CHAPTER V

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In the previous chapter a study of eight selected LAMPS in their broader aspects had been undertaken. Performance of these LAMPS provides a mixed picture in that only some LAMPS have been partially successful in their objectives, their performance varies from one LAMPS to the other and even within the LAMPS, the performance of some societies is dismal. An overview of the performance of LAMPS in India had been undertaken in the II Chapter and a study of performance of LAMPS in Karnataka and case studies of selected LAMPS in Karnataka have been done in III and IV Chapters respectively. Based on the observations made in these chapters and based on the view gathered by this researcher about the functioning as well as reasons for success and failures of LAMPS, a model for the working of LAMPS has been suggested in the present chapter.

Since LAMPS are co-operative institutions comparatively of recent origin, they have been organised to accomplish welfare exclusively of one section of the society, i.e., scheduled tribes and since there is an element of imposition rather than voluntarism in the formation of these societies, it has been found essential to suggest a model for their successful working. Again, the pattern of these societies in terms of their organisation, administration and business
activity differs from state to state as also within the state. During visits to LAMPS and enquiries with stakeholders this researcher has found that people in many LAMPS in Karnataka are not actually aware of the activities these societies have to undertake and the real nature of their functioning.

It is in the background of these factors, an earnest attempt is made in this chapter to evolve a suitable model for the working of LAMPS in India.

While suggesting such a model for LAMPS note has to be taken regarding the factors, which affect their working. Such a model should stretch out to organisational, administrative, business and other aspects of LAMPS. Based on successes and failures in the working of LAMPS and relevant causes thereto, the model should be able to provide a framework which can act as a guide to proper working of these societies.

ORGANISATION

Organisational pattern of LAMPS in India does not exhibit a similarity, it differs from state to state and even within the state. The study team on co-operative structure in tribal development project areas, popularly known as Bawa Committee had recommended that LAMPS should be established with one tehsil or block as its area of operation. This can at best be adjudged as the ideal pattern for formation of
LAMPS. But in the regions where tribal population and number of potential members are large and membership is unwieldy, to serve the members effectively, it can be suggested that more than one LAMPS have to be organised in a tehsil or block.

To take a few examples, in Maharashtra there are four to five LAMPS in each tehsil, in Tamil Nadu each LAMPS has jurisdiction over one tehsil, in Orissa the pattern is mixed with 46 LAMPS covering a block each in its area of operation whereas the rest of the LAMPS have been organised at the rate of two or three LAMPS per block, in Karnataka 17 LAMPS covering a tehsil in its area of operation and one LAMPS covering two tehsils and two LAMPS having three tehsils in their area of operation and in Bihar and Madhya Pradesh each tehsil having about three to four LAMPS.

Co-operatives in India have a definite structure, each type of co-operatives having a certain jurisdiction. For example, taluka agricultural produce co-operative marketing societies have been organised at the rate of one per each taluka, each primary co-operative agricultural and rural development bank also called land development bank covers one taluka in its area of operation, primary credit society extends its area of operation over just a few villages, milk producers' co-operative societies have jurisdiction over a few villages, federation of primary credit societies, i.e., district central co-operative banks have been organised at
the rate of one per each district so on and so forth. In the same way, LAMPS can have also a definite structure and a definite area of operation. It can be suggested that each LAMPS should have one tehsil or block as its area of operation.

Each LAMPS, in its area of operation, can have as many number of branches or outlets as necessary based upon the volume of business, number of members and the extent of the area of operation.

The second aspect that has to be considered with regard to organisation of LAMPS is membership. In a large number of states in India, persons belonging to scheduled castes are also being enrolled as members of LAMPS. But in the state of Karnataka and the union territory of Daman and Diu only scheduled tribes persons are admitted as members of LAMPS. These societies have been organised in India as part of tribal sub-plan and with a view to cater to all the needs of tribals under one single roof. Thus, it is of utmost importance that membership in LAMPS should be restricted only to persons belonging to scheduled tribes.

