CHAPTER XI

COOPERATIVE MOVEMENT IN THE
HILL AREAS OF MANIPUR

The earlier chapters have given the detailed accounts of the different aspects of the Cooperative Movement in the State of Manipur. However, the picture of the Movement portrayed in the different chapters reflect mainly the progress of the Movement in the Valley. Since the Hill areas account for nine-tenths of the geographical area of the State, a study on the Cooperative Movement in this State will remain incomplete unless a separate study is made on the Cooperative Movement in the Hills. Moreover, in the planned economy of India which promises equality of opportunities to all and which also aims at safeguarding the interests of the weaker sections of the society through the formation of decentralised economic units, the Government has laid much importance to Cooperation to play its part as a multi-pronged agency to remove rural poverty and unemployment and, thus, to ameliorate the conditions of the rural poor especially the Scheduled Castes and Scheduled Tribes. Hence, an indepth study of the problems of the Cooperative Movement in the Hills is called for. This chapter is devoted to the study of the socio-economic conditions of the people inhabiting the Hill areas and to the special
problems circumscribing the growth of the Movement in the Hill areas.

The State of Manipur is broadly divided into two natural regions - the Hills and the Valley. The Hills extend over an area of 20,484 sq.km. forming 91.76% of the total geographical area of 22,327 sq.km. of the State, while the Valley covers only an area of 1843 sq.km. accounting for about 8 p.c. of the total area of the State. The Hills comprise five districts, namely, Senapati District, Tamenglong District, Churachandpur District, Ukhrul District and Chandel District. The three districts - Imphal District, Bishnupur District and Thoubal District constitute the Valley.

As per the 1981 census, the Scheduled Tribe population of the State is 3,87,977 persons of which 3,63,836 live in the above five hill districts. The remaining 24,141 persons live in the three districts in the Valley. The Scheduled Tribe population which accounts for 27.3% of the total population of 14.21 lakhs of the State in 1981 census consist of 29 tribes broadly classified as Naga.

2. Ibid., p.1.
and Kukis. The population distribution of the State is lopsided with two-thirds of it concentrated in the small Valley and the remaining one-third dispersed in the vast Hill areas.

**Socio-Economic Condition of the Tribals:**

The socio-economic condition of the tribal people inhabiting the Hills is quite different from that of the non-tribal population in the Valley. As the bulk of the tribal population live in the hilly and forest areas, agriculture is their main occupation and, therefore, main source of income. Among the agricultural produces, paddy is the principal crop, followed by maize, pulses, oil seeds, potato, chillies, tobacco, mustard seed, etc. The people also supplements their income from agricultural pursuits by collecting forest produces and by household industries. The occupational classification of the Scheduled Tribe population in the Hills is given below.

3. Ibid., p.1.
Table No. 11.1: Occupational classification of the S/T population in the 5 hill districts.

<table>
<thead>
<tr>
<th>Class of workers</th>
<th>S/T population (Districtwise)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ukhrul</td>
<td>Chandel</td>
</tr>
<tr>
<td>1. Total main workers</td>
<td>41,533</td>
<td>30,816</td>
</tr>
<tr>
<td>2. Cultivators</td>
<td>34,064</td>
<td>24,932</td>
</tr>
<tr>
<td>3. Agricultural labourers</td>
<td>279</td>
<td>1,316</td>
</tr>
<tr>
<td>4. Household industry</td>
<td>84</td>
<td>352</td>
</tr>
<tr>
<td>5. Other workers</td>
<td>7,110</td>
<td>4,216</td>
</tr>
<tr>
<td>6. Marginal workers</td>
<td>476</td>
<td>42</td>
</tr>
</tbody>
</table>

Source: Draft Tribal Sub-Plan Seventh Five Year Plan 1985-1990 and Annual Plan, 1985-86, Govt. of Manipur.
Table No. 11.1 above indicates that the largest proportion of the total working force in the hill areas is engaged in agriculture and allied activities. The Tribal Bench Mark Survey Reports of the five hill districts also indicate that about 92% of the tribal families in the hills are cultivators of which 72% are depending still on Shifting Cultivation, also known as 'Jhumming', wholly or partly. 4 Compared with other States of North-Eastern Region, Manipur has the least area available for Jhumming, but it has the largest proportion of the available area exploited for this type of cultivation annually (60%). In the neighbouring States of Nagaland, Mizoram, Tripura and Meghalaya hardly 10 to 12% of the total area available is jhummed at one point of time. Out of the total area of 1,00,000 hectares available for jhumming in this State, 60,000 hectares have been used for the same annually by the tribal families numbering about 50,000. Hence, the average area cultivated per a tribal family has come to 1.20 hectares as against the average of 0.92 hectare for the entire North-Eastern Region. 5

4. Revised Tribal Sub-Plan : 1986-87, Department for Development of Tribals & Backward Classes, Govt. of Manipur, p.2.

Due to difficult terrains in the Hills there is little hope of the tribal people for terraced cultivation. And, as the income derived from the agricultural produce is quite meagre for their subsistence, they engage themselves in collecting minor forest produces and in other household works for earning extra income. The difficult terrains further make transport and communication difficult. Road transport still remains as the only means of transport. Some of the interior regions in the Hills still remain totally cut off from the sub-divisional headquarters and from the important marketing centres. For most of the consumer and essential goods they depend on outside sources.

