CHAPTER 1
CHAPTER I
DESIGN AND EXECUTION OF THE STUDY

Introduction

Cooperative movement in India was started as a credit movement in 1904 on the Raiffesan Model of Germany to remove the Indian farmers from the clutches of the money lenders and indigenous bankers. It was the Government, which established the credit societies throughout the country. Gradually cooperation leads to marketing, manufacturing, processing, warehousing, industrial cooperatives, labour cooperatives, marketing of perishable and highly perishable articles, etc. The cooperative movement came to be established as a sector of its own. Emphasis has been laid to develop the cooperative movement to substitute and compliment the private sector in the process of industrialization in our country. Attempts have been made to see that the Cooperative movement establishes its presence in all walks of life of Indian community. The Cooperative Thrift and Credit Society is one of the steps in this movement that was instituted exclusively for employed community in various offices of Government, Private and Quasi-Government in 1980's. Even before the introduction of New Economic Policy and before the Universal Banking, the Thrift and Credit Societies (hereafter will be referred to as ECS) used to give cash credit for the employed people against their salaried income. The cash credit was given for consumption purposes. The ECS have among other things, a two-fold objective of promoting savings and sanctioning credit. Therefore, it is interesting to examine the organization,
functions and working system of the ECS by taking into consideration the perception of the members of the ECS on the functioning of the ECS. As such the proposed study "A Study on Perception of Members on Functions and Performance of Employees Cooperative Thrift and Credit Societies in Salem District " is being carried out.

The Non - Agricultural Credit Societies generally comprises of Urban Cooperative Banks, Employees' Cooperative Thrift and Credit societies (ECS) and others. Societies catering to the needs of a particular community or profession were started in the country as early as 1912 and since then they have made rapid progress. Though there was a general economic slow-down in the post-world war-I period, the Non-Agricultural Credit Societies had showed good performance. It is due to the fact that there was lesser fall in urban incomes than the fall in rural incomes. Moreover, they had sound resource base, better education and better management practices. During this period, these units in certain states worked as Government agencies for the distribution of controlled commodities.

In the Indian setup, the employees are taking their salaries and wages at the end of every month. With this income, it is difficult to meet out their contingencies. Therefore, it necessitated the employees to constitute thrift and credit organizations. Almost all public sector and private sector employees do have their own co-operative credit and thrift societies. These ECS are meant for multiple purposes. The ECS are formed for the promotion and upliftment of the status and standard of living of their own employees.
ECS constitute the major Cooperative Structure catering to the financial needs of the employees. These Societies run mostly with their own resources. They are formed exclusively in the unitary pattern of structure. These Societies are particularly helpful for the salaried people by providing consumption and other type of loans. The reason for the introduction of the cooperative movement in India was the failure of Tachchavi loans. The loans issued by the Government had a number of misfits such as high rates of interest, problems in collection, terms of repayment, delay in distribution, etc. The antiquity of the cooperative movement goes back to 1892, when Nicholson had suggested Raiffeisen model of cooperatives as suitable for India. This report was responsible for the passing of the Indian cooperative Societies Act of 1904. He laid emphasis on the concepts of self-help, mutual help, social equality, non-profit motive and joint liability. The launching of this Act marked the beginning of the cooperative movement in India.

Though the Cooperative Movement in foreign countries like Britain, Germany, and Denmark has developed tremendously, India is geared towards reforms of the credit system. The movement in India especially in Tamil Nadu has stretched its arms widely and covered all the fields and several societies of people gradually since 1904. The defects of 1904 Act was overcome by the Act of 1912 which enabled the registration of non agricultural Societies. After the post-independence period there has been a considerable development in all sectors of cooperative movement in the south and thus the cooperatives played a vital role for the welfare of Tamil Nadu.
After a thorough examination, the benefits of the cooperative approach were identified. Gandhi felt that the cooperative movement is a blessing one to our country. Jawaharlal Nehru quotes that the essence of cooperation is its voluntary character and there can be no imposed cooperation. ECS are registered under the respective State Cooperative Societies Act as well as under Multi Unit Cooperative Societies Act. On the organization of ECS, the study team of Non-Agricultural Credit Societies recommended the following points namely, (i) a review of all employees' organizations may be carried out. The review should cover all institutions having more than 50 employees and every mill or factory should have an ECS, (ii) Normally each institution should have a separate Society. Institutions having more than one large department or branch or having an area of jurisdiction extending beyond one town may find it necessary to organize separate societies or branches (or) departments.