The third aspect concerns the responsibility of LAMPS in enrolling members. It has been found that in many LAMPS membership has remained virtually stagnant over many years and the actual membership is far less than potential members. Tribals are illiterate, by and large, and they lack
knowledge regarding benefits a co-operative institution can provide and the nature of its functioning. In such a situation it is natural that they will not come forward to enrol themselves as members of LAMPS. **It should be paramount duty of all LAMPS to conduct a survey of potential members in their area of operation and to make sincere efforts to enrol them as members.** This will definitely go a long way in making the society strong and viable.

**ADMINISTRATION**

LAMPS can improve their performance if administrative apparatus is made effective. Efficiency in administration is a factor to be developed at different stages. It is necessary to have a common pattern in different aspects of administration in LAMPS.

First, each LAMPS should consist of a **minimum number** of elected tribal directors of 7 or 8. The remaining among the prescribed number of directors should be filled by the government by appointing ex-officio directors. The system of having elected directors and ex-officio directors is common in all the states. But the number varies as the policy in different states differs and also because the area of operation of LAMPS varies. If each LAMPS is organised in such a way as to cover one tehsil or block, there can be a common pattern so far as the number of directors is
concerned. Each LAMPS should consist of a committee of management with eleven directors. Of the eleven directors, minimum of seven should be elected among tribal members and the rest should be ex-officio, who are closely associated with the working of LAMPS.

Four ex-officio directors to be appointed by the government should be from different concerned departments, such as one from forest department, one from co-operation department, one nominee of the financing bank and another officer belonging to social welfare department or integrated tribal development plan programme. All these four are stake holders in LAMPS. It is the forest department which is responsible to lease out forest area to LAMPS and to collect royalty, co-operation department has control and supervisory powers over LAMPS as enunciated in Co-operative Societies Act, financing bank has a distinct say in the financial affairs of LAMPS and department of social welfare or integrated tribal development plan has its own stake in that it is directly involved in tribal sub-plan strategy.

There may be states and union territories where scheduled castes persons are also enrolled as members of LAMPS. Since in a model LAMPS membership is restricted only to the scheduled tribes, it will be the natural corollary that elected directors will be only from among scheduled tribes members.
One of the important principles of co-operation is democratic control. Thus one of the essential requirements is that only elected member has to head the committee of management. In the case of LAMPS, if the elected tribal member is made the president of the society it goes a long way in fulfilling the dream of tribal empowerment. In some of the societies, officers of government departments, particularly of forest department have been Presidents of LAMPS. This practice is in clear violation of the principle of democratic control and the aspirations of tribal empowerment.

Views differ on this aspect. Two of the four deputy conservators of forests and four of the seven other officers interviewed held the opinion that it will be better for the society if the president is an officer belonging to the forest department. Surprisingly 82 of the 136 sample tribals and four of the 13 secretaries from whom the opinion was collected also favoured official president. The broad reasons cited in favour of their argument for having an officer of the forest department as President are mainly two. First, LAMPS is a forest based society and it is dependent on the forest department for different things such as to get the lease, to obtain passes to enter forests for MFP collections and to get permits to transport MFP etc. It is the forest department which fixes the royalty, which area or range has
to be allotted to a certain LAMPS for MFP collection etc. Thus, association of LAMPS with the forest department is very close. If the President is an officer of this department the society can be unusually helped. The proponents of this view argue that wherever the DCFs or ACFs were Presidents of LAMPS, those societies have done the best in MFP activity and earnings of revenues. Second, their argument runs on the lines that LAMPS is basically a tribal society and a large section of tribals is illiterate and lacks knowledge of undertaking any business or of getting services from the society, their only purpose being working from dawn to dusk to eke out livelihood. Thus they hold the view that tribals are incapable of managing the affairs of the society, and under the Presidentship of a non-official person the society cannot fare well and it will collapse sooner or later.

