CHAPTER I

INTRODUCTION AND DESIGN OF THE STUDY
INTRODUCTION

Co-operation as an economic system is considered to be a golden mean between capitalism and socialism. It developed in many countries of the world out of the felt needs of the people. Co-operative movement in India took its birth in the early years of the twentieth century and with the passing of the ‘Co-operative Societies Act’ in 1904 a statutory framework was provided to it. There are innumerable types of co-operatives in India such as of credit, consumers, processing, marketing, housing, etc., and also to serve different sections of people. In other words, co-operative institutions in India as elsewhere have been organised to take care of different activities as also for various sections of people. Large-sized Adivasi Multi-Purpose Co-operative Societies, shortly called LAMPS are one of the many types of co-operative institutions in India which are being organised of late.

LAMPS are co-operative institutions which have been organised to serve as a focal point for welfare of the tribal community. Creation of LAMPS covering almost all possible avenues of economic services to the tribal community was the main import of the Bawa Committee on co-operative structure
The committee was set up by the Ministry of Agriculture, Government of India, in 1971 to study the problem of exploitation of tribals and to suggest an institutional framework to provide credit and other economic needs of tribals. The committee headed by Shri. K.S. Bawa, Joint Secretary in the Ministry of Co-operation, Government of India in its report which was submitted in 1973 recommended that LAMPS should be established covering one block/tehsil with a requisite number of branches to provide a package of services to the tribal people at a single point.  

The committee was of the view that "a tribal should not be required to approach too many institutions for assistance. The primary society which deals with individual tribals should, therefore, provide all the important services required by him, namely, provision of short term and medium term production credit, and consumption credit to be recovered from sale of minor forest produce, distribution of inputs and consumer goods, marketing of minor forest and agricultural produce. These services should be organised at 'Hat' (Market) level as the tribal comes to the 'hat' periodically". It was on the lines of these suggestions and of the growing needs of prevailing local conditions that a new pattern of primary co-operatives was introduced in tribal areas and they are called LAMPS.
A LAMPS is a bigger society especially designed for tribal regions. These bigger units were either formed afresh or by assimilating all the scattered varieties of primary credit, consumer and other co-operative societies working in the area of a block or in many cases even a bigger market place (hat) under a tribal development project. The main objectives with which the LAMPS have been organised are liberating the tribals from the clutches of money lenders through supply of production and consumption credit, to provide an assured market to tribal produce, to promote subsidy-cum-loan production scheme to develop the tribal economy, and to supply essential commodities and agricultural inputs to tribal people.

The Bawa Committee very explicitly suggested that "suitable higher level organisations should be pressed into service to support, supervise and guide the activities of societies at the primary level". In accordance with the recommendations of the committee states such as Andhra Pradesh, Bihar, Madhya Pradesh, Maharashtra, Manipur, Rajasthan, Orissa and West Bengal have established Tribal Development Corporations/Federations to support the activities of LAMPS.

As per the Bawa Committee recommendations LAMPS are being organised since the year 1974. But in many states, co-operative societies to cater to the needs exclusively of
tribal people were being formed even since the 1960s. These institutions were then usually called ‘Forest Labour Co-operative Societies’ since these were formed to cater to the needs of labourers engaged in collection and sale of forest produce. With the suggestions of the study team headed by K.S. Bawa, the existing societies were renamed and new societies were organised as Large-sized Adivasi Multi-purpose Co-operative Societies. Though these societies have grown both in their number and in terms of volume of business, information on their working is not easily available. Performance of LAMPS in many states is really dismal. The services they render as well as their profit earning capacity in many pockets is also poor. But in many areas LAMPS have been rendering a remarkable service and have been able to diversify their activities. Since these are the co-operative institutions formed to attend to the needs of exclusively tribal people, it is of great significance to investigate their working, the reasons for their failure and the factors behind their success.