The need for credit dispensation
The objective of instituting a cooperative organization is to see that the public and members are benefited out of the schemes of the cooperative and thereby to improve their standard of living. The credit cooperatives extend loans not only for income generating activities but also for investments that might indirectly enable to augment income. The need for co-operative credit societies among salaried classes and particularly among the lower income segments of workers cannot be over emphasized. The pay commission (1957-59) and the staff welfare review committee set up by the Ministry of Home
Affairs recognized the need for credit institutions as a real proposition. If the welfare of the employees is to be really effective, they must be saved from the clutches of unscrupulous creditors by providing alternative and honest sources of credit.

Government employees, particularly among the lower income group constitute a major section than it is generally recognized. The vast majority of the government employees do not have any accumulated savings; therefore, they are compelled to borrow loans from time to time. Any private moneylender who lends money takes into consideration the risks involved in such lending, due to unsecured nature of the debt and the existence of various restrictions regarding attachment of salary in case of default, etc. In order to cover these risks, they usually charge exorbitant rate of interest. It is not affordable for most of the cases of the employees working in private and public sector undertakings, in offices as well as in factory areas. Thus the awareness about cooperative societies has been created so as to earn higher income benefits from their borrowings.

ECS serves as much simpler and more convenient form of organization for them. Such a society can be organized within the institution where the persons are employed and members have a fair degree of acquaintance with each other. Character, needs and financial position and the requirement of loan is ensured through deduction from the pay bills or pay roll.

Such Societies have the added advantage of encouraging the habit of thrift and savings among the employees, which can help them to manage their difficulties or emergencies and
constitute savings available to them at the time of retirement. This would supplement their retirement benefits and they can further invest. The concept of Voluntary Membership Scheme is being implemented by various organizations and therefore all employees can derive the advantages of thrift and savings society by enrolling as members immediately. They are offered letter of appointment and thus their economic benefits will accumulate in the long run. Thereafter employees' cooperative credit societies have been organized for different categories of workers. Even in some undertakings there are credit societies for each department or section. Such societies have been organized by Railway workers, Post and Telegraph department, Government Secretariat, etc. The workers in big factories with the objects and functions of credit dispensation to its members have organized such societies.

1.1 Statement of the problem

Cooperatives are considered to be important agencies for the economic and social upliftment of the weaker sections. They have contributed for the block development of agriculture, industries, housing, consumer distribution and many more activities. They are the promoters of values among members and culture among leaders. They are a binding factor for selfless service. They create economic and social benefits among the members and create awareness among the members to realise their rights and responsibilities. They provide scope for the members to come up in their life. They give empowerment to members. Cooperatives are the torch-bearers of democratic values, propagators of equality of opportunities. They create
unity in diversity among members who represent different classes, colour, creed, culture, religion and languages.

ECS and the urban banks are the most important organizations in the Non - Agricultural Credit set up of the Cooperative Movement. They have been functioning with the aim of encouraging thrift and savings among the salaried sections and urban populace in the country. Their role as Mutual Help Promoting Institutions is important for the promotion of Cooperative Movement. Among the Non-Agricultural Credit Societies, the ECS are formed by employees belonging to different sectors i.e., public and private sectors; different occupations viz., mill workers, teachers, industrial workers, railway workers, police department, transport corporation, hospital employees, etc. Since these societies can confine their membership, which is normally small in size and as a result their transactions are limited in nature. Their turnover in terms of credit dispensation is also limited. Given the size of membership and turnover, the profitability will be limited if the societies fail to conduct the business in a systematic and professional manner. The primary operations deal with:

1) Collection of money by encouraging savings and through deposits from the members;
2) Use of the same for profitable lending among the members;
3) Collecting back the loan and interest before the due date;
4) Investing in small ways in profitable sources.