But a study of the functioning of many LAMPS in Karnataka which have elected tribal members as Presidents has amply revealed that the above arguments do not hold water. These societies have been doing remarkably good business and have been able to rope in the forest department in the affairs of the society and to be in good terms with the officers of that department. Though it is a little true that officers of the forest department favour the society if they are made president, the argument that he alone can turn the tables in favour of the society and the society should have an official president for ever is specious.
The principle of democratic control, the provisions of the co-operative societies Act and aspirations of tribal empowerment necessitate that the post of President of LAMPS should be held by an elected member. The claim that the tribals lack ability to manage the affairs of LAMPS properly has not been actually tested and proved. Inspite of this there are some views that an officer of the forest department should hold the post of President for a period of one or two years before an elected member takes over and in this intervening period tribals can be properly taught about the affairs of the society including MFP activity. This view seems to be reasonable. In the new LAMPS to be formed it should be mandatory that DCF or ACF of the area should hold the post of President for two years in the beginning and an elected President has to take over soon after that period. In these two years period of Presidentship of the officer, honest efforts should be made to improve the abilities of tribals by educating them. Necessary provisions in this regard should be included in the byelaws of the society.

ACTIVITY

LAMPS are by definition multi-purpose. Thus it is visualised and expected that they have to undertake varied and a large number of activities. The Bawa committee’s concept that these institutions should cater to all the needs
of the tribal people and should act as vehicles of tribal development necessarily entrusts a lot of responsibilities on LAMPS. Since these societies are formed and developed as part of the tribal sub-plan strategy and are supposed to assist tribals to fulfil their credit and marketing needs, it is natural that they take up a good number of activities. This approach will help the LAMPS on the one hand, to serve the tribals effectively, one of the most neglected section of people in the society and on the other, to earn reasonable amount of profit. And this will actually be in consonance with the principles of co-operation.

But there are many sections of people who articulate that LAMPS should not take up a number of activities and their business should be limited to MFP extraction and sale. Their view is that LAMPS are basically forest based societies for tribal people and as such it is pertinent that they should concentrate only on MFP activities and that there are governmental agencies and other co-operative institutions to undertake other activities such as provision of credit, distribution of rationed goods, sale of consumer articles and agricultural inputs and so on. They argue that LAMPS are saddled with activities which are just allocative and not co-operative in nature. They cite the examples of distribution of rationed food grains, supply of consumer articles to hostels and other designated institutions and
provision of loans to member beneficiaries under some
government sponsored schemes.

But this argument cannot be accepted. The view that
LAMPS are engaged in a large number of activities which they
are not supposed to do is myopic. All the activities
undertaken by LAMPS so far are co-operative in nature.
Provision of credit and collection and sale of MFP are
directly co-operative in nature. Though the activities of
distribution of rationed articles, sale of consumer articles
and supply of goods to designated institutions contain an
element of allocation in them, they are perfectly based on
the principle of co-operative business.

It is to be admitted that a majority of the LAMPS in
Karnataka and also in other states undertook the function of
providing loans under integrated rural development programme
and some other government sponsored schemes. But this
activity was undertaken by LAMPS only in one or two years but
was given up by some LAMPS after they burnt their fingers.
Our observations and available data have shown that many
LAMPS undertook the task of distributing medium-term loans
under integrated rural development scheme to tribal
beneficiaries. Under this scheme all the concerned LAMPS
normally sanctioned loans for bullock and cart. Each LAMPS
in Karnataka had sanctioned loans to about 15 persons under
this scheme. Loan portion of the money was availed from the
concerned district central co-operative bank and subsidy was doled out by the government. But the LAMPS in Karnataka had the worst experience under this scheme. This was true with regard to the LAMPS of other states also. In Karnataka, about 80 percent of the loans sanctioned under this scheme was not repaid by members and the LAMPS had to repay the loan with interest out of their funds to the district central co-operative banks. A large number of LAMPS did not undertake this function henceforth. Thus, it should not be understood that LAMPS are still undertaking this activity which is almost a political function.

We strongly hold the view that LAMPS should not restrict their activities to just one or two but should diversity their business. It is advisable for them to undertake a large number of activities so as to further the cause of tribal welfare as also to earn a good deal of profits. Our view is based on three important grounds explained here under.

First, LAMPS are co-operative institutions and as such they are required to undertake business with a service motive as also with the intention of earning operative profits. Co-operative business cannot be restricted to any one activity. A true co-operative institutions should be able to serve the members perfectly and effectively. In the modern world, co-operative institutions are stretching out and are
taking up activities which were not traditionally in their fold.

