CHAPTER VI

FINDINGS AND SUGGESTIONS
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The present study is conducted with the principal objective of evaluating the performance of ST co-operative societies functioning in Wayanad District and suggest measures to overcome the problems encountered by the societies. The performance of twelve Scheduled Tribe Co-operative Societies functioning in Wayanad District has been studied from both the institutional and enterprise aspects. The data were collected from the records of select societies and 760 tribal members. Discussions with the Presidents and Secretaries of all the twelve societies were also held as part of the study. The study covered the period from 1st April 1998 to 31st March, 2004. The summary of findings and suggestions on the basis of the analysis of data and discussions made with the Presidents and Secretaries of various ST co-operative societies are presented in this chapter.

FINDINGS

1. The ST co-operative societies in Wayanad District could bring only a very small portion of the total tribal population in the district into the co-operative fold.
2. The ST co-operative societies in Wayanad district are functioning under the administrative control of different departments of the government. But the audit of all societies is conducted by the department of co-operation. This duality causes problems for ST co-operatives.

3. The number of ST co-operative societies actually functioning is much lower than the number of societies registered.

4. There is no co-ordination among the different departments involved in the administration of ST co-operative societies.

5. Although the audit of all ST co-operatives is conducted by the department of co-operation, the data published by the department cover only the ST co-operatives under the administrative control of that department.

6. Audit for many years is conducted at one time. Hence the defects noted and suggestions given are not of much practical use in the management of societies.

7. The MFP societies are located far away from the forest ranges allotted to them for MFP collection. Hence the societies incurred high transportation charges.

8. The departments exercising administrative control over the ST co-operatives do not take timely action to solve the problems encountered by the societies.

9. The names of a large number of totally dormant societies remain in the register of societies maintained by the administrative departments.
10. Financial assistances to the ST co-operatives by the government are granted not on the basis of properly prepared projects.

11. The share of females in the tribal population of Wayanad District is more than that of the males. But in the membership of ST co-operatives the share of males is much higher than the share of females. So there is male domination in the membership of ST co-operatives.

12. The ST societies have not contributed to building managerial or entrepreneurial capacity among the members to any significant extent.

13. The liquidity position of the societies is not satisfactory.

14. Shortage of funds is a serious problem for general and industrial societies.

15. Competition from private firms is a serious problem for industrial societies.

16. The secretaries of most of the ST co-operatives are non-tribals.

17. Of the twelve societies included in the study, only seven societies have appointed qualified secretaries.

18. The Scheduled Tribe co-operative societies functioning in the Wayanad District are not getting financial assistance from the Commercial banks functioning in the district.

19. Many ST co-operative societies are formed without considering the felt needs of the members.
20. The share of state government in the share capital of ST co-operatives is very high. It is more than 90 per cent in the case of MFP societies. Too low financial stake result in lack of motivation for the members to take active part in the societies’ activities.

21. All the Primary ST co-operative societies have not been affiliated to the SC/ST Federation.

22. The MFP societies alone received considerable financial assistance from the SC/ST Federation.

23. The overall rate of member participation in ST societies is less than 20 per cent.

24. Total number of members is the highest in MFP societies, but the percentage share of participating members is the highest in industrial societies.

25. The majority of the members have only primary education.

26. Occupation-wise, agricultural labourers constitute the majority in membership.

27. Many members hold land without title deeds.

28. Participation in ST co-operative societies has not resulted in any considerable increase in income of the members.

29. A very high percentage of the members live in houses without basic facilities.

30. Household expenses constitute the most important item of expenditure of the members.
31. More than 80 per cent of the members found their income insufficient to meet expenditure.

32. Borrowing is very common among the members.

33. Granting credit is one of the important objectives as per the bye-laws of all ST societies. But most of the societies do not grant credit to the members due to shortage of funds and non-repayment of old debts.

34. Small amount of short-term loans on personal security alone are granted by ST societies.

35. Recovery of loans by ST co-operatives is extremely poor. Small amount of short-term loans granted remain overdue for many years.

36. Above 75 per cent of the participating members could not repay their debts promptly.

37. The low level of income of the members is the major reason for default in repayment.

38. ST co-operatives could not save their members from the exploitation of moneylenders.

39. More than one third of the members are indebted to village traders.

40. ST co-operatives could not create a positive impact on the social outlook of their members.
41. Participation in ST co-operatives could not improve the civic consciousness of the members.