The present study aims at analysing the performance of the Employees’ Cooperative Thrift and Credit Societies in Salem
District. In order to elicit adequate data and information for the present study certain pertinent questions are asked viz.,

1) About the beneficiaries of the ECS
2) Modalities and the functions of these ECS
3) Funneling and augmentation of the ECS deposits in their area
4) To what extent the loans are issued by the ECS
5) Whether borrowing from SDCCB institutions is showing an onward trend or offward trend
6) The funds required for the establishment and contingencies incurred by these ECS
7) How far these ECS are run on sound financial position?
8) About the proper allocation of the net profit of the ECS
9) Whether there is democratic management in ECS
10) Whether the monthly deduction from salary is a burden?

These questions call for an in-depth study and suggestions are given with appropriate solutions.

1.2. Significance of the study

No study regarding ECS of Salem District has been made so far. There are many economic advantages in becoming a member of ECS. Besides savings and borrowings the members get a share of the profit of the ECS and thus make an additional income. Unlike other forms of business enterprises, ECS inculcate the habit of savings among members through Thrift Deposits. The members of the ECS can avail from it and also invest on land, houses and machinery in order to increase their income. This asset creation in the long run has a multiplier effect.
(i) ECS generate funds by increasing membership and share capital.
(ii) ECS utilize and distribute the funds among the members as loans.
(iii) The members need not produce any collateral security except a guarantor's signature.
(iv) The question of defaulters among the members.
(v) ECS have shown positive trend in their growth but for exceptional losses or loan due from members deducted at source from their salaries.

1.3 Importance of the study

It is very important to study how far these ECS are able to provide the services efficiently and economically in terms of nature and extent of credit available to members, adequacy of credit, timeliness of credit, growth of savings, etc.

1.4. Scope of the study

The study is intended to reveal the functioning and the performance of ECS in Salem District. This study has been restricted to cooperative units in Salem, Omalur and Attur Circles. From this study, it is possible to note that the members, non-members and Employees' of ECS are the beneficiaries. The functions of the ECS are mobilizing the thrift deposits, offering of several loans, loans extended for productive purposes and so on. The loan facilities have been extended to the members at large for their benefits. In all the three circles the indicators reflect the coverage of the community and people under cooperative fold. The statistical analysis shows the positive growth trend reflecting the growth of the societies since the
share capital contribution is linked to the borrowings of the membership. There is an increase in the share capital contribution reflecting the efficiency of the societies as far as the loan distribution is concerned. The present study would be useful in framing suitable policies relevant to the study area in particular and regions with similar situations in general.

1.5. Details of the Study

(i) Period of the Study

This study has been restricted to a period of seven years from 1998 to 2005 on account of the practical difficulties encountered in auditing which takes a long time for want of man power.

(ii) Area of the Study

The Area is confined to Salem district, which covers 200 sample members. Due to time and distance factors, the study has not been extended to evaluate the financial performance of all ECS in the entire State.

(iii) Respondents

During the course of the study, the researcher encountered certain practical difficulties to obtain necessary data and information from ECS functioning in various other parts of the district.

1.6. Objectives of the Study

The primary objective of the study is to promote savings among the salaried class and to enable them to obtain credit from the ECS to meet their consumption expenditure according to their needs. The establishment of these ECS among other things was to enable the members to have their own
administration in appropriating the profits of the ECS and to administer the funds of the ECS in accordance with cooperation. The main objectives of the study are as follows:

(i) To examine the organization, administration, functioning and workings of ECS in Salem District;
(ii) To analyze the performance of sample ECS;
(iii) To examine the perception of the members of the ECS over the administration of profits, interest etc., of the ECS, empirically;
(iv) To summarize and make suggestions, if any, for the better functioning of the ECS in the larger interest of the members.

