

**“ROLE OF CO-OPERATIVE MOVEMENT IN
SUSTAINING RURAL ECONOMY IN THE CONTEXT OF
ECONOMIC REFORMS: A CASE STUDY OF
AHMEDNAGAR DISTRICT”**

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December 2010

DECLARATION

I hereby declare that the Ph.D. work entitled “Role of Co-operative Movement in Sustaining Rural Economy in the Context of Economic Reforms: A Case Study of Ahmednagar District”, completed and written by me has not previously formed the basis for the award of Ph.D. Degree or other similar title of this or any other University or examining body.

Place- Pune.

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Date- 23rd Dec. 2010.

Researcher

CERTIFICATE

This is to certify that the Ph.D. thesis entitled “Role of Co-operative Movement in Sustaining Rural Economy in the Context of Economic Reforms: A Case study of Ahmednagar District”, which is being submitted herewith for the award of the Degree of Vidyavachaspati (Ph.D.) in Economics, Tilak Maharashtra Vidyapeeth, Pune is the result of original work completed by Mr. Kadam Parag Pramod under my supervision and guidance. To the best of my knowledge and belief the work incorporated in this thesis has not formed the basis for the award of any Degree or similar title of this or any other University or examining body.

Date- 23rd Dec, 2010.

Dr. Wakchaure R.N.

Place- Pune.

Research Guide

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CHAPTER I- INTRODUCTION

1.1- INTRODUCTION- The Government of India has introduced the 'Economic Reforms' in Indian economy in 1991, which is almost past two decades. The government has already taken major decisions to attract foreign investment and technologies for making Indian products competitive in the international market to improve the performance.

In the era of economic reform, the market becomes more liberalize and economy opens to worldwide competition means expansion of economic activities across, which is considered as an important component in the reform process. The changes rose by economic reforms are having an impact on policy and planning on development of a country like India. The relation between the government and in public, private and co-operative sectors in Indian economy have changing like- government funding is reduced, economy become more liberalized and opens for overseas (reduction of trade barriers), creation of a situation to attract foreign capital investment; allow advanced knowledge and technology of man and machine. Population explosion, low productivity, excessive urbanization, unemployment, lack of health and education facilities, malnutrition, inflation, low per capita income, inequalities, low living standards, inflation and so on, are some of the problems which nation is facing, to tackle these problems special attention with high will power is necessary. Day by day increasing population and their consumption level makes pressure on human wants and production possibility curve which ultimately depends upon availability of resources. Reduction in poverty occurred only after growth acceleration. The acceleration in growth comes only after reforms policy that removes the obstacles of development and increased the role of competitive markets in resource allocation.

Indian planner decided to build up its economic base on a planned action and adopted a mixed economy in which the private sector, public sector as well as the co-operative sector as a balancing factor given importance. After reforms strategy country's economic structure is far undergoing fundamental changes. The objectives of the new economic policy are to recommend a new aspect of dynamism to agriculture, trade and industry.

The co-operative movement has played a significant role in the development of rural economy of India. Since independence the co-operative movement has recorded substantial progress. The emerging need of the economy in the new competitive and deregulated financial environment, co-operative institutions have re-oriented their policies by drawing up their prospective mission and strategy so as to make themselves globally competitive.

Over hundred years have passed since the co-operative movement was first launched in the country. It covers now about 95% of the villages and more than 60% of the rural population. It has supplied not only credit for agricultural production but other services too. The co-operative movement has been extended up to the national level in various sectors of the economy. It has rendered many useful services for the economic improvement and the welfare of the rural and urban population.

Co-operative has played significant role in the field of rural credit. Co-operative has supplied chief credit to cultivators and made them free from the clutches of the moneylenders. It has brought various advantages to cultivators, including supply of requisites and bringing better prices to producers through co-operative marketing and processing. It has been instrumental in employment generation. Helps in the distribution of essential and consumer goods and in encourage thrift and savings among the members in rural parts. Co-operative arranges finance for the benefit of members, raised by members and Non members. They are helpful to secure common purchases of raw materials, equipment and tools. They also provide common marketing facilities and joint selling operations, which can prevent unhealthy cut throat competition. It has also provided good storage facilities to the farmers. Joint marketing helps members to secure higher remunerative prices for their goods, lends money to its members against security of raw material, goods etc. so that members need not have to go outside. They also arrange machinery of its own to be given on hire to its members. They give training, advice, guidance, which tends to raise productivity. The co-operative societies had led to the use of better farming methods, such as the use of improved seeds, manures, etc. Co-operative movement increases the level of earnings of artisans by providing employment. It helps to sustain and create avenues of self-employment. The wider objective is creating

self-reliance amongst the people and building up a strong rural community spirit. It ensures regular supply of goods and services (produce saleable articles) through the use of local skills and resources.

The rural co-operatives have played a significant role in areas of credit and agricultural production. The principles of co-operative are voluntary and open membership, democratic control and equitable distribution of profit and utilization of resources. The present thrust of the movement has been to build a democratically viable and self-reliant co-operative movement in India. There has been steady increase in co-operative credit from Rs.3, 440 crores in 1984-85 to Rs.3,970 crores in 1990-91 & nearly Rs.20,660 crores in 1999-2000.¹

The co-operative movement brought overall improvement in the economic condition of its members. It was started in India largely with a view to providing agriculturists' funds for agricultural operations at low rates of interest and to protect them from the clutches of moneylenders. Since independence Government and Reserve Bank of India have been taking an active interest. More than 60 percent of the credit needs of the farmers are met by the co-operative societies. They had led to the use of better farming methods. The marketing and processing societies have helped members to buy their requirements cheaply and sell their agricultural produce at good prices. It has also provided good storage facilities to the farmers.

Indian economy is still predominated by rural part of the country in general and agriculture in particular. Due to natural obstacles and lack of security even nationalized banks started to neglect agriculture credit during the period of reforms. This creates problems in meeting requirements of agriculture sector. It widely acknowledged that whatever development is achieved in agriculture in India is only because of Government policies in favors of agricultural sector and the important role played by financial institutions in general and co-operative banks in particular.

The Indian agrarian scene has shown an unusual dynamism. New techniques of production, modern machines and new inputs are being used in agriculture. Co-operative movement has played an important role in this dynamism. To get more and more production, cooperative changes its methods; it provides more facilities and services that

1. Datt and Sundharam, 'Indian Economy', S Chand & Co., New Delhi, 2005, p.573.

result in the development. The access of agriculture to the cost-reducing technology needs to be increased and for that research and extension activities in agriculture be expanded. Investment in roads, irrigation, power, etc. needs to be increased. In future the growth in agricultural output has come from productivity increase as there is no scope for area expansion, emphasis should promote organic farming by giving subsidy on organic manures, tax concessions, direct help, market support, etc. Indian agricultural is now waiting for second round of economic reforms consisting of removal of the quantitative restrictions and free movement of agricultural commodities in domestic markets, support prices on the basis of variable cost of production and full recovery of inputs supplied.¹

The co-operative sector have covered a wide variety of activities including credit, marketing, processing, housing, consumer goods sell and purchasing, etc. Co-operative movement started in India basically to provide loans to agriculturists at cheaper rate and to protect them from the clutches of money-lenders. The co-operative structure has several advantages for a country like India, where there are a diversity of needs to be fulfilled. There is a liberty and opportunity for the small man with the benefit of large scale functions. The importance of the co-operative sector in the Indian economy has been progressively increasing and become an important part. It is very difficult to get accurate, trustworthy statistical information regarding to co-operative sector and its share in national income, employment generation, foreign trade, capital formation and its impact on rural development. Thus, there are several deficiencies in the working of co-operative sector. Therefore, strengthening of co-operatives is the need of the hour. Only then it is possible for co-operative sector to contribute to sustainable development of the rural economy.

1.2- RATIONALE OF THE CHOICE OF THE TOPIC-

For a large agrarian developing country like India, rural development is an important and integral element of national development. Agriculture is a way of life, in most developing economies. Rapid growth of agriculture is essential for ensuring food security and alleviation of poverty. In developing countries like India, agriculture still contributes significantly to their overall GDP and it employs a large proportion of the

1. V S Vyas, 'Agriculture: Second Round of Economic Reforms', EPW, Vol.XXXVI, No.10, March 10-16-2001.

workforce.

The land holdings are, however, very small, non-irrigation and dependent on the vagaries of nature. Further, the agriculture practices are labor intensive with relatively low intensity of farm inputs. Consequently, the farm productivity is low. As most farmers in India are engaged in subsistence land farming, their participation in international trade is quite marginal. The food needs and supply gaps are developmental problems and thus all their policies for agricultural development aim at harnessing the potential for increasing productivity and production in the agricultural sector.

Concern to the all above mentioned constraints co-operative movement established a platform for rural economic reforms. Co-operatives have taken all measures for poverty alleviation, rural development and rural employment. Through producing, marketing, services co-operatives and multipurpose co-operatives, undertake all activities affecting the daily life and business of the agriculturists. Co-operative as has been identified as a midway between the two major economic ideas as of human life could be a source of rural economic sustainability when privatization has become the mainstream of thinking. The public investment in rural and agricultural sector has shown a declining trend where complementarities are expected very high. This is one of the limiting externalities of agrarian economy today. Facing liberalized agrarian trade and productivity challenges are the new aspects of sustainability where individual efforts would not be sufficient. In this connection the co-operative institutions of various types could be the source of collective energy. It is with this approach the present researcher intends to focus on the contributions and prospects of co-operative movement in sustaining the rural agrarian economy in the period of competitive environment, which comes into force as an outcome of economic reforms.

1.3- THE BACKDROP/ HISTORY OF AN IDEA-

1.3.1- Co-operative Movement in the World-

Even the co-operative development all over the world the world has not been a straight line and at various times the co-operative history has demonstrated the dynamic character of co-operative activities suiting the local and regional environment and economic and social situations. All this is indicative of the one basic fact that co-

operation has been alive to the changes of time and basically its concept is dynamic and an ever-absorbing one.

Co-operation has developed in different countries along different lines. To the threat of domination and exploitation by large business, co-operation was the reply of the small-scale farmer and the isolated and powerless individual, possessed of little bargaining power and left helpless by the laissez-faire policy of the State.¹

The Raiffeisen type of society was first evolved in 1862 to protect farmers from the rapacious moneylenders. These societies are mainly agricultural. Thus, the woollen clothes weavers of Rochdale combined together in the Rochdale Society of Equitable Pioneers to secure their household requisites at wholesale prices and escape exploitation by the retailers; thus was initiated the Consumers' Co-operation in England.

The poor farmers of Germany under the guidance of Raiffeisen combined into co-operative societies to obtain cheap credit; thus originated the co-operative credit movement. When with the spread of industrialism and growth of big cities, a wide gulf grew up between the farmer and his markets, and the farmers found themselves more and more at the mercy of the increasingly long chain of middlemen they were forced by the logic of circumstances to combine together for self-preservation; this led to the emergence of agricultural co-operation in Europe in various forms, such as societies for the purchase of raw materials and implements required for cultivation, societies such as the co-operative creameries in Denmark to take the processing of agricultural products, co-operative association for leasing and cultivating land, for the improvement of livestock, for mutual insurance against agriculturists risk, etc. While in the countries like Canada and U.S.A. with their immense distance and production for foreign market have tended to concentrate on co-operative marketing. In our own country India, we have developed co-operative credit on the lines of Raiffeisin and Schulze- Delitzsch of Germany.

1.3.2- Co-operative Movement in India-

Co-operation in India has been practiced since time immemorial. It took four principal forms; Kula, Gram, Sreni and Jati. Besides these Chit Fund and Nidhis in South

1. Dr. C. B. Mamoria and Dr. R. D. Saxena, "Co-operation in Foreign Lands", Kitab Mahal, Allahabad- 1972.

India, the Bunda system in Vidarbha, Phad system in Kolhapur and Gonchi system in Andhra Pradesh were also in vogue for mutual aid and co-operation of their members.¹

In the modern scene, co-operation in India has shown a growth of the last 100 years. As early as 1882, Sir William Wedderburn and Justice Ranade Prepared a scheme for establishing Agricultural Banks to provide loans to farmers who were in the severe grip of moneylenders (Land Improvement Act XIX of 1883 and Agriculturists Loan Act XII of 1884).

However, Mr. Frederic Nicholson reports 'Raiffeisen system' to examine the possibility to starts a Land and Agricultural Banks in Madras and Mr. Dupernex's scheme 'Peoples Bank for Northern India'. Edward Law Committee appointed by the Govt. of India in 1900 considered these two schemes. Its recommendations formed the basis of the Bill, which was passed into law in 1904, as the 'Co-operative Credit Societies Act', which formally inaugurated the co-operative movement in India. Hennery Wolff called this measure as 'a turning point in economic and social history' and by Damil Hamilton, 'as the way from poverty to plenty'².

The Co-operative Credit Societies Act of 1904 was found insufficient. It showed a number of serious defects such as; the absence of central organization for supervision and supply of funds, the restricted nature of the act which prevented the formation of non-credit co-operative societies and the classification of societies into rural and urban was found to extremely unscientific and inconvenient.

The Government realized these deficiencies and passed a new Act. The Act of 1912 removed the deficiencies and for the first time permitted non-credit societies in India. In 1915, the report of Sir Edward Maclagan Committee was an important landmark in the history of co-operative movement. On the recommendations of the Maclagan Committee the Govt. of India passed the Act of 1919, and made co-operation a provincial subject. The Bombay province took the lead by passing the Co-operative Societies Act of 1925. The other states adopted the central Act of 1912.

As the result of the great depression in early thirties of the last century the

1. These were apolitical and socio-economic organizations which worked co-operatively to promote their economic, social and political interest.

2. Wolff Henry, 'Co-operation in India', 1907, p.129.

movement collapsed in some provinces. It gave a tremendous setback to co-operative activity. Not only did it stall the progress but created grave problems for the existing institutions. Government made vigorous efforts to save the movement.

Due to abnormal conditions created by World War II the prices of agricultural products rose substantially and the co-operative movement gained a lot of momentum. There had been an overall improvement, when there was stimulated the growth of consumer stores and marketing societies. Many new type of non-credit co-operative societies were formed during the war period. During the Second World War Indian co-operative movement also experienced several ups and downs.

The movement on the whole, did not make substantial progress because of the laissez- faire policy of the state and the general lack of the principles; inefficient management, high overdue, severe opposition from the moneylenders and unsympathetic attitude and even ridicule of the revenue staff.

1.3.3- Committee Reports & Co-operative Movement in India-

The major development in the co-operative field since independence was the appointment of expert committees, from time to time, as and when Government felt that something was wrong with the movement and expert opinion was called for. Some important committee's were - All India Rural Credit Survey or Shri.A.D. Gorawall Committee (1951)- appointed by Reserve Bank of India in 1951. It submitted its report in 1954. After analyzing the various causes for unsatisfactory working of the movement, the committee concluded that 'co-operation has failed but co-operation must succeed.' The committee recommended an 'Integrated Scheme of Rural Credit.' All India Rural Credit Review Committee (1969)- which recommended the entry of commercial banks into the rural credit system stated clearly that this was being done to 'supplement' and not 'supplant' the co-operative credit structure. The committee has said, "The Expanding area and scale of co-operative activity and its growing diversification have also made it necessary that co-operative banks should build up larger resources by way of deposits." P. R. Dubhashi committee (1972)- recommended that- a) Adoption of professional management, b) Extension of deposit insurance, c) Quality of working- litigation pending, adjournment, hundred percent audit, security of loan proposals, documentation,

loan recovery plan, grant of membership, maintenance of records, revision of bye-laws, Registrars' power, court procedures, nature of appeals in the court, a common law for all type of Co-operative Societies. K. Madhavdas Committee- submitted report in July 1978 with the recommendations that- Composition of Model Bye-laws, providing finance to small-scale industries, managerial aspects and self-employment etc. Marathe committee for Urban Co-operative Banks (1978)- addressed for the development of UCB's (i.e. membership, registration, branch expansion, consolidation, mergers and liquidation issues). Ardhanarishwaran Committee (1987)- recommended the- Modern management, Professional management, Financial discipline, Human resource development, Composition of Board of Directors, Criteria for selection of the staff and General Manager. A.M.Khusro Committee (1989)- recommended that- the area of financing agricultural and village development to be assigned to co-operative banks only. Narsimhan Committee (1991)- suggestions influenced the RBI policy- directives about functions in future and the policy adopted by the RBI keeping in view only the problems of nationalized banks, this will not necessarily be relevant but also detrimental to the interest of UCB's. Narsimhan Committee (1998)- recommended the closer of the branches which are under loss or percentage of loss loans to total loans over 2%, establishment of 'Asset Reconstruction Fund', special system for inspection and supervision, for the development of money market committee gave reference of 'LIBOR' (London Inter Bank Offered Rate), computerization, consolidation of strong banks to avoid competition, UCBs should be connected with 'Board for Financial Supervision', UCBs come under the control of two authorities (Co-operative Dept. and RBI) committee suggested that these controls be slackened, rationalization of disburse loans and investment should be presented two times in a year.

1.3.4- Co-operative Movement in Planned Economy-

Indian planners considered co-operation as an instrument of economic development of the disadvantaged, particularly in the rural areas.

The First Five Year Plan (1951-56)- recognized co-operation as an 'instrument of planned economic action in democracy'. It was recognized as better suited than the state for ensuring proper utilization of credit for productive purposes. Taccavi loans for

development purpose were to be distributed through the co-operatives. The plan set for the provisions of co-operative credit thus; Short term loan Rs.100 crore, Medium term loans Rs.25 crore and Long term loan Rs.5 crore. The plan emphasized for the development of co-operative marketing and processing of raw materials in the rural areas.

The Second Plan (1956-61) was drawn up more or less, on the basis of accepted recommendations of the All India Rural Credit Survey Committee particularly in respect of credit, marketing and processing. Training facilities and multi-purpose societies were also encouraged. A sum of Rs.52 crore was earmarked in the plan for the implementation of the schemes. Besides, the RBI was also provided money to strengthen the capital structure of co-operatives.

The Third Plan (1961-66) emphasized that the entire rural economy was to be reorganized on a co-operative basis and this included provision of services such as credit, marketing, storage and distribution co-operation in production diversification. The main provision in the Plan was to cover all the villages and 60% of the agricultural population by 1965-66; to revitalize the Primary Agricultural Societies to make them economically viable, to develop Co-operative Marketing Processing and link credit with marketing; to develop non-credit co-operatives; to strengthen co-operative personnel at all levels; and to provide Rs.530 crore for short and medium term credit; and Rs.150 crore for long term credit during the plan period. A provision of Rs.80 crore was made for the development of co-operation.

The Fourth Plan (1969-74), it was decided- to reorganize the Primary Credit Societies by making them viable units; to rehabilitate and to re-organize weak districts.

The major objective of the Fifth Plan (1974-79) was to build up a storage and viable co-operative sector with special emphasis on the need of cultivators, workers and consumers. The co-operative development has four specific objectives, viz. to strengthen the network of agricultural co-operative– credit, supply, marketing and processing so as to bring about agricultural development.

The Six Plan (1980-85), accepted co-operation as most widely distributed and organized credit system to provide all types of credit to rural areas, revival of non co-

operative units and providing professionally trained personnel to co-operative institutions.

The Seventh Plan (1985-90) continued the programmes and policies initiated in the sixth plan. Efforts made to bring about comprehensive development of Primary Agricultural Credit Societies to function as multi-purpose viable units. For the agriculture and rural development the seventh plan provided Rs.22,233 crores (12.4% of Plan outlay).

The Eighth Plan (1992-97) emphasized the need to follow the Narsimham committee report and tried to make co-operative banking more strong. It was formulated when the country was passing through difficult circumstances, viz.-drastic curbs on imports, high rate of inflation and recession in industry.

The Ninth Five Year Plan (1997-2002) put a targeted annual growth rate of 4.7 percent, in order to achieve the objective of removing the incidence of poverty and unemployment and ensuring food and nutritional security. The targeted growth rate of agricultural output was expected to reach at 3.82 percent per annum and that of agriculture at 4.5 percent and co-operatives expected to contribute optimum level in sustaining economy.

The Tenth Five Year Plan (2002-2007) to achieve high-targeted annual agricultural growth rate and export, massive expansion and up gradation of agricultural marketing, storage and distribution infrastructure are given priority. Facilities for packaging, grading, and certification of agricultural commodities and development of future agricultural markets would be given special attention with adequate funds.

1.3.5- Co-operative Movement in Maharashtra-

Of the total population 70 per cent of the population lives in rural areas. Majority of the population depends on agriculture. Hence development of agriculture, agro-based industries, employment generating activities, infrastructure facilities like roads, drinking water, water for irrigating the crops, electricity, telephones, markets, etc. form part of the rural development.

The co-operative movement in Maharashtra played a significant role in the social and economic development of the state particularly in the rural areas. Initially, this

movement was confined mainly to the fields of agricultural credit. Later it rapidly spread to other fields like agro-processing, marketing, rural industries, consumer stores, social services, etc. Progress of co-operative movement in the last four decades showed an increase of more than four times. There were 20,091 Primary Agricultural Co-op. societies provided service to their members. In spite of this, there were 36,191 co-operative societies engaged in productive enterprises as on 31st March 1997 of which 684 were independent processing societies. There were 3,708 primary co-op. consumer societies, 44,150 primary co-op. housing societies, 746 handloom, 726 power loom, 226 co-op. spinning mills, 20,145 dairy, 2,089 primary fisheries societies, 27 fishery unions and one federation, 6,646 labor contract societies and 296 forest labor societies during 1996-97. ¹

The co-operatives in Maharashtra have a political, historical, social and cultural heritage. It is particularly strong in Western Maharashtra as the independent movement and the leaders from Pune, Mumbai and Ahmednagar districts initiated social reforms. It is due to favorable climate and development of irrigation facilities for sugarcane, suitable soil and other natural conditions. The Pravara Sugar Co-operative Factory was established in Ahmednagar in 1949, made a spectacular success.

1.3.6- Co-operative Movement in Ahmednagar District-

Ahmednagar is the largest district of Maharashtra with geographical area of 17,048 sq.k.m., which is 5.54% area of Maharashtra. Out of total area, 391.5 sq.k.m. is urban and remaining 16656.5 sq.k.m. is rural area. Ahmednagar is centrally located in western Maharashtra. There are 13 blocks and 1556 villages and 1296 gram sabhas. Out of total population nearly 80% of population lives in rural areas. ²

Farming is the main activity of people in district. Out of total workers 75% people work in farming as farmer, agricultural labor, animal husbandry and allied agricultural activities. Agriculture in the district mainly depends upon rains, wells and dams, but the rainfall in district is inconsistent and irregular. ³

1. Prospectus on 'Co-operative Movement', Mah. State Union Ltd. Pune, 1997.

2. District Social & Economic Analysis, 1997.

3. Govt. of Mah. State, 'Gazetteer of India', Ahmednagar Dist., 1976.

The co-operative movement in Ahmednagar district has developed on progressive lines. The movement made considerable progress. It plays a crucial role in underdeveloped area. Its purpose is to help poor and needy ones. Co-operative has built a sound structure in credit, as well as, in processing sector. There are 7020 of all type of societies working with 1,823 thousand members, Rs.19,258 lack paid up share capital, Rs.61,225 lack deposits, Rs.2,55,874 lack working capital and net advances.

The co-operative movement made a humble beginning in the district in 1909, showed signs of gradual and steady progress till 1947. Real momentum was however gained only after Independence. Since the introduction of the Five-Year Plans with an emphasis on rural development, the co-operative movement advanced with a rapid pace. Ahmednagar district made remarkable progress in the field of co-operation. In fact a bulk of economic development in this traditionally famine-stricken district is attributable to the growth of co-operative sugar factories, which in turn benefited the agriculturists. Ahmednagar district is called as 'Sugar Bowl' of Maharashtra. In India first Co-operative Sugar Factory was established at Pravaranagar, in 1949. At present 18 co-operative Sugar Factories are operational with full capacity. The development of the areas around Shirampur, Kopergaon, Rahuri, Sanagamner and Ahmednagar is mainly due to the benefits accruing from the co-operative movement.

Socio-economic development of the district that sustained for over a period of about ninety years is attributable to co-operative movement. The opportunities of education, employment, credit, agricultural processing, irrigation, etc. have been made available to the rural people by co-operative movement. The movement has been the source of seasonal and permanent employment for the people in district, as well as, for the rural poverty stricken people from neighboring districts of Marathwada region of the State. It has played an active role in poverty alleviation and lifting the standard of living of people through its direct and indirect contribution. The economic reforms have changed the situation and sustenance is subject to competitiveness.

1.4- OBJECTIVES OF THE STUDY-

A critical study of the role of co-operative movement in sustaining rural economy, in the context of economic reforms, especially in a developing country likes India is

highly complex. The scope of the study is wide. The present study is a case study based study of Ahmednagar District in Maharashtra State and objectives that are decided are as under-

1. To study the role played by co-operative movement in changing overall socio-economic status of the society in India in general and that of Ahmednagar District in particular.
2. To evaluate the relative effectiveness of co-operative movement in generating and sustaining the employment, educational, processing finance (credit) etc. opportunities in rural parts of the country viz a viz; in Ahmednagar district and its impact in changing socio-economic status of the people in the study area.
3. To study the functioning and impact of various socio-economic activities those are operated under co-operation and their impact on rural society in the context of changing socio-economic order.
4. Assessment of the strength and ability of co-operative institutions in maintaining the economic status of rural economy in the context of economic reforms.
5. Evaluating the relative significance of co-operative institutions in transforming and maintaining the life index of rural society in the study area.
6. Assessment of the relative strength of co-operative movement in incomparision with public and private sector during the period of economic reforms.
7. To undertake data based critical economic evaluation of the co-operative movement and understand and assess its role effectiveness in sustaining the rural economy in the changing macroeconomic environment.

1.5- HYPOTHESES OF THE STUDY-

1. Co-operative movement of the country in general and that of Ahmednagar district in particular has played a significant role in changing the socio-economic status of the rural poor.
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2. Co-operative movement with different economic activities has been the vital source of rural human capital formation and thereby has been an instrumental in changing and sustaining the socio-economic status of the people those who have been under the wings of co-operation and indirectly helped to change this status those who could not come under the wings of co-operative movement.
3. The easy availability of rural credit, basic and higher education, agricultural marketing facilities, irrigation, electricity, transportation, processing, employment and removal of poverty have been the outcomes of co-operative movement in Ahmednagar district.
4. Co-operative movement of Ahmednagar district has not been just useful to the people those who are directly involved with it but also has contributed towards the alleviation of poverty by providing the employment opportunities to the people from neighboring areas such as Marathwada and Vidharbha the relatively more poverty stricken areas.
5. Since the emergence of co-operative movement has been the outcome of exploitation of rural poor such as landless labourers, artisans, marginal and small farmers and other weaker sections of the society at the hands of traders, moneylenders and landlords the movement has always protected the socio-economic interest of sections and changed the life index of them on sustainable basis.
6. The Co-operative movement in India in general and that of Ahmednagar district in particular has the effective capacity of sustaining the rural economy in a fast changing macroeconomic environment in the context of new economic order.

1.6- RESEARCH METHODOLOGY AND SOURCES OF DATA COLLECTION-

Main methodological thrust of the proposed study is on collection of authentic, relative and secondary and primary data. The secondary data related to facts, figures and every related information on co-operative movement in the country in general and that of Ahmednagar district in particular, which is collected from the available sources in

published and unpublished form. The sources that used for the purpose of secondary data is the research reports, various committee reports, the reports of study groups and proceedings of various conferences, seminars and symposia. Other method of collection of secondary data is discussions and dialogues and informal interviews with the people who are academically expert and those who have the practical experience in the field of co-operation of various forms.

Another method of cross tallying the work is also adopted for data collection. For this purpose an adequate number of respondents selected and personally discussed. After the collection of secondary data the researcher have undertake the exercise of tabulation, interpretation and analysis of the information where the report of the work have taken its final form.

1.7- RESEARCH DESIGN/ SCHEME OF CHAPTERS-

The tentative research design or scheme of the chapters of the research work is as under;

Chapter No. 01 - Introduction- Rationale of the choice of the topic, objectives, hypotheses and methodology and sources of the data collection.

Chapter No. 02 - Review of Literature- The chapter consists of an extensive review of the research work of earlier scholars in the field which helped to develop the background of the thesis and an academic understanding of the researcher.

Chapter No. 03 - Co-operative Movement in the World and its Socio-Economic Contributions/ impact.

Chapter No. 04 - The Socio-Economic Contribution of Co-operative Movement of India.

Chapter No. 05 - Co-operative Movement of Maharashtra, its role, effectiveness and Contribution to the State Economy.

Chapter No. 06 - Profile of Ahmednagar District.

Chapter No. 07 - Background Study of the Co-operative Movement in Ahmednagar District during the study period.

Chapter No. 08 - Main findings of the study based on Secondary Data, Suggestions and Conclusion.

1.8- SUMMARY-

Economic Planning aims at the removal of all economic inequalities and an equitable distribution of wealth. Pandit Nehru clearly stated the importance of co-operative societies that-“I have no doubt theoretically in co-operation; co-operative working is good in every single department of human activity. It is a better way of life and in fact it is an inevitable way of life when you live in crowded communities. There is no other way except the co-operative way.”¹

During the years 2002-2007, the average growth rate was of about 5.5 per cent which was below the target of 8 per cent showing declining trend, therefore, it is the highest growth rate achieved by Indian economy. In recent years the Indian economy is in a quite stronger position than it was a few years before. Indian economy has accelerated in recent years and the average growth rate in recent years was above seven percent. This performance reveals the strength of the economy. However, it is also needed that large part of population is still below poverty line and not experience a significant improvement in their standard of living. The percentage of the population below the poverty line is declining, but with a deliberate rate. In rural areas and in slums there are many people still lacking the access to basic services such as health, education, clean drinking water and sanitation facilities without which they cannot be empowered to claim their share in the benefits of growth. These problems are especially severe in rural areas. In this context co-operatives have to do many services in this respect. Apart from higher economic growth sustainable development especially in rural areas is needed. Co-operative sector is directly related with people with their own societies to help them to uplift them. Co-operative movement has completed its century in this decade naturally the importance and need is being recognized to provide the assistance through this movement.

1. “Co-operative Farming (Issued by Lok Sabha Secretariat, New Delhi, P.7.

CHAPTER II- REVIEW OF LITUREATURE

2.1- INTRODUCTION - Co-operatives works for the sustainable development of the overall economy through various policies. Co-operative societies serve their members most effectively and strengthen the co-operative movement by working together through local, regional, national and international structure.

The place of co-operatives in Indian economy and its role in social and economic affairs has developed a new dimension with the beginning of the planning. India emphasized the process of planning stemmed partly from the urge of backwardness and partly from line which gave an force to achieve social justice, equality and a decent livelihood for all citizens, the promotion of co-operative thought of not merely as an extension of state action but as a step towards the realization of the best of the co-operative widespread prosperity.

India adopted a socialistic pattern and pursued the policy of a mixed economy with features of both capitalist and socialism. The Planning Commission which was established in 1950 set the social and economical targets based on equity and justice. With the objective of self-sufficiency public sector recognized key of development under the direct control of the State. The second sector of the economy i.e. private sector came under the regulatory mechanism of the State. The third sector of the Indian economy which would act as a balancing factor for the limitations of the public and private sector was the co-operative sector. Co-operative institutions recognized as an important agents of rural development, social justice and equity. The co-operative movement must be financially strong, organically integrated, professionally managed and forward looking. New economic policy since 1991 brought into focus the important issues related to the organizational and business restructuring, adoption of modern technology, new ways of mobilization of resources and measures to upgrade the standards of productivity. Co-operation is able to survive competition form private sector and public sector rivals, particularly in areas of marketing, technological innovations, and mobilization of resource and development. Strength and flexibility of the co-operative movement tackle the various issues effectively which opened up with globalization in matters of trade, agriculture production and financial services.

Man is a social animal imbued with desires and aspirations and which can be fulfilled within society. Co-operation is basic to the development of human beings and ultimately to the progress and prosperity of society at large. Human body system is a good example of perfect co-ordination among the different organs. Similarly, human beings have to co-operate for the happier and healthier life.¹

Basically the concept of co-operation is derived from a Latin word 'co-operari', means working together with another or others for a common purpose or an association of persons who unite to do some work together in order to achieve some purpose. Generally speaking 'Co-operation' means, 'living, thinking and working together'.

Co-operation is a joint or collective action of people directed towards some specific goal in which there is common interest or hope of getting some reward. Such co-operation may be voluntary or involuntary, direct or indirect, formal and informal but there always is a combination of efforts towards a specific end in which all the participants have a stake, real or imagined.²

From the most primitive to the most sophisticated community throughout the world we come across some or the other form of co-operation among the people living in a particular area or region be it for some agricultural operations or of social, economic or political activity. Co-operation has rightly been regarded as one of the least noticed economic miracles of the last century.³

Co-operation is as old as humanity and co-operation is older than the co-operative movement. The co-operative movement is only one example of human co-operation among others. The meaning of co-operation varied from thinker to thinker and from one sphere of human activity to another. To the sociologists, it is a social economic movement, for the socialists, it is a social order in which man is free from class struggle, economists believe that, it is a form of business organization in which there is no scope of being exploited by middlemen. The lawyers take it to be an organization in whose membership one enjoys the special privileges and concessions conferred by law.⁴

1. Dr.S.B.Mathur, "Co-operation in India", Pub. By Sahitya Bhawan, Agra, 1990, P. 01.

2. International Encyclopedia of Social Sciences Vol.03, 1972, P. 384.

3. Smith, Louis P.F., The Evolution of Agricultural Co-operation, Oxford, Basil Blackwell, 1961,p.XI.

4. K.R.Kulkarni, "Theory and Practice of Co-operation in India and Abroad", Vol.I, 1960, p.11.)

Nourse E.G. observed, “that the co-operative movement grew out of the circumstance of the industrial revolution, capitalism and the attendant irrational equality and was a reaction against early abuses or at least rigors of the capitalistic industrial system”.¹

Arnold Boner wrote in “British Co-operation”, ‘that a new moral world based on principles of co-operation and human fellowship which according to Boner was to supersede the old immoral world of ruthless competition and merciless exploitation and usher in a millennium of universal benevolence and content’.²

Although the idea of co-operation is basically the same all over the world, its form and content varies from country to country. Co-operation emerged in different countries among people with different economic interests and for performing different economic functions. Everywhere, however, it originated as a defensive bulwark against exploitation of the weak by those in a stronger economic position. Co-operation has rightly been regarded as one of the least noticed economic miracles of the last century.³

Co-operation implies that a well differentiated and specialized society with diversified human needs and activities may be so organized that ‘Each may work for all and all for each’. Co-operation involves all aspects of human behavior- political, religious, economic and cultural. Co-operation is the very life and it is the foundation of all human conducts and is the mortar which cements various parts of the body that is called society.

It is difficult to convey the correct meaning of co-operation in its technical sense because the term co-operation has assumed different shapes in different countries, according to the circumstances obtaining there which gave birth to co-operation. Even then, some of the familiar definitions of co-operation are given below-

“Co-operation is a form of organization, wherein persons voluntarily associate together as human being on the basis of equality, for the promotion of economic interests of themselves”.-H.Calvert.⁴

1. Nourse Edwin G., “The Economic Principles of Co-operation in Agricultural Co-operation”, edited by Martin Abraham and Claude Scruggs. P.161.

2. Arnold Boner, “British Co-operation”, 1961, Manchester, PP.23-24)

3. Dr.Smith; Quoted by Dr.B.B.Mathur, “Co-operatives in India”, Shivala Agrawal & Co., Agra,1987,P.5.

4. Calvert H., “Law and Practice of Co-operation”, 1915.

“A co-operative society is an association for the purpose of joint trading, originating among the weak and conducted always in and unselfish spirit, on such terms that all, who are prepared who assume the duties of membership, may share in its rewards, in proportion to the degree in which they make use of their association.”¹

“Co-operation occurs when, by emitting activities to one another, or by emitting activities in concert to the environment, at least two men achieve a greater total reward than either could have achieved by working alone.”²

“Cooperation is a way of life whereby people unite democratically in the spirit of mutual aid to get the largest possible access to things and services they need”.³

“Co-operation is a joint or collaborative behavior that is directed towards some goal in which there is common interest or hope of reward.”⁴

“A co-operative society is an enterprise formed and directed by an association of users, applying within itself the rules of democracy and directly intended to serve both, its own member and the community as a whole.”⁵

“Co-operation is a special form of economic organization in which people work together for definite business purpose under certain definite business rules.”⁶

Mr. W. P. Watkins, a former director of the International Co-operative Alliance, defined co-operation as a “system of social organization based on the principles of unity, economy, democracy, equality and liberty”.⁷ The International Labor Organization defines co-operative society as “an association of persons usually of limited means who voluntarily joined together to achieve a common economic end and through the formation of a democratically controlled organization making equitable contribution of the capital required of accepting a fair share of rights and benefits of the undertakings”.⁸

1. Fay C.R., “Co-operation at Home and Abroad, Vol. I, 1908, P.39.

2. Homans G.C., “Social Behaviour: Its Elementary Forms”, Brace & World, Harcourt, New York, 1961, P.384.

3. Warebasse J.B., “The Co-operative”, 1946.

4. Nisbet R., “Co-operation”, International Encyclopedia of the Social Sciences. Vol.3, Macmillan & The Free Press, New York, 1968, P.384.

5. Lambert Paul, “The Social Philosophy of Co-operation” 1963.

6. Gorden and O’Brien, “Co-operation in Many Lands”.

7. Quoted by Dr.B.B.Mathur, Co-operation in India, Sahitya Bhawan, 1990, P.8.

8. www.ica.coop/coop/principles.html. Assessed on 2008.

International Co-operative Alliance, Geneva (1995) - has defined that- “A co-operation is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspiration through a jointly owned and democratically controlled enterprise. Co-operatives are expected to function based on the value of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring others”.

Thus, co-operatives are better than private and public enterprises to serve the common goal due to their commitments to the values and principles in handling their business. After all, effective functioning of these co-operatives depends on the effective utilization of their resources.

From the above definition it can be concluded that-

- A] Co-operative is a voluntary and organized association of a number of individuals, dominated by a common need for the purpose of carrying collectively and independently an economic function which will provide specific economic benefits.
- B] It is enterprise and not a charitable association.
- C] The co-operative organization functions on the basis of equality.
- D] It is for self-help as well as mutual help.
- E] It is an association of persons and not of capital.

2.2- PRINCIPLES OF CO-OPERATION -

There is no doubt that there is something in the ‘co-operative movement’ that makes a universal appeal. When inaugurating an International Seminar on Co-operative Leadership in Nov.1960 at New Delhi, Pandit Nehru stated that- ‘The co-operative principles are not something which is a way of credit or marketing. It is a way of life. If you make it a way of life, you not only attempt to solve the country’s problems, but also help in the solution of International problems’.

According to Prof. Karve D.G., “A co-operative principle is a way of organizing and conducting the cooperative activity which is an inherent and indispensable corollary of the ideal or the objective to the co-operative movement”.¹

1. Karve D.G., “Co-operation Principles and Substance”, 1968. P.24.

The base of co-operatives is the “co-operative values” and “co-operative principles”. They are the main features that differentiate co-operatives from other forms of business organizations. At the 1995 Manchester Congress of the International Co-operative Alliance, the Congress adopted an Identity Statement on Co-operatives, which with authority stated the co-operative values and co-operative principles. The co-operative values are self-help; self-responsibility; democracy; equality; equity and solidarity.

It is the claim of the co-operative movement that it can be the principle means of bringing about in a peaceful manner a social change of a fundamental nature, ushering a social order non-exploitive, equalitarian, tolerant that harmonizes the dignity of the individual with the well being of the community.¹

The principles of co-operation have changed from time to time to cover the changing environment and conditions so that the co-operative movement may become more meaningful and purposeful. However, the modern formal co-operative movement dates back to Rochdale principle, a set of rules which they adopted even today effectively guide the philosophy and conduct of co-operative societies all over the world.

2.3- COMMITTEE REPORTS AND CO-OPERATIVE MOVEMENT -

Researcher has made an attempt to review the literature in respect of different committees like review committee, reports of the working groups, study teams on co-operatives etc. for detail study of the research work.

Various expert committees were appointed to study the development of co-operatives and to make the recommendations for the sustainable development of co-operative movement, from time to time, as and when the Government felt that something was wrong with the movement.

At the time of independence two major committee’s were established namely- Agricultural Finance Sub-Committee under the Chairmanship of Prof. D.R.Gadgil, and Co-operative Planning Committee under the Chairmanship of R.G.Saraiya in 1945.

Agricultural Finance Sub-Committee (1945) - Under the Chairmanship of Prof. D.R.Gadgil, observed that, “the spread of co-operation would provide the best and the

1. Mehta V.L., “India Co-operative Review”, July 1965, P.495.

more lasting solution for problems of rural economy in general and that of agricultural credit in particular.”¹ However, it was considered that it might not possible for the co-operative movement to supply the entire credit needs of agriculturists. Therefore, it was recommended that state aid should be given in much larger measure that was provided in the past so that the co-operatives might be enabled to supply better credit facilities.

Co-operative Planning Committee (1945) - Under the Chairmanship of R.G.Saraiya in 1945, recommended that primary societies be converted into multi-purpose societies and that efforts should be made to bring 30 per cent of the rural population and 50 per cent of villages within the ambit of the reorganized societies within a period of 10 years, 25 percent of the total marketable surplus or agricultural produce should come under co-operatives. Committee also recommended that Reserve Bank of India should provide greater assistance to co-operatives.²

All India Rural Credit Survey or Gorwala Committee (1954)³ - Committee was appointed by the Reserve Bank of India in 1951, to supervise a survey regarding facilities available in rural areas for providing agricultural loans to the agriculturists and to make necessary recommendations. The Committee submitted its report in 1954. After analyzing the various causes for unsatisfactory working of the movement, the committee concluded that “Co-operation has failed but it must succeed”. The committee recommended- A) an ‘Integrated Scheme of Rural Credit’ involving three fundamental principles, namely- i) State participation at different levels, ii) Co-ordination of credit with other economic activities especially processing and marketing in the co-operative sector, and iii) Administration through trained and efficient personnel responsible to the needs of the rural population. B) Suitable amendments were suggested in RBI Act and the establishment of a National Co-operative Development and Ware Housing Board at all India level. C) The establishment of three special funds under the RBI was suggested- i.e. i) The National Agricultural Credit (long-term operations) Fund, ii) The National Agricultural (stabilization) Fund, iii) National Agricultural Credit (Relief and Guarantee)

1. Report of the Agricultural Finance Sub-Committee, 1945, P. 47.

2. Report of the Co-operative Planning Committee, 1946, pp. 218 & 227.

3. All India Rural Credit Survey Committee Report, Vol. II, 1954.

Fund. D) A crop loan system was to be evolved. E) The economic viability of the co-operatives at the village level was essential. Each village society should be revitalized and reorganized and be made really effective. These recommendations were generally approved and were made the basis for the future plans for development.

Law Committee (1956)¹ – Law Committee was set up by Government of India, under the Chairmanship of S.T.Raja. The committee submitted its report in 1957 and prepared a draft bill, which was forwarded to all State Governments for simplifying and liberalizing the provisions of co-operative laws and procedures, with suitable modifications to their local conditions. The law related to co-operatives, their responsibility of enactment and administration rested in the State Governments. After the committee report, many State Governments passed their new Acts.

Policy Resolution of (1958)² - National Development Council (NDC) discussed in detail and recommended radical reforms in the pattern of organization of societies at village level in its policy resolution of 1958 about co-operative movement. As per their recommendations in 1959 Government of India pointed out to the State Governments the broad outlines of the policy to follow in respect of co-operative development. According to the resolution, the policy of organizing large-sized societies was given up and the scheme of service co-operatives, organized on the basis of village community as a primary unit with the object of helping the members increase their agriculture production was introduced. Policy emphasized on linking credit with marketing for strengthening the co-operative movement. Policy suggested coverage of all villages and all rural families within a short period as possible up to the end of third plan. Every agriculturist and rural worker should get advantage of co-operatives through the credit facilities.

Mehta Committee (1959)³ - Committee on Co-operative Credit gave its report in October 1960, with many important recommendations, to determine the question of viability, providing adequate finance and state participation at the primary level. The

1. GoI, Law Committee, 1956.

2. National Development Council, Policy Resolution of 9th November 1958.

3. GoI, Committee on Co-operative Credit, 1959. (Mehta Committee, 1959).

Committee suggested suggestions to expand credit facilities for agricultural production as well as credit structure for strengthening co-operative movement. Organized service co-operatives on the basis of the village community as the primary unit and if villages are too small the number of villages to be covered by a society may be increased in the interest of viability, to encourage members to subscribe sufficient share capital in the society as well as Government also contribute to share capital to service co-operatives. The committee also stressed on the co-operative societies to enlarge their internal resources, sound management, not only encourage the credit worthy people as member but also the marginal and sub-marginal cultivators, landless tenants etc. and provide them adequate credit on the basis of their production requirement and paying capacity. The RBI liberalized its credit limits for the Central Co-operative Banks.

The pattern of organization of primary societies, which formed the base of the co-operative credit structure, was settled on the basis of the recommendations of the Mehta Committee on credit.

Committee on Consumers Co-operatives (1961)¹ - Set up by National Co-operative Development and Warehousing Board to examine the promotional and organizational aspects of the consumer's co-operative movement for ensuring sustainable development. Its main recommendations were- organizing primary consumer's stores, Government assistance for construction of godowns and contribution in share capital, cash credit from co-operative banks and establishment of National Federation of Consumer's Stores etc.

Working Group on Industrial Co-operatives (1962)² - In 1962, the Ministry of Commerce and Industry appointed the second working group on Industrial Co-operatives, called as Working Group on Industrial Co-operatives, to review the present condition and to suggest targets during Third Plan. The report submitted in May 1963 with the recommendations that the setting up of new and revitalizing the existing industrial co-operatives strengthening weavers and handicrafts co-operatives and extension of credit

1. National Co-operative Development and Warehousing Board, Committee on Consumers Co-operatives, 1961.

2. Ministry of Commerce and Industry, Working Group on Industrial Co-operatives, 1962.

facilities of Industrial co-operatives by co-operative banks and the formation of federations of industrial co-operatives. Special orientation of 2 to 3 weeks should be given to the officer's in charge of providing technical, financial and other facilities to the industrial societies. The group estimated that 15,000 new societies could be set up with a membership of 15 lacks during the third plan. It recommended utilization of 25% of small scale industries provision in the plan for the development of industrial co-operatives.

Committee on Taccavi Loans (1962)¹ - The Ministry of Community Development and Co-operation, GOI, appointed the Committee on Taccavi Loans in July 1961, under the Chairmanship of Shri. B.P.Patel, to examine the existing arrangements for the supply of taccavi loans to farmers and suggested measures as will ensure effective implementation of the policy of routing taccavi loans through co-operatives. Committee submitted its report in August 1962. As per National Development Councils recommendation in November 1958, was that takavi loans and other facilities make available to agriculturists through co-operatives and make advantage to every agriculturists and worker to find it to join the village co-operative. Government of India therefore requested to the State Governments to route takavi loans through co-operatives. The progress of implementation of this policy was not satisfactory as there were many organizational and administrative difficulties that stood in the way of its implementation. Patel Committee studied the problem and made recommendations. The Committee submitted its reports in September 1962. It recommended that co-operatives should keep their rate of interest within limits, i.e. about seven and half to eight per cent, depending upon the stage of development of the co-operative movement in the area concerned. It is also reported that there was very limited scope for the expansion of taccavi credit. Moreover, co-operative method of advancing loans was advantageous as it could command the local services and savings and allow opportunities for direct participation by beneficiaries. On the recommendation of the committee, Government of India decided to channel taccavi loans through the co-operatives. In the year 1960-61 the co-operative advanced about Rs.202 crore of short and medium term credit whereas the government advanced only about Rs.41 crore as taccavi.

1. GoI, Ministry of Community Development and Co-operation, Committee on Taccavi Loans, 1962.

On the basis of the recommendations of the Committee, the Government of India, in September 1963, presented a future policy to the state governments that- to accept co-operatives as the ultimate sole institutional agency for provision of agricultural credit, to implement the policy of routing taccavi loans through co-operatives in a phased manner, and to strengthen the co-operatives in areas where they are weak so that they may ultimately take over the entire responsibility for provision of agricultural credit.

Study Group on Transport Co-operatives (1962)¹ - In September 1962, under the Chairmanship of S.N.Bilgrami, the Minister of Transport, GOI, a study group was to examine the scope for transport co-operatives, draw up a pattern of organization for such co-operatives, assess their financial requirements and suggest pattern of financial assistance. Study group submitted its report in May 1964 with some fundamental recommendations that was government participation in the share capital up to 35% of the total share capital, government guarantee through co-operative banks, state and national level federation. It is also recommended that the organization of service co-operatives which may consist of at least ten different bus owners or fifteen truck owners with 25 vehicles in all, in order to undertake the work of booking agency, servicing, procurement and supply of spares, settlement of tax liability, co-operative insurance, training of drivers, attending of litigation of the members etc.

Study Group on Panchayats and Co-operatives (1962)² – It was appointed by the Government of India, under the chairmanship of Misra S.D.W. to study and suggest measures to achieve maximum co-ordination between the co-operatives and Panchayats. Concern to the State Governments participation in the share of co-operative societies, working group suggested that it should not be rated through the Panchayati Raj institution, whether they both have a close ideological link and aim at democratic decentralization. However, Panchayats should have an important role in the promotion and development of co-operatives in their areas especially in respect of service co-operatives i.e. co-operative processing industries, fisheries, housing, labor, dairy co-

1. GoI, Minister of Transport, Study Group on Transport Co-operatives, 1962.

2. GoI, Study Group on Panchayats and Co-operatives, 1962.

operatives etc. It was also suggested that the panchayats should deposit their surplus funds with the service co-operatives having regard to local conditions. Panchayat should provide accommodation and adequate publicity for education programme of Co-operative Union. Generally, working group emphasized the necessity of these two institutions and their mutual relationship.

Committee on Co-operative Administration (1963)¹ - was appointed in April 1963, under the Chairmanship of V.L.Mehta. The committee appointed to review the departmental set up and to suggest recommendations to make stronger the departmental administrative staffs at various levels. Committee recommended that the Registrar, Co-operative Societies, should be an IAS officer along with two years training. There should be Joint Registrar for audit, credit and banking, marketing and processing, industrial societies, forming societies and consumer societies. It is also recommended that suitable training should be given to the departmental as well as institutional staff and orientation training should be given after every five to seven years. The pattern of organization of primary societies, which formed the base of the co-operative credit structure, was settled on the recommendations of the Mehta Committee on Credit.

M.L.Dantwala Committee (1964)² - Government of India appointed a committee on co-operative marketing to review the pattern of organization of co-operative marketing and give recommendations for ensuring sound and speedy development of agricultural marketing on co-operative basis. The committee gave its interim report in 1966 with following major recommendations such as- for the future pattern of organization two-tier structure of marketing societies, apex societies at State level and primary societies at mandi level. State Trading Corporation and Food Corporation of India should purchase their requirements of agricultural production through it. Committee endorsed the recommendations for Fertilizer Committee (Sivaraman Committee) that the chemical fertilizers should be distributed through co-op. marketing society. The State Bank of India should give priority to meet the requirements of marketing societies.

1. GoI, Committee on Co-operative Administration, 1963.

2. GoI, Report of the Committee on Co-operative Marketing, 1964.

Mirdha R.N. Committee (1964)¹ - was appointed by Government of India to suggest measures for proper development of the co-operative movement by eliminating non-genuine societies and vested interests. Assessing the size of the problem of non-genuineness in the co-operative movement, the report came to the conclusion that the movement was by and large moving in the right direction and that it would be wrong to magnify a few malpractices and come to a conclusion that the movement was replete with non-genuine societies. The committee however, gave certain suggestions to overcome a wrong type of tendencies i.e. co-operative training and education, regular audit of societies by an agency independent of Registrar, Government assistance etc. The committee also examined the factors hitting self-reliance and self regulation in the co-operative movement. After examined all the issues the committee made many useful recommendations including setting up of National Co-operative Bank to make the movement self reliant.

All India Rural Credit Review Committee (1966)² - Under the chairmanship of B. Vendatappiah, and the Committee submitted its report in 1969. Which recommended the entry of commercial banks into the rural credit system stated clearly that this was being done to 'supplement' and not 'supplant' the co-operative credit structure. According to the committee 'a large number of Primary Agricultural Credit Societies are neither viable nor even potentially viable and must be regulated as inadequate and unsatisfactory agencies for dispensing production oriented credit'. The committee gave emphasis to integrity, efficiency and the sense of dedication, functioning based on democratic and egalitarian principles and effective supervision. The All India Rural Credit Review Committee had said, "The expanding area and scale of co-operative activity and its growing diversification made it necessary that co-operative banks should build up large resources by way of deposits". The committee also prepared the ground for a multi-agency approach to agricultural finance.

1. GoI, Mirdha Committee on Co-operation, 1964. obtained by "Theory, History & Practice of Co-operation", Bedi R.D., Loyal Book Depot, Meerut, 1971.

2. GoI, All India Rural Credit Review Committee, 1966.

All India Rural Credit Review Committee (1969)¹ – Government of India had appointed the committee under the chairmanship of B.Venkatappiah. Main objective of the committee was to suggest measures for the reorganization of rural credit. The Committee found that there is marked increase in the co-operative credit between 1951-52 and 1967-68 i.e. from Rs.24 crore to 500 crore. However, there was a lag in dispersal of co-operative credit in the backward states of Assam, Bihar, Orissa, West Bengal, Rajasthan and Jammu & Kashmir. In other parts of the country too, there were weaknesses in co-operative banking system by way of low deposits, high overdue and general lack of business, management etc. recognizing such weaknesses but the need for increased requirement of finance for agriculture in the wake of green revolution technology. The Committee suggested the following points and recommendations- a) The establishment of Agricultural Credit Board, b) Setting up of a Small Farmers Development Agency, c) Creation of Electrification Corporation for the benefit of underdeveloped areas, d) Formulation of a more active and much bigger role for ARDC, e) Adoption of various measures for ensuring the timely and adequate flow of credit for agriculture through co-operatives and through commercial banks. As per recommendations, small farmer's development agencies were set up in selected districts as well as Rural Electrification Corporation was also established in 1969. Most of the recommendations of the committee were accepted by the government and included in the Fourth Five Year Plan i.e. SFDA, MFAL, were launched with active involvement of institutional credit agencies.

P.R.Dubhashi Committee (1972)² - The issues addressed by the Committee were- a) Adoption of professional management, b) Extension of deposits and insurance, c) Quality of working- litigation pending, adjournment, hundred percent audit, security of loan proposals, documentation, loan recovery plan, grant of membership, maintenance of records, revision of bye-laws, Registrar's power, court procedures, nature of appeals in the court, a common law for all types of Co-operative Societies, etc.

1. GoI, All India Rural Credit Review Committee, 1966.

2. GoI, P.R.Dubhashi Committee, 1972.

M.K.Madhavdas Committee (1978)¹ - Reserve Bank of India appointed committee under the Chairmanship of M.K.Madhavdas, Executive Director of Agricultural Loan Dept. to examine and give recommendations on the working of Urban Co-operative Banks and examine as to which types of services they would be able to provide in future. The committee submitted its report in July 1978 with the recommendations that- Composition of Model Bye-Laws, providing finance to small scale industries, managerial aspects and self-employment etc. The committee also remarked that- to fulfill the requirement of credit in urban and semi-urban areas urban banks are a good channel. Compared to other banks urban banks are cheaper as well as working methods are also easier. The Committee observed that they maintain good relation in local areas, so, the committee recommended facilities about re-finance on low rate for providing cheaper credit to small scale industries, self-employment, traders, transport services and other small services.

Marathe Committee (1978)² – The Committee worked in to the issues of : Development of Urban Co-operative Banks (UCB) as per their need, regional imbalance in development and the principle of one district one bank, branch expansion by the new UCB's instead of by the old established UCB's, encouragement of establishment of Women's Co-operative Banks, utility of UCB's for non-agricultural loans in rural areas as the basis for future branch expansion, survey at the national level to be taken by the Federation and Co-operative Dept. of the state to suggest measures to develop UCB movement in backward areas, measures for developing local leadership and expertise in the non-bank backward areas, liberalization to open new bank branches in the underdeveloped areas and licensing, viability and licensing criteria to be determined on the basis of population served in urban, semi-urban and metropolitan areas, minimum share capital and membership and the jurisdiction of UCB's rehabilitation of weak UCB's and RBI's power to issue licenses, inspection, measures to limit external interference, computerization, consolidation, mergers and liquidation etc.

1. GoI, RBI, M.K.Madhavdas Committee, 1978.

2. GoI, Marathe Committee, 1978.

Ardhanarishwaran Committee (1987)¹ – Pointed out towards the modern and professional management, financial discipline, human resource development, composition of Board of Directors, criteria for selection of the staff and General Manager.

Khusro Committee (1989)² – The Agricultural Credit Review Committee under the chairmanship of A.M.Khusro was appointed by the Reserve Bank of India in August, 1986 to undertake among others a review of the rural financial system and to assess the credit requirements of the agricultural sector during the next decade. Khusro Committee submitted its report in August 1989. The committee recommended ceiling on lending rate of commercial banks on agricultural lending at 15.5 per cent, whereas in case of Primary Land Development Banks, it was suggested at 5 per cent and for the RRBs 8.65 per cent. According to the committee demand for credit was limited and more realistic as it is based on agriculturists' desire of borrowing from institutional and non-institutional sources. According Committee opined that the institutional credit has been extended to a very large number of borrowers, who are first generation members of the banking system with shifted loyalties from non-institutional money-lenders. But the money-lenders and other informal lenders have not yet gone away. The institutional credit system has still a long way to go. The Agricultural Credit Review Committee visualized that the direct demand for agricultural credit will rise from Rs.27,557 crore in 1989-90 to Rs.57,316 crore in 1994-95 and further Rs.1,10,873 crore in 1999-2000 (@ 1984-85 price level). The committee also estimated that the deficits which the credit system will have to find so as to meet the estimated demand will be of the order of Rs.5487 crore in 1994-95 and Rs.21,426 crore in 1999-2000. It is also suggested in areas where RRBs are not economically viable may be merged into sponsoring commercial banks. Committee made projections related to the credit demand from agriculture and rural sector by the turn of the century. It has visualized that the rural credit system has two borrowing categories to be served, the larger category of well specified and the low income and socially weaker sections. Concern to them, the surplus generated in the economy as well as in the credit

1. GoI, Ardhanarishwaran Committee on Co-operation, 1987. Obtained by "Theory, History & Practice of Co-operation", Bedi R.D., Loyal Book Depot, Meerut, 1971.

2. GoI, The Agricultural Credit Review Committee, RBI, Khusro Committee, 1989.

system from the efficient operation of the larger category should go to meet some of the cost and if and to the extent necessary, some specific subsidies for the low income category. It also recommended the creation of National Co-operative Bank to function as national apex bank for all co-operative institutions in the country, elimination of control and interference, well paid and qualified secretaries, business development plan, etc.

Pant Committee (1990)¹ - The Ministry of Agriculture set up another Committee in October 1990 under the chairmanship of Pant J.C. (Additional Secretary, Department of Agriculture and Co-operation) to consider the implement of the recommendations of the Agricultural Credit Review Committee (1989) for strengthening the co-operative Credit delivery system on sound financial lines. To make each primary agricultural credit society viable the committee suggested some action programme. As the first step would be to train personnel working in co-operative banks in all aspects of preparation of business development plans (BDP) for PACS, committee suggested that the personnel training will develop the total scope of activities necessary for increasing loan business, deposit mobilization, increase the range of profitable activities, etc.

The committee advised that instead of five years period of the programme for restoring the viability of primary co-operative credit society to a minimum business of Rs.10 lack per annum should be phased over a period of ten years due to heavy financial commitment required to overcome the problem.

Committee on Organization of Co-operatives for Rural Poor (1990)² – At the same time in October 1990 another committee was set up on organization of co-operatives for rural poor under the chairmanship of Sankam S.R. (Secretary, Department of Rural Development). The committee submitted report in June 1991. It explained that the co-operatives which engaged as organizations to protect the poor from economic exploitation were no longer helping them. As the result of that a bulk of the rural poor population was still dependent on private moneylenders for meeting their requirements. Concern to the supply of credit to rural masses committee suggested that the co-

1. GoI, Pant Committee on Co-operation, Ministry of Agriculture, 1990. Obtained by “Theory, History & Practice of Co-operation”, Bedi R.D., Loyal Book Depot, Meerut, 1971.

2. GoI, Committee on Organization of Co-operatives for Rural Poor, 1990.

operatives should evolve a simple system of providing credit to the poor people, based on the repaying capacity of the poor the co-operatives should help them in organizing themselves into self-help groups. Committee suggested several measures for supplying credit to the rural masses in general and to help specially women, rural labor and tribal in particular.

Brahm Prakash Committee (1991)¹ – It was appointed to revise the existing co-operative laws for co-operative development through voluntary participation of the people. The Committee recommended a Model Co-operative Law in 1991 in order to make co-operatives self-reliant, autonomous and democratic. It was circulated to all the states with the advice to incorporate the same, as it ensures more power to the members, more participation and less government intervention in the affairs of co-operatives. However, there were some bottlenecks in implementing the recommendations because of the state's unwillingness to share in costs and their reluctance to dilute state powers. Only nine states enacted the Mutually Aided Co-operative Societies Act, 1995, i.e. Jammu & Kashmir, Uttarakhand, Orissa, Bihar, Jharkhand, Madhya Pradesh, Chhattishgarh, Karnataka, and Andhra Pradesh.

Central Government enacted the Multi-State Co-operative Societies Act, 2002 which was in line with the Model Act and came into force with effect from August 19, 2002. The main objectives of the Multi-State Co-operative Societies Act were to serve the interest of members in more than one state, to ensure the social and economical betterment of its members through self-help and mutual aid in accordance with the co-operative principles.

The Narsimhan Committee Report (1991)² - does not show concern to review the working and evaluating the performance of UCB's and did not make suggestions to how challenges in future should be met by the UCB's. Cognizance taken of the problem of banking in the various sectors is tilted more towards the nationalized and private sector banks than the co-operative sector. However, the recommendations made by the

1. GoI, Brahm Prakash Committee, 1991.

2. GoI, The Narsimhan Committee Report, 1991.

committee certainly influenced the RBI policy directives about functions in future and the policy adopted by the RBI keeping in view only the problems of nationalized banks, this will not necessarily be relevant but also detrimental to the interest of UCB's. Moreover, basic and urgent problems remain unnoticed e.g. the problem of declining profitability and viability owing to stringent SLR, CRR recommendations and interest thereon, priority sector lending, lending for housing, vehicles, loans to small traders, extension of consumption loan limits, permitting 'scheduled banks' to open branches, outside state grant of foreign exchange dealership, merchant banking, etc.

Reforms in the financial sector were officially announced as per the recommendations of Narsimhan committee in the year 1991. The reforms, which covered structural, organizational and operational aspects of commercial banks, came into operation since 1992. The reform mostly covered commercial banks and development financial institutions (DFI's) and left co-operatives out of the purview of recommendations by the committee. Committee did not show concern to review the working and evaluating the performance of co-operative banks and also did not make suggestions as to how challenges in feature be met by co-operatives.

The Narsimhan Committee Report (1998)¹ - The second part of the report of the Narsimhan committee was submitted on 24/4/1998. Committee recommended close up the branches which are under loss or percentage of NPAs over 2%.

Capoor Committee (2000)² – The Government of India appointed the Jagdish Capoor Committee to recommend on the lines that co-operative societies must evolve as independent self-reliant, autonomous and member- driven institutions. Committee recommended several points concerned to professionalization, business diversification, recovery management, human resource development, fund mechanism and setting up of a co-operative rehabilitation and development fund. Capoor committee also mentioned that the co-operatives have lost their democratic character and have become the government controlled bureaucratic organizations. Committee suggested minimizing excessive

1. GoI, The Narsimhan Committee Report, 1998.

2. GoI, Capoor Committee, 2000.

control and regulation for the sound development of the co-operatives throughout its own principles.

National Policy on Co-operatives (2002)¹ - Government of India announced the wide-ranging National Policy on Co-operatives in April 2002. Under the policy, cooperatives would be provided necessary support, encouragement and assistance so as to ensure that they work as autonomous, self-reliant and democratically managed institutions accountable to their members and make a significant contribution to the national economy. Due to the several internal and structural weaknesses of cooperatives, wide regional imbalances, and lack of proper policy support had neutralized their positive impact. This had necessitated the need for a clear cut National Policy on cooperatives. The policy aims at ensuring the functions of cooperatives based on the Manchester statement of International Co-operative Alliance 1995. While upholding the values and principles of Cooperation, the National Policy recognizes the Co-operatives as autonomous association of persons, united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise; Upholds the preservation of the different identity of Co-operatives, its values and principles by providing an appropriate environment and taking the required administrative and legislative measures; Recognizes Co-operatives as a distinct economic sector and integral part of the socio-economic system of the country and an effective and potential instrument of socio-economic development. Government must accept the need to phase-out its share holdings/ equity participation in the cooperatives. The Co-operative shall be enabled to set up holding companies/ subsidiaries, enter into strategic partnership, venture into futuristic areas like insurance, food processing and information technology etc., and shall be independent to take the financial decisions in the interest of the members and the furtherance of their stand. The role of the Government in ensuring, the benefits of liberalization and globalization in the rising special provision in the Co-operative Societies Act with regard to banking, housing, real estate development, processing, manufacturers Co-operatives, infrastructure development etc.; Under the National Policy on Co-operatives Government has to set up and carry out suitable

1.Gol, National Policy on Co-operatives, 2002.

programmes and schemes to build and develop co-operative institutions in the under developed states/ regions with particular reference to the North Eastern States including Sikkim.

A.Vaidyanathan Committee (2004)¹ - Government of India constituted a committee under the Chairmanship of A.Vaidyanathan, known as Task Force on Revival of Co-operative Credit Institutions, to reviving and revitalizing the rural co-operative credit structure (CCS) and attributes high priority and urgency to it. Report of Task Force on Revival of Rural Cooperative Credit Institutions (in the Short Term Co-operative Credit Structure) was submitted in February 2005 and Report of the Task Force on Revival of Rural Cooperative Credit Institutions (in the Long Term Co-operative Credit Structure) was submitted in August 2006.

Committee was appointed to suggest- i) an implemental action plan for reviving the Rural Co-operative Banking Institutions, taking into consideration the main recommendations made by various committees in this regards. ii) to suggest an appropriate regulatory framework and the amendments which may be necessary for the purpose in the relevant laws. iii) to make an assessment of the financial assistance that the Co-operative Banking Institutions will require for revival, the mode of such assistance, its sharing pattern and phasing. iv) to suggest any other measures required for improving the efficiency and viability of Rural Co-operative Credit Institutions. Committee discussed the reports of the previous committees such as- Task force to study the functioning of Co-operative Credit System and suggest measures for its strengthening (Capoor Committee,1999), Expert Committee on Rural Credit (Vyas Committee, 2001) and Joint Committee on Revitalization Support to Co-operative Credit Structure (Vikhe Patil Committee, 2001). The committee recommended that the co-operative credit societies and banks should be free of state control and an Andhra-style act should be passed in every state. Committee recommended that the shareholding by the state in individual co-operative institution should be reduced. On the recommendations of the Brahma Prakash Committee and concern to Andhra Act, the committee advocated freedom to the primary

1. GoI, Report of Task Force on Revival of Rural Cooperative Credit Institutions (Short Term Co-operative Credit Structure), Vaidyanathan Committee, 2004.

credit societies, whether it may be a member of the three-tier structure and to associate with any other credit institution such as a commercial bank. The sub group of Task Force headed by U.G.Sarangi, felt that the revival strategy needed to be premised on a strong legal and regulatory framework. Accordingly, a sub-group was constituted under Rama Reddy to suggest amendments deemed appropriate in the Banking Regulation Act, State Co-operative Societies Act, and Mutually Aided Co-operatives Societies Act. To create legal environment enabling co-operatives to function as autonomous and member driven institutions. These reforms will enable wider access to financial resources and investment opportunities, remove geographical restrictions in operations as well as mandated affiliations to federal structures, and provide administrative autonomy to cooperatives at all levels. Suitable amendments in the BR Act and certain provisions in the NABARD Act are also contemplated. NABARD has been designated the Implementing Agency for implementing the Revival Package in all the states. The 'Department for Cooperative Revival and Reforms' (DCRR) has been constituted in NABARD for the purpose. NABARD is providing dedicated manpower at the national, state and district levels for implementing the Package. Government of India announced in the Union Budget 2008-09 that the Central and State Governments have agreed upon a Package to implement the Vaidyanathan Committee report on reviving the Long Term Cooperative Credit Structure (LTCCS).

The implementation has begun in 25 states, including Maharashtra, which has executed the Memorandum of Understanding (MoU) with Government of India and NABARD.

Radhakrishana R. (2006)¹ – The Expert Group on Agricultural Indebtedness was set up in August 2006 under the chairmanship of Radhakrishana. The Group came out with detailed report which gave a large number of recommendations covering immediate credit measures, financial architecture, institutional architecture, risk mitigation and other measures. The Expert Group observed that as the indebtedness of farmers is largely because agriculture depends mainly on the monsoon, which ultimately affects the repaying capacity of the farmers. Second, though agricultural credit has

1. GoI, "The Expert Group on Agricultural Indebtedness", Radhakrishana Committee, 2006.

increased manifold, most of the farmers depend fully/ partly on non-institutional sources where the rates of interest are quite high and the terms and conditions often exploitive. Third, the dominance of middle-man often prevents the farmers from getting remunerating price for their produce. Fourth, the farmers do take loans for special functions or medical expenses from money-lenders which do not yield incomes and the interest rates are high leading to indebtedness.

The Expert Group recommended that rearrangement of loans in the case of natural calamities like- floods, cyclone, drought. It suggested waiver of interest liability for the extended period of the loans. Construction of Price Risk Mitigation Fund at State Government level which help the States to take up market intervention quickly to response to collapsing prices of locally important crops. The Expert Group suggested constituting a high level committee to evaluate crop insurance scheme. As regards to crop insurance, the Agriculture Insurance Company (AIC) needs to increasingly rely on space imagery for village-wise crop data and consider using surveyors where necessary for assessing crop loss (village-wise) to make crop insurance a better product.

It was also observed that production co-operatives, federation of farmer's SHG's and other forms of collective would enable the farmers, including the small and marginal farmers to participate in value addition activities like marketing and processing, there are no specific recommendations on how to implement this. However, national level organizations like NABARD, National Co-operative Development Corporation, Indian Farmer's Fertilizer Co-operative to support such formation in a big way, establish a dedicated fund for the purpose and encourage formation of farmer's organization in a proactive manner.

Expert Group noticed the decline in the share of co-operatives in total agricultural credit from 74.90% of short-term credit in 1975-76 to 33.2% in 2005-06 and from 61.2% of long-term credit to only 6% in the same period. The fact that the reach of the co-operative banks is much wider (in March 2003 against 1.64 crore borrower accounts with public sector banks, the co-operatives had 6.39 crore accounts), it is also noticed that the co-operative banks is a much higher risk profile as compared to commercial banks that are able to diversify in the whole country and across all sectors, where as co-operative banks by design have area and sectoral restrictions.

2.4- REVIEW OF OTHER LITERATURE-

Dubhashi P.R. (1969)¹ - “Strategy of Co-operative Development”, Paper presented in this seminar was originally a special lecture delivered by author and published in the Financial Express on 21st March, 1968. In the article author explained that the term “Strategy of Development” came into popular trend with its increasing use in literature on economic development. The strategy of future development evolved out of the past experience and stages through which development takes place.

Author explained that the stages of the evolution had always been thought of by social thinkers i.e. Karl Marx and Rostow. As the co-operative movement spread to different countries in the world displays different history. It became clear that co-operative movement has different origins and different lines of development. Under the impact of economic development as a whole and under the pressure of economic events the co-operative movement found its own starting point. The co-operative movement started as a small local discrete activity isolated instances rather than as part of a grand design or a coordinated plan of development. Author took a brief review of the evolution of the co-operative movement in the world and the development of the various types of co-operatives. Author explained that the possibility of co-operative development originating in one of the sectors of the economy like the distributive sector or the marketing sector and spreading itself over through a kind of a general process to other sectors, as well as, possibilities of a fruitful inter-co-operative relationship depends on the development of internal economic strength within the particular sector.

Author focused the development process of Indian economy. The progress of the co-operative movement in India measured with the increasing numbers of co-operative societies, on the contrary, in western countries it measured by the reduction in numbers, it means the progress is measured by the elimination of hundreds and hundreds of small co-operatives and their consolidation into bigger units with greater strength. Concern to Indian co-operative movement author discussed various aspects of the development i.e. leadership and administration.

1. Dubhashi P.R. (1969), “Co-operation: An Interdisciplinary Approach”, Edited by P.R.Dubhashi, Director, Pub. by Vaikunth Mehata National Institute of Co-operative and Management (VMNICOM), Pune, 1969.

Saxena K.K. (1974)¹ - “Evolution of the Co-operative Thought” is a comprehensive study. It is a systematic attempt to understand and evaluate the theoretical consideration which influenced the evolution of co-operative thoughts. Author analyzed various trends which emerged as a result of the influence on economic and social factors. It is also illustrated the expansion of co-operatives from the developed and developing countries.

In the study author focuses the dynamic character of the principle of co-operation and assigns co-operation the status of an emerging economic system. This book is divided into three parts.

Part first is concerned with the beginning and the foundation of the co-operation and Rochdale co-operative philosophy. Part second is concerned on emergence of co-operatism as an economic system and needs for reformulation and for that purpose author emphasized that co-operators should build up their own political philosophy. Pattern of development discussed in details under five chapter i.e. economic progress through co-operation, social aspects of co-operation, political philosophy of co-operation, co-operation and State action, management development, importance of education, training and leadership. Saxena explained that co-operatives have to recognize that they cannot eliminate all competition. The competition from private enterprise and large capitalistic concerns is there and is bound to increase in future as they have taken all the advantages of modern technology. “The capitalist enterprise will tend to continue its evolution towards oligopoly and monopoly, not in the national markets only, but on the international plane in new multi-national economic units called free trade areas or economic communities.” This again underlined the need for greater international co-operation amongst the co-operatives to make its greatness manifest and established its efficiency as against the large monolithic capitalist enterprises. For this challenge international co-operation among co-operatives is most important.

Mazwell Gezald, Schmitt David R. (1975)² - This is a comprehensive study presented by authors in book as they considered co-operation one of the basic social

1. Saxena K.K. (1974), “Evolution of the Co-operative Thought”, Somaiya Pub.Pvt.Ltd., New Delhi, 1974.

2. Mazwell Gezald, Schmitt David R. (1975), “Co-operation: An Experimental Analysis”, Academic Press, London, 1975.

process of social psychology. The book presents the results of six years of systematic research designed to uncover the factors that slow down, maintain or promote co-operation. Author used the results of some thirty interrelated experiments, most of which employed courageous reproduction procedures. Authors took into consideration the relationship between the concept of co-operation and the various operational definitions used in the literature.

In the study authors used two methods of measurement and experiments design. The first method of experiments evaluate the following factors i.e. inequality would reduce levels of co-operation in some pairs, even at substantial cost to the participants and effects are proportional to the size of the inequality and are mitigated when a means to reduce inequality was provided.

Second method of measurement and experimental design which repeated under various conditions and cultures explained the strong effect of interpersonal risk on co-operation. It gives the impression that even when co-operation was more profitable than working alone, granting subject's permission to take from one another virtually eliminated co-operative behavior.

Finally, the authors investigated several factors which reduce the inhibitory effects of risk i.e. open channels of communication, useable working systems, partner's visibility and external invocation of moral norms without successful invocation of group commitments.

Bedi R.D. (1971)¹ - In a comprehensive study of co-operative movement under the title 'Theory, History and Practice of Co-operation', author studied not only Indian co-operative movement but also gave some examples of success of other countries of the world where co-operative movement flourished. The study is divided into four parts i.e. Theory of Co-operation, Co-operation in Foreign Countries, History of Co-operative Growth and Co-operation in India. Part first consists with economic organizations, co-operation; their definition, principles, types, co-operation and State aid etc. Part second is dedicated to the success of co-operative movement in foreign countries, history and practice in co-operation evolved in foreign countries is explained deeply with illustration

1. Bedi R.D. (1971), 'Theory, History and Practice of Co-operation', Loyal Book Depot, Meerut, 1971.

of various countries. This is useful for Indian Planners to formulate plans, policies and practices for a sound development of co-operative movement. Part third consists of History of Co-operative Growth in India (pre-independence development and co-operation in the planned economy), various study groups and committees, their suggestions were studied in this part of the book. As the goal of democratic socialism, Indian planners placed before themselves, co-operation also secured its rightful place in every sphere of the Indian economy and made considerable progress. History of co-operative growth in India is presented along with available statistical information to the working of co-operative societies of different types e.g. co-operative credit societies, service co-operatives, marketing, processing, warehousing, housing, farming, consumer's stores etc. Finally author examined the progress of co-operative movement, managerial and operational aspects of the co-operative organizations at all levels. Author has given stress on the programme of co-operative training and education, supervision and inspection of co-operatives and community development programme. The study shows the correct path to follow on the previous historical background which is necessary for the sustainable development of the co-operatives in India.

Catanach I. J. (1970)¹ - The present book emphasized on primarily historical development of the co-operative movement and drew on an extensive range of economic and anthropological materials. The book studied the rural credit and the co-operative movement in Bombay presidency during the period of 1875 to 1930. Study is distributed in six major parts. In part first author deals with 'The Deccan Riots and Deccan Indebtedness (1875 and 1904), the first outbreak of rioting against money-lenders. The Deccan Riots Commission felt that there were two possible ways of dealing with the problems of agricultural indebtedness. One was to put checks on the activities of the money-lenders; other was to compete with him in the provision of credit. As a result Government of India passed 'Deccan Agriculturists' Relief Act', 1879. For the provision of credit Land Improvements Loans Act, 1883 and the Agriculturists' Loans Act, 1884 was passed by Government of India. At the end of 1890 and the beginning of 1891 Nicholson wrote a series of articles for the Madras Weekly Mail proposing the setting up

1. Catanach I. J. (1970), "Rural Credit in Western India", Oxford University Press, Bombay, 1970.

of Raiffeisen. Finally the Co-operative Societies Bill was passed on 25th March 1904.

The study is concerned with the evolution of administrative history, policy and politics of time with the personal tricks of officials, but it reaches down to the grass roots as well as he made a special study of non-official co-operative leadership in western India at a time when leadership was increasingly affected by nationalist politics of caste challenge. Author presented the comparable study of development of three separate areas- Gujarat, Maharashtra, and Karnataka.

Mohinder Singh (1967)¹ - The study published in the conference was organized by the International Co-operative Alliance, Education Centre for South East Asia and had its main theme, “the problems of agricultural co-operative credit”. The co-operative activities are widely spread all over the world and the credit co-operatives are the farmer’s own organizations which enabled members to obtain loans for their agricultural and allied agricultural operations. However, in most of the countries of Asia, the idea of co-operative credit was introduced by government officials. In recent years, the emphasis on augmenting the supply of institutional credit has increased within the framework of a national development programme and the motive behind it is to use institutional credit as an instrument for increasing agricultural production. But author stated that notwithstanding the recent expansion in institutional credit, credit needs of farmers in most of the developing countries are still being met through non-institutional sources at relatively high rates of interest and supply of institutional credit is limited. Author explained that institutional finance, generally, is available through government departments (including developmental or financing institutions established by governments), commercial banks, and co-operatives. The credit available through government department is very limited in volume and its scope is often restricted to special situation like provision of relief to victims of natural calamities and settlement of landless labourers and tenants on newly reclaimed lands. Co-operatives then are the most important source of institutional credit available to the farmers. In many of the Asian countries (Ceylon, India, Japan, Republic of Korea, Republic of Vietnam), the

1. Mohinder Singh (1967), “Agricultural Co-operative Credit in Asia”, Paper Presented at the Conference organized by International Co-operative Alliance, held at Lahore, Pakistan in 1962 and in Baguio, Philippines in 1963, Edited by Rana J.M., ‘Agricultural Co-operative Credit in South-East Asia’, Asia Publishing House, Bombay, 1967.

agricultural credit available through co-operatives accounts for four-fifth or more of the institutional agricultural credit. Author also mentioned clearly that in China (Taiwan), called farmer's associations, accounts for about one-third of total institutional credit, and the bulk of the balance is disbursed and recovered by these co-operatives as agents of various government bureaucrats. The study also explained the structure, scope of activity, area and membership, financial position and operational methods of the co-operatives.

Finally, author discussed a review of development in the countries of South-East Asia brings out certain elements that may enable co-operatives to acquire necessary vitality for playing an important role in the growth of agriculture. These are-there should be a well-developed extension service, supported adequately by research station and working closely with the co-operative organization to create amongst the farmers a demand for improved agricultural requisites and implements. The co-operatives should be able to provide adequate and timely credit to cover the production as well as essential needs for consumption on the basis of the repaying capacity of the farmer. Multipurpose co-operatives combining credit, supply and marketing offer a possibility of dealing with these problems in an integrated way. Co-operatives should function in a favourable economic and legal environment. Finally, author gave importance to national level institutions of co-operative as they are responsible for assisting in the task of improving the operational efficiency of co-operatives.

Goel B.B. (2006)¹ - Stated that the Indian co-operative movement is probably one of the largest, strongest and the oldest in the world with widespread spatial coverage, diversified business activities and plentiful success stories. The co-operatives structured around the Rochdale principles and Raiffeisen model. Forever since the officially sponsored Act of 1904, the movement has passed through a number of phases such as speedy and hurried multiplication of societies, rehabilitation and amalgamation, functional and structural differentiation at all levels and in diverse area of social and economic interest. These have a tremendous role in harnessing natural resources (irrigation co-operatives in Maharashtra), physical and social infrastructure (education, health), technology upgradation (artisans, tools, bio-fertilizers, and pests), etc.

1. Goel B.B. (2006), "Co-operative Legislation- Trends and Dimensions", Deep & Deep Publications Pvt. Ltd., New Delhi, 2006.

Understanding the keen role of the co-operatives in the economy author explained that co-operatives have been organized in areas like- credit, marketing, distribution, dairy development, industry, sugar, handlooms, labor, housing, poultry, farming fishery etc. Co-operatives also contributed a lot in the success of Green, White and Yellow Revolution and implementation of sugar, fertilizer and spinning and in debt complexes. Author described that the co-operatives are working at various levels and the role of National Co-operative Development Corporation (NCDC) as the leading development financing institution with huge training infrastructure to promote sustainable development in India.

The book is a comprehensive volume, which systematically described co-operative scenario and administrative framework followed by an analysis of the genesis, growth, various provisions, drawbacks and limitations of Co-operative Legislation both at State and Union Level. 'Co-operative Legislation- Trends and Dimensions' this is ten chapter scrutinized volume fully traces the growth of co-operative law in backward survey, such as- 1904 and 1912 Acts, recommendations of committees and commissions etc. Further, explained the rationality of traditional legislation, Model Act; Multi-State Co-operative Societies Act, Producer Companies and urges upon indispensability of a parallel legislation. The efficacy and certainty of subordinate legislation (Bylaws and Amendments), restructuring of Urban Administrative Ministry and above all Reinventing Co-operatives in the New Millennium, has also been vividly portrayed.

Singh Balwinder (2000)¹ - In this book author evaluates source-wise and farm stratum-wise the nature and extent of credit. The relationship between credit and area under cultivation, area under HYV, use of fertilizers, productivity and concentration of resources have examined in the present study. Author examined that the Green Revolution has disappeared gradually in India. The peasantry is in crisis because of less remunerative nature of farming. As a result, the issue of indebtedness of the peasantry has risen. The book evaluates the nature and extent of rural credit along with the growth of agricultural production and the process of farm mechanization. Author provided the

1. Singh Balwinder- (2000), "Agricultural Credit; Sources, Problems and Emerging Issues", Deep and Deep Publishing Pvt. Ltd., New Delhi.

statistical information of the case study conducted for collecting the primary information in Punjab. The growth of rural institutional credit across the peasant strata and the change in the pattern of distribution of this credit is also studied. Regarding supply of credit to different sections of farmers, the role of institutional (commercial and co-operative) as well as non-institutional sources and the problem of overdue have investigated. The author also examined the causes determining the extent of credit, the determinants of overdue and in this context the economic position of different categories of farmers.

Further it explains that there is a big increase in loan per borrower and even after three decades of nationalization of banks, the main sources of credit for farmers is still the private money-lenders.