Second, LAMPS are forest-based tribal societies, and by nature and definition they are multi-purpose. Other types of co-operatives may not be functioning in the area of operation of the LAMPS and even if there exist other co-operatives, tribals might not be their members. In other words, LAMPS are required to serve the tribal members in fulfillment of their economic needs. This amply explains why these institutions should not restrict their activities to just one or two.

Third, in the era of economic liberalisation and globalisation, LAMPS are expected to withstand competition and to serve the members in a better way. They can neglect expanding the business activities only at their peril.

In this background we would like to propose different activities that can be undertaken by LAMPS.

First, LAMPS are entrusted with the function and responsibility of creating employment opportunities for members and show them avenues of income-generating activities. Thus, collection and sale of minor forest produces should be the major and the most important activity the LAMPS should undertake. Tribals live in forest and hill areas which bear different types of minor forest produces. Collection and sale of MFP has been the work of the tribals
for centuries together. LAMPS have to utilize this to their best advantage. By procurement and sale of MFP LAMPS will be handling a major income generating activity. But the LAMPS should be able to get better marketing facilities for these produces. An effective arrangement with LAMPS Federation, Tribal Development Corporation, Forest Development Corporation etc., whichever exists in a particular state, should be developed by LAMPS to sell the MFP they procure. It is essential that these federations or corporations should evolve a proper working arrangement with the TRIFED, New Delhi to which they can sell the produce.

Second, an important activity that can be linked with MFP business is advancing of consumption loans. It has been found that no LAMPS in Karnataka has undertaken this activity so far. Advancing of consumption loans to the needy members to the extent of Rs.1,000 to Rs.1,500 will help the members a lot at the time of distress. This amount with proper rate of interest can be deducted in instalments at source, i.e., when the member sells MFP. It is necessary that the loan should be advanced based on proper security and credit worthiness of the borrower. This is because if the member fails to sell MFP to LAMPS, the latter should not be placed in a helpless position to recover the loan.

Enquiries of members across many LAMPS in Karnataka by this researcher have revealed that on a rough estimate about
55 percent of them needed this type of loans. In the LAMPS where short-term and medium-term loans are advanced on a large scale, members were found to be not very much in need of consumption loans. But in other LAMPS members are very much in need of some kind of loan.

The system of advancing consumption loans to members and recovering it out of the surplus agricultural produce or MFP sold by members to LAMPS is in vogue and is perfectly working in Maharashtra. The Maharashtra State Tribal Development Corporation has entered into agreement with all the Adivasi Co-operative Societies authorising them to act as sub-agents to distribute consumption loans to needy members. Adivasi Co-operative Societies advance loans to members given by the tribal development corporation and recover out of the surplus agricultural produce or MFP sold by the member. The loan so recovered with interest is then passed on to the MSC TDC. Consumption loan of up to Rs.1,000 is advanced to each tribal member in Maharashtra. It is found that recovery of loans under this scheme has been to the extent of 68 percent.

Third, a large section of the members of the LAMPS are agriculturists - usually small and marginal farmers. As any other agriculturist in the economy tribal farmers also require loans. Thus it is necessary on the part of the LAMPS to advance short-term and medium-term loans to member-farmers to raise crops, to dig wells, to purchase and install
pumpsets, for fencing, for reclamation of land and so on. LAMPS can also advance long-term loans to farmers as any commercial bank or co-operative bank. Only one LAMPS in Karnataka has taken up this task. It has been observed that recovery of short-term, medium-term and long-term loans advanced by LAMPS is above 80 percent except in the state of Orissa. Good percentage of recovery is ensured as these loans help asset creation and are normally advanced to members who are credit worthy and on the security of land and other properties. Thus, LAMPS in general should take up the venture of advancing short-term, medium term and long-term finances to agriculturist members.

Fourth, Banking activities, if taken up properly and with caution, will be definitely profitable to the institution and helpful to the public. Our observations have brought out the fact that a majority of LAMPS which have undertaken this activity possess proper expertise to do this. By advancing loans under different schemes, the LAMPS will be able to deploy their funds profitably. LAMPS should undertake this activity as any bank does. In other words, LAMPS should engage in banking activities by opening it to the general public and not restricting it only to their members.