The transport bottleneck coupled with other unfavourable features such as scattered villages, their climate and topography, sparse population, illiteracy of majority of the people, agrarian based economy at subsistence level, etc. has been responsible for the economic backwardness of these people.

There are few industries and factories in the hill areas excepting loom looms. Therefore, most of the tribal people remain partly as agricultural labourers and partly as non-agricultural labourers and wholly as small and
marginal farmers. As many lands are lying incapable of being exploited for purposes of cultivation, about 7.0% of the tribal households in the Hills operate on no land at all. There is also no household operating land above 12.50 acres of land.⁶

Problems of small sized holdings, lack of irrigation facilities, poor quality of the soil, lack of proper land records, and lack of improved techniques of production improved seeds and fertilizers are also common in the tribal agriculture. The landless agricultural labourers suffer more than the ordinary cultivators. Moreover, rural indebtedness is also not uncommon among the tribal agriculturists. Even though the Bombay Money Lenders Act, 1946 is adopted in Manipur, so far no money lenders have been brought under registration in the Hill areas under the existing Act. Further, the Manipur Agricultural Indebtedness (Relief) Act, 1976 enacted to provide relief to the agricultural labourers, rural artisans, marginal farmers and small farmers from indebtedness cannot benefit the indebted tribals for want of implementation of the Act in the hill areas.

Most of the tribal families in the Hills are also below the poverty line. According to the Tribal Bench Mark Survey Reports of the five hill districts conducted in 1981-82, 47,568 tribal families accounting for 62.4% of the total households of 76,209 in the five hill districts are below the poverty line.  

With the transformation of the subsistence economy of the tribal people into monetised and commercialised economy, the credit requirements of the tribal agriculturists have also increased enormously in recent years. Their credit requirements for agricultural and non-agricultural activities always exceed that for social obligations. Arrangements for providing institutional credit for production purposes have been made by the State Government through the cooperatives and other financial institutions, but the credit provided is inadequate and cannot meet the demand.

The socio-economic conditions of the tribal people mentioned in the foregoing paras clearly brings to the limelight the various problems faced by these people,

which are varied in character and require a multi-pronged approach for their solution. Cooperation is one such approach as can help improve the condition of these people to a considerable extent.

The Beginning of the Movement in Hill Areas:

Recognising the importance of cooperation in the economic life of the rural poor, the Cooperative Movement was initiated in Manipur from the year 1947 when India got her political freedom. Though the Movement in Manipur started since Independence, it could not reach the tribal people in the hill areas until the end of the Second Five Year Plan. Only a small beginning of the Movement was made in the hill areas of the State at the last part of the Second Plan. The initiative of the State Government for speedy expansion of the Movement in these areas was inadequate and, therefore, there was no progress of the Movement in these areas till the end of the Second Plan.

It was only in the year, 1960-61 that the State Government began to take interest in the development of cooperatives in the hill areas. A post of one A.R.C.S. (Assistant Registrar of Cooperative Societies) exclusively for the Tribal Zone was created in the State Cooperative
Department with a view to stimulating the growth of the cooperative movement in the tribal areas of the State.

The Cooperative Movement in the Hills began to make some progress from the beginning of the Third Five Year Plan. By the year 1960-61 there were 99 cooperative societies of all types in the Hills with 5,874 tribals within their fold as against the number of 629 cooperative societies and 38,641 members for the entire State. By the end of the Third Five Year Plan (1965-66), the number of cooperative societies in the Hills increased to 321 and, their memberships to 22,750. As against this, the Valley region had 761 cooperative societies of all types with 45,250 members within their fold. The total figures for the whole State, thus, came to 1092 cooperative societies and 68,000 members. From these figures it is quite clear that, upto the end of the Third Plan, the Hills accounted for less than 50% of the number and membership of cooperative societies in the Valley. The progress of the Movement in the Hills was, thus, quite slow compared to that in the Valley. Meagre financial resources for


development, lack of cooperative leadership and knowledge of cooperation among the tribals and, above all, lack of initiative of the State Government were the main causes of the slow progress of the Movement.