Madhava Das K. (1960)¹ - In the present book, author scrutinized the 'E.M.Hough's: Co-operative Movement in India'. Since 1904 the Indian co-operative movement has sometimes faced ups and downs and the small percentage of even the credit needs of cultivators which it has so far met. Writer is confident in the possibilities of co-operation is unshaken and hopeful that once its technique has been mastered, co-operation in India will advance from strength to strength. Author suggested valuable suggestions to overcome the deficiencies or weaknesses founds in Indian co-operative movement to serve people of the country through the healthy growth of the co-operative movement.

Author scrutinized co-operative marketing and processing has lagged far behind co-operative credit, therefore, integration of co-operative credit and marketing is essential. Author described the suggestion for this- that the loans only be given by the co-operative society to a member who undertakes to sell his produce through a marketing society to which the credit society is linked. The marketing society reimburses the credit society with the production loan it has given to the member out of the sale proceeds of the member's produce. Secondly, the main problem of co-operative development in India is the building up of a sound structure of co-operation in the various States, particularly at the village level. The co-operative credit structure itself, at all levels, but particularly at

1. Madhava Das K. (1960), "E.M.Hough's: Co-operative Movement in India", Revised and Abridged by Author, Oxford University Press, London, 1960.

the primary and district levels, is weak. The problem of finding resources ranks very much below this prime requisite.

For sound development of co-operatives author stressed on improvement in administration structure i.e. better-qualified supervisors, auditors, bank managers etc. Author observed that the central banks in several states are weak and immediate transfer of supervision to them was not practicable. Author mentioned that- for the development of the co-operative credit, sound arrangements of audit and supervision and for marketing, the existing of a strong and viable society of central and apex are needed. Without these prerequisites it is impossible to achieve the objective that all members of the village community becoming members of the co-operatives and able to obtain loans from it.

Datar D.R. (1969)¹ – In a paper discussed the ‘Place of Co-operation in India’s Economy’. Co-operative movement in India since independence has made a remarkable progress and it became the backbone of rural economic activities. Researcher intended to measure the contribution of co-operative movement in Indian economy in the context of independent India. In this paper researcher made available statistical information for different years and for some of the sectors of co-operative activity such as credit, marketing, processing, sugar production, consumers and industrial co-operation etc. has been compiled and presented in tabular form along with corresponding information for the whole country. Percentage turnover of co-operative sector to total turnover of the country has also been worked out. This statistical information reveals the place of co-operatives in Indian economy, position, necessity and focus on trends of progress.

Researcher explains that the co-operative movement in India continues to be predominantly a credit movement. Researcher presented statistical information of agricultural credit supplied by different agencies, per cultivator family during 1951-52 and 1961-62 as well as aggregate borrowings of all cultivator families. The private credit agencies (excluding commercial banks) supplied in 1951-52, about 92.7% and 81.3% in 1961-62 of the total cash loans borrowed by cultivators, while the co-operatives supplied

1. Datar D.R. (1969), “Place of Co-operation in India’s Economy”, Paper presented at National Seminar at Vaikunth Mehta National Institute of Co-operative Management Approach”.

3.1% in 1951-52 and 15.5% in 1961-62 of the total borrowings. The government contribution was 3.3 in 1951-52 and in 1961-62 was 2.6% and the contribution of the commercial banks was about 0.9% in 1951-52 and 0.6% in 1961-62. Therefore, the situation was not changed considerably during the intervening period of ten years, and the private money-lenders continued to dominate the economy. However, the co-operative sector stepped up its credit activity considerably during the period and contributed 15.5% of the total cash borrowings.

Besides credit, processing of agricultural commodities is another major activity undertaken by many co-operative societies throughout the country. Some of the major processing activities undertaken by the co-operatives are- sugar manufacturing, cotton ginning and pressing, milk processing, fruit, vegetables and fish canning, paddy processing, etc. The share of the sugar co-operative factories in the total national production rose from 1.6% in 1955-56 to 26.2% in 1965-66. Researcher found that co-operatives made significant progress, however, that is noticed that it was limited to only certain sectors of the economy such as agricultural credit, sugar manufacturing, cotton ginning and pressing and marketing, but in many fields their contribution was almost insignificant. Besides this, researcher believed that the Indian co-operative movement will grow into a movement embracing all fields of economic activity and come out as a powerful sector in the Indian economy.

Memoria C.B. and Saksena R.D. (1973)¹ - The book 'Co-operation in India', is an analytical, comprehensive and more critical appreciation of the changing pattern of diverse aspects of Indian co-operative movement. The book is discussed under twenty three chapters to touch every aspect of the economy. Indian economy is an agrarian economy where more than sixty percent of population depends for its sustenance on agriculture; authors think that there is still vast scope for the application of co-operative activities. He presented a brief concern to agricultural background and to rural areas. Author focused on rural indebtedness and rural credit, he thought that to make free the cultivators from the clutches of money-lenders and to get them the best price for their product and to improve their living standard co-operatives can do best. In the present

1. Memoria C.B. and Saksena R.D. (1973) - 'Co-operation in India', Published by Kitab Mahal, Allahabad, 1970.

book author discussed the history and growth of co-operative movement, co-operative credit structure (agricultural and non-agricultural), their functions, and progress and also mentioned some valuable suggestions. He endorsed this remark that if the face of rural India is to be changed, co-operation in its various phases must permeate deeply into the life of Indian villages for co-operation is very important for the very existence of Indian agricultural and their emancipation from the present situation.

Suresh K.A., Joseph Molly (1990)¹ – In this book authors made an attempt to analyze the different rural development programmes implemented by government of India. The role of the co-operatives under the five year plans and the major types of functional co-operatives as agents of rural development are enunciated by author with historical background. Author stated that rural development is a subject of determining significant as it predominance rural population and their accentuating poverty. In the present study author studied credit co-operatives of Kerala, this is one of the most leading States in co-operative movement in India.

In the present study the review of co-operative efforts has revealed that the functions and performances of co-operatives are affected by a lot of factors. Co-operatives are rarely functioning on co-operative principles and not acted as an effective instrument of social transformation. Analysis of impact of co-operative credit on production has revealed that the supply of credit was inadequate to meet the production needs, a portion of the limited supply of credit is diverted and finally whatever is used for production has no statistically significant impact on income for which the credit was available. As well as, impact on distribution showed that only 1.19% of beneficiaries were hailed from low income group who received about 0.64% of total loans disbursed. Thus the study has shown than that business efficiency dose not necessarily mean organizational efficiency and both to them may even move in opposite directions and co-operatives have no difference from other forms of business organization in certain cases, in which their impact on rural development will be negligible. Author focused on several organizations involved in rural development such as government, co-operatives,

1. Suresh K.A., Joseph Molly (1990), "Co-operatives and Rural Development in India", Published by-Ahish Publishing House, New Delhi, 1990.

voluntary organizations, commercial banks, industrial houses, etc. about eleven rural development programmes are explained in detailed, the major operational approaches of these programmes were reformist, functional, target and total approach. Author explained that most of the programmes are welfare programmes without any impact on income and employment directly.

Success stories of co-operatives like Amul, IFFCO, Warna, etc. showed that they are simultaneously working on the basis of sound canons of business and organizational objectives. Co-operatives are the best form of organization for the rural poor. They are capable of producing desired results and competent to compliment the decentralized political and economic system. But they can be effective only if the socio-economic and political contexts in which they are working are also ready to understand the spirit of co-operation.

Bhuimali Anil (2003)¹ - The book discussed rural co-operatives and their impact on the rural economy. Author explained that the Indian farmers needed credit for agricultural purpose which was available from the private money-lenders, but the credit supplied by them was at a very exorbitant rate of interest. Naturally it was beyond the reach of agriculturists. Similarly, whatever Government loan was available that was available only at a very limited extent. In order to meet the credit demand of the farmers at a soft rate of interest, Indian Government passed the co-operative societies act to overcome the problem. In various countries co-operation has been used as an institution and instrument of economic development. The co-operative societies in rural sector played a big part in America, Western Europe and even in Israel to raise the level of productivity in agricultural and in turn assist in the process of reaching the high growth in the respective national economies. The author presented three case studies to explain the activities of such societies in the rural India and their consequent impact on the economy. First case study explained the impact of a limited liability society, second case described the impact of an unlimited liability society and the third presented the impact of agricultural marketing society on rural areas of West Bengal. Author stated that co-operatives have played a significant role not only as instrument of economic growth, but

1. Bhuimali Anil (2003), "Rural Co-operative and Economic Development", Sarup and Sons Pub., New Delhi, 2003.

also influencing the people towards social and economic changes by way of adopting innovation and technology. Co-operatives, in fact, help one by contribution vast possibilities for the individuals to participate combined in the economic activities.

The book discussed the co-operation as an instrument of growth, general experience of co-operation in India and co-operative movement in Bengal, progress of agricultural co-operative societies in West Bengal, analysis and achievements and its impact on rural economy, an evolution of co-operative legislation and summary and recommendations are also presented in the present book.

Author suggested that co-operative legislation should be made in such a form so that the co-operative movement would become free and democratic without any external disturbances in it and would guarantee economic development and the betterment of the condition of every member by full utilization of local resources through co-operative enterprises and everybody would think that the society is his own instead of thinking it as government society.

Gill Anita (2004)¹ - The present paper primarily attempted with the popularity of the informal lenders in the agricultural sector, despite a numerous of institutions providing credit to this sector. It was carried out in twelve villages of two districts in Panjab. Panjab is the agriculturally advanced region in India. A micro-level empirical study showed the particulars of the informal credit transactions and the situation captured idea of the difficulty of poorer of agriculturally less advanced states.

Although much attention recently has been devoted to agrarian credit markets, the private moneylenders grip on rural life and the pitiless exploitation of borrower's remains undiminished. The present study also revealed the dominant position of the moneylenders in a new form- that of a commission agent, who interlinked the credit market with the output market. Credit is given to agriculturists on the guarantee of sale of crop to the commission agent, who further sells it to government agencies. Payment of sale of crop is also made through commission agents, who deduct their loan amount before finally paying the cultivators. The commission agents have displayed a greater foresight than

1. Gill Anita (2004), "Interlinked Agrarian Credit Markets: Case Study of Panjab", Economic and Political Weekly, August 14, 2004. Vol., No., P. 3741-3751.

institutional sources, by not insisting on land as guarantee. The rates of interest charged are exorbitant, but the cultivators are forced to pay it, because institutional credit is just not adequate as well as bulky procedures are involved in obtaining a loan.

The reform measures, particularly a redefinition of the priority sector and allocation of funds for this sector have failed. The result is constant exploitation of cultivators, and high burden of debt found in study in Panjab. In short, institutional credit is not adequate with demand. The researcher has made an assessment of reform measures which revealed that the entire focus is not in line with requirements and that's why alternative policy measures are needed to overcome on the worse situation.

John Mugambwa (2005)¹ - Author explained in the article the ups and downs, reasons for the failure of the movement and current attempts of the Papua New Guinea Government to revive the cooperative movement. Author discussed the values, principles and organizational structure of the co-operative movement, as usually which form a pyramid shape. The basic aim of the co-operative movement is to improve the economic welfare of the members. Concern to the developing Countries author explains co-operatives are particularly suited to rural people with low income. By forming co-operatives; people can contribute funds to provide themselves with facilities, which as individuals they would not afford. It is a suitable way of encouraging the common people to participate in the economic development of their local area and the country. Because of the nature of the composition of their membership and the distribution of surplus income earned by the association, co-operatives ultimately facilitate a wider distribution of wealth to the population than ordinary companies whose shareholders are usually an exclusive class of relatively rich people.

Further explained that, the co-operative movement was launched in Papua New Guinea in 1947, when the Australian Colonial Administration established a “Co-operative Section” within the Department of District Services and Native Affairs. The Administrators encouraged the indigenous people to form co-operatives to promote socio-economic development. Their motive was partly to stimulate economic activity

1. John Mugambwa (2005), “The Saga of the Co-operative Movement in Papua New Guinea”, Journal of South Pacific Law, Vol. 9, Issue No. 01, 2005.

amongst Papua New Guineans. Throughout its initial stages, the co-operative movement mainly consisted of simple village trade stores. Under Governments encouragement and guidance the movement quickly spread. The area of activity became more diversified, from consumer societies to marketing of primary produce, especially, coffee, cocoa and copra. A co-operative education centre was established to provide training in the various elements of business and management of co-operatives in accordance with the co-operative principles. Unfortunately, the steps taken by the Administration were rather late and the people's faith in the co-operative movement was rapidly declined.

Author described that the failure of the co-operative movement was due to over-enthusiastic bureaucratic interference in the management of co-operative affairs, which the members do not like, inability to attract large capital investment, co-operatives do not appeal large capital investors because they do not recognize capital as the key factor of production, mismanagement and competition from private companies. As well as co-operative principles and values prevent the distribution of profits, and control of the enterprise based on capital, which is the antithesis of most corporations. For this reason, co-operatives tend to suffer from lack of private capital investment. Co-operatives are also subject to more control and supervision than are ordinary corporations in their management and activities. Indeed, in many countries government interference in the running of co-operatives is often cited as one of the main reasons for the failure of the co-operative movement.

Author described that it is necessary to encourage effective and meaningful participation of ordinary people in the rural communities and villages in the national development process to achieve economic prosperity, enhance progress on communal welfare and to restore dignity to individuals through the Co-operative Society Movement.

Swami H.R. and Gupta B.P. (2006)¹ - The co-authored book is a widespread study examined necessity of the co-operatives in sustaining rural economy. Author explained that India is a country of villages (near about 7.5 lack villages). Majority of the population (72%) of the country lives in villages; it means almost two third populations

1. Swami H.R. and Gupta B.P. (2006), "Rural Development And Co-operation in India", Indus Valley Publications, New Delhi, 2006.

of the country lives in rural areas. Sixty per cent working population of the country is dependent on agriculture and its allied activities for livelihood. The rural economy is the main base of Indian economy which contributes 18 per cent share in national income.

Author presented study in three sections, first two exhibit a searching analysis of many aspects of rural development, especially concept, significance, current issues and strategy of development as well as various rural development schemes, role of NGO's etc. section third consists with various aspects of co-operation such as concept, principles, origin of the co-operative movement in India and abroad, and co-operation during planning period etc.

In India the solution of the socio-economic problems such as poverty, unemployment, indebtedness, population explosion, low productivity, disparities, illiteracy, etc. can be solved with understanding the significance of rural development and co-operation in India. Co-operation is concerned with all aspects of human life i.e. economic, social, political, moral and religious aspects, rather than any other. In the book author arrived at a conclusion that the country (India) can achieve the target of sustainable development only through rapid rural development with the help of co-operatives, particularly under the conditions of globalization. Co-operation had contributed in the success of economic planning. Government policies are implemented with the help of co-operative societies in rural areas. Through the co-operative societies government seeks public support and awareness.

Das Banshree, Dr. Palai N.K. and Dr. Das Kumar (2006)¹ - The paper discussed the problems and prospects of cooperative sector in India. India is basically an agrarian economy with 72 per cent of its total population residing in rural areas. The rural people need lot of services in daily life which are met with by village co-operative societies. Author explained that co-operative system in India has the capacity and potentiality to neutralize the adverse effects emerging from the process of globalization. Following economic liberalization under the new economic environment, cooperatives at all levels are making efforts to reorient their functions according to the market demands.

1. Das Banshree, Dr. Palai N.K., and Dr. Das Kumar (2006), "Problems and Prospects of the Co-operative Movement in India under the Globalization Regime", XIV International Economic History Congress, Helsinki 2006, Session 72.

Author presented the share of Co-operatives in National economy in percentage. Statistics indicated that modern cooperative movement made a tremendous progress in India in every activity and occupies a major place in the share of the national economy.

The failure of the public sector in several cases is a serious trend. Privatization has also failed to make an impact in the rural areas. Therefore there is great hope from the co-operative sector. The paper examines the causes of slow progress and highlights the emerging role and challenges of the co-operative sector. The government is committed to co-operative development. The cooperatives have inbuilt advantages of tackling the problems of poverty alleviation, food security and employment generation. Cooperatives are also considered to have immense potential to deliver goods and services in areas where both the state and the private sector failed. The paper focuses on several pitfalls and shortcomings like: poor infrastructure, lack of quality management, over-dependence on government, dormant membership, non-conduct of elections, lack of strong human resources policy, absence of professionalism, etc. Author suggested developing strong communication and public relations strategies which can promote the concept of co-operation among the masses and push forward by developing effective strategies to overcome existing weaknesses for continuing growth of the sector. The paper makes an assessment of the future prospects of the co-operative sector of India.

In the paper author discussed the historical profile of co-operative movement in India, growth, structure, types and significance of co-operatives. Author explained that co-operation has a vast significance in India because; it is an organization for the poor, illiterate and unskilled. Co-operation is an institution for mutual help and sharing, it softens the class conflicts and reduces the socio-economic gap, it reduces the bureaucratic evils and follies of political factions, it overcomes the constraints of agricultural development and, creates conducive environment for small and cottage industries. Paper also explained the causes of slow progress i.e. Government Interference, Mismanagement and manipulation, Lack of Awareness, Restricted Coverage and Functional Weakness.

Author explained that neither private sector nor public shall promote social welfare. India requires meaningful reforms in the co-operative sector, before complete - opening up its economy to the competitive regime, which should ensure; higher standard of living for the village people and production for mass consumption. In comparison to

the neglected treatment of the past, co-operatives should be considered an important key of development.

Mathur Archana S, Das Surajit and Sircar Subhalakshmi (2006)¹ – The study examined trends in the growth of agricultural production in India over the last one and a half decades, identifies factors that affected agricultural growth and analyses constraints that affected growth of the sector. The vast inter-regional variations in growth across the country emanating from area specific factors have also been examined. On this basis projections have been made on the future growth of the sector in the medium term, coterminous with the Eleventh Five Year Plan. A country like India where agriculture continues to be the core sector of the economy providing a livelihood over sixty per cent of the population. Since the sector faces the largest burden of underemployment, unemployment and poverty. A growing agricultural and allied sector is expected to contribute vastly to overall growth and poverty alleviation. Increasing productivity of agriculture has been an important goal in developing countries. All India level and state-wise analysis highlight the role of public investment or government expenditure on agriculture production. Paper examined that there has been steady increase in public investment to 15 per cent annum should lead to agricultural growth of 4 percent, which is associated with the projected growth rate in the Eleventh Plan. The other factors that are important for a higher agricultural growth are fertilizer usage and agricultural prices.

Author explained all India trends in Agriculture that there has been a constant decline in growth of the agriculture sector since 1990 onwards as compared to the 1980s. It was 4 per cent during the 1980s on an average, which came down to 3.2 per cent during the 1990s and 2 per cent in the last five years. Growth in real value of foodgrains production has been a terrible 3 per cent during 1990s and 5 per cent during 1999-2000 to 2002-2003, with minor improvements estimated during 2003-2004. The share of agriculture in Gross Domestic Product (GDP) was 29.76 per cent during 1993-94 to 1995-96 declined to 23.15 per cent during the period 2000-01 to 2002-03. This has serious implications on the nutritional status and food security of our country. In section

1. Mathur Archana S, Das Surajit and Sircar Subhalakshmi (2006), "Status of Agriculture in India; Trends and Prospects", Economic and Political Weekly, Dec. 30, 2006. P.5327.

third state-wise trends in foodgrains production during 1990-91 to 2002-03 showed average growth rate of 2.58 per cent and the major five states viz, Mahdhya Pradesh, Tamil Nadu, Gujarat, Karnataka and Maharashtra have not only registered growth rates below average but also have actually registered negative growth in food grain during the period.

Further discussed the sources of agriculture growth, trends in government investment, subsidy and its effectiveness in the growth of agriculture, author analyzed state-wise government expenditure and its role in agriculture etc. In the concluding remarks authors explained that there are various factors which affect the growth of agriculture in India i.e. government expenditure, population, public and total investment, credit, electricity, fertilizer usage, rainfall, irrigated area, agricultural prices etc. and suggested that public investment should be steady without government intervention. Investment in rural infrastructure comprising irrigation and water management, processing, storage and marketing, timely supplies of credit, research and development extension services are suggested by authors in the present study.

Narayanmoorthy A. (2006)¹ – The present study “State of India’s Farmers” focuses on the Situation Assessment Survey of the farming community, commissioned by the Minister of Agriculture and carried out by the National Sample Survey Organization (NSSO). Survey brings out the pathetic condition of Indian farmers, about income, expenditure and indebtedness of cultivator household. With several questions i.e. is income from cultivation not enough to meet consumption and other expenditure? Are farmer’s families heavily indebted due to lower income from cultivation and increased cost of cultivation or are farmers not able to cope with the new competitive environment after economic reforms. Ministry of Agriculture presented a comprehensive study and socio-economic survey of the farmer’s covering educational status, living standard, farming practices, possession of productive assets, awareness and access to modern technology, resource availability, indebtedness and other relevant issues.

According to the Situation Assessment Survey of NSSO, carried out during the year 2003 (January 2003 to December 2003), covering 51,770 households and 6,638

1. Narayanmoorthy A. (2006), “State of India’s Farmers”, Economic and Political Weekly, 11-17, February, 2006, P.471.

villages across the country. The results of the surveys showed the very bad condition of cultivator households. According to the survey at the all India level, the average annual income of the farmer household was Rs.25,380 which includes cultivation, wages, farming animals and non-farm business income. The income from cultivation accounts for only about 45% of the total income and the remaining receipt was from other sources including wage income, which alone accounts for almost 39%. It means the annual income from cultivation was only about Rs.11,628 per farmer household, after excluding the other sources. The result of the SAS sufficiently proved that farmer's does not get enough remuneration for his produce because of sharp deceleration in the growth of prices of many agricultural commodities and increase in the cost of cultivation after the economic reforms.

However, it is suggested that government needs to regulate both input and output markets, the sale of spurious inputs must be stopped, announcement of minimum support prices every year, the role of middlemen should be controlled considerably by involving producers in the market activities, 'ryatu bazaars' should be encouraged throughout the country. As well as despite the significant increase in the flow of institutional credit, the SAS data showed that still over 42% of rural credit supply comes from the non-institutional sources like moneylenders. Where the rate of interest is not only exorbitant but terms and conditions of the loans are often exploitative. The policy of repetition of credit to the agricultural sector at a reasonable rate of interest should be pursued through programmes such as 'credit widening' and 'credit deepening' so as to reduce the indebtedness of rural areas.

Satish P. (2007)¹ – After 1991, financial sector reforms systematically undermined the institutional credit arrangements for agriculture. The RBI and the Government have emphasized the importance of credit to agriculture many times. But past one and half decade showed depressing scenario of rural economy, declining public capital formation in agriculture and the straggler growth rates in agriculture. The Committee on Financial System (GoI 1991) set out a negative policy for credit to

1. Satish P. (2007), "Agricultural Credit in the Post-Reforms Era.", Economic and Political Weekly, Vol. 42, No. 26, June 30- July 06, 2007, P.2567-2575.

agriculture and other priority sectors which were manifested in three broad areas: the renovation of institutional structural design for rural credit, disincentive of credit flow to agriculture through the mechanical application of Basel norms and the squeeze on resources available for agricultural credit operations. This paper discussed these three broad areas, experience of some advanced economies and suggested way through policy reforms which are a sine qua non, if credit flow of agriculture has to be stepped off.

The paper examined that the financial sector liberalization has led to a debilitation of institutional framework for agricultural credit. The rural branch network saw a tremendous growth after nationalization of banks in 1969, which was 17.6% in 1969 steadily increased to 58.2% in 1990. Even, as the RBI liberalized the policy for the closure of rural branches on the base of viability and lack of profitability it declined by 51.7% in 1994-95 and to 44.48% in 2005-06.

The paper suggested a set of reforms which will reserve the policy for agricultural credit. Paper argued that the successful promotion of the deepening of rural financial markets, which would ensure uninterrupted flow of credit to agriculture, will require systematic rather than isolated actions being undertaken on several fronts, i.e. handing over the entire supervisory responsibility of commercial banks to NABARD to ensure a better and systematic monitoring and supervision of flow of credit and other financial services to agriculture on account of its deep understanding and knowledge of the sector and strong field level presence. For the revitalization of the co-operative banking sector, Central and State Governments and NABARD should work on speedy grounding of the reform package envisaged under the Vaidyanathan Committee report on short-term co-operative credit structure. RBI has to continue refinancing exercise through NABARD by resuming ground level credit at a reasonable rate of interest. Capital formation is an immediate need to strengthen the arrangements for resources for refinancing investment credit to agriculture, for that the transfer of funds out of RBI's surplus to National Rural Credit (Long-Term Operation) Fund in NABARD.

Lastly, argued that when agricultural credit is handled with utmost importance and seriousness by governments, treasuries and central banks in countries where agriculture contributes to just 1 to 2% of GDP and less than 2% of the workforce is employed in agriculture, it should certainly deserve far greater attention than it now

receives in India where 22.6% of the GDP still emanates from agriculture and 60% of the workforce is still employed in that sector. Author observed from the analysis a reversal of the public policy objectives of extending the reach of agricultural credit, providing affordable and timely credit to rural households and overcoming problems of imperfect and fragmented rural credit markets. The effects of this policy reversal are corroborated by NSSO's survey.

Muley S.S. (2007)¹ – The paper argues ‘Role of Co-operative Banks in Rural Credit’, that to uplift of rural population the financial support is necessary, it is an essential requirement of farm and non-farm sector. These sectors need short, medium and long term loans for their operations. The co-operative banking is the cheapest and best source of rural credit. As per the fundamental principle of co-operation, the co-operative credit is based on the principal of mutual help service objective rather than profit. Thus, the co-operative movement stood with the objective to provide agricultural credit to farmers and to save them from the clutches of the moneylenders and others. The paper presented the co-operative credit structure in India along with its progress. The PACS's and DCCB's provide short term and medium term loan and PCARDB's and SCARBD's provides long term loan in rural areas. The loan issued by PACS was increased from Rs.8474 crore in 1994 to Rs.33996 crore in 2003. It is evident from the data that DCCBs, SCBs, PCARDBs and SCARDBs providing loan with increasing trend during the period 1991 to 2003. But the share of co-operative credit institutions in agricultural credit was declined from 44% in 1997-98 to 34% in 2002-03. The study revealed that recovery performances of co-operative banks are not satisfactory. So the co-operative banks are facing the problems of recovery and others. For the rehabilitation of co-operative credit several commodities and taskforce made various recommendations. Considering the importance of co-operative credit the government should protect co-operative banks in rural competitive environment.

Researcher discussed the problems i.e. lack of necessary funds, delays in sanctioning loans, effective supervision verification of actual utilization of loans, political

1. Muley S.S. (2007), “Role of Co-operative Banks in Rural Credit”, Co-operative Perspective, Journal of Co-operative Management, Vaikunth Mehta National Institute of Co-operative Management, Pune, Vol.42, No.01, April-September, 2007.

interference, unsatisfactory recovery performance, lack of adequate and trained staff, high cost of management, etc. Researcher also discussed the measures i.e. review of co-operative law, adoption of new technologies, computerization, good communication network, tighten the supervision and monitoring of operation, removal of political interference, required training and incentives to staff, etc. As well as measures for rehabilitation of co-operative credit.

Ramesh D. (2007)¹ – Author presented the performance and challenges before the Maharashtra District Central Co-operative Bank, in rural credit delivery system. Observed that co-operation is a form of socio-economic organization which is an important instrument of overall rural development. Stated in the final remark that the main issue in new millennium is to reorient the functioning and management of the co-operative institutions. There should be a well conceived action programme to provide specified guide points to co-operatives; obligation of professionalism and efficiency, introduction of modern technology, systematic training through effective interplay of inter co-operative relationship, mobilization of resources, and enhancing participation of members in decision making process and reducing dependence on government assistance.

The study reveals that co-operatives have played an important role in promoting agricultural and rural development in India, particularly in the field of credit, supply of inputs, processing and marketing of agricultural produce. Due to adoption of globalization, the co-operatives in India are facing several problems. Co-operative movement in India cannot be developed in the 21st century unless the government strengthens the base of the movement, which will be helpful to the agricultural and rural development. Quality consciousness, cognizance of global competition, devoted membership, and urge for co-operative spirit and exclusive loyalty of the members become necessary features in the co-operative movement.

The co-operative network is expected to play a critical and crucial role on the one hand, in meeting the farmer's requirements in terms of inputs and services to facilitate farmers to adopt new technologies of production to raise crop yield and production. On

1. Ramesh D. (2007), "Rural Credit Delivery: Performance and Challenges Before MDCCB", Co-operative Perspective, Journal of Co-operative Management, Vaikunth Mehta National Institute of Co-op. Management, Pune, Vol.42, No.01, April-Sept., 2007.

the other hand, their coming together assists in giving them in the market place, a far better bargaining power to fetch market place, and much remunerative prices for commodities.

Researcher stated that the professional leadership is a perquisite not only for creating and nurturing a co-operative organization but also for providing a vision, inspiring and guiding both the members and the management. So as to enable the co-operative credit society needs honest, skilled, benevolent and dedicated leaders. Professional leadership enables the co-operatives as self reliant and economically viable rural financial organization. Paper discussed the problems of co-operative banks i.e. failed in mobilizing rural savings, outside interference, failed in linking credit to marketing and processing, movement took the form of a government department, lack of inter co-operative relationship both vertically and horizontally, etc. Paper also discussed the measures such as- need for viable financial system, political appeasements, mobilization of deposits, restructuring of co-operatives, pattern of credit utilization, linkage with self-help groups, government strategy for revitalization of co-operative banks, and the soul of professionalism, etc.

Pagar Sudhakar K. (2007)¹ - Impact of Sugar Co-operative Industry on Rural Development is a version of author's doctoral dissertation, which is submitted to the University of Pune in 2005. The present study explains the effects of a co-operative sugar factory on the development of a rural area particularly on agricultural development. Agricultural development naturally deals with the development of farmers. Sugar Co-operative Industry plays a vital role to up lift their level of income and standard of living i.e. agricultural labor, non-agriculturists and of sugar factory workers.

Author in summing up with the opinion that the working and growth of sugar co-operatives in the State of Maharashtra made a significant contribution to the growth and development of entrepreneurial skills, technical knowledge, production and recovery of sugar, capital formation and employment generation etc. Their contribution had been vast in bringing about socio-economic development of the State.

1. Pagar Sudhakar K. (2007), "Impact of Sugar Co-operative Industry on Rural Development", Chandralok Prakashan, Kanpur, 2007.

Vinayagamoorthy A. (2007)¹ – The present paper discussed the ‘Globalization and Co-operative Sector in India’, globalization means mutual global co-operation by way of reducing control and bureaucratic delays and steering the economy towards better market orientation. In India, year 1991 marked the beginning of a new era in economic policy. To encourage privatization, policy changes such as deregulation of state investment in infrastructure, manufacturing etc. provided for new direction and affected almost all the sectors of the economy including co-operative sector. But the reform measures under the economic policy, mainly concentrated only in removing the fetters on private enterprises and in stimulating higher economic growth by promoting industrial sector. The rural and agricultural sector remained somewhat neglected and also the effect of economic reforms on the economic fortunes of the common people was overlooked. Throughout the reform decade i.e. from 1991 to 2000, the role and relevance of the co-operative sector remained on the background, in spite of its predominant position in various fields of Indian national economy.

At present there are 5.04 lack different types of co-operatives with membership of 22 crore, covering 100% villages and 67% rural households. Author stated that the transition from controlled economy to open competitive economy in the name of globalization or liberalization has thrown a whole lot of challenges to the co-operative sector. It was believed that co-operatives would not be able to survive in the face of stiff competition posed by private sector. In contrast, there were still few, who regarded co-operation as a dynamic enterprise, which had been able to survive for around 100 years. A study of functioning of co-operative societies in various segments such as agricultural credit, marketing, fertilizer distribution, agro-processing, dairy and sugar industries has shown that there are some strong and viable co-operatives. The current status of co-operatives reflected both a risk and an opportunity. It is a threat, because co-operatives have failed, to a large extent, in delivering efficient goods and services unlike the private sector and an opportunity, because the new economic scenario will offer enough opportunities, which could be effectively utilized by the co-operatives to prove their case of continuation. Author explained that in a developing economy like India with huge

1. Vinayagamoorthy A. (2007) – “Globalization and Co-operative Sector in India’, Co-operative Perspective, Journal of Co-operative Management, Vaikunth Mehta National Institute of Co-op. Management, Pune, Vol.41, (Annual Issue), April 06-March 07.

deficits in terms of quality and quantity, the State has to accept the primary responsibility of providing co-operative credit. Concern to socio-economical consideration like-low living standard, incomplete and imperfect markets, it is the primary duty of the government to ensure that easy access of co-operative credit. Author explained that it is the need of the hour that co-operative sector in the era of liberalized environment is to seize every opportunity available to it. Thus, the future vision of co-operative movement will have to be based on efficient parameters relating to promotion of excellence, improvement of operational efficiency and strengthening of financial resource base.

Kavitha M. (2008)¹ – The present study is the comprehensive study on the ‘Co-operative Movement in India- with Future Perspective’, as the paper discussed the all aspects of the co-operative movement like- meaning, origin of the co-operative movement, co-operative movement in India, types (housing, building, retailers’, consumers’, etc.) with the co-operative approach as a model of sustainable development. The ideology of the approach based on principles of solidarity, mutual assistance, participation and interest in the community, implicitly signifies development that takes future generations into account i.e. sustainable development. Author stated that there is no doubt that the lead role that co-operatives played in building a viable model of development. Co-operatives not only seek to satisfy basic social and economic needs but also permit local development and sustainable use of resources. Future perspective is also underlined i.e. increased competition and regulation of local markets: co-operative associations enable their members to access markets under better technological conditions which not only raise productivity and competitiveness but also reduce negative consequences on the environment.

In conclusion of the paper author stated that, co-operatives have not really helped members to improve their position for fight against those who exploit the farmers and restrained their development. There are however several drawbacks i.e. poor infrastructure, lack of quality management, over-dependence on government, dormant membership, non-conduct of elections, lack of strong human resources policy, neglect of

1. Kavitha M. (2008) – ‘Co-operative Movement in India- with Future Perspective’, Co-operative Perspective, Journal of Co-operative Management, Vaikunth Mehta National Institute of Co-op. Management, Pune, Vol.43, No.01, April-June 2008.

professionalism, etc. are the limiting factors. Co-operatives are also unable to evolve strong communication and public relations strategies which can promote the concept of co-operation among the masses. Suggested that to develop effective strategies to overcome existing weaknesses. Provide basic needs through public service co-operatives.

Umdor Sumarabin (2008)¹ - In the paper researcher presented the analysis of the behaviour of rural household of northeast uplands of India in the borrowing and use of credit. Researcher coated that the role of credit is very critical in enabling the poor to overcome poverty. There are evidences to show that access to credit is positively correlated with the decline in rural poverty and increase in secondary and tertiary output (Burgess and Pande 2003). In India, the government has been actively involved in promoting development of the banking sector in the rural areas as part of its strategy to institutionalize credit. However, the financial development that took place in post-bank nationalization period had resulted in lopsided development with the distribution of institutional credit to the rural areas, particularly for agricultural purpose, being very low in the case of states in the northeastern region (Mohan R 2004, Sidhu and Gill 2006). The paper explained that the people are mainly dependent on the formal credit needs. Overall, the maximum number of loans is supplied by the formal credit agencies, namely commercial banks. The failure of the co-operative banks/ societies in meeting the credit needs of rural households in the uplands areas is supported by the findings of the baseline survey where none of the households identified co-operative societies as a source of credit. The survey shows that amongst informal sources, it is friends and relatives, and not the moneylenders that are a prominent source of credit for the rural households. The analysis of use of loans and the source of borrowing also has shown the significant association with loans from formal source being used more for productive purposes and loans borrowing from informal sources shown that mostly use for consumption purposes. Also, loans for productive purpose are significantly larger than loans borrowed for consumption purpose. This finding came supported the presumption that the informal sector is more effective in financing small borrowers than the formal sector, and also

1. Umdor Sumarabin (2008), "Behavior of Rural Households in the Borrowing and Usage of Credit in North-East Uplands of India", Indian Journal of Agricultural Economics, Vol. 63, No.2, April-June, 2008.

pointed out the importance of the informal sector in fulfilling the credit requirements of upland rural households for requirements other than productive activities.

Balasaheb Vikhe Patil (2008)¹ – The present paper studied the rural indebtedness in India. It is found that it has remained an important issue and an obstacle for development. For the sound economic and social development it requires in-depth analysis so as to address the problem in all its dimensions. Despite tremendous expansion of the branch network particularly in rural areas after nationalization of private sector banks and the growth of institutional credit for agriculture, the severity of agricultural indebtedness has persisted. In Punjab, Assam and Bihar the total debt of the farmer households from institutional agencies was less than from non-institutional agencies, only 19.9 per cent of the rural households in Utter Pradesh and 24 per cent in Andhra Pradesh where in indebted to the formal institution. The survey also revealed that 87.03 per cent of marginal farmers and 69.21 per cent of the small farmers had no loans from the formal institutional agencies. ('Situation Assessment Survey of Farmers- 2003'). The paper examined that the formal institutions offer poor quality service through inadequately manned branches. The declining profitability of agriculture, rising commercialization with weakened support systems, decline in public investments, ineffective and inadequate risk mitigation arrangements, absence of technological break through in reducing costs or increasing productivity, the rising input prices, insensitive rural institutions and extremely poor quality and coverage by formal credit institutions and lack of stringent action in supply of inputs and periodic natural calamities have contributed towards the manifestation of agrarian crises in the Indian economy. The paper discussed The Expert Group Report of R.Radhakrishana on the problem of agricultural indebtedness. The share of co-operatives in total agricultural credit declined from 74.90 per cent of short term credit in 1975-76 to 33.2 per cent in 2005-06 and from 61.2 per cent of long-term credit to only 6 per cent in the same period. Even, the fact that the co-operative banks are much wider, in March 2003 against 1.64 crore borrower accounts with public sector banks, the co-operatives had 6.39 crore accounts. It was observed that the co-operative banks is a

1. Balasaheb Vikhe Patil (2008), "Agricultural Indebtedness: Crisis and Revival", Economic and Political Weekly, Vol.43, No.5, February 2-8, 2008, P.47-52.

much higher risk profile as compared to commercial banks that are able to diversify in the whole country and across all sectors, whereas the co-operative banks by design have area and sectoral restrictions. Paper also discussed the Income-Related Issues like-distress sale by farmers, power of scale to small and marginal farmers. Institutional Related Issues; one-time settlement (OTS) or compromise. As well as, Other Issues like-formalization of informal credit etc.

The paper examined that agriculture had suffered due to long neglect and inadequate allocation of resources. This article points out that improvement in credit delivery would help, but a correction in planning strategy is more important and the credit measures alone will not tackle the problem.

2.5- SUMMERY- Since independence the co-operatives have assumed an important role in the socio-economic development of the rural, certain policy initiatives were taken to restore them. Although there has been spread of co-operatives in almost all the sectors of the economy. The growth of co-operatives in spite of the traditional areas like credit, i.e. processing, marketing, fertilizer distribution, consumers, housing, labor etc. much remain to be done. The share of the co-operative in sustaining rural economy must be increased. Benefits of various programmes and projects should be percolated to the rural economy, a large section of the Indian economy. It is also needed to provide continuing support to the co-operatives by the government because the benefits of growth do not trickle down automatically. However, it does not mean that the co-operatives have virtually become government directed, controlled and regulated enterprises, and administrative interference by the government in the day-to-day working of the co-operatives. Acting on the recommendations of the Task Force for revival of short-term rural co-operative Credit Structure in January 2006 involving financial assistance of Rs.13,596 crore. States required signing memorandum of understanding (MoU) with NABARD, committing to implement the legal, institutional and other reforms as envisaged in the revival package.¹

1. Misra S.K, Puri V.K.- "Indian Economy", Himalya Publishing House, 26th Edition, New Delhi, 2008.

CHAPTER III- CO-OPERATIVE MOVEMENT IN THE WORLD

3.1- INTRODUCTION- Co-operation is destined to play a decisive and effective role in the world economy. Even the co-operative development all over the world has not been one straight line, and at various times the co-operative movement has cleared the dynamic character of co-operative activities suiting the local and regional environment and economic and social situation. All this is the indicative of one basic fact that co-operation has been alive to the changes of time and basically concept is dynamic and an ever-absorbing one.

Co-operation is an activity of the people. It is a self-generated, voluntary and self-sufficient activity. Co-operation is an activity of the people. It is a self-generated, voluntary and self-sufficient activity. Cooperation has always been a feature of humankind. Essentially co-operation is an activity of the people for mutual help and collective progress.

As a modern phenomenon, the co-operative form of business organization originated in England amongst the industrial workers in the mid-nineteenth century. Co-operatives started as an urban consumer stores but soon spread to rural areas amongst farmers. Workers had nothing to sell but their labor, as it was a buyers' market. Those who failed to find work in the factories were forced either to rely on insufficient rural assistance, or to starve. By the early 1800s, food prices were artificially high and wages were being reduced, while much of the population suffered extreme poverty and scarcity.

During the latter part of the nineteenth century, the concept enhanced several parts of Europe and North America.

The earliest co-operative were established among the weavers, workers in cottage industries, who were suffered by moneylenders and mercantile economy during the industrial revolution. The real co-operative movement can be credited to Rochdale Pioneers who established the co-operative consumer store in North England, which can be called as the first in the co-operative consumer movement. Around this time the co-operative movement was more at a practical level. In Great Britain, Robert Owen (1771-1858) established self-contained semi-agricultural, semi-industrial communities. Owen was sure that working-class people, given the right environment, possibly will form co-

operative communities. He put this into practice in New Lanark, Scotland, where his own business was based. Dr. William King (1757-1865) helped to spread Owen's doctrine; his ideas were more reasonable than Owen's and achieved more results.¹

In France Charles Fourier (1722-1837) published a Treatise on Domestic Agricultural Association in 1822, first time on co-operation and Saint –Simon (1760-1865) worked on various theories of 'associations'. Schulze-Delitzsch (1808-1865) was the promoter of urban co-operatives and co-operatives in handicrafts, while F.W.Raiffeisen (1818-1888) did the same for rural credit co-operatives.²

Early in the twentieth century, the cooperative movement spread to India and gradually to other Asian and African countries; mainly courtesy of the colonial administrators.³ The co-operative movement became a form of business organization recognized as an international movement. Although some associate it with socialist or communist countries, the cooperative movement also operates in capitalist countries such as the United States of America, Canada, Israel and Australia.

An Indian Registrar of Co-operatives appropriately described the co-operative movement as representing: ... a happy mean between the forces of extreme individualism on the one hand and socialism and communism on the other. It stands for individual rights tempered by considerations of justice, equity and fair dealing as between man and man, and its one great aim is to prevent the exploitation of the weaker by the stronger party.⁴

1. Website: <http://co-op.movement> in world .wikipedia, the free encyclopedia. htm.

2. Memoria C.B., Saksena R.D., "Co-operation in India", Kitab Mahal, Allahabad, 1973, P.110.

3. Website: <http://www.wisc.edu/uwcc/icic/def-hist/history/index.html/> Accessed on July 09, 2009.

4. Quoted in E M Hough, "The Co-operative Movement in India", P. 741, 1966.

3.2- CO-OPERATIVE MOVEMENT IN ENGLAND-

In England, the beginning of co-operation goes back to the middle of the eighteenth century. Cole (1944), London, P.14 writes in 'A Century of Co-operation' that the originators of co-operation, "as far as we know, were the workmen employed by the government in the dockyard of Woolwich and Chatham, who, as early as 1760, had found corn mills on a co-operative basis as a move against the high prices charged by the corn-millers who held the local monopoly. The dockyard shipwrights, then, were the pioneers; and co-operation, as far as we know, began with flour milling and baking".

As published in 1659 a pamphlet by P.C.Plockbly, a scheme for the formation of economic association of agriculturists, artisans, seamen and professional men, who would all contributed capital and work to the undertaking, while retaining the right to withdraw a member of the religious society of friends, John Bellers, published a proposals for 'Raising a College of Industry of all useful Trades and Husbandry.' Many good co-operative ideas are to be found in schemes; the combination of self-help and mutual aid; a voluntary, democratic and equalitarian association for economic purposes; direct relation between producers and consumers and the elimination of the middleman. As early as 1760, there were groups of worker in the naval dockyard of Woolwick and Chatham had set up the first co-operative flour mill. In 19th century, new inventions in industrial field were introduced whose quality and cheapness of products ousted those of the cottage industries. Working class, thus thrown out of work, was left entirely at the mercy of the factory owners. Their condition was extremely miserable, their hours of work were long and wages small. Their living conditions were wretched.

Robert Owen (1771-1858), is generally regarded as the founder of the modern co-operative movement with the workers of Bellers. His ideas put together have been named "doctrine of circumstances'. Owen started his practice work by introducing reforms in his own factory as a measure to improve the conditions of workers. He reduced the hours of work, increase wages, abolished child labour, provide housing colonies and aid many other things in order to improve the conditions of workers. These reforms although increased the production and profit of the factory. He wrote that "the competitions must be replaced by co-operation".¹

1. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.81.

William King (1786-1865)¹ was another pioneer who helped a lot in building up co-operative ideology. He was the publisher of a monthly paper 'co-operative' in which he made an education campaign to popularize the co-operative ideology. He advocated smaller institutions to be organized on the co-operative basis. Most of the co-operative societies were founded under Kings' influence.¹

The modern movement is generally dated from the foundation of the Rochdale Equitable Pioneers at the end of 1844. In spite of the efforts, the condition of workers remained nearly unchanged. They formed trade unions to settle terms with the employers and tried various methods including strikes but could not meet with the desired success. In 1843, out of 28 weavers decided that, wherein (Rochdale stores) all sales would be admitted as may pledge their loyalty to the store, with the efforts and loyalty of members the store made a speedy progress.²

In 1850, the Christian Socialists organized the 'Society for Promote Workmen's Association'. Its objective was to promote workmen's association by spreading the ideals of Co-operation. The main and practical contribution of them to the co-operative movement was their efforts for getting passed a separate Act for the Co-operatives. A bill was drafted by John Malcolm Ludlow which was moved in the parliament by Mr. Robert Slarey and was passed in 1852.³

The British Consumer Co-operative Society began business in December 1844, in Toad lane. Consumer retail societies are the most important in the British co-operative movement, judge by public support, financial strength and continuity. The isolated co-operative stores soon felt the need of forming their federation in order to help one another and deal collectively with outside world. The Provident and Industrial Societies Act of 1862, allowed the organization of secondary societies. In 1863, Co-operative Wholesale Society (CSW) came into existence. Co-operative Union Ltd. the central organization of co-operative societies in England and Ireland set up in 1869. It has retail societies, local federations, production societies, CWS etc. the important functions of the union are, to promote the interest of its members, defuse knowledge of co-operative principles and practices and to conduct co-operative education.

1. Website: [http://en.wikipedia.org/wiki/william_king_\(doctor\)](http://en.wikipedia.org/wiki/william_king_(doctor))

2. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.81.

3. *ibid.* P.83.

Agricultural co-operation in England is of a comparatively recent growth. Unlike most countries, the British farmers have never been in debt, nor did they have any difficulty in the marketing of their produce. They, however, felt some difficulty in producing farming requirement such as fertilizers, seeds and feedstuffs. Co-operation among farmers thus started with what is called 'Requirement Societies'. The first society 'The Agricultural and Horticultural Association', was organized in 1867 with the objective of purchasing supplies in bulk and selling them to the members at reasonable terms after testing their quality and suitability. They also started selling agricultural machinery, petroleum and veterinary supplies. The agricultural societies organized their federations called the "Agricultural Central Co-operative Association" in 1956. The ACCA has taken an important part in the preparation of the agricultural and horticultural legislation of 1964, which extends the scope of government grants and loans available to the farmers.¹

Though the 20th century, smaller societies merged with CWS (Co-operative Wholesale Society), such as the Scottish Co-operative Wholesale Society (1973) and the South Suburban Co-operative Society (1984). By the 1990's, CWS share of the market had declined considerably and many came to doubt the viability of co-operative model. CWS sold its factories to Andrew Regan in 1994. Regan return in 1997 with a 1.2 billion pounds bid for CWS. But due to fraud, Tony Blair's Co-operative Commission, chaired by John Monks, made recommendations for the co-operative movement, including the organization and marketing of the retail societies. In 2000, CWS merged with the England's second largest society, Co-operative Retail Services. In many European countries, co-operative institutions have a predominant market share in the retail, banking & insurance business.²

In 2005, annual general meeting of Retail Co-operatives in England have taken a major decision that Co-operatives formed the co-operative party in the early 20th century to represent members of co-operatives in parliament. The co-operative party now has permanent electoral agreement with the Labor Party.³

1. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.81.

2. Website: http://en.wikipedia.org/wiki/co-operative_wholesale_society.

3. Website: http://en.wikipedia.org/wiki/co-operative_wholesale_society.

3.3- CO-OPERATIVE MOVEMENT IN GERMANY-

Germany is the birthplace of co-operative credit movement in the World. In India, the inspiration for the co-operative movement come largely from Germany. Mr. Fredrick Nicholson studied the working of agricultural banks and suggested measures for the introduction of co-operative movement in India. He advised to Indian co-operators 'find Raiffeisen' explains for itself the importance he gave to the Raiffeisen system of credit as a means of solving problems of indebtedness in India.

In the middle of the 19th century the circumstances like-famine, poverty, exploitation and indebtedness necessitated the introduction of a new idea in Germany. The poor farmers and laborers were heavily under debt and exploited by the money lenders. Mostly the trade was also in the hands of the Jews and the farmers bought their requirements as well as sold their produce through this class. The result was an extreme poverty among the laborers and farmers. It is reported that almost every house and farm land was encumbered with debt. To add to this misery, famines occurred too frequently and broke the backbone of the poor. When such condition was around, two pioneers, Herr F.W. Raiffeisen and Herr Franz Schulze, both well known personalities in the co-operative field, moved by the miserable condition of farmers and laborers, started making experiments with various methods of relief.

Herr Franz Schulze (1808-1883)¹, judge and the mayor of Delitzsch, started his efforts after studying the conditions of famine stricken people as a chairman of the 'Famine Commission'. With contributions from his friends he started a charitable bakery to distribute bread to the poor peoples. Co-operative efforts, however, started with a realization by him of the superiority of self-help and mutual-help over charity. In 1849, he established his first friendly society of shoemakers with the object of making purchases of raw material in bulk and supplying it to the members.

In 1850, Schulze established his first credit society in his native town. Its function was to raise funds to be lent to its members. With the experience gained by his first co-operative society, Schulze formulated some principles and published them in book written in 1856.²

1. Memoria C.B., Saksena R.D., "Co-operation in India", Kitab Mahal, Allahabad, 1973, P.110.

2. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.81.

The number of his banks grew rapidly and in 1859, he called a congress of his banks which resolved to set-up 'The General Union of German Industrial Societies'. He remained its Director till death. He also secured the 'First Co-operative Law' from Prussia in 1867, which was made applicable to the whole Germany in 1889.¹

Raiffeisen is one person to whom the co-operative movement owes the maximum. As a Mayer of Wyerbusch, he came across with the poverty-stricken peasants and greedy moneylenders. There were near famine conditions, he got some grain on loan from the government, but he met the difficulties of transport and he motivated the people to harness the grain sledges to their villages. He constituted a poor people's committee which distributed food on credit to the really deserving people. The committee also made recoveries of loans after a specific period. After his transfer to Flammersfeld commune, he organized the "Union in Aid of Impoverished Farmers" in 1849, in which the needy farmers joined as members.²

At Heddesderf, Raiffeisen organised the "Heddesderf Beneficient Society", this society joined by well to do persons and each of them deposited some money on interest. He made the beneficiaries also as members of the society and gave it a new name- "Hedderdorf Credit Union". The phrase "each for all- all for each" was coined. Principles of honorary service and unlimited liability were also worked out. The seed thus sown by Raiffeisen began to take root and in a short time new credit unions were formed. In 1877, 'The General Union of Rural Co-operative Societies' which was known as the "Raiffeisen Union" was also set up.

Raiffeisen laid the maximum stress on the moral aspects of the working of societies and the concept of self-help, mutual-help, social equality, non-profit motive and joint liability. He believed in the capitalization of character and wanted members to help one another and increase their borrowing power by pooling their resources in present and in future. He believed that societies were not business concerns in themselves but were meant to help the members to improve their financial condition. On the other side, Schulze believed that co-operative institutions should be run on business lines. He believed less in sentiments and more in realities of life and made his societies viable units, able to stand with competition and difficulties.

1. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.73

2. *ibid.* P.72

After the national collapse and German defeat in 1945, the country was divided into the German Democratic Republic and the Federal Republic of Germany, the formal agricultural production co-operatives have been formed on the pattern of collective farms as Russia. In the later, the co-operative movement developed in four distinct groups: Rural Societies- the most important group of co-operative organization is the rural multi purpose societies, organized on Raiffeisen model. These societies combine in themselves the work of providing credit, supplying agricultural requirements, marketing of crops and processing of produce.¹

Urban Co-operative Societies formed in urban areas, Schulze type of co-operatives have developed with the membership composing of retailers, restaurant owners, doctors, druggists and others. The organization of retail shop keepers into co-operative serving as wholesalers was a feature of West Germany. Such societies had a central all their supplies through these societies. Other societies in the group provided credit mainly to non-farming people. Both Raiffeisen and Schulze type societies provided all services offered by commercial banks. Thrift is encouraged among members by offering various types of deposits such as long range savings, lottery savings, thrift messenger and club savings.

Housing Co-operative Societies formed the third group in the movement. These societies constructed houses for their members with the finances collected form the members as well as from the government. A very large number of co-operative housing societies have been working in Berlin.

Consumer's Co-operative Societies was the last group of consumer's co-operatives. These societies were also running with a very large number of shops and million members. As well as the four groups of co-operatives had their own federal organizations. Although the co-operative movement in Germany can be divided into four major groups, there are several common features between them e.g. all co-operatives observed the same fundamental principles namely self help, self responsibility and self management. All types of societies were governed by the same co-operative law. And were affiliated to the German Co-operative Bank and obtained the required finances from it.²

1. Memoria C.B., Saksena R.D., "Co-operation in India", Kitab Mahal, Allahabad, 1973, P.109.

2. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.78.

In Germany, the rural cooperative movement, which started merely for the elimination of financial debility of members, covered the whole economic field in rural areas. They not only provided credit but also helped members in cutting down cost of production by providing them their farm and house-hold requirements and marketing their crops at reasonable rates. The co-operatives also undertook joint production in order to increase the units of production in agricultural and industrial fields and thus cutting down the overheads. The societies adopted a policy of rationalization by increasing their membership and turnover. Similar types of societies amalgamated into reasonably large institutions and vertical integration of the societies into central organizations strengthened.

As the Germany did half a century back, India was passing through the similar conditions. Indian movement has much to learn from the way the movement that in Germany has developed into a national force.

Since the beginning of the Credit Union movement in Germany, there are national leagues, regional confederations and the global organization- World Council of Credit Unions (WCCU). The main task of WCCU was to provide the necessary assistance to members for sustaining the credit unions development well. For connecting with the co-operative movement WCCU joined International Co-operative Alliance (ICA) in March 1977 to provide the services to 97 countries with 46,377 credit unions and 17,20,10,203 members as the end of 2006. ¹

In Germany there are 17 million members spread across around 5,300 co-operative. Each one out of four is the member of co-operative. The co-operative network is the largest economic organization in Germany. German Co-operative and Raiffeisen Confederation Registered Association (DGRV- Deutsche Genossenschafts and Raiffeisen Verband) is the apex and the auditing association as defined by German Co-operative Act. Today co-operatives are also present in growth sectors such as the service industry, in data processing and new media industries and in the education and health sectors. This shows that co-operatives are not only engaged in current development but also that their foundation concept can be flexibly applied to the most varied industry structures.²

1. Website: <http://Germany/The International Credit Union Movement.htm>.

2. Website: <http://Germany/DGRV Co-op System in Germany Associations, The free Committee of Germany Co-op Associations. html>.

3.4- CO-OPERATIVE MOVEMENT IN IRELAND-

Co-operative movement in Ireland was developed mainly among the farmers. In this country farmers held the status of mere tenants who were generally exploited by big landlords. In Ireland, Gombeenman was a multipurpose man catering to the various needs of the farmers, combined in him the functions of a moneylender, trader and merchant. The farmers, thus, victims of the landlords and the Gombeenman they got exploited to the maximum level. Thus, the condition of the farmers was so worsened that the government had to take measures to remedy it.¹

In 1881, the first Land Act was passed which gave security of tenure to the tenants and fixed the maximum rent which could be obtained from them. In 1903, the Land Purchase Act converted all the tenancies into peasant proprietorships.²

In Ireland, the main occupation of the farmers was selling the milk and butter in open market and England was the main market for their butter. But very soon, they faced with the problem of competition with Danish and Swedish butter. Since the invention of a mechanical cream separated in 1880 by Danish engineer and set up a strong co-operative system of creameries on the basis of the strong organization and quality products to capture the British market. Thus, the condition of the Irish farmers became worse than ever before.

Horace Plunkett an extremely popular leader of the masses, elected as a member of the Parliament in 1892, inspired by the consumer's co-operative movement of England. He introduced the co-operative method of work to the Irish people, as measure to remove their poverty. He developed his philosophy into the application of co-operative to business, living as well as farming. His slogan of "Better farming, Better business and Better living" soon became a motto for the co-operative movement all over the world. He organized a number of co-operative stores which met with varying degrees of success. His main work, however, was on the agricultural side and he established the Irish Agricultural Organization Society (I.A.O.S.) in 1894, of which he became the first president. He also presided over the Recess Committee on whose recommendation in 1896, the agricultural department was set up in Ireland. His co-operative thoughts represented in "Ireland in the New Century" and "Noblesse Oblige". Horace Plunkett and

1. Liam Kennady, "Co-operative Movement", Oxford Uni. Press, 2007. [<http://www.encyclopedia.com>] Assessed on 11th July 2009.

2. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.78.

his friends organized the co-op. creamery in 1889. As well as, new type of society's viz. agricultural manure, co-op. stores and credit societies also grew up during this period.¹

Co-operative Wholesale Society of England (C.W.S.) - In 1891, the Co-operative Wholesale Society of England (C.W.S.) decided to acquire the Castle-Mohan Co-op. Creamery of Ireland. Due to this issue the relationship of the Irish creameries with the Co-op. Union of England was broken. Ireland therefore, felt the need for organizing its own union. In 1894, with the efforts of Plunkett a union named 'Irish Agricultural Organization Society' was established. Its object was to undertake co-operative education and propaganda; to act as a mouthpiece of a movement, and protect the interest of agricultural societies from internal and external dangers. It also organized new societies and guided them properly on business and technical issues. This body continued the struggle with C.S.W. over their policy of establishing dairies in Ireland; as a result C.W.S. incurred heavy losses and was compelled to sell its creameries to co-operative societies organized by the farmers.²

In 1921 Ireland, which was so far under the British rule, was declared independent. Ireland itself was partitioned into parts i.e. Ulster and Irish Free State. With this division the I.A.O.S. confined its activities in the Southern Ireland i.e. Irish Free State. For Ulster, a separate society named "The Ulster Agricultural Organization Society" was organized.

Ireland remained neutral during both the wars, but it could not remain away from their efforts. During war period prices of every thing bounded sky-high and the pockets of farmers bulled with money. However, in 1921 the post-war slump did come and its effects on societies were disastrous. In 1927, the Irish Agricultural Credit Corporation was set up which was supplied credit to the creameries. But the business of societies which produced for the special needs for war days closed down. Their stocks depreciated in value and loans could not be recovered. As well as, during the second war the Irish industry again got set back. After war, however, steps were taken to re-organize the industry.

1. <http://www.encyclopedia.com/doc/10245-Plunkett> Hoarce.html.

2. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.102

3. *ibid.* P.103

Committee of Enquiry on Post-Emergency Agricultural Policy - In 1956 a Committee of Enquiry on Post-Emergency Agricultural Policy was appointed. On its recommendation a five-year plan for the reorganization of the dairy industry was prepared. The plan was greatly successful and increased the efficiency of the industry. In Ireland the State has been instrumental in the development of the co-operative movement of Agricultural and Technical Instruction which was established on the report of the Recess Committee in 1896. This department has been giving grants-in aid to the I.A.O.S. the most outstanding contribution of the department to the co-operative movement was made on the passing of the P. Hogan's Creamery Act, 1928. In accordance with the provisions of the act of 1928, private creameries owned by the Condensed Milk Company these two companies were acquired by the department. A separate Dairy Disposal Company Ltd. was set up to operate the acquired creameries. These creameries were transferred to co-operative dairy societies organized by the I.A.O.S. big units like the condenser at Lansdowne are still being operated by Dairy Disposal Company. In this way the Government of Ireland gets the credit for a planned action in favor of the co-operative movement. The I.A.O.S. continues to be the apex organization making the entire co-operative movement a well organized structure. It is playing a major role in creamery rationalizing programme I.A.O.S. prorate that the Government owned Dairy Disposal Company should hand over business to co-operative dairies as was envisaged when the company was established.¹

The I.A.O.S. has an engineering section which provides technical advice on all matters relating to planning, construction and equipment installation in co-operative enterprises. I.A.O.S. also sponsors application of co-operative societies for Government grants and loans. The economic section of I.A.O.S. deals with industrial relations, taxation, collection of statistics and studies related to new projects. I.A.O.S. also conducts training courses and member education programme through advisory committees.²

Ireland's economy has undergone vast change over the past decade. The Irish co-operative movement was based on agricultural processing and marketing. The co-operative form of organization involves the pooling of small capitals to create new enterprises which were democratically owned and controlled by the shareholder farmers.

1. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.106.

2. Ibid. P.107.

Recently, co-operatives took three major forms of society's i.e. co-operative producing butter, which were located in the traditional dairying areas of Munster and Ulster. There were agricultural societies which achieved economics through the bulk purchasing of farm inputs. Finally, there were the co-operative credit societies which extended credit to the poorer sections of rural society, and which were particularly numerous in the west of Ireland. In this new century Ireland has different a different challenges. Ireland policymakers are reforming Irelands new 'enterprise culture' that Plunkett called for in his work. Indeed, initiative, risk taking, entrepreneurship, education, practicality, a global perspective and self confidence are hallmarks of both. Today, in 2008, there are 2.9 million members engaged with the co-operatives in Ireland.¹

3.5- CO-OPERATIVE MOVEMENT IN ISRAEL-

The co-operative movement in Israel is in many ways unique in character. Unlike most co-operative moments, it is not engaged in transforming an existing economy, but in creating an economy and society from the beginning. The principle of co-operation had already played a decisive role in Jewish agriculture even before the Jewish State was established. The important of various forms of co-operative agricultural settlement is that the co-operative sector is 70 per cent of the country's entire agricultural output, whereas that of the private sector is only 30 per cent. In the agricultural sector, there are various types of co-operatives are functioning i.e. marketing, credit, consumers, etc.

Jewish families which scattered all over the world were driven to Palestine where they established a State of Israel on 15th May, 1948. The diversity of the co-operative movement is the direct result of the specific conditions of the country. It is also a result of the history of the Jewish people and the Zionist movement in a agrarian reform. The Jewish immigrants who became agriculturists had no experience in this field. They had to adopt themselves to rural life and manual labor, the agricultural co-operative movement was the first step into this direction. The most important contribution towards the co-operative movement was made by the foundation in 1908 of the first agricultural collective settlement at Daganian in the Jordan Valley.²

1. Liam Kennedy, "Co-operative Movement", Oxford Uni. Press, 2007. [<http://www.encyclopedia.com>] Assessed on 11th July 2009.

2. Website: <http://Israel/The History of Hashomer Hatzair & the Kibbutz Artiz Federation.htm>. (Jewish Virtual Library) 2009.

In Israel, arrangements to receive and settle the immigrants were made by Zionist organization. In 1901, this organization set up the Jewish National Fund (J.N.F.). In 1920, Zionist organization created another fund, called the Jewish Foundation Fund, with the object of providing working capital loans to Jewish settlers for running the farms.¹

In 1920, a Jewish Federation of Labor (Histadrut) was founded. It is a trade union organization at the national level, and its membership is open to all individual, agricultural or industrial workers. It gives all facilities to the immigrants to settle on agricultural land. It also supervises the working settlements and arranges for them technical as well as financial assistance. In 1923, a society was registered under the Co-operative Societies Act, under the name of Hevrat Ovdim. Membership of this organization is the same as that of the Histadrut and this factor, among others, establishes an organic link between the co-operative movement and the labor movement. Hevrat Ovdim is said to be the 'roof' organization under which about 80 per cent of the societies in the country work. The Hevrat Ovdim has various functions to perform. It assists the members in setting on land, develops fishing, industries and transport system, founds banks and credit associations and generally engages in business, trade and industry for the benefit of members.²

Since 1920, the agriculture co-operative movement, linked with other co-operative branches (producer's co-op's in industry, transport and services, credit co-op's in town and country, consumer's and other branches of the co-op. movement) has made rapid progress and now plays an important part in the economic life of the country.

Israel has adopted the principle of the universal co-operative movement, as the circumstances under which it operates are unique, and so are the objectives which these circumstances have impelled it to pursue. Co-operative farming and living was adopted in Israel because of a desire of mutual aid actuated by national affinity, pioneering zeal in the immigrants to uplift their homeland, lack of technical and farming knowledge in the immigrants, lack of resources and experience necessary to reclaim large areas of barren land and mutual protection from hostile Arabs. For these reasons, the local co-operative movement was bound to start by creating not consumer co-operatives, as was the case in

1. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.132.

2. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.133.

the majority of European countries, but rather producer's co-operatives in the rural as well as in the urban areas. Moreover, the co-operative form in agricultural and industrial enterprises was most suited to create sources of subsistence for those large numbers who, for ideological or other reasons, preferred to be integrated in country. In this process, as a result of the interplay of national, social and economic factors, quite new forms of agricultural and other co-operative enterprises spring up in the country e.g. Kibbutz (collective village), Moshav Ovdim (workers settlement), Moshav Shitufi (collective small holders settlement) and Moshav Olim (new immigrants settlement).

Kibbutz has been defined as 'a voluntary commune, established on national land, whose members practice self-labor and where all means of production, consumption, education, health and municipal activities are owned and maintained collectively, and on a basis of equality, by the society.'¹

Moshav Ovdim, the first Moshav Ovdim was founded in 1921 at Nahalal. It supplied to members various production requirements such as fertilizers, seeds, implements and household commodities, if necessary, on credit. Their way of life is governed by specific social principles. Among the most important of these are; co-operative marketing of produce and purchase of supplies and equipment. The Mashav Ovdim also carries on some municipal functionals such as sanitation, education and health within the settlement. Taxes are collected from the members on equal basis. The Moshav also serves as a bank wherein members can keep their surplus funds.²

A Moshav Shitufi has been defined as 'an agricultural settlement in which members conduct farm and allied operations jointly with pooling of land, equipment etc. while the individual members have separate homes and live separately, their own private lives'. This form of a co-operative represents a via media between the Kibbutz and the Moshav Ovdim. In this type of settlement also land is obtain form the government or the Jewish National Fund Members work on the farm and in return get an equal share in the income of the society for domestic consumption. The settlement provides to each member a house and some general amenities. Management pattern in is the same as in other co-operative's. In agricultural field - marketing and cultivation, irrigation, general

1. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.134.

2. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.136.

agricultural societies and mutual agricultural insurance these co-operatives are working. In term of increase in agricultural production, the settlements have shown remarkable results. The experience of co-operation in Israel, especially in agricultural co-operation is unique and could serve as a useful source of inspiration for developing countries.¹

Co-operative marketing of most of the agricultural produce (75%) has an important place within the co-operative set up in Israel. In fact, the condition that all the co-op. settlements are under obligation to market their entire produce through the co-op. channel is of crucial importance. In regard to certain commodities, such as citrus fruit the main export produce of the country, almost the entire produce is marketed by co-op. The main marketing society, called 'Tnuva', deals with almost all agricultural produce except grain. 'Tnuva' is playing a very significant role in the marketing and agricultural production and has considerable achievements to its credit, particularly in ensuring that the producer gets as large a price as possible, and also to reduce the middleman's profit in the interest of the consumer. Hundreds of Israeli experts are working on special missions, particularly in the field of land settlement, planning of projects and agro co-operation. It is happened not only in agriculture, but also in other branches which the co-operative movement covers.²

Today, on the eve of a new millennium, the Kibbutz Artzi is working as a unique part of co-operative movement (in the past there were several other organizations; the Kibbutz movement was formed by a merger of the United Kibbutz movement and Kibbutz Artzi in 1999). Kibbutz Artzi carrying out far reaching changes in the structure and activities of its economy, in its organizations and administration, in developing culture and education; and in readjusting the democratic structure of its society.³

Recently, rapid progress of centralizing Israel's capital market and financial institutions, almost all credit associations were absorbed into Israel's central bank and dissolved. Today, Israel's two largest banks (Leumi and Hapolim) control over 63% of credit provision, and 90% of credit provided to less than 1% borrowers.⁴

1. Walter Preuss, "Co-operatives: The Israeli Experiment" Edited by Chinchankar P Y& Namjoshi M V, "Co-operation and the Dynamics of Change", Somaiya Pub. Pvt. Ltd. Bombay. 1977, P. 136.

2. Yoav Kistev, "Recent Experience with Agricultural Co-ops in Israel, 2002. (www. History of Co-op Movement in Israel_co-ops)

3. Website: <http://Israel/The History of Hashomer Hatzair & the Kibbutz Artiz Federation.htm>. (Jewish Virtual Library) 2009.

4. Website: http://www.allacademic.com/meta/p178026_index.html. (Credit co-op. societies in early Israeli statehood: Financial institutions as a mirror of social transformation).

3.6- CO-OPERATIVE MOVEMENT ITALY-

Italy, in olden days was a well advanced and their workmanship and craft occupied a foremost place in the world. Romans were the first to give up the concept of citizenship and frame laws for governing the mutual relationship between citizens. But they failed to keep pace with the advancing world, because in agriculture as well as industry they kept to their old methods and were cut off from new experiments and techniques. People everywhere in the country thus became victims of poverty and backwardness.

The farmers, laborers and workers remained at a discount in their dealing with the comparatively well to do classes. Their need for money by and by drove them into the hands of the moneylenders and soon put them at mercy. The rate of interest charged by them was high beyond proportion and mostly varied between 50 and 200 percent. Apart from it various malpractices were connected with the usury which made it all the more disgraceful. The landlords were also no less exacting. The rents charged by them were high and the farmer's position was reduced to mere serfs. Mostly the landlords lent grains to the farmers for growing and consumption purposes on a promise of getting back hundred and fifty percent of it in next harvest. They very often took advantage of the difficulties of the farmers.

In 1880, things became more worst when a big depression came, which led to low prices and unemployment. Poor people could not return their loans. Whatever little assets they possessed began to pass quietly into the hands of the landlords and moneylenders.¹

In Italy, one was Luigi Luzzati and second was Dr. Leone Wollemburg Pioneer in co-operative movement. They began to think of ways and means to improve the conditions of the people who were suffering in poverty.

Luzzati was a professor of economics in an educational institute at Milan. He studied the literature on co-operation and impressed by its theory. He went to Germany to study the practical aspects of the co-operative movement. He was particularly interested in the Schulze system of co-operative credit, by that time the Schulze had become 15 years old. He became fully convinced that co-operation could go a long way in relieving the poor classes of the unhealthy influences of the money lenders. On coming back from

1. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.155.

Germany, he started his work among the industrial workers in urban areas and on the basis of his experience he stated a number of principles to suit local conditions.

Luzzati started his work by organizing a friendly society at Lodi in 1864-65. Later it became a regular co-operative bank and still continues. In 1866, he started his first co-op. bank at Milan. His friends and he himself was the major contributor of funds. Luzzati called his bank 'Banca Popular', the success spread its reputation and soon the members of it began to increase. At present these banks are very strong and they represents one third of the total banking business of the country. Their area of operation was whole district. These banks preferred small loans for short period. These banks gave loans to non-members also. The main source of funds of societies was deposits. There was not central financing institution. The chief channel of credit was the bills of exchange, advance bills or trade bills. Luzzati insisted on honorary management to reduce the rate of interest on loans. He pleaded only limited liability. He kept smaller shares, which were payable in ten months.¹

Leone Wollemburg was the second pioneer in co-operative movement in Italy, who was highly educated and belongs to a well-to-do family. He also studied co-operative literature thoroughly and was specially influenced by the Raiffeisen system of co-operative credit as it came to be developed in German villages. He worked among the farmers of Italy and on account of his outstanding public service; he was later selected as member of the national cabinet. He also served as a finance minister for some years.

Rural Credit - There was complete harmony between the Luzzati urban co-operative movement and the Wollemburg rural co-operative movement. When Luzzati was working among the middle-class urban people, Wollemburg started co-operative activities in the rural areas. It was in 1883 that he started a bank in his home village Loreggia with 32 members. Wollemburg was himself the biggest depositor in the bank. In the beginning the bank had no share capital but after sometime it introduced with small share capital amounting 10 dollar each. The rate of interest on loans was kept as low as one and half percent. This was responsible for the reputation which this bank gained and soon the number of rural society's rose.²

1. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, P.156.

2. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, P.159.

However, Luzzati and Wollemburg were in favor of political neutrality in co-operatives, some political and religious came into the field of co-operation. Catholics were first who organized their first co-operative bank in 1890. The number of these banks increased rapidly and in 1922 there were about 3500 Catholic societies.

During 1922 to 1945, when the Fascists came to power, the co-operative movement became a State regulated organization meant to carry out State policy. The spirit of co-operation and self-help was destroyed. The Fascists had kept the co-op. movement under their subjugation and used it against its will for their own ends. The movement suffered a great set back. In an effort to use co-operatives, as seats of Fascists political power, the movement was faced to liquidate itself. The central bodies of the co-operative movement were dissolved and its leader's were forced to exile. Government concessions were also withdrawn. As soon as the Fascist power was smashed in 1944, the movement threw off its shackles and began to revive itself. The Italian Co-operative Federation and the National League of Co-operatives which had been declared illegal in 1924 were revived in 1945 and 1947 respectively.¹

General Directorate to Co-operation was set up in 1946 to remove bad effects and innumerable difficulties faced by the co-operative movement. It was authorized to carry out rigorous inspections in order to increase efficiency. In 1947, an Act was passed to regulate the activities of co-operatives. Co-operation was placed under the Ministry of Labor. A Central Co-operative Commission has been set up under the Act. Annual audit and inspection had been made compulsory for every society and every society has to affiliate itself with co-operative audit and inspection unions.²

The movement is still facing some difficulties, i.e. it is divided into two factions, National League of Co-operation and the Italian Co-operative Confederation, a lack of understanding between these two bodies is weak the movement. Another serious difficulty was the societies were unable to arrange sufficient funds to meet their demand. Lack of loyalty of member's is also sometimes felt. Training facilities are lacking. However, much has been done in this direction by the State as well as private bodies.

1. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, P.160.

2. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, P.161.

Labor Societies in Italy- Italy is known as the pioneer of Co-operative Labor Societies. In the middle of the 19th century, the trade cycle in Italy was inclined towards a major slump and consequently unemployment. The condition of the labor class was worst of all. Their earning was small and they were exploited fully by the contractors. Mr. Mazzini who worked among the laborers, encouraged them to form co-operatives as a measure to eliminate the middlemen. The first society of laborer named “General Association of Worker’s” was organized in 1883 by the Braccianti of Ravenna. Moson’s and Laborer’s Co-operative of Milan were established in 1886. Opposition from private contractors, shortage of funds and lack of loyalty of members all stood in their way. However, success achieved by the association mostly due to the patronage given by the government which during the relevant period included brilliant and zealous co-operators like Luzzati and Wollemburg in the cabinet. By 1900, the number of labor societies in Italy had risen to 600 and in 1903 they organized his Federation of Labor Societies in Milan with the object of understanding publicity and giving help in accountancy, legal and financial problems.¹

During the 1st World War, activities of worker’s co-operative societies slowed down but after this the societies resumed their progress. In 1921, the total number of labor societies had reached up to 8830. But during the Fascist Regime (1921-44), the movement suffered a great set back. However, after 2nd World War, the worker’s co-operatives in spite of various difficulties they rehabilitated themselves.

The development of the ‘Social Co-operative’ is a particular impressive example, beginning in 1980’s, in response to the decline in government sponsored health care, educational services and employment services, people began to form co-operative to offer such services themselves. In 1991, the national government passed a law that formulized the model, which contributed to a dramatic expansion of these co-operatives into areas such as job training. By 2001, Italy had about 6,000 social co-operatives, which employed 1,60,000 people of whom where disadvantaged workers.²

1. Bedi R.D., “Theory, History and Practice of Co-operation”, Loyal Book Depot, Meerut, 1971, P.164.

2. Crowell E., “Co-operating Like We Mean It”, Co-operative Business Journal, March/April 2009.

3. Website: <http://Sweden/GEO> Grassroots Economic Organizing_files/htm.

3.7- CO-OPERATIVE MOVEMENT IN SWEDEN-

Sweden is also a small country like other West European countries. In the first half of the 19th century, Sweden was mainly an agricultural country and about 75 percent of its population depended upon agriculture and subsidiary industries. The industrial revolution which raised its head in England, soon had its effect on this country also and by 1870, large scale industries began to be set up. Industrial development was take place so rapidly that the agricultural economy of the country soon gave place to the supremacy of industries. This change over naturally had its effects on the employment position also. Burden of population on land decreased greatly and more and more people drifted to industries. Sweden today is such an advanced industrial country that only 5 percent of its people are engaged in agriculture. A large class of wage earners in urban and semi-urban areas came into existence. However, so many difficulties faced by them, there was the problem of making purchases for consumption. The private traders and factory owners had organized their cartels and other price fixing associations, in order to earn high profits. Through these pools they fixed very high prices for their goods. The margin of wholesalers and retailers was no less high and the greatest sufferer was the wage-earner.¹

These conditions provoked the workers to think of methods of saving themselves form this organized exploitation. The news of the achievement of Rochdale Pioneers had already reached them and the workers were decided to follow the example set by the Pioneers in England. The first known co-operative enterprise in Sweden named the District Commodity Buying Company was established in 1850. The oldest co-operative society town still exists and is a member of the K.F. was established in the town of Trollhattan in 1867. Like England, the tendency in Sweden is also to reduce the number of societies by amalgamation and increase size to employ experts.²

In Sweden, above 75 percent of households are now members of the consumer's co-operatives. The main bulk of membership of the societies comes from the salaried workers and professional classes which constitute movement in Sweden is that, it is predominantly associations of households anxious to obtain the necessaries of life at the lowest possible cost.

1. Dubhashi P.R., "The Co-operative Movement in Sweden", Edited by Chinchankar P.Y. & Namjoshi M.V., "Co-operation and the Dynamics of Change", Somaiya Pub. Pvt. Ltd. Bombay. 1977.

2. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.180.

In the initial years, consumer's co-operative movement in Sweden, faced the opposition of private enterprises, which did everything possible to sabotage its progress. The movement, however, successfully overcame these initial problems. Today the consumer co-operative movement is a very strong force in the Swedish economy and a bulk work of protection to the Swedish consumer. It has played a notable part as an anti-monopoly force and has successfully prevented the occurrence of monopoly gains. The consumer co-op. movement played a pioneering role in introducing self-service shops in a big way. The self-service system prevails in the super markets as well as in the department stores. Both these shops deal's with the distribution of consumer goods on a large scale. But the greatest innovation of the Swedish consumer co-operative movement is the discount houses. The discount house has twenty thousand different types of articles. Due to large scale of operations the prices are below 10 to 15 % to the market prices.

Co-operative Farbundet (K.F.) - The Swedish co-operative Union and Wholesale Society known as K.F. was founded in 1899 to act as an advisory body to primary co-operative stores and to act as a medium for publicity. In 1904, K.F. began to act as a supplier of goods to the primary co-operative stores. For this purpose it got agencies from a number of private companies. By and by the K.F. became a full fledged wholesale society. The headquarters of the K.F. are at Stockholm. K.F. undertook its production programme in order to break the monopolies and combinations so that the consumers may be able to obtain consumable articles at reasonable rates. Apart from the distribution and production programmes, the K.F. undertakes insurance work on quite a high scale. In 1908, the first insurance society called the 'Samarbet Pire Insurance Society' was established and in 1914 followed the organization of the "Folket Life Insurance Society". In 1949 another society namely "The Marine and Transport Insurance Society" was established. Although these societies are separated entities, they have got one and the same management.¹

K.F. carries out its programme of education for the members of the co-operative societies with great zeal. The K.F. has established its own college called "Var Gard" outside Stockholm. K.F. has its own research organization which includes Food Test Laboratory, a Textile Laboratory and a Test Kitchen. Here the various commodities are

1. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.182.

put to a through test before they are offered for sale to the retail societies. To help the co-operative movement in the under-developed countries of South East Asia, K.F. established in 1960 an Educational Centre in New Delhi and a Regional office for South-East Asia by the International Co-operative Alliance in New Delhi.

Just as K.F. is the apex organization of the Swedish Consumer co-op. movement, S.L. is the confederation of the agricultural co-op. movement. The federal organization of the different branches of the agricultural co-operative movement are attached to S.L. Agricultural in Sweden is not the main industry. It gives employment only to 5 percent of the population. The population of farmers in Sweden is declining, though the total agricultural production is rising. They are able to produce more because of successful plants and animal breeding, intensive use of fertilizers, vigorous mechanization and rationalization of farm structure. The agricultural co-operatives have provided services of a very high order to its members. Hired labor accounts for only 15 % of the total labor employed in the agriculture. About 40 % of the agricultural income is derived from milk and about an equal percentage from animal slaughter. Hence fodder is the main crop.¹

Co-operative movement in the country was started by the farmers in order to take advantage of large scale operations. The first agricultural society to be organized was the co-operative Dairy which was established in 1870. Soon, the co-operative movement spread in the field of supplying agricultural requirement to the farmers. Just after the first world war, agricultural co-operatives expanded their sphere of work and societies were established in almost every sphere of agricultural activity.²

The agricultural co-operatives in Sweden can be grouped into 13 categories or organizations, such as- Swedish Dairies Association (S.M.R.), Swedish Farmer's Meat Marketing Association, Swedish Eggs and Poultry Marketing Association, Association of Swedish Rural Credit Societies, General Mortgage Bank of Sweden, Association for Swedish Live-stock Breeding and Production, Swedish Oil Seeds Grower's Association, Swedish Farmer's Selling and Purchasing Association, Swedish Forest Owners Association, Swedish Distiller's Association, Swedish Fur Breeder's Association, Swedish Starch Producer's Association, Swedish Flax and Hemp Grower's Association.

1. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.164.

2. *ibid.* P.188.

These 13 associations are further federated into the Federation of Swedish Farmer's Association (S.L.). The Federation owns, along with Swedish Farmer's Union, the Agricultural Economics Research Institute. It carries out research and conducts investigations in agricultural and forestry problems.¹

Co-operatives expanded rapidly in the 1st half of the 20th century. This development also accompanied by the creation of national federations. New areas of activities arose, i.e. banking, craft, fisheries, horticulture, recreation and transport. Co-operative structures for travel and services and the provision of petroleum products also emerged. In the insurance sector, Folksam was established and has since become the world-renowned co-operative. The dominance position of Sweden in co-operative development is well known. Co-operative has become one of the most important alternatives to the public provision of social services in the transformation of the welfare State and privatization of public sector. More than 66% of private day care centers are co-operative, there is much of the privatization is really co-operatization.

Recently, both the agricultural co-operatives and the consumer co-operatives went through a consolidation process which was reflected in the reduction of their members and new larger and more complex units. Both sectors internationalized their activities. The Swedish Agricultural Co-operatives have been investing in productive facilities abroad. KF, the Consumer Co-operative Federation, created together with their Danish and Norwegian counter parts co-operatives, Norden dissolved in 2007. However, co-operation in purchasing between the three countries remain.

