satisfied of the financial results and various applications of funds.
7. To question the Board in respect of the performance of the Credit Union.
8. To formulate and frame a policy about development of the Credit Union.
9. Contest an election.
10. To vote.
11. To check and inspect the records and financial statements.
12. To claim and declare the dividend to be credited to his own account out of profit mobilized by the Credit Union.



The purpose of the Credit Union is not to earn profit but to make the services available to the members at moderate rate, and if at all profit is earned, it would be distributed among the members and the members only!





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**‘Everything that belongs to Credit Union belongs to him’.**





A feeling of ‘Working together, Earning together, Sharing Profit together and sharing risks together becomes a part of philosophy which is a purpose behind Member Relations’.





## ***Some Practical experiences***

The strength of Credit Union in my country with spread population is **possibly because of spirit of Member Relations in India.**

**The basic principle in co-operative movement that**

**Let's help each other,**

**Let us work together &**

**Let us benefit each other.**

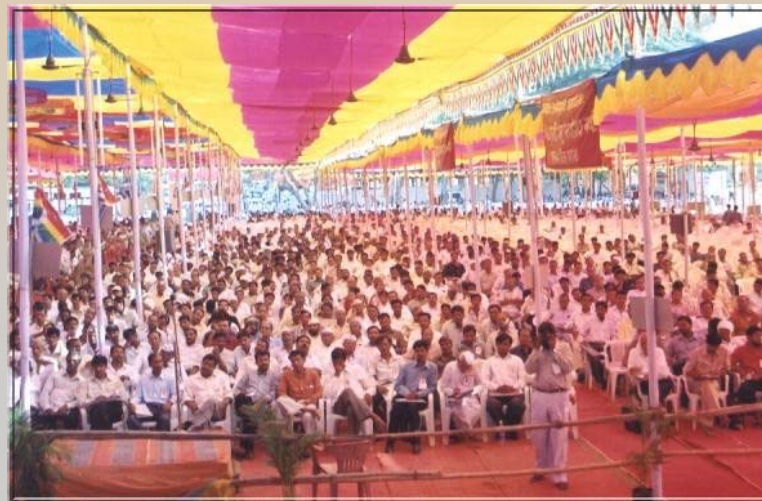






Worked over night without caring own personal problems. Purpose was to see welfare of the members of Credit Union who were according to members of own family.

**Took up programme for Member Relations.**



Worked over night without caring own personal problems. Purpose was to see welfare of the members of Credit Union who were according to members of own family.

**By representing their demands to the Government.**





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**Worked over night without caring own personal problems. Purpose was to see welfare of the members of Credit Union who were according to members of own family.**

**Fighting with the Government for their demands.**





## **What is Member Relations ?**

The Member Relations i.e. M R is in fact the crux for the development of Credit Union because every member thinks that he is the owner of the Credit Union and therefore it is ultimately left to him by his own whims as he thinks he is the king of the Credit Union. Therefore the Board of Directors who runs the Credit Union should always take care of the needs, requirements, wishes and intentions and also expectations of each and every member of the Credit Union.

If proper attention is not given to Member Relations, development of Credit Union is impossible. If the Board does not keep them happy, their loyalty would often be deteriorated.

A member is free to criticize the Credit Union as he takes it as 'his birth right' and therefore most of members need to be educated, developed and regularly reminded of their responsibilities.

## The need for Member Relations

### *Importance of Science of Member Relation Management*

Member Relations is Public Relations Management. If all the members start working together this zeal and spirit is likely to give a kick-start and a team spirit to develop it in a faster way.

He has feelings/ emotions/necessities, and if organization takes care of all his necessities particularly individual necessities he feels proud of his organization and helps in developing the image as well as status the of organization.







## The need for Member Relations

### *Importance of Science of Member Relation Management*

#### **Individual Needs:-**

- I. Money for Children's Education.
  - II. Needs Admission in a Particular School for his Children.
  - III. He expects his children who have done well in their examinations to be properly rewarded.
  - IV. He expects complaints would immediately be attended and responded at the right time.
  - V. Helps those who are affected in natural calamities like floods, earthquakes, storms, Tsunami etc. it would certainly boost Member Relations.
  - VI. Expects to be treated moderated, respectfully, rewarded properly.
- As a member if he is satisfied he is really feel contended.





## The need for Member Relations

### *Importance of Science of Member Relation Management*

#### **Social Needs :**

- I. Requires street bus shed, Ambulance, etc.
- II. Requires Primary School in Colony.
- III. Require repairing of roads of Colony where is he stays.
- IV. Require water storage tank in Colony where is he stays
- V. Requires Construction and building of cultural hall which can be used for social purposes. The society can be benefited and many benefits can be reaped by the Credit Unions.





## The need for Member Relations

### *Importance of Science of Member Relation Management*

Since Member Relations is very important in the process of Credit Union development, the Board needs to implement various strategies to create Member Relations.

#### **To Organize Members Meet:**

- a) To resolve problems of members.
- b) To accept suggestions received from the members.
- c) To improve services of the Credit Union.
- d) To accept and resolve various complaints received from the members.
- e) To offer certain concessions through various forms as per eligibility, standard and quality of the work.
- f) To offer certain monetary incentives in order to encourage business received from the members.





## The need for Member Relations

### *Importance of Science of Member Relation Management*

Since Member Relations is very important in the process of Credit Union development, the Board needs to implement various strategies to create Member Relations.

**To implement various welfare programmes in order to maintain proper 'CARE-TAKING' Relations.**



## **The need for Member Relations**

### ***Importance of Science of Member Relation Management***

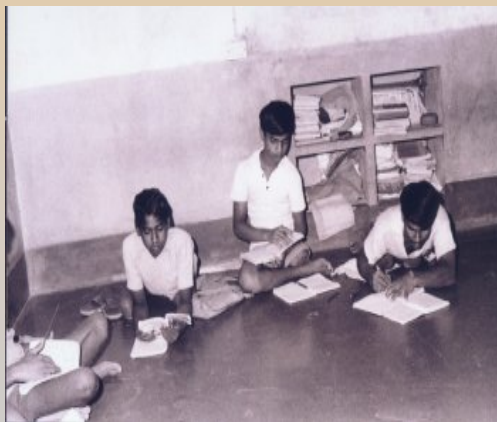
**To undertake various welfare programmes for senior citizens.  
To make available certain important readable books.**



## The need for Member Relations

### *Importance of Science of Member Relation Management*

**To organize programmes for children of the members and who are physically handicapped, blind and mentally retarded and also for Women-members.**







## **The need for Member Relations**

### *Importance of Science of Member Relation Management*

**To run Kinder Garden-schools, nursery schools and primary schools for small children.**



## **The need for Member Relations**

### ***Importance of Science of Member Relation Management***

**To provide uniforms to poor students and sports materials and uniforms to sportsmen members.**





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## **The need for Member Relations**

### ***Importance of Science of Member Relation Management***

**To provide scholarships to clever and bright students to encourage them for higher education.**







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## **The need for Member Relations**

### ***Importance of Science of Member Relation Management***

**To conduct workshops in order to know the working of the Credit Union for the members.**





## The Role of The Board to develop Member Relations

The motto of a Credit Union is to see the welfare of the members and accordingly various member relation programmes have to be launched.

Publishing magazines-periodicals, newspapers can be a part of such programmes.

The role of The Board is to take the policies of the Credit Union to the members and explain them various achievements of the Credit Union.

The Chief Executive Officer has to bridge the gap between the board and members.