Efforts were made to make up the shortfalls of the Third Plan during the Fourth Plan. During the Fourth Plan considerable stress was laid on the development of cooperatives in the Hills. An expenditure of Rs.4.20 lakhs was made on the cooperative development schemes in the Hill areas during the Fourth Plan. By the beginning of the Plan i.e., by the year 1969-70, there were 306 cooperative societies of all types in the Hill areas of the State. During the Plan, so far 50 service cooperatives, 30 forest labourers cooperatives and 50 labour contract cooperative societies could be organised, bringing the total number of cooperatives of all types to 661. 10 During the Fourth Plan stress was laid on the reorganisation of agricultural credit societies and consolidation and rehabilitation of the other types of societies. Though some progress was made by the cooperatives in the Hill areas, the rate of progress was quite slow.

10. Annual Administration Reports of the Department of Cooperation, Govt. of Manipur (1969-1974).
During the Fifth Plan an ambitious programme was prepared for cooperative development in the Hill areas. An outlay of Rs. 15.23 lakhs was earmarked for development of cooperatives in the tribal areas out of a total Plan outlay of Rs. 91.00 lakhs allocated for the whole State. The allocation of Rs. 15.23 lakhs for the Hills was much less than 50% of the allocation of Rs. 34.37 lakhs for the Valley and that of Rs. 41.40 lakhs for the State level schemes.\textsuperscript{11}

To supplement the normal programme of development under the State Plan schemes as above, a special programme in the name of 'Sub-Plan' was also introduced for the tribal areas under the Fifth Plan. Taking into account the varying conditions in the tribal areas of the State the Sub-Plan was spelt out with a view to yielding economic benefits in the shortest time span and consisted of additional package of programmes for cooperative development. The Sub-Plan under the Fifth Plan envisaged to organise and strengthen the existing cooperative structures in the tribal areas in the line of agricultural credit, marketing, consumer, farming, labour contract,\textsuperscript{11}

\textsuperscript{11} \textit{Fifth Five Year Plan - Sub-Plan for Development of Cooperation in the Tribal Areas of Manipur (1974-75), Department of Tribal Welfare, Govt. of Manipur, March 1974, p. 3.}
transport and forest labourers cooperatives. It also envisaged organisation of industrial and processing cooperatives including cooperative storage, and giving cooperative education and training.

By the beginning of the Fifth Plan there were 300 PACS in the tribal areas of the State with about 30,000 members within their fold. These societies could, however, cover only 45% of the total agricultural families in the tribal areas. They advanced short-term and medium-term loans to the tune of Rs.50.00 lakhs and Rs. 5.00 lakhs respectively. No long-term loans were so far advanced. The tribal cooperatives marketed agricultural produce worth Rs.30.00 lakhs, and distributed 200 MT of fertilizers worth Rs.2.00 lakhs through the existing 25 retail outlets in the Hills. Forest produces worth Rs.150.00 lakhs were also marketed, and consumer goods of the value of Rs.50.00 lakhs were distributed to the tribal families by the year 1974-75.12

The State Cooperative Department implemented the cooperative development schemes separately for the Hills under the Sub-Plan from 1975-76 onwards. Outlays of

Rs.2.50 lakhs and Rs.8.60 lakhs were earmarked for organisation of 10 LAMPS and 5 wholesale consumers societies in 1975-76 and 1976-77 respectively. The schemes continued in subsequent years and an additional sum of Rs.2.10 lakhs was spent for the purpose. Thus, during the Fifth Plan, 50 LAMPS, 6 wholesale consumer societies, 6 poultry cooperatives, 12 primary marketing cooperatives, 26 fruit and vegetable growers' cooperatives, 43 forest labourers cooperatives, 16 primary consumers cooperatives, 8 transport cooperatives and 109 labour contract cooperative societies could so far be organised in the Hill areas of Manipur, bringing the total number of cooperatives of all types to 987 by the end of the Fifth Plan.13 The main development during the Fifth Plan was the reorganisation of the existing 385 PACS into 52 LAMPS in the light of the recommendations of the Bawa Committee. But most of these LAMPS were not financially sound and, therefore, could not fully meet the requirements of the tribals for credit, marketing and consumption.

The amounts overdue against the 52 LAMPS by the end of the Fifth Plan was more than Rs.60.00 lakhs, of which Rs.52.17 lakhs were inherited from the erstwhile

PACS when the latter were amalgamated into LAMPS. This gave a heavy burden on the financial position of the Manipur State Cooperative Bank, the premier cooperative financing institution in the State with the result that neither the LAMPS nor the Bank was in a position to get fresh loan for agricultural operation.