3.8- CO-OPERATIVE MOVEMENT IN CANADA-

Canada is the world's second largest country in size and three times as big as India. Canada occupies almost all the whole northern part of the North American continent. It has a total area of about 4 million sq. miles. The population of the country is, however, proportionately small. The area what is called the 'Canadian shield' consists of rugged mountains and thick forests, only 1/6th of land is suitable for agriculture. Agriculture in Canada employs about 1/6th the total population and produces nearly 1/3rd of all exported commodities. Wheat has since long been the most important crop, though

1. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.192.

live-stock products have recently begun to challenge the first position occupied by wheat. Canada is one of the world's largest exporters of wheat. It also exports beef, bacon, fruit, cheese and eggs. Traditional market of Canada is Europe and the United States. The co-operative movement in Canada plays an important part in the agricultural economy and has particularly helped the farmers in the Prairie province in marketing their wheat and other agricultural products as well as in the procurement of essential agricultural requirements. The movement serves about 40 percent of Canada's rural population. Marketing and purchasing co-operatives were the most important groups, followed by service and fishing co-operative societies. In addition, the credit union movement, which is generally regarded as distinct from the co-operative movement in Canada, helps both the farmers and the urban workers in meeting their credit requirements.¹

Because of the community life of the pioneers, instances of co-operative activity could be found in the very early period of Canadian history, but formal efforts in this direction began to be made about 1870. Since agriculture has remained always the most important occupation of the people, the first co-operative institution developed among the farmers. First of such organization was the Dominion Grange which was organized in 1877. It established many co-operative enterprises in Ontario. In 1861, the coalminers had started a co-operative store in Novascotia. Some other stores also came up but by 1900 all but one had failed. Successful organization was developed on the marketing side. In the beginning 1900 the marketing of agricultural produce was entirely in the hands of private companies. They purchased grain from the agriculturists, arranged its transport and exported it to other countries. They owned grain storing elevators and held monopoly for the use of platforms for loading rail-cars and ships. In the year 1900, the growers got a right to the use of platforms for loading. To make available of minimum quantity of grain acceptable for transport, a number of growers joined hands and pooled together sufficient quantity of grains for loading purposes. These groups soon assumed the form of regular co-operative institutions. The first growers association was registered in 1906, under the name of "Grain Growers Association".²

In 1911, the Saskatchewan Elevator Co. was organized with the active support of

1. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.108.

2. *ibid.* P.109

the Government. In 1919, the Government set up a Wheat Board which took over the whole export work of food grains. When the Board was discontinued with its work next year, the growers began to think of setting up co-operative institution to work on lines similar to those of the Wheat Board. After having experienced the Government Wheat Board Marketing, the farmers realized the value of stable prices and orderly selling methods. In 1923, in the province of Alberta, first wheat pool was organized. The wheat pool is a farm organization dedicated to the improvement of the social and economic conditions of the farm families. Its principle objective is to promote and provide co-operative and other services required by farmers in the production and marketing of agricultural products, thereby reducing speculation, manipulation and waste. The pools and their central selling agency worked with great success till the depression of thirties. During this unprecedented emergency, the price of wheat touched its bottom and the pools were unable to sell their stocks, the Canadian Government came to their rescue and in 1935, the Canadian Wheat Board was set up. The Board replaced the Canadian Co-operative Wheat Producers Ltd. and took up its work as a central selling agency. Since 1943 the Board is the sole selling agency of wheat, both for export and for internal consumption. The wheat pool and few private companies act as agencies of the Wheat Board for procurement of wheat from the growers. Apart from the marketing of grains, the pools handle rape seeds, rye, barley, oats and flax. The pools also help the members in selling their live-stock, supply of cattle feed and fertilizers.

Farmers in Canada have built up strong co-operatives in all provinces for obtaining supplies for production, such as feed, fertilizers, seeds, farm machinery and various consumer goods. Unlike the service co-operatives in India, societies bearing this name in Canada offer services such as generation and distribution of electricity, provision of medical assistance to the members and also the provision of societies like housing, transport, telephone exchanges, seed cleaning, cold storages, skiing rinks & water works.

Fishing is also an important occupation of the people in the coastal areas. Fishermen in early years caught fish and sold it to private owned processing and preserving plant. In this transaction they suffered heavily because of the exploitation indulged in by the factory owners. They were paid at the minimum price. The fishermen

soon resolved to improve their lot by organizing themselves into co-operative societies were reported with a membership of 16,306.¹

In 1955, the wholesale societies of Manitoba and Saskatchewan combined into a large organization called the 'Federated Co-operative Limited'. It is engaged in manufacturing operations in a variety of farm requirements and serves the three Prairie provinces. It has set up a fertilizer plant. It also set up number of feed plants oil refinery, factories for forest product, warehouse and also deals with food and other business, i.e. food articles, meat, drugs, dry goods, hardware etc.²

There is a continued trend in Canada also for amalgamations and other forms of vertical as well as horizontal integration of co-operative movement. Co-operative movement in Canada, as in the rest of capitalist America, is looked upon by private business interest. The credit unions thus developed as separate institutions from the co-operatives, even though they absorb all the co-operative principles and ideals in them. The credit unions were introduced in Canada by Alphonse Desjardins of Quebec. He studied the credit movement in Europe and suggested it as a remedy against the usury practiced in Montreal. The first 'Caisse Population' was established at Levis in 1900. The province of Quebec was the first in Canada to pass a credit union law in 1907. Similar laws were passed in other provinces and about 136 all provinces had such special laws.³

Quite a portion of the success of the co-operative movement in Canada can be attributed to the extension work in co-operation started and carried on in the St.Francis Xavier University at Antigonish, Novascotia. The work was started in 1930 when small groups were organized in the University under local economic problems. The movement has now developed into a full-fledged education programme for economic and social group action. A still greater contribution of the scheme has been its educational programme and the advancement of co-operative thought.

In Canada, the most important co-operatives were wheat pools, by the 1990's most had privatized and several mergers occurred. Now all farmer wheat pools are part of the Viterra Corporation.

1. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.118.

2. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.116.

3. Sriram M.S., "Financial Co-operatives for the New Millenium: A Chronographic Study of the Indian Financial Co-ops & the Desjardins Movement, Quebec, Canada. Paper presented at Institute of Rural Management, Anand (IRMA), India. Dec. 13-14,1999.

On October 24, 2001, legislation reforming the financial institutions statutes was proclaimed in Canada, new flexibility provided by Bill-C8, and co-operative credit unions are allowed to own banks. In April 2002, the federal government released its constitution paper on Co-operative Banks in order to determine whether to allow provincial centrals and federals.¹

However, in April 10, 2003, Department of Finance of Canada submitted its “Co-operative Bank Assessment Report”, concluding that-“the Government is of the view that there is not only a lack of broad consensus on which co-operative bank model would be preferable, but there is also a lack of agreement of whether a co-operative bank option is even desirable. In fact, a representation of stakeholders seems to suggest that a federal solution may not be best strategy for resolving many of the key challenges faced by the credit union movement. Instead, greater benefits may be achieved by focusing efforts on changes that would give credit unions greater flexibility to expand and operate inter-provincially.” In Canada, co-operatives and credit unions employ over 1,60,000 people. The desjardians movement (saving and credit co-operatives) is the largest employer in the province of Quebec. In the 2nd quarter of the 2008, 516 Credit Unions and Caisses Populaires outside of Quebec saw a six month increase in assets.

3.9- CO-OPERATIVE MOVEMENT IN DENMARK-

Denmark is a very small kingdom. However, it is having a good fertile soil. Agriculture plays an important role in the economy of the country about 50% of the Danish export consists of agricultural products. However, agriculture occupies only one quarter of the population and remaining three fourth earns its overall structure of economy, the co-operative movement is playing an important role. The co-operative movement has developed agricultural working techniques which have their own special characteristics.

In Denmark, the farmers had their own difficulties arising out of the socio-economic structure, most of the land though cultivated by farmers, belongs to the barons. The farmers had thus neither the incentive nor the opportunity to improve agriculture.

1. Lowe James, “Challenges & Opportunities for Canadian Co-ops in the New Millenium”. Paper presented on Agricultural Legislation & Technical Co-operation, Beijing, China. June 9-10, 2005.

Under benevolent rules, land reforms spread over a long period between 1769 and 1850, and converted most of the tenancies into freeholds. There were some improvements in agriculture, but as the holdings were small and scattered the farmers were destined to remain poor for sometime more to come. Other reasons of their poverty included lack of finance, necessary to develop the land.

The problem of credit was solved by the credit associations under the supervision of the Government in 1850 by a special law. The main source of their funds is the money received by the sale of debentures. Saving Banks are second important which are self-governing institutions owned by the depositors. Most of the money is advanced on the mortgage of property preferably to the agricultural sector and interest rates charged comparatively less. These banks have become very strong organizations with huge reserves.¹

In 1925, a co-operative bank called 'Andelsbanken' was established. The bulk of its share holders come from within the co-operative sector and in its voting system, it follows the principle of 'one man-one vote'. It advances loans to co-operative societies, traders the bank for any purpose and there is no supervision on the application of loans, defaults in payments are negligible. Loans are advanced only in the shape of overdrafts to depositors. No loans are given to those who do not have their deposit account with the bank. The bonus of democratic control, limited rate of dividend and bonus payments to customers are the other features which distinguish it from commercial banks, though it is registered under Companies Act. The co-operative movement in Denmark grew spontaneously and naturally. Although there were pioneers, the credit of success goes mainly to the efforts of the members in general.

Co-operative movement in Denmark was introduced by H.C.Sonne, a special worker. He was impressed by the successful example of consumer's co-operative societies of England by Rochdale pioneers. He convinced a number of persons to form 1886, 'Thisted Workers Society' was established. Mr.Sonne worked so hard to make this society a success that soon he came to be known as 'Provisions Person'. The work of the society was carried with the principles formulated by Rochdale pioneers. In 1871, the number of such societies rose to 86 and in 1874 to 119. It was an important feature of the

1. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.141.

Danish co-operation that, the consumer's movement is largely rural in nature and it is closely connected with the agricultural movement. The rural stores have got a majority in the wholesale society.¹

The general trend of amalgamations, which is witnessed all over the World, is also found in the Danish Consumer's Co-operative Movement. In September 1966, the Congress of Consumer's Co-operatives held at Copenhagen decided to carry on the process of amalgamation, till all the Consumer's Societies are amalgamated into 'Denmark's Consumer Society'. Most of the societies are comparatively small and each society has generally only one shop.

As early as 1896, the retail societies had organized their wholesale society named F.D.B. and all the primary societies are affiliated to it. The object of the society is to purchase, produce and distribute goods to the co-operative societies. Over one fourth of F.D.B. turn-over is made up by the goods produced, coffee is the largest processing item along with other production chocolate, sweets, rope, soap, edible oils, spices, tobacco, furniture, clothing, wine, biscuits, etc. Its architectural department gives technical advice in the construction of new shops along with financial support.²

At the end of the 19th century dairy business became an important industry. In the earlier years, pattern of farming in Denmark comprised of food grain production. The immense increase in the supply of cheap foreign grain made it profitable for the Danes to import corn. On the other hand, demand for Danish butter increased in England. Thus, the Danish farmers took to growing fodder and raising live-stock on an increasing scale, the production of milk, butter and cheese has played its important part in the economy of Denmark. The changeover was stimulated by the invention in 1878 by a Danish engineer, L.C.Nielsen.

The first co-operative dairy established in Hjedding with the efforts of a young dairyman named Stilling Andersen in 1882. Since then the co-operative dairy industry had made continuous progress. England being the major buyer, 70% of the dairy products including butter, cheese, cream and milk powder is exported and the remaining 30% is

1. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.142.

2. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.141.

sold in the home market. In 1964, 'Dairy Society Denmark' established, it is an overall federation to which co-operative dairies as well as export organization are affiliated, which co-ordinate the production and marketing activities in the whole co-operative dairy business in the country.¹

The Danish farmer's who started with dairies, had soon to take to piggeries as an additional job. The milk produce was much above the local needs and after churning butter out of it, the separated milk went waste. As pigs are best fattened with this milk, farmers started rearing them. In 187, the first bacon factory was set up on co-operative basis at Horsens in Jutland.

In 1895, the Co-operative Egg Export Association was established. It introduced the system of grading and stamping of eggs to ensure that only eggs of good quality reached to British Market as most of the eggs were exported to England.

In Denmark, co-operation also spread in other spheres of economic activity in country. Some of the important types of societies developed in Denmark are: Co-operative Poultry Killing Stations, Co-operative Cattle Sale Societies, Co-operative Seed Supply Societies, Fruit Growers Co-operative Association, Co-operative Feeding Stuff Societies and Co-operative Fertilizer Purchase Society.

With a view to securing its continuity, promotion of member education has always been considered as one of the important jobs of the co-operative movement. The folk high schools have been since long instrumental in promoting co-operative education, co-operative conferences and gatherings often held at these high-schools. In 1932, the Danish Co-operative College was established by the Danish Co-operative Wholesale Society at Middelfort.

It was in Denmark that the full potential of this type (Agricultural Marketing and Processing Co-operatives) was realized, there, by the beginning of the 20th century virtually all the needs of the rural communities were met by co-operatives.

In 1990's the Danish Consumer Co-operatives represent a market share of roughly 33% of the national foodstuff and beverage consumption. In every town rural community found a co-operative supermarket or smaller shop and in many rural areas the only retail show at all was a co-operative.²

1. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.144.

2. Website: <http://www.Denmark/Danish> Co-operative Movement_wikipedia, the free encyclopedia_files. Assessed on 2008.

The co-operative movement also resulted in a series of co-operative stores known as Brugsen, under the administration of the Danish Consumer Co-op. Society. The stores kept a large share of the Danish Consumer goods market. It merged with the similar retail chains in Norway and Sweden in January 2002 to form co-operative Norden.

3.10- CO-OPERATIVE MOVMENT RUSSIA-

The co-operative movement in Russia began in the later half of the nineteenth century, when the news of Rochdal pioneers spread all over the world. First attempts were made in 1864 when some co-operative stores and credit societies were organized. The imperial Government, however, did not have much faith in co-operation because of its democratic principles, and the movement remained suppressed till 1905 when some concessions were allowed. By 1914, the movement had become strong enough and the consumer's stores in the country handled more than half the country's supplies. Russia also has made good progress in the field of co-operation, like other European countries. Progress was maintained till the Great Revolution of 1917. During this revolution, the workers seized co-operative premises like other private concerns but in 1918, Lenin called a halt and declared that, "The co-operatives are the only organization in capitalist system which is good is good. It must be preserved in its entirety at any cost."¹

The earliest form of co-operative movement in Russia was Labor Artels. According to the Russian Law Artel is defined as "an association formed to carry on certain industries or render personal services on the joint responsibility of the members of the Artel and their joint account". Such Artels were organized by carpenters, masons, handicrafts-men and other artisans. The workmen, in the first half of the 19th century were less bargaining power when dealing with the employers. They thought of joining hands and organizing bargaining power. Anybody could hire the services of an Artel by fixing wages with the leaders thereof. The Artels were financed through deposits obtained from the members and non-members. These Artels flourished for some time but when large-scale industry came into being, their importance declined.

Russian farmers organized their own association in the last decade of the 19th century. These associations purchase agricultural requirements and important consumer

1. Website: www.Co-op.Societies_Russian_History.encyclopedia.com.htm. 2004.

goods in bulk and supply them to members as well as market the produce of members. An important association of this nature was organized in 1895 by the butter producers in Siberia. These societies soon multiplied and in 1908, they organized their federation called "The Union of Siberian Creameries Association". The primary units set up creameries and sold their butter through the union. The union still exists and very strong.¹

In Russia Credit Co-operative Societies were set up to fight the evil of money-lenders. Their object was to create the habit of thrift among members and grant loans to them for agricultural requirements. To begin with some loan and saving societies were organized. They secured their initial funds from the members in the shape of share capital. On the contrary there was second type of co-operative organization came to be favored, called 'Credit Associations'. These societies were fully supported by the Government especially after 1905. They provided the credit needs of their members who were mostly cultivators.²

Early attempts at consumer's societies were made in the second half of the 19th century when the news of Rochdale pioneers reached to Russia. These societies however, succumbed to the cold treatment of the Government. A fresh start was taken by the movement during the famine of 1891 when prices rose very high, profiteering increased and commodities went into the black market. During the Japanese war (1906-1911) these societies got a further fillip because of the conditions of scarcity prevailing in the country. Most of the societies were in rural areas and they succeeded to a great extent in stabilizing prices at the time of the revolution of 1917. These societies had also organized their federation called Centrosoyus. After the revolution, the Government ordered the co-operative stores to be kept intact. They, however, began to be used by the Government as instrument for the execution of State policy. Their autonomy and independence of action was seized and instead came a strict control from the State. In view of a realization by the Government that the co-operative societies could not make much headway unless they were given a free hand to mould their policies, the State relaxed its control in 1928 but in 1932 when private trade was completely abolished, the Government again tagged the stores to its policy of state trading. Side by side the movement got encouragement

1. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.124.

2. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.125.

because the Government decided to entrust them with the entire supply of controlled commodities in rural areas. In towns also a similar encouragement was given in 1946. As a result of all this, the number of stores increased rapidly. These societies have also make purchases of main types of agricultural produce from collective farms on behalf of the Government. They also purchase surplus products from the collective farmers to relieve them of the expenditure on trips to markets for selling them.

At the base the retail stores whose area of operation extends to one village. All retail stores in a district are linked to the District Union. The Republic Unions are federations of all the Regional Unions are represented on the Centrosyus, which is the apex body for the entire consumer's societies in the country.

The system of collective farms, which now covers the entire USSR, was evolved over a number of years of experimentation and arose out of the political situation which emerged from the great revolution of 1917. Before the Revolution of about 30,000 peasants constituting only 0.35% of the total farming families owned about 50% of the land, their average holding being about 8000 acres. The remaining farming population consisting of the medium and the small cultivators was cultivating the land in a primitive way. After the Revolution the Government issued a decree on land which abolished landlord's property rights without compensation.¹

Most of the confiscated land was to begin with seized by the kulaks (well-to-do middle class farmers). Even the properties of the Kulaks were confiscated and the entire fund of nationalized land was reallocated among the state farms, the communes and the co-operative Reallocation of land alone could not solve the problem, because except for a few State Farms the rest of the land continued to be cultivated on primitive lines. The farmers neither had any machinery nor capital to bring efficiency into their profession. The Government therefore decided to provide assistance to those who agreed to pool their lands into collective or co-operative farms. A special fund of 1000 million Roubles was set up to give grants and loans to the communes. Machinery was also made available to the communes. Encourage by the Government assistance and also realizing that their salvation lay in taking advantage of large scale farming. The surplus income of the farm,

1. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.129. And Irina Bezlepkina & Others, "Development & Performance of Russian Agricultural Enterprises 1990-2001", Tylor & Francis Journal, December 2004.

after paying taxes in kind to the State, is sold either directly to the consumers or to the consumer's co-operatives. The surplus production of each farm again distributed among the members, in the proportion of their work done by each of them.¹

North Caucasus Rural Credit Co-operatives and Agriculture Business Development Programme (NC-RCC&AD) started activities in October 2005, when only two-tier co-operatives existed in the region. By February 2008, the number of two-tier co-operatives doubled, with one RCC in the Republic of Adygeya, two in Krashodar Krai and in the Republic of Kabardino-Balkaria. Since 2005, USAID funded \$5 million NC-RCC&AD programme has supported credit co-operatives in the North Caucasus Region, focusing on multifaceted approach with training programmes, technical assistance, and enhance access to credit.²

3.11- CO-OPERATIVE MOVEMENT IN JAPAN-

At the end of 19th century, Japanese capitalism had almost achieved its present development form, while the traditional peasant economy was stagnant. The traditional peasant economy did not adapt itself to the new money economy. The socio-economic condition of Japan is similar to Indian economy in many respects. Quite a large proportion of population depended upon agriculture. Cultivated area per household was very small. By the very nature of the climate of the country, agricultural production depended upon the vagaries of nature. Heavy floods, earthquakes, typhoons and other natural calamities often destroyed the agricultural production. Farmers suffered from a heavy burden of the high-interest debts incurred by the money-lenders. Indebtedness among the farmers thus, presented a major problem.

Co-operative movement in Japan was introduced in the form of consumer's co-operatives, the first of which was established in 1879 with the object of cheep the soaring prices. During the Sino-Japanese war at the end of the 19th century, prices again rise up and a number of consumer's co-operatives were established by the trade unions among workers. As well as, credit co-operatives were established on Raiffeisen model by Home Ministry of Japan, who had studied co-operation in Germany. In 1900, the Industrial Co-

1. Website: www.caledonia.org.uk/papers/How to Co-opeatives-DIFD-2005.pdf.

2. Website: <http://Russia/ACKI-VOCA.htm> [Russia-North Caucasus Rural Credit Co-ops & Agribusiness Development Program (NC-RCC&AD)] Assessed on 2008.

operative Law was passed on the lines of the German Law. The Law was modeled after the Schultze-Delitzch type co-operative of Germany and established on the traditional principles of co-operation. It contained enabling provisions for the registration of co-operative societies. It was significant that the Industrial Associations were utilized as an instrument of cheap money policy, i.e. as a channel to let governments low interest money flow into rural areas. The functions of industrial association included marketing, purchasing and utilization of common facilities, as well as credit. The provision of credit, however, was the main function of these associations in the early days. Five years after the Act was passed, there were only 872 societies.¹

In 1905, a non-official body named 'Co-operative Union' was established. This body made extensive propaganda for the promotion of co-operative societies and by 1909, the number of societies had risen to 5690 with about 3.8 lack members.² The primary societies soon felt the need for organizing their secondary societies and in 1923 the "National Purchase Co-operative Federation" and the "Central Co-operative Bank" were established.³

The world economic crisis, beginning in 1929, dealt a blow to the Japanese economy, throwing farm areas into depression. The income of the farmers decreased and the co-operative movement came to their rescue by advancing loans to overcome on their financial difficulties. The government's agricultural policy was oriented to provide relief. Particular emphasis was placed on the reconstruction of rural economy by the farmer's own efforts. Government also advanced distress loans to the farmers through the co-operative societies.

After the World War II, in the middle of dissolving war-time structures and stabilizing democratic systems a co-operative system based on the farmer's free will was taken up as one of the most important agricultural reform, side by side with land reforms. As a result, in 1947, the Agricultural Co-operatives Law was enacted. This provides the basis of the present organization of agricultural co-operatives. The law is consistent in observing the traditional principles of co-operation, emphasis being placed on exclusion

1. "Ten Years of Consumers Co-operative Institution-1989-1999, Japan,2003. (www.History of Co-operative Movement in Japan.com), Assessed on 2009.

2. Yukinori Miyahara, "The Development and Role of Co-op Societies in Japan- Special Reference to Agricultural Co-operavites". Edited by Chinchankar P.Y. & Namjoshi M.V., "Co-operation and the Dynamics of Change", Somaiya Pub. Bombay. 1977. P.194.

3. "History of Consumer Co-op Movement in Japan", (<http://jccu.coop/eng/aboutus/history.php>), Assessed on 2008.

of domination by outside influences and management by farmer's themselves. The former agricultural corporations were dissolved by official order and the agricultural co-operatives were formed a new. Such a situation helped the speedy formation of the 'Agricultural Co-operatives' a new democratic organization. As well as a most immediate reason was that government wanted to quicken the pace of development of co-operatives in order to tackle the tasks of post-war rehabilitation and recovery, to increase agricultural output through supplying producer's good such as fertilizers and to distribute the food produced. The government, therefore, had an immediate need of a feasible control system to replace the corporations which was used during the war-time. For all these reasons, a network of Agricultural Co-operatives was established in only two years or so throughout the country.¹

Agricultural co-operatives, thus, provide a fully integrated service comprising of credit, marketing and supplies with emphasis no linkage of loans to actual needs of production as well as linking of credit with marketing. The Japanese co-operative movement has developed on a foundation provided by agricultural co-operatives. Although under the system of Industrial Association, prior to World War II, city credit co-operatives had been formed, these were now separated in according with the city Credit Association Law on the occasion of the setting up of the Agricultural Corporations in 1943. It was only after the War that the co-operatives of smaller enterpriser's and consumers were generally organized. In 1949, The Law of Co-operatives for Smaller Enterprises and Certain Other Categories was enacted. However, due to the variety present in small business, it is more difficult for such co-operatives to undertake to protect the position of members than it is in the case of agricultural co-operatives. The 'livelihood co-operatives' were made independent organizations by the Law of Consumer Livelihood Co-operatives of 1948.²

The Japanese co-operative movement the so called general co-operatives are fundamental 'Agricultural Co-operative' is usually taken to denote 'General Co-operative'. The general co-operatives have their federation in each prefecture. The federation at the prefecture level consists of an economic federation for marketing and

1. Yukinori Miyahara, "The Development and Role of Co-op Societies in Japan- Special Reference to Agricultural Co-operavites".

Edited by Chinchankar P.Y. & Namjoshi M.V., "Co-operation and the Dynamics of Change", Somaiya Pub. Bombay. 1977. P.101.

2. "History of Consumer Co-operative Movement in Japan", (Japan/coop.about us history_files/co-op.history. htm), 2009.

purchasing business, a credit federation for finance, a mutual insurance federation for non-life and life insurance, in addition to these, there is a General Union whose main task is connecting and co-coordinating the co-operatives. In contrast to the general co-operatives, the specialized co-operatives work in their respective special field such as sericulture, livestock breeding, dairying, and horticulture and land cultivation.

As compared to the advanced countries where co-operatives are usually divided by specialties general co-operative's has a special feature of Japanese co-operative movement. In Japan, the formation of co-operatives that handle various businesses had been necessary and expected in order to adopt the small farmer's development of the capitalist economy. Undertaking various businesses is also important because in Japan, from management it is not yet specialized, not being separated from house holding. Japanese agriculture co-operatives cover 91% farmers as members, and they provide an integrated system of marketing, supply, credit and insurance for the whole rural economy.¹

Recently, Japan has experienced drastic changes in social and economic areas. Japan's economy has been seriously setback and the negative view that the economy will further weaken i.e. the number of scandals including profiteering and mismanagement in the co-operative movement that has largely damaging the trust and reliability of co-operatives among its members and the society at large. Although with relatively more funds are made available for the development of financial conditions of the co-operatives. Japan is conducting various in-depth studies on how to improve management and governance for better services to members, working environment which can fulfilled and provide the best services and promote members participation in decision, etc.

JA (Japan Agricultural Co-operative Association) expanded its reach and influenced by capitalizing, ever since the passage of the Agricultural Basic Law in 1961, of opposing all reforms aimed at nurturing a corporate model of farming and increasing the scale of farms. In addition, it excludes organic farms that dispense with the chemical pesticides and fertilizers.²

In fiscal 2007, ministry of Japan considered the system of direct payment

1. "The Agricultural Co-operatives and Farming Reforms in Japan (1)", The Tokya Foundation, Jan.14, 2009.

2. *ibid.*

subsidies under the farm income stabilization policy, JA opposed it to restrict the subsidies to farm at least 4 hectares in scale, arguing part time farmers important role in community farming. As a result, the government decided to include community farming collectively of more than 20 hectares, even if they consisted primarily to part-time farmers. Moreover, at the end of 2007, after its defeat in the House of Councilors elections the preceding summer, the ruling Liberal Democratic Party dramatically relaxed the 4 hectares minimum by allowing each municipality to approve exceptions.¹

3.12- CO-OPERATIVE MOVEMENT IN CHINA-

The history of co-operative movement in China belongs to famines, floods, mutual quarrels and the Japanese war. These are some immediate causes of the introduction and the development of the movement in the country. Since very old times mutual benefit and loan societies had existed in China but they did not cover any significant field.

In 1912, Dr.Sun Yet Sen, the founder of Chinese Republic, gave a lead to the co-operative movement. After reigns the government job immediately he gave preference to set out to eradicate poverty of the people by organizing the co-operative movement. In 199, with his efforts he established 'Shanghai National Co-operative Savings Bank'. In the three years that followed a number of credit societies were set up in rural areas.

The movement, however, got a incentive from the severe drought of 1922 which led to a general failure of crops and famine. In 1922 the International Famine Relief Commission was set up in China and it submitted its report in 1924, in which it recommended the introduced of the co-operative movement as a measure of improving the economic conditions of the people. Thereafter, the provincial governments also began to take interest in the movement and appointed the necessary staff for organizing and supervising societies. These societies received financial assistance from the Farmer's Bank or Commercial Banks. In 1927, a co-operative union was set up to encourage the development of the movement. Co-operative movement, which was introduced after the famine, was rapidly developed after the floods in river Xangtse in 1931 about 20,000

1. "The Agricultural Co-operatives and Farming Reforms in Japan (1 & 2)", The Tokya Foundation, Jan.14, 2009.

societies were hurriedly formed and loans were advanced to the affected people. These registered under the provision of the Act of 1935. a push to the movement was given by the Sino-Japanese War which started in 1937. Due of war, millions of Chinese living in coastal areas, which were captured by the Japanese army, most of these persons were skilled workers and had been working in the Chinese Industrial units which were located in the coastal districts. ¹

Mr.C.W.Wu, Chinese but educated in Scotland, prepare a plan to organize the workers into small co-operative bodies and help them install small workshops, wherein they may work and produce the goods that China needed so badly. Management of the societies was to be in the hands of workers, they raise funds form a Central Committee helped by the government. As British ambassador told to Mr.Chiang-Kai-Shek about the Indus-Cos. in 1938, an association for the advancement of Chinese Indus-Cos was formed at Shanghai.²

Mr. Wu succeeded in starting the first industrial co-operative society of blacksmiths who agreed to work as well as live together around a common workshop. The society had nine members all of whom were refugees. The society worked so well that within 14 month, it had all the loans with interest. This followed a number of societies of soap and candle makers, printers and others. The weavers organized their own societies and made millions of blankets for the army. Looms and other tools required by the weaver's societies were made by the societies organized by carpenters. In 1932, there were over 350 co-operative societies making a variety of goods. About half of these were spinning and weaving societies and others were leather, metal workers, mining, chemical, food stuffs, printing and paper etc. co-operative transport societies were also provided transport to industrial societies for shifting their business or machines.

A central headquarter was established by the government at Chungking , whose function was to develop co-operative movement. As after 1942, prices of commodities generally went up and the Indus-Cos were required to invest more and more in the purchase of raw material to be utilized in their production. As well as the finances with the societies were limited, they were placed in a very embarrassing position. Central

1. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.169.

2. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.170.

headquarter worked through its 7 regional headquarters which were spread over the whole of China. It recommended loans to new societies, opened training centers and purchased mostly products of the society.

In china primary co-operative societies were grouped into Country Unions, which were further federated into Provincial Unions. At the top was the 'All China Federation of Co-operatives' which was organized in 1950. Chinese government gave assistance to co-op. societies. The tools and machines required by the societies are supplied at cheap rates from the Government owned factories. Free technical advice and managerial help, loans at cheap rates by the State Banks and special tax-relief's also provided to co-operatives.¹

Since the establishment of the Chinese People's Republic, progress made in the country on the agrarian side has been identified with the establishment of agricultural co-operative societies. The progress on this side had been very spectacular that many people in the adjoining under-developed countries have been tempted to accept the pattern of Chinese organization as the basis of land management. The agrarian societies in China owe their origin to the land reforms that were ordered by the Republican Government and completed in 1952. As a result thereof, land which previously belonged to the landlords was distributed among tillers including landless laborers. As the extent of land available in the country was much less as compared to the large population of 500 million peasants, the share of each family in the land was small. The result was that agricultural land came in possession of farmers in small bits on which improvement was not possible and yields could not be increased. The Government of China, therefore, framed a policy under which land management was to be gradually entrusted to 'People's Communes'.

The programme of collective farming was carried through by some stages so that people may not feel or resist a sudden change in their national ownership. The first stage consisted of a very simple type of organization known as 'Mutual-aid team'. The farmers of a specified area formed these teams, as a measure of co-operation; they helped one another by carrying out certain operations jointly. As a second step, Agricultural Producer's Co-operatives, in these types of societies the members not only pooled their

1. Wong, Cham Li, "Co-operatism & the Agricultural Reforms in China; A Comparision with Hong Kong China" An International Journal. Vol.4, No.1, March 2006.

labor, implements and live-stock but also their lands for joint cultivation. The society maintains some equipment for joint use marketing also done by the society. Ownership of land, however, remained with the members and income of the farm was distributed in proportion to land among members. These societies were identical in their constitution and working to joint farming societies in India. By the end of 1954, millions of such co-operatives had been organized with 70 million members.

The third step was Socialist Farms, as the agricultural producer's co-operatives were converted into fully socialistic communes, in which the members surrendered their ownership of land in favor of the commune. Land, thus, became the collective property of the people and income there from was utilized for the common benefit of the residents of the commune. The statute of the first commune was that it set up in 1955.¹

However, the agrarian co-operative movement has developed side by side with the land reforms. The farmers and landless laborers were made the owners of land which had for centuries, been owned by the landlords. These people were thus naturally more prepared for understanding the new venture of co-operation.

Credit co-operative movement in China, serving an estimated 200 million households, the system has been primary source of basic financial services for poor farmers. Rural Credit Co-operatives (RCC) holds 12% of all bank deposits and more than 90% legitimate agriculture lending where almost half workforce still farms and land.²

Since 2003, RCC centered by property rights, underwent a reform, which on the basis of the original, launched three models-first, in the original framework of the system RCC, the country as a unified legal person established in the community, regional representative, Jiangsu; second, the establishment of joint-stock rural commercial banks, representatives are Changshu, Zhangjiagang and Jiangyin rural commercial banks reformed on the basis of the rural credit co-operatives in 2001, and third RCC banks, representatives is Yinzhou rural co-operative banks of Zhejiang, succeeded in restructuring in the April of 2003.³

1. Breslin S, "Paradigm Shifts & Time-Lags? The Politics of Financial Reforms in the People's Republic of China", Uni. Of Warwick, UK.[<http://go.warwick.ac.uk/wrap>] 2003.

1. Swoboda Ralph, Zhang Ruibin, "Are Modern Credit Co-operatives The Best Way to Serve China's Rural Poor?", International Development World View Pub. China. 2008.

3. Shiyun Xia, "China's Rural Credit Co-operatives, Co-operative or Commercial", School of Economics, Renmin Uni. of China. (Shiyun_Xia%20-2007), 2007.

During the recent reform period experienced declining financial performance, market share of farm purchasing and marketing declined from 36% in 1954 to only 2% in 2006. A heavy debt load increased to more than 20 billion Yuan in 1995 resulting in interest payment burdens for many SMC's (Supply and Marketing Co-operatives) also experienced financial losses for eight consecutive years from 1992-2000. Factors related to decline are; ineffective reforms, lack of accountability and transparency, limited focus on member needs, a negative image for co-operatives, and poor understanding of contemporary co-operative management and governance practices. However, the reforms of SMC's has achieved some success by the end of 2005, the aggregate system of SMC's had assets totaling 464.61 billion Yuan, members of 160 million, and employees of 4.3 million. SMC's had gross sales of 7489 billion Yuan in 2006, with total profit of 7.95 billion Yuan, nearly a fivefold increase from 2000.¹

3.13- SUMMARY-

Co-operation began in the 19th century in England to protect the interest of the working class and have spread throughout the world. However, the origin of the co-operative movement in world is not on one single line. It differs from continent to continent, from country to country and even from place to place. Co-operatives subsist within several different sectors of the economy. Co-operatives are engaged in agriculture, industry and in service sector with the ultimate goal to lift up the living standard of the members of the societies through increase in level of production and productivity, employment, technology, and several other useful services.

Co-operatives are essential self-help groups of people who get together to meet their needs. Consumer co-operatives provide their members with food and other products they need, while housing co-operatives provide shelter and workers co-operatives provide decent work, credit co-operatives provide saving and credit, while agricultural co-operatives help farmers to organize inputs they need to grow crops and keep livestock, and then help them to market and process their products.²

1. Xiangyu G, "Rural Supply & Marketing Co-ops in China: Historical Development, Problems & Reforms", St. Paul, Nov. 2007.

2. Birchall Johnston, "Co-operatives & the Millennium Development Goals", Co-operation Branch & Policy Integration Dept., International Labor Office, Geneva, 2004.

CHAPTER NO. IV- CO-OPERATIVE MOVEMENT IN INDIA

4.1- INTRODUCTION:

India is a developing country facing number of problems, such as the population explosion, low productivity, inequalities, low living standards, inflation and so on. India consisting of 16% of the world's population sustains only on 2.4% of land resource. Agriculture sector is the only livelihood to the two-third of its population which gives employment to the 57% of work force and is a source of raw material to large number of industries.

After 60 years of independence taking into concern these problems, the growth of the Indian economy is rather slow. For the solution and for rapid economic development, it was necessary to accept a mixed economy as an economic system for the balanced growth of public and private sector together with a major role for co-operative societies to contribute their nit in the process of economic development. In the context of globalization of rural development perspectives, the developing countries like India, needs to devote greater attention towards rural development. The country's economic structure is undergoing fundamental changes as a result of the policy of liberalization and de-regulation. The objectives of the new economic policy are to impart a new element of dynamism to agriculture, trade and industry, to encourage foreign investment and technologies for making Indian products competitive in the international market to improve the performance of public undertaking and to influence co-operatives, since co-operatives work as an essential part of the country's economic structure. It is hoped that the co-operative movement will respond to the changes and develop firm self-discipline.

Co-operative movement in India is one of the largest movements in the world. Co-operative movement has made tremendous progress in every aspects of the Indian economy. Co-operative activities occupy a major place in the sphere of the Indian economy. Initially, the co-operative movement was started with a limited scope of activities of rural credit but now it has entered in all fields of economic activity with social essence. Now the movement which has covered 100 per cent villages and 75 per cent rural households and functioning over 545 thousand Co-operatives of various levels with membership coverage of 236 million and working capital of 34,00,555 million

inclusive of credit and non-credit co-operative societies. It has been playing a significant role in disbursing agricultural credit, distribution of agricultural inputs, providing market support, processing, etc. Co-operative movement has been recognized as an effective instrument for the economic development of the rural masses and for improvement in the socio-economic condition of the poor.

The co-operative movement in India had its origin else where and was introduced to this region by foreign rule. But even after independence, the movement continued in the planned economy. The movement has been recognized as an effective instrument for the economic development of the rural masses and for improvement in the socio-economic conditions of the neglected. In India co-operation had become a part of national policy and hence the Indian co-operative movement is sometimes ironically described not as a movement but only as a product of government policy. It spread and diversified with the encouragement and support of the government.

The co-operative movement in India was basically organized against the moneylenders to rescue farmers from the clutches of the poverty and indebtedness. The need for agricultural credit through co-operatives felt because of rural indebtedness. The Indian co-operative movement was initiated by the government; it spread and diversified with the encouragement and support of the government. In this connection, observation made by NABARD' in its Annual Report, 2001-2002 is; "Co-operatives have contributed significantly to the growth of institutional infrastructure in the rural areas, private capital formation in the agriculture sector and distribution of farm inputs like fertilizers, seeds etc."¹ The determination of Government interest in co-operatives and the importance attached to them was reflected in the appointment of various committees regarding to review their development and functioning.

1. GoI, Annual Report 2001-2002, NABARD.

4.2- TYPES AND FUNCTIONS OF CO-OPERATIVE MOVEMENT IN INDIA-

In the early stage the Co-operative movement was known only in the form of Consumer's Co-operative movement. Now the movement has emerged in different branches of economy. Many types of co-operative societies are found in all over the world.

Every type of organizational classification of co-operative societies provides services to each particular category and to a number of special requirement e.g., Consumers Co-operatives in England and Sweden, Agricultural Co-operatives in Denmark, Co-operative Creameries in Ireland, Agricultural Credit Co-operatives in Germany, Urban Credit Co-operatives in France, Agricultural and Consumer's Co-operatives in Russia, Agricultural Marketing Co-operatives in U.S.A., and Farming Co-operatives in Israel.

India is a second largest country in the world with 102,70,50,247, out of total population 53.12 crore with male and 49.57 crore female.¹

Table No. 4.2-1- Classification of Indian Workers.*

(Figures in Million)

Items	1951	1961	1971	1981	1991	1995	2001	2006
Agri. Labors	27.3	31.5	47.5	55.5	74.6	83.5	107.5	106.8
Cultivators	69.9	99.6	78.3	92.5	110.6	119.2	127.6	127.3
Workers (Total)	140	188.7	180.5	244.6	314.1	339.2	402.5	402.5
Rural Population	298.6	360.3	439.1	525.5	628.7	671.1	739.5	774.7
Total Population	361.1	439.2	548.2	683.3	846.3	910.7	1027	1108
Agri. Labors %	19.5	16.7	26.3	22.7	26.1	24.6	26.7	26.4
Cultivators %	49.9	52.8	43.4	37.8	38.8	35.1	31.7	31.5
Rural Popl. %	82.7	82	80.1	76.9	74.3	73.7	72.2	69.8

*Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.1.

The above table shows that the total population of India increased during the last five decades by more than three times from 361.1 million in 1951 to 1108 million in 2006. Agricultural laborers increased from 69.9 million (19.5%) to 127.3 million (26.4%) during 1951 to 2006. Cultivators increased from 69.9 million (49.9%) in 1951 to 127.3 million (31.5%) in 2006. Rural population increased from 298.6 million in 1951 to 774.7 million in 2006, percentage increased from 82.7% to 69.8%, shows that even today

1. Government of India, Census 2001.

majority of the population is residing in rural areas and dependent mostly upon the agricultural activities which is known as the backbone of the Indian economy.

Table No. 4.2-2- Distribution of Villages According to Population in India.*

(2001 Census)

Less than 1000	1000 to 1999	2000 to 4999	5000 to 9999	10,000 & above
4,06,723	94,486	46,892	7,202	1,834

*Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.2.

Total number of villages in India as per 2001 census was 6,82,862. The above table shows the distribution of villages according to population and brings out that a large number of villages 4,06,723 come under less than 1000 population, it means, distribution of population is spread in small groups all over the India. Naturally it is quite difficult for government to provide complete attention to these wide spread small villages. Therefore, from the beginning the importance of co-operative enthusiasm was recognized by the planners and supported to co-operative movement in developing rural areas with collective efforts through guiding and patronage by government.

Various types of co-operative societies with their activities in India could be classified in the following categories;

Production Co-operatives- these co-operatives deal with agricultural and industrial production, such as- Farming Co-operatives, Industrial Co-operatives and Processing Co-operatives.

Marketing Co-operatives- these co-operatives are concerned with the marketing of agricultural produce, such as- Agricultural Marketing Societies and Consumer Co-operative.

Service Co-operatives- deal with the services necessary for their members, such as- Co-operative Credit Societies and Co-operative Banks, also the Housing Co-operatives,

Allied Service Co-operatives- these co-operatives are concerned with all activities which are necessary for daily life and business of the agriculturists, artisans, etc.

4.3- PRODUCTION CO-OPERATIVES- The co-operative societies which deal with the activities related to agricultural and industrial production are known as Production Co-operatives i.e. Farming, Industrial and Processing Co-operatives which are found on large scale in all over India.

4.3.1- Farming Co-operatives- “Co-operative Farming necessarily implies pooling of land and joint cultivation and management”.¹

The term Co-operative Farming is often used as a farm management in which land is jointly cultivated. In other words, application of the principles of co-operation in the cultivation of land is called co-operative farming.²

For a country like India, the problem of agricultural production is of utmost important, where land is scarce and even now concentrated in a few hands, yields are low but rents are high, farmers are poor and farms expensive, a thorough overhauling of the tenure system is called for.³

Thus, a co-operative farming society is a voluntary organization of farmers based on ideals of self-help and mutual aid. With the objectives of increase in production and employment, improvement in techniques of production, rationale use of land and most desirable allocation of man-power resources.

According to the Planning Commission (1961), the main features of the co-operative farming- Members pool their lands, manpower and other resources willingly in a single unit. Since it is a voluntary association, members can withdraw any time. The farming is done on co-operative lines i.e. it is cultivated jointly. Ownership of the land generally lies in the hands of the individual members i.e. the right to land is never surrendered. Management is jointly conducted by a committee elected from the members. The program of farm operations is laid down by the society and each member does his assigned work according to the scheme. Members receive share in the produce according to the work put in and the land contributed for joint cultivation. The object is to promote efficient production, purchase and sale of farm produce and supplies as well as to meet other needs of farmers. And net profits are utilized for payment of bonus to members after providing reserves.

During the Five Year Plans emphasized the importance of the multi-purpose society for the rural area and the need for each village to have a co-operative organization to cater for the multiple needs of the members. Every encouragement was given for the

1. GoI, Second Five Year Plan, Planning Commission, P.201.

2. Schiller Otto, “Co-operative Farming and Individual Farming on Co-operative Lines”, obtained by Memoria C.B., Saksena R.D., “Co-operation in India”, Kitab Mahal, Allahabad, 1973. P.378.

3. Memoria C.B., Saksena R.D., “Co-operation in India”, Kitab Mahal, Allahabad, 1973. P.378.

establishment of co-operative farms. Particularly, small and medium farmers were to be encouraged and assisted to group themselves voluntarily in co-operative farming societies. By 1955-56, there were about 1000 co-operative farming societies with a membership of 1.9 lacks in India, mostly in Panjab, Bombay and Utter Pradesh. A sum of Rs.50 lack was provided for promoting this societies.¹

By 1960-61 the number of co-operative farming societies increased to 6,325 and membership to 3.05 lacks and the working capital to Rs.6.90 lack and the land under cultivation was 8.90 lacks acres.²

In 1965-66, the number of farming co-operative was 7,294 with a membership of 1.88 lacks and a cultivated area of 3.9 lack hectares. In June 1971, there were 9,473 farming co-operatives with a membership of 2.57 lacks and area covered 4.88 lack hectares. Out of these 5,070 were joint farming co-operative and 4,403 collective farming societies with a membership of 1.2 lacks and 1.35 lacks with covering an area of 2.87 and 2.01 lack hectares, respectively.³

Table No. 4.3.3- Progress of Farming Co-operative Societies in India.*

(Membership in 000' & Value in Million)

Year/ Items	No. of Societies	Membership	Share Capital	Working Capital	Turnover
1994-95	6652	328.4	67.4	502.5	182.3
1995-96	6915 (3.95)	316.5 (-3.62)	71.6 (6.23)	602.1 (19.82)	264.7 (45.05)
1996-97	7387 (6.82)	359.2 (13.49)	77.2 (7.82)	622.1 (3.32)	293.6 (10.98)
1997-98	7199 (-2.54)	313.6 (12.80)	74.6 (-3.37)	444.1 (-28.61)	232.2 (20.82)
1998-99	7349 (2.08)	344.5 (9.85)	83.8 (12.33)	488.5 (10.00)	404.7 (74.14)
1999-00	7133 (-2.94)	352.2 (2.23)	78.8 (-5.96)	494.7 (1.27)	311.9 (23.02)
2000-01	7001 (-1.85)	350.1 (-0.59)	76.5 (-2.92)	496.9 (0.44)	312.2 (0.32)
2001-02	7146 (2.07)	344.1 (-1.71)	67.6 (-11.63)	535.7 (7.81)	322.2 (3.20)
2002-03	7113 (-0.46)	343.7 (-0.12)	70.9 (4.88)	628.2 (17.27)	329.3 (2.17)
2003-04	7116 (0.04)	343.6 (-0.03)	70.9 (0.00)	628.3 (0.02)	329.1 (0.00)

*Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.47.

1. GoI, First Five Year Plan, Planning Commission, 1951, pp.165-167.

2. GoI, Second Five Year Plan, Planning Comm., 1956-1961.

3. Memoria C.B., Kamat G.S., "Co-operation: Theory and Practice", Kitab Mahal, Allahabad, 1975. P.63.

The **table No.4.3.3** shows the progress of farming co-operative societies in India for last ten years i.e. during the period of economic reforms. Number of societies increased from 6652 in 1994-95 to 7116 in 2003-04. Therefore, growth rate of these societies was uneven during the same period as it was 3.95 at 1995-96 decreased up to 0.04 in 2003-04. It was negative during the years 1997-98, 99-00, 2000-01 and in 2002-03. Membership increased from 328.4 to 343.6 during for the period and share capital increased from Rs.67.4 million in 1994-95 to Rs.70.9 million in 2003-04. Table shows that the membership is also not even. Working capital increased from Rs.502 million in 1994-95 to Rs.628.3 million in 2003-04. As well as, turnover of the farming co-operative societies was increased from Rs.182.3 million in 1994-95 to Rs.329.1 million in 2003-04, shows around two times increase in total turnover. Therefore, the growth rate of share capital, working capital and turnover is shown a declining trend along with negative rate.

Farming societies were mainly based on voluntary co-operative principle with two objectives of realizing economic units and securing the development of the rural economy, for assistance to the poorer sections.

Reasons of limited success of Co-operative Farming in India are such as- lack of educated and enlightened leadership in the rural areas, lack of social consciousness among the members, too much emphasis on membership rather than on quality, failure to create confidence and enthusiasm among the workers, preponderance of absentee land owners as members, lack of co-operative spirit in the village life, delay in realizing State funds to the societies.¹

4.3.2- Industrial Co-operatives- An Industrial co-operative consists of a co-operative formed by artisans, craftsman, industrial laborers and small industrialists either of undertaking production and marketing or for providing facilities and services to them. Broadly, industrial co-operatives can be divided into two types; i) societies that undertake production and ii) societies which provide service to their members. Production societies are mainly primary societies while service society's functions are undertaken both by the primary and the federal societies.

1. Gadgil Committee Report (1963), Ministry of Co-operation, Government of India. Obtained by Memoria C.B., Saksena R.D., "Co-operation in India", Kitab Mahal, Allahabad, 1973. P.399.

Industrial co-operative societies have set up their federal bodies. These federal bodies are organized on single industry as well as on multi-industry basis. Industrial federations exist at the District and State level. State level federations admit primary co-operative societies as their members. District and State level federations have federated into national level bodies. Federations render several services e.g. supply of basic raw materials, finishing materials, evolving new patterns of designs, sale of finishing products, etc.

In India industrial Co-operatives get financial assistance from the Government, Apex and Central Co-operative Banks, Industrial Co-operative Banks, State Bank of India, Reserve Bank of India, and Commercial Banks. The Government provides financial assistance through loans and also participates in the share capital.

Ministry of Industrial Development has classified the societies such as- Weavers Co-operatives, Spinning Mills, Industrial Co-operative Banks, Industrial Estate, and Others which include Paddy, Pottery, Oil Crushing, Canning of fruits and vegetables, Chemical Industries, Handicrafts Industries, Leather Goods, Construction Materials, Sericulture, Spinning Societies, Coir and Miscellaneous Industries.

After Independence, the Industrial Policy Resolution of 1948 gave special attention on cottage and small scale industries. The Resolution envisaged that in the mixed economic order, where the key industries will be in the public sector, the village and cottage industries would be organized and developed on co-operative lines. Afterwards the Industrial Policy Resolution of 1956 emphasized the formation and development of industrial co-operatives in the country.

As a result of various measures such as setting up of separate Boards for different industries, liberal financial assistance in marketing of products and programs of improving the productivity of the workers etc. the organization of industrial co-operative societies received a definite encouragement and from 1951 to 1971-72, as a result the number of societies, their membership, working capital and sales etc. increased considerably.

Following table shows the progress of industrial co-operatives in India.

Table No.4.3.4- Progress of Industrial Co-operatives in India.*

(Rs. in Crore)

Year	No of Societies	Membership (000)	Working Capital	Sale
1950-51	7101	766	7.05	N.A.
1960-61	33266 (368.5)	2564 (234.7)	44.42 (530.0)	69.85 (---)
1970-71	46640 (40.2)	3022 (17.8)	212.93 (379.3)	163.00 (183.3)
1971-72	48000 (2.9)	3300 (9.2)	220.00 (3.3)	173.00 (6.1)

*Memoria C.B., Kamat G.S., "Co-operation: Theory and Practice", Kitab Mahal, Allahabad, 1975. P.68.

The data in above **Table No. 4.3.4** substantially brings out the progress of industrial co-operatives during the initial two decades of the planned India. It increased from 7101 in 1950-51 to 48000 in 1971-72 whereas the membership increased from 766 thousand to 3300 thousand and working capital Rs.7.05 crore to Rs.220.00 crore; growth rate of the societies was uneven and compare to year 1960-61 it is shown declining trend, therefore, it was positive. Sale of industrial co-operatives increased from Rs.69.85 crore to Rs.173.00 crore during 1960-61 to 1971-72. Therefore, number of societies, membership, working capital and sale of industrial co-operatives is shown a declining trend under these twenty years span period.

Table No. 4.3.5- Progress of Weavers and Non- Weavers Co-operatives in India.*

(Value Rs. in Million)

Items	Weavers Co-operatives		Non- Weavers Co-operatives	
	2002-03	2003-04	2002-03	2003-04
No. of Co-operatives	20,940	20,871 (-0.33)	49,142	48,841 (-0.61)
Membership (000')	1,91771	1,9191 (0.07)	2,255100	2,256543 (0.06)
Share Capital	611.38	1608.78 (Negligible)	951.1	964.7 (1.43)
Govt. participation in Share Capital	36.6%	40.03% (3.43%)	34.7%	34.2% (-0.5)
Working Capital	9113.9	9041.1 (Negligible)	4400.5	4410.5 (0.02)
Total Assets	5130.7	5402.2 (5.29)	1495.0	1486.7 (-0.56)
Value of Product Sold	14,687.8	14,458.3 (-1.56)	5297.0	5301.5 (0.08)

*Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.44.

Table No. 4.3.5 shows the progress of Weavers and Non-Weavers Co-operatives in India. Number of weavers' co-operatives increased from 20,940 to 20,871 and non-weavers co-operatives from 49,142 to 48,841 during 2002-03 to 2003-04 with growth rate of -0.33 and -0.61 respectively. For the same period the membership increased from 19177 to 19191 thousand and 2255100 to 2256543 thousand whereas growth rate was 0.07 and 0.06 respectively. Share capital of weavers increased from Rs.1611.38 to Rs.1608.78 million and non-weavers increased from Rs.951 to Rs.964 million during the period from 2002-03 to 2003-04. Government contribution in share capital of weavers' co-operatives was 36.6% in 2002-03 which increased to 40.03% in 2003-04 and for non-weavers the same increased from 34.7% in 2002-03 to 34.2% in 2003-04. Working capital of weavers' co-operatives decreased from Rs.9113 to Rs.9041.1 million and non-weavers working capital increased from Rs.4400.5 to Rs.4410.5 million during the same period. Growth rate of total assets and value of product sold was also very less. Therefore, table shows that the progress is uneven and not much more remarkable.

Table No. 4.3.6- Production of Fabrics/Cloth in Mills, Handlooms & Power looms.

(Million Square Meters)

Years/ Items	Mill Sector	Hand Loom	Power Loom	Total
1996-97	1957 (6%)	7403 (19%)	19352 (56%)	34813
1997-98	1948 (5%)	7603 (19%)	20303 (55%)	37441
1998-99	1785 (5%)	6792 (19%)	20690 (57%)	36102
1999-00	1714 (4%)	7352 (19%)	23187 (59%)	39208
2000-01	1670 (4%)	7506 (19%)	23803 (59%)	40256
2001-02	1546 (4%)	7585 (18%)	25192 (60%)	42034
2002-03	1496 (4%)	5980 (14%)	25954 (62%)	41973
2003-04	1434 (3%)	5493 (13%)	26947 (64%)	42383
2004-05	1503 (3%)	5722 (13%)	28325 (62%)	45355
2005-06	1493 (3%)	6087 (13%)	29627 (62%)	47730

Note- Figures in parentheses show the percentage to last coloum (total).

Source- Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.44.

Data of the **Table No.4.3.6** shows the production of fabrics or cloth in mills of the category of Handlooms and Power looms during the last decade. Production of mill sector was 1957 million square meter (6% to total) in 1996-97 which decreased to 1493 (3% to total) in 2005-06. Handloom production was 7403 million square meters (19%) in 1996-97 but decreased to 6087 million square meters (13%) in 2005-06. For the same period Power Loom production increased from 19352 million square meters (56%) to 29627 million square meters (62%). Total production of fabrics cloth in mills i.e. handlooms and power looms increased from 34813 million square meters to 47730 million square meter for the above stated period. As well as in total production of fabrics power loom production was highest compare to mill sector and hand loom.

However, Industrial Co-operatives suffered of several problems; such as inadequate supervision and inspection and lack of prompt audit, irregular and insufficient supply of raw materials, fluctuations prices, insufficient storage facilities, lack of cheap and adequate finance, accumulation of unsold stock, monopoly of middlemen and traders, etc. The over-all picture of working of industrial co-operatives for the reforms period has been discouraging.

4.3.3- Processing Co-operatives- Processing co-operatives in India began working with the setting up of a ginning unit in 1917. Afterwards Sugar Co-operatives, paddy husking, groundnut decorticating got also added to the sector. Co-operative processing units are registered under the Co-operative Societies Act of the concern State and up till now work is regulated by co-operative rules and by-laws. The membership consists of individual agricultural producers, co-operative marketing societies and Government service co-operatives located in the area.

In order to enable processing units require block capital for construction of building and installation of plant and machinery which is raised through contribution by the members to share capital, State contribution to the share capital, medium/ long term loans from the Industrial Finance Corporation, State Co-operative Banks and State Bank of India.

More co-operatives in the field of jute, oil crushing, fruit and vegetables, copra, teas were set up during the plan periods. Processing co-operatives gained special

attention during the plan periods. Third Five Year Plan, considered the development of co-operative processing as an essential not only for increasing rural incomes and facilitating credit for production, but also for building up a through co-operatives rural economy.

Table No. 4.3.7- Progress of Sugar Co-operatives in India.*

(Value Rs. in million)

Items/ Years	2003-04	2004-05	2005-06
No. of Installed Sugar Factories	316	315	316
		(-0.32)	(0.32)
No. of Factories in Operation	235	203	239
		(-13.62)	(17.73)
Membership (Million)	5.264	5.136	5.136
		(-2.43)	(0.00)
Share Capital	N.A.	33,235.7	32,226.4
		(--)	(-3.03)
Working Capital	N.A.	87,366.1	87,366.1
		(--)	(0.00)
Turnover (Total)	N.A.	12,808.0	12,808.0
		(--)	(0.00)

*Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.37.

The above **Table No.4.3.7** brings out the performance of Sugar Co-operatives in India between the periods of 2003-04 to 2005-06. In all the progress of co-operative sugar factories for the reforms period does not bring out any significant progress. The number of installed factories remained stagnant whereas for membership shows little decline; share capital of them has decline whereas the working capital and turnover remained constant. This is not only because of the economic reforms but overall economic problems that have been faced by the Indian agriculture. Sugar co-operatives in India in general and that of Maharashtra in particularly served as centers of the several economic growths. The role played by sugar co-operatives has remained significant even during the period of economic reforms.

Table No. 4.3.8- Co-operatives Share in Total Sugar Production.*

(Sugar Production Million in Tonnes)

Items/Year	Total Sugar Production	Production by Co-operatives	Co-operatives Share to Total Production in %
1995-96	16.5	9.6	58.6%
1996-97	12.9	7.0	54.1%
	(-26.03)	(-22.08)	(-7.68)
1997-98	12.9	7.1	54.9%
	(0.00)	(1.43)	(1.48)
1998-99	15.5	9.0	57.7%
	(20.15)	(26.76)	(5.10)
1999-00	18.2	10.4	56.9%
	(17.42)	(15.55)	(-1.38)
2000-01	18.5	10.5	56.7%
	(1.64)	(0.96)	(-0.35)
2001-02	18.5	9.4	50.8%
	(0.00)	(-10.47)	(-10.40)
2002-03	20.1	10.2	50.5%
	(8.64)	(8.51)	(-0.59)
2003-04	13.5	6.0	44.4%
	(-32.83)	(-21.66)	(-12.08)
2004-05	12.7	4.7	36.7%
	(-5.92)	(-21.66)	(-17.34)

*Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.37.

The above **Table No.4.3.8** shows the share of co-operatives in total sugar production and capacity of utilization. Production by co-operatives during the period of 1995-96 to 2004-05 shows fluctuating trend. Compared to production of co-operative sugar factories during 1995-96 were 9.6 million tones decreased up to 4.7 million tones during 2004-05. Therefore, the total sugar production in India which is including private, public and co-operative sector production is also showed uneven trend during the same period. Co-operatives share in total production which shows decline trend as it was 58.6 million tones in 1995-96 decrease up to 36.7 million tones in 2004-05. Only excluding 1997-98 and 1998-99 during other year's co-operative share to total sugar production was negative during the 1995-96 to 2004-05. Table revealed that the production of co-

operative sector and share of co-operatives to total production is decreased during the same period.

Table No. 4.3.9- Progress of Co-operative Spinning Mills in India.*

(Membership & Spindles in 000')

Year/ Items	No. of Installed Mills	Membership	Spindleage in Production
1994-95	137	5772	3300
1997-98	135	6940	3273
	(-1.46)	(20.23)	(-0.82)
1998-99	137	7754	3313
	(1.48)	(11.73)	(1.22)
1999-00	157	7754	3470
	(14.60)	(0.00)	(4.74)
2000-01	160	7754	3518
	(1.91)	(0.00)	(1.38)
2001-02	158	7754	3463
	(-1.25)	(0.00)	(-1.56)
2003-04	159	7754	3474
	(0.63)	(0.00)	(0.32)
2004-05	160	7754	3534
	(0.62)	(0.00)	(1.73)

*Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.38

The data in above table shows the progress of co-operative spinning mills in India. Number of installed co-operative mills increased from 137 to 160 during 1994-95 to 2004-05. Therefore, the growth rate shows that progress was uneven. Membership gone up from 5772 to 7754 during the same period but number of membership was constant from 1998-99 to 2004-05. Spindleage in production increased from 3300 thousand in 1994-95 to 3534 thousand in 2004-05. Therefore, the progress of spindleage in production was shows uneven progress during the period of 1994-95 to 2004-05 growth rate shows minus progress during the years 1997-98 and 2003-04, -0.82 and -1.56, respectively.

During the 2004-05 the total number of installed co-operative spinning mills was 160. Total share capital was Rs.3729.50 million whereas the government participation was 89.47%. Total working capital of co-operative spinning mills was Rs.2041.1 million; total reserves were Rs.7414.8 and total assets was Rs.16273 million in the year 2004-05.¹

1. Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.38.

Table No. 4.3.10- Progress of Dairy Co-operatives in India.*

(Value Rs. in Million)

Year/Items	Societies (In 000')	Membership (In Million)	Liquid Milk Marketed (Million Liters/day)	Annual Avg.	Milk Production
1995-96	72.74	9.31	9.9	11.0	65.0
1996-97	77.99	9.60	10.5	12.2	70.1
	(7.22)	(3.11)	(6.06)	(10.90)	(7.84)
1997-98	85.52	9.87	11.1	12.5	70.6
	(2.62)	(2.81)	(5.71)	(2.46)	(0.71)
1998-99	87.76	10.50	11.8	12.9	75.4
	(14.62)	(6.38)	(6.31)	(3.20)	(6.80)
1999-00	100.56	11.10	12.0	13.1	78.3
	(3.62)	(5.71)	(1.69)	(1.55)	(3.85)
2000-01	104.20	11.47	13.4	16.5	80.6
	(1.19)	(3.33)	(11.66)	(25.95)	(2.55)
2001-02	105.44	11.64	13.4	17.6	84.4
	(5.28)	(1.48)	(0.00)	(6.66)	(4.71)
2002-03	111.01	11.81	13.7	18.0	86.2
	(3.90)	(1.46)	(2.24)	(2.27)	(2.13)
2003-04	115.34	12.64	14.9	17.5	88.1
	(5.06)	(7.03)	(8.76)	(2.77)	(2.20)
2004-05	121.18	12.95	15.6	20.1	91.0
	(5.20)	(2.45)	(4.70)	(14.85)	(3.29)

*Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.40.

The information in **Table No.4.3.10** clears the progress of dairy co-operatives in India for the reforms period. Number of societies increased from 69.80 (1994-95) to 125.25 thousand in 2005-06. Average growth rate of dairy co-operatives societies was nearly five during the period. Membership increased from 8.99 million to 13.01 million during the same period, whereas the growth rate shows declining trend. Liquid milk marketed increased from 9.4 million liters to 16.8 million liters of which the annual average was 10.3 per cent in 1994-95 increased up to 21.4 per cent in 2005-06. Income out of milk production increased from Rs.63.5 to Rs.91.0 million from 1994-95 to 2005-06. Growth rate of milk production showed fluctuating trend during the same period.

During the year 2004-05, number of dairy co-operatives was 121.180 thousands with 12.95 million members, out of total membership women members were 2.963

million. Share capital of dairy co-operatives was Rs.3743.5 million, government participation in total share capital was 26.6%, working capital was Rs.20915.3 million, own assets Rs.18603.6 million and turnover was Rs.54272.3 million. Milk and milk products sold by dairy co-operatives were worth Rs.33191.9 million during 2004-05.

Dairy Co-operatives have been instrumental in transforming the rural economy on the lines of co-operative sugar factories. The states like Gujarat and Maharashtra are the leading examples.

Table No. 4.3.11- Progress of Other Agro-Processing Co-op. in India[#] (Food Grains)

(Value Rs. in Million)

Items/ Year	2000-01	2004-05
No. of Food Grains Processing Units	690	690 (0.00)
No. of Rice Mills	597	599 (0.33)
No. of Dal Mills	76	77 (1.32)
No. of Oil Mills	140	139 (-0.7)
Fruits & Vegetable Processing Units	47	49 (4.25)
Plantation Crops*	73	73 (0.00)
Other**	17	14 (-17.65)

Note- *Tea, Coffee, Cashew, Rubber, Cocoa, Copra, Isabgol, Strawboard. **Flour Mills, Barley, Husk, Maize, Cattle Feed.

[#]Indian Co-operative Movement A Profile- 2006, National Resource Centre, NCUI, 2006. P.42.

Table No.4.3.11 brings out the picture of other (food grains) agro-processing co-operatives in India. Progress as compare to 2000-01 with agro-processing (food grains) co-operatives has been stagnant for the period up to 2004-05. Above table shows slight rise in number of Rice mills from 597 to 599, Dal mills from 76 to 77 and vegetable processing units from 47 to 49, growth rate of these mills was 0.33, 1.32 and 4.25 respectively during the same period. Therefore, number of oil mills and others showed a declining trend from 140 to 139 and 17 to 14, growth rate was -0.7 and -17.65 respectively. Therefore plantation crops showed constant progress during the same period.

Agro processing in India has a greater scope than other rural industry. Mere 2% of the total agro production is processed and large amount of the produce is wasted in transit and storage. Also the agriculture price fluctuations are influenced by seasonality where the processing can have a greater role to play. The co-operative sector still emerges as one of the important processing of agriculture produce in India.

Table No. 4.3.12- Progress of Transport Co-operatives in India.*

(Value Rs. in Million)

Items/ Years	2000-01	2004-05
No. of Societies	7,693	7,697 (0.05)
Membership	1,51,512	1,51,516 (0.002)
Share Capital	229.0	228.5 (-0.22)
Govt. Participation in Share Capital	5.7%	5.8% (1.75%)
Reserves	201.87	201.9 (0.05)
Working Capital	1782.24	1856.33 (4.16)
No. of Societies in Profit	867	880 (1.50)
Employment	7,049	6,875 (-2.47)

* Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.42.

Table No. 4.3.12 shows the progress of transport co-operatives from the period 2000-01 to 2004-05. Number of societies increased from 7,697 to 7,697 (0.05 growth rate), membership 1,51,512 to 1,51,516, share capital decreased from Rs.229.0 million to Rs.228.5 (-0.22) while government participation in share capital increased from 5.7% to 5.8%, Reserves increased from Rs.201.87 million to Rs. 201.9 million (0.05), working capital increased from Rs.1782.24 million to Rs.1856.33 million (4.16) from 2000-01 to 2004-05. Number of societies in profit stood at 867 in 2000-01 increased up to 880 (1.50) in 2004-05. Therefore, employment generation by transport co-operatives decreased from 7,049 to 6,875 (-2.47) during the same period.

Table No. 4.3.13- Progress of Hospital Co-operatives in India.*

(Value Rs. in Million)

Items/ Year	2000-01	2004-05
No. of Societies	187	204 (9.09)
Membership	112,996	148,764 (31.65)
Share Capital	119.2	220.77 (85.15)
Govt. Participation in Share Capital	27.08%	17.61% (-34.97)
Reserves	57.2	82.61 (44.42)
Working Capital	397.7	870.6 (118.90)
Income from Services & Sales	5.0	21.28 (325.60)
Cost of Management	173.3	364.6 (110.38)

* Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.42.

Table No.4.3.13 shows the progress of Hospital Co-operative in India. Number of hospital co-operatives increased from 187 to 204 which growth rate was 9.09, membership increased from 112,996 to 148,764 with 31.65 growth rate, share capital increased from Rs.119.2 million to Rs.220.77 million (growth rate was 85.15), government participation to share capital was 27.08% decreased up to 17.61%, reserves increased from Rs.57.2 million to Rs.82.61 million (44.42) and working capital of these societies were increased from Rs.397.7 million to Rs.870 million (118.90) during the 2000-01 to 2004-05. Income from services and sales increased from Rs.5.0 million to Rs.21.28 million (325.60) while cost of management was also increased from Rs.173.3 million to Rs.364.6 million (110.38) during the same period.

4.4- MARKETING CO-OPERATIVES- Marketing co-operatives are known as the co-operatives which deal with the marketing of agricultural produce like- food grains and commercial crops. In view of the importance of marketing, co-operative marketing societies were established for meeting the requirements of the farmers. Co-operative marketing societies are organized by the farmers themselves and the profits are distributed among the members based on the quantity of the produce marketed by them.

4.4.1- Agricultural Marketing Societies- Advantages of marketing co-operatives are, increases bargaining strength of the farmers, remove the intermediaries and enter into direct relations with the final buyers, provide credit and better returns on their produce, cheaper transport, storage facilities, grading and standardization, processing of agricultural production, better prices, provision of inputs (i.e. seeds, manures, fertilizers, pesticides, etc.) as well as consumer goods at relatively lower prices. Marketing co-operatives are established primarily to provide marketing facilities to the members.

Two types of co-operative marketing structures are found in India. One, there is a two tier system with primary societies/Mandi at base level and the State society at the apex. Under second type, there is three-tier system, it is operational in Andhra-Pradesh, Gujarat, Haryana, Himachal Pradesh, Karnataka, Maharashtra, Manipur, Punjab, Tamil-Nadu, Uttar-Pradesh and Pondicherry (i.e. Mandi/ Primary societies at the village level, Central Marketing Societies at District level and State Marketing Society at apex level).

Table No. 4.4.14- Progress of Primary Marketing Co-operative Societies in India.*

(Value Rs. in Million)

Items/Years	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
No. of Societies	10,906	10,615	10,636	10,632	10,709	10,710
		(-2.67)	(3.41)	(-0.63)	(12.18)	(0.14)
Membership (000 ³)	5,087	5,018	5,289	5,376	5,459	5,369
		(-1.35)	(5.40)	(1.64)	(1.54)	(-1.65)
Share Capital	3,227.8	3,099.7	2,897.9	2,880.8	3,028.4	2,600.3
		(-3.97)	(-6.51)	(-0.59)	(5.12)	(-14.13)
Govt. Participation %	42%	45.1%	46.8%	47.8%	47.4%	52.2%
		(7.38)	(3.77)	(2.14)	(-0.83)	(10.13)
Total Turnover	110,840.1	110,747.2	114,497.9	72,146.7	79,728.4	77,396.3
		(-0.08)	(3.39)	(-36.99)	(10.51)	(-2.92)
Agril. Prod. Marketed	28,132.7	30,214.8	25,822.3	38,229.2	45,441.3	43,912.7
		(7.40)	(-14.54)	(48.05)	(18.86)	(-3.36)
Inputs Sold	16,737.3	17,401.8	19,696.7	20,162.2	19,250.1	19,033.3
		(3.96)	(13.19)	(2.36)	(-4.52)	(-1.13)
Consumer Goods Sold	14,897.9	14,026.1	15,221	14,120.4	14,173	13,600.9
		(-5.85)	(8.52)	(-7.23)	(0.37)	(-4.04)

*Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.31.

The above **Table No.4.4.14** brings out the situation of primary marketing co-operatives in India. Number of societies stood at 10,906 at 1998-99 decreased up to 10,710 in 2003-04 growth rates fluctuated during these years. The number of societies decreased due to financial performance is not satisfactory and a number of societies are incurring losses. Membership increased from 5,087 thousand to 5,369 thousand during

1998-99 to 2003-04 growth rate shows negative during year 1999-00 and 2003-04. Share capital decreased from Rs.3,227.8 million to Rs.2,600 million during the same period with negative growth rate except year 2002-03. However, government participation increased from 42% to 52.2% and growth rate was uneven. Total turnover decreased from Rs.110,840.1 million to Rs.77,369.3 million. Agricultural production marketed was Rs.28,132.7 million in 1998-99 increased up to Rs.43,912.7 million in 2003-04. The growth rate regarding to primary marketing co-operative societies in India shows that the progress made during these years was uneven. At the same time as the development of agricultural co-operative marketing societies has been very uneven among different states. As much as 81 per cent of the overall achievement was contributed by only six states- Gujarat, Haryana, Karnataka, Maharashtra, Punjab and Utter Pradesh.¹

Table No. 4.4.15- Progress of District/ Central Marketing Co-op. Societies in India.

(Value Rs. in Million)

Items/ Years	2002-03	2003-04
No. of District/ Central Level Societies	395	390
		(-1.26)
Membership	32,97,544	32,91,315
		(-0.19)
Share Capital	807.159	806.861
		(-0.03)
Govt. Participation in Share Capital	41.79%	41.5%
		(-0.0069)
Working Capital	14932.8	14976.7
		(0.29)
Reserves	1321.2	1341.3
		(1.51)
Assets	9898.3	9898.23
		(Negligible)
Business Turnover	31430.0	30175.94
		(-3.99)
Agricultural Produce Marketed	21,380.5	20178.3
		(-5.62)
Agricultural Requisites Sold	6838.9	6782.4
		(-0.82)
Consumer Goods Distributed	1,277.9	1285.1
		(0.56)

Source- Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.33.

Table No.4.4.15 shows the progress of District/ Central Marketing Co-operative Societies in India. Number of District Co-operative Marketing Societies stood at 395

1. Government of India, Planning Commission, Seventh Five Year Plan, 1985-90, Vol. II, P.26.

decreased up to 390 during 2002-03 to 2003-04, growth rate was -1.26. Membership was 32,97,544 decreased up to 32,91,315 with -0.19 growth rate, membership of the District/ Central Co-operative Marketing Societies consists of individuals and primary co-operative societies. Share capital was Rs.807.1 million decreased up to Rs.806.8 million (-0.03 growth rate), working capital increased from Rs.14932.8 million to Rs.14976.7 million during the same period which is slightly increased by 0.29 growth rate. Reserves increased from Rs.1321 million to Rs.1341, business turnover was Rs.31430.0 million decreased up to Rs.30175.9 million during 2002-03 to 2003-04. Agricultural produce marketed and agricultural requisites sold decreased during the period from Rs.21,380.5 million to Rs.20,178.3 million and Rs.6838.9 million to 6782.4 million, respectively. The growth rate shows that the overall progress was affected of the District Co-operative Marketing Societies in India in economic reform period.

Table No. 4.4.16- Progress of State Level Marketing Co-operative Societies in India*

(Value Rs. in Million)

Items/ Years	2002-03	2003-04
State/ Apex General Purpose Societies	31	28 (-9.67)
State Level Commodity Marketing Stys.	22	29 (31.81)
Membership State Co-op. Marketing Stys.	122,632	128,000 (4.38)
Share Capital State Level Federation	3,686.1	3,717.3 (0.84)
Govt. Participation in Share Capital	85.2%	84.9% (-0.35)
Working Capital	63109.1	63,021.6 (-0.14)
Reserves	7191.1	7423.4 (3.23)
Assets	86483.7	74025.9 (-14.40)
Business Turnover	201238.6	196895.1 (-2.16)
Agricultural Produce Marketed	85425.8	80959.4 (-5.23)
Agricultural Requisites Sold	27052.6	27514.2 (1.71)
Consumer Goods Distributed	4793.0	4032.1 (-15.88)

* Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.33.

Table No.4.4.16 shows the progress of State level marketing co-operative societies in India. State/ Apex level general purpose societies were 31 in 2002-03 decreased up to 28 in 2003-04 shows negative growth rate -9.67. Therefore, State level commodity marketing societies was 22 in 2002-03 increased up to 29 in 2003-04 with 31.81 growth rate. Membership increased from 122,632 to 128,000 with 4.38 growth rate during the same period. Share capital increased from Rs.3,686 million to Rs.3,717 million growth rate was 0.84 but government participation was decreased from 85.2% and 84.9%, respectively, from 2002-03 to 2003-04. Working capital stood at Rs.63109.1 million decreased up to Rs.63,021.6 million (-0.14), Reserves increased from Rs.7191.1 million to Rs.7423.4 million (3.23) and business turnover stood at Rs.201238.6 million decreased up to Rs.196895.1 million (-2.16) in 2003-04. Agricultural produce marketed stood at Rs.85425.8 million decreased up to Rs.80959.4 million (-5.23) in 2003-04. Consumer goods distributed in 2002-03 Rs.4793.0 million decreased in 2003-04 up to Rs.4132.1 million shows negative growth rate -15.88 during the years.

Agricultural marketing co-operatives have facing several problems, their performance is not up to the mark due to inadequate working capital, traditional methods of marketing, lack of technical support, lack of processing facilities, untrained personnel, high operational cost, and lack of support from apex marketing societies, etc.

4.4.2- Consumers Co-operatives- A Consumer Co-operative is a voluntary organization of consumers undertakes bulk purchases of consumer goods and sells to the members. As the consumer co-operatives make purchases in bulk, from production centre they can supply them to the members at reasonable rate.¹

Co-operative movement was introduced in the world in the form of consumer's co-operatives in the year 1844. Since then consumer's co-operatives have made a tremendous progress in the western countries and have come to occupy an eminent position in the national economics of those countries.²

The aim of consumer's co-operatives is to serve their members with consumer and other goods of pure quality at reasonable rate, to hold price line to protect consumers

1. Subba Reddy, Raghu Ram, Sastry Neelakanta & Bhavani Devi, "Agricultural Economics", Oxford & IBH Pub. Co. Pvt. Ltd., New Delhi, 2004. P.79.

2. Bedi R.D., "Theory, History and Practice of Co-operation", Loyal Book Depot, Meerut, 1971, P.384.

from exploitation, provide members social services and to undertake manufacture of goods.

In India, the first consumer's co-operative was organized in 1904 at Madras, with the aim of supplying necessities of life to its members. Co-operative stores did not become popular with the consumers. However, during the Second World War, consumer's co-operative movement made a good progress. In order to check the rise in prices and ensure equitable distribution, the Government entrusted the work of distribution of controlled commodities to co-operative stores. During the Plan period, several efforts were made to consolidate, strengthen and reorganize the movement.

The organization of the consumer's co-operatives is not uniform. Some are organized on a unitary pattern, other on a federal pattern. The earlier co-operatives operate through branches and undertake procurement and supply. The latter co-operatives form wholesale organization to give support to the earlier ones.

Table No. 4.4.17- Progress of Primary Co-operative Consumer's Stores in India.*

(Value Rs. in Million)

Year/ Items	No. of Stores	Sale per Store	Working Capital	Sales Controlled	Sales Non- Controlled	Ratio of WC/ Turnover	% Share of Controlled	% of Profit Mkg.
1995-96	26817	0.54	2341.3	8921.6	5032.6	5.5	63.9	49.0
1996-97	28275	0.52	2648.1	8631.2	4983.8	5.7	63.9	48.4
	(5.44)	(-0.70)	(13.11)	(-3.25)	(-0.97)	(3.64)	(0.00)	(-1.22)
1997-98	26501	0.68	3232.0	8700.9	5043.6	4.7	57.3	42.3
	(-6.22)	(30.77)	(22.05)	(0.80)	(1.20)	(17.54)	(-10.33)	(-12.60)
1998-99	26415	0.65	3000.8	0460.3	6735.1	5.8	60.2	40.3
	(-0.32)	(-0.41)	(-7.18)	(-94.71)	(33.55)	(23.40)	(5.06)	(-4.72)
1999-00	24684	0.75	3402.2	0863.2	6994.6	5.9	53.9	38.2
	(-6.55)	(15.38)	(13.40)	(87.61)	(3.84)	(1.72)	(-10.46)	(-5.21)
2000-01	24696	0.63	3484.2	9615.1	6889.3	4.8	57.3	38.1
	(0.05)	(-16.00)	(2.41)	(1014.13)	(-1.50)	(-18.64)	(16.30)	(-0.26)
2001-02	24714	0.63	3923.1	5938.7	9486.8	4.0	38.1	36.2
	(0.07)	(0.00)	(12.60)	(-38.24)	(37.70)	(-16.66)	(-33.50)	(-4.98)
2002-03	21962	0.68	4693.6	5686.0	8994.9	3.2	38.2	36.5
	(-11.13)	(7.93)	(19.63)	(-4.24)	(-9.17)	(-20.00)	(0.26)	(0.82)
2003-04	21032	0.67	4619.1	5675.7	8169.6	3.0	40.4	35.5
	(-4.23)	(-1.47)	(-1.58)	(-0.19)	(-8.87)	(-6.25)	(5.76)	(-2.73)
2004-05	20946	0.71	5215.9	6493.6	8209.1	2.9	43.6	36.3
	(-0.40)	(5.97)	(12.90)	(14.41)	(0.49)	(-3.33)	(7.92)	(2.25)

* Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.34.

Table No.4.4.17 shows the progress of primary co-operative consumers' stores in India during 1995-96 to 2004-05. Number of stores decreased from 26817 to 20946 during 1995-96 to 2004-05 except the year 2000-01 the growth rate was negative. Sale per store increased from Rs.0.54 million to Rs.0.71 million, even the growth rate was uneven. Working capital increased two times from Rs.2341.3 million to Rs.5215.9 million therefore growth rate was uneven during the same period. Sales controlled by stores was Rs.8921.6 million in 1995-96 increased up to Rs.6493.6 million in 2004-05. However, percentage of controlled share decreased during the same period as 63.9% to 43.6%. A sale non-controlled was Rs.5032.6 million in 1995-96 increased up to Rs.8209.1 million in 2004-05 even growth rate was uneven. Profit of stores from marketing was 49% in 1995-96 decreased put 36.3% in 2004-05, except the year 1995-96, 2002-03 and 2004-05 there was a negative growth. Several weakness are founds in consumers stores operating, lack of funds, shortage of stock, storage facility, handing procedures, auditing, etc. should be removed from co-operative consumer stores to improve their profit base.

Table No. 4.4.18- Progress of Wholesale Consumer's Co-operatives in India.*

(Value Rs. in Million)

Year/ Items	No. of Wholesale Stores	Working Capital	Retail Sales	Wholesale Sales	Total Sales	Ratio of WC/ Turnover	% Share of Controlled	% of Profit Mkg.
1994-95	666	2618	8439	7876	16315	6.0	48	46.0
1995-96	676	2740	9687	9834	19521	5.2	51	48.5
	(1.50)	(4.66)	(14.78)	(24.86)	(19.65)	(-13.33)	(6.25)	(5.43)
1997-98	696	2874	9699	11160	20859	7.2	49	44.3
	(2.96)	(4.89)	(0.12)	(13.48)	(6.85)	(38.46)	(-3.92)	(-8.66)
1998-99	697	4566	11032	8691	21322	4.7	53	39.7
	(0.14)	(58.87)	(13.74)	(-22.12)	(2.22)	(-32.72)	(8.16)	(-10.38)
1999-00	713	5312	12132	10129	22508	4.2(-)	55	43.0
	(2.29)	(16.34)	(9.97)	(16.54)	(5.56)	10.64)	(3.77)	(8.31)
2000-01	713	5574	9925	12082	21492	3.9	55	43.0
	(0.00)	(4.93)	(-18.19)	(19.28)	(-4.51)	(-7.14)	(0.00)	(0.00)
2001-02	740	5516	N.A.	N.A.	23544	4.3	47	38.5
	(3.78)	(-1.04)	(--)	(--)	(9.54)	(10.25)	(-14.54)	(-10.46)
2002-03	716	5736	N.A.	N.A.	21789	3.8	49	37.3
	(-3.24)	(3.99)	(--)	(--)	(-7.45)	(-11.62)	(4.25)	(-3.11)
2003-04	674	5854	11651	10597	22248	3.8	52	39.6
	(-5.86)	(2.06)	(--)	(--)	(2.10)	(0.00)	(6.12)	(6.16)
2004-05	695	5932	11735	11462	23197	3.9	50	40.6
	(3.11)	(1.33)	(0.72)	(8.16)	(4.26)	(2.63)	(-3.84)	(2.52)

* Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.35.

Table No. 4.4.18 shows the progress of wholesale consumers' co-operatives in India. Number of wholesale stores was 666 in 1994-95 increased up to 695 in 2004-05 there for the growth was uneven. Working capital increased from Rs.2618 million to Rs.5932 million during the same period even only during the year 2001-02 growth rate was negative. Retail sales was Rs.8439 million in 1994-95 increased up to Rs.11735 million in 2004-05 but growth rate fluctuated during the same period. A wholesale sale was Rs.7876 million in 1994-94 increased up to Rs.11462 in 2004-05. Total sales increased from Rs.16315 million to Rs.23197 million during the same period. Ratio of working capital/ turnover decreased from 6.0 to 3.9, share of controlled quite stable increased from 48% to 50% during the same period. Percentage of profit marketing co-operatives decreased from 46% to 40.6% during the same period. Growth rate shows that the progress of wholesale consumer's stores was uneven during the same period.