SURVEY OF LITERATURE

It is to be admitted that literature on Large-sized Adivasi Multi-purpose Co-operative Societies is not extensive. Though not particularly on LAMPS, there have been some studies of significance about the tribal economy of India and the tribal co-operative system in the north-eastern
India. There has been only one study which gives a few insights into the working of LAMPS in India in general. This study is made in a book by S. Mahalingam titled "Role of Co-operative Organisations in Developing Tribal Economy". This study makes a survey of the working of LAMPS in India in general, tribal welfare measures adopted in the Indian union and an analysis of the functioning of LAMPS in Tamil Nadu in particular.

"Tribal Economy of India" a book by P. Ramaiah discusses the land problem among the tribals, the forest economy and planning for tribal development. S. Mahalingam's "Tribal Co-operative System - A Study of North-East India" provides a glimpse of genesis and growth of co-operative movement particularly in tribal regions of the north-eastern states. "Problems of Tribal Development - A Case Study" by M.G. Kulkarni, "Tribal Culture in a Flux" by R.N. Pareek and 'The Tribal Culture of India' by Vidyarthi, L.P. and B.K. Rai are some of the books which provide insights into tribal culture, tribal problems and tribal needs.

Reports of various commissions and committees appointed by the Government of India and different state governments have had a tremendous influence in framing the public policy for tribal welfare and tribal co-operatives. Special mention may be made of some important commissions and committees which include 'Study Team on Social Welfare and Welfare of
Backward Classes'\textsuperscript{11} (1959), 'Scheduled Area and Scheduled Tribes Commission'\textsuperscript{12} (Dhebar Commission - 1960-61), and 'Task Force on Development of Tribal Areas' of the planning commission (1973).\textsuperscript{13}

Report of the National Commission on Agriculture, Part IX - Forestry,\textsuperscript{14} which deals with the aspects of 'Forest Policy' and 'Minor Forest Produce' is of greater importance. It explains the nature of the problems the tribals are facing and the role of forestry in tribal development.

Special mention may be made of the 'Study Team on Co-operative Structure in Tribal Development Agency Projects'\textsuperscript{15} (1971) headed by Shri.K.S. Bawa, Joint Secretary in the Ministry of Co-operation, Government of India and 'The Study Group on Relief of Indebtedness, Land Alienation and Restoration in Tribal Development Agency Projects'\textsuperscript{16} (1971) headed by Shri.P.S. Appu, Joint Secretary, Department of Agriculture, Government of India. The report of the study team headed by K.S. Bawa has the added significance in that on the basis of the suggestions of that study team LAMPS are being organised in tribal areas. The report of the study group headed by P.S. Appu has extensively dealt with the problem of indebtedness and land alienation in tribal areas and suggested necessary modifications in the existing legislation available in the concerned states.

Mention should be made of an important report concerning the LAMPS in Karnataka titled "Revival of LAMPS: A Report" by Patil Thippappa Committee (1993). This report delves on the problems faced by LAMPS in collection and sale of minor forest produce as well as in management and suggests some workable solutions.
It is evident that no exhaustive and indepth study on LAMPS exists. The present study is a humble attempt in this direction.

**IMPORTANCE OF THE STUDY**

Tribals are a section of people who are weak socially and economically. They have no easy access to necessaries of life and other requirements from nearby places and at reasonable prices. They are actually at a loss to find a market to dispose of the produce they grow or collect.

In these circumstances the government came forward to take up many measures and to implement a large number of schemes to bring about social and economic betterment of the tribal community. Organisation of LAMPS to serve the needs of the tribal people is one such important measure. The LAMPS have been organised as part of the tribal sub-plan which was devised in the year 1974-75 to give a preferential treatment to the tribal society.