1.7. Review of Literature

A good knowledge of the related literature helps not only to find out the scope of the subject but also helps to find out in what way this study is different from other studies. The knowledge of the researcher on the topic is depended by the collection of good reviews. Though a number of scholars have attempted to illustrate the principles of cooperative societies, their functions, outcome, etc., yet the present study envisages a different aspect and especially the role Salem District ECS for the first time.

Meenakshisundaram. N. (1991) in his work on ‘Khadi and Village Industries Institutions in Tamil Nadu – A Study of Financial Performance’ examined the financial performance of selected agencies of Khadi and Village Industries in Tamil Nadu. It recommended the
introduction of production and planning, inventory control and collection drive for rejuvenating the management of working capital and improving them towards the benchmark level.

- Kannan Nair.N. (1998) in his study on 'Khadi and Village Industries in Dindigul District – A Study of Financial Performance' has analyzed the trends in production and sales, fund flow pattern and profitability of four KVI institutions in Dindigul District.

- Yan Haung Cherung and Nancy Ellis (1993) have examined the ability of financial ratios of the firms to find out the combination of ratios with the best predictor power. They asserted that, the financial ratios are used by the researchers for many purposes.

- Gurumoorthy.T.R. (1996) studied the operational efficiency of Tirubuvanam Silk Handloom Weaver's Cooperative Society for a period of five years (1990 – 95) and found that the financial position of the society was strong and it had contributed to the socio-economic development.

- Vijaykumar.A. (1998) studied the determination of corporate size, growth and profitability – An Indian Experience, and observed that growth has been significantly associated with profit.

- Narayanaswamy. N. (1992) advocated the adoption of Management Accounting System (MAS) in the cooperative society and explained the spade – work needed for ushering in the MAS.
Narayanasamy. N. (1989) made a study entitled ‘A study on the factors influencing the relationship between capital structure and cost of capital in the select larger cooperative spinning mills in Tamil Nadu’ in 1989. The analysis and findings of the research related to the functioning of a sample of 22 larger cooperatives, of which 10 were sugar mills and 12 were spinning mills. The study period was 1978-88. He observed that the cost of capital increased as the leverage increased. Many cooperatives were found to be operating at a higher level of leverage. Hence, the high cost of capital coupled with poor profitability had rendered many of the mills financially weak. A financially weak cooperative cannot fulfill its objectives of providing funds on urgent need for bringing down the level of the best in the capital structure.

Mohan. S. (1991) has made a study on ‘Financial Management of Cooperative Spinning Mills in Tamil Nadu’. The study aimed at assessing the investment decision process and the effectiveness with the fixed assets managed by the cooperative spinning mills, revealed that the investment decisions relating to new investment projects, i.e., a new mill originate at the Government level but the other types of decisions are conceived mostly at the unit levels. He also observed that there is normally a delay in the completion of project and the cost overruns due to delay in getting the required finance from Financial Institutions.
Manikavasagam. P. (1993) has made a study on ‘Cooperative Spinning Mills in Tamil Nadu – A critical study with special reference to Production, Pricing and Marketing of Yarn’. He observed that purchase of inferior cotton against superior cotton is a fact reflected in the Maxine i.e., higher count cotton is used to produce lower count, though there is apparent price benefit to the mills’. There is a count – wise – mismatch between production, requirement and consumption.

Vijaya Katti and Madan Lal (1998) have made a study on ‘India’s Garment Exports in the Global Context’. He observed that Indian Textile Industry is a key sector spreading over 1460 organized units, 32 million spindles, 1.7 million power looms, 4 million handlooms, larger number of small, medium and large processing houses and approximately having 1 lakh garment and hosiery units in the country.