During the Sixth Five Year Plan an outlay of Rs.200.00 lakhs was made on Cooperation under normal State Plan, of which Rs.20.00 lakhs only went to the Tribal Sub-Plan for development of cooperatives in the tribal areas. By the beginning of the Plan there were 1020 cooperative societies of all types in the Hill areas, of which 844 were non-industrial cooperatives and 176 industrial types. In the agricultural credit sector there were 53 LAMPS which aimed at covering as many as 70% of the tribal population in the Hill areas.14 Of these 53 LAMPS only 24 LAMPS were financed by the Manipur State Cooperative Bank and 15 LAMPS by the commercial banks. The remaining 14 LAMPS were yet to be covered by the banks. The amount of overdues against these LAMPS reached the figure of

14. Revised Tribal Sub-Plan : 1986-87, Department for Development of Tribals and Backward Classes, Govt. of Manipur, p.64.
Rs.93.17 lakhs.\textsuperscript{15} The Manipur State Cooperative Bank which adopted about 62\% of the LAMPS was in a very awkward position because of the non repayment of loans by these societies and its overdue position was as high as 90\% (including the overdues accounted by the G.P. level MPCs in the valley).\textsuperscript{16} The most significant development during the Sixth Plan was the establishment of the Manipur Tribal Development Cooperative Corporation in 1978-79. The Corporation was established with the objective of coordinating the activities of the LAMPS and other tribal cooperatives such as consumers cooperatives, marketing cooperatives, forest labourers cooperatives, weavers cooperatives, etc. Another major development during the Sixth Plan was the organisation of the District Supply & Marketing Societies in all the five Hill districts of the State under the Central Sector Scheme. The district societies were to undertake supply of consumer goods and collection and marketing of agricultural and forest produces, but all of them were dealing mainly in consumer items. By the end of the Sixth Plan there were 3,279 cooperative societies of all types in Manipur, of which only 1,150 societies were in the Hills.\textsuperscript{17}

\textsuperscript{16} Ibid., p.160.
\textsuperscript{17} Annual Administration Report 1984-85 of the Department of Cooperation, Govt of Manipur.
Though the Sixth Plan contemplated to make up the shortfalls during the Fifth Plan, much could not be achieved due to paucity of funds and other reasons such as infrastructural inadequacies. Fifty per cent of the tribal population still remained out of the purview of agricultural finance. For want of financial resources most of the LAMPS could no longer supply adequate quantities of essential consumer goods. Their management was also adversely affected as they were working without Managing Directors for some years.

In the marketing sector, the District Supply and Marketing Societies made some progress, but the marketing activities of other primary marketing societies were almost negligible. On the other hand, the Manipur Apex Cooperative Marketing Society could not enter, as an apex level institution, the interior areas in the Hills to undertake marketing of the hill and forest produces due to its financial constraints and infrastructural inadequacies.

In other sectors too, the cooperatives could not make much headway. Thus, in spite of the increased flow of funds in the Tribal Sub-Plans from the normal State Plan and the Central Sector Schemes and Centrally Sponsored Schemes for development of cooperatives in the Hills, the progress of the Cooperative Movement in the Hills still
remains quite unsatisfactory. The distribution of cooperative societies among the five hill districts is also quite uneven. This is evident from the following table.

Table No. 11.2: Districtwise distribution of Cooperative Societies in the Hills of Manipur: No. of Societies in Different Miss Districts (1972-73 to 1984-85).

<table>
<thead>
<tr>
<th>Year</th>
<th>Tamenglong District</th>
<th>Senapati District</th>
<th>Churachandpur District</th>
<th>Ukhrul District</th>
<th>Chandel District</th>
<th>Total (Hills)</th>
<th>Total (Valley)</th>
<th>P.C. of 7 to 8</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972-73</td>
<td>74</td>
<td>189</td>
<td>124</td>
<td>166</td>
<td>-</td>
<td>553</td>
<td>1432</td>
<td>38.5</td>
</tr>
<tr>
<td>1973-74</td>
<td>93</td>
<td>245</td>
<td>143</td>
<td>180</td>
<td>-</td>
<td>661</td>
<td>1629</td>
<td>40.6</td>
</tr>
<tr>
<td>1974-75</td>
<td>92</td>
<td>247</td>
<td>143</td>
<td>180</td>
<td>-</td>
<td>662</td>
<td>1650</td>
<td>40.1</td>
</tr>
<tr>
<td>1975-76</td>
<td>100</td>
<td>281</td>
<td>155</td>
<td>192</td>
<td>128</td>
<td>856</td>
<td>1612</td>
<td>53.1</td>
</tr>
<tr>
<td>1976-77</td>
<td>111</td>
<td>296</td>
<td>162</td>
<td>208</td>
<td>138</td>
<td>915</td>
<td>1733</td>
<td>53.0</td>
</tr>
<tr>
<td>1977-78</td>
<td>114</td>
<td>325</td>
<td>165</td>
<td>218</td>
<td>148</td>
<td>970</td>
<td>1743</td>
<td>55.7</td>
</tr>
<tr>
<td>1978-79</td>
<td>83</td>
<td>333</td>
<td>187</td>
<td>230</td>
<td>154</td>
<td>987</td>
<td>1815</td>
<td>54.3</td>
</tr>
<tr>
<td>1979-80</td>
<td>81</td>
<td>339</td>
<td>189</td>
<td>232</td>
<td>154</td>
<td>995</td>
<td>1844</td>
<td>54.0</td>
</tr>
<tr>
<td>1980-81</td>
<td>83</td>
<td>351</td>
<td>200</td>
<td>229</td>
<td>157</td>
<td>1020</td>
<td>1901</td>
<td>53.7</td>
</tr>
<tr>
<td>1981-82</td>
<td>83</td>
<td>359</td>
<td>201</td>
<td>233</td>
<td>160</td>
<td>1036</td>
<td>1923</td>
<td>54.0</td>
</tr>
<tr>
<td>1982-83</td>
<td>85</td>
<td>373</td>
<td>202</td>
<td>232</td>
<td>162</td>
<td>1054</td>
<td>1980</td>
<td>53.2</td>
</tr>
<tr>
<td>1983-84</td>
<td>86</td>
<td>376</td>
<td>200</td>
<td>234</td>
<td>164</td>
<td>1060</td>
<td>1993</td>
<td>53.2</td>
</tr>
<tr>
<td>1984-85</td>
<td>86</td>
<td>438</td>
<td>206</td>
<td>243</td>
<td>166</td>
<td>1139</td>
<td>2140</td>
<td>53.2</td>
</tr>
</tbody>
</table>