Fifth, sale of non-controlled consumer commodities is one area where the LAMPS can expect a good profit margin. By
taking up this activity they get an opportunity towards business expansion. 19 LAMPS in Karnataka and a large number of them in other states have been doing this business and their experience in this is really encouraging. Tribals live in remote villages, podus and forest areas and hence are rendered incapable to tread the path miles together to reach out to a shop or sales outlet to purchase consumer goods. Sales of consumer articles in the village branches of LAMPS not only helps the tribals but also goes a long way in recognising the valuable service of LAMPS.

Sixth, distribution of rationed articles helps the LAMPS to have a good deal of business. But there is an apprehension that this business fails to yield an operative profit margin and this function is just allocative in nature which can very well be handled by any governmental agency. But it is to be recognised that this business is allocative as well as co-operative in nature. It is not out of context to note that the government has recognised co-operative institutions as the best agencies to undertake distribution of controlled (rationed) commodities. It is a matter of pride to observe that co-operatives in India have not belied this expectation.

LAMPS have been distributing the allocated articles both to members and non-members in the area, both happen to be ration card holders. Enquiries and observations have
conclusively revealed that this business yields 5 to 6 percent profit margin. Again, this function will enable the LAMPS to have a close contact with their members. Services of LAMPS will be recognised by non-member card holders also.

Seventh, it has been the policy of the government to entrust the work of supply of food grains and other consumable articles to designated institutions in the taluka or a specific area to certain co-operative institutions like LAMPS, consumer's wholesale stores, agricultural produce co-operative marketing societies, etc. These designated institutions are normally hostels belonging to social welfare and backward classes and minorities departments and tribal welfare centres. LAMPS should not hesitate, in fact they should vie with other institutions and agencies to grab this opportunity of handling a lucrative business. Our observations in the LAMPS of Karnataka have revealed that, in many societies, nearly half of their total business consists of this activity. And in a few LAMPS this business is to the extent of even 60 percent of the total business handled by them. Available data have conclusively indicated that this business yields a profit margin of not less than 8 percent.

Again, handling of this business does not need much and extraordinary expertise. Our enquiries with the authorities of LAMPS in Karnataka and some other states have made us come to the conclusion that supplies to designated institutions
is a very lucrative business which also provides a good deal of recognition to them. Hence, a model LAMPS should be able to expand its activities by undertaking this type of business.

Eighth, in this most competitive world and the era of globalisation and economic liberalisation, it is essential for any enterprise to diversify its activities to sustain in the business. This principle applies even to LAMPS many of which are still in the early stages of existence. LAMPS are advised to undertake business activities considering the local needs. Sale of fertilisers and other agricultural inputs, cloth and so on is done by a handful of LAMPS in Karnataka and outside. But undertaking this business cannot be the common principle or strategy. For example, only a very small section of tribal farmers have adopted improved agricultural methods and are growing cash crops. Our observations in many LAMPS have revealed that, they depend upon the concerned governmental departments to get fertilisers and improved seeds. In such a situation, selling of fertilisers in a branch of LAMPS is perilous and no body with a business mind will definitely undertake such a business. But it is to be admitted that there are many LAMPS which are thriving in the business of sale of cloth, fertilisers etc., All that can be suggested is LAMPS should undertake and expand their business by considering local needs of the area.
CONCLUSION

A model LAMPS should think of furthering the cause of tribal welfare as well as earning of a good profit margin to sustain and grow. In the true spirit of a co-operative, it should have both service motive and profit motive.

LAMPS should act as real agents of tribal development and tribal empowerment. This necessitates expansion of their vision.

Living in abandoned, remote, hilly and forest areas, tribal people are easily prone to many diseases. They lack a sense of understanding the significance of human development, health care and literacy. Our visits to and observations at Swami Vivekananda Youth Movement at Heggadadevanakote and Vivekananda Girijana Kalyana Kendra at B.R. Hills have revealed that these institutions are very much involved in tribal development and tribal welfare. LAMPS can lend a helping hand to such institutions wherever they exist. Even in places where such organisations do not exist LAMPS can actively take up the programmes of health care, mass education, imparting knowledge of modern agricultural practices etc. This will do its best to establish that LAMPS are institutions which take care of tribal welfare in its broader sense.

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