LAMPS have been providing marketing services. They purchase minor forest and agricultural produce from the members for a certain price and sell them in different channels. They also advance short-term and medium-term loans to members at comparatively low rate of interest for productive purposes. In many states these societies have undertaken the function of public distribution of essential
commodities. It is of interest to note that many LAMPS have opened retail shops to sell daily requirements, and cloth. A large number of LAMPS also sell agricultural inputs of all types viz., fertilisers, seeds, implements, pesticides and fodder.

Through their functioning the LAMPS have been able to create a large number of employment opportunities, to generate income and to provide a fair price for agricultural and minor forest produce. They have been helpful in making value addition to the products through processing and storage activities.

The present study assumes added importance from the fact that LAMPS have gone a long way in opening up new horizons in the life of tribal people as explained in the foregoing paras. But the other side of the picture is that LAMPS have been facing innumerable problems. Performance of many a LAMPS is indeed dismal. These societies have been facing many problems and are at the mercy of the government, middlemen and apex level institutions.

The present study has greater significance in that it tries to bridge a research gap. As explained earlier there have been some studies which are of considerable help in understanding the problems and needs of the tribal economy as also the functioning of LAMPS. But these major studies are nearly a decade old and much water has flowed since then.
Again, only one study touches upon the working of LAMPS in India in its broader perspective and a lot of developments have taken place in this field since then. In their micro analysis, these studies have tried to discuss issues at large in the working of LAMPS in the state of Tamil Nadu and in north-eastern states. It is of significance to understand that organisational structure and functioning of LAMPS differ from state to state widely. No study has been undertaken so far to discuss the working and problems of LAMPS in other states and union territories of India. The present study delves at length to discuss the problems and working of LAMPS in the State of Karnataka and to critically evaluate their performance. Organisation and functioning of LAMPS in the major states of India and very recent development in the field are analysed in the study which is helpful to understand a very important part of the co-operative movement in India. Stake holders and authorities concerned are at a loss to understand how to make LAMPS organisationally strong and financially viable, and to suggest what business to be handled and what activities to be undertaken by these institutions. In this background, an operative model for the working of LAMPS in India is suggested in the present study.

OBJECTIVES OF THE STUDY

The following are the main objectives of the present study.
1. An important objective of the study is to analyse in detail the working of LAMPS and to ascertain whether these societies have really contributed to economic upliftment of the tribals.

2. Another objective is to critically review the functioning of LAMPS in different states and union territories of India where they exist.

3. The objective is to study the role of the government, financial institutions and other agencies in promoting LAMPS.

4. It is intended to analyse managerial aspects and the degree of participation of members in the LAMPS.

5. Eventhough LAMPS are organised by admitting members and they draw financial strength with the help of share capital of members and governmental assistance, there have been many findings to suggest that these societies and their members are exploited by traders, middlemen and marketing agencies. The study will try to analyse this aspect.

6. The study will undertake a quantitative and qualitative assessment of twenty LAMPS functioning in Karnataka State.
7. Processing activity in the LAMPS has not been given due attention. It is viewed that processing activity is the weakest link in the functioning of LAMPS, but that activity wherever undertaken has helped in making value addition to the product and in the way provided larger economic gains to the society. An important objective of the study is to delve upon processing activity and to draw conclusions.

8. Another important objective of the study is to suggest a suitable model for successful working of LAMPS.

COVERAGE OF THE STUDY

The study proposes to cover the country in general and Karnataka State in particular. The study covers the period from the beginning of establishment of LAMPS till 1998-99.

HYPOTHESES

The following hypotheses are proposed to be tested in the present study.

1. The organisation of LAMPS in many states of India has not gone a long way in bringing about a social and economic transformation of the tribal economy.

2. The tribal people have not been able to reap the benefits that the LAMPS were expected to provide.
3. The real spirit of co-operation is not enshrined in the functioning of LAMPS as they are largely organised with governmental assistance and patronage.

4. In Karnataka processing activity in the LAMPS is not developed on a large scale. If processing activity is given due attention, LAMPS can see a lot of improvement in their functioning and they will be able to serve the members effectively and to a greater extent.