Table No. 4.4.19- Progress of State Level Consumer's Co-op. Federation in India.*

(Value Rs. in Million)

Year/ Items	No. of State Fedn.	Working Capital	Wholesale Sales	Retail Sales	Ratio of WC/ Turnover	% of Wholesale	% of Controlled	% of Profit Mkg.
1995-96	29	2173	7697	1891	4	80	20	65
1996-97	29 (0.00)	2287 (5.24)	6476 (-15.86)	1903 (0.63)	4 (0.0)	80 (0.00)	25 (25.0)	44 (-32.30)
1997-98	28 (-3.44)	2178 (-4.76)	9588 (48.05)	1628 (-14.45)	5 (25.0)	71 (-11.25)	27 (8.0)	46 (4.54)
1998-99	28 (0.00)	3766 (72.91)	12120 (26.40)	1832 (12.53)	5 (0.0)	76 (7.04)	36 (33.33)	50 (8.69)
1999-00	29 (3.57)	3954 (4.99)	11412 (-5.84)	2890 (57.75)	4 (-20.0)	89 (17.10)	33 (-8.33)	50 (0.00)
2000-01	29 (0.00)	6833 (72.81)	12824 (12.37)	1749 (-39.48)	2 (-50.0)	N.A. (--)	40 (21.21)	N.A. (--)
2001-02	29 (0.00)	6420 (-6.04)	N.A. (--)	N.A. (--)	2 (0.0)	N.A. (--)	10 (-75.0)	N.A. (--)
2002-03	30 (3.44)	6478 (0.90)	N.A. (--)	N.A. (--)	2 (0.0)	N.A. (--)	13 (30.0)	33 (0.00)
2003-04	30 (0.00)	4331 (-33.14)	17628 (--)	4418 (--)	5 (150.0)	80 (--)	6 (-53.84)	33 (0.00)
2004-05	30 (0.00)	4324 (-0.18)	14124 (-19.88)	4226 (-4.34)	4 (-20.0)	77 (-3.75)	20 (233.33)	33 (0.00)

* Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.36.

Table No. 4.4.19 shows the progress of State Level Consumer's Co-operative Federation in India. Number of State Federations stood at 30 in 2004-05. Working capital of these federations was Rs.2173 million in 1995-96 increased up to Rs.4323 million 2004-05 but growth rate was uneven. Wholesale sale increased from Rs.7697 million to Rs.14124 million, Retail sales was Rs.1891 million increased up to Rs.4226 million from 1995-96 to 2004-05. Ratio of working capital to turnover was stood constant to 4 per cent

of controlled sale decreased from 31 per cent to 20 per cent, percentage of profit marketing also decreased from 65 per cent to 33 per cent during the same period. Therefore, the growth rate shows that the progress of the federation was uneven during the same period; it was recorded negative trend during some years.

There are several weakness finds in the progress of consumer co-operatives. Consumer co-operatives have not made significant progress due to various structural, operational and administrative difficulties such as a large number of uneconomic units, small membership, weak finances, indifferent attitude of the Government, lack of supervision, inspection, and defective and purchase policy, etc. However, it is possible that if some measure adopted to remove these weakness

4.5- SERVICE CO-OPERATIVES- These societies provides every kind of services to their members. Service co-operatives are created on voluntary form which works on co-operative principles for the assistance of rural masses. As the rural economy needs several requirements regarding to agricultural production fulfill by these societies known as multi-purpose societies.

“A service co-operative is to be treated as an organization of the villagers for mutual help and co-operation to meet their common economic requirements and to increase agricultural production. The idea is to relate the short-term credit which the society gives, to the production plan of the farmer and to the yield he is likely to get from this loan”.¹

Service co-operatives works with several objectives for increasing agricultural production like- advances loans to agricultural producers, agricultural laborers, artisans or workers; provides manures, fertilizers, improved seeds, implements, cattle folder, tools and insecticides on cash and hire; arranges storage, marketing and processing of surplus agricultural production; arranges raw material for cottage industries; provides gainful employment to their members; gives technical guidance; supplies consumer goods on common demand; as well as undertakes several programs of social and economic welfare.

1. Mukerji B, “Community Development in India”, P.241, obtained by Bedi R.D., “Theory, History & Practice of Co-operation”, Loyal Book Depot, Meerut, 1971, P.262.

Therefore, multi-purpose service co-operatives have taken up a large number of functions as a bank, a store, a supply and marketing organization, a distribution agent, and as an agricultural development agency generally. Virtually they are to cover all economic activities of the community laying special emphasis on agricultural development programs.¹

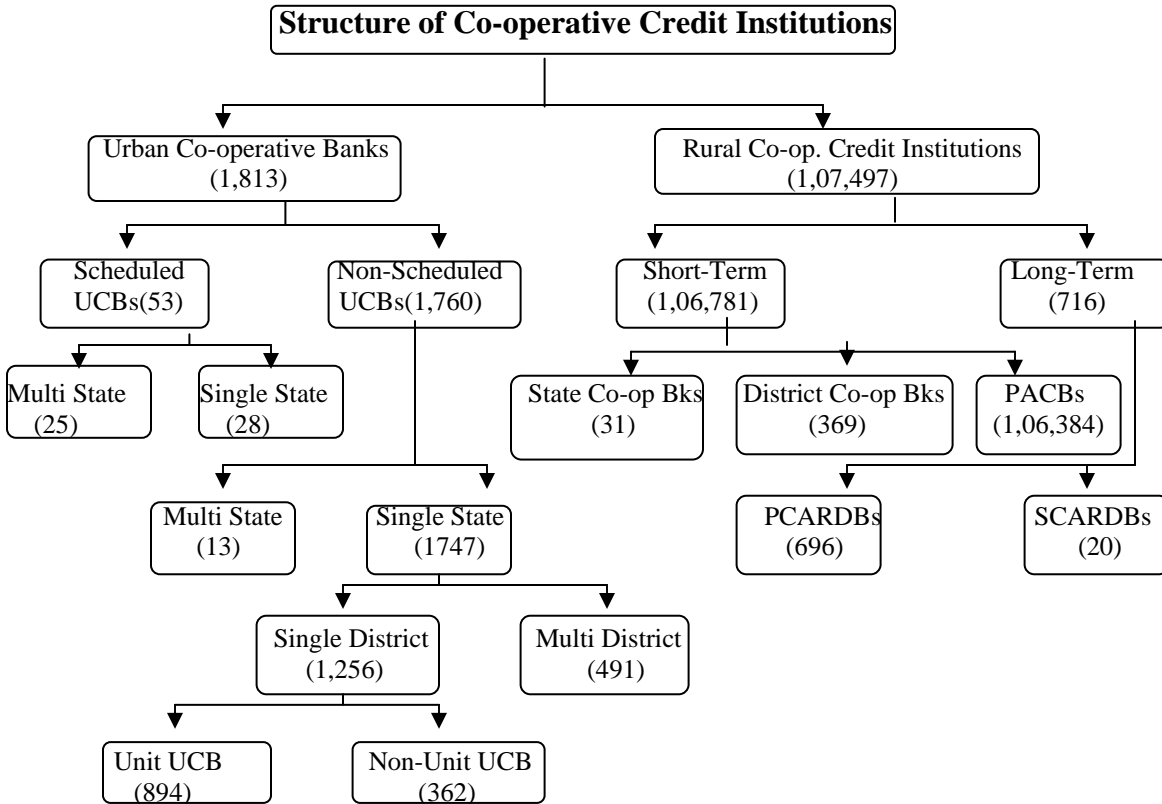
4.6- CO-OPERATIVE CREDIT SOCIETIES AND CO-OPERATIVE BANKS-

Co-operative credit society's form the base on which the entire structure of the co-operative credit organization is based. The co-operative credit structure in India consists of two parts, one engaged in short and medium term credit and the other in long term credit. The former, in each state, is a three tier structure. The Primary Agricultural Co-operative Credit Societies at the village level for the base. They federate into Central Co-operative Banks at the district level, which in turn federate into apex bank at the State level, which serving the entire State. The apex or State Co-operative Bank in each state is closely linked with the Reserve Bank of India which provides consideration financial assistance to co-operative credit structure.

The long term credit structure is based for the moment on a two tier structure. At the apex level in each state there is a Central Land Development Bank, while at the bottom there are Primary Land Development Banks. The apex bank operates through the primary units. The primary units serve an area of a taluka or district. In some states where the primary units have not come to be developed, the central land development bank operates either through its own branches or through central co-operative banks.

1. Memoria C.B., Saksena R.D., "Co-operation in India", Kitab Mahal, Allahabad, 1973, P.214.

Diagrammatically structure of the co-operative credit organizations in the country can be shown as follows-



From the above diagram it will be seen that the co-operative credit societies have built a sound structure in the credit sector.

Thus it will be seen that co-operative credit structure is a type of pyramid, the broad base of which is represented by the primary societies at the village level. At the top of the apex society's state level and between these two are found the central societies. These different societies are confined to villages, the State and the taluka or district head quarters respectively. If the borrower from a village needs credit he applies to the society. If the society has no funds at its disposal it applies to the Central Co-operative Bank and if the central co-operative bank is in need of the fund, it applies to the Apex Bank. Thus being linked with one another these institutions, combined together, form effective machinery functioning as balancing centre within the movement and supplementing their resources by borrowing from outside. They supply credit to the agriculturists, make supervision for its use and effect recoveries on due dates. That is why it is said that the co-operative movement links the farmers residing in the remote villages with the money market of the country. Although these institutions working at different levels, are

connected with each other because of this federal structure, in respect of finance and their legal position they enjoy a distinct entity. However, the strength of the chain depends upon the strength of each of the linked units.¹

4.6.1- State Co-operative Banks- (Apex Banks) - The Apex Bank stands at the top of the credit structure in each State. It finances, controls and regulates the working of central co-operative banks in each State. The State Co-operative Bank is not only interested in helping the co-operative credit movement but also in promoting other co-operative ventures and in extending the principles of co-operation. The main features of the State Co-operative Banks are they serve as the balancing centre in the state, organize provision of credit for credit worthy farmers, carry out banking business and leads the co-operative movement as a leader of the co-operatives in the state. All apex banks have been given the status of a 'Scheduled Bank'. It acts as a link between central co-operative banks, primary co-operative societies and RBI from which it borrows. The main source of working capital is the share capital, reserve funds, deposits from members, borrowing from the RBI.

Table No. 4.6.20 - Progress of the State Co-operative Banks in India.*
(Rs. In Crore)

Item	1950-51	1960-61	1970-71	1980-81	1990-91	1996-97	2005-06
No. of Banks	16	21 (31.25)	25 (19.4)	27 (8.00)	28 (3.70)	28 (0.00)	31 (10.71)
Membership	23272	30468 (30.92)	18595 (-38.96)	45437 (144.51)	49587 (9.13)	N.A. (-)	153697 (-)
Share Capital	1	21 (2000.0)	42 (100.0)	977 (2226.19)	2206 (125.79)	N.A. (-)	1,135 (-)
Reserve & Other Funds	2	7 (250.0)	50 (614.28)	354 (608.0)	901 (154.92)	2793 (209.99)	9,387 (260.09)
Deposits	21	81 (285.71)	278 (243.21)	1675 (502.52)	6128 (265.85)	17489 (185.39)	45,860 (162.22)
Other Borrowings	11	145 (1218.18)	294 (102.76)	462 (57.14)	3572 (673.16)	8033 (124.88)	17,071 (112.51)
Working Capital	36	256 (611.11)	685 (167.58)	2750 (301.46)	12307 (347.52)	28270 (129.70)	74543 (163.68)
Loans Advanced	55	256 (365.45)	747 (191.79)	2870 (284.20)	9660 (236.58)	28927 (199.45)	48,203 (66.63)
Loans Outstanding	20	196 (880.0)	534 (142.45)	1837 (244.00)	6593 (258.90)	18314 (177.78)	39,996 (118.39)
Loans Overdues	3	8 (166.66)	35 (337.5)	162 (362.85)	986 (508.64)	1938 (96.55)	6,734 (247.47)
% of Ovedues to Outstanding	12.0	8.0 (-33.33)	6.7 (-16.25)	8.8 (31.34)	15.0 (70.45)	11.0 (-26.66)	16.84 (53.09)

*Report on Trend & Progress of Banking in India, RBI, Nov.2006, and Annual Report-2007-08, NAFSCOB, Navi Mumbai.

1.RBI, Report of the Committee on Co-operation, 1960, P.37.

Table No.4.6.20 shows that State Co-operative Banks have made fairly good progress. Number of Banks increased from 16 to 31 all through 1950-51 to 2005-06. Membership increased from 23272 in 1950-51 to 153697 in 2005-06. Share capital increased from Rs.1 crore to Rs.1,135 crore in 2005-06. Reserve & other funds increased from Rs.2 crore to Rs.9,387 crore and working capital from Rs.36 crore to Rs.74543 crore, during the same period. Loans advanced by the bank was increased from Rs.55 crore to Rs.48,203 crore in 1950-51 to 2005-06. At the same time loans outstanding of the bank also increased to a large extent Rs.20 crore to Rs.39,996 crore. Overdues of loans increased from Rs.3 crore to Rs.6,734 crore during the same period, the percentage of overdues to outstanding was 12.% in 1950-51 also shows increase up to 16.84% in 2005-06. Banks must keep percentage of overdues to loans outstanding at minimum level to keep healthy performance. Therefore, growth rate showed that the progress achieved during the period is fluctuated.

4.6.2- Central Co-operative Banks- Central Co-operative Banks are a link between Apex bank and primary societies. These are federations of primary credit societies in a specified area, normally spreads over a revenue district. The membership of these banks is confined both to individuals and the societies. These individuals provide both finance and management. Board of Directors looks after the management and supervision. The central co-operative banks raise funds by way of share capital, deposits from public and borrowing from the state co-operative bank. The banks advance short and medium term loans to the primary societies.

The Co-operative Societies Act of 1912 was immediately followed by a rapid increase in the number of central banks in the country. The chief task of central co-operative bank has been to advance loans to the primary co-operative societies in time of need so that they can fulfill the requirements of farmers. Central Co-operative banks serves as balancing centre in the district as a central financing agency, carry out banking business and organize and sanction credit to primary co-operative societies, monitor and control implementation of policies. The success of the co-operative credit movement largely depends on their financial strength.

Table No. 4.6.21 - Progress of the Central Co-operative Banks in India.*

(Rs. In Crore)

Item	1950-51	1960-61	1970-71	1980-81	1990-91	1996-97	2005-06
No. of Banks	505	380 (-24.75)	341 (-10.26)	337 (-1.17)	356 (5.64)	364 (2.25)	366 (0.55)
Share Capital-							
a) Total-	4	37 (825.0)	141 (281.08)	349 (147.52)	984 (181.95)	N.A. (--)	4,753 (--)
b) Govt. Contribution	N.A.	10 (--)	37 (270.00)	99 (167.70)	205 (107.07)	N.A. (--)	N.A. (--)
Deposits	37	110 (197.30)	438 (298.18)	2,419 (452.28)	10,251 (323.77)	30,403 (196.58)	88,397 (190.75)
Loans & Advances	82	350 (326.83)	866 (147.43)	3,211 (270.78)	11,075 (244.90)	29,957 (170.49)	73,864 (146.56)
Overdues as % to loans Outstanding	8.7	12.4 (42.52)	34.0 (174.19)	31.46 (-7.47)	36.0 (14.43)	20.0 (-44.44)	19.65 (-1.75)
Avg. per bank Advanced loans	0.16	0.92 (475.0)	25.39 (2659.7)	9.52 (-62.50)	31.10 (226.68)	82.29 (164.60)	201.81 (145.24)

* Rport on Trend & Progress of Banking in India, RBI, Nov.2006, , and Annual Report-2007-08, NAFSCOB, Navi Mumbai.

Table No.4.6.21 shows that the number of central co-operative banks has come down from 505 to 366 during 1950-51 to 2005-06 as a result of the reorganization of the weaker units. On the lines recommended by the Standing Advisory Committee on Agriculture Credit of the Reserve Bank of India, the policy of amalgamation and reorganization of central co-operative banks adopted with the aim of having one strong bank for a district. Share capital of the bank increased tremendously from Rs.4 crore to Rs.4,753 crore during the same period, government contribution to total share capital showed increasing trend, therefore, the growth rate is decreased. Deposits increased from Rs.37 crore in 1950-51 to Rs.88,397 crore in 2005-06, growth rate also shows good progress. Loans advanced by the bank have increased from Rs.82 crore in 1950-51, to Rs.73,864 crore in 2005-06, growth rate also shows good progress. As deposits and loans and advances has increased which shows that Central Co-operative Banks have made fairly good progress. Therefore, overdues as percentage to loans outstanding total amount increased from Rs.8.7 crore to Rs.19.65 crore from 1950-51 to 2005-06, growth rate shows decreasing trend but yet it is much more. It also revealed from the above table that the average per bank advanced loans increased from Rs.0.16 crore in 1950-51 to Rs.201.81 crore in 2005-06 even the growth rate was not even.

4.6.3- Primary Co-operative Banks- The Non-Agricultural Credit Societies, comprising Urban Co-operative Banks, Employees Credit Societies and other societies were started in the country as early as 1912 and since then they made good progress. Even after the First World-War, their progress did not slowed down. In the period of depression, the urban credit movement was not much affected. It was so because the fall in urban incomes was comparatively much less than the fall in the rural incomes. Moreover they were commanding larger resources and better management. During the Second World-War these organizations made further progress. Their membership and income increased and they were able to secure good deposits. Thus they have surplus resources with them which were invested in Govt. securities. During this period, these units in certain states also worked as Government agencies for the distribution of controlled commodities. Such co-operatives have made rapid progress since independence. “Urban Credit Societies and Banks are the most important features of the co-operative movement in India, and they make up to some extent the absence of joint stock banking facilities in smaller towns. They occupy a prominent placke among the agencies satisfying credit needs of people residing in urban areas. They advance loans mostly to small traders, artisans and salary earned on personal security as well as against gold, silver and produce”.¹

Urban co-operative banks have made rapid progress which would be clear from the following table.

Table No. 4.6.22 - Progress of the Primary Co-operative Banks in India.*

(Amount in Rs. Crore)

Items	1980-81	1985-86	1990-91	1997-98	2003-04	2004-05	2005-06	2006-07	2007-08
No. of Banks	1,228	1,306 (6.35)	1,401 (7.27)	1,416 (1.07)	1,926 (36.01)	1,872 (-2.80)	1,853 (-1.01)	1,813 (-2.16)	1,770 (-2.37)
Owned Funds	230	612 (166.08)	1,766 (188.56)	5,659 (220.44)	12,348 (118.20)	13,604 (10.17)	13,973 (2.71)	18,209 (30.31)	19,499 (7.08)
Deposits	1,331	3,939 (195.94)	11,108 (182.00)	38,472 (246.34)	1,10,256 (186.58)	1,05,021 (-4.75)	1,14,060 (8.60)	1,21,391 (6.42)	1,38,496 (4.09)
Borrowings	92	214 (132.60)	556 (159.81)	839 (50.90)	1,484 (76.87)	1,782 (20.08)	1,781 (-0.056)	2,657 (49.18)	2,292 (-13.73)
Loans Outstanding	1,070	3,046 (184.67)	8,713 (186.04)	26,465 (203.74)	67,930 (156.67)	66,874 (-1.55)	71,641 (7.13)	79,733 (11.29)	88,981 (11.60)

* Report on Trend and Progress of Banking in India, RBI, various years. , and Annual Report-2007-08, NAFSCOB, Navi Mumbai.

1. RBI, Review of Co-operative Movement in India, 1939-40.

It is cleared from the above **Table No.4.6.22** that the Primary Co-operative Banks made tremendous progress. The number of primary urban co-operative banks increased from 1,228 in 1980-81 to 1,770 in 2007-08 therefore from year 2004-05 to 2007-08 growth rate was negative. Owned funds increased from 230 crore in 1980-81 to 5,659 crore in 2007-08 but growth rate was fluctuated. Deposits are the main source of finance which expand from Rs.1,331 crore in 1980-81 to Rs.1,38,496 crore in 2007-08, therefore, during the year 2004-05 growth rate was negative (-4.75). Borrowings increased from Rs.92 crore in 1980-81 to Rs.2,292 crore in 2007-08, except year 2005-06 and 2007-08 where the growth rate shown negative trend. Loans outstanding also increased from Rs.1,070 crore in 1980-81 to Rs.88,981 crore in 2007-08, except year 2004-05 growth rate was negative. The co-operative banking system has made significant strides in the field of agricultural credit by reaching approximately all the villages in the country. The contribution of the co-operatives and their potential in sustaining new social and economic conditions are really remarkable.

Table No. 4.6.23 - Priority Sector & Weaker Section Advances by UCB's 2007-08.*

Segment	Priority Sector Amt. (Rs. Crore)	Priority Sector % in total Advances	Weaker Sections Amt. (Rs. Crore)	Weaker Sections % in total Advances
Agriculture & Allied Activities	5,363	6.0	1,464	1.6
I-Direct Finance	2,264	2.5	614	0.7
II-Indirect Finance	3,099	3.5	850	1.0
Retail Trade	10,271	11.5	2,828	3.2
Small Enterprises	15,011	16.9	3,418	3.8
I-Direct Finance	8,697	9.8	2,013	2.3
II-Indirect Finance	6,314	7.1	1,405	1.6
Educational Loans	610	0.7	186	0.2
Housing Loans	11,916	13.4	3,155	3.5
Micro-Credit	3,012	3.4	946	1.1
State sponsored organizations for SC/ST	675	0.8	152	0.2
TOTAL	46,859	52.7	12,149	13.7

* Report on Trend & Progress of Banking in India, RBI, Oct-2008.

Table No. 4.6.23 shows the urban co-operative banks have shown special attention towards priority sector and weaker section advances. As the table shows the

progress in year 2007-08 the total advances advanced to priority sector was Rs.46,859 crore (52.7%), and for weaker section Rs.12,149 crore (13.7%). Urban Co-op. Banks contributed in up lift of the neglected sector of the economy and gave them equal chance as social justice.

4.6.4- Primary Agricultural Credit Societies- These societies form the foundation on which entire edifice of the co-operative credit structure is based. It is generally for one village. The minimum initial membership is ten and ultimately the membership of the credit society is expected to reach a full coverage of the village. The liability of members is limited in absolute terms. The management lies in the hands of general body of members, assisted by the President and the Secretary. They usually render honorary services. Primary Agricultural Credit Societies provide short term and medium term loans, loans granted to agricultural for the productive purposes only. These societies raise funds through share capital, entrance fees, reserves, deposits, loans, income form investment and loans etc. In short, the broad futures of the Primary Co-operative Societies i.e. assessment of the credit needs, disbursement of credit to members, recovery of credit and promote the economic interests of the members.

Table No.4.6.24 - Progress of Primary Agricultural Credit Co-operative Societies.*

(Rs. In Crore)

Items	1950-51	1960-61	1970-71	1980-81	1990-91	1996-97	2005-06
No. of Stys. (lack)	1.50	2.12 (41.33)	1.61 (-24.06)	0.95 (-40.99)	0.88 (-7.37)	0.92 (4.54)	1.06 (15.22)
Membership (lack)	44.08	170.41 (286.59)	309.63 (81.70)	576.33 (86.13)	848.70 (47.26)	982.20 (15.73)	1,252 (27.47)
Share Capital	7.61	57.75 (658.87)	205.74 (256.26)	571.09 (177.57)	1295.00 (126.76)	N.A. (--)	N.A. (--)
Deposits	4.26	14.59 (242.49)	69.46 (376.08)	290.58 (318.34)	1362.00 (368.71)	3450.20 (153.30)	19,561 (466.98)
Working Capital	37.25	273.92 (635.35)	1153.40 (322.34)	4035.98 (249.95)	11880.00 (194.42)	N.A. (--)	73386.67 (--)
Loans Advanced	22.90	202.75 (785.37)	577.88 (185.02)	1763.59 (205.54)	4867.00 (176.06)	11805.00 (142.55)	42,920 (263.57)

*Report on Trend & Progress of Banking in India, RBI, Nov.2006, and Annual Report-2007-08, NAFSCOB, Navi Mumbai.

It may be observed from the above **Table No.4.6.24** that there has been a significant achievement in augmenting the business operations of PACS since the commencement of the first five year plan (1950-51). In the rural sector, co-operatives are more prominent. The number of societies had shown up and down during the plan period. The co-operative rural credit system in India is world's largest and most wide-spread. The number of societies which was 1.50 lack in 1950-51 had gone down to 1.06 lack in 2005-06. This was due to structural reorganization of the PACS by merger or liquidation of weak societies consequent upon the recommendations of the All India Rural Credit Survey Committee (1954) and the All India Rural Credit Review Committee (1969), resulted into negative growth rate during the years 1970-71, 1980-81 and 1990-91. Near about all the villages and more than 60 percent of the total rural households were covered by the PACS. The membership of the PACS has increased substantially 44.08 lacks in 1950-51 to 1,252 lacks in 2005-06. Deposits increased from Rs.4.26 crore in 1950-51 to Rs.19561 crore in 2005-06. Working capital of the PACS, which was only Rs.37.25 crore in 1950-51 increased up to Rs.73386.67 crore in 2005-06. Therefore, growth rate showed a fluctuating trend.

In 1950-51 it advanced loans worth Rs.22.90 crore, this rose to Rs.42,920 crore in 2005-06. The Primary Agricultural Credit Societies have stepped up their advances to the weaker sections of the society particularly the small and marginal farmers. This progress has been quite spectacular but not adequate considering the demand for finance from farmers. However, the production credit provided by PACS has enabled the agriculturists to use modern inputs in agriculture and thereby augmenting the total agricultural production.

**Table No. 4.6.25 - Progress of Primary Agricultural Credit Societies During the
Five-Year Plans in India.*** (Rs. in Lack)

Year/Items	No. of PACS	Membership (000 ²)	Issued Loans	Loans Recovered	Loans Outstanding	Loans Overdue
1950-51	1,15,748	53,69	71,48	58,85	75,90	9,78
1 st Plan 1955-56	1,68,410 (45.49)	88,35 (64.55)	1,23,98 (73.44)	1,04,80 (78.08)	1,32,31 (74.32)	21,60 (120.85)
2 nd Plan 1960-61	2,22,004 (31.82)	1,89,59 (114.59)	3,42,32 (176.11)	2,85,70 (172.55)	3,61,80 (173.44)	54,60 (152.72)
3 rd Plan 1965-66	2,00,148 (-9.84)	2,83,14 (49.34)	6,55,95 (91.62)	5,40,69 (89.25)	7,70,28 (112.90)	1,44,37 (164.41)
4 th Plan 1973-74	1,60,138 (-19.99)	3,96,82 (40.15)	16,33,49 (149.02)	15,75,16 (191.32)	20,45,53 (165.55)	4,95,25 (243.04)
5 th Plan 1977-78	1,22,064 (-23.77)	5,39,18 (35.87)	24,45,97 (49.74)	21,72,55 (37.92)	33,71,98 (64.84)	9,44,92 (90.79)
Annual Plan 1978-79	1,01,679 (-16.70)	5,86,71 (8.81)	29,00,63 (18.59)	25,10,48 (15.55)	38,76,82 (104.97)	11,05,54 (17.00)
Annual Plan 1979-80	1,00,486 (-1.17)	6,15,36 (4.88)	34,05,74 (17.41)	28,90,96 (15.15)	45,14,09 (16.43)	13,21,18 (19.50)
6 th Plan 1984-85	90,937 (-9.50)	7,34,85 (19.41)	72,36,45 (112.48)	69,04,81 (138.84)	91,30,53 (102.26)	22,27,39 (68.59)
7 th Plan 1989-90	72,379 (-20.46)	7,58,69 (3.24)	131,95,44 (82.34)	101,48,23 (46.97)	163,10,49 (78.63)	41,76,08 (87.48)
Annual Plan 1990-91	70,876 (-2.07)	6,62,07 (-12.93)	113,95,69 (-13.64)	103,93,67 (0.44)	163,90,45 (0.49)	35,53,75 (-14.90)
Annual Plan 1991-92	67,486 (-4.78)	7,33,44 (10.78)	134,04,04 (17.62)	109,96,59 (5.80)	198,00,94 (20.80)	46,00,19 (29.44)
8 th Plan 1996-97	93,932 (39.18)	10,61,44 (44.72)	427,31,90 (218.80)	340,35,56 (209.51)	433,54,95 (118.95)	81,61,83 (77.42)
9 th Plan 2001-02	95,748 (1.93)	11,31,55 (6.60)	10,597,254 (147.99)	9,969,468 (192.91)	9,946,238 (129.41)	1,872,681 (129.44)
First Year of 10 th Plan 2002-03	79,347 (-16.78)	10,34,49 (-8.57)	10,635,867 (0.36)	7,965,734 (-20.09)	12,083,927 (21.49)	2,348,655 (25.41)

*Statistical Statements Relating to the Co-operative Movement in India, Part-I, Credit Societies, NABARD, various years.

Table No. 4.6.25 shows the progress of the PACS during the five year plans. The number of the PACS had shown fluctuations due to structural reorganization of the PACS by merger or liquidation of weak societies. The number of PACS increased from 1,15,710 in 1950-51 to 79,347 in year 2002-03 of the Tenth five year plan. Growth rate was negative during the most of the plan periods. Therefore, growth rate of membership showed positive growth except year 1990-91 and 2002-03. Membership increased from 53,69 thousands in 1950-51 to 10,34,49 thousands in 2002-03. Loans issued by the PACS also increased from Rs.71 lack in 1950-51 to Rs.10,635 lack in 2002-03, even growth rate trend was uneven but positive except annual plan year 1990-91. The loans issued by the PACS have been increasing but their recycle capacity which accelerates the flow of credit

to the borrowers depends upon their recovery performance, which adversely affected their profitability and viability. Loans outstanding of the PACS in the first plan 1950-51 was Rs.75,90 lack increased up to Rs.12,083,927 lack, during the same period there was a fluctuating trend in growth rate, which was 74.32 in 1955-56 stood on 21.49 in 2003-04. The PACS borrowed funds from Government, Central Co-operative Banks, and other sources to make possible it to lend to the ultimate borrowers. More than ninety percent of the borrowings of the PACS were comes from the Central Financing Agencies. Loans recovered increased from Rs.58,85 lack to Rs.7,965,734 lack during the 1050-51 to year 2003-04, therefore, growth rate shows that during the study period the growth rate was not even it was fluctuating. Recovery of loans is quite necessary for sound business but e it is revealed that the performance of recovery is not satisfactory. Overdue of the PACS has increased adversely as it was Rs.9,78 lack in 1950-51 to Rs.2,348 lack in 2002-03, growth rate showed fluctuating trend therefore except year 1990-91 growth was positive.

Report of CRAFTICARD (1981) clearly stated that- the main reasons for overdues are- failure to tie up lending with development programs, defective loaning policies (including untimely timely loan disbursement), absence of efforts for marketing arrangements and linkage of credit money with sale of produce, ineffective supervision, misapplication of loans, apathy and indifference of management of societies to take coercive measures for recovery, and foremost of all, want of a sense of discipline and responsibility among the loaners in regard to prompt repayment of debts.¹

4.6.5- Primary and Central Land Development Banks- According to All India Rural Credit Survey Committee Report that “All farmers, especially small proprietors need finance and borrow it at one time or another for their various needs. The strong Central and Primary Land Mortgage Banks are one of the foremost needs of the country’s agricultural development today.” On the recommendation of Rural Credit Survey Committee, 1954, greater emphasis began to be given on reorienting their loaning policies encouraging loans for productive purposes. Hence, the original name “Land Mortgage Bank” was changed to “Land Development Banks” later.

1. RBI, Report of the Committee to Review the Arrangement of Institutional Credit for Agriculture and Rural Development (CRAFTICARD), 1981, p.55-57.

The following tables A and B shows the position of these banks-

Table No. 4.6.26- A)

Progress of the State/Central Land/Agricultural Rural Development Banks in India.

(Rs. In Crore)

Items	1950-51	1960-61	1980-81	1990-91	1993-94	2005-06
No. of Banks	5	18 (260.00)	19 (5.55)	19 (0.00)	20 (5.26)	20 (0.00)
Owned Funds	6.5	54.4 (736.92)	265 (387.13)	635 (139.32)	857 (34.96)	2242 (161.61)
Deposits & Other Borrowings	3.2	56.3 (1659.37)	2433 (4221.49)	3975 (63.37)	4891 (23.04)	17,029 (248.17)
Loans Outstanding	59.8	366.1 (512.20)	1697 (363.53)	4174 (145.96)	5405 (29.49)	17,678 (227.06)
Working Capital	77.2	476.0 (518.18)	2544 (434.45)	5223 (105.30)	7888 (51.02)	20,003 (153.58)
Loans Issued	N.A.	N.A. (--)	365 (--)	867 (137.53)	1352 (55.94)	2,907 (115.01)
Overdues	1	12.2 (1110.00)	289 (2268.85)	910 (214.87)	1014 (11.42)	5,778 (469.82)

Source- Report on Trend & Progress of Banking in India, RBI, Various years, Annual Report-2007-08, NAFSCOB, Navi Mumbai.

Table No. 4.6.27- B)

Progress of the Primary Land/Agricultural & Rural Development Banks in India.*

(Rs. In Crore)

Items	1950-51	1960-61	1980-81	1990-91	1993-94	2005-06
No. of Banks	286	463 (61.88)	673 (45.35)	726 (7.87)	727 (0.13)	696 (-4.26)
Membership-(000')	215	669 (211.16)	1048 (56.65)	6503 (520.51)	7221 (11.04)	N.A. (--)
Owned Funds	6.9	24.6 (256.52)	127.3 (417.47)	308 (141.45)	349 (13.31)	N.A. (--)
Deposits & Other Borrowings	58.8	245.3 (317.17)	1242.0 (406.94)	2382 (91.78)	N.A. (--)	13,117 (--)
Working Capital	66.6	269.9 (307.57)	1369.3 (408.92)	2958 (116.07)	3379 (14.23)	N.A. (--)
Loans Outstanding	62.6	246.6 (296.77)	1243.3 (405.28)	1463 (17.70)	1527 (4.37)	12,179 (697.57)
Loans Issued	N.A.	N.A. (--)	N.A. (--)	435 (--)	664 (52.64)	1,970 (196.68)
Overdues	8	64 (700.00)	442 (590.62)	382 (-13.57)	397 (3.92)	4586 (1055.16)

*Report on Trend & Progress of Banking in India, RBI, Various years, Annual Report-2007-08, NAFSCOB, Navi Mumbai.

Land development banks are co-operative institutions which provide long term loans to cultivators for agricultural and productive purposes. The structure of Banks may be of federal type. This is a two-tier structure with Central Land/Agricultural & Rural

Development Banks at the State level and Primary Land/Agricultural & Rural Development Banks at District or Taluka level. The management vests in a Board of Directors consisting of 7 to 9 members. These banks raise finances from share capital, loans, deposits, fees, grants and subsidies and borrowings. Central Land/Agricultural & Rural Development Banks also raise capital through issue of debentures, which are subscribed by the Commercial Banks, State Bank of India, LIC and the State and Central Governments.

The number of Primary Land/Agricultural & Rural Development Banks and their branches increased from 286 in 1950-51 to 696 in 2005-06, therefore, the growth rate was fluctuating, in year 1960-61 growth rate was 61.88 stood on -4.26 in years 2005-06. Central Land / Agricultural & Rural Development Banks increased from 5 to 20 during the period 1950-51 to 2005-06, growth rate was not even it was 260.0 in 1960-61 stood on 5.26 in 1993-94 as the number was same in year 2005-06. The member of the SCARDBs at the ultimate borrowers' level consist of individual members at Apex level (in case of Banks which are unitary in structure) and at Primary level (in case of banks which are federal or mixed in structure) institutional members (including State Governments and excluding Primary Banks) at Apex and Primary Banks' level. As on 31st March 2006, the total number of members was 3087 crore as compared to 3082 crore on 31st March 2005. The deposit mobilization as per the guidelines approved by RBI/NABARD is being implemented by Banks. These banks mobilized deposits amounting to Rs.13,117 crore during the financial year 2005-06 as against Rs.7,304 crore during the previous year i.e. 2004-05. The aggregate loans outstanding of SCARDBs at the Apex Bank level as on 31st March 2006 was Rs.20353.31 crore as against Rs.19855.20 crore as on 31st March 2005 which was increased in percentage terms 2.51 per cent. A sector wise analysis of the aggregate advances during the financial year 2005-06 showed that the Farm Sector advances accounted for Rs.2154.69 crore forming 69.43 per cent and Non-Farm Sector advances accounted for Rs.336.58 crore forming 10.85 per cent.

Table No. 4.6.28 - Agency-wise Ground Level Credit Flow.*

(Rs. in Crore)

Agency	2003-04	2004-05	2005-06	2006-07	2007-08
Co-operative Banks	26,825 (30.8)	31,231 (24.9) [16.42]	39,404 (21.8) [26.17]	42,480 (18.5) [7.80]	43,684 (19.4) [2.03]
RRB's	7,581 (8.7)	12,404 (9.8) [63.61]	15,223 (8.43) [22.72]	20,435 (8.90) [34.23]	24,814 (11.0) [21.42]
Commercial Banks	52,441 (60.2)	81,481 (65.0) [55.37]	1,25,477(69.5) [53.99]	1,66,485(72.6) [32.68]	1,56,850(69.6) [-5.78]
Other Agencies	84 (0.9)	193 (0.15) [129.76]	382 (0.21) [97.92]	N.A. [--]	N.A. [--]
Total	86,981 (100)	1,25,309(100) [44.06]	1,80,486 (100) [44.03]	2,29,400 (100) [27.10]	2,25,348 (100) [-1.76]

Note- figures in () shows the percentage to total and figures in [] shows the growth rate.

*NABARD, Annual Report, 2007-08, P.26.

Table No. 4.6.28 shows the agency wise credit flow. As against the target of Rs.2,25,000 crore of credit flow to agriculture for 2007-08, disbursements by all agencies stood at Rs.2,25,348 crore achieving more than the target. Commercial banks, co-operative banks and RRBs disbursed Rs.1,56,850 crore, Rs.43,684crore and Rs.24,814 crore, achieving 106, 84 and 108 percent of the targets, respectively, against the target of Rs.1,50,000 crore, Rs.52,000 crore and Rs.23,000 crore, respectively. The agency-wise share of credit flow to agriculture shows that the Commercial Banks accounted for the major share 69.6%, followed by Co-operative Banks 28% and Regional Rural Banks 11%. However, declining trend in the share of co-operative banks in the flow of institutional credit over the years, which is indicative of the need for restructuring and reforming. Government realized the need to enhance credit flow to agriculture, with the consultation with RBI, NABARD and Commercial Banks announced a credit package on 18th June 2004, which envisaged doubling of agriculture credit over three years. RBI also set up an Advisory Committee on the flow of credit to agriculture and related activities under the Chairmanship of Vyas V.S., which submitted its report to the Government on 30th June 2004. Several recommendations accepted include waiving of margin or security requirements up to Rs.50,000/- for crop loans and up to Rs.5 lack for loans to agri-business and agro-clinics, dispensing with the restrictive provisions of Service Area

Approach, and aligning NPA norms for direct agricultural advances to the cropping seasons of short & long duration crops.¹

There were 82.68 lack new farmers were brought under the institutional credit fold. In 1998, 38.64 lacks fresh Kisan Credit Cards (KCCs) were issued and co-operative banks and Regional Rural Banks (RRBs) accounted for 20.91 lack and 17.73 lack of the cards issued, respectively. Of the total 714.68 lack cards issued as on 31st March 2008, co-operative banks accounted for 49% of the share, followed by commercial banks 37% and Regional Rural Banks (RRBs) 14%.²

Table No. 4.6.29 - Non-Performing Assets of Co-operative Banks.*

(In Percentage)

Year	Rural Co-operative Banks					
	SCBs	DCCBs	PACS	SCARDBs	PCARDBs	UCBs
1994-95	-	-	33.9 (--)	-	-	13.9 (--)
1996-97	-	-	34.9 (2.95)	-	-	13.2 (-5.03)
1999-00	10.7 (--)	17.2 (--)	35.4 (1.43)	18.7 (--)	20.0 (--)	12.1 (-8.33)
2000-01	13.0 (21.49)	17.9 (4.07)	34.9 (-1.41)	20.5 (9.62)	24.3 (21.50)	16.1 (33.05)
2001-02	13.4 (3.07)	19.9 (11.17)	32.5 (-6.87)	18.5 (-11.48)	30.2 (24.28)	21.9 (36.02)
2002-03	18.2 (35.82)	21.2 (6.53)	37.9 (16.61)	20.9 (12.97)	33.8 (11.92)	19.0 (-13.24)
2003-04	18.7 (2.74)	24.0 (13.20)	36.8 (-2.90)	26.7 (27.75)	35.8 (12.22)	22.7 (19.47)
2004-05	16.3 (-12.83)	19.9 (-17.08)	33.6 (-8.61)	31.3 (17.23)	31.9 (-10.89)	23.2 (2.20)
2005-06	16.8 (3.06)	19.7 (-1.00)	30.4 (-9.52)	32.7 (4.47)	35.6 (11.60)	18.9 (-18.53)
2006-07	14.2 (-15.47)	18.4 (-6.59)	N.A. (--)	30.3 (-7.34)	35.5 (-2.28)	17.0 (-10.05)

*Report on Trend & Progress of Banking in India, RBI, October 2008.

Table No. 4.6.29 highlighted the financial performance of the various segments of the credit co-operatives structure about non-performing assets (NPA). It is cleared that the various financial institutions are suffered from heavy non-performance assets, which point out to improvement in the financial operations for sound health of the co-operative banks. Non-performing assets of State Co-operative Banks (SCBs), District Central Co-operative Banks (DCCBs), State Central Agricultural and Rural Development Banks

1. Government of India, Economic Survey 2004-05. website:<http://indiabudget.nic.in>.

2. NABARD, Annual Report, 2007-08, P.02

(SCARDBs), Primary Co-operative Agricultural and Rural Development Banks (PCARDBs) and Urban Co-operative Banks (UCBs) stood at 14.2%, 18.4%, 30.3%, 35.5% and 17.0% as on 2006-07, respectively. As the NPA of PACS' stood at 30.4% in the year 2005-06 table shows the urgency and magnitude of the problem of Non-Performing Assets (NPAs) affecting Indian co-operatives banks. Therefore management of Non-Performing Assets (NPAs) becomes of most immediate importance for co-operatives. As the efficiency of finance depends largely on timely recovery of loans, delay in recovery affects liquidity, increase operating cost and finally affects profitability.

The prudential norms of income recognition, assets classification and provisioning were made applicable to co-operative banks with effect from 1996-97 in the same form as applicable to commercial banks and regional rural banks (RBI circular No. RPCD. BC. 155/07.37.02/95-96 dated 22 June 1996). However, many of the co-operative banks had initial problems in adjusting to new system and therefore norms stabilize in the year 1997-98. Thus, the provision norms were allowed in a phased manner with considerable relaxation in the first two years viz. 1996-97 and 1997-98.

The rural co-operative credit institutions, however, are beset with many problems which include, i) low resource base, ii) high dependence on refinancing agencies, iii) low recovery levels, iv) huge accumulated losses, v) repeated Non-Performing Asset (NPA), vi) lack of diversification and vii) various types of organizational weaknesses.

4.7- HOUSING CO-OPERATIVES- A co-operative housing society is an organization of persons with limited economic needs, who have a common interest of building a house according to approved standards and on a society base. Housing co-operatives make available the residential houses to their members, member share the responsibility and risk of ownership, through them collective purchases of land and building material take place. This makes substantial saving in cost through group action.

There are three types of housing societies formed in India- All the way co-operatives- where entire work is done by the society and duly constructed houses are given to members on a tenancy basis; Co-venture co-operatives- where houses are built by the society and allotted to members on a hire-purchase system; and Flat ownership co-

operatives- under which houses are also sold out to different members of a co-operative formed later.

Generally, there are two tiers federal structure existing in each state, the apex society at the State level and the Primary affiliated societies. The apex society provides guidance and advice to the affiliated societies in administration, technical, financial and legal matters. Helps to primary societies in securing land and building materials and provides financial assistance to them.

Table No. 4.7.30- Growth of Co-operative Housing Movement (Primary).*

(Figures for Membership & Working Capital in Million)

Year/ Items	No. of Primary Housing Co-operatives	Membership	Working Capital
1979-80	34052	1.9	12477
1983-84	40000	3	15000
	(17.46)	(57.89)	(20.22)
1995-96	90000	6	43500
	(125.00)	(100.0)	(190.0)
1997-98	90000	6.2	46000
	(0.00)	(3.33)	(5.74)
1999-00	92000	6.5	92219
	(2.22)	(4.83)	(100.4)
2000-01	92000	6.6	99677
	(0.00)	(1.54)	(8.08)
2001-02	92000	6.5	93174
	(0.00)	(-1.51)	(-6.52)
2002-03	92000	6.5	74859
	(0.00)	(0.00)	(-19.65)
2003-04	92000	6.6	74732
	(0.00)	(1.54)	(-0.17)

*Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.45.

Table No.4.7.30 shows growth of primary co-operative housing movement in India. Number of primary housing co-operatives stood at 34052 in 1979-80 with membership of 1.9 million and working capital of Rs.12477 million, which was increased up to 92,000 primary housing co-operatives with 6.6 million members and working capital of Rs.74732 million in 2003-04. However, the number of housing co-operatives was constant from 1995-96 to 2003-04 as 92,000, membership was also nearly stable on 6.6 million, but the working capital was fluctuated during 1995-96 to 2003-04. Growth rate indicated that numbers was quite constant after 1999 but before this there was fluctuation. Membership was also not even during the study period as well as working capital also fluctuated and shown negative growth rate year 2001 to 2004.

Table No. 4.7.31- Growth of Co-operative Housing Movement (State Level).*

(Figures for Membership & Working Capital in Million)

Items/ Year	2004-05	2005-06 (Growth Rate)
No. of Apex Federations	25	26 (4.00)
Membership-	30,579	30,498 (-0.26)
a) Rural-	5,880	5,833 (-0.80)
b) Urban	22,010	21,964 (-0.21)
Share Capital-	4120.2	4167.49 (1.14)
of which raised from Primaries	77.2%	77.5% (0.39%)
Govt. Participation	22.8%	22.5% (-1.31%)
Total Borrowings	87676.6	92430.1 (5.42)
Loans Distributed	91,824.0	97,023.9 (5.66)
No. of Houses Completed-	2,131,473	2,168,971 (1.76)
a) Rural	921,751	932,022 (1.11)
b) Urban	568,977	585,704 (2.94)
Houses Under Construction-	171,325	159,517 (-6.89)
a) Rural	80,843	78,061 (-2.45)
b) Urban	58,255	50,225 (-13.78)

*Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.45.

Table No.4.7.31 shows the growth of co-operative housing movement at State level. Number of apex federations working at state level was 26 in 2005-06. Total membership of these federations was 30,498. Share capital stands Rs.4167 million during 2005-06 of which rose from primary societies was 77.5% and government participation was 22.5%. Total borrowings was Rs.92430 million, loans distributed Rs.97,023 million. Number of houses completed was 2,168,971 out of them in rural areas 932,022 and in urban areas 585,704 houses was completed in 2005-06. Even, 159,517 houses were under construction in 2005-06. Growth rate shows that the trend of membership is declining; government participation is also showed a declining trend during these years. Finances are raised through issue of share capital, reserve funds, borrowings from the Government, Central Co-operative Banks, the LIC and the Housing and Urban Development and Finance Corporation. Financial assistance is also provided by the Government under various specific housing schemes to co-operatives. Housing co-operatives have not made even progress in all the states. Therefore, majority of the work of housing co-operatives

are found in Gujarat and Maharashtra. Other states like Assam, Jammu-Kashmir, West-Bengal, Bihar the progress is almost minor.

Table No. 4.7.32- Housing Stock and Housing Shortage in India (2001).*

(Figures in Million)

Items	1991	1995	1997	2001
Total Households	153.2	166.4	174.1	192
		(8.61)	(4.62)	(10.28)
Rural Households	112.5	119.1	122.3	138.3
		(5.86)	(2.68)	(13.08)
Urban Households	40.7	47.3	51.8	53.7
	1	(16.21)	(9.51)	(3.86)
Total Units	48.1	161.1	168.5	157
		(8.77)	(4.69)	(-6.82)
Rural Units	108.8	115.6	118.7	106
		(6.25)	(2.68)	(-10.70)
Urban Units	39.3	45.5	49.8	50.8
		(14.25)	(9.45)	(2.00)
Total Shortage	29.9	32	33	34.8
		(7.02)	(3.12)	(5.45)
Rural Shortage	22.4	23.3	23.5	32
		(4.01)	(0.85)	(30.17)
Urban Shortage	7.5	8.7	9.5	2.8
		(16.0)	(9.19)	(-70.52)

*Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.45.

Table No.4.7.32 shows housing stock and housing shortage in India during 1991 to 2001. Total households were 153.2 million in 1991 increased by 192 million in 2001. Growth rate was uneven but increased from 8.21 to 10.21. Rural households were 112.2 million in 1991 increased by 138.3 million in 2001, and urban households were 40.7 million and 53.7 million, respectively. Growth rate of rural and urban household also not even but shown increasing trend. Total units increased from 148.1 million to 157 million during the same period, therefore, growth rate was declining and negative in year 2001 (-6.82). Total shortage of houses in India during 1991 to 2001 was 29.9 million to 34.8 million, shows increasing demand. The housing co-operatives have not made much progress in the country due to several weaknesses like- adequacy of finance, lack of suitable machinery, lack of guidance and advice in administration, legal, and technical affairs, high price of land and building materials, and malpractices of co-operatives.

4.8- ALLIED AGRICULTURAL CO-OPERATIVES-

Agriculturist does several allied agricultural activities like- dairy, poultry, piggery, etc. to raise farm income, co-operatives helps to develop agriculturists allied business activities through various necessary support for mobilization their income.

4.8.1- Poultry Co-operatives- During the First Five Year Plan, a pilot poultry development scheme was initiated in India with 33 poultry extension centre. Agriculturists constructed their own poultry houses, and marketed their eggs and poultry through poultry co-operatives.

Table No. 4.8.33- Progress of Poultry Co-operatives in India.*

(Value Rs. in Million)

Items/ Year	2002-03	2003-04	(Growth Rate)
No. of Poultry Co-operatives	4,864	4,876	(0.24)
Membership (Million)	0.44321	0.4438	(0.13)
Share Capital	205.3	205.59	(0.09)
Govt. contribution	64.2%	64.12%	(-0.12%)
Working Capital	1286.8	1287.6	(0.06)
Business Turnover	317.10	332.92	(4.99)
No. of Villages in Operation	14,389	14,324	(-0.45)
Total Assets	1227.8	1229.26	(0.11)

*Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.53.

The above **Table No.4.8.33** shows the progress of poultry co-operatives in India. Number of poultry co-operatives existing are 4,876, with membership of 0.4438 million during 2003-04, growth rate shows slightly increasing trend in numbers and membership. Share capital of these co-operatives was Rs.205.59 million, out of total share capital percentage of government contribution was 64.12 per cent, growth rate showed -0.12 decrease compare to 2002-03. Working capital was Rs.1287.6 million with 0.06 growth rate. Business turnover of these co-operatives reached to Rs.332.92 million in 2003-04 which showed growth of 4.99. Business of poultry co-operatives in India covered or villages in operation stands to 14,324 during the year 2003-04, which was showed declining trend (-0.45). Total assets stood on Rs.1229.26 million in 2003-04 showed increasing trend and increased with growth rate of 0.11. However, benefits of poultry business do not always reach the weaker sections that possess the adequate skill.

4.8.2- Labor Co-operatives- Labor co-operative is a form of organization for the employment of a group of workers who associated with one another for working together for a joint reward. The reward is being shared by all of them as per the work done by each one of them. These co-operatives workers for undertaking works, arranging funds, providing technical knowledge and increasing bargaining powers of the members i.e. the manual laborers and skilled. Labor co-operatives have organized in both urban and rural, the rural societies helps a lot the landless agricultural labors by providing them employment during those part of the year when agricultural employment is slack.¹

Labor co-operatives not only provides employment but also purchase or hire equipments for carrying out the work, arranges training facilities for workers, encourage thrift, self-help and co-operation and saves them from exploitation by the contractors.

Table No.4.8.34-Progress of Labor Contract & Construction Co-operatives in India.

(Value Rs. in Million)

Items/ Year	2002-03	2003-04
No. of Labor Contract Societies	31,336	30,030
		(-4.16)
Of which Tribal Labor Societies	20.8%	25.7%
		(23.55%)
Non-Tribal Labor Societies	79.2%	74.3%
		(-6.18%)
Membership (Million)	1.68	1.691
		(0.59)
Share Capital	382.2	384.06
		(0.52)
Govt. Participation	9.12%	9.06%
		(-0.65%)
Working Capital	3064.21	3016.99
		(-1.54)
Business Turnover	54934.8	54934.82
		(0.00)
Assets	2160.9	2161.7
		(0.03)
Societies Making Profit	32.49%	32.59%
		(0.30%)

Source- Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-op. Union of India, 2006. P.54.

Table No.4.8.34 shows the progress of labor contract and construction co-operatives in India. Number of labor contract societies working in India stood at 30,030, of which tribal labor societies were 25.7 per cent and non-tribal labor societies were

1. Momeria C.B., Saksena R.D., "Co-operation in India", Kitab Mahal, Allahabad, 1973. P.370.

74.3% regarding to growth rate these societies declined by -4.16, tribal societies growth rate was positive and non-tribal societies growth rate decreased by -6.18 from 2002-03 to 2003-04. Membership of these societies stood at 1.691 million in 2003-04 showed a slightly growth 0.59. Normally, these co-operatives cover a group of villages so that membership may be 50 to 200 persons, consisting skilled and unskilled workers in area of operation. Share capital was Rs.384.06 million, of which government contribution was 9.06 per cent in 2003-04; growth rate showed 0.52 growths in share capital but government contribution was declined up to -0.65. Working capital was Rs.3016.99 million, assets was Rs.2161.7 million, and profit of these societies was 32.59 per cent in 2003-04. Business turnover of these societies was Rs.54934.82 million during the same year 2003-04 whereas the growth rate was very slow.

Table No.4.8.35-Progress of Forest Labor Co-operatives in India (State & Primary).

(Value Rs. in Million)

Items/ Year	2002-03	2003-04
No. of Forest Labor Co-operatives	3,408	4,714
		(38.32)
Membership	0.73	0.74
		(1.37)
Share Capital	43.26	43.06
		(-0.46)
Working Capital	2258.3	2272.3
		(0.62)
Business Turnover	1027.8	1039.1
		(1.10)
Assets	1538.1	1633.6
		(6.20)
Value of Sales	459.9	580.77
		(126.2)
Societies in Profit Making	39%	40%
		(2.56%)

Source- Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.54.

Table No.4.8.35 shows the progress of forest labor co-operatives (state and primary) in India. Number of forest labor co-operative stood at 4,714, with membership of 0.74 lacks during 2003-04, growth rate was 38.32 and 1.37, respectively. Share capital of these societies was Rs.43.06 million, working capital was Rs.2272.3 million, and profit earned by these societies during the 2003-04 was 40 per cent. Business turnover of these societies was Rs.1039.1 million and value of sales was Rs.580.77 million during the same year. Except the share capital growth rate was positive. Country level labor co-operatives

working in different states are not made progress on same line. Labor co-operative have facing several difficulties i.e. lack of adequate capital, poverty of members, delay of making payments for the work done, lack of assurance about the continuity of work and failing to complete the work in time due to inadequate resource and financial deficiency.

4.8.3- Fisheries Co-operatives- Fisheries co-operatives are organizations of fishermen who join collectively to achieve the advantage of co-operation in the field of catching fish, their assembly, preservation, transport and distribution.

Broadly, fisheries co-operative societies have various forms in different States, such as fisheries credit co-operatives, fish producer's co-operatives, fish consumer's co-operatives, fish marketing federations and fish Apex co-operatives.¹

Table No. 4.8.36- Progress of Fishery Co-operatives in India.*

(Value Rs. in Million)

Items/ Year	2002-03	2003-04
No. of Fishery Co-operatives	14,211	14,339 (0.90)
Membership (Million)	1.862302	1.872959 (0.57)
Share Capital	569.76	583.62 (2.40)
Govt. contribution	39.70%	40.12% (1.05%)
Total Assets	818.9	817.28 (-0.19)
Fixed Assets (Mech. Boats & other)	12.3%	13.76% (11.87%)
Working Capital	2220.93	2299.73 (3.54)
Sales or Turnover	1712.8	1799.6 (5.06)

*Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.51.

Table No.4.8.36 showed the progress of fishery co-operatives in India. Number of fishery co-operatives stood at 14,211 in 2002-03 increased up to 14,339 in 2003-04, growth rate was 0.90. Membership stood at 1.87 million in 2003-04. Share capital was Rs.583.62 million, government contribution with 40.12% in 2003-04. Total assets was Rs.817.28 million, percentage of fixed assets (machinery, boats and other) to total assets was 13.76% in 2003-04. Working capital of fishery co-operatives was Rs.2299.73 million

1. Ghanekar V.V., "Co-operative Movement in India- 1904-2004", Institute of Rural Development and Education, Pune, 2004. P.108.

and sales or turnover was Rs.1799.6 million during the year 2003-04. Growth rate showed increase during these years 2002-03 to 2003-04. However, the volume of fish handled by these co-operatives is not satisfactory.

These co-operatives also suffered from several defects like- co-operatives are organizationally weak; inadequate financial and technical support; lack of co-ordination between production, storage and marketing; most co-operatives exist merely on paper; recovery of loans is not made on time; overdues of the fishermen as most of the fishermen are indebted to middlemen, they do not receive proper advantage, etc.

4.9- OTHER FORMS OF CO-OPERATION- Co-operative activities have also covered the following sectors of the economy. Some new sectors covered by co-op.'s are-

Table No. 4.9.37- Progress of Electricity Co-operatives in India.*

(No. of Connections in 000' & Value Rs. in Million)

Items	2001-02	2002-03
No. of Societies	48	48
		(0.00)
Villages in the Areas	8,050	8050
		(0.00)
No. of Villages Electrified	6217	6217
		(0.00)
Villages Electrified During Year	680	691
		(1.61)
Membership (Total)	9,46,348	9,46,348
		(0.00)
Societies Members	39,879	39,879
		(0.00)
Working Capital	3901.6	3772.3
		(-3.31)
Connection at the End of Year	893,816	839,816
		(-6.04)
of which- a) Agriculturist	229,309	229,309
		(0.00)
b) Industrial	23,178	23,178
		(0.00)
c) Domestic & Commercial	434,764	434,764
		(0.00)
d) Others	86,285	86,285
		(0.00)

(Note- Name of States where Societies Organized- AP, ARU, GUJ, KAR, MP, MAH, ORI, RAJ, & TN)

*Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.48.

Table No.4.9.37 shows the progress of electricity co-operative in India. Number of societies stood at 48, which spread over 8050 villages with electrified village numbers stood at 6217. As well as villages electrified during the 2002-03 were 691 thousands.

Total membership of these societies was 9,46,348, of which societies member were 39,879 in 2002-03. Working capital of these societies was Rs.3772.3 million in 2002-03. Connection at the end of year given by societies stood at 839.81 thousands, of which connection provided to agriculturists was 229,309 thousand, industrial 23,178 thousands, domestic and commercial was 434,764 thousands, and other was 86,285 thousands during the year 2002-03. Therefore growth rate showed that there is not such a increase or progress have made during 2001-02 to 2002-03 even working capital and connection indicated a negative trend, -3.31 and -6.04, respectively.

Table No. 4.9.38- Progress of Member Education Program Activity-Wise.*

Year/ Items	Total Personnel Trained	General Education Program	Women Education Program	Youth Education Program	UDS**	Handloom	Handicraft	Industrial
1994-95	1509307	1123979	102868	199589	59131	10174	4071	9495
	(--)	(--)	(--)	(--)	(--)	(--)	(--)	(--)
1995-96	1535852	1136122	138165	163882	72235	10055	4544	10251
	(1.75)	(1.08)	(34.31)	(-17.89)	(22.16)	(-1.17)	(11.62)	(7.96)
1996-97	1142434	984537	107578	163882	72235	10055	3055	10251
	(-25.61)	(-13.34)	(-22.13)	(0.00)	(0.00)	(0.00)	(-32.76)	(0.00)
1997-98	1182532	831327	109217	125595	91559	106959	4544	11084
	(3.51)	(-15.72)	(1.52)	(-23.36)	(26.75)	(6.36)	(48.74)	(8.12)
2000-01	1158162	794449	103207	143629	318152	10466	3730	9549
	(-2.06)	(-4.43)	(-5.50)	(14.36)	(247.4)	(-2.14)	(-17.91)	(-13.84)
2001-02	1407281	752838	119538	130251	392864	11790	N.A.	N.A.
	(21.50)	(-5.23)	(15.82)	(-9.31)	(23.48)	(12.65)	(--)	(--)
2004-05	1470806	816413	125838	144850	383715	N.A.	N.A.	N.A.
	(4.51)	(8.44)	(5.27)	(11.20)	(-2.32)	(--)	(--)	(--)
2005-06	1592177	829902	176808	114235	471232	N.A.	N.A.	N.A.
	(8.25)	(1.65)	(40.50)	(-21.13)	(22.80)	(--)	(--)	(--)

** UDS- Under Developed States/Areas.

*Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.49.

Table No.4.9.38 shows the progress of member education program activity-wise in India. Total personnel trained through these education program activities increased from 1509370 to 1592177 during the same period; therefore, the growth rate was fluctuating. General education program trained 829902 personnel, women education program trained 176808 personnel and youth education program trained 114235

personnel during the year 2005-06. Growth rate shows fluctuating trend over the period. Education program activity have a great importance to enlighten the member with the principles of co-operation and to motivate them for selfless work whereas it is observed that this activity not paying such attention towards this. Under developed states or areas program had taken place in 2005-06 at 471232 places to trained personnel.

4.9.1- Co-operation and Women in India- Co-operative societies for women were organized with object to encourage the habit of thrift among them and to provide subsidiary occupation of the nature of cottage industries such as- hosiery, knitting, printing of cloth, production of ready-made garments, leather works, preparation of toys and articles of food such as pickles, condiments, jams, etc. Mostly the member of these societies belong to the lower middle class families in the towns, engage themselves in these occupations during their spare time and the societies arrange to sell their products.¹

Table No. 4.9.39- Growth of Women Co-operatives in India.*

(Membership in Thousand & Value Rs. in Million)

Year/ Item	No. of Societies	Membership	Share Capital	Working Capital	Turnover
1994-95	7195	591.7	150.5	1478.9	592.6
	(--)	(--)	(--)	(--)	(--)
1995-96	8171	692.6	179.3	1408.1	811.3
	(13.56)	(17.05)	(19.33)	(-4.78)	(36.99)
1997-98	8714	897.8	204.2	2041.4	984.5
	(6.64)	(29.62)	(13.96)	(44.97)	(21.33)
1998-99	8006	828.6	157.9	1167.9	922.0
	(-8.12)	(-7.71)	(-22.67)	(-42.78)	(-6.30)
1999-00	11354	1016.2	160.4	719.9	1186.9
	(41.81)	(22.64)	(1.58)	(-38.36)	(28.73)
2000-01	11399	978.4	289.6	714.5	1177.1
	(0.39)	(-3.74)	(80.62)	(-0.75)	(-0.82)
2001-02	12150	996.2	295.2	838.1	1414.1
	(6.58)	(1.84)	(2.07)	(17.36)	(20.13)
2002-03	12520	1019.5	219.6	1398.6	1415.4
	(3.04)	(2.31)	(-25.76)	(66.83)	(0.07)
2003-04	12421	1257.3	220.6	1272.0	1410.8
	(-0.79)	(23.35)	(0.45)	(-9.01)	(-0.35)

*Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.50.

Table No. 4.9.39 shows the growth of women co-operatives in India. Number of women co-operative was 7195 in 1994-95 increased up to 12421 in 2003-04. Growth rate of societies showed a declining trend 13.56 to -0.79. Membership of these societies

1. Momeria C.B., Saksena R.D., "Co-operation in India", Kitab Mahal, Allahabad, 1973. P.376.

increased from 591.7 to 1257.3 during the same period, therefore, the growth rate was uneven. Share capital increased from Rs.150.5 million to Rs.220.6 million, working capital increased from Rs.1478.9 million to Rs.1272.0 million during 1994-95 to 2003-04 regarding to share capital and working capital growth rate was fluctuating during the same period. Total turnover of women co-operatives was Rs.592.6 million in 1994-95 increased by Rs.1410.8 million in 2003-04, therefore, growth rate was not even and negative in 1998-99, 2000-01 and 2003-04, -6.30, -0.82 and -0.35, respectively.

4.10- SUMMARY - The beginning of the Co-operative movement in India dates back to about 1904 when official efforts were initiated to create a new type of institution based on the principles of co-operative ideology. Co-operative institutions considered to be solution for the problems particularly to the Indian conditions concerning to over-all rural development. Co-operatives are the vast and powerful instrument which engaged in the tasks of production, processing, marketing and distribution, servicing and banking in Indian economy. Co-operation has shown its effectiveness in various fields like removal of poverty by reducing member's indebtedness, lowering interest rates, increasing productivity and thrift, lowering of the cost of necessary members, arranging disposal of their produce and discouraging unnecessary social expenditure. It has done something to raise the standard of living. It has increased country's banking facilities. It has given the people hope. In all these directions and in others, co-operation has made more or less progress, although it has so far admittedly affected only border of the situation.

In brief, it may be observed that- the co-operatives in different sectors function more or less in isolation and do not lend sufficient support to one another. Except in the sphere of credit, the principle of federalism has not been significant developed within the respective sectors themselves. There has been inadequate linking of credit with supplies, services, thrift and marketing, etc. the initiative still comes from the Government and not from the people. The dynamism that is associated with the term 'movement' is still lacking to an appreciable degree. Primary Societies concern themselves only with credit. The area of operation is either too small or enable the society to be viable, or too big to ensure mutual knowledge and social cohesion. A rigid adherence to principles of unlimited liability had kept some of the solvent farmers from such societies. There has

been a lack of co-ordination on the part of the central banks with the societies on the one hand and apex bank on the other. The general lack of education and the inadequacy are the important causes of the unsatisfactory record of co-operation in India.

In the context of economic reforms introduced since 1991, sound, healthy and competitiveness have become very important for co-operatives. In the arouse of economic reforms quality is more important than quantity so emphasis on excellent quality management, technology up gradation, cost minimization measures which increases profitability, professionalism, and base of financial resource have utter importance. The co-operatives in the contest economic reform should make themselves viable and sustainable to accept challenges and to overcome on it effectively.

Mutual Aided Co-operative Societies Act of 1995, by government of Andhra Pradesh, marked a significant step towards reform to govern and regulate mutually aided co-operatives, which promote democratic nature, self-reliant and member centric atmosphere without any State involvement or financial support from State. Similar legislation passed by other state too (viz. Bihar, Chhattisgarh, Jammu and Kashmir, Jharkhand, Karnataka, Madhya Pradesh, Orissa and Uttaranchal). The number of co-operatives registered under the new Act increasing slowly, and the conversion from old to new Act mostly takes place in commodity co-operatives. However, most of the existing co-operatives remain themselves attached with the old law.

CHAPTER V- CO-OPERATIVE MOVEMENT IN MAHARASHTRA

5.1- INTRODUCTION- In India, out of total population 70 per cent of the population lives in rural areas. Majority of the population depends on agricultural. Hence development of agriculture, agro-based industries, employment generating activities, infrastructure facilities like roads, drinking water, water for irrigating the crops, electricity, telephones, markets, etc. form part of the rural development. After the independence, national policy of India reaffirmed their faith in the co-operative movement as a vital instrument for economic development and as a vehicle of social change and social justice.

Agriculture is the main dealing of the farmers in state of Maharashtra. But farmers have been facing a number of socio-economic problems. Such as- lack of credit availability for small farmers, persecution by moneylenders, inability to repay debts following crop loss, high interest rate charged by the moneylenders, rising cost of the cultivation. However, the agriculture sector has been witnessing low growth and productivity, non-remunerative prices for the produce, input and output marketing constraints, institutional credit, insurance, infrastructure and investment. These have resulted in poor performance of the sector in spite of healthy overall economic growth.

As per the lines of the Central Government, Maharashtra Government has also identified the importance of the co-operative movement as the best source through which to apply it for rural development, people's empowerment and poverty alleviation programme. The basic nature of the co-operative societies is to encourage the 'values of self-help, democracy, equality, and solidarity. Co-operative members believe in the ethical values of honesty, openness, and social responsibility and caring for others. The movement was welcomed with great enthusiasm, the movement teaches the ordinary farmers, downtrodden community and landless laborers to live with prestige and self-confidence. Co-operative movement helps in all round development of the rural areas, which can possible through unity, trustworthiness and consistency of membership. The government hopes that the revival is successful co-operative societies could well become the biggest employer in the country and will create new employment opportunities for the people, especially, in rural areas.

The co-operative movement in Maharashtra has played a significant role in the social and economic development of the state particularly in the rural areas. Initially, this movement was confined mainly to the fields of agricultural credit. Later it rapidly spread to other fields like agro-processing, agro-marketing, rural industries, consumer stores, social services, etc. Progress of co-operative movement in the last four decades showed increase more than four times. The co-operatives in Maharashtra have a political, historical, social and cultural heritage. It is particularly strong in Western Maharashtra as the independent movement and the leaders from Pune, Mumbai and Ahmednagar initiated social reforms. Due to favorable climate conditions, soil and the development of irrigation facilities Maharashtra made good progress in sugarcane and sugar production through the help of co-operative sugar factories. The Pravara Sugar Co-operative Factory Ltd., established in 1949, made a success.

Agriculture is the leading activity of the rural area of the Maharashtra. Agriculture occupies main location for survival of the largest population of Maharashtra State. Informal credit market of Maharashtra which is dominated by moneylenders is quite more active in rural areas. With the commercialization of agriculture, rural indebtedness further increased and by the end of the nineteenth century, the agricultural and artisans became almost totally subjected to the control of usurious moneylenders. In the State of Maharashtra agriculturists faces several problems- small holding, indebtedness, lack of irrigation facilities, low productivity, etc. During the early days the rural credit societies could not satisfy the needs of the farmers. They did not have enough funds or facilities to offer to the farmers. Thus the farmers continued to rely on the money lenders and suffer. Money lender not only lends money for his seeds, fertilizers, insecticides etc. but also provides him credit for his household needs and when the crops are harvested the trader also markets the crops at low rate. In fact, moneylenders proved to be the most common and easy source of loans for the farmer (28.4%), followed by loans procured by relatives (22.93%) while only (3.94%) turned to land development banks. Co-operatives played a crucial role to fulfill these needs of the farmers. Co-operative societies support for purchase of seeds, fertilizers, insecticides etc. they also provide several services such as marketing, processing, storage, credit, transport etc. Co-operatives in fact supports to the poor and marginal farmers. However, due to small size of the co-operative societies they

could not provide adequate services to their members. The Government therefore gave financial assistance to these societies and thus increased their borrowing capacity. Crop Loan System has also been introduced. The government has introduced various schemes to improve the economic conditions at the rural level i.e. subsidy to agricultural credit stabilization fund, contribution to risk fund, share capital contribution, loans to co-operative credit societies for the conversion of loans from short term to medium term and crop production incentive to agriculturists.

In the rural areas, way back in 1930, the farmers were illiterate and distressed by poverty. There were adversities, helplessness, famines, indebtedness and domination by moneylenders. The rural economy gradually became dependent on an informal credit market dominated by moneylenders known as Mahajan. With the commercialization of the agriculture under the green revolution rural indebtedness more increased.

Co-operative society's render various services to the agriculture and non-agriculture sector (viz. industrial, housing, labor, etc.) in Maharashtra State. Co-operative societies create an encouraging environment, spirit of competition and support economic activities in the rural areas, which promote participation of rural people in sustaining development in the rural areas.

5.2- STRUCTURE OF CO-OPERATIVES IN MAHARASHTRA-

India is a union of States. Co-operation is a State subject, i.e. falling within the scope of State legislation. Each State has its Co-operative Societies' Act, as Maharashtra State Co-operative Societies Act, 1961, regulating the working of the co-operative movement in Maharashtra.

Co-operative credit structure has vital institutional arrangement for the development of agriculture and allied sectors in Maharashtra State economy, especially in rural. Co-operative credit structure in Maharashtra is a three tier structure. Co-operative credit is divided in two type's short and medium term and long term credit. Short and medium term credit structure consists with three tiers- at the apex level there is State co-operative bank, at the district level there is Central co-operative bank, and at the village or gross root level there is Primary Agricultural Credit Societies.

The Short Term loan is made available for a period of 12 to 15 months for meeting the cost of expenditure during the agricultural season. Medium Term loan is

given for a period of up to five years for the purchase of bullocks, carts, repairs to old wells etc. Thus the agricultural credit reached accurate to set their needs through the Primary Agricultural Credit Societies (PACS).

There is a separate structure for providing Long term agricultural credit, i.e. Maharashtra State Co-operative Agriculture and Rural Development Bank (MASCARD) at the apex level, its branches at district level and sub branches at talula level. Such loans granted by central Co-operative Land Mortgage Banks at the State level and their affiliated Primary Land Mortgage Banks at lower levels. The Long Term Loans are granted for period exceeding five years mainly for sinking of wells, permanent fencing, purchase of land, purchase of heavy agricultural machinery like tractors etc as well as for lift irrigation schemes.

Table No. 5.2.1 - Progress of the Co-operative Movement in Maharashtra.

(Membership in Lack & Rs. in Crore)

Items	1961	1971	1981	1991	2001	2005	2006	2007
No. of Societies	31565	426029 (34.96)	60747 (42.69)	104620 (72.22)	158016 (54.04)	184390 (16.69)	192797 (4.56)	200740 (4.12)
No. of Members	42	86 (104.76)	148 (72.09)	270 (82.43)	430 (59.26)	458 (6.51)	464 (1.31)	476 (2.58)
Share Capital	53	238 (349.05)	600 (152.10)	1957 (226.16)	7560 (286.30)	11186 (47.96)	12329 (10.22)	12565 (1.91)
Of which Govt.	8	39 (387.50)	105 (169.23)	385 (266.66)	1150 (198.70)	1646 (43.13)	2367 (43.80)	2435 (2.87)
Own Funds	73	345 (372.60)	1207 (249.85)	3935 (226.01)	17770 (351.58)	31626 (77.97)	34665 (9.61)	36366 (4.90)
Deposits	76	315 (314.47)	1939 (515.55)	11048 (469.78)	74462 (573.98)	110943 (48.99)	109635 (-1.17)	99792 (-8.97)
Working Capital	326	1490 (357.05)	5210 (249.66)	24713 (374.34)	134441 (444.01)	179502 (33.52)	200265 (11.56)	202207 (0.97)
Loans Advanced	95	348 (266.31)	1116 (220.68)	6300 (464.51)	43392 (588.76)	62592 (44.24)	61186 (-2.24)	82450 (34.75)
Audit Classification-								
A	3110	3600	3671	4966	N.A.	6068	6420	5457
B	10921	12343	11670	13581	N.A.	15437	14251	12884
C	7515	16122	18854	17058	N.A.	12746	15269	13777
D	3088	3886	3477	862	N.A.	3654	4129	3739
Not Classified	291	865	774	4006	N.A.	1185	912	833
Not Audited	6640	5787	22301	67747	N.A.	104619	104400	111710
Not due of Audit	-	-	-	-	N.A.	2199	4744	3542

Source- Co-operative Movement at a Glance in Maharashtra, 2007. Commissioner for Co-operation & Registrar of Co-operative Societies, Maharashtra State, Pune.

Table No. 5.2.1 gives the statistical information about the progress of co-operative movement in Maharashtra for last four and half decades. Number of co-operative societies has increased more than six times by 2007 compare as to 1961;

growth rate was fluctuating but positive. As well as the members of these societies increased more than ten times 42 lacks to 476 lacks during the same period even growth rate trend was declining. Share capital increased from Rs.53 crore to Rs.12565 crore during 1961 to 2007, which was participated by government as Rs.8 crore in 1961 increased up to Rs.2435 crore in 2007, therefore, growth rate shown a declining trend over the period. Working capital which stood on Rs.326 crore in 1961 increased by Rs.20227 crore in 2007. Owned funds increased from Rs.73 crore to Rs.36366 crore during 1961 to 2007 and advances have also increased, while the loans advanced have increased to a large extent as Rs.95 lacks in 1961 to Rs.82450 lacks in 2007. Therefore, growth rate trend over the period concern to own funds, deposits, working capital and loans advanced showed fluctuations. Audit classification shows the financial health of the co-operatives that a large number of co-operatives appear in 'B' and 'C' category shows financial average condition, co-operatives under 'D' category shows bad financial health of the co-operatives. Even, not classified and not audited co-operative are also in large number. Therefore, number of societies in A and B category showed increasing trend.

Table No. 5.2.2 - Sector-wise Numbers and Members of Co-operatives Societies.*

(Membership in Lacks)								
Items	1961	1971	1981	1991	2001	2005	2006	2007
I] No. of Agril. Credit Societies-	21438	20453	18605	19597	20585	21124	21195	21271
		(-4.59)	(-9.03)	(5.33)	(5.04)	(2.62)	(0.33)	(0.36)
Members-	22.55	38.83	64.47	90.07	114.96	119.81	122.62	124.28
		(72.19)	(66.03)	(39.71)	(27.63)	(4.04)	(2.34)	(1.35)
II] Non- Agril. Credit Stys-	1631	2966	5477	11293	22014	26147	26191	26631
		(81.85)	(84.66)	(106.19)	(94.93)	(18.77)	(0.17)	(1.68)
Members-	10.87	24.38	37.59	93.02	184.68	192.56	202.28	200.27
		(124.28)	(54.18)	(147.46)	(98.54)	(4.26)	(5.15)	(-0.99)
III] Marketing Societies-	344	410	423	931	1115	1314	1380	1451
		(19.18)	(3.17)	(120.09)	(19.76)	(17.84)	(5.02)	(5.14)
Members-	1.41	2.82	4.71	7.47	8.40	10.76	11.05	16.72
		(100.0)	(67.02)	(58.60)	(12.45)	(28.09)	(2.69)	(51.31)
IV] Productive Enterprises-	4306	6810	14327	28980	39070	41699	42892	44401
		(58.15)	(110.38)	(102.27)	(34.80)	(6.73)	(2.86)	(3.52)
Members-	3.23	9.59	21.24	41.49	63.39	67.70	68.63	71.33
		(196.90)	(121.48)	(95.34)	(52.78)	(6.80)	(1.37)	(3.93)
V] No. of Social Service Societies-	3846	11964	21915	43819	75232	94106	101139	106986
		(211.07)	(83.17)	(99.95)	(71.69)	(25.08)	(7.47)	(5.78)
Members-	3.94	10.3	19.99	34.12	58.79	67.39	60.57	63.01
		(163.45)	(92.58)	(70.68)	(72.30)	(14.63)	(-10.12)	(4.03)
VI] Total Societies-	31565	42603	60747	104620	158016	184390	192797	200740
		(34.97)	(42.69)	(72.22)	(51.04)	(16.69)	(4.56)	(4.12)
Members-	42	86	148	266.17	430.22	458.22	465.15	475.61
		(104.76)	(72.09)	(79.73)	(61.65)	(6.51)	(1.53)	(2.15)

* Co-operative Movement at a Glance in Maharashtra, 2007. Registrar of Co-operative Societies, Maharashtra State, Pune.

The above **Table No.5.2.2** shows the Sector-wise progress of the co-operative movement in Maharashtra State from 1961. Agricultural Credit Societies decreased from 21438 in 1961 to 21271 in 2007, and membership increased from 22.55 lacks to 124.28 lacks respectively. Non-Agricultural Credit societies increased from 1631 in 1961 to 26631 in 2007, with membership 10.87 lacks to 200.27 lacks respectively. Marketing Societies increased from 344 in 1961 to 1451, with the members 1.41 lacks to 16.72 lacks respectively. Productive Enterprises increased from 4306 in 1961 to 44401 in 2007, with members 3.23 lacks to 71.33 lacks in 2007. Social Services increased from 3846 in 1961 to 106986 in 2007, with members 3.94 lacks to 63.01 lacks respectively. Total Societies increased from 31565 in 1961 to 200740 in 2007, more than six times, with the membership 42 lacks to 475.61 lacks, respectively, in short total members increased by nearly eleven times. However, the progress of the co-operatives is uneven, as well as these societies have suffered from various weaknesses. Co-operatives are affected with lack of funds, failing to raise deposits, imperfect management and unskilled staff, lack of dedicative leadership, etc.

Table No. 5.2.3 - Comparative Statistics of Co-operative Societies in the State.

(Rs. in Crore)

Item	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
No. of Societies	158016	165789 (4.9)	173402 (4.6)	185478 (3.1)	184390 (3.1)	192797 (4.6)	200740 (4.1)
No. of Members	430	439 (2.1)	476 (10.7)	451 (-5.2)	458 (1.6)	465 (1.5)	476 (2.3)
Share Capital	7560	10677 (41.2)	12865 (20.5)	10818 (-15.9)	11186 (3.4)	12329 (10.2)	12565 (1.9)
Deposits	74462	83334 (11.9)	96196 (15.4)	100961 (5.0)	110943 (9.9)	109635 (-1.2)	99792 (-8.9)
Working Capital	134440	149697 (11.3)	172864 (15.5)	170466 (-1.39)	179502 (4.6)	200265 (11.6)	202207 (0.9)
Advances (Net)	43392	58724 (35.3)	55133 (-6.1)	58637 (6.4)	62592 (6.7)	61186 (-2.2)	57288 (-6.3)
Stys. In Profit- i) Number-	52928	58432 (10.4)	62573 (7.1)	60452 (-3.4)	61925 (2.4)	62236 (0.5)	62880 (1.0)
ii) Profit (Amt)-	1302	1463 (12.4)	1820 (24.4)	2255 (23.8)	2315 (2.7)	2261 (-2.3)	2067 (-8.5)
Stys. In Loss- i) Number-	41002	41728 (1.8)	44433 (6.5)	43669 (-1.7)	45752 (4.8)	51213 (11.9)	51575 (0.7)
ii) Loss (Amt.)-	943	1497 (58.7)	2409 (61.7)	3063 (27.2)	3362 (9.8)	3626 (7.8)	3361 (-7.3)

(Note- Bracket shows the percentage increase (+) or decrease (-) during the year.)

Source- Co-operative Movement at a Glance in Maharashtra, 2007. Commissioner for Co-operation & Registrar of Co-operative Societies, Maharashtra State, Pune.

Table No. 5.2.3 shows the comparative statistics of the co-operatives in the State of Maharashtra during last seven years. Numbers of societies stood at 158016 in 2000-01 increased position 200740 in 2006-07, but the percentage growth remain same as 4.9% to 4.12%, respectively. Membership of the co-operatives increased by 476 lacks in 2006-07 as compare to 430 lacks in 2000-01, growth rate was very small 2.1% to 2.37%. Share capital showed fluctuation during these seven years. Growth in Deposit mobilization was also not satisfactory which decreased 8.7% in 2006-07. Working capital shown progress in amount as it was Rs.134440 crore in 2000-01, increased put Rs.202207 lacks in 2006-07, but growth percentage showed decrease 11.3% to 0.9%, respectively. Net advanced by co-operatives showed little progress Rs.43392 lacks 2000-01 increased Rs.57288 lacks in 2006-07, there was negative growth 35.3% in 2001-02, decreased -6.37% in 2006-07. Number of co-operatives in profit decreased from 52928 in 2000-01 to 62880 in 2006-07, amount of profit was Rs.1302 lacks in 2000-01 increased put Rs.2067 lacks in 2006-07, shows negative progress 12.4% to -8.5%. Number of societies in loss increased from 41002 in 2000-01 to 51575 in 2006-07, percentage of societies in loss decreased by 1.8% in 2001-02 to 0.7% in 2006-07. However, the amount of loss increased from Rs.943 lacks in 2000-01 to Rs.3361 lacks in 2006-07, but the percentage decreased from 58.7% in 2001-02 to -7.3% in 2006-07, shows a good sign.

Table No. 5.2.4 - Plan-wise Outlay & Expenditure on Co-operatives in Maharashtra.