Source: Registrar of Cooperative Societies, Government of Manipur.
Table No. 11.2 above clearly indicates that among the five hill districts, Senapati District has the highest number of the cooperatives, followed by Ukhrul District. Tamenglong District has the lowest number of societies. Indeed, this district is cooperatively the most backward district in the Hills. It is also clear from the table that the total number of cooperative societies in the Hills in each of the cooperative years is much less than that in the Valley in the same year. Upto the year 1974-75 the number of cooperative societies in the Hills accounted for around 40% of the number of cooperative societies in the Valley. And, from 1975-76 onwards the number of cooperative societies in the Hills accounted for a little over 50% of the number of cooperative societies in the Valley. This exemplifies the backwardness of the Hills in the Cooperative Movement relatively to the Valley.

It will also be interesting to know the participation rate in cooperation by the tribal people in the five hill districts of the State. The following table shows the participation rate of the tribal families in the cooperative movement in the five hill districts of the State.
<table>
<thead>
<tr>
<th>District</th>
<th>Year</th>
<th>Total No. of households</th>
<th>Of which No. of households having membership in cooperatives</th>
<th>P.C. of households having membership in cooperatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tamenglong</td>
<td>1982</td>
<td>9,939</td>
<td>295</td>
<td>3.00</td>
</tr>
<tr>
<td>Ukhral</td>
<td>1982</td>
<td>14,751</td>
<td>1745</td>
<td>11.83</td>
</tr>
<tr>
<td>Churachandpur</td>
<td>1983</td>
<td>23,824</td>
<td>1196</td>
<td>5.02</td>
</tr>
<tr>
<td>Senapati</td>
<td>1983</td>
<td>26,920</td>
<td>599</td>
<td>2.20</td>
</tr>
<tr>
<td>Chandel</td>
<td>1982</td>
<td>9,146</td>
<td>184</td>
<td>2.00</td>
</tr>
</tbody>
</table>

Source: Tribal Bench Mark Survey Reports of the 5 Hill Districts, Directorate of Economics & Statistics, Govt. of Manipur.

It is clear from table No.11.3 that of the five hill districts, only Ukhrul District accounted for a little more than 10% of the households in cooperative membership (11.83%), followed by Churachandpur District (5.02%), Tamenglong District (3.0%), Senapati District (2.2%) and, lastly, by Chandel District (2.0%). These percentage figures reveal that more than 90% of the total households
in each of the five hill districts of the State do not participate in the Cooperative Movement. There are several reasons for the slow progress of the cooperative movement in the Hill areas. They are summarised below.

In the first place, the socio-economic and cultural constraints act as stumbling blocks in the Movement. Compared with their counterparts in the Valley, the tribal people in the Hills are more illiterate and conservative in nature even though simplicity and honesty bind them in their social life. Due to abject poverty, illiteracy, traditional outlook and superstition the tribals are apt to be easily exploited and, under these circumstances, the hope for organisation of cooperatives on voluntary basis is quite slim. What is worse is that even the normal course of business methods in cooperatives are rather complicated for the average tribal. Most of the tribal people in the Hills are below the poverty line. In many interior areas of the Hills the tribal economy is still non-monetised. A very common feature in the Hill areas is the essentially agriculture and forest based economy. Agriculture and forest still continue to be the main sources of sustenance. In such an economy savings can hardly be tapped and, therefore, there is always lack of capital formation.
Second, the largely inaccessible areas and widely dispersed tribal villages in the Hills have also been responsible for isolation of the tribal people from the mainstream of modern business world and trends in the social and economic life. As they keep an isolated way of living they are quite ignorant about the banking and cooperative way of business. Due to difficult terrains and inaccessibility in certain areas, even the few cooperatives organised with government initiative cannot be regularly inspected, supervised and guided. As a matter of fact, lack of infrastructural facilities like transport and communication has been one of the important causes for the slow progress of the Cooperative Movement in the Hills. In spite of the richness of these areas in forest and other natural resources, they cannot be properly tapped due to bad transport and communication.