5. In many cases LAMPS are working just as governmental agencies.

6. The LAMPS have a weak financial structure and organisational base.

**METHODOLOGY**

The study is descriptive, analytical and critical. It is based both on primary data and secondary data. Primary data is collected by visiting 12 LAMPS in Karnataka State, and three LAMPS in other states of India- one each in Tamil Nadu, Maharashtra and Orissa. Secondary data has been collected from the published reports and journals from the office of the Registrar of Co-operative Union of India, and National Centre for Co-operative Education, New Delhi, Tribal Co-operative Marketing Development Federation Offices of New Delhi, Chennai, Bhubaneswar, Nasik, Mysore, Jagdalpur, Guwahati, Ahmedabad, Hyderabad and Udaipur, Institute for
Reference of available books, reports and papers on the subject is made.

In order to have the feel of the problems faced by LAMPS and tribal members in Karnataka, the working of 12 sample societies, selected purposively, is studied intensively. The purposive sampling method is followed in selecting the societies as detailed data on LAMPS is lacking. Of the twelve LAMPS visited, eight societies have been chosen for case studies. An indepth analysis of the working, problems, weaknesses and progress of these societies is done to arrive at the most appropriate conclusion.

Three LAMPS outside Karnataka have been visited to have a personal feel of the organisation, working and problems of LAMPS in some major states of India. The information collected has supplemented the secondary data concerning the working of LAMPS in India.

In the analysis of working of LAMPS in India, quantitative and qualitative assessment of LAMPS in Karnataka and in case studies, tables are extensively used to fit in
the data and to narrate the facts. Quantitative technique of correlation matrix and graphs are used in relevant chapters to drive home the point.

LIMITATIONS OF THE STUDY

The study is based both on primary and secondary data. For primary data reliance is made upon personal interviews of tribal members, office bearers, social activists and representatives of voluntary organisations as well as visits to the societies. Data and information available on the subject is scanty. This is the main limitation of this study. Again, this study is based on case studies approach. Limitations applicable to case studies in general are also applicable to the present study.

ORGANISATION OF THE THESIS

Present study is organised into six chapters as outlined below.

Chapter one deals with introduction and design of the study. It covers importance of the study, review of literature, objectives, methodology, hypotheses, coverage and limitations of the study.

A bird's eye view of the working of LAMPS in different states and union territories of India in which they are existing is undertaken in the second chapter. The genesis
and relevance of LAMPS and different aspects of their growth in some selected years are dealt with.

Growth of LAMPS in Karnataka in their different aspects is analysed in chapter three. It involves a quantitative and qualitative assessment. Failures on the part of the LAMPS in Karnataka and the reasons there of are discussed in detail.

The fourth Chapter makes an indepth study of the working of eight selected LAMPS in Karnataka. It is a case study of the selected LAMPS. For a proper sampling, many criteria such as intensity of dependence on forests, accumulated profit or loss, special activities undertaken etc., were taken into account while choosing the societies for case studies. For example, four societies which are heavily forest-dependent and four societies which are not heavily forest-dependent are taken. Broad conclusions about the working, success and failures of these societies are arrived at in the course of case studies.

A suitable and an operative model for successful and proper working of LAMPS is advocated in the fifth chapter. Collection and sale of minor forest produce (MFP) is the major income generating activity of LAMPS. There are a few views that the LAMPS should concentrate only on MFP business. However, for a successful working of the society as a commercial venture and to serve the members effectively,
diversification of activities is seen as essential. It is in this background, it has been found essential to advocate a workable model for LAMPS.

The sixth chapter gives a resume of the study and draws conclusions on the basis of earlier findings. Further, relevant suggestions for improving the working of LAMPS in India in general and in Karnataka in particular are offered in this chapter.

** * **
REFERENCES


3. Ibid., pp. 2-3.

4. Ibid., p.3.


* *