(Rs. in Crore)

Financial Year/State Plan	1980-81	1990-91	2000-01	2001-02	2002-03	2005-06	2006-07
District Level Scheme- No.	16	30	-	-	-	7	7
		(87.50)					(0.00)
Outlay-	2.98	40.35	11.59	34.13	80.53	9.55	23.79
Expenditure-	3.20	23.11	17.01	9.57	6.53	9.60	26.79
		(622.18)	(-26.35)	(43.74)	(-33.33)	(50.00)	(179.06)
State Level Scheme- No.-	15	24	-	-	-	5	5
		(60.00)				(0.00)	(0.00)
Outlay-	3.70	11.57	281.94	6.36	28.18	6.24	6.39
Expenditure-	6.15	16.27	11.67	7.25	4.13	9.40	5.33
		(164.55)	(-29.27)	(-37.87)	(-43.03)	(127.60)	(-43.30)
Central Sponsored- No.-	6	13	-	-	-	-	-
		(116.66)					
Outlay-	8.14	22.93	.50	1.00	.60	-	-
Expenditure-	8.30	1.32	.48	.99	-	-	-
		(-84.09)	(-63.63)	(-81.25)			

(Continue...)

N.C.D.C.- No.-	10	10	-	-	-	-	-
		(0.00)					
Outlay-	2.88	2.88	39.55	142.88	14.00	-	-
		(0.00)	(1273.26)	(261.26)	(-90.20)		
Expenditure-	2.13	2.13	50.28	137.90	18.17	-	-
		(0.00)	(2260.56)	(174.26)	(-86.82)		
All Schemes- No.-	57	78	-	-	-	12	12
		(36.84)					(0.00)
Outlay-	17.86	100.27	333.58	184.37	123.32	30.19	30.19
		(2260.56)	(232.68)	(-44.73)	(-33.11)	(-75.52)	(0.00)
Expenditure-	19.80	45.86	79.47	155.93	28.83	32.13	32.13
		(131.61)	(73.29)	(96.21)	(-81.51)	(11.44)	(0.00)

Source- Co-operative Movement at a Glance in Maharashtra, 2007. Commissioner for Co-operation & Registrar of Co-operative Societies, Maharashtra State, Pune.

Table No. 5.2.4 shows the plan-wise outlay and expenditure on co-operatives in Maharashtra. State Plan consists with District level schemes, State level schemes, Central sponsored schemes and National Co-operative Development Corporation assisted schemes on co-operatives in Maharashtra State. These all sections of the economy spend on co-operatives through their plan outlays. Number of schemes of all sections has decreased from 57 in 1980-81, 78 in 1990-91 to 12 in 2005-06 and 12 in 2006-07. Out of all Plan-outlays District level outlays shown increasing trend during the last 25 years. Concern to all schemes plan outlays shows fluctuating trend it was highest as Rs.333.58 crore in 2000-01 and lowest Rs.17.86 crore during 1980-81 increased up to Rs.30.19 during 2006-07, therefore, after the economic reforms the government assistance or schemes showed decreasing trend in numbers and in growth rate, outlay showed that economic reform policy decreased amount and growth rate was negative during this period, which is reflected in decreased expenditure and its growth rate. Expenditure on co-operatives in Maharashtra through all schemes increased from Rs.19.80 crore in 1980-81 to Rs.32.13 crore in 2006-07. As the co-operative societies in Maharashtra state works at grassroots level for rural development.

Table No. 5.2.5 - Share of Co-operatives Department in the Maharashtra State Plan.

(Rs. in Crore)

Five Year Plan Period	Maharashtra State Expenditure	Co-operative Dept. Expenditure	Percentage
2 nd Plan (1956-61)	266.30	8.36	3.14
3 rd Plan (1961-66)	434.73 (63.25)	24.40 (191.86)	5.61
4 th Plan (1969-1974)	1,004.51 (131.06)	60.14 (146.47)	5.99

(Continue...)

5 th Plan (1974-1979)	2,660.13 (164.82)	64.50 (7.25)	2.42
6 th Plan (1980-1985)	6,538.24 (145.78)	147.38 (128.49)	2.25
7 th Plan (1985-1990)	10,454.90 (59.90)	148.89 (1.02)	1.42
8 th Plan (1992-1997)	18,520.00 (77.16)	263.00 (76.64)	1.42
9 th Plan (1997-2002)	63,056.00 (240.47)	478.58 (81.97)	0.77
2002-2003	11,135.37 (-82.34)	28.83 (-94.14)	0.26
2003-2004	12,052.50 (8.23)	109.99 (281.51)	0.91
2004-2005	10,020.0 (-16.86)	543.74 (394.35)	5.43

Source- Co-operative Movement at a Glance in Maharashtra, 2005. Commissioner for Co-operation & Registrar of Co-operative Societies, Maharashtra State, Pune.

Table No.5.2.5 shows the share of co-operation department in Maharashtra State in Five Year Plan period. The percentage of co-operative department expenditure in Maharashtra State expenditure is decreased over the plan period, second plan to ninth plan period. In 2nd Plan Maharashtra State expenditure was Rs.266.30 crore, and co-operative department expenditure was Rs.8.36 crore, 3.14% to State expenditure. It was decreased by every plan period up to 9th Plan. During the 8th and 9th Plan period, which is comes under the financial reforms, shows very less percentage of co-operative department expenditure, 1.42% and 0.77%, respectively. However, the amount of expenditure by Maharashtra State increased from Rs.18,520 crore to Rs.63,056 crore during 8th to 9th Plan the reform period, as reform process introduced to Indian financial system after 1992. Expenditure of co-operative department also increased from Rs.263.00 crore to Rs.478.58 crore during 8th and 9th Plan period.

Private Moneylenders- The Maharashtra State Government allowed private moneylenders to disburse loans to persons. The license that authorizes private moneylenders to disburse loans is issued by Commissioner of Co-operation. These both sections formal and informal are existed in the rural areas of the Maharashtra State. The following table shows the details related to the particulars of moneylenders in the State-

Table No. 5.2.6- Particulars of Private Moneylenders in Maharashtra.

(Rs. in Crore)

Particulars	As on 31 st March 2007	As on 31 st March 2008	% Change
License Holders (No.)	8,109	7,801	-3.8
New License Issued (No.)	1,431	1,212	-15.3
Renewed License (No.)	7,072	7,089	0.2
License Cancelled (No.)	656	699	6.6
No. of loaned Members-			
Cultivators-	1,10,700	1,45,463	76.6
Others-	2,65,828	2,80,498	5.5
Loans Disbursed-	537.61	588.19	9.4
Loans Recorded-	322.64	370.73	14.9
Loans Overdues-	205.67	233.20	13.4

Source- Economic Survey of Maharashtra, 2008-09. Originated from Commissioner of Co-operation, Government of Maharashtra.

Table No. 5.2.6 shows the particulars about private moneylenders in State of Maharashtra. There were 8,109 license holder moneylender provide loans to the individuals decreased by 3.8% in 2008, as 7,801 numbers. Number of loaned member (cultivators & other members) increased from 1,10,700 to 1,45,463 (76.6%) and 2,65,828 to 2,80,498 (5.5%) during the year March 2007 to March 2008, respectively. Loans disbursed amount increased from Rs.537.61 crore to Rs.588.19 crore during 2007-2008, the growth was 9.4%. As well as the loans recorded also increased from Rs.322.64 crore to Rs.370.73 crore, 14.9%, during 2007-2008. However, the loans overdues also increased from Rs.205 crore to Rs.233.20 crore, 13.4%, during the same period 2007-2008.

5.3- AGRICULTURAL CO-OPERATIVE CREDIT SOCIETIES-

The co-operative movement mainly developed as far as to provide agricultural finance which was extremely important for the rural sustainability. Agricultural finance consists with two parts; one is dealing with short and medium term credit and the other in long-term credit. The former is based on a three-tier system. Primary agricultural co-operative societies at the village level form the base at grass root level, which federate into central co-operative banks at district level, which in turn federate into an apex bank serving the entire State. As well as for long-term credit, there is a central land mortgage bank for each State at the apex level and primary land mortgage banks at taluka or district level.

I] Maharashtra State Co-operative Bank (Apex Bank) - The State Co-operative Bank, which is at the top of the credit structure, is also called as the Apex bank. Its functions are to co-ordinate and to guide the working of the Central Co-operative Banks and to arrange re-finance facilities for them. The Maharashtra State Co-operative Bank thus acts like a supervisory body at the top of the structure and create an atmosphere to spread the co-operative movement on large.

Table No. 5.3.7 - Progress of the Maharashtra State Co-operative Bank Ltd.

(Rs. in Lacks & Members in Thousands)

Item	1961	1971	1981	1991	2001	2006	2007
No. of Branches	20	24 (20.00)	44 (83.33)	43 (-2.27)	53 (23.25)	53 (0.00)	53 (0.00)
Members	11	16 (45.45)	16 (0.00)	26 (62.50)	33 (26.92)	55 (66.66)	61 (10.91)
Share Capital	326	826 (153.37)	1103 (33.53)	2816 (155.30)	9586 (240.41)	22480 (134.50)	26535 (18.04)
Owned Funds	425	1885 (343.53)	8254 (337.88)	28922 (250.40)	97555 (237.30)	231702 (137.51)	279279 (20.53)
Deposits	2153	9332 (333.44)	42994 (360.69)	209362 (386.95)	913582 (336.36)	1363542 (49.25)	1407391 (3.21)
Working Capital	5254	18741 (256.70)	54483 (190.71)	310125 (469.21)	1314698 (323.95)	1874191 (42.55)	2108179 (12.48)
Loans Advanced	7785	33233 (326.88)	125104 (276.44)	213016 (70.84)	846649 (297.46)	751462 (-11.24)	886187 (17.93)
Outstanding Loans	3742	14190 (279.20)	31076 (119.00)	217314 (599.30)	834491 (284.00)	763429 (-8.51)	1001038 (31.12)
Loans Overdues	84	207 (146.43)	2246 (985.02)	6171 (174.75)	67888 (1000.11)	147165 (116.77)	124341 (-15.51)
% of Overdues to Outstanding	2.24	1.46 (-0.35)	7.23 (395.20)	2.84 (-60.72)	8.14 (186.62)	19.28 (136.85)	12.42 (-35.58)

Source- Co-operative Movement at a Glance in Maharashtra, 2007. Registrar of Co-operative Societies, Maharashtra State, Pune.

Table No.5.3.7 shows the progress of the Maharashtra State Co-operative Bank Limited from year 1961 to year 2007. Number of bank branches augmented during these decades as 20 in 1961 to 53 in 2007, membership increased for 11 to 61, respectively. Growth rate showed a fluctuating trend over the period. Share capital increased from Rs.326 lacks in 1961 to Rs.26535 lacks in 2007. Owned funds increased from Rs.425 lacks to Rs.279279 lacks. Deposits stood at Rs.2153 lacks in 1961 increased Rs.1407391 lacks in 2007. Working capital increased from Rs.5254 lacks to Rs.2108179 lacks from 1961 to 2007. Therefore, growth rate showed positive but decreasing trend during the period. Loans advanced increased put Rs.886187 lacks in 2007 compare to Rs.7785 lacks in 1961. Outstanding loans increased from Rs.3742 lacks in 1961 to Rs.1001038 lacks in 2007. Loans advanced and loans outstanding showed fluctuating trend and was minus in

year 2006. As well as loans overdues also increased from Rs.84 lacks in 1961 to Rs.124341 lacks in 2007, total amount increased even growth rate was uneven and decreased in 2007. Percentage of overdues to loans outstanding increased from 2.24% in 1961 to 12.42% in 2007 is also a serious problem with the bank.

II] District Central Co-operative Banks- There are 31 District Central Co-op. Banks in Maharashtra working with primary object to provide credit requirements to Primary Credit societies. The first such secondary level co-operative was registered in Mumbai in 1911 under the Government of India Act, 1904. Since then these Central Banks have laid the firm financial infrastructure for the co-operative movement in Maharashtra. District Central Co-operative Banks operates as the intermediate between State Co-operative Bank and Primary Agricultural Co-operative Societies.

Table No. 5.3.8 - Progress of the District Central Co-op. Banks in Maharashtra.

(Rs. in Lacks & Members in Thousands)

Item	1961	1971	1981	1991	2001	2006	2007
No. of Banks	35	35 (0.00)	26 (-25.71)	3 (15.38)	30 (0.00)	31 (3.33)	31 (0.00)
No. of Branches	N.A.	867 (-.)	1703 (96.42)	3147 (84.79)	3718 (18.14)	3689 (-0.67)	3646 (-1.60)
Members	57	55 (-3.51)	62 (12.73)	84 (35.48)	144 (71.43)	116 (-19.44)	131 (12.93)
Share Capital	653	2515 (285.14)	4563 (81.43)	18896 (314.11)	68315 (261.53)	108191 (58.37)	118441 (-82.95)
of which Govt.	199	669 (236.18)	806 (20.47)	774 (-3.97)	785 (1.42)	458 (-41.65)	458 (0.00)
Owned Funds	820	3474 (323.66)	10208 (193.84)	37587 (268.21)	240999 (541.18)	580970 (141.06)	632221 (8.82)
Deposits	2647	11323 (85.83)	58814 (419.42)	319940 (443.98)	1786285 (458.32)	2640230 (47.80)	2765725 (4.75)
Working Capital	6093	23637 (287.93)	83526 (253.37)	483492 (478.85)	2427842 (402.15)	3686387 (51.84)	4070177 (10.41)
Loans Advanced	5125	12084 (135.78)	27870 (130.63)	119196 (327.68)	2020830 (1595.38)	1331883 (-34.09)	1565606 (17.55)
Outstanding Loans	4361	17846 (309.22)	49427 (176.96)	307836 (522.81)	1358906 (342.55)	1925102 (41.66)	2225158 (60.58)
Loans Overdues	460	4452 (867.82)	14452 (224.62)	56151 (288.56)	201613 (259.05)	525995 (160.89)	553423 (5.21)
% of Overdues to Outstanding	10.5	24.9 (137.14)	29.2 (17.27)	18.2 (-37.67)	14.8 (-18.68)	27.3 (84.46)	24.8 (-9.68)

Source- Co-operative Movement at a Glance in Maharashtra, 2007. Registrar of Co-operative Societies, Maharashtra State, Pune.

Table No. 5.3.8 shows the progress of the District Central Co-operative Banks in Maharashtra. The number of banks stood 35 in 1961 decreased to 31 in 2007; reason of decreasing numbers of the banks is revitalization of the banks, growth rate was uneven during the period. However, number of branches increased from 867 in 1971 to 3646 in 2007, growth rate was uneven and negative in 2006 and 2007. Members increased by two times during 1961 to 2007, 57 to 131 respectively, therefore, growth rate showed fluctuation. Share capital increased from Rs.653 lacks in 1961 to Rs.118441 lacks in 2007, of which Government contributed from Rs.199 lacks to Rs.458, respectively. Growth rate in share capital and government contribution to share capital was also not even during the period. Deposits increased from Rs.2647 lacks in 1961 to Rs.2765725 lacks in 2007. Working capital increased from Rs.6093 lacks in 1961 to Rs.4070177 lacks in 2007. Loans advanced increased from Rs.5125 lacks in 1961 to Rs.1565601 lacks in 2007. Outstanding loans increased from Rs.4361 lacks in 1961 to Rs.2225158 lacks in 2007. Overall during 1960-2007 growth rate recorded uneven progress and fluctuating growth rate. The percentage of overdues to outstanding loans also increased from 10.5 per cent in 1961 to 24.8 per cent in 2007, due to high percentage of overdues financial health of the Central Co-operative Banks are affected seriously. However, several measures have been taken by the Government of India on the guidelines of the Vaidyanathan Committee Report 2004, to improve the performance and financial health of District Central Co-operative Banks.

III] Primary Agricultural Credit Societies (PACS) - At the grass-root level there are Primary Agricultural Co-operative Credit Societies are working for the uplift of the rural poor people. PACS play a prominent role in disbursement of short term agricultural credits mainly for seasonal agricultural operations. These institutions gives strengthen to the various agricultural operations through necessary input instruments like credit for seeds, pesticides, fertilizers, etc. The co-operative institutions are the backbone of the Indian rural society.

Table No.5.3.9- Progress of the Pri. Agricultural Credit Societies in Maharashtra.

(Membership in Thousands/ Rs. in Lacks)

Items	1961	1971	1981	1991	2001	2007
Societies-	18998	20014	18389	19491	20524	21184
		(5.35)	(-8.12)	(5.99)	(5.30)	(3.21)
Membership-	1827	3136	5391	7507	10121	11078
		(71.64)	(71.90)	(39.25)	(34.82)	(9.45)
Share Capital-	1212	5231	10691	30719	96019	151012
		(331.60)	(104.37)	(183.23)	(212.57)	(57.27)
Owned Funds-	1519	6277	13386	37914	122414	201259
		(313.23)	(113.25)	(108.40)	(222.87)	(64.41)
Deposits-	99	405	1035	2157	8792	14597
		(309.09)	(155.55)	(238.55)	(307.60)	(66.02)
Working Capital-	5668	20984	52695	178399	698768	1184927
		(270.22)	(151.12)	(238.55)	(290.20)	(69.57)
Loans Advanced-	4036	11493	24993	76855	373412	576817
		(184.76)	(117.46)	(207.51)	(385.86)	(54.47)
Loans demanded-	3990	15408	35004	127693	451903	836690
		(286.16)	(127.18)	(264.79)	(253.90)	(85.14)
Loans recovered-	3125	9224	20044	78417	276550	537895
		(195.17)	(117.30)	(291.22)	(252.66)	(94.50)
Loans Outstanding	4296	16483	38345	135192	530827	961709
		(283.68)	(132.63)	(252.56)	(292.64)	(81.17)
Loans Overdues-	865	6184	14965	49276	164498	343386
		(614.91)	(141.99)	(229.27)	(233.83)	(108.74)
% of Overdues to	20.1	37.5	39	36.4	32.2	35.7
Outstanding-		(86.56)	(4.00)	(-6.66)	(-11.53)	(10.87)
Societies in Profit-	14289	10684	9407	11992	8212	7706
		(-25.33)	(-11.95)	(27.48)	(-31.52)	(-6.16)
Societies in Loss-	4042	9114	8658	7284	12157	13415
		(125.48)	(-5.00)	(-15.86)	(66.90)	(10.34)

Source- Co-operative Movement at a Glance in Maharashtra, 2007. Commissioner for Co-operation & Registrar of Co-operative Societies, Maharashtra State, Pune.

Table No. 5.3.9 shows the progress of the Primary Agricultural Credit Societies in Maharashtra from 1961 to 2007. The number of societies stood at 18998 in 1961 increased put 21184 in 2007, growth rate shown a fluctuating trend over period. At the same time the membership increased more than five times, as 1827 thousand in 1961 to 11078 thousand in 2007, therefore, growth rate shown a declining trend over period. Share capital increased from Rs.1212 lacks in 1961 to Rs.15112 lacks in 2007, concern to growth rate of share capital it was fluctuating during the period. Owned funds of the societies rose from Rs.1519 lacks in 1961 to Rs.201259 lacks in 2007. Deposits increased from Rs.99 lacks in 1961 to Rs.14597 lacks in 2007 even growth rate was uneven. Working capital increased from Rs.5668 lacks to Rs.1184927 lacks in 2007, therefore,

growth rate fluctuated during the period. Loans advanced by societies increased from Rs.4036 lacks in 1961 to Rs.576817 lacks in 2007, which shown significant progress during the period as well as growth rate was positive but little fluctuated. Loans outstanding increased from Rs.4296 lacks to Rs.961709 lacks in 2007. However, loans overdues also increased from Rs.865 lacks in 1961 to Rs.343386 lacks in 2007, therefore, growth rate shown a declining trend over the period after all it is quite high which affected the profitability of these societies. Percentage of overdues to outstanding increased from 20.1% to 35.7% during 1961 to 2007. Societies in profit decreased from 14289 to 7706 and societies in loss increased from 4042 to 13415 during the 1961 to 2007. About sixty per cent of PACS were in loss during 2007. Without high will power and strong action towards willful defaulter always create the recovery problem.

During the 2006-07 out of total PACs were 20218, Farmers Service Societies were 21 and LAMPS were 945. Out of them 12876 PACs, 18 FSS and 584 LAMPS were viable societies. State government has partnered in 2088 PACs, 6 FSS and 725 LAMPS.

There are several reasons for weak performance of the PACS or bottleneck i.e. high overdues, lack of capability to mobilize resources, inadequate and non-availability of funds, low volume business, high cost of management, lack of diversification of business, low interest margins, lack of professionalism, etc. however, several measures have been taken to overcome these weakness, the central and state governments provided financial assistance to these PACS under Vaidyanathan package and also the loans amounting to Rs.14,089 crore of farmers were waived by the Central and State Government.¹

1. Economic Survey of Maharashtra, 2008-09.

**Table No.5.3.10- Holding-wise Short-Term and Medium Term Advances made by
Primary Agricultural Credit Societies during 2006-07.**

(Rs. in lacks/Members in 00')

Holding Range	Total Members 00'	Short Term		Medium Term	
		Borrowers	Amount	Borrowers	Members
Up to 1 hectare	27914 (29.6)	7017 (24.3)	87909 (20.4)	1657 (23.0)	28129 (21.5)
1 to 2 hectares	26913 (28.5)	7304 (25.3)	97734 (22.6)	1708 (23.6)	29391 (22.5)
Total up to 2 hec.	54827 (58.1)	14321 (49.6)	185643 (43.0)	3365 (46.6)	57520 (44.0)
2 to 4 hectares	19781 (20.9)	6981 (24.2)	96482 (22.4)	1567 (21.9)	27237 (20.9)
4 to 8 hectares	12863 (13.7)	4611 (15.9)	85469 (19.8)	1259 (17.6)	29378 (22.5)
Above 8 hectares	6908 (7.3)	2969 (10.3)	64064 (14.8)	998 (13.9)	16439 (12.6)
(A) All Holders	94379 (100.0)	28882(100.0)	431658(100.0)	7189 (100.0)	130574 (100.0)
Agricultural Laborers	8782 (61.3)	115 (27.4)	844 (24.1)	0.05 (0.1)	38 (4.9)
Tenant Cultivators	-	0	80 (2.3)	0	43 (5.5)
Others	5537 (38.7)	305 (72.6)	2571 (73.6)	38 (99.9)	695 (89.6)
(B) Sub Total	14319 (100.0)	420 (100.0)	3495 (100.0)	38.05 (100.0)	776 (100.0)
Grand Total (A+B)	108698	29302	435153	7227.05	131350

(Note- i) Medium Terms Advances are inclusive of conversion loans. ii) Rural Artisans are also included in the table.)

Source- Co-operative Movement at a Glance in Maharashtra, 2007. Commissioner for Co-operation & Registrar of Co-operative Societies, Maharashtra State, Pune.

Table No.5.3.10 shows the holding-wise short term and medium term advances made by primary agricultural credit societies during 2006-07. Percentage of the short term and medium term advanced to the members holding range up to two hectares was 28.5%, which is near about one third of the total. Two to four hectares holding range agriculturists percentage in loans advanced was 20.9%, Four to eight hectares percentage was 13.7%, and above eight hectares percentage in short and medium term loans was only 7.3%, which shows that the agricultural credit societies have shown keen interest in small range holding advances. As the agricultural credit societies advanced loan percentage to agricultural laborers was 61.3% compare to others as 38.7%.

Agriculture is the main occupation in developing country, in India 70% or two third of its population depends on agriculture. However, agricultural activities are mainly depends upon weather conditions, these features of agricultural production make assess to

financial instruments crucial. Anticipating insufficient profits, lenders such as commercial banks are not interested to establish the branches in relevant poor rural areas. This in turn, gives advantage to informal sector monopoly power to raise the interest rates which credit is not affordability to agriculturists.

IV] Maharashtra State Co-operative Agricultural and Rural Development Bank (MASCARD) - The MASCARD Bank floats debentures for making provision of long term loans to the member Banks. These debentures are purchased mainly by the State Government; however it is necessary for it to create a strong asset base so that it can secure the loans raised by it.

Table No. 5.3.11 - Progress of the Maharashtra State Co-operative Agricultural and Rural Development Bank (MASCARD)

(Rs. in Lacks & Membership in 000')

Item	1961	1971	1981	1991	2001	2006	2007
Membership	8	55 (587.50)	724 (1216.36)	1021 (41.02)	1180 (15.57)	827 (-29.91)	827 (0.00)
Share Capital Of which Govt.	51 20	887 (1639.21) 110 (450.00)	3264 (267.93) 603 (448.18)	5436 (66.54) 493 (-18.24)	8993 (65.43) 493 (0.00)	4471 (-50.28) 493 (0.00)	4471 (0.00) 493 (0.00)
Owned Funds	53	1051 (1883.01)	4631 (340.62)	14109 (204.66)	71653 (407.85)	49137 (-31.42)	44144 (-10.16)
Total Borrowings	638	14511 (2174.45)	20500 (41.27)	61293 (198.99)	105694 (72.44)	110938 (4.96)	110843 (-0.08)
Working Capital	746	15752 (2011.53)	32650 (107.27)	83710 (156.38)	136368 (62.90)	151328 (10.57)	163799 (8.24)
Loans Advanced	215	1880 (774.42)	5417 (188.14)	12438 (129.61)	948 (-92.37)	0 -	13 -
Loans Recovered	44	745 (1593.18)	2652 (255.97)	7369 (177.86)	9664 (31.14)	3404 (-67.77)	50238 (1375.85)
Loans Outstanding	576	11556 (1906.25)	23003 (99.05)	60550 (163.22)	84221 (39.09)	114518 (25.51)	130280 (13.76)
Loans Overdues	23	686 (2882.61)	3271 (376.82)	7174 (119.32)	23635 (229.45)	50083 (111.90)	108905 (117.45)
% of Overdues to Outstandings	4	6 (50.00)	14 (133.33)	12 (-14.28)	28 (133.33)	44 (57.14)	84 (90.91)

Source- Co-operative Movement at a Glance in Maharashtra, 2007. Commissioner for Co-operation & Registrar of Co-operative Societies, Maharashtra State, Pune.

Table No. 5.3.11 shows the progress of the Maharashtra State Co-operative Agricultural and Rural Development Bank (MASCARD) from year 1961 to year 2007. Membership of the bank increased commencing 8 to 827 within 1961 to 2007. Increase in share capital was Rs.53 lacks in 1961 to Rs.4471 lacks in 2007, which is contributed by

Government Rs.20 lacks in 1961 and Rs.493 lacks in 2007. Owned funds increased from Rs.53 lacks in 1961 to Rs.44144 lacks in 2007. However, loans advanced shown fluctuations and decrease from 2001. Recovery performance was satisfactory as Rs.44 lacks in 1961 increased set to Rs.50238 lacks in 2007. However, outstanding loans stands on Rs.576 lacks in 1961 increased to Rs.130280 lacks in 2007 and overdues from Rs.23 lacks to Rs.108905 lacks, respectively. Percentage of overdues to loans outstanding was 4% in 1961 increased 84% in 2007.

The Government vide order No.LDB-1099/C.N.37/7-C, dated 29.12.1999 has bifurcated the Maharashtra State Cooperative Agricultural and Rural Development Bank into 29 District Agricultural Cooperative and Multipurpose Rural Development Bank. There will be apex bank of these district banks called as Maharashtra State Cooperative Agricultural and Multipurpose Rural Development bank. While understanding the importance of the co-operatives Maharashtra Government have introduced several schemes for the sustainable development of the co-operatives i.e. share capital contribution to credit institutions (District Central Co-operative Banks) under LTO Fund (State Level Scheme) through NABARD for conversion of short term loans into medium term loans of co-operative credit institutions. National Agricultural Credit Stabilization Fund (Central Sponsored), the members of Agricultural Credit Societies may not be able to repay the crop loans in drought conditions, this scheme convert their short term loan into medium term loans and fresh crop loans are made available to them. To built godowns government assists 90% out of which 50% is loan and 40% share capital to warehousing corporation. Dr. Punjabrao Deshmukh Crop Production Incentive Scheme, applicable for Kharif and Rabbi Crops. Maharashtra government also have several schemes for industrial co-operative societies of weaker sections of the societies (share capital contribution, financial assistance for tools and equipment's, loans and subsidies for the construction of godowns, workshops, interest subsidy for working capital, etc.). For sugar sector so many schemes run by Maharashtra state as well as there are Central sector scheme for development of Women Co-operatives, through these schemes Maharashtra government promote co-operative movement in rural areas for over-all socio-economic development.

5.4- NON-AGRICULTURAL CO-OPERATIVE CREDIT SOCIETIES-

1] **Urban Co-operative Banks in Maharashtra-** Co-operative movement spread not only in rural areas but also in urban areas too. It provides loans to the small traders, artisans, self-employment, etc. The following table shows the progress of the Primary Co-operative Banks in Maharashtra.

Table No. 5.4.12 - Progress of the Urban Co-operative Banks in Maharashtra.

(Rs. in Lacks)

Items	1961	1971	1981	1991	2001	2007
Banks	265	345 (30.19)	381 (10.43)	654 (71.65)	624 (-4.60)	635 (1.76)
Membership 000'	883	1618 (83.24)	4464 (175.89)	7808 (74.91)	6678 (-14.47)	6055 (-9.33)
Share Capital	987	4201 (325.63)	18682 (344.70)	89875 (381.07)	154280 (71.66)	181287 (17.50)
Owned Funds	1502	8530 (467.91)	55540 (551.11)	431770 (677.40)	21811 (-94.94)	765129 (3407.99)
Deposits	6832	65779 (862.80)	466298 (608.88)	4092326 (777.62)	5239803 (28.04)	3977615 (-24.09)
Working Capital	9260	88704 (857.92)	617642 (596.29)	5574123 (802.48)	8024326 (43.95)	7547963 (-5.93)
Loans Advanced	12381	55581 (348.92)	442279 (695.73)	3221062 (628.29)	3932645 (22.09)	3617766 (-8.00)
Loans Outstanding	5007	48008 (858.81)	322718 (572.21)	2834956 (778.46)	4357558 (53.70)	3924682 (-99.33)
Loans Overdues	364	3732 (925.27)	45735 (1125.48)	182409 (298.84)	5864417 (3114.98)	447676 (-92.36)
Banks in Profit	N.A.	330 -	367 (11.21)	559 (52.31)	535 (-4.29)	521 (-2.61)
Banks in Loss	N.A.	6 -	163 (2616.66)	13122 (7950.30)	35992 (174.28)	34027 (-5.46)

Source- Co-operative Movement at a Glance in Maharashtra, 2007. Commissioner for Co-operation & Registrar of Co-operative Societies, Maharashtra State, Pune.

Table No.5.4.12 showed the progress of the Urban Co-operative Banks in Maharashtra. Total banks working in Maharashtra in 1961 was 265 increased up to 635 in 2007, which is more than two and half times, therefore, growth rate was uneven as well as in 2001 it was negative (-4.6%). Membership of urban co-operative banks increased from 883 to 6055 during 1961 to 2007, which was more than six times but growth showed uneven trend and negative growth rate in year 2001 and 2007. Share capital, owned funds and deposits shown tremendous increase from Rs.987 lacks to Rs.181287 lacks, Rs.1502 lacks to Rs.765129 lacks, and Rs.6832 lacks to Rs.3977615 lacks,

respectively, during 1961 to 2007, therefore, growth rate was fluctuating over the period. Working capital increased from Rs.9260 lacks in 1961 to Rs.7547963 lacks in 2007. Loans advanced by banks increased from Rs.12381 lacks to Rs.3617766 lacks in 2007. Loans outstanding increased from Rs.5007 lacks in 1961 to Rs.3924682 lacks in 2007. Loans overdues increased from Rs.364 lacks in 1961 to Rs.447676 lacks in 2007 indicated poor financial performance of the banks. Thus, the banks in profit are only increased by 330 to 521 as compare to banks in loss increased from 6 to 34027, during the 1961 to 2007.

As on 31st March 2008 under non-agricultural credit societies, there were 606 urban co-operative banks, 17,278 urban co-operative Credit societies and 7,222 salary earner's co-operative societies in the State. About one fourth of the total non-agricultural credit societies were in loss.¹

Table No. 5.4.13 - Progress of the Salary Earners Societies in Maharashtra State.

(Rs. in Lacks)

Items	1961	1971	9181	1991	2001	2007
Societies	2220	4187	6117	7079	7170	7211
		(88.60)	(46.09)	(15.72)	(1.28)	(0.57)
Membership- 000'	1505	2014	2697	4120	3260	3032
		(33.82)	(33.91)	(52.76)	(-20.87)	(-6.99)
Share Capital	3075	13903	33834	166283	207958	197533
		(352.13)	(143.35)	(391.46)	(26.84)	(-5.01)
Owned Funds	3421	16917	41565	224933	302050	309829
		(394.50)	(145.69)	(441.16)	(34.28)	(2.57)
Deposits	1740	11414	22385	85590	224688	245376
		(555.97)	(96.12)	(282.35)	(162.51)	(9.20)
Working Capital	6063	36764	106098	526274	893676	806465
		(506.36)	(188.59)	(396.02)	(69.81)	(-9.76)
Loans Advanced	4175	28318	55533	353293	476602	446263
		(578.27)	(96.10)	(536.18)	(43.90)	(-6.36)
Loans Outstanding	3652	27803	79862	400821	567588	569788
		(661.30)	(187.24)	(401.89)	(41.60)	(0.38)
Loans Overdues	61	365	3049	34193	37339	26881
		(498.36)	(735.34)	(1021.45)	(9.20)	(-28.00)
Societies in Profit	1791	3446	5401	6371	5721	6339
		(92.40)	(56.73)	(17.96)	(-10.20)	(10.82)
Societies in Loss	3	21	43	458	771	825
		(600.00)	(104.76)	(965.11)	(68.34)	(7.00)

Source- Co-operative Movement at a Glance in Maharashtra, 2007. Commissioner for Co-operation & Registrar of Co-operative Societies, Maharashtra State, Pune.

1. Economic Survey of Maharashtra, 2008-09, Government of Maharashtra.

Table No.5.4.13 showed the progress of the Salary Earners Societies in Maharashtra. These societies were stood at 2220 in 1961 increased up to 7211 in 2007, with membership 1501 thousand to 7211 thousand, respectively, growth rate shown the decreasing trend in number and membership over the period, regarding to membership it was negative during 2001 and 2007. Share capital increased from Rs.3075 lacks in 1961 to Rs.197533 lacks in 2007. Owned funds increased from Rs.3421 lacks to Rs.309829 lacks in 2007. Deposits increased by Rs.1740 lacks in 1961 to Rs.245376 lacks in 2007. Working capital increased from Rs.6063 lacks in 1961 to Rs.806465 lacks in 2007. Loans advanced increased from Rs.4175 lacks to Rs.446263 lacks in 2007. Loans outstanding increased from Rs.3652 lacks in 1961 to Rs.569788 lacks in 2007. Loans overdues increased from Rs.61 lacks to Rs.26881 lacks in 2007. Number of societies in profit increased from 1791 to 6339 during 1961 to 2007 and number of societies in loss also increased from 3 to 825 during 1961 to 2007. Number of societies in profit increased as the percentage of overdues decreased as it was -28.00% in years 2007, therefore, amount is quite high and affects health. Growth rate showed a fluctuating trend over the period.

Table No. 5.4.14 - Progress of the Other Urban Credit Societies in Maharashtra.

(Rs. in Lacks)						
Items	1961	1971	9181	1991	2001	2007
Societies	494	952 (92.71)	4784 (402.52)	14277 (198.43)	18392 (28.82)	18778 (2.10)
Membership- 000'	131	316 (141.22)	2117 (569.93)	6433 (203.87)	10322 (60.45)	10936 (5.95)
Share Capital	107	506 (372.89)	4945 (877.27)	86916 (1657.65)	183935 (111.62)	199881 (8.67)
Owned Funds	141	668 (373.76)	6504 (873.65)	115869 (1681.50)	317796 (174.27)	281066 (-11.55)
Deposits	78	612 (684.61)	12890 (2006.21)	399128 (2996.41)	1315900 (229.69)	1403958 (6.69)
Working Capital	304	1477 (385.85)	26164 (1671.43)	587506 (2145.47)	2088640 (255.51)	2238744 (7.18)
Loans Advanced	291	1027 (252.92)	16664 (1522.59)	351764 (2010.92)	1042294 (196.30)	1051575 (0.89)
Loans Outstanding	198	1029 (419.69)	16219 (1476.19)	354555 (2086.04)	1242724 (250.50)	1321979 (6.37)
Loans Overdues	20	78 (290.00)	2399 (2975.64)	50705 (2013.58)	220335 (334.54)	267660 (21.48)
Societies in Profit	372	621 (66.93)	3014 (385.34)	10291 (241.44)	11227 (9.09)	12877 (14.69)
Societies in Loss	1	8 (700.00)	112 (1300.00)	1575 (1306.25)	5307 (236.95)	9218 (73.69)

Source- Co-operative Movement at a Glance in Maharashtra, 2007. Commissioner for Co-operation & Registrar of Co-operative Societies, Maharashtra State, Pune.

Table No.5.4.14 shows the progress of the Other Urban Credit Societies in Maharashtra State. These societies increased from 494 to 18778 during 1961 to 2007 even growth rate was uneven. Membership increased from 131 thousands to 10936 thousands in 2007 growth rate was fluctuated. Share capital increased from Rs.107 lacks in 1961 to Rs.199881 in 2007, therefore, growth rate was uneven. Owned funds increased from Rs.141 lacks in 1961 to Rs.281066 lacks in 2007, growth rate was uneven and negative in 2007 (-11.55). Deposits increased from Rs.78 lacks in 1961 to Rs.1403958 in 2007. Working capital increased from Rs.304 lacks to Rs.2238744 lacks in 2007. Loans advanced increased from Rs.291 lacks in 1961 to Rs.1051575 lacks in 2007. Loans outstanding increased from Rs.198 lacks in 1961 to Rs.1321979 lacks in 2007. Loans overdues increased from Rs.20 lacks to Rs.267660 in 2007. Therefore, growth rate was uneven concern to deposits, working capital, outstanding loans and overdues. Number of societies in profit stood at 372 in 1961 increased up to 12877 in 2007 as well as the number of societies in loss stood at 1 in 1961 increased up to 9218 in 2007. Growth rate showed that the increase in societies in profit and loss, therefore, growth rate of societies in loss are quite high regarding to societies in profit. Increase in overdues affects the profitability of the societies and increases the number of loss societies.

5.5- MARKETING CO-OPERATIVES-

Marketing co-operatives deals with the marketing of agricultural production such as food grains and commercial crops. Marketing, co-operative are also helps to meet the requirements of the farmers. Co-operative marketing societies are organized by the farmers themselves and the profits are distributed among the members based on the quantity of the produce marketed by them.

Table No. 5.5.15 - Progress of Maharashtra State Co-op. Marketing Federation.

(Rs. in Lacks)

Items	1961	1971	1981	1991	2001	2006	2007
Membership in (00)	7	8 (14.28)	12 (50.00)	37 (208.33)	9 (-75.67)	7 (-22.22)	8 (14.28)
Share Capital	13	155 (1092.3)	771 (397.42)	1497 (94.16)	1296 (-13.42)	1300 (0.31)	1304 (0.30)
Of which Government	8	122 (1425.0)	707 (479.50)	1446 (104.52)	1235 (-14.59)	1235 (0.00)	1235 (0.00)

(Continue...)

Owned Funds	14	4	1618	3626	4635	5054	5002
		(-71.42)	(43050.0)	(124.10)	(27.82)	(9.04)	(-1.02)
Borrowings Outstanding	34	986	1782	3472	2711	690	541
		(2800.0)	(80.76)	(94.83)	(-21.91)	(-74.54)	(-21.59)
Working Capital	74	1741	9553	13566	3476	2266	2226
		(2252.7)	(448.70)	(42.00)	(-74.37)	(-34.81)	(-1.76)
Sales (Value)	-	-	-	-	44998	25788	33243
	-	-	-	-	-	(-42.69)	(28.90)
a) Agricultural	1223	3845	7679	4515	11714	9834	11617
		(214.39)	(99.71)	(-42.20)	(159.44)	(-16.09)	(18.13)
of which food grain	1033	2991	2584	4456	11670	9834	11617
		(189.51)	(-13.60)	(72.44)	(161.89)	(-15.73)	(18.13)
b) Agricultural requisites	Nil	732	9750	18084	28563	13721	19609
		-	(1231.96)	(85.47)	(57.94)	(-51.96)	(42.91)
of which fertilizers	Nil	35	8906	17102	28371	12547	15920
		-	(25345.0)	(92.02)	(65.89)	(-57.77)	(26.88)
c) Consumer goods	Nil	487	Nil	5710	2149	848	697
		-	-	-	(-62.36)	(-60.54)	(-17.80)
Amount of Profit	Nil	24	112	103	35	22	6
		-	(366.66)	(-8.03)	(-66.02)	(-37.14)	(-72.72)

Source- Co-operative Movement at a Glance in Maharashtra, 2005. Registrar of Co-operative Societies, Maharashtra State, Pune.

Table No.5.5.15 shows the progress of the Maharashtra State Co-operative Marketing Federation. At the apex level in Maharashtra State, Maharashtra State Co-operative Marketing Federation is working with 800 memberships. Membership of the federation showed uneven growth rate over the period. Share capital of State Marketing Federation aggregated to Rs.1304 lacks, of which the share of Government amounted to Rs.1235 lacks forming 94.7 per cent of the total, shows a tremendous increase, therefore, growth rate of share capital shown decreasing trend even negative during 2001, same thing happened with government contribution number of amount increased but growth rate decreased over the period and was constant for 2006 and 2007. Their borrowing outstanding stood at Rs.541 lacks, borrowing growth decreased and negative after 2001. Working capital stood at Rs.2226 lacks during 2006-07, growth rate decreased and negative after 2001. They sold agricultural produce worth Rs.11617 lacks, supplied agricultural requisites valued at Rs.19609 lacks including fertilizers valued at Rs.15920 lacks, undertook distribution of consumer goods worth Rs.697 lacks, total value sold stand at Rs.33243 lacks during 2006-07, therefore, growth rate showed a fluctuating trend over the period. Maharashtra State Co-operative Marketing Federation gained profit stand at worth Rs.6 lacks during 2006-07 which shows fluctuations and decrease from Rs.103 lacks in 1991 to Rs.6 lacks in 2007. Therefore, growth rate of profit showed fluctuating trend and was negative after the year 1981, this makes federation bottleneck in progress.

Table No. 5.5.16 - Progress of District/ Central Co-operative Marketing Societies.

(Rs. in Lacks)							
Items	1961	1971	1981	1991	2001	2006	2007
No. of Societies	16	25	26	26	24	25	22
		(56.25)	(4.00)	(0.00)	(8.33)	(4.00)	(-12.00)
Membership in (00)	236	506	797	705	527	491	476
		(114.40)	(57.51)	(-11.54)	(-25.24)	(-6.83)	(-3.05)
Share Capital	36	141	192	394	354	293	198
		(291.66)	(36.17)	(105.20)	(-10.15)	(-17.23)	(-32.42)
of which Government	20	82	72	240	134	132	108
		(310.00)	(-12.19)	(233.33)	(-44.16)	(-1.49)	(-18.18)
Owned Funds	77	392	1142	2179	1007	1572	1831
		(409.09)	(191.32)	(90.80)	(-53.78)	(56.10)	(16.47)
Borrowings Outstanding	83	414	557	1506	782	1620	1584
		(398.75)	(34.54)	(170.37)	(-48.07)	(107.16)	(-2.22)
Working Capital	283	2310	3465	6112	3609	4053	3940
		(716.25)	(50.00)	(76.39)	(-40.95)	(12.30)	(-2.78)
Sales (Value)-							
a) Agricultural Produce	225	1212	1110	9226	14961	2677	4085
		(100.00)	(-8.41)	(731.17)	(62.16)	(-82.10)	(52.59)
of which food grain-	42	236	484	759	14113	396	224
		(496.90)	(105.08)	(56.81)	(1759.42)	(-97.19)	(-43.43)
b) Agricultural requisites-	292	1763	6548	7364	2940	1659	2690
		(503.76)	(271.41)	(12.46)	(-60.07)	(-43.57)	(62.14)
Of which fertilizers-	221	1401	5306	4116	2436	1651	2510
		(533.93)	(278.73)	(-22.42)	(-40.81)	(-32.22)	(52.03)
Seeds-	5	43	58	199	98	52	180
		(760.00)	(35.72)	(243.10)	(-50.75)	(-46.93)	(246.15)
c) Consumer goods-	407	2287	3985	5665	3016	8025	6948
		(461.91)	(-82.59)	(42.15)	(-46.76)	(166.08)	(-13.42)
Societies in Profit	13	20	20	12	15	13	11
		(53.84)	(0.00)	(-40.00)	(25.00)	(-13.13)	(-13.13)
Amount of Profit	12	39	117	53	50	165	144
		(225.00)	(200.00)	(-54.70)	(-5.66)	(230.00)	(-12.72)
Societies in Loss	3	4	4	13	9	11	7
		(33.33)	(0.00)	(225.00)	(-30.76)	(-22.22)	(-36.36)
Amount of Loss	0	4	6	19	72	77	116
		(-)	(50.00)	(216.66)	(278.94)	(6.94)	(50.65)

Source- Co-operative Movement at a Glance in Maharashtra, 2005. Registrar of Co-operative Societies, Maharashtra State, Pune.

Table No.5.5.16 shows progress of District/ Central Co-operative Marketing Societies in Maharashtra from 1961 to 2007. Number of societies increased from 16 to 22 during 1961 to 2007 even growth rate was uneven. Membership increased from 23600 to 47600 during the same period. Share capital increased from Rs.36 lack to Rs.198 lack, of which government participation was Rs.20 lacks in 1961 increased up to Rs.108 lack in 2007. Owned funds increased from Rs.77 lack in 1961 to Rs.1831 in 2007, borrowing outstanding increased from Rs.83 lack to Rs.1584 lack and working capital increased from Rs.283 lack to Rs.3940 lack during the same period. District Co-operative Marketing Societies marketed agricultural produce, agricultural requisites, fertilizers,

seeds and consumer goods. Agricultural production sold in 1961 stood Rs.225 lakh increased up to Rs.4085 lakh in 2007, of which food grain produce sold Rs.42 lakh in 1961 increased up to Rs.224 lakh in 2007. Agricultural requisites increased from Rs.292 lakh to Rs.2690 lakh, of which fertilizers increased from Rs.221 lakh to Rs.2510 lakh and seeds from Rs.5 lakh to Rs.180 lakh during the same period. Consumer goods increased from Rs.407 lakh to Rs.6948 lakh during the same period. Societies in profit stood 13 in 1961 decreased up to 11 in 2007 but the amount of profit increased from Rs.12 lakh to Rs.144 lakh during the same period. Societies in loss also increased from 4 to 7 with amount of loss Rs.4 lakh to Rs.116 lakh during 1971 to 2007 period. Therefore, table revealed that the district co-operative marketing societies are suffering several difficulties naturally it is observed that this period traced of economic reform period. Market was opened and liberalized where quality and profitability became main factors; to survive competition capacity with high quality production is must.

Table No. 5.5.17 - Progress of Primary Co-operative Marketing Societies.

	(Rs. in Lacks)						
Items	1961	1971	1981	1991	2001	2006	2007
No. of Societies	327	384	391	901	1088	1327	1426
		(17.43)	(1.82)	(130.43)	(20.75)	(21.96)	(7.46)
Membership in (00)	1174	2305	3904	6704	7859	8249	10816
		(96.33)	(69.37)	(71.72)	(71.72)	(4.96)	(31.12)
Share Capital	95	499	686	2218	8536	4275	3266
		(425.26)	(37.47)	(223.32)	(284.85)	-49.91)	(-23.60)
of which Government	30	324	365	1351	2312	1392	999
		(980.00)	(12.65)	(270.13)	(76.22)	(-39.79)	(-28.23)
Owned Funds	191	1208	2242	5322	15662	11036	14165
		(532.46)	(85.59)	(137.37)	(194.28)	(-29.53)	(28.35)
Borrowings Outstanding	92	609	683	2179	8365	11415	10928
		(561.95)	(12.15)	(219.03)	(283.89)	(36.46)	(-4.26)
Working Capital	561	3285	6803	13098	28606	41530	45836
		(485.56)	(107.09)	(92.53)	(118.39)	(45.18)	(10.36)
Value of Sales							
a) Agricultural Produce-	1517	5029	9663	12246	33791	19470	19251
		(231.51)	(92.14)	(26.73)	(175.93)	(-42.38)	(-1.12)
Of which food grain-	237	1161	1593	1530	5704	3106	3420
		(389.87)	(37.21)	(-3.95)	(272.81)	(-45.54)	(10.11)
b) Agricultural Requisites	744	3086	11695	16859	40249	31455	41287
		(314.78)	(278.97)	(44.15)	(138.73)	(-21.84)	(32.11)
Of which fertilizers-	535	2198	8713	12992	31708	37386	37619
		(310.84)	(296.40)	(49.11)	(144.05)	(17.90)	(0.62)
Seeds-	39	168	887	1801	2462	3554	3667
		(330.76)	(427.97)	(103.04)	(36.70)	(44.35)	(3.18)
c) Consumer goods-	545	2887	7942	10854	28125	16373	24921
		(429.72)	(175.09)	(36.66)	(159.12)	(41.78)	(52.20)

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Societies in Profit	197	231	265	417	485	550	572
		(17.25)	(14.71)	(57.35)	(16.30)	(13.40)	(4.00)
Amount of Profit	27	58	131	177	1131	937	1080
		(114.81)	(125.86)	(35.11)	(538.98)	(-17.15)	(15.26)
Societies in Loss	70	129	86	339	556	608	637
		(84.28)	(-33.33)	(294.18)	(64.01)	(9.35)	(4.77)
Amount of Loss	2	25	46	249	1404	1032	1063
		(1150.0)	(84.00)	(441.30)	(163.85)	(26.49)	(3.00)

Source- Co-operative Movement at a Glance in Maharashtra, 2005. Commissioner for Co-operation & Registrar of Co-operative Societies, Maharashtra State, Pune.

Table No.5.5.14 shows progress of Primary Co-operative Marketing Societies in Maharashtra from 1961 to 2007. Number of societies increased from 327 to 1426 during 1961 to 2007, growth rate showed a fluctuating trend over the period. Membership increased from 117400 to 1081600 during the same period whereas growth shown decreasing trend. Share capital increased from Rs.95 lack to Rs.3266 lack, of which government participation was Rs.30 lacks in 1961 increased up to Rs.999 lack in 2007, growth rate was decreasing and negative for last two years 2006 and 2007. Owned funds increased from Rs.191 lack to Rs.14165 lack and borrowing outstanding increased from Rs.92 lack to Rs.10928 lack and working capital increased from Rs.561 lack to Rs.45836 lack during 1961 to 2007. Therefore, owned funds, borrowings and working capital also shown a fluctuating trend.

Primary Co-operative Marketing Societies sales agricultural produce, agricultural requisites, fertilizers, seeds and consumer goods. Agricultural production sold in 1961 stood Rs.1517 lack increased up to Rs.19251 lack in 2007, of which food grain produce sold Rs.237 lack in 1961 increased up to Rs.3420 lack in 2007. Agricultural requisites increased from Rs.744 lack to Rs.41287 lack, of which fertilizers increased from Rs.535 lack to Rs.37619 lack and seeds from Rs.39 lack to Rs.3667 lack during the same period. Consumer goods increased from Rs.545 lack to Rs.24921 lack during the same period. Table showed the fluctuating trend in growth rate of value of sales. Societies in profit stood 197 in 1961 decreased up to 572 in 2007 but the amount of profit increased from Rs.27 lack to Rs.1080 lack during the same period. Societies in loss also increased from 70 to 637 with amount of loss Rs.2 lack to Rs.1063 lack during 1961 to 2007 period. Therefore, number of societies in loss and amount of loss and their growth rate is quite high for sound financial developments this must be reduce.

**Table No. 5.5.18 - Progress of Maharashtra State Co-operative Cotton Growers
Marketing Federation Ltd.**

(Rs. in Lacks)

Items	1961	1971	1981	1991	2001	2006	2007
Membership in (00)	327	283	305	308	310	309	309
		(-13.45)	(7.77)	(0.98)	(0.65)	(-0.32)	(0.00)
Share Capital	15	67	264	264	264	264	264
		(333.33)	(294.03)	(0.00)	(0.00)	(0.00)	(0.00)
Of which Government	15	65	259	259	259	259	259
		(333.33)	(298.46)	(0.00)	(0.00)	(0.00)	(0.00)
Owned Funds	75	639	1810	768	785	1114	1351
		(752.00)	(183.25)	(-57.57)	(2.21)	(41.91)	(21.27)
Working Capital	1231	1129	1650	579	481	498	498
		(-8.28)	(46.14)	(64.91)	(-16.92)	(3.53)	(0.00)
Sales (Value)							
1. Cotton	35983	56133	142271	276984	115681	31000	51642
		(55.99)	(153.45)	(94.68)	(-58.23)	(-73.20)	(66.58)
2. Cotton seeds	11808	20530	40337	73575	36387	9800	19738
		(73.86)	(36.47)	(82.40)	(-50.54)	(-73.06)	(101.40)
Amount of Profit/Loss -	N.A.	50	36	98	150	N.A.	N.A.
		(--)	(-28.00)	(172.22)	(53.06)	(--)	(--)

Source- Co-operative Movement at a Glance in Maharashtra, 2005. Commissioner for Co-operation & Registrar of Co-operative Societies, Maharashtra State, Pune.

Table No.5.5.18 shows the progress of Maharashtra State Co-operative Cotton Growers Marketing Federation Ltd. Membership which was 327 in 1961 decreased up to 309 in 2007, growth rate was uneven during the period. Share capital increased from Rs.15 lacks to Rs.264 during 1961 to 2007, of which Government contribution was Rs.15 in 1961 and Rs.259 in 2007 shows that the major role played by the Government in federation's development, therefore, growth rate was constant after year 1991. Owned funds increased from Rs.75 lacks to Rs.1351 lacks during the same period, shows a remarkable progress, therefore, growth rate shown a fluctuating trend. Working capital decreased from Rs.1231 lacks to Rs.498 lacks during 1961 to 2007 along with fluctuations. They sold cotton worth Rs.35983 lacks in 1961 increased up to Rs.51652 lacks in 2007, as well as cotton seeds worth Rs.11808 lack in 1961 increased up to Rs.19738 lack in 2007; growth was uneven and negative in 1991 after the economic reform period. Profit earned by the federation was Rs.50 in 1971 increased up to Rs.150 lacks in 2001 which was increased by three times, growth rate shown fluctuation therefore after economic reforms from period of 1991 to 2001 it showed a positive growth.

5.6- PRODUCTION CO-OPERATIVES –

Production co-operative society's deals with the activities related to agricultural and industrial production. Various types of Production Co-operatives are working in State are sugar factories, spinning mills, hand-loom, power-loom, cotton ginning and pressing, oil mills, rice mills, processing Co-operatives, etc.

Table No. 5.6.19 - Progress of Co-operative Sugar Factories in Maharashtra.*

(Rs. in Lacks)							
Items	1981	1991	1996	1997	2003	2006	2007
No. of Factories Registered	78	138	156	165	202	187	188
		(76.92)	(13.04)	(5.77)	(22.42)	(-7.42)	(0.53)
Factories in Production	67	93	104	102	144	142	163
		(38.80)	(11.82)	(-29.16)	(41.17)	(-1.38)	(14.78)
Membership in (00)	4376	9140	13578	16362	43593	12606	16300
		(108.86)	(48.55)	(20.50)	(166.42)	(-71.08)	(29.30)
Of which Cane Growers	4303	8900	12675	15674	40539	12154	15600
		(106.83)	(42.41)	(23.66)	(158.63)	(-70.01)	(28.35)
Share Capital	9443	28885	75562	86672	234884	109647	90109
		(205.88)	(161.59)	(14.70)	(171.00)	(-53.31)	(-17.8)
of which Government	4513	15956	41362	46087	134075	32615	79460
		(253.55)	(159.22)	(11.42)	(190.91)	(-75.67)	(143.6)
Deposits	14129	64000	107028	115983	165874	162190	180150
		(352.96)	(67.23)	(8.36)	(43.01)	(-2.22)	(11.07)
Owned Funds	26004	99000	111622	244843	540387	117310	135292
		(280.71)	(12.75)	(119.35)	(120.70)	(-78.29)	(15.32)
Borrowings Outstanding	19656	94801	357920	414235	908397	390246	366275
		(382.30)	(277.54)	(15.73)	(119.29)	(-57.04)	(-6.14)
Working Capital	66843	288552	818047	903285	2067986	817728	850287
		(331.68)	(183.50)	(10.42)	(128.94)	(-60.45)	(3.98)
Fixed Assets	41537	153392	352270	337851	800901	449068	488275
		(269.29)	(129.65)	(-4.09)	(137.05)	(-49.92)	(8.73)
Recovery of Loans PACS	10005	40600	79298	61695	146733	40332	45601
		(305.79)	(95.31)	(-22.19)	(137.83)	(-72.51)	(13.06)
Profit	417	3125	2095	2420	1844	5453	73020
		(649.40)	(-32.96)	(15.51)	(-23.80)	(195.71)	(1239.0)
Loss	3011	3786	6808	14460	75329	119917	342698
		(25.74)	(79.82)	(112.39)	(420.94)	(59.19)	(185.77)

*Co-operative Movement at a Glance in Maharashtra, 2005. Commissioner for Co-operation & Registrar of Co-op. Stys, Mah, Pune.

Table No.5.6.19 shows the progress of Co-operative Sugar Factories in Maharashtra from 1981 to 2007. Number of factories registered increased from 78 to 188 during 1981 to 2007 even growth rate was uneven. Factories in production also increased from 67 to 163 but growth rate shown a fluctuating trend. Membership of these factories increased from 437600 to 1630000 during the same period, of which cane growers members were 4303 in 1981 increased up to 15600 in 2007, growth rate was uneven during the period. Share capital increased from Rs.9443 lack to Rs.90109 of which government participation was Rs.4513 lack in 1981 increased up to Rs.79460 lack in

2007, share capital and government contribution shown a decreasing trend over the period and was negative for last two years. Deposits increased from Rs.14129 lack in 1981 to Rs.180150 lack during 2007. Owned funds increased from Rs.26004 lack to Rs.135292 lack, borrowing outstanding increased from Rs.19656 lack to Rs.366275 lack, working capital increased from Rs.66843 lack to Rs.850287 lack and fixed assets increased from Rs.41537 lack to Rs.488275 lack during the same period, therefore, growth rate was uneven during the period. Recovery of loans of primary agricultural co-operative societies also increased from Rs.10005 lack to Rs.45601 lack during 1981 to 2007, therefore, recovery growth was negative during the years 1997 and 2006. Profit is increased from Rs.417 lack to Rs.73020 lack and loss is increased from Rs.3011 lack to Rs.342698 lack during the same period, both profit and loss of sugar factories shown a fluctuating growth trend over the period. Several bottlenecks lack of funds, lack of raw material, unutilized full capacity, storage, malpractices, etc. are facing sugar factories.

Table No. 5.6.20 - Progress of Co-operative Spinning Mills.*

(Rs. in Lacks)

Items	1961	1971	1981	1991	2001	2006	2007
Mills	2	19	70	125	229	171	174
		(850.0)	(268.42)	(78.58)	(83.20)	(-25.32)	(1.75)
Mills in Production	Nil	15	20	31	46	52	54
		(--)	(33.33)	(55.00)	(48.38)	(13.04)	(3.84)
Membership in (00)	3	892	1782	3335	6694	5290	7107
		(29633.3)	(99.77)	(87.15)	(100.72)	(-20.97)	(34.34)
Share Capital	6	962	2840	17639	58047	115779	100897
		(15933.3)	(195.21)	(521.09)	(229.08)	(99.45)	(-12.8)
of which Government	Neg.	595	1356	13574	46206	92269	79119
		(--)	(127.90)	(901.03)	(240.40)	(99.69)	(-14.2)
Owned Funds	7	1679	7596	15461	8541	139303	137770
		(23885.7)	(352.41)	(103.54)	(-44.75)	(1530.9)	(-1.10)
Borrowings Outstanding	5	1547	3358	11284	58972	70993	98260
		(30840.0)	(117.06)	(236.03)	(422.61)	(20.38)	(38.40)
Working Capital	12	3015	11049	62127	145382	191011	227163
		(25025.0)	(266.46)	(462.68)	(134.00)	(31.38)	(18.92)
No. of Spindles installed(00)	42	3222	19297	15524	13656	16206	11400
		(7571.42)	(498.91)	(-19.55)	(-12.03)	(18.67)	(-29.6)
Mills in Profit	2	4	4	13	26	37	32
		(100.00)	(0.00)	(225.00)	(100.00)	(42.30)	(-13.5)
Amount of Profit	Neg.	19	183	870	1985	1193	948
		(--)	(863.15)	(375.41)	(128.16)	(-39.90)	(-20.5)
Mills in Loss	Nil	15	16	18	70	47	75
		(--)	(6.66)	(12.50)	(288.88)	(-32.85)	(59.57)
Amount of Loss	-	184	227	1258	24554	15390	14108
		(--)	(23.37)	(454.18)	(1851.8)	(-37.32)	(-8.33)

(Neg.-Negligible.)

* Co-operative Movement at a Glance in Mah., 2005. Commissioner for Co-op. & Registrar of Co-op. Societies, Mah. State, Pune.

Table No.5.6.20 shows the progress of Co-operative Spinning Mills in Maharashtra from 1961 to 2007. Number of factories registered increased from 2 to 174 during 1961 to 2007 even the growth rate was uneven. Mills in production also increased from 15 to 54. Membership increased from 300 to 710700 during the same period; therefore, growth rate was uneven. Share capital increased from Rs.6 lack to Rs.100897 during 1961 to 2007 of which government participation was Rs.595 lack in 1971 increased up to Rs.79119 lack in 2007, growth rate was fine but uneven while it was negative in 2007. Owned funds increased from Rs.7 lack to Rs.137770 lack, borrowing outstanding increased from Rs.5 lack to Rs.98260 lack and working capital increased from Rs.12 lack to Rs.227163 lack during 1961 to 2007, therefore, owned funds, borrowing and working capital shown a fluctuating trend over the period. Number of spindles installed increased from 42 to 11400 during 1961 to 2007 but growth rate was uneven. Number of mills in profit increased from 2 to 32 and amount of profit is increased from Rs.19 lack to Rs.948 lack even growth rate of numbers and amount of profit was not even and negative in 2006 and 2007. Mills in loss increased from 19 to 948 and loss is increased from Rs.184 lack to Rs.14108 lack during 1971 to 2007 but growth rate showed a fluctuating trend in numbers and amount of loss also fluctuated and was negative for last two years 2006 and 2007.

Table No. 5.6.21 - Progress of Primary Handloom Co-operative Societies.

	(Rs. in Lacks)					
Items	1971	1981	1991	2001	2006	2007
No. of Societies	586	670	842	719	665	686
		(14.33)	(25.67)	(-14.60)	(-7.51)	(3.15)
Membership in (00)	480	717	966	1390	820	825
		(49.37)	(34.72)	(43.89)	(-41.08)	(0.61)
Share Capital	108	605	1051	2926	2380	2508
		(460.18)	(73.71)	(178.40)	(-18.66)	(5.37)
of which Government	9	352	446	2209	2321	1767
		(3811.11)	(26.70)	(395.29)	(5.07)	(-23.87)
Owned Funds	149	729	1090	717	875	806
		(389.26)	(49.52)	(-34.22)	(22.03)	(-7.88)
Borrowings Outstanding	231	341	1156	6156	1929	2816
		(47.62)	(239.00)	(432.52)	(-68.66)	(45.98)
Working Capital	501	150	3756	18731	7258	8754
		(-70.06)	(2404.00)	(398.69)	(-61.25)	(20.61)
Total Handlooms (00)	614	483	463	457	300	300
		(-21.33)	(-4.14)	(-1.29)	(-34.35)	(0.00)
Working Handlooms (00)	282	320	221	180	180	187
		(13.47)	(-30.96)	(-18.55)	(0.00)	(3.88)
Production Value	1381	2676	4668	9545	3597	6726

(Continue...)

Sales Value	1942	(93.77)	(74.44)	(104.47)	(-62.31)	(86.99)
		2685	4032	7496	3074	1845
Societies in Profit	352	(38.26)	(50.16)	(85.91)	(-58.99)	(-39.98)
		380	514	473	344	350
Amount of Profit	12	(7.95)	(35.26)	(-7.97)	(-27.27)	(1.74)
		29	52	195	35	33
Societies in Loss	148	(141.66)	(79.31)	(275.00)	(-82.05)	(-5.71)
		213	247	212	280	307
Amount of Loss	5	(43.92)	(15.96)	(-14.17)	(32.07)	(9.64)
		10	25	152	69	84
		(100.00)	(150.00)	(508.00)	(-54.60)	(21.74)

Source- Co-operative Movement at a Glance in Maharashtra, 2005. Commissioner for Co-operation & Registrar of Co-operative Societies, Maharashtra State, Pune.

Table No.5.6.21 shows the progress of Primary Co-operative Handloom Societies in Maharashtra from 1971 to 2007. Number of societies increased from 586 to 686 during 1971 to 2007; therefore, growth rate was uneven during the same period. Membership of these societies increased from 48000 to 82500 but growth rate fluctuating during the same period. Share capital increased from Rs.108 lack to Rs.2508 lack of which government participation increased from Rs.9 to Rs.1767 during the same period both share capital and government participation growth rate was uneven. Owned funds increased from Rs.149 lack to Rs.806 lack, borrowing outstanding increased from Rs.231 lack to Rs.2816 lack and working capital increased from Rs.501 lack to Rs.8754 lack during the same period. Growth rate showed fluctuations in owned funds, borrowing outstanding and working capital during the period. Total handlooms stood at 61400 during 1971 decreased up to 30000, working handlooms also decreased from 28200 to 18700 during 1971 to 2007. Value of produce increased from Rs.1381 lack to Rs.6726 lack during the same period, therefore, except year 2006 growth rate was fluctuated but kept good progress. Handloom Co-operative Societies sales value increased from Rs.1942 lack to Rs.1845 during 1971 to 2007 even growth rate was uneven and was negative for last two years 2006 and 2007. Societies in profit stood at 352 during 1971 decreased by two numbers and stood at 350 during 2007. Profit earned is increased from Rs.12 lack to Rs.33 lack; growth rate was uneven and negative during 2006 and 2007. Societies in loss increased from 148 to 307 and loss is increased from Rs.5 lack to Rs.84 lack during the same period. Therefore, increase in loss societies was uneven and amount of loss is also uneven however due to several weaknesses handloom co-operative

societies and fail to keep progress on positive way, it is now necessary to find out the obstacles and to remove it by deliberate action.

Table No. 5.6.22 - Progress of Primary Power-loom Co-operative Societies.

(Rs. in Lacks)						
Items	1971	1981	1991	2001	2006	2007
No. of Societies	159	297	806	1056	1072	1111
		(86.79)	(171.38)	(31.01)	(1.51)	(3.63)
Membership in (00)	203	346	331	187	396	502
		(70.44)	(-4.33)	(-43.50)	(111.76)	(26.76)
Share Capital	54	283	619	1658	6571	N.A.
		(424.07)	(118.72)	(167.85)	(296.32)	(-)
of which Government	8	69	366	806	5511	5832
		(762.05)	(43.43)	(120.21)	(583.74)	(5.82)
Owned Funds	71	501	701	852	7135	814
		(605.63)	(39.92)	(21.54)	(737.44)	(-88.59)
Borrowings Outstanding	324	563	881	3978	9177	16448
		(73.76)	(56.48)	(351.53)	(130.69)	(79.23)
Working Capital	487	1532	1935	5670	8157	10651
		(214.58)	(26.30)	(193.04)	(43.86)	(30.57)
Total Powerlooms (00)	187	213	493	190	304	304
		(13.90)	(131.45)	(-61.46)	(60.00)	(0.00)
Working Powerlooms (00)	44	161	349	171	178	189
		(265.91)	(-29.20)	(-95.10)	(4.09)	(6.18)
Production Value	532	1008	1381	2004	2323	5613
		(89.47)	(37.00)	(45.11)	(15.91)	(141.62)
Sales Value	736	1239	1420	1603	2761	6052
		(68.34)	(14.60)	(12.88)	(72.24)	(119.19)
Societies in Profit	65	99	202	338	250	245
		(52.30)	(104.04)	(67.32)	(-26.03)	(-2.00)
Amount of Profit	3	18	19	250	158	132
		(500.00)	(6.55)	(1215.79)	(-36.80)	(-16.45)
Societies in Loss	77	103	505	369	664	667
		(33.76)	(390.29)	(-26.93)	(79.94)	(0.45)
Amount of Loss	16	76	136	78	730	342
		(375.00)	(78.94)	(-42.64)	(835.89)	(-53.15)

Source- Co-operative Movement at a Glance in Maharashtra, 2005. Registrar of Co-operative Societies, Maharashtra State, Pune.

Table No.5.6.22 shows the progress of Primary Power-loom Co-operative Societies in Maharashtra from 1971 to 2007. Number of societies increased from 159 to 1111 from 1971 to 2007, growth rate shown a fluctuating trend over the period. Membership of these societies increased from 20300 to 50200 during the same period, therefore, growth rate was uneven and was negative during 1991 and 2001, when the economic reforms introduced. Share capital increased from Rs.54 lack to Rs.6571 lack of which government participation increased from Rs.8 lack to Rs.5511 lack during 1971 to 2007, share capital and government participation growth rate was also uneven. Owned funds increased from Rs.71 lack to Rs.814 lack, borrowing outstanding increased from Rs.324 lack to Rs.16448 lack and working capital increased from Rs.487 lack to

Rs.10651 lack during the same period, therefore, owned funds, borrowing outstanding and working capital shown fluctuating trend over the period. Total Power-looms stood at 18700 during 1971 increased up to 30400; growth rate showed a fluctuating trend and was negative in year 2001. Working handlooms also decreased from 4400 to 18900 during 1971 to 2007, growth rate showed uneven progress which was negative in 1991 and 2001 when economic reforms started. Value of produce increased from Rs.532 lack to Rs.5613 lack during the same period. Power loom Co-operative Societies sales value increased from Rs.736 lack to Rs.6052 during 1971 to 2007. Societies in profit stood at 65 during 1971 increased up to 245 during 2007. Profit earned is increased from Rs.3 lack to Rs.132 lack. Societies in loss increased from 77 to 667 and loss is increased from Rs.16 lack to Rs.342 lack during the same period. Growth rate of societies in profit and amount of profit showed a fluctuating trend and was negative during last two years. Therefore, if some obstacles removed like- adequate finance, raw material, market, storage, electricity, etc. these societies will overcome on these obstacles.

Table No. 5.6.23 - Progress of Cotton Ginning and Pressing Co-operative Societies.*

Items	(Rs. in Lacks)						
	1961	1971	1981	1991	2001	2006	2007
No. of Societies	30	69	110	213	289	222	217
		(130.00)	(59.52)	(93.63)	(35.68)	(-23.18)	(-2.25)
Societies in Production	30	59	103	201	204	183	192
		(96.66)	(74.97)	(95.14)	(1.49)	(-10.29)	(4.91)
Membership in (00)	128	614	1055	1937	2696	2959	2528
		(379.68)	(71.82)	(83.60)	(39.18)	(9.75)	(-14.56)
Share Capital	41	120	208	540	855	887	926
		(192.68)	(73.33)	(159.61)	(58.33)	(3.74)	(4.39)
of which Government	18	52	86	186	206	203	202
		(188.88)	(65.68)	(116.28)	(10.75)	(-1.45)	(-0.49)
Owned Funds	41	173	666	1481	3089	2617	3557
		(321.95)	(284.97)	(122.37)	(107.45)	(-15.28)	(35.92)
Working Capital	50	355	947	3045	6929	8692	9885
		(610.00)	(166.76)	(221.54)	(127.55)	(25.44)	(13.72)
Raw Cotton Ginned**	7	57	608	386	624	1147	391
		(714.28)	(966.66)	(-36.51)	(61.65)	(83.81)	(-65.91)
Bales Pressed***	2	106	333	358	367	406	688
		(5200.0)	(214.15)	(7.50)	(2.51)	(10.62)	(69.45)
Societies in Profit	13	18	51	74	107	69	62
		(38.46)	(183.33)	(45.09)	(44.55)	(-35.51)	(-10.14)
Amount of Profit	1	3	20	63	195	84	82
		(200.00)	(566.66)	(215.00)	(209.52)	(-56.92)	(-2.38)
Societies in Loss	12	44	49	121	164	110	123
		(266.66)	(11.36)	(322.65)	(35.53)	(-32.92)	(11.81)
Amount of Loss	Neg.	15	20	183	323	286	343
		(--)	(33.33)	(815.00)	(76.50)	(-11.45)	(19.93)

(** -Raw Cotton Ginned in '000 tones, *** -Bales pressed in '000, Bales of 170 Kg. each.)

* Co-operative Movement at a Glance in Mah., 2005. Commissioner for Co-operation & Registrar of Co-op. Sty's, Mah. State, Pune.

Table No.5.6.23 shows the progress of Cotton Ginning and Pressing Co-operative Societies in Maharashtra from 1961 to 2007. Societies in production stood on 30 during 1961 increased up to 192 during 2007, growth rate was uneven. Membership of these societies increased from 12800 to 252800 during the same period. Share capital increased from Rs.41 lack to Rs.926 lack of which government participation increased from Rs.18 lack to Rs.202 lack during 1961 to 2007. Owned funds increased from Rs.41 lack to Rs.3557 lack, and working capital increased from Rs.50 lack to Rs.9885 lack during the same period. Row cotton ginned 7000 tones during 1961 increased up to 391000 tones during 2007, bales pressed during 1961 stood on 2000 bales increased by 688000 bales during 2007. Societies in profit increased from 13 to 62 during 1961 to 2007. Profit earned is increased from Rs.1 lack to Rs.82 lack. Societies in loss increased from 12 to 123 and loss is increased from Rs.15 lack to Rs.343 lack during the same period. Growth rate showed a fluctuating trend in societies in profit and amount of profit.

Table No. 5.6.24 - Progress of Co-operative Oil Mills.

Items	(Rs. in Lacks)						
	1971	1981	1991	1997	2001	2006	2007
No. of Societies	70	16	7	16	22	13	13
		(-77.14)	(-56.25)	(128.58)	(37.50)	(-40.91)	(0.00)
Societies in Production	24	2	2	13	2	11	12
		(-91.66)	(0.00)	(550.00)	(-84.61)	(450.00)	(9.09)
Membership in (00)	632	100	34	97	45	43	14
		(-84.17)	(-66.00)	(185.29)	(-53.60)	(-4.44)	(-67.4)
Share Capital	77	49	9	31	29	14	16
		(-36.36)	(-81.63)	(244.44)	(-6.45)	(-51.72)	(14.28)
of which Government	31	28	1	1	N.A.	15	15
		(-9.67)	(-96.42)	(0.00)	(--)	(--)	(0.00)
Owned Funds	106	55	21	5	60	36	35
		(-48.11)	(-61.81)	(-76.19)	(1100.00)	(-40.00)	(-2.77)
Working Capital	277	125	66	175	106	99	72
		(-54.87)	(-47.20)	(165.15)	(-39.42)	(-6.60)	(-27.2)
Quantity Processed*	24	1	1	7	1	3	3
		(-95.83)	(0.00)	(600.00)	(-85.71)	(200.00)	(0.00)
Value of Sales	264	N.A.	5	26	36	49	49
		(--)	(--)	(420.00)	(38.46)	(36.11)	(0.00)
Societies in Profit	7	N.A.	1	10	2	6	5
		(--)	(--)	(900.00)	(-80.00)	(200.00)	(-16.6)
Amount of Profit	6	N.A.	0.09	5	2	3	1
		(--)	(--)	(5455.50)	(-60.00)	(50.00)	(-66.6)
Societies in Loss	32	2	1	3	18	5	6
		(-93.75)	(-50.00)	(200.00)	(500.00)	(-72.22)	(20.0)
Amount of Loss	4	7	2	1	5	1	1
		(75.00)	(-71.42)	(-50.00)	(400.00)	(-80.00)	(0.00)

(*Quantity Processed in '000 tones. N.A- Not Available.)

Source- Co-operative Movement at a Glance in Maharashtra, 2005. Registrar of Co-operative Societies, Maharashtra State, Pune.

Table No.5.6.24 shows the progress of Co-operative Oil Mills in Maharashtra number of societies decreased from 70 to 13 during 1971 to 2007, growth rate was uneven. Societies in production stood on 24 during 1971 decreased up to 12 during 2007. Membership of these societies decreased from 63200 to 1400 during the same period, growth rate was uneven and negative except year 1997. Share capital decreased from Rs.77 lack to Rs.16 lack of which government participation decreased from Rs.31 lack to Rs.15 lack during 1961 to 2007. Owned funds decreased from Rs.106 lack to Rs.35 lack, and working capital decreased from Rs.277 lack to Rs.72 lack during the same period. Quantity processed by oil mills also decreased from 24000 tones to 3000 tones during the same period. Value of sales decreased from Rs.264 lack to Rs.49 lack during the same period. Societies in profit decreased from 7 to 5 profit amount decreased from Rs.6 lack to Rs.1 lack. Societies in loss decreased from 32 to 6 and amount of loss decreased from Rs.4 lack to Rs.1 lack. It is observed that co-operative oil mills have suffering from several difficulties as the raw material is the biggest problem for less quantity process.

Table No. 5.6.25 - Progress of Co-operative Rice Mills.*

Items	(Rs. in Lacks)							
	1971	1981	1991	2001	2002	2003	2006	2007
No. of Societies	112	102	86	91	90	80	90	90
		(-8.92)	(-15.68)	(5.81)	(-1.09)	(-11.11)	(12.50)	(0.00)
Societies in Prod'n	94	89	83	79	79	79	90	87
		(-5.32)	(-6.74)	(-4.82)	(0.00)	(0.00)	(13.92)	(-3.33)
Membership in (00)	502	547	531	499	485	465	191	521
		(8.96)	(-2.92)	(-6.02)	(-2.80)	(-4.12)	(-58.92)	(172.77)
Share Capital	53	50	47	56	56	49	87	114
		(-5.66)	(-6.00)	(19.15)	(0.00)	(-12.50)	(77.55)	(31.03)
Of which Govt.	23	14	10	6	5	7	25	35
		(-39.13)	(-28.57)	(-40.00)	(-16.6)	(40.00)	(257.14)	(5.60)
Owned Funds	101	172	221	394	394	445	N.A.	722
		(70.29)	(28.48)	(78.28)	(0.00)	(12.94)	(-)	(-)
Working Capital	268	391	384	914	914	875	1555	1718
		(45.89)	(-1.79)	(138.02)	(0.00)	(-4.26)	(77.71)	(10.48)
Quantity Processed#	122	83	141	110	111	109	404	442
		(-31.96)	(69.88)	(-21.98)	(0.00)	(-1.80)	(270.64)	(9.40)
Value of Sales	416	60	26	31	31	30	38	146
		(-85.57)	(-56.66)	(19.23)	(0.00)	(-3.27)	(26.66)	(284.21)
Societies in Profit	80	62	57	64	63	58	70	57
		(-22.50)	(-8.06)	(12.28)	(-1.56)	(-7.93)	(20.38)	(-18.57)
Amount of Profit	16	11	11	40	39	36	42	48
		(-31.25)	(0.00)	(263.63)	(-2.50)	(-7.69)	(16.66)	(14.28)
Societies in Loss	26	27	25	26	27	21	12	18
		(3.84)	(-7.40)	(4.00)	(3.84)	(-22.22)	(-42.85)	(50.0)
Amount of Loss	1	5	15	7	7	6	16	12
		(400.00)	(200.00)	(-53.33)	(0.00)	(-14.28)	(166.66)	(-25.0)

(#-Quantity Processed in '000 tones. N.A- Not Available.)

* Co-operative Movement at a Glance in Mah., 2005. Commissioner for Co-operation & Registrar of Co-op. Sty's, Mah. State, Pune.

Table No.5.6.25 shows the progress of Co-operative Rice Mills in Maharashtra. Number of societies decreased from 112 to 90 during 1971 to 2007, growth rate was uneven and except the year 2006 it was negative. Societies in production stood on 94 during 1971 decreased up to 87 during 2007 with fluctuating growth rate. Membership of these societies increased from 50200 to 52100 during the same period, membership also fluctuated over the period. Share capital increased from Rs.53 lack to Rs.114 lack of which government participation increased from Rs.23 lack to Rs.35 lack during 1971 to 2007, therefore, share capital and government contribution shown a fluctuation. Owned funds increased from Rs.101 lack to Rs.722 lack, and working capital increased from Rs.268 lack to Rs.1718 lack during the same period. Quantity processed increased from 122000 tones to 442000 tones during the same period but growth rate shown fluctuations in it as well as it was negative during 1981, 2001 and 2003. Value of sales decreased from Rs.416 lack to Rs.146 lack during 1971 to 2007 growth rate showed fluctuations which resulted in affecting profit. Societies in profit decreased from 80 to 57 during 1971 to 2007. Profit earned is increased from Rs.16 lack to Rs.48 lack while profit increased but societies in profit decreased, growth rate showed fluctuating trend. Societies in loss decreased from 26 to 18, therefore, growth rate shown fluctuation trend. Loss amount increased from Rs.1 lack to Rs.12 lack during the same period which was also uneven.

Table No. 5.6.26 - Progress of Other Processing Societies.

(Rs. in Lacks)

Items	1971	1981	1991	2001	2002	2003	2006	2007
No. of Societies	70	59	169	217	219	237	274	361
		(-15.71)	(186.44)	(28.40)	(0.92)	(8.22)	(15.61)	(31.75)
Societies in Prod'n	16	26	125	30	30	N.A.	243	340
		(62.5)	(380.44)	(-76.0)	(0.00)	(--)	(--)	(39.91)
Membership in (00)	81	117	947	1690	1756	1893	2055	2110
		(44.44)	(709.40)	(78.45)	(3.90)	(7.80)	(8.55)	(2.67)
Share Capital	62	73	462	3221	3699	3740	3999	4608
		(17.74)	(532.87)	(597.18)	(14.84)	(1.10)	(6.92)	(15.22)
Of which Government	23	28	69	553	553	699	711	1923
		(21.74)	(146.42)	(701.45)	(0.00)	(26.40)	(1.71)	(170.4)
Owned Funds	74	94	772	3629	4113	4174	5394	6708
		(27.02)	(721.27)	(370.07)	(13.33)	(1.48)	(29.22)	(24.36)
Working Capital	158	276	2995	13072	14212	15397	15931	26467
		(74.68)	(985.14)	(336.46)	(8.72)	(8.33)	(3.46)	(66.13)
Quantity Processed*	12	17	24	5	5	6	5	4
		(41.66)	(41.17)	(-79.16)	(0.00)	(20.0)	(-16.66)	(-20.0)
Value of Sales	11	50	758	443	1271	1277	1387	8062
		(354.54)	(1416.0)	(-41.55)	(186.9)	(0.42)	(8.61)	(485.0)

(Continue...)

Societies in Profit	9	14	51	59	59	65	111	87
		(55.55)	(264.28)	(15.68)	(0.00)	(10.17)	(70.77)	(-21.6)
Amount of Profit	Neg.	16	27	44	46	54	95	196
		(--)	(68.75)	(62.96)	(4.54)	(17.39)	(75.92)	(106.3)
Societies in Loss	18	11	68	135	141	156	120	108
		(-38.88)	(518.18)	(98.53)	(4.44)	(10.63)	(-23.07)	(-10.0)
Amount of Loss	4	44	78	1052	1081	1075	378	339
		(1000.0)	(77.27)	(1248.7)	(-0.55)	(-0.55)	(-64.83)	(-10.3)

(*Quantity Processed in '000 tones. N.A- Not Available.)

Source- Co-operative Movement at a Glance in Maharashtra, 2005. Registrar of Co-operative Societies, Maharashtra State, Pune.

Table No.5.6.26 shows the progress of other co-operative processing societies in Maharashtra. Number of societies decreased from 70 to 361 during 1971 to 2007, therefore, growth rate shown fluctuating trend. Societies in production stood on 16 during 1971 increased up to 340 during 2007. Membership of these societies increased from 8100 to 211000 during the same period, growth rate was fluctuating but positive. Share capital increased from Rs.62 lack to Rs.4608 lack of which government participation increased from Rs.23 lack to Rs.1923 lack during 1971 to 2007, both share capital and government contribution growth rate shown a fluctuating trend over the period. Owned funds increased from Rs.74 lack to Rs.6708 lack, and working capital increased from Rs.158 lack to Rs.26467 lack during the same period, owned funds and working capital shown a fluctuating trend. Quantity processed decreased from 12000 tones to 4000 tones during the same period, therefore, growth rate of quantity processed was uneven after 2001 it was negative and constant for 2003 and 2004. Value of sales increased from Rs.11 lack to Rs.8062 lack during 1971 to 2007 even growth rate was uneven. Societies in profit decreased from 9 to 87 during 1971 to 2007. Profit earned is increased from Rs.16 lack to Rs.196 lack even profit and societies in profit also shown a fluctuating trend over the period. Societies in loss increased from 18 to 108; therefore, growth rate was uneven and negative for last two years 2006 and 2007. Amount of loss increased from Rs.4 lack to Rs.339 lack during the same period, growth rate was uneven and loss was negative after 2003 to end of study period 2007 which increases the hope of revival of the co-operative processing societies.