Third, lack of proper land records, non-transferability of tribal land to the non-tribals, difficulties in recovery of loans mainly due to awful topographical features have impaired at least the credit worthiness of the tribal people. The financing banks have, therefore, shown an apathetic attitude towards these people. The exploitation in many forms by the trader-cum-moneylenders, contractors etc. in the absence of adequate institutional
finance has been an important handicap in the rapid growth of the Cooperative Movement.

Fourth, strategic deficiency in the administration of the cooperatives has also been an important cause of the slow progress of the Movement. The strategy of development adopted by the State Cooperative Department lacked harmony, cohesion and drive and was always of ad-hoc nature. In the majority of cases, cooperative development schemes in the Hills have been implemented in a haphazard and hasty manner without taking priorities into consideration. As the local tribal community is not involved in the project formulation, specific problems and requirements of the tribal people have not been adequately reflected in the strategies for development of cooperatives.

Fifth, there is lack of Cooperative leadership in the Hill areas of the State. Good leadership born out of voluntarism is not forthcoming in these areas. Even though the want of Cooperative leadership is a problem for the whole State, it is more acute in the Hill areas.

Sixth, lack of business experience among the office bearers of the tribal cooperatives has also been an important cause of the slow progress of the Movement. Most of
the cooperatives are managed by inexperienced and untrained personnel. In the majority of cases, the cooperatives depend on the outsiders for their management. Non-availability of trained managerial personnel and good leadership has, thus, hampered the progress of the Movement to a considerable extent.

Seventh, there are no proper arrangement for imparting cooperative education and training in the Hill areas. Due to lack of education and training there is always lack of cooperative spirit among the members and office bearers of the tribal cooperatives. Many of them have mistaken the cooperatives as mere institutions for which the Government provides many things including loans. The loans once borrowed are, thus, not repaid in time and, in certain cases, are not repaid at all.

Eighth, inadequate arrangements for timely audit, supervision and guidance by the State Cooperative Department and the reluctance of the departmental personnel to work in the remote Hill areas have also hampered the progress of the Cooperative Movement in these areas. In the majority of cases the cooperative workers who take the programme of cooperation to the tribal population do not possess the knowledge of the latter's corporate
practices and act in the main only as messengers of the Cooperative Department. As most of them lack knowledge of the tribal ways of life, they cannot infuse the basic ideas of modern cooperative movement into the simple and innocent tribal people. The cooperative societies promoted by these cooperative workers have, thus, become more a product of their routine official business than an integral part of tribal life.

SUGGESTION

We have discussed in detail the various problems which have confronted the tribal people inhabiting the Hill areas of Manipur in their attempt to adopt a cooperative way of life. It is clear from the discussion that the people have some special problems of their own unlike those of the people in the Valley. The future development of Cooperative Movement in the Hill areas should, therefore, take into account these special problems of the tribal people. The development of cooperatives in these areas cannot be taken up as an isolated programme. Rather it should be treated as an integral part of the programme of their general economic planning. With this end in view we have to combine all our efforts -
private, cooperative and governmental to accelerate the pace of cooperative development in the Hill areas within the ambit of general economic planning.

Many theories have been advocated for the planned development of the tribals and tribal areas such as (i) the 'policy of isolation', (ii) the 'policy of assimilation', and (iii) the 'middle of the road policy'. Though these theories have merits and demerits of their own, from the point of view of safeguarding the interests of the tribals and of the up-keep of national interest and integrity, the planners should frame the policies and programmes of development of the tribals and tribal areas on the basis of the third approach. This approach which is formulated by Dr. Verrier Elwin is indeed a development over the first two approaches. This approach of development aims at bringing the best things of the modern world to the tribals without destroying their traditional way of life but by activating and revitalising all that is good in it.