Chandan Chatterjee studied the present scenario of the cotton textile industry. He pointed out that under the era of deregulation, expansion is organized mill sector was found mainly in spinning. The number of spinning mills rose from 777 (26.27 million spindles) at the beginning of 1991-92 and it increased to 1469 (33.53 million spindles) by the end of 1997-98. This rapid expansion of spinning sector can be explained by the fact with the increase in the population and some improvement in the living standards of a section of the people and the rapid increase in the demand for fabrics.
Satya Sundaram I. (2000) made a market survey about cotton textile industry. He pointed out that the cotton textile industry coupled a unique position. It accounted for about 7% GDP, 20% of industrial output. It contributed 30% to the total export earnings. After agriculture, cotton textile industry was the second largest employment provider in the country.

Dr. Mrutyunjay Sarangi and Dr. Gopalan M. in their work on Management and Performance of Agricultural Marketing Cooperatives in Tamil Nadu have emphasized the impact on the farmers and offered valuable suggestions on strengthening the structure and management of the agricultural marketing cooperatives.

Dr. Mrutyunjay Sarangi and Dr. Thanulingom in their work on The Impact of Innovative Cooperatives in Tamil Nadu have made an attempt at assessing the socio-economic impact of innovative cooperatives on their members and on the community as a whole. They have drawn the conclusions that the contribution of the innovative cooperatives is invaluable to cater the specific needs of the community and promote unique skill among their members.

Dr. Mrutyunjay Sarangi and Dr. Subburaj in their work on "Each for all — All for each" have analysed the impact of the cooperatives on social processes, micro and macro level economic development, democratic participation of members in cooperative management and their attitudes towards cooperatives. They have rightly
concluded that the cooperation is an instrument of socio-economic development that has made an indelible imprint on the life of its members and on people in general.

Dr. Mrutyunjay Sarangi and Dr. Selvaraju in their work on Structure, Management and Impact of Non-Agricultural credit cooperatives in Tamil Nadu have made an attempt to trace the quantitative performance of such institutions and to assess their socio-economic, democratic and empowerment impact on the members and on the community as a whole in the state of Tamil Nadu. The unique aspect of the study lies in combining the quantitative data analysis with qualitative interpretation of focus groups.

Dr. Mrutyunjay Sarangi and Dr. Nakkiran in their work on Management and Agricultural Credit Cooperatives and their impact in rural life in Tamil Nadu made an attempt to assess the position of Agricultural Cooperative Banks and suggested the measures for the implementation of the same.

Dr. Mrutyunjay Sarangi and Dr. Raman in their work on Cooperative values in Consumer Stores have provided an insight into the consumers’ perception of economic, social and institutional values which make the cooperative stores unique.

Dr. R. Kannan’s work on The Management of Cooperatives in Tamil Nadu is a sequel to the work on The Centenary of the Cooperative Movement in Tamil Nadu presents a good reference for the 100 years of
Cooperative Movement in India with special reference to Tamil Nadu. In this Centenary volume he has covered the entire history of the movement right from the time it was thought of in 1880 by the British Government in India as a means to ameliorate the lot of the farmer who was groaning under the debt burden leading to rural unrest. The present work on various phases of movement, the problems encountered with an emphasis on the recent problems in governance, credit delivery and among consumer and marketing cooperatives. It has been structured into areas dealing with credit and banking, public distribution system, policy matters regarding cooperative movements, developments in this movement in relation to the ongoing globalization and liberalization.

Though various studies were reviewed regarding the financial performance of various institutions, no attention has been paid to analyse the financial performance of the Employees’ Credit Societies at a broader perspective. This study attempts to fill in the gap.

1.8. Research Methodology

The study is an empirical one. This study was conducted in all ECS functioning in Salem district. The Schedules prepared for the ECS provide ample scope to understand the methods and designs. Officials of the respective societies and officials of the Joint Registrar of Cooperatives, Assistant Director of Cooperatives and Circle-wise Deputy Registrar of Salem and Officials of Salem District Central Cooperative Bank were often interviewed and the schedule was used to collect
necessary data and information required for this study. Required information was collected from various research articles, journals, Web portals and Audit Reports of the ECS, etc.