Table No. 5.6.27 - Progress of Maharashtra Rajya Machhimar Sahakari Sangh Ltd.

(Rs. in Lacks)

Items	1961	1971	1981	1991	2001	2006	2007
Membership in (00)	43	34	50	24	26	28	29
		(-20.93)	(47.05)	(-52.0)	(8.33)	(7.69)	(3.57)
Share Capital	1	9	39	39	39	36	38
		(800.0)	(333.33)	(0.00)	(0.00)	(-7.69)	(5.55)
Of which Government	N.A.	6	36	36	36	33	34
		(-)	(500.0)	(0.00)	(0.00)	(-8.33)	(3.03)
Owned Funds	3	11	50	57	112	160	163
		(266.66)	(354.54)	(14.0)	(96.49)	(42.87)	(1.87)
Borrowings Outstanding	N.A.	25	13	8	N.A.	N.A.	3
		(-)	(-48.0)	(-38.46)	(-)	(-)	(0.00)
Working Capital	13	20	93	150	175	233	360
		(53.84)	(365.0)	(61.29)	(16.66)	(33.14)	(54.50)
Sales of fish & fish product	2	43	152	206	1737	4257	3874
		(2050.0)	(253.48)	(35.52)	(743.20)	(145.07)	(-8.99)
Amount of Profit(+)/Loss (-)	Neg.	-29	3	-0.13	7	1.5	0.9

Source- Co-operative Movement at a Glance in Maharashtra, 2005. Commissioner for Co-operation & Registrar of Co-operative Societies, Maharashtra State, Pune.

Table No.5.6.27 shows the progress of Maharashtra Rajya Machhimar Sahakari Sangh Ltd. Membership decreased from 4300 to 2900 during 1961 to 2007, which was fluctuating over the period. Share capital increased from Rs.1 lack to Rs.38 lack of which government participation increased from Rs.6 lack to Rs.34 lack during 1971 to 2007, growth rate shown a fluctuating trend in share capital and government participation. Owned funds increased from Rs.3 lack to Rs.163 lack, borrowings outstanding decreased from Rs.25 lack to Rs.3 lack and working capital increased from Rs.13 lack to Rs.360 lack during 1961 to 2007, therefore, growth rate was uneven, working capital shown a good progress over the period. Value of sales of fish and fish product increased from Rs.2 lack to Rs.3874 lack during 1961 to 2007. Profit earned by Maharashtra Rajya Machhimar Sahakari Sangh Ltd. shows fluctuating trend as in 1961 it was negative, in 1971 it was -29 per cent and in 1991 it was -0.13 per cent. Therefore, during the year 1981 profit was Rs.3 lack, during 2001 it was Rs.7 lack, during 2006 and 2007 profit was Rs.1.5 lack and Rs.0.9 lack, respectively. Amount of profit fluctuates due to decreasing membership which led to private fisheries, lack of government support and facilities, lack of advanced technological use, inadequate credit supply, etc. needs special attention from government for sustainable development of the Maharashtra Rajya Machhimar Sahakari Sangh Ltd.

Table No.5.6.28- Progress of Fisheries Co-operative Central and Primary Societies.*

(Rs. in Lacks)

Items	1961	1971	1981	1991	2001	2006	2007
No. of Societies	158	387	712	1594	2420	2752	2900
		(144.93)	(83.98)	(123.87)	(51.82)	(13.72)	(5.37)
Membership in (00)	281	661	1050	1663	3205	4201	3201
		(135.23)	(58.85)	(58.38)	(92.72)	(31.07)	(-23.8)
Share Capital	5	81	395	699	850	2018	314
		(1520.0)	(387.65)	(100.0)	(21.60)	(137.41)	(-84.4)
Of which Government	Neg.	49	250	456	790	1190	207
		(-)	(410.20)	(82.4)	(73.24)	(50.63)	(-82.6)
Owned Funds	11	123	620	1245	1349	1989	206
		(1018.1)	(404.06)	(100.8)	(8.35)	(47.44)	(-89.6)
Borrowings Outstanding	19	151	425	1039	3210	4177	501
		(694.73)	(181.45)	(144.47)	(208.95)	(30.12)	(88.0)
Working Capital	33	324	1437	3291	8110	12005	1403
		(881.81)	(343.51)	(129.02)	(146.43)	(48.02)	(-88.3)
Fish Catch (Value)	9	111	75	1952	5849	13162	1402
		(1133.3)	(-32.43)	(2502.66)	(199.64)	(125.03)	(-89.3)
Sales of fish & fish product	26	379	576	6105	9524	12008	1008
		(1357.7)	(51.97)	(959.89)	(56.00)	(26.08)	(-91.6)
Societies in Profit	93	183	289	700	1452	2029	2072
		(96.77)	(57.92)	(142.21)	(107.42)	(39.73)	(2.12)
Amount of Profit	3	7	52	99	1099	1070	111
		(133.33)	(642.85)	(90.38)	(1010.1)	(-2.63)	(-89.6)
Societies in Loss	30	159	331	686	968	723	786
		(430.0)	(108.17)	(107.25)	(41.10)	(-25.31)	(8.71)
Amount of Loss	Neg.	30	12	28	56	48	59
		(-)	(-60.0)	(133.33)	(100.0)	(-14.28)	(22.9)

(Neg.=Negligible.)

*Co-operative Movement at a Glance in Maharashtra, 2005. Commissioner for Co-operation & Registrar of Co-op. Stys, Mah, Pune.

Table No.5.6.28 shows the progress of Fisheries Co-operative Societies (Central and Primary). Number of societies increased from 158 to 2900 during 1961 to 2007 with positive growth rate however fluctuating. Membership of these societies increased from 28100 to 320100 during 1961 to 2007 and growth rate shown fluctuating trend. Share capital increased from Rs.5 lack to Rs.314 lack of which government participation increased from Rs.49 lack to Rs.207 lack during 1971 to 2007, therefore, share capital and government participation was uneven. Owned funds increased from Rs.11 lack to Rs.206 lack, borrowings outstanding decreased from Rs.19 lack to Rs.501 lack and working capital increased from Rs.33 lack to Rs.1403 lack during 1961 to 2007 even owned funds, borrowings outstanding and working capital was also uneven. Fish catch by these societies value increased from Rs.9 lack to Rs.1402 lack during the same period; therefore, growth rate was uneven. Value of sales of fish and fish product increased from Rs.26 lack to Rs.1008 lack during 1961 to 2007. Societies in profit increased from 93 to

2072 and the profit increased from Rs.3 lack to Rs.111 lack during the same period. Amount of profit fluctuates due to decreasing membership which led to private fisheries, lack of government support and facilities, lack of advanced technological use limited the area of operation as fishermen can not go into deep fishing, inadequate credit supply, etc. Societies in loss increased from 159 to 786 and the loss amount also increased from Rs.30 lacks to Rs.59 lacks during 1971 to 2007.

Table No. 5.6.29 - Progress of Dairy Unions in Maharashtra State.*

(Rs. in Lacks)							
Items	1961	1971	1981	1991	2001	2006	2007
No. of Unions	19	46	90	71	65	87	95
		(142.10)	(95.65)	(-21.11)	(-8.45)	(33.84)	(9.19)
Membership in (00)	20	96	161	243	46835	47195	51917
		(380.0)	(67.70)	(50.93)	(19173.6)	(0.76)	(10.00)
Share Capital	1	55	391	1166	4725	9028	9931
		(5400.0)	(610.90)	(198.20)	(305.23)	(91.06)	(10.00)
Of which Government	N.A.	8	42	159	59	37	41
		(--)	(425.0)	(278.57)	(-62.89)	(-37.28)	(10.81)
Owned Funds	1	123	1150	4272	12998	10065	11072
		(12200)	(834.96)	(271.48)	(204.26)	(-22.56)	(10.00)
Borrowings Outstanding	7	121	1007	3868	22709	10254	10254
		(94.21)	(732.29)	(284.11)	(487.09)	(-54.84)	(0.00)
Working Capital	10	345	2103	22663	102851	70427	77471
		(3350.0)	(509.56)	(977.65)	(353.82)	(-31.52)	(10.00)
Milk Procured (Value)	7	784	8541	20175	128578	141268	153395
		(11100)	(989.41)	(136.21)	(537.31)	(9.87)	(8.58)
Milk & Milk Product Sales	8	904	8831	35143	131110	65397	71937
		(11200)	(876.88)	(297.95)	(273.07)	(-50.12)	(10.00)
Unions in Profit	6	23	51	36	42	47	51
		(283.33)	(100.0)	(-29.11)	(16.66)	(11.90)	(8.51)
Amount of Profit	0	12	29	148	1301	1152	1270
		(--)	(141.66)	(410.34)	(779.05)	(-11.45)	(10.24)
Unions in Loss	9	20	30	22	22	33	45
		(122.22)	(50.0)	(-26.66)	(0.00)	(50.0)	(36.36)
Amount of Loss	0	8	52	258	764	1174	1292
		(--)	(550.0)	(396.15)	(196.12)	(53.66)	(10.05)

*Co-operative Movement at a Glance in Maharashtra, 2005. Commissioner for Co-operation & Registrar of Co-op. Stys, Mah, Pune.

Table No.5.6.29 shows the progress of Dairy Unions in Maharashtra State. Number of unions increased from 19 to 95 from 1961 to 2007, therefore, growth rate shown a fluctuating trend while during 1991 and 2001 growth rate was negative as economic reforms introduced to Indian economy. Membership of dairy unions in Maharashtra increased from 2000 to 5191700 during 1961 to 2007 even growth rate was uneven. Share capital increased from Rs.1 lack to Rs.9931 lack of which government participation increased from Rs.8 lack to Rs.41 lack during 1971 to 2007. Owned funds increased from Rs.1 lack to Rs.11072 lack, borrowings outstanding decreased from Rs.7

lack to Rs.10254 lack and working capital increased from Rs.10 lack to Rs.77471 lack during 1961 to 2007. Value of milk produced increased from Rs.7 lack to Rs.153395 lack during 1961 to 2007. Milk and milk product sale of dairy union increased from Rs.8 lack to Rs.71937 lack during the same period even growth rate was uneven. Unions in profit increased from 6 to 51 and the profit earned by union increased from Rs.12 lack to Rs.1270 lack during the same period along with positive growth rate. Number of unions in loss increased from 9 to 45 and the amount of loss increased from Rs.8 lack to Rs.1292 lack during the same period even growth rate was uneven. Transportation facilities, storage facilities, etc. affects the durability and preservation facilities are necessary.

Table No. 5.6.30 - Progress of Co-operative Dairy Societies in Maharashtra.*

(Rs. in Lacks)							
Items	1961	1971	1981	1991	2001	2006	2007
No. of Societies	431	2021	7819	14284	22466	26881	30913
		(368.91)	(286.88)	(82.68)	(57.28)	(19.65)	(14.99)
Membership in (00)	155	1263	7030	13101	15182	1842038	2118343
		(114.83)	(456.61)	(86.35)	(15.88)	(12033.0)	(15.0)
Share Capital	9	62	288	3131	6594	2451	2820
		(588.88)	(364.51)	(987.15)	(110.60)	(-62.83)	(15.05)
Of which Government	N.A.	2	2	8	7	1	1
		(-)	(0.00)	(300.0)	(-12.5)	(-85.71)	(0.00)
Owned Funds	12	76	598	6614	116119	2623	2885
		(533.33)	(686.84)	(1006.0)	(1655.6)	(-97.74)	(9.98)
Borrowings Outstanding	7	1	289	1827	13426	3944	3944
		(-85.71)	(28800)	(532.18)	(634.86)	(-70.62)	(0.00)
Working Capital	26	314	1992	12950	1241321	25256	27782
		(1107.7)	(534.39)	(550.10)	(9485.4)	(-97.96)	(10.00)
Milk Procured (Value)	67	810	8531	35052	3234941	111531	128260
		(1108.9)	(953.21)	(310.87)	(9128.9)	(-96.55)	(14.99)
Milk & Milk Product Sold	69	841	9132	29914	3403403	67081	77143
		(1118.8)	(985.85)	(227.57)	(11277.2)	(-98.02)	(14.97)
Societies in Profit	156	833	4091	6762	12267	14432	13710
		(433.9)	(391.11)	(65.29)	(81.41)	(17.65)	(-4.96)
Amount of Profit	2	13	197	895	10758	1702	1616
		(550.0)	(1415.3)	(354.31)	(1102.01)	(-84.18)	(-5.05)
Societies in Loss	133	691	2023	3114	9634	11941	13135
		(419.54)	(192.76)	(53.93)	(209.37)	(23.34)	(9.99)
Amount of Loss	0	5	26	250	6542	1017	1119
		(-)	(420.0)	(861.53)	(2516.8)	(-84.45)	(10.02)

*Co-operative Movement at a Glance in Maharashtra, 2005. Commissioner for Co-operation & Registrar of Co-op. Stys, Mah, Pune.

Table No.5.6.30 shows the progress of co-operative dairy societies in Maharashtra State. Number of societies increased from 431 to 30913 from 1961 to 2007 showed a fluctuating but positive growth rate. Membership increased from 15500 to 211834300 during 1961 to 2007, growth rate was uneven however positive. Share capital increased from Rs.9 lack to Rs.2820 lack of which government participation increased

from Rs.2 lakh to Rs.1 lakh during 1971 to 2007, growth rate was uneven therefore government participation shown a negative growth during 2001 and 2006. Owned funds increased from Rs.12 lakh to Rs.2885 lakh, borrowings outstanding decreased from Rs.7 lakh to Rs.3944 lakh and working capital increased from Rs.26 lakh to Rs.27782 lakh during 1961 to 2007, even growth rate was uneven. Value of milk produced increased from Rs.67 lakh to Rs.128260 lakh during 1961 to 2007. Milk and milk product sold increased from Rs.69 lakh to Rs.77143 lakh during the same period, even growth rate was uneven. Dairy societies in profit increased from 156 to 13710 and the profit earned increased from Rs.2 lakh to Rs.1616 lakh during the same period; therefore, growth rate was fluctuating. Number of societies in loss increased from 133 to 13135 and the amount of loss increased from Rs.5 lakh to Rs.1119 lakh during the same period which shown a fluctuating trend.

5.7- SOCIAL SERVICES-

Co-operatives provide several types of service called social service these societies known as multi-purpose societies. Co-operatives works on voluntary basis fulfills the requirements of rural economy. Social services are concerns to- store, processing, supply, marketing, distribution of inputs, technical guidance, supplies consumer goods, etc.

Table No.5.7.31-Progress of Maharashtra State Co-op. Consumers Federation Ltd.*

(Rs. in Lacks)							
Items	1961	1971	1981	1991	2001	2006	2007
Branches	-	-	7	13	20	18	19
			(-)	(85.71)	(53.84)	(-10.0)	(5.55)
Membership in (00)	28	41	192	516	610	614	614
		(46.42)	(368.29)	(168.75)	(17.63)	(0.65)	(0.00)
Share Capital	3	14	146	249	169	164	164
		(366.66)	(-78.57)	(70.54)	(-32.12)	(-2.95)	(0.00)
Of which Government	1	6	96	196	114	114	114
		(500.0)	(1500.0)	(104.16)	(-41.83)	(0.00)	(0.00)
Owned Funds	S.N.A.	17	190	304	374	338	338
		(-)	(1017.6)	(60.0)	(23.02)	(-9.62)	(0.00)
Borrowings Outstanding	S.N.A.	18	173	158	28	0	0
		(-)	(819.11)	(-8.67)	(-51.72)	(-)	(-)
Working Capital	6	38	647	1003	2905	508	508
		(533.33)	(1602.6)	(55.02)	(183.63)	(-82.51)	(0.00)
Purchases	48	313	2184	2023	2548	7276	10904
		(552.0)	(597.76)	(-7.37)	(25.95)	(185.55)	(49.86)
Sales	46	336	2078	1901	2688	7505	11218
		(369.74)	(518.45)	(-8.51)	(41.39)	(179.20)	(49.47)
Amount of Profit(+)/Loss (-)	Neg.	+0.08	+1	-21	-30	23	86

(S.N.A.=Separately Not Available.)

* Co-operative Movement at a Glance in Maharashtra, 2005. Commissioner for Co-op. & Registrar of Co-op. Stys, Mah. State, Pune.

Table No.5.7.31 shows the progress of Maharashtra State Co-operative Consumers Federation Ltd. Number of branches increased from 7 to 19 from 1981 to 2007 even growth rate was uneven. Membership of consumer federation in Maharashtra increased from 2800 to 61400 during 1961 to 2007 shown a fluctuating growth rate. Share capital increased from Rs.3 lack to Rs.164 lack of which government participation increased from Rs.1 lack to Rs.114 lack during 1961 to 2007 shown a fluctuating growth rate therefore negative in 2001 and 2006 as well as stood constant for 2007. Owned funds increased from Rs.17 lack to Rs.338 lack during 1971 to 2007, growth rate shown a fluctuating trend. Working capital increased from Rs.6 lack to Rs.508 lack during 1961 to 2007 even growth rate was uneven. Borrowing outstanding shows fluctuating trend as it increased from Rs.18 lack to Rs.28 lack but it Rs.173 lacks during 1981 and Rs.158 during 1991. Value of purchases increased from Rs.48 lack to Rs.10904 lack during 1961 to 2007 and sales increased from Rs.46 lack to Rs.11218 lack during the same period. Consumer Federation earned profit during the years 1971, 1981, 2006 and 2007, Rs.08 lack, Rs.1 lack Rs.23 lacks and Rs.86 lacks, respectively. However, it was in loss during the years 1991 and 2001 Rs.-21 and Rs.-30 lack, respectively. Growth rate have shown a fluctuating trend over the period.

Table No. 5.7.32 - Progress of Co-operative Consumers' Societies (Wholesale).

(Rs. in Lacks)

Items	1961	1971	1981	1991	2001	2006	2007
No. of Societies	1	43	75	114	145	173	161
		(4200.0)	(74.41)	(52.0)	(27.19)	(19.31)	(6.93)
Branches	9	360	461	435	580	355	422
		(3900.0)	(28.05)	(-5.64)	(33.33)	(38.79)	(18.87)
Membership in (00)	2	1350	1232	2917	3867	3131	3441
		(67400.0)	(-8.74)	(136.77)	(32.56)	(19.03)	(9.90)
Share Capital	3	133	249	543	1517	1277	1541
		(4333.33)	(87.21)	(118.07)	(179.37)	(-15.82)	(20.67)
Of which Government	N.A.	97	150	246	484	180	266
		(--)	(54.64)	(64.0)	(96.74)	(-62.81)	(47.77)
Owned Funds	3	195	423	821	2739	2511	3204
		(6400.0)	(116.92)	(94.09)	(233.61)	(-8.32)	(27.59)
Borrowings Outstanding	2	205	283	629	1840	2226	2244
		(10150.0)	(38.04)	(122.26)	(192.52)	(20.97)	(0.80)
Working Capital	7	463	1100	2498	13354	12220	12515
		(6514.28)	(137.58)	(127.09)	(434.58)	(-8.49)	(2.41)
Purchases	189	2833	5865	16723	56484	20846	28881
		(1398.94)	(107.02)	(185.13)	(237.76)	(-63.09)	(38.54)
Sales	187	3031	6396	13389	44855	45412	32277
		(1520.85)	(111.02)	(109.39)	(235.01)	(1.24)	(-28.9)

(Continue...)

Societies in Profit	Neg.	28	45	69	110	104	109
		(--)	(60.71)	(30.18)	(59.42)	(-5.45)	(4.80)
Amount of Profit	Neg.	9	16	50	1127	309	324
		(--)	(77.77)	(212.50)	(2154.0)	(-72.58)	(4.85)
Societies in Loss	1	15	17	34	35	54	47
		(1400.0)	(13.33)	(100.0)	(2.94)	(54.28)	(-12.9)
Amount of Loss	Neg.	17	25	52	102	342	151
		(--)	(47.05)	(108.0)	(96.15)	(235.29)	(-55.8)

Source- Co-operative Movement at a Glance in Maharashtra, 2005. Registrar of Co-operative Societies, Maharashtra State, Pune.

Table No.5.7.32 shows the progress of Co-operative Consumers' Societies (Wholesale). Number of societies working in Maharashtra stood at 1 during 1961 increased up to 161 during 2007; growth rate was fluctuating but positive. Number of branches increased from 9 to 422 from 1961 to 2007 even growth rate was uneven. Membership of consumers' societies in Maharashtra increased from 200 to 344100 during 1961 to 2007, therefore, growth rate shown a fluctuating trend. Share capital increased from Rs.3 lack to Rs.1541 lack of which government participation increased from Rs.97 lack to Rs.266 lack during 1961 to 2007, growth rate of both was uneven and negative during 2006. Owned funds increased from Rs.3 lack to Rs.3204 lack during 1961 to 2007 and working capital increased from Rs.2 lack to Rs.2244 lack during 1961 to 2007 as well as growth rate shown a fluctuating trend and was negative during year 2006. Borrowing outstanding increased from Rs.7 lack to Rs.12515 lack during 1961 to 2007 even growth rate was uneven. Value of purchases increased from Rs.189 lack to Rs.28881 lack during 1961 to 2007 and sales increased from Rs.187 lack to Rs.32277 lack during the same period and growth rate was uneven. Consumers' co-operative societies in profit increased from 28 to 109 and the profit earned increased from Rs.9 lack to Rs.324 lack during 1971 to 2007 therefore, progress was uneven and societies have decreased with -5.45% in 2006 along with profit growth rate. Number of societies in loss increased from 1 to 47 and the amount of loss increased from Rs.17 lack to Rs.151 lack during the same period, therefore, societies in loss and amount of loss decreased in 2007. Societies in loss are lower than societies in profit, hence, the amount of loss is higher than the profit amount shows the financially weakness. Gap between purchase and sale is also short to achieve more profitable business. Co-operative Consumers' societies have to formulate their working habit in consumers' want basis, should maintain the awareness of changing commodity requirements to satisfy customers, warehousing facilities should be provided to members at cheap rate on co-operative basis.

Table No. 5.7.33 - Progress of Primary Co-operative Consumers' Societies.

(Rs. in Lacks)

Items	1961	1971	1981	1991	2001	2006	2007
No. of Societies	1140	1385	1737	2919	3434	2709	2749
		(21.49)	(25.41)	(68.04)	(17.64)	(-21.11)	(1.47)
Membership in (00)	1752	1835	10062	13138	16765	15592	12645
		(41.73)	(448.33)	(30.57)	(27.54)	(-6.99)	(-18.9)
Share Capital	52	124	345	774	3252	2518	3125
		(138.46)	(178.22)	(124.34)	(320.15)	(-22.57)	(24.10)
Of which Government	N.A.	6	27	93	187	43	59
		(-)	(350.0)	(244.44)	(101.07)	(-77.00)	(37.21)
Owned Funds	102	234	710	1529	4406	3866	4791
		(129.41)	(203.41)	(115.35)	(188.16)	(-12.25)	(23.92)
Borrowings Outstanding	24	83	306	420	1722	837	984
		(245.83)	(268.67)	(37.25)	(810.0)	(-51.39)	(17.56)
Working Capital	169	355	1685	3740	10053	9351	10476
		(110.06)	(374.64)	(121.95)	(168.79)	(-6.98)	(12.03)
Purchases	887	13435	9330	12650	38927	34752	21675
		(1414.6)	(-30.55)	(35.58)	(207.72)	(-10.79)	(-37.6)
Sales	931	3544	10103	14897	45969	29937	32056
		(280.66)	(185.07)	(47.45)	(208.57)	(-34.87)	(7.07)
Societies in Profit	489	781	1051	1531	2264	1559	1751
		(59.71)	(34.57)	(45.67)	(47.87)	(-31.14)	(12.31)
Amount of Profit	16	35	106	289	1275	846	843
		(118.75)	(202.85)	(172.64)	(341.17)	(-33.64)	(-0.35)
Societies in Loss	182	327	419	891	1170	821	933
		(79.67)	(28.13)	(112.65)	(31.31)	(-29.82)	(13.64)
Amount of Loss	2	22	22	54	109	386	489
		(1000.0)	(0.00)	(145.45)	(101.85)	(254.12)	(26.68)

Source- Co-operative Movement at a Glance in Maharashtra, 2005. Commissioner for Co-operation & Registrar of Co-operative Societies, Maharashtra State, Pune.

Table No.5.7.33 shows the progress of Primary Co-operative Consumers' Societies. Number of primary co-operative consumers' societies in Maharashtra stood at 1140 during 1961 increased up to 2749 during 2007, therefore, growth rate shown a fluctuation and negative in 2006 (-21.11%). Membership increased from 175200 to 1264500 during 1961 to 2007 even growth rate was uneven and negative for last two years 2006 and 2007. Share capital increased from Rs.52 lack to Rs.3125 lack of which government participation increased from Rs.6 lack to Rs.59 lack during 1961 to 2007, which also shown a fluctuating growth rate. Owned funds increased from Rs.102 lack to Rs.4791 lack during 1961 to 2007 and working capital increased from Rs.169 lack to Rs.10476 lack during 1961 to 2007. Borrowing outstanding increased from Rs.24 lack to Rs.984 lack during 1961 to 2007. Value of purchases increased from Rs.887 lack to Rs.21675 lack during 1961 to 2007 and sales increased from Rs.931 lack to Rs.32056 lack during the same period. Societies in profit increased from 489 to 1751 and the profit increased from Rs.16 lack to Rs.843 lack during 1961 to 2007, growth rate shown that

amount of profit negative during 2006 and 2007, -33.64% and -0.35%, respectively. Number of societies in loss increased from 182 to 933 and the amount of loss increased from Rs.2 lack to Rs.489 lack during the same period, therefore, growth rate showed fluctuating trend but societies in loss and amount of loss have increased. Societies in loss are lower than societies in profit, hence, the amount of loss is higher than the profit amount shows the financially weakness. Co-operative Consumers' societies have to formulate their working practices on consumers' want basis; societies should maintain the awareness of changing commodity requirements to satisfy customers. Government participation in total share capital has decreased over the period made financial blockage.

Table No. 5.7.34 - Progress of Women Co-operative Societies.

(Rs. in Lacks)

Items	1989	1991	2000	2001	2002	2006	2007
No. of Societies	803	1148	1056	1046	888	963	734
		(42.95)	(-8.01)	(-0.94)	(-15.10)	(8.44)	(-23.7)
Of which active	649	729	908	939	739	697	495
		(12.32)	(24.55)	(3.41)	(-21.30)	(-5.68)	(-28.9)
Membership in (00)	174	217	226	130	120	395	302
		(24.71)	(4.14)	(-42.47)	(-7.69)	(229.16)	(-23.5)
Share Capital	359	497	169	244	220	269	233
		(38.44)	(-65.99)	44.37)	-9.83)	(22.27)	(-13.3)
Of which Government	61	63	28	73	29	3	3
		(3.27)	(-55.55)	(160.71)	(-60.27)	(-89.65)	(0.00)
Owned Funds	584	911	321	250	303	283	247
		(55.99)	(-64.76)	(-22.11)	(21.2)	(-6.60)	(-12.7)
Deposits	3513	4443	57	100	192	37	33
		(26.47)	(-87.16)	(75.43)	(92.0)	(-80.72)	(-10.8)
Borrowings Outstanding	240	251	57	50	56	63	42
		(4.58)	(-77.29)	-12.28)	(12.0)	(12.5)	(-33.3)
Working Capital	4925	7120	1962	1558	1561	432	313
		(44.56)	(-72.44)	(-20.69)	(0.19)	(-72.35)	(-27.5)
Loans Outstanding	2942	3767	48	50	56	53	54
		(28.04)	(-98.72)	(4.16)	(12.0)	(-5.35)	(1.88)
Loans Overdues	300	504	21	22	23	33	30
		(68.0)	(-95.83)	(4.76)	(4.54)	(43.47)	(-9.09)
Purchases	436	488	N.A.	N.A.	N.A.	N.A.	N.A.
		(11.92)	(--)	(--)	(--)	(--)	(--)
Sales	477	544	N.A.	N.A.	221	195	106
		(14.06)	(--)	(--)	(--)	(-11.76)	(-45.6)
Societies in Profit	315	427	438	445	386	390	207
		(35.55)	(2.57)	(1.59)	(=13.25)	(1.03)	(-46.9)
Amount of Profit	98	210	52	60	62	27	20
		(114.28)	(-75.23)	(15.38)	(3.33)	(-56.45)	(-25.9)
Societies in Loss	295	420	468	494	353	509	471
		(42.37)	(11.42)	(5.55)	(-28.54)	(44.19)	(-7.46)
Amount of Loss	10	44	81	85	82	59	62
		(340.0)	(84.09)	(4.93)	(-3.53)	(-28.04)	(5.08)

Source- Co-operative Movement at a Glance in Maharashtra, 2005. Commissioner for Co-operation & Registrar of Co-operative Societies, Maharashtra State, Pune.

Table No.5.7.34 shows the progress of women co-operative societies in Maharashtra. The number of societies fluctuated during the 1989 to 2007, and active societies decreased from 649 to 495 during 1989 to 2007. Membership increased from 17400 to 30200 during the same period; therefore, growth rate was uneven. Share capital decreased from Rs.359 lacks to Rs.233 lacks, of which government participation decreased from Rs.61 lacks to Rs.3 lacks, shows that the women co-operatives were totally dependent upon government support. Owned funds decreased from Rs.584 lacks to Rs.247 lacks, deposits decreased from Rs.3513 lacks to Rs.33 lacks, borrowing capital decreased from Rs.240 lacks to Rs.42 lacks, and working capital decreased from Rs.4925 lacks to Rs.313 lacks during 1989 to 2007. Loans outstanding decreased from Rs.2942 lacks to Rs.54 lacks and overdues also decreased from Rs.300 lacks to Rs.30 lacks during the same period. Recent purchases are not available. Sales made by women co-operative decreased from Rs.477 lack to Rs.106 lack during 1989 to 2007. Societies in profit stood at 315 during 1989 decreased up to 207 during 2007. Profit earned is decreased from Rs.98 lack to Rs.20 lack. Societies in loss increased from 295 to 471 and loss is increased from Rs.10 lack to Rs.62 lack during the same period. Therefore, growth rate have shown a fluctuating trend in numbers of societies in profit or loss and amount of profit or loss.

Table No. 5.7.35 - Progress of Primary Co-operative Housing Societies.

(Rs. in Lacks)

Items	1961	1971	1981	1991	2001	2006	2007
No. of Societies	1495	7425	15640	33913	52330	64636	67434
		(396.65)	(110.64)	(116.83)	(54.30)	(23.51)	(4.32)
Membership in (00)	765	2909	5317	11315	18566	18699	20696
		(280.26)	(82.77)	(112.80)	(64.08)	(0.71)	(10.68)
Share Capital	420	1204	2682	5295	13372	11907	12645
		(186.66)	(122.75)	(97.42)	(152.54)	(-10.95)	(6.19)
Owned Funds	538	1527	3206	7153	18595	18243	21831
		(183.82)	(109.95)	(123.11)	(159.56)	(-1.89)	(19.66)
Borrowings Outstanding	1283	7419	21100	49161	120883	128593	74396
		(478.25)	(184.40)	(132.99)	(145.89)	(6.37)	(-42.1)
Working Capital	2504	13143	35081	97923	494807	511975	667185
		(424.88)	(166.91)	(179.13)	(405.30)	(3.46)	(30.31)
Loans Outstanding	N.A.	N.A.	2480	18699	275574	279978	51386
		(--)	(--)	(653.99)	(1373.73)	(1.59)	(-81.6)
Loans Overdues	N.A.	N.A.	198	3169	11773	12717	15888
		(--)	(--)	(1500.5)	(271.50)	(8.01)	(24.93)
Houses & Tenements Constructed (00)-	32	54	107	317	1160	911	775
		(68.75)	(98.14)	(196.26)	(265.93)	(-21.46)	(-14.9)

Source- Co-operative Movement at a Glance in Maharashtra, 2005. Commissioner for Co-operation & Registrar of Co-operative Societies, Maharashtra State, Pune.

Table No.5.7.35 shows the progress of primary co-operative housing societies in Maharashtra. Number of societies increased from 1495 to 67434 during 1961 to 2007, therefore, growth was uneven. Membership increased by 76500 to 2069600 during the same period showed a fluctuating growth rate. Share capital increased from Rs.420 lacks in 1961 to Rs.12645 lacks in 2007 even growth rate was uneven and negative during 2006 (-10.95%). Owned funds increased from Rs.538 lacks in 1961 to Rs.21831 lacks in 2007, however, growth rate shown fluctuation and negative in 2006 (-1.89%). Borrowing outstanding increased from Rs.1283 lacks in 1961 to Rs.74396 lacks in 2007 even growth rate was uneven and negative in 2006. Working capital increased from Rs.2504 lacks to Rs.667185 lacks in 2007, growth rate was uneven but positive over the period. Loans outstanding increased from Rs.2480 lacks in 1981 to Rs.51386 lacks in 2007. Overdues of loans increased from Rs.198 lacks in 1981 to Rs.15888 lacks in 2007 even growth rate showed fluctuation but overdues are increasing. Houses and tenements constructed by these housing societies increased from 3200 in 1961 to 77500 in 2007, therefore, growth rate was fluctuating and negative for last two year 2006 (-21.46%) and 2007 (-14.92%).

Table No. 5.7.36 - Progress of Co-operative Lift Irrigation Societies.*

(Rs. in Lacks)

Items	1961	1971	1981	1991	2001	2006	2007
No. of Societies	119	301	1188	3224	4796	9046	9407
		(152.94)	(271.42)	(171.38)	(48.76)	(88.61)	(3.99)
Membership in (00)	97	402	854	2820	5562	6939	6957
		(314.43)	(112.43)	(230.21)	(97.23)	(24.75)	(0.26)
Share Capital	22	153	324	1750	3810	4461	4485
		(595.45)	(111.76)	(440.12)	(117.71)	(17.08)	(0.53)
Owned Funds	30	193	563	3004	10111	14717	14815
		(543.33)	(191.71)	(433.57)	(236.58)	(45.55)	(0.66)
Borrowings Outstanding	59	400	1564	29772	48366	45667	46083
		(577.96)	(291.0)	(1803.57)	(62.45)	(-5.58)	(0.91)
Working Capital	118	732	2719	39922	85999	131859	133483
		(520.33)	(271.44)	(1368.26)	(115.41)	(53.32)	(1.23)
Area Under Command (in 00 hectares)	183	616	1744	6301	N.A.	N.A.	N.A.
		(236.61)	(183.11)	(261.29)	(-)	(-)	(-)
Area Irrigated- in 00 hectares	47	143	691	3636	5807	8527	8547
		(204.25)	(383.21)	(426.19)	(59.78)	(46.84)	(0.23)
Societies in Profit	41	99	313	984	1859	3231	3591
		(141.46)	(216.16)	(214.37)	(88.92)	(73.80)	(11.14)
Amount of Profit	2	17	50	226	800	1288	1374
		(750.0)	(194.11)	(352.0)	(253.98)	(61.0)	(6.67)
Societies in Loss	62	147	411	1760	2674	5463	5663
		(137.09)	(179.59)	(328.22)	(51.93)	(104.30)	(3.66)
Amount of Loss	2	20	46	1104	2786	3342	3225
		(900.0)	(130.0)	(2300.0)	(152.35)	(19.95)	(-3.50)

* Co-operative Movement at a Glance in Maharashtra, 2005. Commissioner for Co-op. & Registrar of Co-op. Stys, Mah. State, Pune.

Table No.5.7.36 shows the progress of co-operative lift irrigation societies in Maharashtra. Number of societies increased from 119 to 9407 during 1961 to 2007, growth rate shown a fluctuating trend over the period. Membership of these societies increased from 9700 to 695700 during the same period, therefore, growth rate was uneven but positive. Share capital increased from Rs.22 lacks to Rs.4485 lacks, owned funds increased from Rs.30 lacks to Rs.14815 lacks, and borrowings outstanding increased from Rs.59 lacks to Rs.46083 lacks during the same period, even growth rate shown a fluctuating trend. Working capital increased from Rs.118 lacks in 1961 to Rs.133483 lacks in 2007 even growth rate was uneven. In 1961 area under irrigation was 47 hectare increased up to 8547 hectare in 2007, therefore, growth rate decreased over the period. Societies in profit stood on 41 increased up to 3591 during 1961 to 2007 and amount was Rs.2 lacks in 1961 increased by Rs.1374 lacks in 2007, therefore, growth rate shown a decreasing trend over the period. However, societies in loss was also stood at 62 increased up to 5663, amount of loss Rs.2 lacks in 1961 increased up to Rs.3225 lacks in 2007 even growth rate was uneven and loss was negative -3.50% in 2007.

Table No. 5.7.37 - Progress of Co-operative Industrial Estates.*

(Rs. in Lacks)							
Items	1971	1981	1991	2000	2001	2006	2007
No. of Estates	65	96	183	206	201	206	224
		(47.69)	(90.62)	(12.56)	(-2.42)	(2.48)	(8.73)
No. of Estates in Production	51	87	143	194	187	191	208
		(70.58)	(64.36)	(35.66)	(-3.60)	(2.14)	(8.90)
Membership in (00)	63	120	278	374	365	382	376
		(90.47)	(131.66)	(34.53)	(-2.40)	(4.65)	(-1.57)
Share Capital	261	611	1535	2431	2843	3162	2308
		(134.09)	(151.22)	(58.37)	(16.94)	(11.22)	(-27.0)
Of which Government	89	188	469	627	623	509	250
		(111.23)	(149.46)	(33.68)	(-0.63)	(-19.29)	(-50.8)
Owned Funds	280	801	2261	4058	4613	6011	4663
		(186.07)	(182.27)	(79.47)	(13.67)	(30.30)	(-22.4)
Borrowings Outstanding	150	422	1120	2477	2380	2483	1910
		(181.33)	(165.40)	(121.16)	(-3.91)	(4.32)	(-23.0)
Working Capital	572	1965	7170	12843	13547	14624	16000
		(243.53)	(264.88)	(79.12)	(5.48)	(7.95)	(9.41)
Work shed Completed Nos.	248	2953	4046	8530	7047	7089	5960
		(1090.7)	(37.01)	(110.82)	(-17.38)	(0.59)	(-15.9)
Estates in Profit	36	60	110	124	129	132	137
		(66.66)	(83.33)	(12.72)	(4.03)	(2.32)	(3.78)
Amount of Profit	2	14	71	162	259	330	187
		(600.0)	(407.14)	(128.17)	(59.87)	(27.41)	(-43.3)
Estates in Loss	23	27	43	70	58	59	71
		(17.39)	(59.25)	(62.79)	(-17.14)	(1.72)	(20.33)
Amount of Loss	3	4	53	204	175	160	160
		(33.33)	(1225.0)	(284.90)	(-14.21)	(-8.57)	(0.00)

* Co-operative Movement at a Glance in Maharashtra, 2005. Commissioner for Co-op. & Registrar of Co-op. Stys, Mah. State, Pune.

Table No.5.7.37 shows the progress of co-operative industrial estates in Maharashtra. Number of estates increased from 65 to 224 during the year 1971 to 2007, therefore, growth rate shown fluctuating trend and was negative in 2001 (-2.42). In 2007, total 208 estates were in production. Membership of these estates increased from 63 hundreds to 376 hundreds during 1971 to 2007 even growth rate was uneven. Share capital increased from Rs.261 lacks to Rs.2308 lacks, of which government participation was Rs.89 lacks in 1971 increased up to Rs.250 lacks in 2007 even growth rate of share capital was uneven it was negative in year 2007 and government participation to share capital was also uneven and negative during years 2001, 2006 and 2007. Owned funds increased from Rs.280 lacks to Rs.4663 lacks, borrowing outstanding increased from Rs.150 lacks to Rs.1910 lacks and working capital increased from Rs.572 lacks to Rs.16000 lacks during 1971 to 2007, growth rate showed a fluctuating trend in owned funds, borrowing outstanding and working capital during the same period. Work shed completed during 1971 were 248 increased up to 5960 during 2007 even growth rate was uneven and negative in 2001 and 2007. Estates in profit were 36 with profit of Rs.2 lacks in 1971 increased up to 137 estates with Rs.187 lacks profit amount; therefore, growth rate was uneven. Estates in loss were 23 with Rs.3 lacks loss in 1971 increased by 71 estates with Rs.160 lacks loss in 2007; growth rate of number of estate in loss was uneven however loss amount reduced after year 2001 to end of study period 2007. Table show that the co-operative industrial estates have made a remarkable progress during the years but the loss is also increases which affected the profits and progress of the estates.

Table No. 5.7.38- Progress of Pri. Industrial Co-op. Societies (Other than Weavers)*

Items	(Rs. in Lacks)						
	1961	1971	1981	1991	2001	2006	2007
No. of Societies (All Types)	2084	1729	1827	4901	6323	6980	7218
		(-17.03)	(5.66)	(168.25)	(29.01)	(10.39)	(3.40)
Of which dormant	N.A.	34	531	874	545	768	659
		(--)	(1461.7)	(64.59)	(-37.64)	(40.91)	(-14.2)
Working Capital	493	772	2884	7564	11878	13589	15132
		(56.59)	(273.57)	(162.27)	(149.57)	(14.40)	(11.35)
Production	329	398	1456	1929	3446	6489	6535
		(20.97)	(265.83)	(32.48)	(78.64)	(88.30)	(0.70)
Purchases	188	396	1367	3040	1810	2766	2225
		(110.63)	(245.20)	(122.38)	(-40.46)	(52.81)	(-19.5)
Sales	385	590	2069	3060	1037	2806	3180
		(53.24)	(250.67)	(50.81)	(-66.11)	(170.58)	(13.32)

* Co-operative Movement at a Glance in Maharashtra, 2005. Commissioner for Co-op. & Registrar of Co-op. Stys, Mah. State, Pune.

Table No.5.7.38 shows the progress of primary industrial co-operative societies (other than weavers) in Maharashtra. Number of societies of all types increased nearly three times from 2084 in 1961 to 7218 in 2007, of which 659 societies were dormant in 2007, therefore, growth rate shown a fluctuating trend over the period. Working capital increased from Rs.493 lacks in 1961 to Rs.15132 lacks in 2007 even growth rate was uneven. Production of these societies increased from Rs.329 lacks to Rs.6535 lacks during 1961 to 2007 even growth rate was uneven. Purchases increased from Rs.188 lacks to Rs.2225 lacks and sales increased from Rs.385 lacks to Rs.3180 lacks during 1961 to 2007 shows remarkable progress, therefore, growth rate was fluctuating.

Table No. 5.7.39 - Progress of Forest Labors Co-operative Societies.

(Rs. in Lacks)							
Items	1961	1971	1981	1991	2001	2006	2007
No. of Societies	258	453	378	380	288	270	299
		(75.58)	(-16.55)	(0.53)	(-24.21)	(-6.25)	(10.74)
Of which dormant	N.A.	78	66	108	39	27	23
		(--)	(-15.38)	(63.63)	(-63.88)	(-30.77)	(-14.8)
Membership in (00)	258	515	601	735	652	647	689
		(99.61)	(16.70)	(22.29)	(-11.29)	(-0.76)	(6.49)
Share Capital	7	18	16	21	31	42	43
		(157.14)	(-11.11)	(31.25)	(47.62)	(35.48)	(2.38)
Of which Government	N.A.	10	3	2	2	12	12
		(--)	(-70.0)	(-33.33)	(0.00)	(500.0)	(0.00)
Owned Funds	22	67	76	302	499	591	593
		(204.54)	(13.43)	(297.36)	(65.23)	(18.43)	(0.33)
Borrowings Outstanding	10	77	25	44	289	473	568
		(670.0)	(-67.5)	(76.0)	(556.81)	(63.66)	(20.08)
Working Capital	108	196	2196	8660	10635	11806	11894
		(81.48)	(1020.4)	(294.35)	(22.80)	(11.01)	(0.74)
Value of Sales	N.A.	279	1213	1031	4597	5821	5682
		(--)	(334.76)	(-15.00)	(345.87)	(26.62)	(-2.38)
Coupes Allotted	332	728	549	71	N.A.	N.A.	N.A.
		(119.27)	(-24.58)	(-87.06)	(--)	(--)	(--)
Societies in Profit	143	239	158	91	88	92	108
		(67.13)	(-33.89)	(-42.40)	(-3.29)	(4.54)	(17.39)
Amount of Profit	71	N.A.	106	128	69	233	237
		(--)	(--)	(20.75)	(-46.09)	(237.68)	(1.71)
Societies in Loss	18	N.A.	142	162	165	151	168
		(--)	(--)	(14.08)	(1.85)	(-8.48)	(11.25)
Amount of Loss	3	N.A.	17	106	250	400	436
		(--)	(--)	(523.53)	(135.85)	(60.0)	(9.00)

Source- Co-operative Movement at a Glance in Maharashtra, 2005. Commissioner for Co-operation & Registrar of Co-operative Societies, Maharashtra State, Pune.

Table No.5.7.39 shows the progress of forest labor co-operative societies in Maharashtra. Number of societies increased from 258 to 299 during 1961 to 2007 of which 23 societies were dormant in 2007 shows that the progress is not satisfactory.

Growth rate of forest labor co-operative societies was uneven and shown negative growth during 1971, 2001 and 2006. Dormant societies showed a fluctuating growth rate and decrease during 1981, 2001, 2006 and 2007. Membership increased from 25800 to 68900 during the same period. Share capital increased from Rs.7 lacks to Rs.43 lacks from 1961 to 2007, even growth rate was uneven. Government contribution in share capital increased from Rs.10 lacks to Rs.12 lacks during the same period, therefore, growth rate was highly fluctuating. Owned funds increased from Rs.22 lacks to Rs.593 lacks, borrowing outstanding increased from Rs.10 lacks to Rs.568 lacks and working capital increased from Rs.108 lacks to Rs.11894 during 1961 to 2007, growth rate of owned funds, borrowing outstanding and working capital was uneven. Value of sales also increased from Rs.279 lacks in 1971 to Rs.5682 lacks in 2007, therefore, growth rate was fluctuating. Number of societies in profit decreased from 143 to 108, however, amount increased from Rs.71 lacks to Rs.237 lacks during 1961 to 2007 and even growth rate was uneven. Number of societies in loss increased from 18 to 168, with amount of loss Rs.3 lacks in 1961 to Rs.436 lacks in 2007, therefore, growth rate was uneven.

Table No. 5.7.40 - Progress of Labor Contract Co-operative Societies.*

	(Rs. in Lacks)						
Items	1961	1971	1981	1991	2001	2006	2007
No. of Societies	371	1115	3334	4434	8127	10188	10227
		(200.53)	(199.01)	(32.99)	(83.28)	(25.36)	(0.38)
Membership in (00)	174	519	1752	2201	4824	7417	5165
		(198.27)	(237.57)	(25.27)	(119.17)	(53.75)	(-30.3)
Share Capital	5	48	145	307	951	1896	2178
		(860.0)	(202.08)	(111.72)	(209.77)	(99.37)	(14.87)
Of which Government	N.A.	17	26	43	41	22	22
		(--)	(52.94)	(65.38)	(-4.65)	(-46.34)	(0.00)
Owned Funds	8	67	193	418	1272	2478	2898
		(737.5)	(188.06)	(116.58)	(204.30)	(94.81)	(16.95)
Borrowings Outstanding	10	73	123	797	3353	2873	3181
		(630.0)	(68.49)	(547.96)	(320.70)	(-14.31)	(10.72)
Working Capital	45	140	2154	5875	11998	23347	20291
		(211.11)	(1438.5)	(172.74)	(104.22)	(94.59)	(-13.0)
Value of works executed	N.A.	412	3578	12980	54831	61055	78563
		(--)	(768.44)	(262.77)	(322.42)	(11.35)	(28.67)
Societies in Profit	121	439	1539	2355	5131	6688	6931
		(262.81)	(250.56)	(53.02)	(117.87)	(30.34)	(3.63)
Amount of Profit	2	N.A.	54	156	973	1479	1909
		(--)	(--)	(188.88)	(523.71)	(52.00)	(29.07)
Societies in Loss	140	N.A.	1285	1557	2836	3356	3153
		(--)	(--)	(21.16)	(82.14)	(18.33)	(-6.04)
Amount of Loss	N.A.	N.A.	27	71	295	5853	6414
		(--)	(--)	(162.96)	(315.49)	(1884.0)	(9.58)

* Co-operative Movement at a Glance in Maharashtra, 2005. Commissioner for Co-op. & Registrar of Co-op. Stys, Mah. State, Pune.

Table No.5.7.40 shows the progress of labor contract co-operative societies in Maharashtra State during the 1961 to 2007. Number of societies increased from 371 to 10227 from 1961 to 2007, therefore, growth rate shown a fluctuating trend over the period. Membership of these societies increased from 17400 to 516500 during the same period, even growth rate was uneven and negative during year 2007 (-30.36%). However, total employment generated in co-operative sector at the end of March 2007 was 3.84 lacks, percentage of employment in co-operative sector to total working population was 0.93 in 2007.¹ Share capital increased form Rs.5 lacks to Rs.2178 lacks, which participated from government from Rs.17 lacks to Rs.22 lacks during 1961 to 2007, therefore, share capital shown a fluctuating trend over the period but growth rate in government contribution shown a decreasing trend from 2001 to 2007. Own funds increased from Rs.8 lacks to Rs.2898 lacks, borrowing outstanding of the societies increased from Rs.10 lacks to Rs.3181 lacks and the working capital increased from Rs.45 lacks to Rs.20291 lacks during the year 1961 to 2007, therefore, growth rate of owned funds, borrowings outstanding and working capital shown a fluctuating trend during the period. Value of works executed increased from Rs.412 lacks to Rs.78563 lacks during 1971 to 2007 which showed a fluctuating growth rate. Societies in profit were 121 with profit of Rs.2 lacks in 1961 increased up to 6931 with profit of Rs.1909 lacks in 2007, even growth rate was uneven. Societies in loss increased from 140 with loss of Rs.1285 lacks in 1981 to 3153 with loss of Rs.6414 lacks in 2007, growth rate was uneven however loss amount occurs by labor contract co-operative societies is much more compare to profit amount. Therefore, some measures needs to take to stop losses and to increase profit through deliberate action.

5.8- SUMMARY-

Co-operative movement basically an activities with a common goal, co-operation refers to the formation of non-profit economic enterprises for the benefit of there members. Indian government launched the movement with the enactment of the co-operative societies Act 1904. According to the Act of 1904, the co-operative societies were to be established in every district and were required to be managed by members on

1. Ref: Economic Survey of Maharashtra 2007-08, Directorate of Economic & Statistics, Maharashtra State.

democratic lines. The supreme authority was vested in the general meeting, which consisted of all the members. All decisions as to liabilities, loans, investments, interests, etc. were to be adopted at the general meeting. During the early years of the movement, the societies were financed either by loans from government or from private persons and deposits made by members. The government loan up to a certain sum was normally interest free. The village-based agricultural credit societies started giving loans to deserving members.

Co-operatives in State of Maharashtra have made a tremendous development during the last four and half decade, several types of co-operative societies stated in Maharashtra with mission to provide overall services to their members and after all to serve for the nation. In order to development the socio-economic conditions of the rural society's co-operatives have no challenge.

It is government sponsored co-operative movement which is opposite to the European movement where people themselves got mobilized and organizationally defend and promote their specific interests. However, co-operatives have spread over all in each and every type of services which are necessary for a common man especially contributed a lot in the uplift of the rural people. Yet, it is observed that there are some weakness and some obstacles in co-operative movement, therefore, the movement is working only on the spirit of the people and this will give strength to people to overcome on any challenge.

CHAPTER VI- A PROFILE OF AHMEDNAGAR DISTRICT

6.1- LOCATION- Ahmednagar District recognized by the name of Malik Ahmed who was the chief founder and it was the Kingdom of Nizamshah in A.D.1494. After the end of Peshwa rule in A.D. 1818 Ahmednagar District was established.

Ahmednagr is the largest district of Maharashtra State with geographical area of 17418 k.m., which is 5.66% of area of Maharashtra State. Out of total areas 391.5 sq. k. m. is urban area and remaining 16,656.5 sq. k. m. is rural area. Ahmednagar is centrally located in western Maharashtra. In Ahmednagar district there were 13 blocks or talukas and 1,581 villages and 1,308 gram sabhas.

The Ahmednagr district is laid between 18.2* to 19.9* North latitude and 73.9* to 57.5* East longitude, and is bounded on the north by Nasik district, on the north east by Aurangabad district, in the east by Beed and Osmanabad, on the south by Solapur and in the south west by Thane and Pune district.

6.2- TOPOGRAPHY- There are various land forms founds in Ahmednagar district. These different types of land forms in the region constitute its physical set-up. The physical of Ahmednagar district are the following divisions-

- 1) **Western hilly region-** The main Sahyadri range touches Akola Tahsil in the western area of Ahmednagar and forms this main range three spears viz. Kalsubai, Baleshwar and Harishchandragad. Kalsubai is the highest peak of Sahyadri (1654 mtr.).
- 2) **Central plateau region-** Parner, Ahmednagar Tahsil and parts of Sangamner, Shrigoda and Karjat Tahsils are included in this region.
- 3) **Northern and southern plain regions-** It includes northern Koperagaon, Rahata, Shrirampur, Rahuri, Newasa, Shevgaon and Pathardi Tahsils. This is the region of the Godavari and the Pravara river basins. Parts of the southern tahsils of Shrigoda, Karjat and Jamkhed are also included in this physical division. This region covers basins of the Ghod, Bhima and the Sina rivers.

6.3- RIVERS- Godavari and Bhima are the major rivers of the district. The Pravara is the tributary or Godavari. The Mula, Adhala and Mahalungi are the important tributary to the

Pravara. The southern part of the district consisting of Parner, Ahmednagar, Pathardi, Shrigonda and Karjat tahsils constitute the Bhima basin with the tributaries of Kukadi and Ghod. Among the rivers, the Pravara, Mula and Godavari have been a boon to this district.

6.4- SOIL- The entire district is occupied by basaltic lava flow, which is popularly known as the 'Deccan Traps'. These lava flows are sometimes associated with intertrappen beds such as lime stones, sand stones, clay shales, red bole beds, porous thin mantle of black cotton soil present almost every where on the basaltic area. According to the Dry Farming Research Station, Solapur, considering the depth of soil and other factors, only 26% of the area is suitable for double cropping while the rest is suitable only for crops like Bajra, Groundnut, Sunflower, Grasses and Plantation.

6.5- ENVIRONMENT- The climate of the district is characterized by a hot summer and general dryness during major part of the year except during south-west monsoon season, when the relative humidity is between 60% and 80% thereafter it decreases. Ahmednagar gets rain mainly from south-west monsoon but the distribution is mostly uneven. The average rainfall in the district was 579 mm during 2007-08. The district can be divided into following agro-climatic zones encountered from east to west:

i] Scarcity Tract- Out of 13 blocks of the district 12 blocks and eastern one third part of the Akola tahsil fall in the scarcity tract. Due to satisfactory rain and construction of dams water table has increased in many parts thereby increasing sugarcane plantation.

ii] Transition Zone I- Western part of Akola taluka and the limited area from south east portion of Sangmner taluka is covered by this zone. This part of the district receives rainfall of about 700 mm to 1,250 mm.

iii] Transition Zone II- Area of the western side of the high rainfall zone comes under this zone. This zone receives of about 1,250 mm to 2,500 mm.

iv] High-Rainfall Zone- This zone includes the narrow strip of land west to the ghat zone and receives rainfall of 2000 mm to 3000 mm.

6.6- INDUSTRIES- Ahmednagar district has a variety of large scale and small scale industries.

Table No. 6.6.1 -Types of Industries by Ownership in Ahmednagar District. (2005)

Sr. No.	Items	Agricultural Industries			Non-Agricultural Industries			Total Agri. and Non-Agri. Industries		
		Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
01.	Co-operative	303 (0.72)	3 (0.13)	306 (0.68)	2029 (2.68)	680 (1.45)	2709 (2.21)	2332 (1.97)	683 (1.39)	3015 (1.80)
02.	Public	63 (0.15)	1 (0.04)	64 (0.15)	10389 (13.71)	1733 (3.71)	12122 (9.89)	10452 (8.85)	1734 (3.52)	12186 (7.28)
03.	Private	41945 (99.13)	2430 (99.83)	44375 (99.17)	63356 (83.61)	44353 (94.84)	107709 (87.90)	105308 (89.18)	46783 (95.09)	152084 (90.92)
04.	Total	42311 (100.00)	2434 (100.00)	44745 (100.00)	75774 (100.00)	46766 (100.00)	122540 (100.00)	118085 (100.00)	49200 (100.00)	167285 (100.00)

(-Figures in brackets show the percentage to total.)

*District Social and Economic Analysis. Year- 2008.

The above **Table No. 6.6.1** shows the types of industries by ownership in Ahmednagar district in 2005. Out of total 44745 agricultural industries 306 are co-operative, 64 public and 44375 private, which are 0.68, 0.15 and 99.17 per cent relatively. Out of total 122540 non-agricultural industries 2709 are co-operative, 12122 public and 107709 private, which are 2.21, 9.89 and 87.90 per cent relatively. Out of total 167285 agricultural and non-agricultural industries 3015 are co-operative, 12186 public and 167285 private, which are 1.80, 7.28 and 90.92 relatively.

Table explains that the co-operatives and public sector have a very small part of total industrial ownership compare to private sector, besides this co-operative sector is serving from more than century failed to make progress in industrial sector.

Small Scale Industries- Separating gains of rice from husk by pounding, and gathering medicinal plants are the small scale industries in Akole tahsil. Weaving cloth on handlooms and powerlooms goes on at Ahmednagar, Pathardi, Sangamner and Kharda. Weaving rough blankets of sheep wool is the small scale industry in Sangamner, Karjat and Pathardi tahsils. Making ropes from agave and ambadi is carried on in Shrigonda tehsil. Bidi rolling is carried on in Ahmednagar, Akola and Sangamner tahsils. Kopargaon, Rahata, Ahmednagar and Rahuri are markets for selling jaggery. Jaggery is

made in the neighboring areas of these places. There are oil mills at Shrirampur, Sangamner, Ahmednagar and Vambori.

Large Scale Industries- Milk chilling plants are located at Ahmednagar, Karjat, Kopergaon, Babhaleshwar and Sangamner etc. there is a factory producing ‘Ayurvedic’ medicines at Ahmednagar are manufacturing mopeds and T.V. sets. Pharmaceutical factories are located at Kopergaon and Kanhegaon. Industries making engines and pump-sets are located at Shrirampur. There are spinning mills at Shrirampur, Haregaon and Rahuri. Ginning and pressing industries are also found at Sangamner, Ahmednagar, Pathardi and Shevgaon.

Sugar Industries- Ahmednagar district is called ‘Sugar Bowl’ of Maharashtra. At present 17 co-operative sugar factories are operating with full capacity. Sugar industries are located at Agastinagar, Sangamner, Kolpewadi, Takli, Rahata, Pravaranagar, Karegaon, Rahuri, Bhende, Sonai, Pathardi, Shrigonda, Shevgaon, Bodhegaon, Rashin etc. papermills making paper from sugarcane bagasse are at Sangamner, Rahuri, Kopergaon and Pravaranagar.

Table No. 6.6.2- Position of Sugar Co-operative Factories in Ahmednagar. (2007-08)

Sr. No.	Taluka	Name of the Factory	Permanent Workers	Seasonal Workers	Sugar Production Metric Tons
01.	Akole	Agasti Co-op. Sugar Factory Ltd. Akole.	340	512	52249
02.	Sangamner	Sangamner Co-op. Sugar Factory Ltd. Amrutnagar.	503	424	113898
03.	Kopergaon	Kopergaon Co-op. Sugar Factory Ltd. Kolpewadi.	500	542	79432
04.	Kopergaon	Ganeshnagar Co-op. Sugar Factory Ltd. Ganeshnagar.	373	455	42587
05.	Kopergaon	Sangiwani Co-op. Sugar Factory Ltd. Sahajanandnagar.	568	165	80813
06.	Rahata	Padmshri Vikhe Co-op. Sugar Factory Ltd. Pravaranagar.	573	693	120950
07.	Shrirampur	Ashok Co-op. Sugar Factory Ltd. Ashoknagar.	281	554	63552

08.	Newasa	Dnyeshwar Co-op. Sugar Factory Ltd. Bende Bdk.	631	613	112525
09.	Newasa	Mula Co-op. Sugar Factory Ltd. Sonai.	484	509	104070
10.	Shevgaon	Kedareshwar Co-op. Sugar Factory Ltd. Bodhegaon.	123	620	35620
11.	Patherdi	Vrudheshwar Co-op. Sugar Factory Ltd. Adinathnagar.	233	318	55744
12.	Nagar	Nagar Taluka Co-op. Sugar Factory Ltd. Walaki.	101	318	38675
13.	Rahuri	Dr.B.B.Tanpure Co-op. Sugar Factory Ltd. Shivajinagar.	543	162	78567
14.	Parner	Parner Co-op. Sugar Factory Ltd. Devibhoyare.	250	270	35285
15.	Shrigonda	Shrigonda Co-op. Sugar Factory Ltd. Shrigonda.	320	422	90769
16.	Shrigonda	Kukadi Co-op. Sugar Factory Ltd. Pimpalgaon Pisa.	166	392	77045
17.	Karjat	Jagdamba Co-op. Sugar Factory Ltd. Rashin.	219	270	27667
		Total District	6278	7304	1246723

Source- Regional Asst. Director (Sugar), Ahmednagar.

Maharashtra Industrial Development Corporation (MIDC) - At present 634 units are working and they provide employment to 21340 workers. Drillco, Garware Nylon, Kirloskar Oil Engines, L&T, Chakan Oil Mill, Boots India, Trinity Forge, Crompton Greaves, Kinetic, etc. are the prominent entrepreneur in MIDC area. Industrial estates in the district are located at Ahmednagar, Shrirampur, Koperagaon and Sangamner.

Vehicle Research and Development Establishment (VRDE) - Where all sorts of vehicles are tested, certificated from VRDE is a must for all vehicles manufactured.

Mahatma Phule Krishi Vidhyapeeth, Rahuri – The University has intended to process and evolve in producing many High Yielding Varieties (HYV) crops of various cereals and pulses. The research carried out by the University is helpful to the agriculturists.

6.7- AGRICULTURE- Farming is the main activity of the people in Ahmednagar district. Out of total workers 75.42% people were working in farming as farmers, agricultural labor, animal husbandry and allied agricultural activities. Agriculture in the district mainly depends upon rains, wells and dams, but the rainfall in district is inconsistent and irregular.

In 2004-05 the total geographical area was 17.02 lack hectares, total cropped area was 13.26 lack hectares, in which under net crops was 11.85 lack hectares and use for more than one time land was as 1.40 lack hectares, i.e. 11.16% to total area.

As per the agricultural census of 1997 the number of total land holders in Ahmednagar district was 6,81,639 and holding land was 13,56,322 hectares. There are a large number of land holders in Ahmednagar district of Maharashtra State.

The following table shows the division of land holding between land holders-

Table No. 6.7.3 - Land division between land holders.*

No.	Land Holders	Numbers	Area Held (Hectares)
1.	Individual	6,69,493 (98.22%)	13,15,861 (97.02%)
2.	Joint Holder	11,504 (1.69%)	27,948 (2.06%)
3.	Societies Holder	642 (0.09%)	12,513 (0.92%)
		6,81,639 (100%)	13,56,322 (100%)

(-Figures in brackets show the percentage to total.)

*District Social and Economic Analysis. Year-2008.

Table No. 6.7.3 shows that 97.02% area held by individual holders which was 98.22% and only near 3% area was hold by joint and societies.

Table No. 6.7.4 - Size of Land holding and Land Holders.*

Land Holding Size (Hectares)	Total Land Holders	Total Land Hold (Hectares)
0 to 0.99	239151 (35.14%)	127900 (9.44%)
1 to 1.99	213899 (31.43%)	312445 (23.03%)
2 to 3.99	157906 (23.20%)	423553 (31.89%)
4 to 9.99	61517 (9.04%)	352165 (25.96%)
10 Hectares & above	8136 (1.19%)	131259 (9.68%)
Total	680609 (100.00%)	1356322 (100.00%)

(-Figures in brackets show the percentage to total.)

*District Social and Economic Analysis. Year- 2008.

Table No.6.7.4 shows that 1,31,259 hectares land (9.68% land) is under large holding while 12,25,063 hectares land (64.36% land) is under small holdings. It is revealed that 98.81% land holders occupy only 90.32% of the total land, while 1.19% land holders occupies only 9.68% of total land. It confirms the fact that the land holdings in the district shows high degree of inequality e.g. a small percentage of land 1.19% land holders hold about 10% of the total agricultural land from the district. Due to small farming land make it difficult for agriculturists to implement advanced technology for high productivity and production. As against the commercialization of agriculture in the developed countries, in India farming is still remains a source of livelihood for most of the agriculturists in rural area. Because of the strong socio-economic position and grip over the rural economy, large landlords get greater benefits from co-operatives.

In Ahmednagar District three types of agricultural product seasons are observed: viz. Khariff, Rabbi and Summer. In 2004-05 the total cropped area was 13.26 lack hectare out of the total area 10.00 lack hectare (75.47%) area was under cereals, 0.83 lack hectare (6.32%) was under pulses, 0.81 lack hectare (6.12%) was under sugarcane, cotton and groundnut, only 0.37 lack hectare (2.83%) was under fruits and vegetables, and remaining 1.22 lack hectare (9.26%) area was under non-food articles.

6.8- IRRIGATION- For the development of agricultural sector wells, tanks and rivers are used for the purpose of irrigation in Ahmednagar district. Shirampur, Ahmednagar, Pathardi, Karjat, Parner, Sangamner, Kopergaon and Rahata talukas have a large number of wells than in other talukas. There are lakes at Visapur, Bhatodi, Musalvadi and Gunvadi in Ahmednagar district. Bhandardara dam in Akola taluka constructed on Pravara River, which irrigated the land of Rahata, Shirampur, Rahuri and Sangamner talukas. Baragaon Nandur dam in Rahuri taluka on Mula River irrigated the land of Rahuri, Newasa and Shevgaon talukas. Devthana dam on the river Adhala, Mandohal dam in Parner taluka and Pargaon Ghatsheel dam in Pathardi taluka are some of other dams in the district. Other sources of the irrigation in the district are percolation tanks and lift irrigation schemes. Kukadi dam of Pune district also irrigated to Parner and Shrigonda taluka.

Table No. 6.8.5 - Development of Irrigation Sources in Ahmednagar District.

No.	Particulars	No. of projects	Irrigation Potential in Thousand Hectors
1.	Major Projects	02	92 (19.83%)
2.	Medium Projects	07	66 (14.23%)
3.	Minor Projects	107	53 (11.42%)
4.	Other Sources	-	253 (54.52%)
	Total	116	464 (100.00%)

(-Figures in brackets show the percentage to total.)

Source- *District Social and Economic Analysis. Year- 2008.

Table No.6.8.5 makes it clear that 158 thousand hectare area is irrigated by major and medium projects. This constitutes 34.05% of the total irrigated area of 464 thousand hectares. The minor projects and other sources of irrigation are irrigating 306 thousand hectares 53 and 253 thousand hectares which is 11.42% and 54.52%, respectively.

6.9- POPULATION- As per 2001 census the total population of the Ahmednagar district was 4040642, of which 3236945 i.e. 80.1% people lived in rural areas (1556 villages) the average of living population per village is 2047 people. In urban area 803697 i.e. 19.9% people lived. It also pointed out that the ratio of females to 1000 male was 941.

Table No. 6.9.6 - Decade Growth in Population in Ahmednagar District.

Year	Total	Urban	Rural
1961	1775969 (00.00)	187315 (00.00)	1588654 (00.00)
1971	2269117 (27.76)	251500 (34.76)	2017617 (27.00)
1981	2708309 (19.36)	351368 (39.29)	2356941 (16.82)
1991	3372935 (24.54)	533481 (52.14)	2839454 (20.47)
2001	4040642 (21.20)	803697 (50.56)	3236945 (15.67)

(-Figures in brackets show the growth rate to previous decade.)

Source- *District Social and Economic Analysis. Year- 2008.

The above **Table No.6.9.6** shows the growth of population decade wise from 1961 to 2001 in Ahmednagar district. Total population increased from 1775969 to 4040642, urban population increased from 1873315 to 803697 and rural from 1588654 to 3236945 during 1961 to 2001, average growth rate was 23.21%, 44.18% and 19.99%,

respectively. It reveals that urban population is increasing compare to rural population as urban population increased from 34.76% in 1971 to 50.56% in 2001 and rural population decreased from 27.00% to 15.67% during the same period.

Table No. 6.9.7 - Talukawise Distribution of Population (2001).*

Talukas 01	Total 02	Rural 03	Urban 04
1. Akole	2,66,638 (6.6)	2,66,638 (100.0)	0
2. Sangamner	4,41,439 (10.9)	3,60,114 (81.6)	81,325 (18.4)
3. Kopergaon	2,77,170 (6.7)	2,06,340 (74.4)	70,830 (25.6)
4. Rahata	2,88,279 (7.1)	2,43,076 (84.3)	45,203 (15.7)
5. Shrirampur	2,56,458 (6.3)	1,67,697 (65.4)	88,761 (34.6)
6. Newasa	3,26,698 (8.2)	3,26,698 (100.0)	0
7. Shevgaon	2,03,676 (5.0)	2,03,676 (100.0)	0
8. Pathardi	2,14,872 (5.3)	1,92,045 (89.4)	22,827 (10.6)
9. Nagar	6,06,690 (15.0)	2,30,733 (38.0)	3,75,957 (62.0)
10. Rahuri	2,94,924 (7.3)	2,30,108 (78.0)	64,816 (22.0)
11. Parner	2,46,552 (6.2)	2,46,552 (100.0)	0
12. Shrigonda	2,77,356 (6.9)	2,51,032 (90.5)	26,324 (9.5)
13. Karjat	2,05,674 (5.2)	2,05,674 (100.0)	0
14. Jamkhed	1,34,216 (3.3)	1,06,562 (79.4)	27,654 (20.6)
Total District	40,40,642 (100.0)	32,36,945 (80.1)	8,03,697 (19.9)

(Note- Figures in brackets in column 02 indicates the percentage to total district.)

(Figures in brackets in column 03 & 04 indicates the percentage to concern talukas.)

*District Social and Economic Analysis. Year- 2007-08.

Table No. 6.9.7 shows the talukawise distribution of the population as per the 2001 census. Ahmednagar has fourteen talukas including 40,40,642 population. Out of this total population 32,36,945 (80.1%) is living in rural areas and remaining 8,03,697 (19.9%) population is living in urban areas. Out of fourteen talukas five talukas have zero urban population (viz- Akole, Newasa, Shevgaon, Rahuri and Karjat) However, the distribution of the population in Ahmednagar district is uneven, majority of the population is living in Nagar taluka (15.0%), followed by Sangamner (10.9%). As per the census of 2001 scheduled casts population in district was 4,84,655 and scheduled tribes population was 3,03,255, which was 12% and 7.51%, respectively.

In Ahmednagar district the density of population as per 2001 census was 232 per sq. k.m., total workers were 14,32,411 which were 35.45% to the total population. According to 2001 census the total literate people were 25,98,597 were i.e. 75.30% of the population. The total of male literacy was 15,17,029 and female literacy was 10,81,568, which was 85.70% and 64.30%, respectively.

Table No. 6.9.8- Age-wise Group Structure of Population in A'Nagar District. (2001)

Sr. No.	Age-wise Group (Years)	Rural	Urban	Total
1.	0-6	484312 (14.96)	105394 (13.12)	589706 (14.59)
2.	7-12	617833 (19.09)	146733 (18.25)	764566 (18.92)
3.	15-19	308925 (9.54)	86325 (10.74)	395250 (9.78)
4.	20-24	267470 (8.26)	80296 (10.00)	347766 (8.61)
5.	25-29	240416 (7.43)	67075 (8.34)	307491 (7.62)
6.	30-34	228335 (7.06)	62032 (7.72)	290367 (7.18)
7.	35-39	218942 (6.76)	60512 (7.53)	279454 (6.91)
8.	40-49	323450 (9.99)	85695 (10.66)	409145 (10.12)
9.	50-59	203841 (6.30)	46981 (5.84)	250822 (6.21)
10.	60 years and above	337621 (10.43)	61358 (7.64)	398979 (9.88)
11.	Age Not Mentioned	5800 (0.80)	1296 (0.16)	7096 (0.18)
12.	Grand Total	3236945 (100.00)	803697 (100.00)	4040642 (100.00)

(-Figures in brackets show the percentage to the grand total of the Column.)

*District Social and Economic Analysis. Year- 2007-08.

The above **Table No.6.9.8** shows the age-wise group structure of population in Ahmednagar district as per census of 2001. Total population of the district was 40,40,642 out of 32,36,945 was rural and 8,03,697 was urban. Below nineteen years old children were 17,49,522 which was 43.30 per cent to total population as well as above sixty years old population was 3,98,979 which was 9.88 per cent to total, which shows that the unproductive population was 53.18 per cent during 2001.

**Table No. 6.9.10 - Industry-wise Classification of Main and Marginal Workers in
Ahmednagar District. (2001)***

Main Workers				
Sr. No.	Working Sector	Rural	Urban	Total
1.	Agriculturists	734776	14044	748820
2.	Agricultural Labor	344311	14614	358925
3.	Household Industrial Workers (Processing, Service, Repairing, etc.)	30629	10076	40705
4.	Other Workers	255323	207280	462611
5.	Total	1365039	246022	1611061
Marginal Workers				
Sr. No.	Working Sector	Rural	Urban	Total
1.	Agriculturists	73561	1762	75323
2.	Agricultural Labor	105426	5831	111257
3.	Household Industrial Workers (Processing, Service, Repairing, etc.)	10249	3177	13426
4.	Other Workers	31108	14871	45979
5.	Total	220344	25641	245985
Classification of Workers				
Sr. No.	Working Sector	Rural	Urban	Total
1.	Total Workers	1585383	271663	1857046
2.	Percentage of Workers to Total Pop.	48.97%	33.80%	45.95%
3.	Total Non-Working Population	1651562	532034	2183596
4.	Percentage of Non-working Pop. to Total Population	51.02%	66.20%	54.04%
5.	Total Population of the District	3236945	803697	4040642

*District Social and Economic Analysis. Year- 2007-08.

The above **Table No. 6.9.10** shows the industry-wise classification of main and marginal workers in Ahmednagar district in year 2001. Total population of the district was 4040642 out of this total workers were 1857046 (45.95%). Out of total workers 1857046, main workers were 1611061 (86.75%) and marginal workers were 245985 (13.25). main workers working in rural areas were 1365039 (73.50%), marginal workers working in rural areas were 220344 (11.86%), it means total rural workers were 1585383 (85.36%) and percentage of rural workers to total population was 48.97%. Percentage of total urban workers to total population was 33.80%.

6.10- BANKING- Ahmednagar district has a wide and extensive network of branches of commercial as well as co-operative banks, banking sector development known as the key of development. Banking sector development in district is shown in the following table-

Table No. 6.10.11 - Distribution of All Types of Bank Branches in A'Nagar District.

(Amount in Lacks)

Sr. No.	Name of the Bank	Rural	Semi-Urban	Urban	Total	Deposits	Advances	C/D Ratio
01.	Central Bank of India	46	14	1	61	53654.05	33506.04	62.45
02.	State Bank of India	15	20	4	39	1141162.12	86794.82	76.03
03.	Bank of Maharashtra	20	10	5	35	53892.53	33333.35	61.85
04.	Union Bank of India	11	3	2	16	30542.52	18476.59	60.49
05.	Bank of Baroda	9	4	1	14	32302.68	36847.86	114.07
06.	Indian Overseas Bank	7	0	2	9	10550.02	5460.03	51.75
07.	Allahabad Bank	2	0	1	3	1937.02	1395.01	72.02
08.	Bank of India	1	2	1	4	7265.01	8426.01	115.98
09.	Dena Bank	2	2	1	5	4704.86	2529.29	53.76
10.	Syndicate Bank	1	1	1	3	5284.88	3415.16	64.62
11.	Canara Bank	1	2	2	5	5325.89	4088.04	76.76
12.	Union Commercial Bk	0	0	1	1	1482.48	761.61	51.37
13.	Panjab National Bank	2	1	1	4	8855.02	3914.02	44.20
14.	Indian Bank	0	0	1	1	2448.00	702.00	28.69
15.	United Bank	0	0	1	1	467.00	98.00	20.88
16.	State Bk of Hyderabad	0	1	1	2	4370.72	2851.95	65.25
17.	Andhra Bank	0	1	1	2	5932.19	3958.22	66.70
18.	Vijaya Bank	0	0	1	1	2450.00	429.00	17.50
19.	I.D.B.I.	1	2	1	4	7765.00	6491.00	83.59
20.	Corporation Bank	0	2	1	3	1964.00	1924.51	98.01
21.	Oriental Bk of Comm.	0	0	1	1	411.00	1307.03	318.00
22.	Axis Bank	1	1	1	3	5591.00	3655.03	65.37
23.	HDFC Bank	0	1	1	2	12987.17	11420.15	87.93
24.	ICICI Bank	1	0	2	3	6235.28	23574.83	378.09
	Commercial Banks-	120	67	35	222	380582.13	295359.05	77.61
25.	A.D.C.C	257	16	9	282	298846.51	164102.39	54.91
26.	ADCARDB	0	13	1	14	67.25	41.65	61.93
27.	R.R.B	0	0	1	1	503.31	57.67	11.46
	Co-operative Banks-	257	29	11	297	299417.07	164201.71	54.84
	Total-	377	97	46	520	679999.20	459560.76	67.58

Source- District Credit Plan 2009-10.

Table No. 6.10.11 shows the distribution of all types of bank branches in Ahmednagar district. Total 520 branches of all banks are providing services to their members. Out of total branch network there are 377 branches are in rural areas, 97 branches in semi-urban and 46 branches are working in urban areas. Commercial Bank have total 222 branches, out of these 120 branches working in rural, 67 in semi-urban and

35 in urban. Co-operative Banks are working with its 297 branches as 257 branches are in rural areas, 29 branches in semi-urban and 11 branches are in urban areas. Commercial banks credit deposits ratio is 77.61%. Co-operative banks credit deposits ratio is 54.84% whereas total credit deposits ratio is 67.58%.

This wide and extensive network of branches provides normal banking services to large population of the district. Medium and long term finance for development of agriculture is provided by ADCARDB Bank Ltd. As per recent guidelines it has also started lending to non-farm sector activities for which NABARD provides 100% refinance. For small scale industries, transportation and other priority sector activities finance is provided by Maharashtra State Finance Corporation (MSFC). With 131 branches of urban co-operative banks provide finance for activities falling under other priority sectors and non- priority purposes. Besides, there are a large number of urban co-operative credit societies providing finance to their members.

Table No. 6.10.12- Progress of Urban Co-op. Banks in A'Nagar. (As on 31st /03/2008)
(Amount in Lacks)

Sr. No.	Name of the Bank	No. of Branches	Total Deposits	Total Advances	C/D Ratio
01.	Ahmednagar Shahar Saha. Bank Ltd.	10	18455.43	11090.91	60.10
02.	Nagar Dist. Primary Teacher Bank.	14	18357.95	14850.01	80.89
03.	Amrutvahini Urban Co-op. Bank.	02	5648.14	3488.05	61.76
04.	Ashok Shahakari Bank, Shrirampur.	05	3707.14	2465.69	66.51
05.	Bhingar Urban Co-op. Bank, Bhingar	03	476199	3512.25	73.76
06.	Jamkhed Merchants Co-op. Bank.	02	1230.01	884.63	71.92
07.	Matoshri Mahila Saha. Bank, Parner.	01	238.67	166.07	69.58
08.	Mula Sahakari Bank Ltd. Sonai.	02	1476.29	1041.28	70.53
09.	Nagar Urban Central Co-op. Bank.	33	42964.91	28482.41	66.29
10.	Pravara Sahakari Bank Ltd. Loni.	14	22835.08	13540.52	59.30
11.	Sangamner Merchants Co-op. Bank.	03	883102	5500.01	62.28
12.	Shri Rukmini Saha. Bank, Shrigonda.	03	2072.01	1360.01	65.64
13.	Shri Swamisamarth Bank, Nighoj.	03	2156.01	1155.32	53.59
14.	The Ambika Mahila Saha. Bank.	02	1441.97	943.26	65.41
15.	The A'Nagar Merchants Co-op. Bank	06	37415.19	24673.16	65.94
16.	The B.J.Khatal Janata Bank.	Under	Liquidation	Since 11.06.	2008
17.	The Gautam Saha. Bank Kolpewadi.	13	8154.24	4956.83	60.79
18.	Balasaheb Satbhai Merchants Bank.	Under	Liquidation		
19.	The Kopergaon Peoples Co-op. Bank.	08	11310.97	6939.99	61.36
20.	Perners Taluka Sainek Co-op. Bank.	04	1875.31	1216.42	64.47
21.	The Shrirampur Peoples Co-op. Bank	Merged	In Nasik	Merchant's	Co-op.
22.	The Rahuri Peoples Co-op. Bank.	03	2136.32	1804.62	84.47
	Grand Total-	131	195068.65	128071.44	65.65

Source- District Credit Plan, 2009-10.

6.11- CO-OPERATION- The movement has made considerable progress in Ahmednagar district. It plays crucial role in underdeveloped area. Its purpose is to help poor and needy farmers. Co-operatives have built a sound structure in credit as well as in non-credit sectors also.

Table No. 6.11.13 - Progress of Co-operative Movement in Ahmednagar District.*

Sr. No.	Types of Societies	No. of Societies
1.	Agricultural Co-operative Credit Societies (Total)-	1321
	a) ADCC Bank Ltd.	01
	b) Primary Agricultural Credit Societies	1281
	c) Agricultural Service Societies	01
	d) LAMPS Co-operative Societies	38
2.	Non-Agricultural Credit Co-op. Banks (Total)-	1179
	a) Urban Co-op. Banks	23
	b) Urban Credit Societies	309
	c) Employees Credit Societies	215
	d) Other Non-Credit Societies	632
3.	Marketing Co-operative Societies (Total)-	62
	a) District Marketing Societies	01
	b) Primary Marketing Societies	14
	c) Other Marketing Societies	47
4.	Production Societies (Total)-	4423
	a) Sugar Co-operative Factories	15
	b) Other Agricultural Processing Societies	06
	c) Weaver's Societies (Handloom)	03
	d) Industrial Colonies (Societies)	07
	e) Other Industrial Societies	84
	f) Milk Societies	2799
	g) Fisheries Societies	61
	h) Lift Irrigation Societies	610
	i) Other Productive Societies	838
5.	Social Services Societies (Total)-	2548
	a) Consumer Stories	63
	b) Housing Societies	720
	c) Employer's Contract Co-op. Societies	821
	d) Other Co-operative Societies	944
6.	Grand Total-	9533

*District Social & Economic Analysis, 2008. District Deputy Registrar, Co-op. Societies, Ahmednagar.

Table No. 6.11.13 shows the progress of co-operative movement in the district as on 2008. There are total 9533 all types of societies working with 3110 thousands members, Rs.83,192 lacks paid up share capital (including Govt. share capital Rs.237 lacks and owned funds Rs.82954 lacks), Rs.554263 lacks deposits, Rs.902741 lacks working capital and Rs.635739 lacks loan advanced during the year. Out of total societies 4427 societies made profit of Rs.297267 lacks. It is revealed that the Ahmednagar district have made a tremendous progress in every type of co-operatives i.e. Agricultural Co-operative Credit Societies, Non-Agricultural Credit Co-op. Banks, Marketing Co-operative Societies, Production Societies and Social Services Societies.

6.12- TRANSPORT AND COMMUNICATIONS- Roads in old days were mainly earthen tracts which had to be made even and repaired very often so as to serve traffic needs. The monsoon used to inflict great hardship on the traveling public. In the absence of bridges, traffic used to be interrupted during rainy days. A few roads were however surfaced with gravel and stones.

Construction and improvement of roads received the attention of the Government during the third and fourth decades of the century. The Government carried out a liberal program of improvement despite this the condition of transport was not satisfactory and there was vast scope for expansion and development of modern method of transport. Indeed villages situated in the interior were devoid of any road except bullock-cart tracks which were usually unsuitable for bullock-carts during the rainy season.

By 1961, most of the roads construction program in the district was undertaken as a part of scarcity relief works. The hilly terrain in the western and northern parts of the district makes road development costlier. The district head quarters however is well connected by roads which all the talukas head quarters and major cities and towns in western Maharashtra and Marathwada region.