Article 46 of the Constitution of India lays down, "The State shall promote with special care the educational and economic interests of the weaker sections of the people, and, in particular, of the Scheduled Castes and
the Scheduled Tribes, and shall protect them from social injustice and all forms of exploitation." In accordance with this policy, the Ministry of Home Affairs and the Ministry of Community Development and Cooperation jointly undertook the programme of setting up 43 Special Multipurpose Tribal Blocks in the most undeveloped parts of Tribal India including Manipur. The Committee on Special Multipurpose Tribal Blocks was also constituted to examine the work and programmes of these blocks. The programme aimed at bringing about rapid improvement in the social and economic standards of the tribal people by selecting specially undeveloped but compact areas for multi-sided development. The schemes of Special Multipurpose Tribal Blocks and Tribal Development Blocks as special programmes for development of the tribals and tribal areas continued up to the end of the Fourth Plan. Next came the special plans for tribal development, known as Tribal Sub-Plans in the Fifth Plan. The idea that the tribal people should not be isolated from the general population has, thus, been gaining ground since Independence. There has been a continuous effort of the Government to develop the


19. The Committee on Special Multipurpose Tribal Blocks was constituted in 1959 by the Govt. of India vide Resolution No.20/170/58-SCT-III, dated the 1st of May, 1959.
hitherto neglected and stagnant economy of the tribals. Today, the history of development of the once-isolated tribal communities has passed through the different stages and, recently, there has emerged the stage of Integrated Tribal Development Approach. The recent approach is based on the integrated nature of development of the tribal economy. Even the Dhebar Commission (1960) went to the extent of saying, "A Society should embrace all the avenues of economic development such as agriculture, animal husbandry, forest and processing, consumer goods, as well as other village industries and handicrafts as a part of an integrated programme of economic development."20

Therefore, while formulating the development schemes for cooperatives in the tribal areas, great care should be taken to ensure that the schemes formulated cover all the avenues of economic development in these areas. The planners are also to see that any plan formulation does not lead to over-administration in these areas.

Different tribal communities in different regions have varying socio-economic conditions of their own. In

20. Elwin, Verrier (ed), op.cit., p.82.
any case, therefore, the approach to tribal development should not be rigid. Rather it should be flexible in strategy. An All India pattern or approach or, in other words, macro-level planning should not serve as a uniform prescription for all the tribals and tribal areas in the country. For, different tribal communities in different regions depict different socio-economic situations. So, before application of the development schemes the varying conditions are to be explored first and, a suitable approach to planning be applied. The approach to cooperative development in the tribal areas of a particular region or State will, thus, depend on the nature of distribution of the tribal people inhabiting the areas, their needs, and the level of their economy.

As a matter of fact, one of the main reasons for the failure of the Cooperative Movement in the Hills of Manipur has been the application of the pattern of organisation suitable for the Valley areas in these tribal and Hill areas. The disparity in the cooperative development existing between the Hills and the Valley of this State may, however, be reduced to a large extent through the application of a suitable flexible approach of planning. Any change or innovation in cooperative development policies which has been of immense use in the Valley may sometimes
be unsuitable for the Hill areas. A rigidly standardised pattern or approach should not, therefore, be followed for the Hills. The pattern or approach of development should be allowed certain amount of flexibility to suit the local conditions in the Hill areas.

Keeping in view the above observations, the following considerations deserve special attention for rapid development of the Cooperative Movement in the Hill areas of Manipur:

(1) For the smooth operation/conduct of the cooperatives in the Hill areas, there must be simplification of procedures. The rules and norms for operation of the societies should be so simplified as to enable the average tribal to grasp them easily. Recognising the importance of the simplification of procedures the Committee on Special Multipurpose Tribal Blocks observed, "The plans for tribal welfare need to be very simple. It is important, at least in the initial stages, to concentrate on a few selected programmes, that have a vital bearing on the felt needs of the people, so as to secure ready understanding and willing participation on the part of the tribals." 21

(2) Removal of the present infrastructural inadequacies will help the expansion of the cooperative network in the Hill areas. Efforts should, therefore, be made for linking the important cooperative centres in the Hills with the District and sub-divisional headquarters.

Transportation of goods from the capital town to the interior areas in the Hills and that from the latter to the former may be facilitated by providing substantial transport subsidies to the cooperatives. Arrangements for supply of transport vehicles to the good working societies like LAMPS and the District Supply and Marketing Societies should also be made. In the future the location of the newly organised societies should be so planned that they are situated near public places of the tribal people such as weekly markets, religious shrines, etc.

Absence of proper godowns and storage facilities for the cooperatives has been one of the constraints to cooperative development, especially in the marketing and processing sectors. The State Government should, therefore, evolve a sound storage policy and a chain of well built godowns and marketing sheds should also be made in the Hill areas. The marketing sheds should be constructed, as far as possible near the road side hats.
(3) The indebtedness of the tribal people in the Hill areas must be removed as far as possible, through adoption of the method of Debt Relief Operations on the one hand and through improvement of their economic conditions by encouraging the habit of thrift. The Manipur Agricultural Indebtedness (Relief) Act, 1976 should be extended and implemented in the Hill areas along with the registration of the Scheduled Tribe money lenders in the Hill areas under the Bombay Money Lenders Act, 1946 as is in force in Manipur.