42. The ST co-operatives could not create a positive impact on the drinking habit of members.

43. The Wayanad District Co-operative Bank is the central co-operative society in the district, but the ST co-operatives do not receive any assistance from the central society.

44. All MFP societies have appointed commission agents for procuring MFP from tribals. This is against the spirit of co-operation.

45. Societies possessing Tractor, Tiller and Autorickshaw have leased them to outsiders. This leads to exploitation of tribal properties by non-tribals.

46. The ex officio members in the Board of Directors of the ST co-operatives do not attend the Board meetings.

47. Director Board meetings are not held regularly.

48. General body meetings are also not held regularly.

49. Proper notices are not issued to the members for attending the meeting.

50. Many ST societies do not present and get the annual budget passed by the members in general body meetings.
51. No society paid any dividend during the period covered by the study.

52. In audit classification no ST co-operative society is included in A or B category. This indicates that the marks secured for the overall performance of the societies are less than 50 per cent.

53. The ST co-operatives do not keep proper books and records. The system of accounting is defective.

54. Average accumulated loss of all types of societies recorded increase during the period covered by the study.

55. Accumulated loss per member also showed an increasing trend.

56. The ST co-operative societies could not mobilise much deposit from members. The deposit per member is less than Rs. 10 as on 31st March, 2004 in the case of general and MFP societies.

57. Government is the main source of borrowing for ST co-operatives.

58. Percentages of accumulated loss to paid up share capital were 264, 134 and 74 in the case of General, MFP and Industrial societies respectively.

59. Officials of the Forest department do not extend all possible support to MFP societies.

60. Some industrial societies are started without giving proper training to the worker members.
61. All the ST societies functioning in Wayanad District are carrying on the traditional activities only. They are not innovative.

62. There is high political interference in the management of some societies.

63. Working capital shortage is a major problem for all industrial and general societies.

64. Some societies could not withdraw and utilise the financial assistance granted by the government for want of proper projects. This points to the practice of applying for assistance without identifying suitable projects. For some years the amounts remained in bank accounts and the societies only received the interest.

Suggestions

1. The practice of forming ST societies without considering the felt needs of the tribals is to be stopped.

2. Member Education Programmes are to be conducted to improve member participation.

3. One central agency should collect and publish data relating to all the ST societies functioning in the state.

4. Individual members’ share in the share capital is to be increased.

5. Audit should be conducted regularly.

6. The defects pointed out by the auditor should be submitted before the members in annual general meetings.
7. The practice of appointing commission agents for collecting MFP from the actual forest going tribals should be stopped.

8. The practice of leasing Tractors, Tillers and Autorikshaws to outsiders must be stopped. The societies should operate such assets for giving employment to the members.

9. The societies can start eco-friendly production units like agro processing.

10. Production plans should be prepared taking into account the marketability of the products.

11. Proper training should be imparted to the members for undertaking technical work. The apex society (SC/ST Federation) should take the necessary initiative.

12. Unhealthy political interference in the management of the societies should be stopped.

13. Qualified tribals can be appointed as secretaries of societies.

14. Annual budget should be prepared and passed by the general body every year.

15. The District Co-operative Bank should finance the working capital requirements of ST societies.

16. The administrative departments having control over the societies should take follow up action after giving financial assistance.

17. More self-help groups may be formed within the auspices of ST co-operatives.
18. The ex officio members in the Director Board of ST societies must attend the Board meetings regularly.

19. Forest officials should extend sincere co-operation to the ST co-operatives.

20. The state government should give guarantee to the deposits mobilised by ST co-operatives.

21. The ST co-operatives should meet the various credit needs of the members in the same way as the money-lender does. Credit for social needs may be provided on a medium term basis repayable over a period of three to five years. Unless these arrangements are made effective, it will not be possible to wean away the tribals from the money-lender – cum – traders.

22. Film shows and other exhibitions revealing success stories of ST co-operatives may be organised. The SC/ST Federation can take effective steps in this direction.

23. The secretaries should be given training in keeping proper books and accounts.

If all the suggestions given above are sincerely and honestly implemented, the ST societies in Wayanad District will achieve their institutional and enterprise objectives. A piece-meal approach will fetch no significant result. An integrated approach to revamp and revitalize the Scheduled Tribe Co-operatives is a must.