6.13- ROADS- The total length of roads stood at 13,594 k.m. at the end of 1996-97. Roads have covered all the villages. The following table shows the classification of roads in the district in 1996-97.

Table No. 6.13.14 - Classification of Roads in Ahmednagar District. (As on 31/03/1997)

Category/ Particulars	Length (in k.m.)
1] National Highway	60 (0.45)
2] State Highway	1706 (12.55)
3] Major District Roads	2629 (19.34)
4] Other District Roads	3320 (24.42)
5] Village Roads	5879 (43.24)
Total	13,594 (100.00)

*District Social and Economic Analysis. Year- 2008.

Table No. 6.13.14 reveals classification of roads in Ahmednagar district. Total 13,594 k.m. length roads are available for transportation. Out of total there are 43.24 per cent roads are village roads, national highway 0.45 per cent, State Highway 12.55 per cent, Major District roads 19.34 per cent and other District roads are 24.42 per cent.

6.14- RAILWAY- Daund-Manmad line of the Central Railway is the only railway line passing through the Ahmednagar district. It is a broad gauge single line covering a length of 197 k.m. and 24 stations in the district. The railway line almost bisects this district vertically and traverses through Shrigonda, Ahmednagar, Rahuri, Shirampur, Kopergaon and Parner talukas. It thus serves the transport need of the area having sugar factories in the district. The other seven talukas of the district do not benefit by any railway line.

6.15- AIRWAY- Ahmednagar district does not have the benefit of air transport service. However, an aircraft landing strip had been provided by the Indian Air Force near Ahmednagar town. This air strip is also used for the landing of aircraft carrying the dignitaries as and when required.

6.16- POSTS & TELEGRAPHS- In 1996-97 there were 640 Post Offices and 91 Telegraph Offices which were providing services to 636 villages. In the same period 46467 telephones were provided by the telephone office. The average population was 19 per post offices and 1378 telephones in Ahmednagar District.

6.17- SUMMARY- Economic development and social change are a dire necessity in an under-developed country, and co-operation is an important means by which a process of momentous growth and transformation of the present economic set-up can be accelerated by raising productivity of agriculture and industrial. Co-operation has become a principle basis of organization in many branches of economic life, notably agriculture, agricultural marketing, sugar industry, supply of rationed articles and housing in the district.

The co-operative movement made a humble beginning in the district in 1909, and showed signs of gradual and steady progress till 1947. Real momentum was however gained only after independence. Since the introduction of the Five-Year Plans with an emphasis on rural development, the co-operative movement advanced with a rapid pace. Ahmednagar district had made remarkable progress in the field of co-operation. In fact a bulk of economic development in this traditionally famine-stricken district is attributable to the growth of co-operative sugar factories which in turn benefited the agriculturists. They get a substantial income from sugarcane cultivation. The development of the areas around Shirampur, Kopergaon, Rahuri, Sangamner and Ahmednagar is mainly due to the benefits accruing from the co-operative movement.

The co-operative movement in Ahmednagar district has developed on progress lines. The Maharashtra Co-operative Union Ltd. Mumbai has established a regional co-operative school at Ahmednagar. It imparts training in co-operation to the employees of the Co-operative Societies as well as employees of the Co-operative Department.

According to Mehta V.L. the main objective of the co-operation is, “to bring about, in a peaceful manner, a social change of a far reaching nature, to user in a social order where exploitation is stopped and equality brought, irrespective of caste, color and creed, and to harmonize the dignity of the individual with the well-being of the community”.¹

1. Mehta V.L., “Indian Co-operative Review”, National Co-operative Union, New Delhi, July 1965, P.495.

CHAPTER NO. VII- CO-OPERATIVE MOVEMENT IN **AHMEDNAGAR**

7.1- INTRODUCTION- According to the 2001 census, 742 million out of the total population of 1027 million lived in rural areas, across six lack villages. India is a nation wherein more than 72% of Indians living in rural areas are basically poor and they are suffers from scarcity of safe drinking water and sanitary facilities and children from malnutrition.¹ By way of the uplift of vast proportion of rural population; the objective of complete development of the country cannot be achieved. In fact, the real growth of Indian economy lies in the setting free of rural masses from acute poverty, unemployment and socio-economic backwardness. To implement poverty alleviation and health programmes successfully, the co-operatives have to play a major role with the help of government to encourage employment, enterprises and local business. Co-operative movement has been recognized as an effective instrument for sustainable development of the rural economy. The need of the hour is to implement creative solutions for ushering in a revolution that can push forward these villages and make them economically viable units to serve as an engine of growth. This is even more necessary for a rapid development of the rural economy to have innovative solutions. Significantly, rural India needs various facilities such as crediting, processing, marketing, warehousing, infrastructure facilities (irrigation, electricity, roads, communication, etc.) technology etc.

Role of the co-operative movement in sustaining rural economy in the context of economic reforms certain changing indicators which are dynamic have to be considered. The impact of the co-operative movement visualizes through changes in socio-economic condition which are helpful for the sustainable development of the rural area of Ahmednagar district of Maharashtra State. Proper assessment of local nature and human resources are essential for better planning as each region has some resources to support sustainability. It always expected that sustainability in rural economy should be achieved but it is not so easy to fulfill all the norms of sustainability. There are some aspects which need attention in the area of sustainable rural economy. Co-operatives have a big role in it, as co-operatives have channel to fulfill the requirements of the rural area.

1. Kaul Sushila, "Implications of Globalization on Development of Dairy Co-operatives in India", Indian Agricultural Statistical Research Institute, New Delhi, India. P.1.

Majority of the population lives in rural area in Ahmednagar, the farming is the main business of this mass, the agriculturists were illiterate and distressed by poverty, struggling with the massive debt. Most of the villages of the district need of basic social infrastructure like-all weather roads, drinking water, regular electricity, basic education, primary health care, etc.

In fact, in every economic activities like production, distribution, exchange and consumption co-operative movement have an important role to play. In the era of privatization, liberalization and globalization (LPG) qualitative techniques, continuousness in services, increasing financial strength, application of modern technology, continuous training to the employees to cope with needs of changing requirements etc. are necessary for long term survival. In the globalize context survival of the fittest become important feature in each field including co-operatives. For a sustainable rural development co-operatives have a key role to play by promoting savings by encouraging and channeling investment. Co-operative institutions have to face global competition and for this each co-operative institution must have to increase its strength with the help of providing extensive services as per member's requirement. For strengthening the co-operative movement it is necessary to increase profit by providing new services to the members and to tap other fields to widen activities is also necessary.

Table No. 7.1 Progress of Various Types of Co-operative Societies in Ahmednagar District.

(Membership and Rs. in Thousands)

Types of Societies	1996-97	1997-98	1998-1999	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Agricultural Credit Societies-	1211	1220	1253	1267	1266	1294	1314	1320	1322	1324
		(0.74)	(2.70)	(1.11)	(-0.07)	(2.21)	(1.54)	(0.45)	(0.15)	(0.15)
1.ADCC Bank Ltd.	01	01	01	01	01	01	01	01	01	01
2.PACS	1172	1181	1214	1228	1227	1253	1273	1279	1281	1283
3.Agricultural Service Societies	01	01	01	01	01	01	01	01	01	01
4.LAMPS Co-op. Societies	37	37	37	37	37	38	38	38	38	38
5.Grain Banks	0	0	0	0	0	0	0	0	0	0
6.Other	0	0	0	0	01	01	01	01	01	01
Non-Agril. Credit Societies-	783	869	946	1032	1054	1141	1243	1263	1275	1245
		(10.98)	(8.86)	(9.09)	(2.13)	(8.25)	(8.94)	(1.61)	(0.95)	(-2.35)
1.Urban Banks	18	21	21	22	22	22	23	23	23	24
2.Urban Credit Societies	559	641	713	797	820	906	1006	1029	1042	1009
3.Employees Societies	206	207	212	213	212	213	214	211	210	212
4.Other	0	0	0	0	0	0	0	0	0	0
Marketing Societies-	46	48	48	48	51	51	53	53	58	57
		(4.34)	(0.0)	(0.0)	(6.25)	(0.0)	(3.92)	(0.0)	(9.43)	(-1.72)
1.District Marketing Societies	01	01	01	01	01	01	01	01	01	01
2.Primary Marketing Societies	44	46	46	46	48	50	52	52	56	56
3.Other	01	01	01	01	02	0	0	0	01	0
Production Societies-	3646	3867	4100	4193	4380	4497	4724	4724	4724	4291
		(6.06)	(6.02)	(2.26)	(4.46)	(2.67)	(5.04)	(0.0)	(0.0)	(-9.16)
Social Services Co-op. Societies	1334	1390	1496	1519	1686	1730	1865	1950	2100	2410
		(4.19)	(7.62)	(1.53)	(10.99)	(2.61)	(7.80)	(4.55)	(7.69)	(14.76)
Total-	7020	7394	7843	8059	8437	8713	9199	9310	9479	9285
		(5.32)	(6.07)	(2.75)	(4.69)	(3.27)	(5.57)	(1.20)	(1.81)	(-1.60)

Source- District Social and Economic Analysis, Ahmednagar District, 2008. Percentage in brackets shows the growth rate.

Table No. 7.1 shows the Progress of Various Types of Co-operative Societies in Ahmednagar District during year 1996-97 to 2005-06. Total number of societies stood on 7020 during year 1996-97 increased up to 9285 during year 2005-06, growth rate shown a fluctuating trend during the study period, growth rate was negative during last year in 2005-06 as -1.60%. Agricultural credit co-operative societies increased from 1211 to 1324 during year 1996-97 to 2005-06; therefore, growth rate shown a fluctuating trend during the study period, even growth rate was negative during year in 2000-01 as -0.05%. Ahmednagar District Central Co-operative Bank Ltd. Ahmednagar (ADCC) is working with its one main central office located at Ahmednagar city. ADCC has working with its 282 branches spread all over the district. ADCC Bank Ltd. Ahmednagar is recognized as biggest networking bank in Asia. With a large number of branches along with members and assistance provided by ADCC to Ahmednagar district. Primary Agricultural Co-operative Societies stood on 1172 increased up to 1283 during the study period. Agricultural Service Societies stood on one was constant during the study period. LAMPS stood on 37 increased up to 38 during the study period. Grain Banks were not established in the study period. Other societies stood on one during the study period which was established in year 2000-01. Non agricultural credit co-operative societies increased from 783 to 1245 during the year 1996-97 to 2005-06, even growth rate was uneven and shown a negative trend during year 2005-06 as -2.35%. Therefore, progress made by these societies was remarkable. Urban Banks increased from 18 to 24 during the study period showed a positive trend over the period. Urban Credit Societies increased from 559 to 1009 during 1996-97 to 2005-06, societies made a good progress over the study period even number reduced during last year from 1042 to 1009. Employees societies increased from 206 to 212 during the study period, therefore, growth rate was uneven over the period. Marketing societies increased from 46 to 57 during the study period, even growth rate of these societies was uneven, it was negative during year 2005-06 as -1.72%. One District Marketing Society working at district level stood on one for the study period. Primary Marketing Societies increased from 44 to 56 during the study period shown a positive growth over the period. Number of other societies working in district was uneven there was only one other society stood during 1996-2000 and in year 2004-05 and in 2000-01 two societies stood in district, which are clogged in 2005-06.

Production societies stood on 3646 increased up to 4291 during 1996-97 to 2005-06, except year 2005-06 as growth rate was negative as -9.16% and during 2003-05 growth rate was zero, for remaining period growth was positive and remarkable. Social Services Co-operative Societies increased from 1334 to 2410 during 1996-97 to 2005-06, growth showed a fluctuating trend over the period even the growth rate was positively increasing over the study period.

Co-operative sector in Ahmednagar district have contributed a great portion of the rural economy. Co-operation in Ahmednagar district has been practiced for more than hundred years. Co-operatives have now providing several services in increasing trend including various sectors and requirement of the rural society. Present changing scenario in the context of economic reforms period have created new challenges in front of co-operatives, to meet the recent challenges co-operatives must prepare themselves to compete, so it needs due consideration. It is observed that out of the various factors, government support and timely and adequate financial support is highly essential to reach the needs of these sectors. There is a hard line competition has exists in the development of the co-operative societies and made it difficult to cop up with this competition.

Table No. 7.2 - Financial Position of All Types of Co-operative Societies in Ahmednagar District.

(Membership and Rs. in Thousands)

Items	1996-97	1997-98	1998-1999	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
1. No. of Co-op. Societies-	7020	7394	7843	8059	8437	8713	9199	9310	9479	9285
		(5.32)	(6.07)	(2.75)	(4.69)	(3.27)	(5.57)	(1.20)	(1.81)	(-1.60)
2. Membership (000')-	1853	1956	2062	2145	2316	2423	2570	2737	3029	2989
3. Paid-up Share Capital	1925837	2075941	3012759	3604321	4113562	4526827	5463235	5604388	6027718	6087995
Govt. Share Capital-	98124	89324	89367	33455	21645	25193	24900	35455	22855	23085
4. Owned Funds-	2656118	1986167	2923392	3570866	6521847	9078416	12042055	12609873	8102068	8183089
5. Deposits-	6122512	12235271	19218622	21065461	32148315	32816314	42974711	48486667	36054386	51041469
6. Working Capital-	25587431	32932246	41682551	47434381	61760449	68910699	80250509	79081313	80936826	84153816
7. Loans Disbursed-	8355648	19346173	31157344	33858434	51861791	39925012	40030938	46254787	35350059	87675242
8. Purchase Price-	2997367	4132119	19216653	22535428	23797422	26354852	9278865	9371654	9512228	43537592
9. Sale Price-	34851793	4151352	19785471	23962114	24681355	27153711	12369661	12493357	1255823	71621583
10. Profit/Loss-										
Societies in Profit	3855	4157	3431	3497	3749	3948	4159	4209	4422	4333
Profit Amount-	311423	3973224	1781066	2013572	2762821	2944138	2903739	2967260	30266052	30417382
Societies in Loss-	3144	3178	4339	4468	4570	4624	4868	4926	4876	4776
Loss Amount-	586211	493551	596729	842791	1426229	1693728	1754185	1792836	1828693	1846979
No Profit/Loss Societies-	21	59	73	94	118	141	172	175	181	176

Source- District Social and Economic Analysis, Ahmednagar District, 2008.

Table No. 7.2 shows the Financial Position of All Types of Co-operative Societies in Ahmednagar District during year 1996-97 to 2005-06. Number of co-operative societies increased from 7020 to 9285 during year 1996-97 to 2005-06 in Ahmednagar District. Growth rate showed a fluctuating trend over the period, which was -1.60% during year 2005-06. Membership increased from 1853 thousands in 1996-97 increased up to 2989 thousands during 2005-06, it has showed increasing trend over the study period which indicate that the number of peoples are engaged in increasing trend in co-operation, it is a win of co-operative thoughts and principles under which it is making progress. Paid up share capital of the co-operatives societies increased during the study period from Rs.1925837 thousands to Rs.6087995 thousands during 1996-97 to 2005-06, which showed a positively increasing trend over the period. Therefore, government contribution to paid up share capital showed a decreasing trend over the period as it was reduced from Rs.98124 thousands to Rs.23085 thousands during the same period, growth rate was declining and negative during the same period indicating that after introducing economic reforms to Indian economy government have changed their policy of catering services and financial assistance to co-operative societies. Owned funds of co-operative societies increased from Rs.2656118 thousands to Rs.8183089 thousands during the study period, therefore, growth rate shown a fluctuating trend which was recorded negative during year 1997-98, for remaining years it was positive. Deposits collected by the co-operatives during the study period increased from Rs.6122512 thousands to Rs.51041469 thousands during 1996-97 to 2005-06, even growth was uneven which fluctuated during year 2004-05. However, co-operatives have made a remarkable progress not only in collecting deposits but confidence of rural masses also. Working capital of the co-operatives has increased with a considerable range along with continuous increasing trend over the study period. Working capital increased from Rs.25587431 thousands to Rs.84153816 thousands during 1996-97 to 2005-06. Loans disbursed by co-operatives increased from Rs.8355648 thousands to Rs.87675242 thousands during the study period, therefore, growth showed a fluctuating trend over the period. Loans disbursement showed fluctuating trend due to several reasons i.e. weak recovery performance, lack of funds, natural calamities, etc. Purchase price of co-operative societies increased from Rs.2997367 thousands to Rs.43537592 thousands during the study period, therefore,

growth was uneven and reduced during year 2000-01. Selling price of the various consumers good and services and production of co-operatives increased from Rs.34851793 thousands to Rs.71621583 thousands during the study period, therefore, growth fluctuated during year 2000-01 as well as purchasing and selling performance was quite weak during period 2000-03 compare to other study period. Profit and loss indicates the performance of any institution. Number of co-operative societies earned profit increased from 3855 to 4333; therefore, growth in number showed a fluctuation during year 1998-99 as the societies decreased from 4157 to 3431 even after this reduction numbers showed a positively increasing trend. Profit earned by co-operative societies during the study period increased from Rs.311423 thousands to Rs.30417382 thousands during the study period. However, profit earned by the co-operatives showed uneven progress over the period. Societies in loss increased from 3144 to 4776 during the study period, it is observed from the table that number of societies increased in a positive trend which is bad sign for the co-operative movement which is working for the uplift of the poorer and neglected laborers, farmers, and tenant and for the weaker sections of the rural society. Loss amount of co-operatives increased from Rs.586211 thousands to Rs.1846979 thousands during the same period. Therefore, growth fluctuated during year 1997-98 downwards but afterwards it was showed a increasing trend over the period, which is a biggest shortcoming of the co-operative movement. Co-operative societies which have did not occurred loss or profit they are neutral or not mentioned their audit report are also increased from 21 to 176 during the study period.

It is quite necessary that co-operative societies should maintain their expenditure for that they must improve their operating performance, recovery of overdues and increase their internal resources for financial sound position.

Table No. 7.3 - Financial Position of Maharashtra State Agricultural & Rural Development Bank Ltd. in Ahmednagar Dist.

(Membership & Rs. in Thousands)

Items	1996-97	1997-98	1998-1999	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
1. No. of Branches-	14	14	14	14	14	14	15	15	14	14
2. Membership (000')										
a) Societies-	632	632	557	632	632	632	632	632	632	632
b) Personal Members-	60096	59948	60009	59293	58919	58919	58931	59345	58931	58928
3. Paid-up Share Capital-	60600	59980	59244	54554	50484	50400	44469	41364	39198	37051
4. Reserve & Other Funds-	0	0	0	0	0	21060	12460	12436	12436	12427
5. Deposits-	9200	10005	9552	14135	3281	10295	1300	6855	6311	6332
6. Working Capital-	682100	713560	667856	655241	592000	564800	187000	950100	1245621	1248625
7. Loans Outstanding										
Short Term-	0	0	0	0	0	0	0	0	0	0
Medium Term-	0	0	0	0	0	0	0	0	0	447413
Long Term-	542600	534500	491547	427135	365900	0	0	243119	466168	0
8. Loans Disbursed										
Short Term-	0	0	0	0	0	0	0	0	0	0
Medium Term-	0	0	0	0	0	0	0	0	466168	447413
Long Term-	88000	0	21000	2339	1955	325000	266582	243119	0	0
9. Loans Overdues										
Short Term-	0	0	0	0	0	0	0	0	0	0
Medium Term-	0	0	0	0	0	0	0	0	0	41952
Long Term-	72500	80010	102963	109269	122300	122315	137350	157387	0	0

Note- Agricultural Co-operative Societies including PACS, ASS and LAMPS.

Source- District Social and Economic Analysis, Ahmednagar District, 2008.

Table No. 7.3 shows the Financial Position of Maharashtra State Agricultural & Rural Development Bank Ltd. in Ahmednagar District (MSARDB) during period 1996-97 to 2005-06. Number of branches of MSARDB stood on 14 in year 1996-97 increased up to 15 in 2002-03 and 2003-04 and stood constant on 14 numbers for 2004-05 and 2005-06. Membership of MSARDB stood constant during the study period as on 632 thousand, personal members decreased from 60096 thousand to 58928 thousand during the study period. Paid-up share capital decreased from Rs.60600 thousands to Rs. 37051 thousands during 1996-97 to 2005-06, share capital showed decreasing trend due to membership which decreased over the period. Reserve and other funds of the bank showed nil or zero for first five years of the study and afterwards shown a fluctuating and decreasing trend over the period. It is resulted as a decrease in the business of the bank. Deposits showed decrease as it was Rs.9200 thousand during year 1996-97 decreased up to Rs.6332 thousands during 2005-06. Therefore, growth was uneven and shown a fluctuating trend over the study period. Working capital increased from Rs.682100 thousands to Rs.1248625 thousands during 1996-97 to 2005-06, growth of working capital showed a fluctuating trend over the period. Loans outstanding regarding to short term loans was nil or zero for the study period, medium term loans was also nil except last year of study 2005-06 when it was Rs.447413 thousands, long term loans showed highly fluctuations over the period. Amount of loans overdues for short term was nil as there was no short term loans disbursed in study period, medium term was nil for first nine year and for last year it was Rs.41952 thousands, long term loans overdues amount in year 1996-97 was 72500 thousand increased up to Rs.157387 thousands during year 2003-04 and for last two year amount was zero.

Table No. 7.4 - Financial Position of Ahmednagar District Central Co-operative Bank Ltd. (ADCC).

(Membership & Rs. in Thousands)

Items	1996-97	1997-98	1998-1999	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
1. No. of Branches -	289	289	289	289	289	289	289	289	289	286
2. No. of Members										
a) Societies-	4614	4665	4779	4863	5103	5275	5400	5541	1122	5665
b) Personal Members-	1584	1582	1577	1575	1575	1574	1573	1486	565247	940
3. Share Capital -	188866	261111	317139	375631	425426	462779	490888	552528	1938986	593647
4. Reserve & Other Funds	492358	55614	652529	785165	916013	1180019	1380317	1715305	18129076	2113211
5. Deposits -	6288691	7615020	9186106	10419801	13218626	13902783	16142395	18472498	21981327	19760278
6. Working Capital-	8532087	10065828	12443835	14100318	17361747	18700241	20161989	22460943	1261192	24410839
7. Issued Loans -										
Short Term-	988252	763180	4384371	1654300	1701501	1778538	1526688	818170	1261192	2235454
Medium Term-	119572	642138	1943245	478881	629343	398133	1274959	667850	1708094	1151393
Long Term-	1107824	8128	217725	23363	17049	199931	177024	151813	19564	41037
8. Outstanding Loans –										
Short Term-	4703830	4948876	6145745	7448566	8987290	10309579	10481971	227435	1697704	8485707
Medium Term-	1196095	1600898	1943245	1954737	2063336	1166193	2010792	2130182	3370277	2679209
Long Term-	288266	257944	217725	186712	164163	1318870	1304562	1295363	1097512	12816625
9. Loans Overdues-										
Short Term-	603631	551536	1011820	706176	981927	868450	1111331	1401512	754843	871593
Medium Term-	171502	188048	199176	221425	139448	148186	165173	179815	219175	197380
Long Term-	74994	73337	84741	75765	66992	113217	139786	199949	144584	149156

Note- Non-Agricultural Co-operative Societies includes Urban Banks, Employers Credit Societies and Other Urban Credit Societies.

Source- District Social and Economic Analysis, Ahmednagar District, 2008.

Table No. 7.4 shows the Financial Position of Ahmednagar District Central Co-operative Bank Ltd. (ADCC) during the study period from 1996-97 to 2005-06. Number of branches stood on 289 during year 1996-97 was constant up to 2004-05 and in last year decreased up to 286 during year 2006-07. Number of members of ADCC societies stood on 4614 in 1996-97 increased up to 5665 during year 2005-06, therefore, growth of numbers of member societies was uneven during the study period. Personal members stood on 1584 in 1996-97 decreased up to 940 in 2005-06, therefore, there was great uneven growth, it is resulted due to loan practices, members are enrolled who have taken loan from the banks, and as usual during 2005-06 government packages reduced the members of the bank. Share capital increased from Rs.188866 thousands to Rs.593647 thousands during the same period, growth was positively increasing except last year 2005-06 when it was showed a decrease. Reserve and other funds increased from Rs.492358 thousands to Rs.2113211 thousands during the study period. It showed that the bank is having good returns of the business. Deposits increased from Rs.6288691 thousands to Rs.19760278 thousands during 1996-97 to 2005-06, growth of deposits over the study period was positively increasing and shows the confidence of depositors on bank. Working capital of the banks increased from Rs.8532087 thousands to Rs.24410839 thousands during the study period, as growth showed positively increase is an evidence of increasing business and efficiency. Short term loans issued increased from Rs.988252 thousands to Rs.2234454 thousands during the same period, medium term loans increased from Rs.119572 thousands to Rs.1151393 thousands during 1996-97 to 2005-06 and long term loans decreased from Rs.1107824 thousands to Rs.41037 thousands during the study period. Short term loans outstanding increased from Rs.4703830 thousands to Rs.8485707 thousands during the study period, medium term loans increased from Rs.1196095 thousands to Rs.2679209 thousands during the same period and long term loans increased from Rs.288266 thousands to Rs.12816625 thousands during the same period. Table revealed that the outstanding loans increased over the study period, Ahmednagar district is known as drought-prone, agriculturist suffers a lot due to inadequate production and income and unable to pay loans in time leads to increase outstanding loans, due to government package peoples also waits for government assistance against loans. Amount of short term loans overdues increased

from Rs.603631 thousands to Rs.871593 thousands during 1996-97 to 2005-06, medium term loans overdues increased from Rs.171502 thousands to Rs.197380 thousands and long term loans overdues increased from Rs.74994 thousands to Rs.149156 thousands during the study period. Increasing amount of overdues decreases the business capacity and affected the performance and profitability of the bank. So, necessary action required for recovery which will reduce overdues amount.

7.2- AGRICULTURAL CO-OPERATIVE CREDIT SOCIETIES-

Initially, co-operative movement started with establishing agricultural credit co-operative societies which provides loans to their members at reasonable rate and protect from the clutches of money-lenders. Agriculturist's needs loans for the various agricultural activities, for short, medium and long term loans for productive as well as unproductive purposes. Credit co-operatives societies stand to provide loans for productive purpose only. In Ahmednagar district these co-operatives have made a phenomenal progress, played a dominant role in the development of rural areas.

A] Primary Agricultural Credit Co-operative Societies (PACSS) – In the field of co-operation, the Primary Agricultural Credit Co-operative Societies (PACSS) have made a significant progress in Ahmednagar, Primary Agricultural Credit Societies provide mainly short and medium term loans to agriculturist for their agricultural activities.

Table No.7.2.5 – Numbers and Membership of PACSS in Ahmednagar District.

Years	No. of Societies	Small A/c Holder	Large A/c Holder	Other Members	Total	Grand Total
1996-97	1172	31992	226985	106748	766700	766700
1997-98	1181 (0.76)	334027 (4.61)	218994 (-3.52)	111004 (3.98)	664025 (-13.39)	860236 (12.20)
1998-99	1214 (2.79)	340971 (2.07)	212155 (-3.12)	106808 (-3.78)	659934 (-0.61)	910055 (5.79)
1999-00	1228 (1.15)	353915 (3.79)	234339 (10.45)	104193 (-2.44)	692477 (4.93)	923061 (1.43)
2000-01	1227 (-0.08)	393521 (11.19)	224333 (-4.27)	93017 (-10.72)	728871 (5.25)	939744 (1.80)
2001-02	1253 (2.11)	412095 (4.71)	247395 (10.28)	84187 (-9.49)	743677 (2.03)	939744 (0.00)
2002-03	1273 (1.59)	429024 (4.10)	251655 (1.72)	80993 (-3.79)	761672 (2.42)	945971 (0.66)
2003-04	1281 (0.62)	429452 (0.10)	251904 (0.09)	81077 (0.10)	762433 (0.10)	946742 (0.08)
2004-05	1281 (0.00)	432386 (0.68)	249040 (-1.13)	86263 (6.39)	767689 (0.69)	946742 (0.00)
2005-06	1283 (0.15)	433032 (0.15)	249430 (0.15)	86568 (0.35)	769030 (0.17)	946742 (0.00)

Source- District Social and Economic Analysis, Ahmednagar District, 2008.

Table No.7.2.5 shows the progress of numbers and membership of Primary Agricultural Co-operative Societies (PACS) in Ahmednagar district during 1996-97 to 2005-06. Number of societies increased from 1172 to 1283 from year 1996-97 to 2005-06, growth rate showed a fluctuating trend over the period, during 2000-01 number of societies decreased by one number therefore overall growth rate was positive in economic reforms period. Small account holders of PACS increased from 31992 to 433032 during 1996-97 to 2005-06, even growth rate was uneven. Large account holders increased from 226985 to 249430 during 1996-97 to 2005-06, growth rate was fluctuating and shown negative growth during 1996-97 to 1998-99 and in year 2000-01 and 2004-05. Other members decreased from 106748 to 86568 during the same period along with fluctuating growth rate trend. Total members decreased from 766700 to 769030 during the same period, growth rate showed that total numbers decreased during year 1996-97 to 1998-99, -13.39% and -0.61%, respectively. Grand total members increased from 766700 to 946742 during 1996-97 to 2005-06 while growth rate showed decreasing trend from 12.20% to 0.08% and stood constant for last two years. Membership is the factor which leads to the increase in share capital, shares granted to those persons who take loans, registration, death of members and mass enrolment resulted into the uneven increase.

Table No. 7.2.8- Share Capital of PACS in Ahmednagar District.

(Rs. in Thousands)

Years	No. of Societies	Share Capital	of which Govt.	Reserve & Other Funds	Borrowings Loans	Working Capital
1996-97	1172	629940	6080	241135	2287797	3714828
1997-98	1181 (0.76)	759590 (20.58)	6873 (12.38)	258959 (7.39)	2897848 (26.66)	4625171 (24.50)
1998-99	1214 (2.79)	785167 (3.36)	6540 (-4.28)	284181 (9.74)	3579910 (23.53)	5233709 (13.15)
1999-00	1228 (1.15)	916788 (16.76)	6177 (-5.55)	336043 (18.24)	4465050 (24.72)	6532908 (24.82)
2000-01	1227 (-0.08)	1009672 (10.13)	6761 (9.45)	355322 (5.73)	4583808 (2.66)	7136691 (9.24)
2001-02	1253 (2.12)	1187848 (17.64)	6259 (-7.42)	388615 (9.37)	4630904 (1.02)	7181743 (0.63)
2002-03	1273 (1.59)	1202100 (1.20)	6147 (-1.79)	457297 (17.67)	4251187 (-8.20)	7004089 (-2.47)
2003-04	1281 (0.62)	1201678 (-0.03)	6676 (8.60)	599129 (31.01)	7260629 (78.79)	7359470 (5.07)
2004-05	1281 (0.00)	1264869 (5.25)	4762 (-28.66)	372315 (-37.85)	3294608 (-54.62)	7946050 (7.97)
2005-06	1283 (0.15)	1275717 (0.85)	4832 (1.47)	383484 (2.99)	3545920 (7.62)	8078132 (1.66)

Source- District Social and Economic Analysis, Ahmednagar District, 2008.

Table No. 7.2.8 shows the progress of share capital of Primary Agricultural Co-operative Societies (PACS) in Ahmednagar District during 1996-97 to 2005-07 when economic reform were introduced to Indian economy. Number of societies increased from 1172 to 1283 from year 1996-97 to 2005-06, growth rate showed a fluctuating trend over the period, during 2000-01 number of societies decreased by one number therefore overall growth rate was positive in economic reforms period. Share capital of PACS increased from Rs.629940 thousands to Rs.1275717 thousands during the same period, growth rate shown a fluctuating trend over the period and shown a negative growth in 2003-04 (-0.03%), registration, death of members and mass enrolment are the factors which result into the uneven increase in share capital. Share capital is the common source of internal finance. However, government contribution to share capital decreased from Rs.6080 thousands to Rs.4832 thousands during the same period, even growth rate was uneven as well as shown a negative growth during 1998 to 2000, 2001 to 03 and in 2004-05. Decreasing trend in Government contribution affects the sound progress of PACS. The PACSs raised finance through shares, therefore, a statement of funds shows increased in the amount but decrease in government contribution. Reserve and other funds have increased from Rs.241135 thousands to Rs.383484 thousands shows a fluctuating growth rate over the period where growth was negative in 2004-05 as -37.85 per cent. Borrowings of loans increased from Rs.2287797 thousands to Rs.3545920 thousands during the same period, therefore, growth rate was uneven and shown a negative growth during 2002-03 (-8.20%) and in 2004-05 (-54.62%). Working capital increased from Rs.3714828 thousands to Rs.8078132 thousands during 1996-97 to 2005-06, growth rate was fluctuating and was negative year 2002-03 as -2.47 per cent. Out of various weaknesses PACSs have made a good progress, therefore, if these weaknesses are removed by proper action it will be more beneficiary to the members of rural economy who are provided services through PACS's.

Table No. 7.2.11 Loans Disbursement of PACS in Ahmednagar District.

(Rs. in Thousands)

Years	Total Loans Disbursed No.s	Total Loans Disbursed Amount	Total Loans Outstanding No.s	Total Loans Outstanding Amount	Total Loans Overdues No.s	Total Loans Overdues Amount
1996-97	181839	1300076	349390	2541337	160250	993233
1997-98	218356 (20.08)	2099666 (61.50)	334076 (-4.38)	3048465 (19.95)	159665 (-0.36)	1014901 (2.18)
1998-99	212926 (-2.48)	2222718 (5.86)	355691 (6.47)	3769893 (23.66)	159294 (-0.23)	1373535 (35.33)
1999-00	193125 (-9.30)	1669369 (-24.89)	357783 (0.58)	4500792 (19.38)	148937 (-6.50)	1271018 (-7.46)
2000-01	212534 (10.04)	2481163 (48.62)	381337 (6.58)	4890662 (8.66)	148865 (-0.04)	1454873 (14.46)
2001-02	240401 (13.11)	2410085 (-2.86)	397049 (4.12)	5103098 (4.35)	151982 (2.09)	1840534 (12.76)
2002-03	207881 (-13.52)	1870834 (-22.37)	356161 (-10.29)	4546269 (-10.91)	154912 (1.92)	1683516 (2.62)
2003-04	216557 (4.17)	1963104 (4.93)	356162 (0.56)	4113568 (-9.31)	152860 (-1.32)	2066176 (22.72)
2004-05	264660 (22.21)	3294608 (67.82)	319306 (-10.84)	4746950 (15.39)	126941 (-16.95)	793429 (-61.60)
2005-06	265189 (0.19)	3545920 (7.62)	360802 (12.99)	8982403 (89.22)	127139 (0.15)	798642 (0.65)

Source- District Social and Economic Analysis, Ahmednagar District, 2008.

Table No.7.2.11 shows the progress of Loans Disbursement of PACS in Ahmednagar District during 1996-97 to 2005-06. Number of total loans disbursed by PACS during 1996-97 to 2005-06 increased from 181839 to 265189, therefore, growth rate was uneven it was negative during 1998-99, 1999-00 and 2002-03, -2.48 per cent, -9.30 per cent and -13.52 per cent, respectively. Total loans disbursed amount of PACS increased from Rs.1300076 thousands to Rs.3545920 thousands during 1996-97 to 2005-06, growth rate shown a fluctuating trend above period, growth rate was negative in 1999-00, 2001-02 and 2002-03, -24.89%, -2.86% and -22.37%, respectively. Number of total loans outstanding increased from 349390 to 360802 during the same period, even growth rate was uneven. Total loans outstanding amount increased from Rs.2541337 thousands to Rs.8982403 thousands, while growth rate was uneven and shown a negative trend during 2002 to 2004 (-10.91% and -9.31%). Number of overdues loans decreased from 160250 to 127139 during 1996-97 to 2005-06, during the period growth rate was uneven but showed a decreasing trend which is a good indicator of improvement in a

sound financial health of these societies. Overdues amount Rs.993233 thousands decreased up to Rs.798642 thousands during the same period, growth rate shown a fluctuating trend therefore, it is a good sign which is essential to increase efficiency, stability and profitability.

B] Agricultural Services Societies (ASSs) - These co-operative provides all necessary support and assistance to agriculturist members in their agricultural activities. these services are quite necessary for increasing production and productivity in result income of the members which helps to uplift their standard of living.

**Table No.7.2.6- Membership of Agricultural Services Societies in Ahmednagar
(Rahuri Taluka)**

Years	No. of Societies	Small A/c Holder	Large A/c Holder	Other Members	Total	Grand Total
1996-97	01	270	400	742	1412	46972
1997-98	01 (0.0)	270 (0.0)	400 (0.0)	742 (0.0)	1412 (0.0)	46972 (0.0)
1998-99	01 (0.0)	270 (0.0)	400 (0.0)	742 (0.0)	1412 (0.0)	67195 (43.05)
1999-00	01 (0.0)	270 (0.0)	400 (0.0)	742 (0.0)	1412 (0.0)	67195 (0.0)
2000-01	01 (0.0)	270 (0.0)	400 (0.0)	742 (0.0)	1412 (0.0)	67195 (0.0)
2001-02	01 (0.0)	270 (0.0)	400 (0.0)	742 (0.0)	1412 (0.0)	67886 (1.02)
2002-03	01 (0.0)	270 (0.0)	400 (0.0)	742 (0.0)	1412 (0.0)	70297 (3.52)
2003-04	01 (0.0)	270 (0.0)	400 (0.0)	742 (0.0)	1412 (0.0)	70297 (0.0)
2004-05	01 (0.0)	276 (2.22)	400 (0.0)	742 (0.0)	1441 (2.05)	70297 (0.0)
2005-06	01 (0.0)	276 (0.0)	400 (0.0)	765 (3.09)	1441 (0.0)	70297 (0.0)

Source- District Social and Economic Analysis, Ahmednagar District, 2008.

Table No.7.2.6 shows the Membership of Agricultural Services Societies (ASS) in Rahuri Taluka of Ahmednagar District during 1996-97 to 2005-06. Number of ASS stood in district during the same period was constant on number one. Small account holders of this society stood on 270 increased up to 276 during the same period, which are increased from 270 to 276 during 2003-04 to 2004-05 even growth rate was constant for other years except year 2004-05 (2.22%). Large account holders stood on 400 was constant during 1996-97 to 2005-06. Other members of the society increased from 742 to

765 during the same period, growth rate increased only during 2005-06 (3.09%) and number from 742 to 765. Total members of ASS increased from 1412 to 1441 during the same period, membership shown increase during 2004-05 even growth rate was constant and increased during 2004-05 as 2.05 per cent. Grand total of the society increased from 46972 to 70297 during 1996-97 to 2005-06, growth rate showed a fluctuating trend over the period, during 1998-99 growth rate increased by 43.05 per cent then it was increased in 2001-02 and in 2002-03 by 1.02 per cent and 3.52 per cent.

**Table No.7.2.9- Share Capital of Agricultural Services Societies in Ahmednagar
(Rahuri Taluka)**

(Rs. in Thousands)

Years	No. of Societies	Share Capital	of which Govt.	Reserve & Other Funds	Borrowings Loans	Working Capital
1996-97	01	266	50	195	961	1011
1997-98	0 (0.0)	266 (0.0)	50 (0.0)	209 (7.18)	961 (0.0)	1099 (8.70)
1998-99	01 (0.0)	266 (0.0)	50 (0.0)	228 (9.09)	1096 (14.04)	995 (-9.46)
1999-00	01 (0.0)	266 (0.0)	50 (0.0)	809 (254.82)	1086 (-0.91)	1646 (65.42)
2000-01	01 (0.0)	266 (0.0)	50 (0.0)	821 (1.48)	1086 (0.0)	N.A. (--)
2001-02	01 (0.0)	266 (0.0)	50 (0.0)	266 (-67.60)	961 (-11.51)	1350 (--)
2002-03	01 (0.0)	266 (0.0)	50 (0.0)	280 (5.26)	961 (0.0)	1465 (8.51)
2003-04	01 (0.0)	266 (0.0)	50 (0.0)	292 (4.28)	0 (--)	3804 (59.65)
2004-05	01 (0.0)	266 (0.0)	50 (0.0)	292 (0.0)	961 (--)	4007 (5.33)
2005-06	01 (0.0)	266 (0.0)	50 (0.0)	292 (0.0)	0 (--)	4213 (5.14)

Source- District Social and Economic Analysis, Ahmednagar District, 2008.

Table No.7.2.9 shows the progress of Agricultural Services Societies (ASS) in Rahuri Taluka of Ahmednagar District during 1996-97 to 2005-06. Number of ASS stood in district during the same period was constant on number one. Share capital of the societies was also constant for the study period, as it stood on Rs.266 thousands for complete study period along with constant growth rate zero. Same thing happened with government contribution which stood constant for whole period as Rs.50 thousands. Reserve and other funds of the society increased from Rs.195 thousands to Rs.292 thousands during the same period; therefore, growth rate was uneven, growth was

negative during year 2001-02 (-67.60%), it was highest in 1999-00 (254.82%) and constant for last two years. Borrowings of loans of societies shown a fluctuating trend over the period, therefore, numbers at the end was constant stood on 961. Working capital increased from Rs.1011 thousands to Rs.4213 thousands during the same period, even growth rate was uneven and was negative in 1998-99 (-9.46%) and was highest during year 2002-03 as 59.65 per cent.

Table No.7.2.12- Loans Disbursement of ASSs in A'Nagar Dist. (Rahuri Taluka)

(Rs. in Thousands)

Years	Total Loans Disbursed No.s	Total Loans Disbursed Amount	Total Loans Outstanding No.s	Total Loans Outstanding Amount	Total Loans Overdues No.s	Total Loans Overdues Amount
1996-97	00	00	34	163	34	163
1997-98	00	00	32 (-5.88)	162 (-0.61)	32 (-5.88)	162 (-0.61)
1998-99	00	00	32 (0.0)	162 (0.0)	32 (0.0)	162 (0.0)
1999-00	00	00	31 (-3.12))	156 (3.70)	31 (-3.12)	156 (3.70)
2000-01	00	00	31 (0.0)	156 (0.0)	31 (0.0)	156 (0.0)
2001-02	00	00	31 (0.0)	149 (-4.87)	31 (0.0)	149 (-4.87)
2002-03	00	00	31 (0.0)	149 (0.0)	31 (0.0)	149 (0.0)
2003-04	00	00	31 (0.0)	149 (0.0)	31 (0.0)	149 (0.0)
2004-05	00	00	31 (0.0)	483 (224.16)	31 (0.0)	149 (0.0)
2005-06	00	00	31 (0.0)	147 (-69.56)	31 (0.0)	147 (-1.34)

Source- District Social and Economic Analysis, Ahmednagar District, 2008.

Table No.7.2.12 shows the progress of Loans Disbursement of Agricultural Service Societies (ASSs) in Ahmednagar District during 1996-97 to 2005-06. There is only one ASSs is working in Rahuri Taluka of Ahmednagar district. It is found that during the study period of 1996-97 to 2005-06 there were no loans distributed by the ASS. Therefore, during the same period total loans outstanding numbers are decreased from 34 to 31, this is happened in year 1997-98, 34 to 32 and in 1999-00 32 to 31, growth rate shown a decreasing trend which was decreased in year 1997-98 (-5.88%) and in 1999-00 (-3.12%). Total loans outstanding amount also decreased from Rs.163 thousands to Rs.147 thousands during the same period, even growth showed a decreasing trend in 1997-98 2001-02 and 2005-06, -0.61 per cent, -4.87 per cent and -69.56 per cent,

respectively. Number of total loans overdues decreased from 34 to 31 whereas growth rate decreased during year 1997-98 and 1999-00, -5.88 per cent and -3.12 per cent, respectively. Amount of total loans overdues also decreased from Rs.163 thousands to Rs.147 thousands during 1996-97 to 2005-06, growth rate shown a decreasing trend expect year 1999-00 when growth rate was increased by 3.70% and decreased during 1997-98, 2001-02 and 2005-06, -0.61%, -4.87% and -1.34%, respectively. During the study period loan disbursement procedure was completely stopped and much attention was given to recovery of outstanding loans which reflected in reduction of overdues.

C] Large Sized Adivasi Multipurpose Societies (LAMPS) -

Table No.7.2.7- Membership of LAMPS in Ahmednagar District. (Akole Taluka)

Years	No. of Societies	Small A/c Holder	Large A/c Holder	Other Members	Total	Grand Total
1996-97	37	58	75	89	222	38513
1997-98	37 (0.0)	66 (13.79)	72 (-4.0)	91 (2.24)	299 (28.32)	38513 (0.0)
1998-99	37 (0.0)	66 (0.0)	73 (1.38)	87 (-4.39)	226 (-24.41)	50090 (30.06)
1999-00	37 (0.0)	66 (0.0)	74 (1.36)	88 (1.15)	228 (0.88)	52732 (5.27)
2000-01	37 (0.0)	67 (1.51)	74 (0.0)	90 (2.27)	231 (1.31)	52732 (0.0)
2001-02	38 (2.70)	73 (8.95)	95 (28.37)	102 (13.33)	270 (16.88)	52656 (-0.14)
2002-03	38 (0.0)	74 (1.36)	95 (0.0)	103 (0.98)	272 (0.74)	53732 (2.04)
2003-04	38 (0.0)	77 (4.05)	101 (6.31)	102 (-0.97)	280 (2.94)	53732 (0.0)
2004-05	38 (0.0)	77 (0.0)	101 (0.0)	103 (13.33)	281 (0.35)	53732 (0.0)
2005-06	38 (0.0)	79 (2.59)	101 (0.0)	105 (1.94)	286 (1.78)	53732 (0.0)

Source- District Social and Economic Analysis, Ahmednagar District, 2008.

Table No.7.2.7 shows membership of LAMPS in Akole Taluka of Ahmednagar District. Number of societies increased from 37 to 38 during 1996-97 to 2005-06 only during the year 2001-02 growth rate was 2.70 shown increases from 37 to 38 even in remaining years growth rate was zero. Small account holders increased from 58 to 79 during the same period, therefore, growth rate shown a fluctuating trend which was constant in 1998-99 and 2004-05. Large account holders increased from 75 to 101 during 1996-97 to 2005-06 even growth rate was uneven; growth rate was 28.37 per cent in 2001-02 and negative in 1997-98 (-4.0%) whereas stood constant for 2002 to 2006. Other members increased from 89 to 105 during the same period; therefore, growth rate was

fluctuating. Total members of LAMPS increased from 222 to 286 from 1996-97 to 2005-06, shown a fluctuating growth rate which was negative in 1998-99 (-24.41%). Grand total of these societies increased from 38513 to 53732 during the same period of economic reform, growth shown a fluctuating trend over the period which was negative in 2001-02 (-0.14%) and shown increase in 1999-00 and 2002-03, 5.27 per cent and 2.04 per cent, respectively, and constant for other years showing zero growth rate.

Table No.7.2.10- Share Capital of LAMPS in Ahmednagar Dist. (Akole Taluka)

(Rs. in Thousands)

Years	No. of Societies	Share Capital	of which Govt.	Reserve & Other Funds	Borrowings Loans	Working Capital
1996-97	37	6967	714	678	19925	36690
1997-98	37 (0.0)	7547 (8.32)	648 (-9.24)	1627 (139.97)	32806 (64.64)	50774 (38.38)
1998-99	37 (0.0)	8376 (10.98)	504 (-22.22)	473 (-70.92)	41468 (26.40)	58532 (15.28)
1999-00	37 (0.0)	8414 (6.45)	452 (-10.31)	388 (-17.97)	41035 (-1.04)	65902 (12.60)
2000-01	37 (0.0)	10301 (22.39)	966 (113.71)	417 (7.47)	55580 (35.44)	82670 (25.43)
2001-02	38 (2.70)	12440 (20.76)	828 (-14.28)	529 (26.85)	66343 (19.36)	98425 (19.05)
2002-03	38 (0.0)	12570 (1.04)	825 (-0.36)	545 (3.02)	76894 (15.90)	115310 (17.15)
2003-04	38 (0.0)	12610 (0.31)	815 (-1.21)	839 (53.94)	77060 (0.21)	121470 (5.34)
2004-05	38 (0.0)	16700 (32.43)	620 (-23.92)	502 (-40.16)	90764 (17.78)	127963 (5.34)
2005-06	38 (0.0)	22898 (37.11)	6820 (10.00)	845 (68.32)	58901 (-35.10)	137786 (7.66)

Source- District Social and Economic Analysis, Ahmednagar District, 2008.

Table No.7.2.10 shows the progress of share capital of LAMPS in Akole Taluka of Ahmednagar district during 1996-97 to 2005-06. Number of societies increased from 37 to 38 during 1996-97 to 2005-06 only during the year 2001-02 growth rate was 2.70 per cent showed increase from 37 to 38 even in remaining year's growth rate was zero. Share capital of these societies increased from Rs.6967 thousands to Rs.22898 thousands during the same period, therefore, growth rate shown a fluctuating trend over the period. Contribution of government to share capital also increased from Rs.714 thousands to Rs.6820 thousands during the same period; however, growth rate was uneven and negative except years 2000-01 and 2005-06, 113.71 per cent and 10.00 per cent,

respectively. Reserve and funds increased from Rs.678 thousands to Rs.845 thousands during 1996-97 to 2005-06; therefore, growth showed a fluctuating trend it was negative for 1998 to 2000 and in 2004-05. Borrowings loans increased from Rs.19925 thousands to Rs.58901 thousands during the same period, growth was uneven, it was shown negative growth during 1999-00 (-1.04%) and in 2005-06 (-35.10%). Working capital of the societies increased from Rs.36690 thousands to Rs.137786 thousands during the same period which shown a fluctuating trend in growth rate therefore growth rate was positive over the period.

Table No.7.2.13- Loans Disbursement of LAMPS in A,Nagar Dist. (Akole Taluka)

(Rs. in Thousands)

Years	Total Loans Disbursed No.s	Total Loans Disbursed Amount	Total Loans Outstanding No.s	Total Loans Outstanding Amount	Total Loans Overdues No.s	Total Loans Overdues Amount
1996-97	3855	26203	2628	21370	4709	1145
1997-98	5813 (50.79)	23227 (-11.35)	4715 (79.41)	35486 (66.05)	6451 (36.99)	15302 (37.29)
1998-99	5917 (1.78)	27694 (19.23)	7721 (63.75)	46234 (30.28)	6837 (5.98)	23810 (55.60)
1999-00	6921 (16.96)	21881 (-20.99)	7751 (0.38)	47209 (2.25)	7136 (4.37)	24717 (3.80)
2000-01	7420 (7.21)	48037 (119.53)	8325 (7.40)	62628 (32.66)	6390 (-10.45)	21542 (-12.83)
2001-02	9314 (25.52)	56260 (17.11)	9872 (18.58)	67575 (7.19)	7250 (13.45)	19840 (-7.90)
2002-03	9527 (2.28)	57832 (2.79)	10215 (3.47)	78245 (15.79)	7532 (3.88)	20942 (5.55)
2003-04	10320 (8.32)	59510 (2.90)	12300 (20.41)	78030 (-0.27)	8940 (18.69)	23300 (11.25)
2004-05	11500 (11.43)	57730 (-2.99)	12315 (0.12)	19477 (1.85)	3240 (-63.75)	77345 (123.95)
2005-06	11730 (2.00)	58901 (2.02)	11730 (-4.75)	104877 (31.95)	3347 (3.30)	41932 (-45.78)

Source- District Social and Economic Analysis, Ahmednagar District, 2008.

Table No.7.2.13 shows the Loans Disbursement of LAMPS in Ahmednagar district during 1996-97 to 2005-06. LAMPS are the working in Akole taluka of Ahmednagar district. Total loans disbursed numbers increased from 3855 to 11730 during the same period, growth rate showed a fluctuating trend which was highest in 1997-98 as 50.79 per cent. Total loans disbursed amount increased from Rs.26203 thousands to Rs.58901, growth rate shown a fluctuating trend as it was negative during

years 1997-98, 1999-00 and in 2004-05, -11.35%, -20.99% and -2.02%, respectively. Total loans outstanding numbers increased from 2628 to 11730 during 1996-97 to 2005-06, growth rate was uneven which was negative during year 2005-06 (-4.75%) and highest during 1997-98 (79.41%). Total loans outstanding increased from Rs.21370 thousands to Rs.104877 thousands, therefore, growth rate shown a fluctuating trend where it was negative during 2003-04 as (-0.27%). Number of total loans overdues of the society decreased from 4709 to 3347 during the same period, growth rate was uneven and negative during years 2000-01 and 2004-05, -10.45 per cent and -63.75 per cent, respectively. Total loans overdues amount increased from Rs.1145 thousands to Rs.41932 thousands during the same period, therefore, growth rate shown a fluctuating trend where it was negative during 2000-01, 2001-02 and 2005-06, -12.83%, -7.90% and -45.78%, respectively. Overdues amount shown a high increase in year 2004-05 where growth rate was 123.95 per cent and amount stood on Rs.77354 thousands, afterwards it reduced to Rs.41932 thousands and growth rate reduced by -45.78 per cent, therefore, the amount of overdues is quite high and need some deliberate action to overcome on it.

7.3- NON- AGRICULTURAL CREDIT CO-OPERATIVE SOCIETIES-

The co-operative movement which was started as a credit movement for the rural masses could not remain confined to those areas only. It soon realized that like Germany, non- agricultural credit societies could also be established in the urban areas for the purpose of providing cheaper credit to small traders, employers, artisans and the middle class men. Thus, the co-operative movement also spread to the urban and semi-urban areas and co-operative societies were formed by the different groups of people in these areas. In Ahmednagar district non-agricultural co-operative credit societies have made a considerable progress after independence and in study period from 1996-97 to 2005-06. These provides finance to promote development through the given loans for self-employment, trades, small scale industries, etc. they also provide special attention to the weaker sections and neglected sectors of the economy. Loans given by the banks are the most effective tool in the hands of the bank for the quick development of the region. Credit co-operatives advanced loans against personal security, collateral security of moveable and immovable property, marketable commodities, warehouse receipts, gold-

silver ornaments, constructed houses, government securities, approved shares, debentures, fixed deposits, etc.

A] Urban Co-operative Banks- Urban Co-operative Banks also called Primary Co-operative Banks which accept deposits from the public repayable by cheques and also carry on other banking business. It may be mentioned here that because of the application of certain provisions of the Banking Companies Regulation Act 1949 to co-operative societies as Banks, some of the non-agricultural credit societies came to be classified as 'Primary Co-operative Banks'. As per the RBI Act, 1934 a Primary Co-operative Bank means a Co-operative Credit Society, other than a Primary Agricultural Credit Society, of which primary object or principal business is transaction of banking business; paid up share capital and reserves of which are not less than Rs. One lack and the by-laws of which do not permit admission of any other co-operative societies as a member.

Table No.7.3.14- Progress of Urban Co-operative Banks in Ahmednagar District.

(Rs. In Lacks)

Items	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
No. of Societies	18	21 (16.66)	21 (0.00)	22 (4.76)	22 (0.00)	22 (0.00)	23 (4.54)	23 (0.00)	23 (0.00)	23 (0.00)
No. of Members	181133	190625 (5.24)	182208 (-4.41)	189489 (3.99)	194103 (2.43)	202442 (4.29)	217837 (7.60)	239551 (9.96)	233649 (-2.46)	233619 (-0.01)
Share Capital	668	827 (23.84)	995 (20.27)	1231 (29.70)	1593 (29.42)	2154 (35.63)	12601 (484.8)	2875 (-77.1)	3046 (5.95)	3307 (8.57)
Reserve & Other Funds	3544	4402 (24.19)	5149 (16.96)	5930 (15.17)	7342 (23.79)	9418 (28.27)	133367 (41.60)	16048 (20.33)	19056 (18.74)	20213 (6.07)
Deposits	36394	45981 (26.34)	61927 (34.68)	75507 (21.92)	102085 (35.19)	116086 (13.71)	159165 (37.11)	148744 (-6.54)	147063 (-1.13)	147513 (0.30)
Working Capital	44179	56368 (27.59)	73782 (30.89)	89626 (21.47)	118512 (32.23)	138503 (16.86)	2585 (-98.1)	180601 (6884.1)	182601 (1.10)	181080 (-0.8)
Issued Loans	106772	111730 (4.70)	146093 (30.68)	187864 (23.66)	377101 (100.7)	263659 (-30.0)	279557 (6.03)	235995 (-15.5)	23888 (-89.8)	228685 (857.2)
Recovered Loans	100561	105511 (4.92)	136132 (29.02)	175042 (28.58)	363784 (107.8)	248651 (-31.6)	271118 (9.03)	232619 (-14.2)	238274 (2.43)	228502 (-4.10)
Outstanding Loans	28201	34420 (22.05)	44381 (28.93)	57202 (28.88)	70520 (23.28)	85528 (21.28)	93966 (9.86)	97343 (3.59)	97957 (0.63)	98140 (0.18)
Overdues Loans	2808	3303 (17.64)	3890 (17.77)	4856 (24.82)	6558 (35.04)	9079 (38.43)	12772 (40.67)	16036 (25.55)	17369 (8.31)	16207 (-6.68)

Source- District Social and Economic Analysis, Ahmednagar District, various years.

Among the different types of non-agricultural credit societies, urban co-operative banks are the most important. They play a very important role in catering to the needs of individual residing in urban and semi-urban areas. Their clientele largely consists of

persons of small industrialists, artisans, traders, merchants, hawkers, salaried and professional classes. Providing loan is the most important function of the co-operative credit movement.

Table No.7.3.14 shows the progress of Urban Co-operative Banks in Ahmednagar District during 1996-97 to 2005-06. Number of urban co-operative banks increased from 18 to 23 during 1996-97 to 2005-06 even growth rate shown a increasing trend during 1997-98, 1999-00 and 2002-03, 16.66%, 4.76% and 4.54%, respectively. Members of banks increased from 181113 to 233619 during the same period, growth rate shown a fluctuating trend over the period, growth rate was negative during 1998-99, 2004-05 and 2005-06, -4.41%, -2.46% and -0.01%, respectively. Membership is the factor which leads to the increase in share capital, nominal membership issued for depositors who take loans against or on deposits as well as nominal membership share granted to those persons who take loans against gold and silver ornaments, education loans, etc. out of total share capital twenty per cent shares can allowed for nominal members. However, registration, death of members and mass enrolment are the factors which result into the uneven increase in share capital. Share capital increased from Rs.668 lacks to Rs.3307 lacks during the same period, growth rate was uneven even negative during 2003-04 (-77.1%). Reserve and other funds increased from Rs.3544 lacks to Rs.20213 lacks during 1996-97 to 2005-06, growth rate shown a fluctuating trend, therefore, growth rate was positive during the period. Deposits increased from Rs.36394 lacks to Rs.147513 lacks during the same period even growth rate was uneven and shown negative growth during 2003-04 and 2004-05, -6.54% and -1.13%, respectively. Banks accepts all kinds of deposits and an important feature of these banks are that they are able to attract large deposits from non-members. Also because of the growing confidence they play an important role in mobilizing saving from the urban areas. Deposits raised by them are largely for a fixed period. Working capital of urban co-operative banks increased from Rs.44179 lacks to Rs.181080 lacks during 1996-97 to 2005-06, growth rate was uneven and negative during years 2002-03 and 2005-06, -98.1% and -0.8%, respectively. Loans issued by banks increased from Rs.106772 lacks to Rs.228685 lacks during the same period, therefore, growth rate shown a fluctuating trend, it was negative during 2001-02 (-30.0%), 2003-04 (-15.5%) and 2004-05 (-89.8%). Recovery of these banks

increased from Rs.100561 lacks to Rs.228502 lacks during 1996-97 to 2005-06, therefore, growth rate shown a fluctuating trend as growth rate was negative during 2001-02, 2003-04 and 2004-05, -31.0%, -15.5% and -89.8%, respectively. Outstanding loans increased from Rs.28201 lacks to Rs.98140 lacks during the same period, even growth rate was uneven and showed outstanding amounts have increasing over the period. Overdues loan amount also increased from Rs.2808 lacks to Rs.16207 lacks during 1996-97 to 2005-06, therefore, growth rate shown a fluctuating trend over the period whereas during last year of study it reduced with -6.68 per cent growth rate other year overdues amount have increased.

Table No.7.3.15- Progress of Employees Credit Societies & Others in A'Nagar Dist.

(Rs. In Lacks)

Items	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2006-06
No. of Societies	01	01 (0.0)	01 (0.0)	01 (0.0)	01 (0.0)	01 (0.0)	01 (0.0)	01 (0.0)	01 (0.0)	01 (0.0)
No. of Members	10139	10407 (2.6)	10833 (4.09)	10850 (0.1)	10640 (-1.9)	10582 (-0.5)	10345 (-2.24)	10090 (-2.46)	9891 (-1.97)	9778 (-1.14)
Share Capital	308	451 (46.3)	607 (34.5)	831 (36.7)	891 (7.3)	891 (-0.04)	773 (-13.1)	881 (13.8)	902 (2.43)	935 (3.66)
Reserve & Other Funds	170	209 (23.1)	289 (38.1)	345 (19.2)	1115 (223.1)	583 (-47.2)	10431 (78.9)	980 (-5.08)	1019 (3.97)	1146 (12.4)
Deposits	3668	4325 (17.9)	5225 (20.8)	6575 (25.8)	7920 (20.4)	8968 (13.2)	12684 (41.4)	11743 (-7.41)	12613 (7.40)	12974 (0.28)
Working Capital	4568	5378 (17.7)	6534 (21.5)	8708 (33.2)	10129 (16.3)	114551 (13.08)	884 (-92.2)	14121 (1496.3)	14985 (6.12)	1991 (-86.7)
Issued Loans	3438	3227 (8.4)	5697 (52.8)	7464 (31.0)	7889 (5.68)	8395 (6.41)	8856 (5.49)	10418 (17.64)	11826 (13.5)	12593 (6.48)
Recovered Loans	3102	3446 (11.0)	4564 (32.4)	5597 (22.6)	6883 (22.9)	7385 (7.29)	8561 (15.2)	9786 (14.30)	10511 (7.40)	11646 (10.7)
Outstanding Loans	3284	3566 (8.5)	4698 (31.7)	6566 (39.7)	7571 (15.3)	8581 (13.33)	8875 (3.43)	9507 (7.12)	10822 (13.8)	11769 (8.74)
Overdues Loans	3.13	3.23 (3.1)	5.87 (81.7)	6.28 (6.3)	7.75 (23.4)	8.84 (14.06)	9.32 (5.43)	11.79 (26.50)	8.97 (-23.9)	9.19 (2.45)

Source- District Social and Economic Analysis, Ahmednagar District, various years.

Table No.7.3.15 shows the progress of Employees Credit Societies & Others in Ahmednagar District during 1996-97 to 2005-06. Number of societies stood during year 1996-97 as 01 stood constant during 2005-06. Number of members decreased from 10139 to 9778 during the same period, growth rate shown a fluctuating trend, however, after year 2000-01 growth rates showed a negative growth up to 2006-07. Share capital

increased from Rs.308 lacks to Rs.935 lacks during 1996-97 to 2005-06, even growth rate was uneven and shown negative growth during 2001-02 and 2002-03, -0.04% and -13.1%, respectively. Reserve and other funds of the societies also increased from Rs.170 lacks to Rs.1146 lacks, therefore, growth rate shown a fluctuating trend where during year 2001-02 and 2003-04, -47.2% and -5.08%, respectively. Deposits increased from Rs.3668 lacks to Rs.12974 lacks during the same period, even growth rate was uneven and shown a negative trend for year 2003-04 as -7.41 per cent. Working capital decreased from Rs.4568 lacks to Rs.1991 lacks during 1996-97 to 2005-06, growth rate shown a fluctuating trend while during year 2002-03 and 2005-06 growth rate was negative as -92.2% and -86.7%. Loans issued by these societies increased from Rs.3438 lacks to Rs.12593 lacks during 1996-97 to 2005-06 as growth rate shown a fluctuating but positive growth during the same period. Recovery of loans increased from Rs.3102 lacks to Rs.11646 lacks during the same period, growth rate of recovery performance shown a fluctuating trend therefore, growth rate was positive and showed a good progress. Outstanding loans of these societies increased from Rs.3284 lacks to Rs.11769 lacks during 1996-97 to 2005-06, therefore, growth rate shown a fluctuating trend but growth rate was positive over the period. Overdues loans are also increased during the period from Rs.3.13 lacks to Rs.9.19 lacks, growth rate showed a fluctuating trend and only during year 2004-05 it shown a negative growth as -23.9 per cent, therefore, for other period overdues amount shown a increasing trend over the period. Naturally, increasing overdues affects the efficiency and profitability of the society, which is a cause to increase non-performing amount.

Table No.7.3.16- Progress of Employees Credit Societies in Ahmednagar District.

(Rs. In Lacks)

Items	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
No. of Societies	205	206 (0.48)	211 (2.42)	213 (0.94)	211 (-0.93)	212 (0.47)	213 (0.47)	210 (-1.40)	210 (0.00)	212 (0.95)
No. of Members	72130	76237 (5.69)	77370 (1.48)	79429 (2.66)	80437 (1.27)	82139 (2.11)	86203 (4.94)	97664 (13.29)	99011 (1.38)	99953 (0.95)
Share Capital	5125	6712 (31.06)	7875 (17.25)	8162 (3.63)	9973 (22.18)	10493 (5.20)	5512 (-47.4)	13851 (151.2)	14306 (3.28)	56143 (292.4)
Reserve & Other Funds	1181	1598 (35.28)	1815 (13.59)	1956 (7.74)	2236 (14.33)	3409 (52.40)	13015 (281.7)	6155 (-52.7)	6276 (1.96)	49746 (692.5)

(Continue...)

Deposits	2135	2170 (1.62)	2923 (34.72)	3121 (6.77)	3519 (12.67)	10676 (203.3)	50173 (369.9)	18086 (-63.5)	18218 (0.72)	18391 (0.95)
Working Capital	15663	17291 (10.30)	19946 (15.35)	21791 (9.25)	39806 (82.66)	46577 (17.00)	11892 (-74.4)	54456 (357.9)	55336 (1.61)	55863 (0.95)
Issued Loans	5940	12099 (103.65)	13892 (14.82)	15385 (10.74)	48365 (214.3)	35820 (-25.9)	48119 (34.33)	35504 (-26.2)	28458 (-19.8)	28729 (0.95)
Recovered Loans	5509	10730 (94.75)	12243 (14.10)	13894 (13.49)	30677 (120.7)	32941 (7.38)	46547 (345.1)	32992 (-29.1)	27277 (-17.3)	27537 (0.95)
Outstanding Loans	11240	12609 (12.18)	14258 (13.08)	15749 (10.45)	33437 (112.3)	36316 (8.01)	37888 (4.32)	38400 (1.35)	39581 (3.07)	407202 (928.7)
Overdues Loans	185	275 (48.70)	544 (97.55)	836 (53.54)	1719 (105.5)	3419 (98.90)	3025 (-11.5)	979 (-67.6)	1176 (20.12)	1188 (0.95)

Source- District Social and Economic Analysis, Ahmednagar District, various years.

Table No.7.3.16 shows the progress of Employees Credit Societies in Ahmednagar District during the years 1996-97 to 2005-06. Number of societies increased from 205 to 212 during the same period, growth rate was uneven and shown a negative growth in year 2000-01 (-0.93%) and in 2003-04 (-1.40%). Membership increased from 72130 to 99953 during 1996-97 to 2005-06, growth rate shown a fluctuating trend over the period, therefore, growth rate was positive. Share capital increased from Rs.5125 lacks to Rs.56143 lacks during the same period, even growth rate was uneven and shown a negative trend during year 2002-03 as -47.4 per cent. Reserve and other funds increased from Rs.1181 lacks to Rs.49746 lacks during the same period; therefore, growth rate was uneven and shown negative growth during year 2003-04 as -52.7 per cent. Deposits increased from Rs.2135 lacks to Rs.18391 lacks during 1996-97 to 2005-06, even growth rate was uneven which was highest in year 2002-03 as 369.9% and negative in year 2003-04 as -63.5%. Working capital increased from Rs.15663 lacks to Rs.55863 lacks during the same period, therefore, growth rate shown a fluctuating trend which was negative during year 2002-03 (-74.4 per cent). Loans issued by employee's credit societies during 1996-97 to 2005-06 increased from Rs.5940 lacks to Rs.28729 lacks, therefore, growth rate was uneven and negative during 2001-02, 2003-04 and 2004-05, -25.9 per cent, -26.2 per cent and -19.8 per cent, respectively. Recovery of loans increased from Rs.5509 lacks to Rs.27537 lacks during the same period, growth rate shown a fluctuating trend and negative for years 2003-04 (-29.1%) and in year 2004-05 (-17.3%), recovery was incredible during year 2000-01 as 120.7 per cent. Outstanding loans increased from Rs.11240 lacks to Rs.407202 lacks, even growth rate was uneven and recorded highest in 2000-01 and 2005-06, 112.3 per cent and 928.7 per cent, respectively. Overdues loans

amount also increased from Rs.185 lacks to Rs.1188 lacks during the same period, growth rate shown a fluctuating trend over the period, growth rate showed that overdue amount reduced during years 2002-03 and 2003-04, -11.5% and -67.6%, respectively.

Table No.7.3.17- Progress of Other (Urban Credit Societies) in Ahmednagar Dist.

(Rs. In Lacks)

Items	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
No. of Societies	559	641 (14.66)	713 (11.23)	796 (11.64)	820 (3.01)	906 (10.48)	1006 (11.03)	1029 (2.28)	1042 (1.26)	1009 (-3.60)
No. of Members	24828 7	295200 (18.89)	329491 (11.61)	355423 (7.87)	369241 (3.88)	446519 (20.92)	487397 (9.15)	593911 (21.85)	604631 (1.80)	605840 (0.20)
Share Capital	1142	1695 (48.39)	1866 (10.11)	2266 (21.43)	2637 (16.36)	7184 (172.3)	12278 (70.91)	7708 (-37.22)	8045 (4.37)	8061 (0.20)
Reserve & Other Funds	726	1986 (173.6)	2617 (31.76)	4339 (65.80)	6116 (40.95)	9514 (55.55)	89722 (842.9)	8683 (-90.32)	12232 (40.86)	12256 (0.20)
Deposits	7935	14858 (87.24)	17803 (19.81)	20822 (16.96)	39506 (89.72)	53301 (34.91)	122958 (130.88)	114173 (-7.14)	132844 (16.35)	133110 (0.20)
Working Capital	16030	23858 (48.83)	30276 (26.89)	37543 (24.00)	59928 (49.62)	76899 (28.32)	7091 (-90.77)	147556 (1980.)	170160 (15.31)	170510 (0.20)
Issued Loans	9517	15230 (60.02)	17074 (12.10)	20780 (21.70)	36471 (75.50)	42945 (17.75)	75257 (75.24)	82604 (9.76)	91354 (10.59)	93146 (1.96)
Recovered Loans	8272	9014 (8.97)	14722 (63.31)	17469 (18.66)	22970 (31.49)	30751 (33.87)	50079 (62.85)	68903 (37.58)	79126 (14.83)	80678 (1.96)
Outstanding Loans	9942	16158 (62.51)	18510 (14.55)	21821 (17.88)	35321 (61.87)	47515 (34.52)	72692 (53.00)	86394 (80.84)	98655 (14.19)	111089 (12.60)
Overdues Loans	1215	2244 (84.64)	2887 (28.67)	4045 (40.08)	9982 (146.7)	17728 (77.59)	24586 (38.68)	18639 (-24.59)	18737 (0.53)	18325 (-2.19)

Source- District Social and Economic Analysis, Ahmednagar District, various years.

Table No.7.3.17 shows the progress of Other (Urban Credit Societies) in Ahmednagar District during the years 1996-97 to 2005-06. Number of societies increased from 559 to 1009 during the same period, growth rate shown a fluctuating trend over the period as it was negative during year 2005-06 as -3.60 per cent. Membership increased from 248287 to 605840 during 1996-97 to 2005-06, growth rate was fluctuating but positive. Share capital increased from Rs.1142 lacks to Rs.8061 lacks, whereas growth rate was uneven and negative during year 2003-04 as -37.22 per cent and recorded highest in year 2001-02 as 172.3 per cent. Reserve and other funds increased from Rs.726 lacks to Rs.12256 lacks during 1996-97 to 2005-06, growth rate was uneven and was negative during 2003-04 as -90.32 per cent. deposits increased from Rs.7935 lacks to Rs.133110 lacks during the same period, growth rate shown a fluctuating trend as it was negative for year 2003-04 (-7.14%), growth rate showed that deposits mobilized

positively except year 2003-04, which was highest in 2002-03 as 130.88 per cent. Working capital increased from Rs.16030 lacks to Rs.170510 lacks during the same period, growth rate showed fluctuating trend and shown negative growth during year 2202-03 as -90.77 per cent. Loans issued increased from Rs.9517 lacks to Rs.93146 lacks during 1996-97 to 2005-06, which growth shown a fluctuating but positive growth. Recovery of loans increased from Rs.8272 lacks to Rs.80678 lacks during 1996-97 to 2005-06, growth rate was uneven, therefore, growth was positive all over the period, recovery performance increases the financial health of the any society, naturally, it is must to keep this going on. Outstanding loans increased from Rs.9942 lacks to Rs.111089 lacks during the same period, growth rate was fluctuating, therefore, shown a positive trend for all over the period. Amount of overdues loans increased from Rs.1215 lacks to Rs.18325 lacks during 1996-97 to 2005-06, growth rate shown a fluctuating trend over the period, which shown a negative growth during year 2003-04 and 2005-06, -24.59% and -2.19%, respectively. Overdues loans shown a decreasing trend after year 2003-04, therefore, much more progress in recovery is essential.

7.4 - MARKETING CO-OPERATIVE SOCIETIES-

Marketing co-operative societies works to control and maintain the price of essential commodities at reasonable and affordable rates by undertaking procurement and marketing of the essential goods produced by their members. They work in protecting the benefits of consumers as well as producer members. Marketing co-operatives involvement in the market brings stability to market prices and provides direct benefits removing interference of middlemen and traders.

Marketing Co-operatives are established by agriculturists to undertake transformation, packing, distribution and marketing of farm products crops as well as livestock. Primary Marketing Societies provides their members inputs for agricultural production, including seeds, fertilizers, fuel, and machinery services. Due to a large number of small agriculturists' organization make it as a large business unit in the market, getting the considerable advantages of economies of scale, that are not available to its members individually. Aggregate purchase, storage and distribution of inputs for

agriculturists and output marketing as advantage of volume discount and utilization of scale and increases bargaining power.

Table No.7.4.18- Progress of the District Marketing Societies in Ahmednagar.

(Rs. in Thousands)

Years	No. of Societies	No. of Members	Working Capital	Purchasing Price	Selling Price
1996-97	01	694	N.A.	46440	N.A.
1997-98	01 (0.0)	703 (1.29)	7526 (--)	46900 (0.99)	46173 (--)
1998-99	01 (0.0)	706 (0.42)	8444 (12.19)	50798 (8.31)	33194 (-28.11)
1999-00	01 (0.0)	710 (0.56)	10052 (19.04)	51693 (-2.29)	49956 (50.49)
2000-01	01 (0.0)	713 (0.42)	7757 (-22.88)	3647 (-92.94)	33888 (-32.16)
2001-02	01 (0.0)	713 (0.0)	13794 (77.94)	30774 (743.81)	22437 (-33.79)
2002-03	01 (0.0)	713 (0.0)	14645 (6.17)	3151 (-89.76)	4205 (-81.25)
2003-04	01 (0.0)	713 (0.0)	14659 (0.09)	3171 (0.63)	4295 (2.14)
2004-05	01 (0.0)	713 (0.0)	14952 (1.99)	3179 (0.25)	4970 (15.71)
2005-06	01 (0.0)	713 (0.0)	15027 (0.50)	3210 (0.97)	10091 (103.03)

Source- District Social and Economic Analysis, Ahmednagar District, 2008.

Table No.7.4.18 shows the progress of the District Marketing Societies in Ahmednagar district during 1996-97 to 2005-06. Number of societies stood constant on one number for 1996-97 to 2005-06, naturally growth rate was zero. Number of members increased from 694 to 713 during the same period, therefore, growth was uneven and growth happened during first half from 1996-97 to 2000-01 as 694 to 713, afterwards it was constant. Working capital increased from Rs.7526 thousands to Rs.15027 thousands during 1997-98 to 2005-06, even growth rate was uneven and recorded negative for year 2000-01 as -22.88 per cent and for other year it was positive. Purchasing price of district marketing society during year 1996-97 to 2005-06 decreased from Rs.46440 thousands to Rs.3210 thousands, growth rate shown a fluctuating trend which was negative during 1999-00, 2000-01 and 2002-03, as -2.29%, -92.94% and -89.76%, respectively. Business of district marketing society has shown a decreasing trend over the period in economic reforms. Selling price also decreased from Rs.46173 thousands to Rs.10091 thousands during 1997-98 to 2005-06, growth shown a fluctuating trend which was negative during 1998-99, 2000-01, 2001-02 and 2002-03, as -28.11%, -32.16%, -33.79%, and -81.25%,

respectively. It is observed from table that purchasing price and selling price is declined during the period shows that district marketing society is failing to do progress.

Table No.7.4.19- Progress of the Primary Marketing Societies in Ahmednagar.

(Rs. in Thousands)

Years	No. of Societies	No. of Members	Working Capital	Purchasing Price	Selling Price
1996-97	12	26001	67201	345425	N.A.
1997-98	47 (291.66)	29685 (14.16)	124138 (84.72)	382391 (10.70)	382892 (--)
1998-99	47 (0.0)	29608 (-0.26)	139029 (11.99)	489067 (27.89)	520713 (35.99)
1999-00	47 (0.0)	29880 (0.91)	162144 (16.62)	512989 (4.89)	505283 (-2.96)
2000-01	50 (6.38)	30190 (1.03)	161405 (-0.45)	451114 (-12.06)	494342 (-2.16)
2001-02	50 (0.0)	31559 (4.53)	165019 (2.24)	565198 (25.29)	425484 (-13.93)
2002-03	52 (4.00)	31587 (0.08)	172863 (4.75)	365363 (-35.18)	379310 (-10.85)
2003-04	55 (5.77)	31936 (1.10)	174572 (0.98)	369872 (0.95)	114376 (-69.84)
2004-05	57 (3.63)	32734 (2.49)	193369 (10.76)	378973 (2.46)	391666 (242.43)
2005-06	56 (-1.75)	32155 (-1.77)	202608 (4.77)	392178 (3.48)	569689 (45.45)

Source- District Social and Economic Analysis, Ahmednagar District, 2008.

Table No.7.4.19 shows the progress of the Primary Marketing Societies in Ahmednagar district during 1996-97 to 2005-06. Number of societies increased from 12 to 56 during the same period, therefore, growth rate shown a fluctuating trend, growth was affected during year 2005-06 as -1.75 per cent, growth rate shown constant growth during 1998 to 2000 and 2001-02. Number of members increased from 26001 to 32155 during 1996-97 to 2005-06, even growth rate was uneven which was negative during 1998-99 (-0.26%) and 2005-06 (-1.77%). Working capital of primary marketing societies increased from Rs.67201 thousands to Rs.202608 thousands during the same period, therefore, growth rate fluctuating and negative for year 2000-01 as -0.45 per cent, for other year there was positive growth rate. Credit co-operatives provide financing for both working capital and investment to agriculturists members. Purchasing price increased from Rs.345425 thousands to Rs.392178 thousands during the same period, even growth rate was uneven and was negative during 2000-01 and 2002-03, as -12.06%

and -35.18%, respectively. Therefore, purchasing price does not shown much more increase during the study period which is an economic reforms period. Selling price increased from Rs.382892 thousands to Rs.569689 thousands during 1997-98 to 2005-06, growth rate shown a fluctuating trend over the period where it was negative during years 1999-00, 2000-01, 2001-02 and 2002-03 and 2003-04, as -2.96%, -2.16%, -13.93%, -10.85% and -69.84%, respectively. Growth rate showed that for five years growth rate shown a negative trend besides this selling price increased during the period, therefore, growth rate was shown a fluctuating trend over the period.

7.5- PRODUCTION CO-OPERATIVES –

Under industrial co-operatives production and processing co-operatives have studied in present study. These co-operative formed with objectives that capital formation in rural areas, employment generation, increase production, develop competitive capacity and to promote entrepreneurship in rural areas. Co-operative helps to overcome on difficulties like requirement of loans, raw material and marketing of finished production. Production co-operatives generate more employment as well as additional earnings to improve living standard of the rural poor.

Table No.7.5.20- Progress of Sugar Co-operative Factories in Ahmednagar District.

(Weight in Thousand Metric Tonnes & Rs. In Lacks)

Year/ Items	No. of Societies	No. of Members	Share Capital	Reserve & Other Funds	Working Capital	Weight of Produced Sugar	Price of Produced Sugar
1996-97	15	210634	615274	113421	6253271	436.20	47961.00
1997-98	18 (20.00)	233746 (10.97)	724681 (17.78)	195496 (72.36)	6377452 (1.98)	462.10 (5.93)	50733.00 (5.78)
1998-99	15 (-16.66)	247123 (5.72)	751435 (3.69)	231766 (18.55)	6975119 (9.37)	521.00 (12.77)	58794.00 (15.89)
1999-00	15 (0.0)	251743 (1.87)	824617 (9.74)	286924 (23.80)	7324522 (5.00)	624.00 (19.77)	71315.34 (21.29)
2000-01	17 (13.33)	284171 (12.88)	914413 (10.89)	352811 (22.96)	9760694 (33.26)	971.00 (55.60)	11652.00 (-83.66)
2001-02	17 (0.0)	298417 (5.01)	995814 (8.90)	428192 (21.36)	10851275 (11.17)	745.17 (-23.27)	89426.00 (667.47)
2002-03	17 (0.0)	312597 (4.75)	1054733 (5.91)	468115 (9.32)	1120744 (-89.37)	432.46 (-41.96)	52841.35 (-40.91)
2003-04	17 (0.0)	314592 (0.63)	1060006 (0.50)	470456 (0.50)	1126347 (0.50)	316.87 (-26.72)	52841.35 (0.00)
2004-05	17 (0.0)	315600 (0.32)	1064203 (0.39)	470987 (0.11)	1128453 (0.18)	356.76 (12.58)	52912.65 (0.13)
2005-06	17 (0.0)	316462 (.027)	1066856 (0.25)	472793 (0.38)	1130724 (0.73)	387.90 (8.72)	52979.97 (0.12)

Source- District Deputy Registrar, Co-operative Societies, Ahmednagar, Various Years.

Sugar co-operative factories play a major role in Ahmednagar District in the socio-economic development of rural masses. Sugar co-operative factories in Ahmednagar district made a phenomenal progress. Ahmednagar is known as a 'Sugar Bowl'. The first Co-operative Sugar Factory in Maharashtra established in Ahmednagar at Pravara-Nagar, Loni.

Table No.7.5.20 shows progress of Sugar Co-operative Factories in Ahmednagar District during year 1996-97 to 2005-06. Number of factories stood on 15 in 1996-97 increased up to 17 during year 2005-06, showed a fluctuating growth trend which was negative during year 1998-99 as -16.66 per cent and was highest during 1997-98 as 18 even stood constant for further years. Number of members increased from 210634 to 316462 during the same period; therefore, growth rate was fluctuating but positive for entire period. Share capital increased from Rs.615274 lacks in 1996-97 to Rs.1066856 lacks during year 2005-06, even growth rate was uneven. Reserve and other funds increased from Rs.113421 lacks to Rs.472793 lacks during the same period. Growth rate of reserve and other funds showed a fluctuating trend over the period. Working capital of sugar co-operative factories increased from Rs.6253271 lacks to Rs.1130724 lacks during year 1996-97 to 2005-06, even growth rate shown a fluctuating trend, growth rate was negative during year 2003-04 (-89.37%). Weight of produced sugar showed a decreasing trend from 436.20 thousands metric tones to 387.90 thousands metric tones during year 1996-97 to 2005-06, therefore, growth rate shown a fluctuating trend which was negative years 2001-02, 2002-03 and 2003-04, -23.27%, -41.96% and -26.72%, respectively. Price of produced sugar increased from Rs.47961.00 lacks to Rs.52979.97 lacks during 1996-97 to 2005-06, growth rate shown a fluctuating trend over the period which was negative during 2000-01 and 2002-03, -83.66 per cent and -40.91 per cent, respectively. Sugar co-operatives in Ahmednagar district facing the problem of under utilization of their installed capacities as the capacity of production is high but the production and productivity of agricultural sector is slow down leads of shortage of sugarcane, increased use of sugarcane for alternative production of Gur and Khandsari and inadequacy of early and later growing diversity of sugarcane. Due to these reasons the factories facing problems of full utilization of capacity which resulted in decrease in profit or loss. Co-

operative sugar factories contribute substantially to the economic development of the country in general and the co-operative sector in particular.

Table No.7.5.21- Progress of Co-operative Agricultural Processing Societies in Ahmednagar District.