1.9 Sampling Technique

There are 100 ECS under three circles viz., Salem, Attur and Omalur functioning in Salem District. There are 67 ECS in Salem circle, 7 ECS in Attur circle and 26 ECS in Omalur circle. Based on Census method, all these ECS have been taken up for this study in order to obtain wider generalization.

1.10. Tools for Data Collection

Two separate schedules were used for the collection of data; one for the employees-members and another one for the society. As this study is intended to analyse the performance of the ECS, an interview schedule was prepared to collect the required data. The interview schedule contains relevant questions regarding the financial performance of ECS.

1.11. Tools for Data Analysis

Utilization of statistical tools and methods such as correlation, Regression, Curve fit, forecasting, F test, Chi-square test, percentages and annual growth rate are used in the study. Simple statistical tools like Mean, Standard Deviation and Coefficient of variation were used for absolute values as well as ratios to understand and compare the financial parameters of the time series data. For analyzing the special services and overall performance offered by the ECS, the researcher has used the following like Growth rate, Percentage analysis, Correlation and Regression, Method of Least Squares,
Multiple Regression Analysis, Ratio Analysis, F test, t test, Charts and diagrams, etc.

To evaluate the financial problems of the ECS, in terms of the key performance indicators the trend analysis has been used. Average Annual Growth Rate (AAGR) were calculated to find out the growth at which the financial variables increase or decrease using the prescribed formula. Further 11 basic growth models were used to analyze the trend and forecast for future performance. The data used for 7 years period were analyzed for important financial parameters like Membership, Share Capital, Thrift Deposits, Total Assets, Net profit, Loan due from members, Loan from SDCCB, Creditors, Debtors, Interest Received, Interest Paid, Total Investments, etc. Eleven basic mathematical models were used to fit these data. The objective is to find out as to how best these data fit into the models and choose the model, which is the best model that fits into the data. It is seen from the above table that the cubic model have highest $R^2$ values for all the societies and hence they are considered as the best fitting model.

1.12. Profile of the Salem District

Salem is the fifth largest city of Tamil Nadu located in the central part of the southernmost state of India. Salem is one of the major textile centres in the country from the earliest times. It is also the capital town of Salem district whose other major areas are Mettur, Omalur and Attur. The district is well connected by rail and road networks. Salem was the largest district of Tamilnadu before it was bifurcated into two as Salem and Dharmapuri. Later Salem was again divided with the
formation Namakkal district. It is well known as a renowned tourist center with Yercaud hills located at an altitude of 1600 meters above Mean Sea Level. People from different states of India have come and settled down at Salem.

Salem as an important trade centre lies between group of hills connecting various trade routes. It has a hoary past with rich traditions and cultural heritage. The toponomy of Salem is very interesting in the sense that the word Salem is derived from the Sanskrit term ‘Sailam’, meaning ‘mountain’. The other interpretation is that it is a derivative from the term ‘Salya’ meaning ‘weaver’. The term ‘Saila’ is more convincing since the region is surrounded by hills like ‘Shervarayon’, Kollimalai, Pachchaimalai, etc. This is an important town where weaving merchants lived for several centuries. These merchants are called ‘Kaikolar’, Saliya Nagarattar, Seliyar, Saliyar and so on.