(Rs. In Lacks)

Year/ Items	No. of Societies	No. of Members	Share Capital	Reserve & Other Funds	Working Capital
1996-97	9	6520	6596	4273	26190
1997-98	8 (-11.11)	6559 (0.59)	6646 (0.75)	4843 (13.34)	28011 (6.95)
1998-99	9 (12.5)	7121 (8.56)	6889 (3.65)	5615 (15.94)	31116 (11.08)
1999-00	11 (22.22)	7249 (1.79)	7148 (3.76)	5963 (6.19)	32205 (3.50)
2000-01	11 (0.0)	8227 (13.49)	7316 (2.35)	6725 (12.78)	39991 (24.17)
2001-02	10 (-9.09)	6278 (-23.69)	6327 (-13.51)	8059 (19.83)	39328 (-1.65)
2002-03	10 (0.0)	7258 (15.61)	6286 (-0.64)	8301 (3.00)	34281 (-12.83)
2003-04	10 (0.0)	7294 (0.49)	6317 (0.49)	8343 (0.50)	34452 (0.49)
2004-05	10 (0.0)	7304 (0.13)	6348 (0.49)	8390 (0.56)	34567 (0.33)
2005-06	10 (0.0)	7398 (1.28)	6396 (0.75)	8423 (0.39)	34879 (0.90)

Source- District Deputy Registrar, Co-operative Societies, Ahmednagar, Various Years.

Table No.7.5.21 shows the progress of Co-operative Agricultural Processing Societies in Ahmednagar District during 1996-97 to 2005-06. Number of societies stood on 9 increased up to 10 during the same period, even growth rate was uneven, growth rate was negative during year 1997-98 (-11.11%) and in 2001-02 (-9.09%), after 2001-02 it was constant. Number of members increased from 6520 to 7398 during 1996-97 to 2005-06, therefore, growth showed a fluctuating trend which was negative during 2001-02 (-23.69%). share capital increased from Rs.6596 lacks to Rs.6396 lacks during the same period, growth rate shown a fluctuations during the period and negative for 2001-02 and 2002-03, -13.51% and -0.64%, respectively. Reserve and other funds increased from Rs.4273 lacks to Rs.8423 lacks during 1996-97 to 2005-06, growth rate shown a fluctuating trend over the period therefore it was positive. Working capital increased from Rs.26190 lacks to Rs.34879 lacks during the same period, even growth rate was uneven which was negative during years 2001-02 and 2002-03, -1.65% and -12.83%, respectively. Progress of agricultural co-operative processing societies in Ahmednagar

district in economic reforms showed a stagnant as the wide fluctuations in the prices of raw materials, inadequate finance, lack of trained management, severe competition from private sector, irrationality in planning of units are affected the progress.

The progress of co-operative agricultural processing societies are very necessary as the production produced is required some process before final consumption which is not only necessary but also increases the price of the commodity. Increased price benefited to the agriculturists and the processing unit where farmer is one member.

Table No.7.5.22- Progress of Weavers Co-op. Societies in Ahmednagar District.
(Handloom & Powerloom)

(Rs. In Lacks)

Year/ Items	No. of Societies	No. of Members	Share Capital	Reserve & Other Funds	Working Capital	Production	Sell
1996-97	11	915	1509	1124	7136	43.29	43.68
1997-98	11 (0.0)	1146 (25.24)	1547 (2.51)	1143 (1.69)	6966 (-2.38)	45.76 (5.70)	44.00 (0.73)
1998-99	14 (27.27)	1145 (-0.08)	3017 (95.02)	1238 (8.31)	13198 (89.46)	47.28 (3.32)	50.26 (14.22)
1999-00	14 (0.0)	1464 (27.86)	2316 (-23.23)	1333 (7.67)	13358 (1.21)	82.60 (74.70)	87.77 (74.63)
2000-01	16 (14.28)	1698 (15.98)	2464 (6.39)	1371 (2.85)	14189 (6.22)	72.14 (-12.66)	75.44 (-14.04)
2001-02	16 (0.0)	1712 (0.82)	2502 (1.54)	1547 (12.83)	16952 (11.47)	75.68 (4.90)	77.94 (3.31)
2002-03	15 (-6.25)	1502 (-12.26)	2273 (-9.15)	1477 (-4.52)	13882 (-18.11)	68.15 (-9.95)	70.39 (-9.68)
2003-04	16 (6.66)	1610 (7.19)	2437 (7.21)	1583 (7.17)	14881 (7.19)	70.19 (2.99)	72.51 (3.01)
2004-05	16 (0.0)	1630 (1.24)	2540 (4.22)	1670 (5.49)	15806 (6.21)	71.55 (1.93)	73.17 (0.91)
2005-06	15 (-6.25)	1610 (-1.22)	2586 (1.81)	1687 (1.01)	15920 (0.72)	71.86 (0.43)	73.59 (0.57)

Source- District Deputy Registrar, Co-operative Societies, Ahmednagar, Various Years.

The handloom co-operatives are a caste based activity that involves a large number of peoples who are interested in promoting standard of living of their members. These co-operatives also helps to increase earnings usually women and youth are engaged in this activity more. Priority has been given to these co-operatives in receiving short term loans and working capital to strengthen them. Weaver's co-operative societies help the weavers to increase their productivity and also market their product. Thus, these co-operatives generate employment and rises incomes in rural areas.

Table No.7.5.22 shows the progress of Weavers Co-operative Societies in Ahmednagar District (Handloom & Powerloom) during 1996-97 to 2005-06. Number of societies increased from 11 to 15 during same period, therefore, growth rate was fluctuating and shown a negative growth during 2002-03 (-6.25%) and 2005-06 (-6.25%). number of members increased from 915 to 1610 during 1996-97 to 2005-06, even growth rate was uneven and negative during 1998-99, 2002-03 and 2005-06, as -0.08%, -12.26% and -1.22%, respectively. Share capital increased from Rs.1509 lacks to Rs.2586 lacks during the same period, growth rate was fluctuating over the period and negative during 1999-00 (-23.23%) and 2002-03 (-9.15%). Reserve and other funds increased from Rs.1124 lacks to Rs.1687 lacks during 1996-97 to 2005-06; therefore, growth rate was uneven and negative for year 2002-03 as -4.52 per cent. Working capital increased from Rs.7136 lacks to Rs.15920 lacks during same period, which shown a fluctuating growth rate during the period, where 1997-98 and 2002-03 growth was negative. Production of co-operative weavers societies increased from Rs.43.29 lacks to Rs.71.86 lacks during ten years 1996-97 to 2005-06 when economic reforms are implemented in Indian economy, therefore, growth rate shows that production was fluctuated and recorded negative during 2000-01 and 2002-03. However, sell increased from Rs.43.68 lacks to Rs.73.59 lacks during same period showed fluctuating growth rate over the period which was negative during year 2000-01 and 2002-03, -14.04% and -9.68%, respectively. In the context of economic reforms growth rate showed that production and sell of weaver's co-operative societies are slowed down for last four years of study period from 2002-03 to 2005-06. Weavers' co-operatives found non-viable as table showed that number of members showed decreasing trend, lack of finance, inadequate working capital, poor production and sell, severe competition and monopoly of middlemen and traders, etc. affected the progress; these weaknesses needs prompt action and quick measures to remove these weaknesses. The National Co-operative Development Corporation is also catering the needs and strengthening these co-operatives by providing financial aid.

Table No.7.5.23- Progress of Co-operative Spinning Mills in Ahmednagar District.

(Rs. In Lacks& Production in Thousand Tonnes)

Year/ Items	No. of Societies	No. of Members	Share Capital	Reserve & Other Funds	Working Capital	No. of Spindleage in Prodn.	Produced Yarn
1996-97	3	8817	13055	1709	45519	322.00	77.34
1997-98	3 (0.0)	5402 (-38.73)	13359 (2.32)	2994 (75.19)	47346 (4.01)	320.00 (-0.62)	80.00 (3.89)
1998-99	3 (0.0)	5041 (-6.68)	13466 (0.80)	3456 (15.43)	52610 (11.11)	320.00 (0.0)	82.00 (2.50)
1999-00	3 (0.0)	5041 (0.0)	13466 (0.0)	3456 (0.0)	52610 (0.0)	320.00 (0.0)	85.13 (3.65)
2000-01	3 (0.0)	5041 (0.0)	13518 (0.38)	3622 (4.80)	54124 (2.87)	287.00 (-10.31)	79.00 (-7.05)
2001-02	3 (0.0)	5063 (0.43)	13725 (1.53)	3974 (9.71)	57218 (5.71)	287.00 (0.0)	77.00 (-2.53)
2002-03	3 (0.0)	5075 (0.0)	13748 (0.16)	4186 (5.33)	59104 (3.29)	285.00 (-0.69)	46.00 (-40.26)
2003-04	2 (-33.33)	5075 (0.0)	13748 (0.0)	4186 (0.0)	59104 (0.0)	285.00 (0.0)	48.00 (4.34)
2004-05	2 (0.0)	5075 (0.0)	13820 (0.52)	4195 (0.21)	59203 (0.16)	285.00 (0.0)	48.00 (0.0)
2005-06	2 (0.0)	5078 (0.06)	14100 (2.02)	4220 (0.59)	59523 (0.54)	285.00 (0.0)	49.00 (2.08)

Source- District Deputy Registrar, Co-operative Societies, Ahmednagar, Various Years.

Table No.7.5.23 shows the progress of Co-operative Spinning Mills in Ahmednagar District during 1996-97 to 2005-06. Number of spinning mills in Ahmednagar district decreased from 3 to 2 during 1996-97 to 2005-06, growth rate shown a fluctuating trend which was constant except year 2003-04 as growth rate reduced by -33.33 per cent. Number of members decreased from 8817 to 5078 during the same period, even growth rate was uneven which was negative during 1997-98 and 1998-99, -38.73% and -6.68%, respectively. Share capital increased from Rs.13055 lacks to Rs.14100 lacks during the same period, therefore, growth rate shown a fluctuating trend but positive growth. Reserve and other funds increased from Rs.1709 lacks to Rs.4220 lacks during 1996-97 to 2005-06, showed a fluctuating trend which was constant for year 1999-00 and 2003-04. Working capital increased from Rs.45519 lacks to Rs.59523 lacks during the same period, growth rate shown a fluctuating trend but positive. Number of spindleage in production decreased from Rs.322 lacks to Rs.285 lacks, growth rate showed a fluctuating trend which was negative during 1997-98, 2000-01 and 2002-03, as -0.62%, -10.31% and -0.69%, respectively. For other year's spindleage in production was shown a constant growth. Production of yarn decreased from Rs.77.34 lacks to Rs.49.00

lacks during 1996-97 to 2005-06, even growth rate was uneven and negative during 2000 to 2003. Table revealed that Co-operative Spinning Mills in Ahmednagar District during 1996-97 to 2005-06 was not made progress. Table showed that the progress made by these co-operative was not satisfactory during the study period. Number of societies, membership, reserve and other funds, working capital as well as production of yarn showed a very discouraging progress. Inadequate finance, lack of raw material, accumulation of unsold stock, inefficient management, lack co-operation and private selfish interests of members are some of the weaknesses of society

Table No.7.5.24- Progress of Co-operative Industrial Estates in A’Nagar District.

(Rs. In Lacks)

Year/ Items	No. of Societies	No. of Members	Share Capital	Reserve & Other Funds	Working Capital
1996-97	6	2173	24477	4605	46572
1997-98	6 (0.0)	2608 (20.01)	24488 (0.04)	4816 (4.58)	46753 (0.38)
1998-99	7 (16.66)	2624 (0.61)	24102 (-1.57)	5300 (10.05)	49342 (5.53)
1999-00	7 (0.0)	2640 (0.60)	24890 (3.64)	5875 (10.85)	52291 (5.97)
2000-01	7 (0.0)	2655 (0.58)	25042 (0.61)	1164 (-80.18)	55206 (5.57)
2001-02	7 (0.0)	2668 (0.49)	24791 (-1.00)	1967 (68.98)	58593 (6.13)
2002-03	8 (14.28)	2688 (0.75)	24825 (0.13)	8158 (314.74)	60581 (3.39)
2003-04	7 (-12.50)	2714 (0.96)	25078 (1.02)	8239 (0.99)	61186 (0.99)
2004-05	7 (0.0)	2722 (0.29)	25342 (1.05)	8268 (0.35)	61267 (0.13)
2005-06	7 (0.0)	2786 (2.35)	25621 (1.10)	8334 (0.79)	61454 (0.30)

Source- District Deputy Registrar, Co-operative Societies, Ahmednagar, Various Years.

Table No.7.5.24 progress of Co-operative Industrial Estates in Ahmednagar District during year 1996-97 to 2005-06. Number of societies increased from 6 to 7 during the same period therefore, growth rate showed a fluctuation, it increased in 1998-99 from 6 to 7 as well as in 2002-03 from 7 to 8, therefore, in 2003-04 societies decreased by one number from 8 to 7 as growth was -12.5 per cent. Number of members increased from 2173 to 2786, growth rate was uneven although positive. Share capital increased from Rs.24477 lacks to Rs.25621 lacks during 1997-98 to 2005-06, therefore, growth rate was fluctuating and negative for years 1998-99 (-1.57%) and 2001-02 (-1.00%). Reserve and other funds increased from Rs.4606 lacks to Rs.8334 lacks during

the same period, even growth rate was uneven and recorded negative during 2000-01 as -80.18% and recorded highest in 2002-03 as 314.64%. Working capital increased from Rs.46572 lacks to Rs.61454 lacks during the same period, growth rate was fluctuating even positive. Co-operative Industrial Estates in Ahmednagar District during year 1996-97 to 2005-06 have not made a very good progress. Rural industrialization able to provide effective remedy for rural employment because farming business has limits to absorb the increasing population in rural areas. Rural industrialization also benefited through the turn away urban centralization of industries to rural.

Table No.7.5.25- Progress of Other Co-operative Industrial Societies in A’Nagar.

(Rs. In Lacks)

Year/ Items	No. of Societies	No. of Members	Share Capital	Reserve & Other Funds	Working Capital	Purchase of Raw Material	Total Production	Total Sell
1996-97	83	16435	5826	2245	36936	23.70	25.73	21.79
1997-98	87 (4.82)	18826 (14.54)	6865 (17.86)	2490 (10.91)	88467 (19.03)	30.15 (27.21)	32.24 (25.30)	23.94 (9.86)
1998-99	93 (6.89)	18683 (-0.76)	5728 (-16.58)	3548 (42.49)	39170 (-55.72)	32.39 (7.43)	39.54 (22.64)	30.23 (26.27)
1999-00	95 (2.15)	19276 (3.17)	5874 (2.54)	3837 (8.14)	41138 (5.02)	36.59 (12.96)	38.27 (-3.21)	38.48 (27.29)
2000-01	89 (-6.31)	18214 (-5.51)	5618 (-4.35)	4137 (7.81)	43853 (6.60)	39.42 (7.73)	45.18 (18.05)	46.27 (20.24)
2001-02	95 (6.74)	21064 (15.64)	6909 (22.98)	4649 (12.37)	43779 (-0.16)	44.60 (13.14)	48.58 (7.52)	51.01 (10.24)
2002-03	100 (5.26)	21968 (4.29)	6981 (1.04)	3691 (-20.60)	50486 (15.32)	47.51 (6.52)	52.99 (9.07)	54.55 (6.94)
2003-04	91 (-9.0)	22077 (0.49)	7016 (0.50)	3709 (0.48)	50738 (0.50)	49.88 (4.98)	55.64 (5.0)	57.27 (4.98)
2004-05	91 (0.0)	22077 (0.0)	7035 (0.27)	3802 (2.50)	50977 (0.47)	52.44 (5.13)	57.86 (3.99)	59.23 (3.42)
2005-06	90 (-1.09)	22060 (-0.07)	7078 (0.61)	3897 (2.49)	51180 (0.39)	53.67 (2.34)	59.32 (2.52)	61.32 (3.52)

Source- District Deputy Registrar, Co-operative Societies, Ahmednagar, Various Years.

Table No.7.5.25 shows the progress of Other Co-operative Industrial Societies in Ahmednagar district during 1996-97 to 2005-06. Number of societies increased from 83 to 90 during the same period, even growth rate was uneven which showed negative growth during years 2000-01, 2003-04 and 2005-06, as -6.31%, -9.0% and -1.09%, respectively. Number of members increased from 16435 to 22060 during the same period, therefore, growth rate was fluctuating and showed negative growth during years 1998-99, 2000-01 and 2005-06, as -0.76%, -5.51% and -0.07%, respectively. Share capital increased from Rs.5826 lacks to rs.7078 lacks during the same period, growth rate

shown a fluctuating trend, therefore, growth was positive. Reserve and other funds increased from Rs.2245 lacks to Rs.3897 lacks during the same period, growth rate showed a fluctuating over the period, therefore, growth was positive. Working capital increased from Rs.36936 lacks to Rs.51180 lacks during 1996-97 to 2005-06 even growth rate was uneven and negative during years 1998-99 (-55.72%) and in 2001-02 (-0.16%). Value of purchase of raw materials increased from Rs.23.70 lacks to Rs.53.67 lacks during the same period, therefore, growth rate was fluctuating but positive. Total production of other co-operative industrial societies increased from Rs.25.73 lacks to Rs.59.32 lacks, therefore, growth rate was uneven and negative for year 1999-00 as - 3.21% and for other period it was positive. Total sell increased from Rs.21.79 lacks to Rs. 61.32 lacks during the same period showed a fluctuating growth trend, therefore, growth was recorded positive during the entire study period along with increasing gross income in the context of economic reforms. Industrial co-operatives create employment opportunities and income to enable member's standard of living which organize rural community, seek diversification in a manner that contributes to the welfare of the weaker sections of the rural economy.

Table No.7.5.26- Progress of Co-operative Milk Societies in Ahmednagar District.

(Rs. In Lacks)

Year/ Items	No. of Societies	No. of Members	Share Capital	Reserve & Other Funds	Working Capital	Purchase Price of Milk	Selling Price of Milk
1996-97	1960	136217	8451	13362	56183	8734.62	8951.13
1997-98	2119 (8.11)	137915 (1.24)	8670 (2.59)	13779 (3.12)	61044 (8.65)	13039.00 (48.78)	11653.20 (30.18)
1998-99	2285 (7.83)	139246 (0.96)	9430 (8.76)	14315 (3.89)	63044 (3.27)	12416.35 (-4.77)	12137.41 (4.15)
1999-00	2353 (2.97)	142539 (2.36)	9865 (4.61)	14892 (4.03)	65791 (4.35)	24117.00 (94.24)	23791.00 (96.01)
2000-01	2562 (8.88)	157995 (10.84)	11974 (21.37)	18379 (23.41)	73841 (12.23)	26421.33 (9.55)	24992.18 (4.97)
2001-02	2716 (6.01)	170302 (7.79)	12833 (7.17)	21375 (16.30)	93821 (27.05)	28317.49 (7.17)	27457.38 (9.86)
2002-03	2874 (5.81)	175993 (3.34)	13915 (8.43)	29058 (35.94)	172335 (83.68)	28604.15 (1.01)	31491.12 (14.69)
2003-04	2975 (3.51)	182102 (3.47)	14476 (4.03)	30229 (4.03)	179283 (4.03)	30320.04 (6.00)	33695.37 (7.00)
2004-05	2975 (0.0)	184112 (1.10)	14645 (1.16)	30867 (2.11)	182563 (1.83)	30812.15 (1.62)	34128.33 (1.28)
2005-06	2975 (0.0)	184320 (0.11)	14773 (0.87)	31712 (2.73)	189745 (3.94)	31532.21 (2.33)	34907.21 (2.28)

Source- District Deputy Registrar, Co-operative Societies, Ahmednagar, Various Years.

Table No.7.5.26 shows the progress of Co-operative Milk Societies in Ahmednagar district during years 1996-97 to 2005-06. Number of societies increased from 1960 to 2975 during 1996-97 to 2005-06 even growth rate was uneven whereas constant for last two years. Number of members increased from 136217 to 184320 during the same period, growth rate showed fluctuating over the period but positive growth. Share capital increased from Rs.8451 lacks to Rs.14773 lacks during the same period, therefore, growth rate was fluctuating but positive over period. Reserve and other fund increased from Rs.13362 lacks to Rs.31712 during the same period which showed uneven but positive growth rate. Working capital increased from Rs.56183 lacks to Rs.189745 lacks, therefore, growth rate showed a fluctuating but positive trend over the period. Purchase price of milk during the study period increased from Rs.8734.62 lacks to Rs.31532 lacks, showed a fluctuating trend in growth rate which was negative for year 1998-99 as -4.77 per cent and highest during 1999-00 as 94.24 per cent. Selling price of milk increased from Rs.8951.13 lacks to Rs.34907.21 lacks during the same period showed a fluctuating trend over the period. However, co-operative milk societies earned an increasing gross income during the study period. Co-operative milk societies play an important role in the development of rural sector. During the off season of agriculture farmers engaged in milk production gives them additional employment, income and improves the living standard of rural poor families. Now milk production becomes a vital part of rural area. These co-operatives enhance the income and wealth of agriculturists.

Table No.7.5.27- Progress of Co-operative Milk Organization in Ahmednagar.

(Rs. In Lacks)							
Year/ Items	No. of Societies	No. of Members	Share Capital	Reserve & Other Funds	Working Capital	Purchase Price of Milk	Selling Price of Milk
1996-97	5	1592	389.14	596.72	287.43	11519.47	13347.81
1997-98	6 (20.0)	2097 (31.72)	400.00 (2.82)	105.48 (-82.32)	342.56 (19.16)	93721.32 (713.62)	93515.56 (600.64)
1998-99	5 (-16.66)	2174 (3.67)	746.17 (86.5)	1237.24 (1072.9)	4485.45 (1211.4)	102581.63 (9.45)	102485.99 (9.59)
1999-00	7 (40.0)	2178 (0.18)	749.16 (0.40)	1273.32 (2.91)	4685.90 (4.46)	113221.30 (10.37)	112468.00 (9.74)
2000-01	5 (-28.57)	2184 (0.27)	761.15 (1.60)	1337.18 (5.02)	5293.30 (12.97)	120357.13 (6.30)	119264.19 (6.04)
2001-02	6 (20.0)	2474 (13.27)	814.72 (7.03)	1523.18 (13.91)	6142.40 (16.04)	129742.17 (7.79)	128436.27 (7.69)

(Continue...)

2002-03	6 (0.0)	2482 (0.32)	1329.16 (63.14)	1698.60 (11.58)	6689.93 (8.90)	184443.85 (42.16)	192145.33 (49.60)
2003-04	12 (100.0)	4964 (99.83)	2658.30 (99.99)	3397.20 (100.0)	13379.85 (100.0)	195514.54 (6.00)	205692.33 (7.05)
2004-05	12 (0.0)	5012 (0.96)	2717.34 (2.21)	3482.12 (2.50)	14390.11 (7.55)	198961.23 (1.76)	201738.21 (-1.92)
2005-06	12 (0.0)	5094 (1.63)	2787.66 (2.57)	3521.01 (1.12)	14681.10 (2.02)	201003.12 (1.02)	203772.40 (1.00)

Source- District Deputy Registrar, Co-operative Societies, Ahmednagar, Various Years.

Table No.7.5.27 shows the progress of Co-operative Milk Organization in Ahmednagar during year 1996-97 to 2005-06. Number of organizations stood on 5 increased up to 12 during 1996-97 to 2005-06, therefore, growth rate shown a fluctuating trend whereas it was negative during year 1998-99 as -16.66 per cent, in 2000-01 as -28.57 per cent and stood constant for years 2002-03, 2004-05 and 2005-06. Number of members increased from 1592 to 4998 during 1996-97 to 2005-06, even growth rate was uneven but positive. Share capital increased from Rs. 389.14 lacks to Rs.2787.66 lacks during the same period, growth rate showed a fluctuating trend even positive over the period. Reserve and other funds increased from Rs.596.72 lacks to Rs.3521.01 lacks during 1996-97 to 2005-06, even growth rate was uneven and negative for year 1997-98 as -82.32 per cent. Working capital increased from Rs.287.43 lacks to 14681.10 lacks, growth rate showed a fluctuating trend even positive which was highest during 1998-99 as 1211.40 per cent. Purchase price of milk was Rs.11519.47 lacks during year 1996-97 increased up to Rs.201003.12 during 2005-06, showed a fluctuating however positive growth rate. Selling price of milk increased from Rs.13347.81 lacks to Rs.201003.12 lacks during the same period, growth rate showed fluctuating trend over the period which was negative during year 2004-05 as -1.92 per cent, as well as showed a highest growth during year 1997-98 as 600.64 per cent, overall organization have earned increasing gross income. Table revealed that the co-operative milk organization made a fairly good progress; therefore, growth rate was so much satisfactory and showed a fluctuating trend over the period.

Table No.7.5.28- Progress of Co-operative Fisheries Societies in Ahmednagar Dist.

(Rs. In Lacks)

Year/ Items	No. of Societies	No. of Members	Share Capital	Reserve & Other Funds	Working Capital	Cached Fish Price	Selling Price
1996-97	44	4031	126	87	476	27.1	29.7
1997-98	45 (2.27)	4062 (0.77)	131 (3.96)	87 (0.0)	461 (-3.15)	20.7 (30.91)	22.3 (-24.91)
1998-99	46 (2.22)	4062 (0.0)	134 (2.29)	89 (2.29)	464 (0.65)	23.2 (12.07)	25.4 (13.90)
1999-00	47 (2.17)	4226 (4.03)	143 (6.71)	92 (3.37)	477 (2.80)	24.37 (5.04)	33.20 (30.70)
2000-01	47 (0.0)	4128 (-2.32)	161 (12.58)	97 (5.43)	512 (7.33)	29.72 (21.95)	37.18 (11.98)
2001-02	47 (0.0)	4145 (0.41)	168 (4.34)	119 (22.68)	569 (11.13)	35.72 (20.18)	43.94 (18.18)
2002-03	49 (4.25)	4264 (2.87)	235 (39.88)	138 (15.96)	635 (11.60)	45.57 (27.57)	87.93 (100.1)
2003-04	50 (2.04)	4351 (2.04)	241 (2.55)	142 (2.89)	651 (2.52)	48.76 (7.00)	94.96 (7.99)
2004-05	50 (0.0)	4351 (0.0)	242 (0.41)	148 (4.22)	654 (0.46)	49.86 (2.25)	95.98 (1.07)
2005-06	50 (0.0)	4364 (0.30)	253 (4.54)	156 (5.40)	662 (1.22)	50.70 (1.68)	96.83 (0.88)

Source- District Deputy Registrar, Co-operative Societies, Ahmednagar, Various Years.

Table No.7.5.28 shows the progress of Co-operative Fisheries Societies in Ahmednagar District during 1996-97 to 2005-06. Number of societies increased from 44 to 50 during the same period, showed a fluctuating trend and for four year growth showed a constant progress. Number of members increased from 4031 to 4364 during 1997-97 to 2005-06, even growth rate was uneven though positive over the period. Share capital increased from Rs.126 lacks to Rs.253 lacks during the same period, therefore, growth rate showed fluctuating trend although growth rate was positive and highest during year 2002-03 as 39.88 per cent. Reserve and other funds increased from Rs.87 lacks to Rs.156 lacks during the same period, shown a fluctuating growth rate trend. Working capital increased from Rs.476 lacks to Rs.662 lacks during 1996-97 to 2005-06, even growth rate was uneven growth rate was negative during year 1997-98 as -3.15 per cent. Cached fish price increased from Rs.27.1 lacks to Rs.50.70 during the same period, growth rate showed a fluctuating trend, therefore, positive growth rate. Selling price of fish increased from Rs.29.7 lacks to Rs.96.83 lacks during 1996-97 to 2005-06, and earned increasing

gross income, growth rate was uneven and showed negative growth rate during -24.91 per cent during year 1997-98 during other years of the study growth rate was positive. Therefore, lack of finance, limitation on natural resource of fishing, low increase in farm fishing ponds, lack of advanced technology and resource make difficulties in progress. Fisher's co-operative societies need more funds and guidance to overcome this difficulty.

Fisheries co-operative society's have works for the benefit of the peoples in fishing occupation. These co-operatives helps to increase their members output and income through marketing facilities for their production and in result uplift their standard of living.

Table No.7.5.29- Progress of Co-operative Agricultural Societies in Ahmednagar.

(Rs. In Lacks)

Year/ Items	No. of Societies	No. of Members	Share Capital	Reserve & Other Funds	Working Capital	Cultivated Areas ('00 Hectares)	Production (Selling Price)
1996-97	12	514	340	87	3585	938.98	9.77
1997-98	12 (0.0)	498 (-3.11)	339 (-0.29)	87 (0.0)	3292 (-8.17)	938.98 (0.0)	8.36 (-14.43)
1998-99	12 (0.0)	498 (0.0)	345 (1.77)	88 (1.15)	3635 (10.42)	938.98 (0.0)	9.60 (14.83)
1999-00	12 (0.0)	498 (0.0)	363 (5.21)	92 (4.54)	3524 (-3.05)	938.98 (0.0)	10.04 (4.58)
2000-01	7 (-41.66)	334 (-32.93)	244 (-32.78)	129 (40.21)	2767 (-21.48)	400.00 (-57.35)	10.89 (8.46)
2001-02	6 (-14.28)	320 (-4.19)	216 (-11.47)	109 (-15.50)	2391 (-13.58)	400.00 (0.0)	13.99 (28.46)
2002-03	6 (0.0)	320 (0.0)	216 (0.0)	114 (4.58)	2481 (3.76)	363.00 (-9.25)	15.04 (7.50)
2003-04	6 (0.0)	336 (5.0)	227 (5.09)	121 (6.14)	2605 (4.99)	368.00 (1.37)	16.09 (6.98)
2004-05	6 (0.0)	336 (0.0)	229 (0.88)	123 (1.65)	2724 (4.56)	368.00 (0.0)	16.09 (0.0)
2005-06	6 (0.0)	346 (2.97)	232 (1.31)	128 (4.06)	2784 (2.20)	372.00 (1.08)	16.23 (0.87)

Source- District Deputy Registrar, Co-operative Societies, Ahmednagar, Various Years.

Co-operative Agricultural Societies formed by the small farmers to increase their capacity and benefit of collective bargaining and advantage of economies of scale which is not possible for individual farmer. Aggregate purchase, storage, distribution, transport, marketing also benefited to members through these societies. Co-operative Agricultural Societies provide required inputs for agricultural production like seeds, fertilizers, chemicals, machinery, etc.

Table No.7.5.29 shows the progress of Co-operative Agricultural Societies in Ahmednagar during year 1996-97 to 2005-06. Number of societies decreased from 12 to 6 during 1996-97 to 2005-06, showed a decreasing growth rate which was -41.66 per cent during year 2000-01 and -14.28 during 2001-02 for remaining years it was zero. Number of members decreased from 514 to 346 during the same period, growth rate showed fluctuating growth where during year 1997-98, 2000-01 and 2001-02 growth rate was negative as -3.11%, -32.93% and -4.19%, respectively. Share capital decreased from Rs.340 lacks to Rs.232 lacks during the same period, even growth rate was uneven and negative for years 1997-98, 2000-01 and 2001-02 as -0.29%, -32.78% and -11.47%, respectively. Reserve and funds increased funds increased from Rs.87 lacks to Rs.128 lacks during the same period, even growth rate was uneven and negative during year 2001-02 as -15.50 per cent. Working capital decreased from Rs.3585 lacks to Rs.2784 lacks during the same period showed a fluctuating trend whereas during year 1997-98, 1999-00, 2000-01 and 2001-02 growth rate was negative as -8.17%, -3.05%, -21.48% and -13.58%, respectively. Cultivated areas also decreased from 938.98 hundred hectares to 372.00 hundred hectares during 1996-97 to 2005-06, growth rate in cultivated areas showed a fluctuating trend over the period which was reduced during year 2000-01 and 2002-03 as -57.35 per cent and -9.25 per cent. Selling price of production during 1996-97 to 2005-06 showed increase from Rs.9.77 lacks to Rs.16.23 lacks, therefore, growth rate showed a fluctuating trend over the period and recorded negative growth for year 1997-98 as -14.43 per cent. Table revealed that co-operative agricultural societies in Ahmednagar districts are suffering from many weaknesses and failing in their performance.

Table No.7.5.30- Progress of Co-operative Lift Irrigation Societies in Ahmednagar.

(Rs. In Lacks)

Year/ Items	No. of Societies	No. of Members	Share Capital	Reserve & Other Funds	Working Capital	Irrigated Area ('00 Hectares)
1996-97	601	46375	9945	8655	774132	251.55
1997-98	664 (10.48)	56240 (21.27)	11452 (15.15)	10120 (16.92)	859100 (10.97)	398.00 (58.22)
1998-99	704 (6.02)	60654 (7.84)	11798 (3.02)	10216 (0.94)	876176 (1.98)	428.11 (7.56)

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1999-00	724 (2.84)	61255 (0.99)	12149 (2.97)	10954 (7.22)	891173 (1.71)	432.00 (1.86)
2000-01	744 (2.76)	62145 (1.45)	13714 (12.88)	12136 (10.77)	922538 (3.52)	443.00 (2.54)
2001-02	829 (11.42)	43712 (-29.66)	14539 (6.01)	19106 (57.43)	941773 (2.08)	484.00 (9.25)
2002-03	888 (7.11)	45291 (3.61)	16355 (12.49)	23704 (24.06)	993898 (5.53)	491.08 (1.44)
2003-04	905 (1.91)	46388 (2.42)	16751 (2.42)	24278 (2.42)	1017989 (2.42)	495.08 (0.81)
2004-05	905 (0.0)	46876 (1.05)	16870 (0.71)	24307 (0.12)	1021242 (0.31)	498.08 (0.60)
2005-06	890 (-1.65)	46882 (0.01)	16893 (0.13)	24356 (0.20)	1022674 (0.14)	496.12 (-0.40)

Source- District Deputy Registrar, Co-operative Societies, Ahmednagar, Various Years.

Table No.7.5.30 shows the progress of Co-operative Lift Irrigation Societies in Ahmednagar during 1996-97 to 2005-06. Number of societies increased from 46375 to 46882 during the same period, showed a fluctuating trend over the period while during year 2000-01 growth was negative as -29.66 per cent. Share capital increased from Rs.9945 lacks to Rs.16893 lacks during the same period, even growth was uneven. Reserve and other funds increased from Rs.8655 lacks to Rs.24356 lacks during 1996-97 to 2005-06, therefore, growth rate showed a fluctuating but positive trend, growth rate was highest during year 2001-02 as 57.43 per cent. Working capital increased from Rs.774132 lacks to Rs.1022674 lacks during the same period, even growth rate was uneven. Irrigated area increased from 251.55 hundred hectares to 496.12 hundred hectares during the same period, therefore, growth rate shown a fluctuating trend over the study period in economic reforms, growth was recorded negative during year 2005-06 as -0.40 per cent and highest during year 1997-98 as 58.22 per cent.

Co-operative Lift Irrigation societies make available water facility for members through irrigation facilities for agricultural activities. Water is quite necessary input of production which increases the production and productivity of land.

Table No.7.5.31- Progress of Other Co-operative Societies in Ahmednagar District.

(Livestock Societies)

(Rs. In Lacks)

Year/ Items	No. of Societies	No. of Members	Share Capital	Reserve & Other Funds	Working Capital
1996-97	897	13558	3428	1214	17586
1997-98	905 (0.89)	13697 (1.02)	3812 (11.20)	1228 (1.15)	18177 (3.36)
1998-99	907 (0.22)	13715 (0.13)	3818 (0.15)	1259 (2.52)	21520 (18.39)
1999-00	907 (0.0)	15241 (11.12)	4462 (16.86)	1493 (18.58)	22711 (5.53)
2000-01	885 (-2.42)	13942 (-8.52)	5114 (14.61)	1684 (12.79)	26481 (16.60)
2001-02	745 (-15.81)	12198 (-12.50)	4522 (-11.57)	1473 (-12.52)	23196 (-12.40)
2002-03	748 (0.40)	12629 (3.53)	4673 (3.33)	1766 (19.89)	31401 (35.37)
2003-04	749 (0.13)	12709 (0.63)	4703 (0.64)	1778 (0.68)	31601 (0.63)
2004-05	749 (0.0)	12709 (0.63)	4724 (0.44)	1782 (0.22)	31621 (0.06)
2005-06	708 (-5.47)	12102 (-4.77)	4806 (1.73)	1796 (0.78)	31634 (0.04)

Source- District Deputy Registrar, Co-operative Societies, Ahmednagar, Various Years.

Table No.7.5.31 shows the progress of Other Co-operative Societies in Ahmednagar District (Livestock Societies) during year 1996-97 to 2005-06. Number of societies decreased from 897 to 708 during the same period showed a fluctuating growth rate over the period where during year 2000-01, 2001-02 and 2005-06 growth was negative as -2.42%, -15.81% and -5.47%, respectively. Number of members increased from 13558 to 12102 during 1996-97 to 2005-06, growth rate was uneven and negative for year 2000-01, 2001-02 and 2005-06 growth was negative as -8.52%, -12.50% and -4.77%, respectively. Share capital increased from Rs.3428 lacks to Rs.4806 lacks during the same period, growth rate showed a fluctuating trend which was negative during year 2001-02 as -11.57 per cent. Reserve and other funds increased from Rs.1214 lacks to Rs.1796 lacks during 1996-97 to 2005-06, even growth rate was uneven and was negative during year 2001-02 as -12.52 per cent. Working capital increased from Rs.17586 lacks to Rs.31624 lacks showed a fluctuating growth rate over the period which was negative during year 2001-02 as -12.40 per cent. Table showed that the progress made by Other Co-operative Societies in Ahmednagar district (Livestock Societies) during year 1996-97 to 2005-06 was not satisfactory.

It is observed from the tables of progress of production co-operatives in Ahmednagar district that the overall progress was discouraging. Many societies were inactive. Several weaknesses hindered the progress like inadequate finance, low membership, small size of sales, accumulation of short stocks, lack of raw materials, monopoly of middlemen and traders as well as inefficient management, lack of co-operative education among the members and lack of proper supervision and inspection of the societies. Therefore, if these weaknesses removed by the proper action and overcome on these difficulties co-operative movement will surely do best in production and processing field.

7.6- SOCIAL SERVICE CO-OPERATIVES- Social service co-operatives brings suppliers and beneficiaries as members on one platform of a social service. The objective of the co-operatives is providing benefit to the society and the social integration of general public. Social service co-operative provides social service like health, education, sanitation, water, etc.

Table No.7.6.32- Progress of Consumer's Co-op. Societies in Ahmednagar District.
(Wholesale & Primary Societies)

(Rs. In Lacks)

Year/ Items	No. of Societies	No. of Members	Share Capital	Reserve & Other Funds	Working Capital	Purchase Price	Selling Price
1996-97	69	48712	5223	4755	24625	597.54	627.81
1997-98	69 (0.0)	60061 (23.29)	5303 (1.53)	5208 (9.52)	27064 (9.90)	682.26 (14.22)	666.97 (6.22)
1998-99	72 (4.34)	61595 (2.62)	5429 (2.37)	5846 (12.25)	29502 (9.00)	744.20 (9.07)	766.09 (14.86)
1999-00	76 (5.55)	62118 (0.85)	5479 (0.92)	6224 (6.46)	31267 (5.98)	774.11 (4.02)	804.99 (5.07)
2000-01	67 (-11.84)	59077 (-4.89)	5641 (2.95)	6137 (-1.39)	34563 (10.54)	957.15 (23.64)	1018.74 (26.61)
2001-02	69 (2.98)	59906 (1.40)	5713 (1.27)	7167 (16.78)	42318 (22.43)	1016.69 (6.16)	1074.84 (5.50)
2002-03	76 (10.14)	65723 (9.71)	11231 (96.58)	14152 (97.46)	60804 (43.68)	1498.73 (47.44)	1475.92 (37.33)
2003-04	71 (-6.57)	65901 (0.27)	11343 (0.99)	14293 (0.99)	61413 (1.00)	1603.64 (7.00)	1593.99 (8.0)
2004-05	74 (4.22)	65956 (0.08)	11476 (1.17)	14387 (0.65)	61626 (0.34)	1644.82 (2.55)	1649.90 (3.51)
2005-06	76 (2.70)	66120 (0.24)	11643 (1.45)	14583 (1.36)	61872 (0.40)	1689.26 (2.73)	1694.73 (2.73)

Source- District Deputy Registrar, Co-operative Societies, Ahmednagar, Various Years.

Consumer's co-operatives are playing a significant role in protecting the interest of consumers. The middlemen treat various malpractices enlarges the gap between the purchase price and selling price and earn lot of benefits and profit which restricted through these consumers co-operatives. Duplicate goods, false weights, exorbitant price, inferior goods and adulteration, spurious medicines, defective items, etc. types of ways used to earn more profit.

Table No.7.6.32 shows the progress of Consumer's Co-operative Societies in Ahmednagar District (Wholesale & Primary Societies) during 1996-97 to 2005-06. Number of consumer's co-operative societies increased from 69 to 76 in Ahmednagar district during 1996-97 to 2005-06. Therefore, growth rate showed a fluctuating trend over the period which was negative during year 2000-01 and 2003-04, as -11.84% and -6.57%. number of members increased from 48712 to 66120 during the same period, even growth rate was uneven and negative during year 2000-01 as -4.89 per cent. Share capital increased from Rs.5223 lacks to Rs.66120 lacks during the same period, growth shown a fluctuating trend but positive. Reserve and other funds increased from Rs.4755 lacks to Rs.14583 lacks during 1996-97 to 2005-06, growth rate showed a fluctuating trend and negative during year 2000-01 as -1.39 per cent. Working capital increased from Rs.24625 lacks to Rs.61872 lacks during the same period, even growth rate was uneven but positive for the whole study period. Purchasing price of consumer's co-operative society in Ahmednagar district increased from Rs.597.54 lacks to Rs.1689.26 lacks during the same period, therefore, growth rate showed a fluctuating but positive trend. Selling price increased from Rs.627.81 lacks to Rs.1694.73 lacks during 1996-97 to 2005-06, even growth rate was uneven therefore positive during the study period in the context of economic reforms. Therefore, societies have earned increasing gross income. In the economic reforms period consumers' co-operatives are expected to do much more for the welfare of society by safeguarding them from the clutches of ruthless exploitation.

Table No.7.6.33- Progress of Housing Co-operative Societies in Ahmednagar Dist.

(Rs. In Lacks)

Year/ Items	No. of Societies	No. of Members	Share Capital	Reserve & Other Funds	Working Capital	No. of Contracted Houses
1996-97	552	16753	7374	1494	492336	1197
1997-98	566 (2.53)	17183 (2.56)	7703 (4.46)	2076 (38.95)	504107 (2.39)	791 (-33.91)
1998-99	587 (3.71)	17906 (4.20)	7923 (2.85)	2238 (7.80)	547401 (8.58)	749 (-5.31)
1999-00	586 (-0.17)	18278 (2.07)	8266 (4.33)	2658 (18.76)	561004 (2.48)	710 (-5.20)
2000-01	574 (-2.04)	18096 (-0.99)	8583 (3.83)	2883 (8.46)	647982 (15.50)	711 (0.14)
2001-02	583 (1.56)	18809 (3.94)	8657 (0.86)	3646 (26.46)	708170 (9.28)	525 (-26.16)
2002-03	601 (3.08)	19640 (4.41)	8854 (2.27)	4089 (12.15)	747211 (5.51)	459 (-12.57)
2003-04	603 (0.33)	19902 (1.33)	8972 (1.33)	4144 (1.34)	757105 (1.32)	491 (6.97)
2004-05	621 (2.98)	20143 (1.21)	9131 (1.77)	4278 (3.23)	764890 (1.02)	495 (0.81)
2005-06	638 (2.73)	20766 (3.09)	9565 (4.75)	4354 (1.77)	773621 (1.14)	502 (1.41)

Source- District Deputy Registrar, Co-operative Societies, Ahmednagar, Various Years.

Purchasing of land, construction, etc. for building houses is just not possible for a common poor man which is possible to ensue with a collective action. Out of the various primary needs house or shelter is one, housing co-operative societies helps to fulfill this requirement of their member. As per economies of scale individually construction is more expensive compare to collective constructed houses.

Table No.7.6.33 shows the progress of Housing Co-operative Societies in Ahmednagar District during 1996-97 to 2005-06. Number of societies increased from 552 to 638 during the same period, growth rate showed a fluctuating trend which was negative during year 1999-00 as -0.17 per cent and 2000-01 as -2.04 per cent. Number of members increased from 16753 to 20766 during 1996-97 to 2005-06, even growth rate was uneven which was negative during year 2000-01 as -0.99%. Share capital increased from Rs.7374 lacks to Rs.9565 lacks during the same period, growth rate was uneven but positive. Reserve and other funds increased from Rs.1494 lacks to Rs.4354 lacks during 1996-97 to 2005-06, growth rate shown a fluctuating trend, therefore, it was positive. Working capital increased from Rs.492336 lacks to Rs.773621 lacks during the same period, even growth rate was uneven but positive. Number of constructed houses during

year 1996-97 were 1197, in year 2005-06 it was 502, therefore, growth rate showed a fluctuating trend, during the study period growth rate found effected and negative.

Table No.7.6.34- Progress of Co-operative Labor Contract Societies in Ahmednagar.

(Rs. In Lacks)

Year/ Items	No. of Societies	No. of Members	Share Capital	Reserve & Other Funds	Working Capital	No. of Works in Hand	Price of Works	Total Paid Wages
1996-97	513	35449	3458	1116	120846	1984	3013.82	1498.37
1997-98	528 (2.92)	35382 (-0.18)	3537 (2.28)	1504 (34.76)	131718 (8.99)	2117 (6.70)	3427.43 (13.74)	1643.21 (9.68)
1998-99	592 (12.12)	39814 (12.52)	3724 (5.28)	1609 (6.98)	134942 (2.44)	3314 (56.54)	3991.50 (16.45)	1825.64 (11.07)
1999-00	606 (2.36)	41374 (3.91)	4860 (30.50)	1656 (2.92)	135541 (0.44)	2991 (-9.74)	4156.00 (4.13)	1904.52 (4.32)
2000-01	783 (29.20)	52623 (27.18)	5014 (3.17)	1861 (12.38)	153810 (13.47)	3989 (33.36)	7017.96 (68.84)	3214.48 (68.80)
2001-02	787 (0.51)	53119 (0.94)	5297 (5.64)	1974 (6.07)	166681 (8.36)	2136 (-46.45)	4078.61 (-41.88)	1844.32 (-42.62)
2002-03	838 (6.48)	56104 (5.62)	5898 (11.34)	2339 (18.49)	187854 (12.70)	2589 (21.20)	4536.11 (11.23)	2141.92 (16.10)
2003-04	824 (-1.67)	56665 (0.99)	5957 (1.00)	2362 (0.98)	189733 (1.00)	2774 (7.14)	6171.87 (36.04)	3703.12 (72.95)
2004-05	880 (6.79)	57878 (2.14)	6087 (2.13)	2410 (2.03)	196201 (3.40)	2882 (3.89)	6282.26 (1.79)	3926.32 (6.02)
2005-06	945 (7.38)	58457 (1.00)	6171 (1.35)	2486 (3.15)	199387 (1.62)	2956 (2.56)	6371.32 (1.41)	4183.03 (6.54)

Source- District Deputy Registrar, Co-operative Societies, Ahmednagar, Various Years.

Agricultural sector as well as industrial sector needs labor for production. Co-operative societies of labor provide labor on contract basis for various production operations in collective mode. It will not only facilitate production sector but laborer also as they can get more income to their labor through collective bargaining. Insurance, welfare facilities, various rights keep secured by the collective action.

Table No.7.6.34 shows the progress of Co-operative Labor Contract Societies in Ahmednagar during 1996-97 to 2005-06. Number of Societies during 1996-97 to 2005-06 increased from 513 to 945, growth rate showed a fluctuating trend which was negative during year 2003-04 as -1.68%. Number of members increased from 35449 to 58547 during the same period, even growth rate was uneven and shown a negative growth during 1997-98 as -0.18%. Share capital increased from Rs.3458 lacks to Rs.6171 lacks during 1996-97 to 2005-06, growth rate showed a fluctuating trend though growth rate was positive. Reserve and other funds increased from Rs.1116 lacks to Rs.2486 lacks, growth shown a fluctuating trend over the period, although growth rates shown a positive trend. No of works in hands during the study period increased from 1984 to 2956 showed

good progress, therefore, growth rate was uneven and shown negative growth during year 1999-00 as -9.74% and in 2001-02 as -46.45%. Price of works stood on Rs.3012.82 lacks in 1996-97 increased up to Rs.6371.32 lacks during year 2005-06, therefore, growth showed a fluctuating trend which was negative during 2001-02 as -41.88%. Total paid wages increased from Rs.1498.37 lacks to Rs.4183.03 lacks during the same period, even growth rate was uneven and negative during year 2001-02 as -42.62%, growth rate was remarkable during years 2003-04 and 2000-01, as 72.95% and 68.80%, respectively.

Table No.7.6.35- Progress of Co-operative Transportation Societies in Ahmednagar.

(Rs. In Lacks)					
Year/ Items	No. of Societies	No. of Members	Share Capital	Reserve & Other Funds	Working Capital
1996-97	7	1142	1410	3380	18732
1997-98	11 (57.14)	1349 (18.12)	1498 (6.24)	3839 (13.58)	19438 (3.76)
1998-99	11 (0.0)	1547 (14.67)	1636 (9.21)	4187 (9.06)	21762 (11.95)
1999-00	13 (18.18)	1622 (4.84)	1665 (1.77)	4312 (2.98)	22156 (1.81)
2000-01	14 (7.69)	1714 (5.67)	1732 (4.02)	4653 (7.90)	26204 (18.27)
2001-02	17 (21.42)	1871 (9.16)	2623 (51.44)	6373 (36.96)	29525 (12.67)
2002-03	21 (23.53)	2096 (12.02)	2661 (1.44)	7607 (19.36)	30937 (4.78)
2003-04	23 (9.52)	2319 (10.64)	2943 (10.59)	8415 (10.62)	34222 (10.61)
2004-05	23 (0.0)	2319 (0.0)	2987 (1.49)	8564 (1.77)	34678 (1.33)
2005-06	24 (4.34)	2406 (3.75)	3141 (5.15)	8685 (1.41)	35132 (1.31)

Source- District Deputy Registrar, Co-operative Societies, Ahmednagar, Various Years.

A small agriculturist who is marginal does not have the means of transportation necessary for delivering its produce to the market or besides the small volume of its production farmer puts it in an unfavorable bargaining position with respect to intermediaries and wholesalers, a co-operative act as an assimilator and collecting the output of its small members for delivering it in large aggregate quantities through the marketing channels to get more benefits for these small farmer members who do not have resources and exploited through the intermediaries.

Table No.7.6.35 shows the progress of Co-operative Transportation Societies in Ahmednagar district during 1996-97 to 2005-06. Number of societies increased for 7 to 24 during 1996-97 to 2005-06; therefore, growth rate was fluctuating and constant during

1998-99 and 2004-05. Number of members increased from 1142 to 2406 during the same period, even growth rate was uneven though positive except year 2004-05 when growth rate shown stagnant. Share capital increased from Rs.1410 lacks to Rs.3141 lacks during the same period, growth rate shown a fluctuating trend during the period. Reserve and other funds increased from Rs.3380 lacks to Rs.8685 lacks during 1996-97 to 2005-06, even growth rate was uneven. Working capital increased from Rs.18732 lacks to Rs.35132 lacks during 1996-97 to 2005-06, therefore, growth rate showed a fluctuating trend during the study period in economic reforms.

Table No.7.6.36- Progress of Women's Co-operative Societies in Ahmednagar Dist.

(Rs. In Lacks)

Year/ Items	No. of Societies	No. of Members	Share Capital	Reserve & Other Funds	Working Capital
1996-97	142	9180	1650	286	6413
1997-98	167 (17.60)	9473 (3.19)	1801 (9.15)	348 (21.67)	7725 (20.45)
1998-99	180 (7.78)	9771 (3.14)	1846 (2.49)	877 (152.01)	7871 (1.89)
1999-00	184 (2.22)	9952 (1.85)	1864 (0.97)	386 (-55.98)	8337 (5.92)
2000-01	158 (-14.13)	8691 (-12.67)	1739 (-6.70)	352 (-8.80)	7918 (-5.02)
2001-02	162 (2.53)	8357 (-3.84)	1488 (14.43)	431 (22.44)	8952 (13.05)
2002-03	168 (3.70)	8692 (4.00)	1512 (1.61)	474 (9.97)	9613 (7.38)
2003-04	136 (-19.04)	3778 (-56.53)	1527 (0.99)	479 (1.05)	9709 (0.99)
2004-05	148 (8.82)	3947 (4.47)	1578 (3.33)	502 (4.80)	9832 (1.26)
2005-06	159 (7.43)	4159 (5.37)	1647 (4.37)	524 (4.38)	9976 (1.46)

Source- District Deputy Registrar, Co-operative Societies, Ahmednagar, Various Years.

In rural areas women occupied equal or more importance regarding to work related to agricultural sector. Even, agriculture is seasonal and women's co-operatives provides more employment opportunities with utilizing full capacity of resource through the help of women's co-operative societies ultimately it helps to generate more employment and income for the households to fulfill their needs and to uplift rural sector.

Table No.7.6.36 shows the progress of Women's Co-operative Societies in Ahmednagar District during 1996-97 to 2005-06. Number of societies increased from 142 to 159 during the same period, even growth rate was uneven and showed a negative trend during years 2000-01, and 2003-04, as -14.13% and -19.04%, respectively. Number of members decreased from 9180 to 4159 during 1996-97 to 2005-06, therefore, growth rate

shown a fluctuating trend, however, growth rate was negative during year 2000-01, 2001-02 and 2003-04, as -12.67%, -3.84% and -56.53%, respectively. Share capital decreased from Rs.1650 lacks to Rs.1647 lacks during the same period, therefore, growth rate showed a fluctuating trend which was negative during year 2000-01 as -6.70 per cent. Reserve and other funds increased from Rs.286 lacks to Rs.524 during 1996-97 to 2005-06, even growth rate was uneven and negative during years 1999-00 as -55.98% per cent and in 2000-01 as -8.80 per cent as well as growth was highest during 1998-99 as 152.01 per cent. Working capital increased from Rs.6413 lacks to Rs.9976 lacks during the same period, growth rate showed a fluctuating trend which was negative during 2000-01 as -5.02 per cent. Progress of women's co-operative societies in Ahmednagar district during study period in the context of economic reforms was not much satisfactory.

Table No.7.6.37- Progress of District Co-operative Mandal in Ahmednagar District.

(Rs. In Lacks)					
Year/ Items	No. of Societies	No. of Members	Share Capital	Reserve & Other Funds	Working Capital
1996-97	1	1183	1	109	211
1997-98	1 (0.0)	781 (-33.98)	1 (0.0)	109 (0.0)	224 (6.16)
1998-99	1 (0.0)	788 (0.89)	1 (0.0)	109 (0.0)	263 (17.41)
1999-00	1 (0.0)	801 (1.65)	1 (0.0)	109 (0.0)	308 (17.11)
2000-01	1 (0.0)	802 (0.12)	1 (0.0)	114 (4.58))	297 (-3.57)
2001-02	1 (0.0)	555 (-30.79)	1 (0.0)	109 (-4.38)	280 (-5.72)
2002-03	1 (0.0)	555 (0.0)	1 (0.0)	109 (0.0)	269 (-3.92)
2003-04	1 (0.0)	555 (0.0)	1 (0.0)	109 (0.0)	269 (0.0)
2004-05	1 (0.0)	555 (0.0)	1 (0.0)	109 (0.0)	269 (0.0)
2005-06	1 (0.0)	555 (0.0)	1 (0.0)	109 (0.0)	269 (0.0)

Source- District Deputy Registrar, Co-operative Societies, Ahmednagar, Various Years.

Table No.7.6.37 shows the progress of District Co-operative Mandal in Ahmednagar District during 1996-97 to 2005-06. Number of societies stood constant during the study period as on number one along with constant growth rate. Number of members decreased from 1183 to 555 during the same period, growth rate shown a fluctuating trend which was recorded negative during year 1997-98 as -33.98% and 2001-02 as -30.79% as well as growth was stagnated during 2002 to 2006. Share capital also

stood constant during the same period as only Rs.1, growth rate was naturally constant on zero. Reserve and other funds which was stood on Rs.109 lacks during year 1996-97 also stood same during year 2005-06, therefore, growth rate shown a fluctuating trend during the same period as it was increased during 2000-01 from Rs.109 lacks to Rs.114 lacks, growth rate was 4.58% and decreased during 2001-02 from Rs.114 lacks to Rs.109 lacks, growth rate shown a negative trend as -4.38%. working capital increased from Rs.211 lacks to Rs.269 lacks during the same period, growth rate was uneven and shown a negative trend during years 2000-01, 2001-02 and 2002-03, as -3.57%, -5.72% and -3.92%, respectively. Growth rate of working capital was constant during 2002-03 to 2005-06 for last four years of study period on Rs.269 lacks. Table revealed that the progress is stagnated over the period.

Table No.7.6.38- Progress of Other Co-operative Societies in Ahmednagar District.

(Rs. In Lacks)

Year/ Items	No. of Societies	No. of Members	Share Capital	Reserve & Other Funds	Working Capital
1996-97	50	95365	29416	189143	698357
1997-98	48 (-4.0)	105879 (11.02)	32417 (10.20)	349116 (84.57)	1347882 (93.00)
1998-99	53 (10.41)	107918 (1.92)	33129 (2.19)	408132 (16.90)	1475118 (9.44)
1999-00	53 (0.0)	108448 (0.49)	33961 (2.51)	411942 (0.93)	1589131 (7.73)
2000-01	89 (67.92)	110469 (1.86)	38725 (14.02)	418594 (1.61)	1634518 (2.85)
2001-02	111 (24.72)	112072 (1.45)	39317 (1.52)	420135 (0.36)	1724158 (5.48)
2002-03	160 (44.14)	133792 (19.38)	41462 (5.45)	913795 (117.50)	3052914 (77.06)
2003-04	174 (8.75)	133792 (0.0)	45540 (9.83)	1003689 (9.83)	3353244 (9.83)
2004-05	179 (2.87)	134371 (0.43)	46270 (1.60)	1009786 (0.60)	3398398 (1.34)
2005-06	186 (3.91)	134886 (0.38)	46880 (1.31)	1018442 (0.85)	3427542 (2.62)

Source- District Deputy Registrar, Co-operative Societies, Ahmednagar, Various Years.

Agro-based co-operative societies and other service so-operative societies also play an important role in the development of rural economy. Agricultural sector do not provides full time work to farmer so people depending on agriculture can effectively use their rest time in active work for more income which helps to increase employment, income.

Table No.7.6.38 shows the progress of Other Co-operative Societies in Ahmednagar District during 1996-97 to 2005-06. Number of societies increased 50 to 186 during the same period, growth rate showed a fluctuating trend which was negative during year 1997-98 as -4.0 per cent, constant during 1999-00 and recorded highest during year 2000-01 as 67.92 per cent. Number of members increased from 95365 to 134886 during the same period, even growth rate was uneven although positive. Share capital increased from Rs.29416 lacks to Rs.46880 lacks during 1996-97 to 2005-06, growth rate shown a fluctuating trend over the period however growth rate was positive. Reserve and other funds increased from Rs.189143 lacks to Rs.1018442 during the same period, growth rate was uneven and shown highest growth during year 2002-03 as 117.50 per cent and in 1997-98 as 84.57 per cent. Working capital increased from Rs.698357 lacks to Rs.3427542 lacks during the same period, growth rate shown a fluctuating trend but positive over the period, which was highest during 1997-98 as 93.00% and in 2002-03 as 77.06%. Other Co-operative Societies in Ahmednagar district during 1996-97 to 2005-06 showed fairly good progress in the context of economic reforms.

Table No.7.6.39- Audit Position of Co-operative Societies in Ahmednagar District.

Years	'A' Audit Class	'B' Audit Class	'C' Audit Class	'D' Audit Class	Non-Classified	Non-Audited	Total Co-op. Stys
1996-97	860	1140	1011	105	0	3904	7020
1997-98	870 (1.16)	1188 (4.21)	1067 (5.54)	114 (8.57)	0	4155 (6.43)	7394 (5.32)
1998-99	882 (1.38)	1235 (3.95)	1194 (11.90)	103 (-9.65)	0	4429 (6.59)	7843 (6.07)
1999-00	903 (2.38)	1282 (3.80)	1321 (10.63)	99 (-3.88)	0	4454 (0.56)	8059 (2.75)
2000-01	926 (2.54)	1310 (2.18)	1436 (8.70)	112 (13.13)	0	4653 (4.46)	8437 (4.69)
2001-02	912 (-1.51)	1331 (1.60)	1596 (11.14)	137 (22.32)	0	4737 (1.74)	8713 (3.27)
2002-03	858 (-5.92)	1349 (1.35)	1834 (14.91)	147 (7.30)	0	5011 (5.78)	9199 (5.57)
2003-04	1017 (18.53)	1494 (10.74)	1798 (-1.96)	120 (-18.36)	0	4881 (-2.59)	9310 (1.20)
2004-05	908 (-10.71)	1449 (-3.01)	1896 (5.56)	175 (45.83)	0	5051 (3.48)	9479 (1.81)
2005-06	888 (-2.20)	1427 (-1.51)	1869 (-1.42)	164 (-6.28)	0	4937 (-2.25)	9285 (-2.04)

Source- District Social and Economic Analysis, Ahmednagar District, 2008.

Table No.7.6.39 shows the progress of Audit Position of Co-operative Societies in Ahmednagar District during year 1996-97 to 2005-06. Total co-operative societies increased from 7020 to 9285 during 1996-97 to 2005-06, therefore, growth rate shown a fluctuating trend over the period, growth rate was negative during year 2005-06 as -2.04. Number of non-audited co-operative societies increased from 3904 to 4937, growth rate shown a fluctuating trend over the period, which was negative 2003-04 and 2005-06, -2.59 and -2.25, respectively. Number of non-classified societies stood constant on zero during the same period. 'A' audit class obtained co-operative societies increased from 860 to 888 during 1996-97 to 2005-06 showed a fluctuating growth rate which was negative during 2001-02, 2002-03, 2004-05 and 2005-06, -1.51, -5.92, -10.71 and -2.20, respectively. Out of total societies only 9.56 per cent societies are laying in 'A' class. 'B' audit class obtained co-operative societies increased from 1140 to 1427 during the same period, growth rate showed a fluctuating trend, it was negative during year 2005-06 (-1.42). Out of total societies 'B' class societies have obtained 15.36 per cent. Number of societies obtained 'C' audit class were 1011 during 1996-97 increased up to 1869 during 2005-06, growth rate was uneven which showed negative growth during year 2003-04 (-1.96) and in 2005-06 (-1.42), therefore, 'C' societies have 20.13 per cent to total societies. Co-operative societies obtained 'D' audit class increased from 105 in 1996-97 to 164 in 2005-06, showed a fluctuating growth rate as in year 1998-99 (-9.65), 1999-00 (-3.88), 2003-04 (-18.36) and in year 2005-06 (-6.28) growth rate was negative. 'D' societies were 1.76 per cent to total co-operative societies. Table showed that the progress was uneven and 'C' class obtained societies are more, then 'B', 'A' and 'D' societies ranks.

Table No.7.6.40- Number of License-Holder Moneylenders and Issued Loans.

(Rs. in Thousands)

Year	License-Holder No. of Moneylenders	Loans Issued to Businessmen	Loans Issued to Others	Total (3+4)
(1)	(2)	(3)	(4)	(5)
1996-97	35	4545	5891	10436
1997-98	41 (17.14)	7937 (74.63)	6790 (15.26)	14727 (41.11)
1998-99	43 (4.87)	752 (-90.52)	24541 (261.42)	25293 (71.74)

(Continue...)

1999-00	29 (-32.55)	516 (-31.38)	17715 (-27.81)	18231 (-27.92)
2000-01	17 (-41.38)	368 (-28.87)	11703 (-33.93)	12071 (-33.78)
2001-02	24 (41.17)	791 (95.38)	6317 (-46.02)	7108 (-41.11)
2002-03	16 (-33.33)	9214 (1064.85)	3725 (-41.02)	12939 (82.03)
2003-04	37 (131.25)	10418 (13.06)	3915 (5.10)	14333 (10.77)
2004-05	39 (5.40)	5729 (-45.00)	4110 (4.98)	9839 (-31.35)
2005-06	62 (58.97)	9475 (65.38)	5515 (34.18)	14990 (52.35)

Source- District Social and Economic Analysis, Ahmednagar District, 2008.

Table No.7.6.40 shows number of license-holder moneylenders and loans issued by them during year 1996-97 to 2005-06 in Ahmednagar district. Number of license holder moneylenders increased from 35 to 62 during the same period, even growth rate shown a fluctuating trend during the same period, growth rate was negative during years 1999-00, 2000-01 and 2002-03, as -32.55%, -41.38% and -33.33%, respectively. Growth rate was highest during year 2003-04 when license-holder moneylenders increased from 16 to 37 with 131.25% growth rate and during year 2005-06 from 39 to 62 with 58.97 % growth rate. Loans issued to businessmen by license-holder moneylenders increased from Rs.4545 thousands to Rs.9475 lacks during the same period, even growth rate was uneven and recorded negative during years 1998-99, 1999-00,2000-01 and 2004-05, as -90.52%, 31.38%, -28.87% and -45.00%, respectively. Growth rate of loans issued to businessmen was recorded highest during year 2002-03 as 1064.85 per cent. Loans issued to others increased from Rs.5891 lacks to Rs.5515 lacks during 1996-97 to 2005-06, therefore, growth rate showed fluctuating trend over the period, growth rate showed a negative trend during 1999-00, 2000-01,2001-02 and 2002-03, as -27.81%, -33.93%, -46.02% and -41.02%, respectively. Total loans issued by license-holder moneylenders during the study period showed increase from Rs.10436 lacks to Rs.14990 lacks, therefore, growth rate showed a fluctuating trend which was negative during year 1999-00, 2000-01, 2001-02 and 2004-05, as -27.92%, -33.78%, -41.11% and -31.35%, respectively. As well as total loans issued was highest for 2002-03 as 82.03%, 1998-99 as 71.74% and 2005-06 as 52.35%. Table shows that the number of license-holder moneylenders and loans issued by them during year 1996-97 to 2005-06 in Ahmednagar district shown a fairly good progress which is indicated that they are still in good position

and compete with other institutional financing institutions like co-operatives and commercial banks.

7.7- SUMMARY-

The task of surviving and sustainable development would become more difficult if proper action is not exercise. Hence, the active co-operatives are improving their business efficiency and customer services by adopting and implementing a rational and creative policy of mobilization of funds and lending. Co-operative is considered as an engine of growth. Co-operative has spread in all areas creating awareness, interest, zeal and encouragement in rural areas. Co-operative not only provides services but it helps farmers to in raising productivity, technical assistance, increases employment generation, increases competitiveness and bringing about poverty reduction especially in rural areas. Co-operative functions are integrated with national economy. It raises confidence of rural masses achieving success. Co-operatives secure equalities and social security to their members. The co-operative movement in Ahmednagar district have made considerable progress in credit as well as in non- credit sector. Co-operatives have spread nearly in every field of economy; co-operative processing, co-operative marketing, co-operative milk, housing and industrial co-operatives. However, the co-operative movement in Ahmednagar district was uneven during the study period in the context of economic reforms. There are different reasons are responsible, co-operative serving in different sector have different activities and causes for uneven progress, therefore, if these weaknesses are properly identified and proper remedy applied for them it will remove.

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Indian Co-operative Movement at a Glance- Primary Level (All) (2004-05).

(Membership in Actual & Rs. in Lack)

Name of Co-operatives	No. of Societies	Total Member	Total Share Capital	Govt. share in SC	Working Capital	Total Reserve	Total Borrowings	Total Deposits	Total Assets	Total Empl.
<u>Credit Co-operatives</u>										
Primary Agri. Co-op. Stys.	107082	12607	548639	62728	7584027	363296	4058969	1898470	N.A.	305747
Pri. Co-op. Agri. Dev. Banks	772	816	92503	13468	1791186	229653	1251500	37212	945322	14768
Pri. Urban Co-op. Banks	2029	1917	324577	342	11638962	1267707	209860	11073012	5034102	81253
Employees Credit Societies	50943	2305	498412	2655	3124615	77643	281625	1360318	N.A.	N.A.
CREDIT TOTAL	160826	17647	1464133	79194	24138792	1938300	5801955	14369013	5979425	401768
<u>Non-Credit Co-operatives</u>										
Marketing Co-operatives	10710	536	26002	13589	189366	47364	42794	17079	76533	35329
Consumer Co-operatives	20946	625	12023	2378	52159	5225	6270	5157	13675	39521
Student Co-operatives	7939	1435	3136	139	10805	5081	N.A.	1295	N.A.	N.A.
Agro-Processing Co-operatives	1941	140	14599	8138	106381	23420	51096	4331	106381	9429
Dairy Co-operatives	121180	1294	37434	9945	209153	74755	107541	N.A.	186036	111409
Women Co-operatives	12421	125	2206	378	12720	2072	805	8124	N.A.	N.A.
Housing Co-operatives	92000	650	41849	1365	743617	22205	N.A.	N.A.	311832	60491
Farming Co-operatives	7116	34	709	242	6282	757	2186	N.A.	5870	1468
Irrigation Co-operatives	12433	89	5088	79	116222	5030	42193	2282	43322	8493
Electricity Co-operatives	48	94	4020	1227	37723	10588	8128	2837	27640	4958
Industrial (Non- Weaver)	48841	225	9647	3301	44105	4284	N.A.	3579	14867	27414
Weavers Co-operatives	20871	191	16087	6439	90410	N.A.	N.A.	N.A.	54021	47561
Fisheries Co-operatives	14339	187	5836	2341	22997	N.A.	N.A.	N.A.	8172	6348
Poultry Co-operatives	4876	44	2055	1318	12876	308	2672	N.A.	12292	N.A.
Labor Co-operatives	30030	169	3921	343	31296	1215	6048	521	21617	14412
Forest Co-operatives	4714	74	430	56	22722	1696	1738	206	16336	4948
Transport Co-operatives	7697	15	2285	133	18563	2018	6615	3526	10832	6875
Sugar Co-operatives	315	513	322264	170587	N.A.	N.A.	N.A.	N.A.	N.A.	50318
Spinning Co-operatives	160	77	94253	68616	177561	N.A.	N.A.	N.A.	N.A.	69331
Tea growers Co-operatives	983	12	2	0	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Hospital Co-operatives	204	14	2207	388	8705	826	2943	396	6486	1308
NON-CREDIT TOTOL	419764	6553	606065	291012	1913672	206852	281037	49337	915920	629713
CREDIT TOTAL	160826	17647	1464133	79194	24138792	1938300	5801955	14369013	5979425	401768
GRAND TOTAL	580590	24200	2070199	370207	26052464	2145153	6082992	14418351	6895345	1031481

Source- Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.101.

Table No. Indian Co-operative Movement at A Glance- Central Level (All) (2004-05).

(Rs. in Lack)

Name of Co-operatives	No. of Societies	Of which Reported	Total Membership	Total Share Capital	Govt. Participation	Working Capital	Total Reserve	Total Borrowings	Total Deposits	Total Assets	Total Employment
Credit Co-operatives											
Central Co-op. Banks	368	368	2102795	412524	62441	12369617	1267149	2168070	8077654	N.A.	108985
Credit Total	368	368	2102795	412524	62441	12369617	1267149	2168070	8077654	N.A.	108985
Non-Credit Co-ops.											
Marketing Co-operatives	390	390	3291315	8068	3348	149767	13413	21573	N.A.	98982	N.A.
Consumer Co-operatives	695	695	2188199	7921	4960	59323	5205	14175	N.A.	27280	N.A.
Weavers Co-operatives	36	36	4268	1046	676	3068	31	1102	287	3068	N.A.
Industrial Co-operatives	119	119	20153	391	150	3144	481	749	252	3144	N.A.
Dairy Co-operatives	192	192	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Fisheries Co-operatives	56	56	20803	187	160	1971	251	849	N.A.	1971	N.A.
Labor Contract Co-ops.	113	41	2618	7	4	397	164	2	N.A.	397	N.A.
Forest Labor Co-ops/ Co-operative Unions	9 264	9 237	N.A. 83156	N.A. N.A.	N.A. N.A.	N.A. N.A.	N.A. N.A.	N.A. N.A.	N.A. N.A.	N.A. N.A.	N.A. N.A.
Ghee Unions	379	379	9323	32	14	82	2	7	N.A.	82	N.A.
Non-credit Total	2253	2154	5619835	17655	9315	217754	19550	38459	540	134926	14023
Credit Total	368	368	2102795	412524	62441	12369617	1267149	2168070	8077654	N.A.	108985
Grand Total	2621	2522	7722630	430180	71756	12587372	1286699	2206529	8078195	134926	123008

Source- Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.102.

Table No. Indian Co-operative Movement at a Glance- State Level (All) (2004-05).

(Rs. in Lack)

Name of Co-operatives	No. of Societies	Of which Reported	Total Membership	Total Share Capital	Govt. Participation	Working Capital	Total Reserve	Total Borrowings	Total Deposits	Total Assets	Total Employ
Credit Co-operatives											
SCB	30	30	180716	99223	10280	7068419	659963	1459873	4406999	4908007	15272
SLDB	19	19	6842474	79207	8846	2000329	178382	1715531	56271	1809492	10446
State Level Urban Banks	18	18	-	-	-	-	-	-	-	-	-
Credit Total	67	67	7023190	178431	19126	9068749	838342	3175404	4463271	6717499	25718
Non-Credit Co-operatives											
State Co-op. Marketing Fedn (All)	39	39	132099	37467	31675	631329	75218	550381	N.A.	745593	20470
State Co-op. Consumer Federation	30	30	19991	13030	12099	43243	3486	33307	N.A.	26276	4540
State Co-op. Housing Federation	25	25	30579	41202	9405	410006	10242	876766	N.A.	410006	N.A.
State Co-op. Tobacco Federation	3	3	-	-	-	-	-	-	-	-	-
State Co-op. Tribal Dev. Federation	16	16	-	-	-	-	-	-	-	-	-
State Co-op. Sugar Federation	10	10	-	-	-	-	-	-	-	-	-
State Co-op. Spinning Mill Federn	8	8	-	-	-	-	-	-	-	-	-
State Co-op. Weavers Federation	31	28	12162	10716	9900	27593	1703	10597	804	8344	N.A.
State Co-op. Industrial Federation	23	23	8862	282	218	1038	54	280	66	1038	-
State Co-op. Dairy Federation	21	4	376	8154	3838	58700	4584	20279	N.A.	42079	-
State Co-op. Fisheries Federation	17	12	7399	230	216	2756	572	1549	N.A.	2756	-
State Co-op. Labor Federation	11	4	1165	38	34	344	41	40	N.A.	344	-
State Co-op. Forest Labor Federation	3	3	3944	62	15	1018	19	479	11	1018	-
State Co-op. Oil Seed Federation	6	6	-	-	-	-	-	-	-	-	-
State Co-op. Salt Federation	1	1	-	-	-	-	-	-	-	-	-
State Co-op. Poultry Federation	13	2	172	54	48	270	91	208	N.A.	270	-
State Co-op. Unions Federation	27	14	8710	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	-
State Co-op. Wool Federation	1	1	-	-	-	-	-	-	-	-	-
State Co-op. Onion Federation	1	1	-	-	-	-	-	-	-	-	-
State Co-op. Potato Federation	1	1	42	86	N.A.	77	N.A.	N.A.	N.A.	N.A.	-
State Co-op. Tea Growers Federation	2	2	-	-	-	-	-	-	-	-	-
State Co-op. Fruit & Vegetable Fedn	4	4	-	-	-	-	-	-	-	-	-
State Co-op. Grain Growers Federn	1	1	-	-	-	-	-	-	-	-	-
State Co-op. Women Federation	8	8	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	-
Non-credit Total	302	246	225501	111325	67451	11766380	96014	1493890	882	1237729	25010
Credit Total	67	67	7023190	178431	19126	9068749	838345	3175404	4463271	6717499	25718
Grand Total	369	313	7248691	289757	86578	10245129	934359	4669295	4464154	7955229	50728

Source- Indian Co-operative Movement A Profile- 2006, National Resource Centre, National Co-operative Union of India, 2006. P.103.

**Table No. Progress of Primary Non-Credit Co-operative Societies in India During the Plan Period
(Selected Types).**

(Value in Rs. Lack)

Types of Societies	Items	Second Plan 1960-61	Third Plan 1965-66	Fourth Plan 1973-74	Fifth Plan 1977-78	Sixth Plan 1984-85	Seventh Plan 1989-90	Eighth Plan 1996-97	Ninth Plan 2001-02	Tenth Plan First Year 2002-03
Marketing	Number	3108	3198	3278	3592	5969	8263	10520	5818	5773
		[--]	[2.89]	[2.50]	[9.58]	[66.17]	[38.43]	[27.31]	[-44.69]	[-0.77]
	Membership	1467622	2280467	3076873	3509908	4414905	5170557	7457144	6646791	6678075
		[--]	[55.38]	[34.92]	[14.08]	[25.78]	[17.11]	[44.22]	[-10.86]	[-0.47]
	Purchase+	638060	2098600	3898803	5452358	10930875	15591606	43132490	61035524	56027479[-
	[--]	[228.9]	[85.78]	[39.84]	[100.4]	[42.63]	[176.6]	[41.50]	8.20]	
	Sale*	1058602	3168919	6920118	9693775	17763923	28234183	51812943	73547453	76805750
		[--]	[199.3]	[118.3]	[40.08]	[83.25]	[58.94]	[83.51]	[41.94]	[4.43]
Cotton Ginning & Pressing	Number	128	155	204	229	257	341	412	472	486
		[--]	[21.09]	[31.61]	[12.25]	[12.22]	[32.68]	[20.82]	[14.56]	[2.96]
	Membership	59052	106452	157181	212347	229663	279997	423800	347118	353836
		[--]	[80.26]	[47.65]	[35.09]	[8.15]	[21.91]	[51.35]	[-18.09]	[1.93]
	Purchase	-	-	-	-	-	-	2864126	2879610	2720178
							[--]	[0.54]	[-5.53]	
	Sale	85433	173939	718355	407414 P	502809 P	754328	1617770 P	2176348 P	1956129
		[--]	[103.6]	[312.9]	[-43.28]	[23.41]	[50.02]	[114.4]	[34.52]	[-10.11]
Other Processing	Number	3103	1894	767	619	734	1435	2841	1406	1435
		[--]	[-38.96]	[-59.50]	[-19.29]	[18.57]	[95.50]	[97.97]	[-50.51]	[2.06]
	Membership	120948	197106	189421	172255	146843	541280	801515	584355	600109
	[--]	[62.96]	[-3.89]	[-9.06]	[-14.75]	[268.6]	[48.07]	[-27.09]	[2.69]	

	Purchase	-	-	-	-	-	-	677979	1336298	154690
								[--]	[97.10]	[-88.40]
	Sale	46581	35880	64456	71825	159022	212472	1657498 P	2220402	3156181
		[--]	[-22.97]	[79.64]	[11.43]	[121.4]	[33.61]	[680.1]	[33.96]	[42.14]
Sugar Factories	Number	66	78	158	186	211	255	273	117	113
		[--]	[18.18]	[102.5]	[17.72]	[13.44]	[20.85]	[7.05]	[-57.14]	[-3.41]
	Membership	176956	295965	750194	1098969	1587329	2382581	2794032	2077982	2107493
		[--]	[67.25]	[153.4]	[46.49]	[44.43]	[45.06]	[17.27]	[-25.62]	[1.42]
	Purchase	435337	1120846	3146097	6017989	11408229	28866391	13338998	21491199	20794100
		[--]	[157.4]	[180.6]	[91.28]	[89.56]	[153.0]	[-53.79]	[61.11]	[-3.24]
	Sale	288504	893850	3686231	5130599 P	16153024 P	36310382	55869152 P	21806040 P	20950988
		[--]	[209.8]	[312.4]	[39.18]	[[[[[
Farming	Number	3184	7295	9477	9697	7845	7127	7409	2387	2360
		[--]	[129.1]	[29.91]	[2.32]	[-19.09]	[-9.15]	[3.95]	[-67.78]	[-1.13]
	Membership	82242	187870	263532	324896	324200	322412	334120	119867	125078
		[--]	[128.4]	[40.27]	[23.28]	[-0.21]	[-0.55]	[3.63]	[-64.12]	[4.34]
	Purchase	15796	48287	101352	110370	146805	75833	-	-	-
		[--]	[205.7]	[109.9]	[8.89]	[33.01]	[-48.34]			
	Sale	16148	42891	103544	114047	168503	84540	201190	115752	101369
		[--]	[165.6]	[141.4]	[10.14]	[47.44]	[-49.82]	[137.9]	[-42.46]	[-12.45]
Weavers'	Number	11803	12947	12861	14251	10083	12239	16354	11936	12169
		[--]	[9.69]	[-0.66]	[10.80]	[-29.24]	[21.38]	[33.62]	[-27.01]	[1.95]
	Membership	1310800	1314746	1184307	1084596	1118654	1262461	1381687	1327509	1308564
		[--]	[0.30]	[-9.92]	[-8.42]	[3.14]	[12.85]	[9.44]	[-3.92]	[1.42]
	Purchase@	342784	840137	2077936	1871778	5922475	6576677	11902080	11296367	10278464
		[--]	[145.1]	[147.3]	[-9.92]	[216.4]	[11.04]	[80.97]	[-5.09]	[-9.01]
	Sale@	368861	635341	1435086	1127381	3944854	4550400	6526883	5793737	5351749

		[--]	[72.24]	[125.8]	[-21.44]	[249.9]	[15.35]	[43.43]	[-11.23]	[-7.62]
Other Industrial Societies	Number	21288	34950	34435	24804	34981	28339	49702	15716	15988
		[--]	[64.17]	[-1.47]	[27.96]	[41.03]	[-18.98]	[75.38]	[-68.38]	[1.73]
	Membership	1217318[--]	1599547	1710361	1478348	2089533	1961453	2368874	1248950	1023083
		161449	[31.40]	[6.92]	[-13.56]	[41.34]	[-6.13]	[20.77]	[-47.27]	[-18.08]
	Purchase	[--]	482860	788582	852977	2228353	2899180	1660704	981558	1352087
	179369	[75.20]	[63.31]	[8.16]	[161.2]	[30.10]	[-42.71]	[-40.89]	[37.75]	
	Sale	[--]	566946	503169	766808	1594810	2229767	1948210	540567	747866
			[216.0]	[-11.25]	[52.39]	[107.9]	[39.81]	[-12.62]	[-72.25]	[37.85]
Consumers' Stores	Number	7058	13077	13908	15827	20448	24764	28181	23471	23258
		[--]	[85.28]	[6.35]	[13.79]	[29.19]	[21.10]	[13.79]	[-16.71]	[-0.90]
	Membership	1340767	2929987	3743025	4533466	6211895	13940200	17494315	18681300	18097084
		[--]	[118.5]	[27.74]	[21.11]	[37.02]	[124.4]	[25.49]	[6.78]	[-3.12]
	Purchase	382529	1450251	2306679	2941976	6134583	6750544	20547989	18051507	17196269
	[--]	[279.1]	[59.05]	[27.54]	[108.5]	[25.49]	[67.14]	[-12.14]	[-4.73]	
	Sale	442322	1622951	2327121	3149496	6420132	7015502	22342220	23968000	23542596
		[--]	[266.9]	[43.38]	[35.33]	[103.8]	[9.27]	[218.4]	[7.27]	[-1.77]
Housing	Number	6451	11765	24011	29593	49317	61474	67545	78464	81811
		[--]	[82.37]	[104.0]	[23.24]	[66.65]	[24.65]	[9.87]	[16.16]	[4.26]
	Membership	378937	756808	1563248	1642674	3269657	2620003	4698173	4205391	3960816
		[--]	[99.71]	[106.5]	[5.08]	[99.04]	[-19.87]	[79.32]	[-10.48]	[-5.81]
	Purchase	-	-	-	-	-	-	-	-	-
	256496	361721	506119	619763	3262300	5266195	11167372	14060775	15647212	
	Sale@@	[--]	[41.02]	[39.92]	[22.45]	[426.3]	[61.42]	[112.0]	[25.90]	[11.28]

+ Represents the Value of Purchase by Owners Only. @ Value of Yarn and Cloth Purchased and Cloth Produced. Figures in [] shows growth rate.

* Represents the Value of Sales as Owners and as Agents. @@ Relate to the value of houses and tenements constructed by societies and their members during the year.

P Includes agricultural requisites distributed.

Source- Statistical Statements Relating to the Co-operative Movement in India, Part II- Non-Credit Co-operatives, 2002-03.