Salem is known as the Mango city in Tamilnadu. Its mangoes are sent to various parts of the state and even outside the state. It also has a steel plant run by the SAIL and the brand Salem Stainless Steel is very widely known. Salem is also occasionally known as Steel City. It's also famous for Sago, Bauxite, Lorry Body building, Handloom Weaving. Salem is one of the largest producers of traditional silver anklets, which is popular among women of India. It has magnesite deposits, which is second largest in India. The companies like Dalmia and TANMAG have mines here. Salem also boasts of a large sago industry. The Leigh Bazaar market is one of the largest regional markets for agro products.
Besides Salem Steel Plant, SAGOSERVE, Dalmia Magnesite Corporation, Burn Standard, PowerGrid, TANMAG which are located in the city and suburbs, Mettur (50 km from Salem city) has SISCOL, MALCO, Chemplast, Thermal power plant, Hydel power plant and huge number of chemical industries. There is an exclusive Electrical and Electronics Industrial Estate in the Suramangalam area of Salem city. The industrial growth provided employment opportunities for a number of people of this region. In order to promote the welfare and financial status of the employees working in several organizations, the Cooperative societies came to be established. The non-agricultural cooperative societies like the Employees Thrift and Credit Societies helped the middle class families and the low income groups to build up their resources for a sound living. Employees utilize the ECS by and large to enjoy the benefits of cooperatives and to forbid the gap between the different sections of the society. The advantages of ECS have been shared among all the members in their respective areas. They have improved their standard of living to build up their assets.

The total area of the district is 94 sq.km. Salem stands in the fifth place in the state of Tamil Nadu in terms of the population. The density of the population shows 7960 sq. km. In reality the net population of the city is more than that of Tiruchirappalli, which is said to be the fourth largest city. The total urban population of Salem district is about 13,90,000 whereas that of Trichy is only 11,39,000. Salem is the second largest city of Tamil Nadu in terms of population density.
1.13. Chapter Scheme

The present study covers various aspects of ECS which are outlined below:-

Chapter I

The first chapter deals with the design and execution of the study. It further introduces the subject matter and explains the objectives, importance, scope, review of literature, research methodology, tools for data collection, profile of the district and limitations of the study.

Chapter II

In the second chapter, the Evolution and progress of Co-operative Movement in India has been brought out. The cooperative movement from the ancient to the post-independence period, cooperative movement in Tamil Nadu, the conception, the definition of cooperation propounded by several scholars, the socio-economic transformation through cooperative movement, the socio-economic objectives, the principles of cooperation, the economic participation and the cooperative training have been narrated.

Chapter III

This chapter explains the legal provisions relating to formation, management and working systems of ECS. In this chapter the bye-laws of the ECS, thrift and other deposits, ECS establishment structure have been pointed out.

Chapter IV

It deals with the role of government in promoting Co-operatives including ECS. The credit structure and the various
cooperative institutions that extend the financial support of the various sections of the people have been pointed out at length.

**Chapter V**

This chapter covers the empirical analysis of the Performance Appraisal of Employees Co-operative thrift and Credit Societies of Attur and Omalur Circles. The functions, the modalities and the outcome of these circles have been highlighted with mathematical models and charts.

**Chapter VI**

In this chapter a detailed analysis showing the variables of the ECS in Salem Circle has been furnished. An overall picture of the modus operandi comprising the entire Salem District focusing and encompassing the various features and significance has been brought in greater detail.

**Chapter VII**

In this chapter emphasis has been laid upon the perception of members over the functions of the ECS incorporating the agreement of the members over democratic management, the managerial position and empowerment, the awareness created for the enrolment of members, the reason for depositing in ECS, the financial burden, the benefits derived from ECS, the principle of self help and mutual help and the features of the ECS.

**Chapter VIII**

The major Findings, Suggestions and Conclusion of the study finds a place in the last chapter. This chapter brings out the guiding factors that may be helpful to the ECS members to enjoy the benefits and privileges as well as to plan their future.
1.14. Conclusion

In the First chapter emphasis has been laid upon the beginnings of the cooperative movement in India, its need, the organizational aspects, the performance, the significance, the scope and objectives. The earlier scholars who have done research on cooperative movement have contributed in large measure. The review of literature recounts their study at length. The study area that is Salem District and its neighbouring areas like Attur, Omalur, etc. has contributed greatly for the cooperative activities. This provided an opportunity to the people of these areas to develop the societies gradually. The chapter arrangements are outlined in a schematic way.