There is also the need for opening financing banks at the door of the tribal people in the Hill areas. The Manipur State Cooperative Bank as the apex institution of the Agricultural Credit Sector should open its branches, at least one in every district or sub-divisional headquarters of the five hill districts so that the tribal cooperatives may not go to a multiplicity of sources for finance. And, in the case of absence of such branches of the Bank or of any commercial bank the State Government may sympathetically consider to organise a Cooperative Financing Corporation for the tribal areas in the model of the Girijan Cooperative Corporation of the Girijan farmers of Andhra Pradesh. The Conference of the Registrars of Cooperative Societies held at New Delhi in
September, 1971 recommended the formation of such a corporation in the cooperatively underdeveloped tribal areas. The proposed Corporation, in addition to the normal functions of providing production finance, may also arrange for marketing of minor forest products in the tribal areas. The Manipur Tribal Development Cooperative Corporation established in 1978-79 may play the role of such a Corporation.

Although the Manipur Tribal Development Cooperative Corporation was established in the year 1978-79, its actual functioning started from the year 1984-85 for paucity of its working funds. It is, therefore, necessary to strengthen the financial position of this Corporation through State and Central assistances. The Corporation should coordinate the activities of the LAMPS, District Supply and Marketing Societies and other tribal cooperatives in the Hills.

(4) In view of the large potentiality of horticultural production in the Hill areas of the State, there is need for organisation of new horticultural cooperative societies

and processing societies in these areas. Besides, the people in these areas can also take up other new schemes such as poultry farming, piggery, duckery, fishery, dairy, etc. on cooperative lines provided that necessary financial assistance and technical knowledge are provided to them. The number of other types of cooperatives such as Forest Labourers Cooperatives, Labour Contract Cooperatives should also be increased so that the surplus manpower available in these areas may be gainfully employed. However, in view of the widely dispersed small villages in these areas, care should be taken to ensure that a group of small villages has only one viable and strong society.

(5) The existing LAMPS in the Hills have not fulfilled the expectations of the tribal people. Similarly, the District Supply and Marketing Societies have also not been able to achieve their avowed objectives. Financial constraints are the main causes of the weakness of these societies. A programme of revitalisation of these societies should, therefore, be taken up before their conditions worsen. The following measures will help improve the conditions of these societies.

(a) Share-capital grant can be provided to the LAMPS so as to enable them to purchase shares of the District
Supply and Marketing Societies. Similar share capital grant may also be provided to the District Supply and Marketing Societies in order to enable them to purchase shares of the Manipur Tribal Development Cooperative Corporation.

(b) Certain amounts of outright grants may also be made to the LAMPS to enable them to clear their old liabilities to the Manipur State Cooperative Bank through the door of the latter.

Side by side, the Manipur State Cooperative Bank and other commercial banks should be insisted upon to finance and adopt the existing LAMPS not yet covered by them.

(c) Full time paid managers/secretaries must be appointed for these societies and managerial subsidy be granted on a sliding scale until they can stand on their own legs.

(d) In the areas where the District Supply and Marketing Societies do not operate the LAMPS should take up consumer as well as marketing activities besides providing production finance. As regards the procurement of supplies of consumer and essential commodities the Manipur Tribal
Development Cooperative Corporation should ensure regular flow of supplies to the LAMPS and the District Supply and Marketing Societies. The Corporation should also act as the main agency to make bulk purchases of the marketable surplus available with the LAMPS and the district societies, and arrange to find ready markets for the surplus farm and forest produce thus procured. And, for facilitating transportation of the marketable surplus the Corporation may purchase transport vehicles with the assistance from the NCDC. Transport subsidy should also be given to the Corporation and its affiliated LAMPS and District Supply and Marketing Societies on the basis of the rates admissible to the Food & Civil Supplies Department of the State Government.

(e) In order that the cooperative distributive network reaches the interior areas in the Hills, the scheme for opening mobile fair price shops should be introduced in these areas with the District Supply and Marketing Societies as the lead societies and the LAMPS as link societies.

(f) Formation of new primary marketing societies in the Hills may involve heavy costs and may also be inconvenient in view of the scattered villages and sparse
population. The LAMPS may, therefore, take up the works of marketing in the areas where the District Supply and Marketing Societies cannot enter to undertake marketing of hill produces.

(6) Lack of certain amenities of life and many natural handicaps such as isolation, difficult terrains, extreme climates and inhospitable living conditions have also retarded the progress of the Cooperative Movement in the Hill areas in two ways - reluctance of the departmental personnel to work in these areas and non-production of local talents or leadership.

Therefore, special incentives in the form of enhanced rate of T.A., D.A., etc. or in the form of some compensatory allowance should be provided to these personnel posted in remote Hill areas. And, to produce local talents and leadership, local tribal people should be trained in cooperative leadership, management and administration.

(7) To arouse mass consciousness among the tribal people there is need for widespread cooperative education and training in the Hill areas. The member education programme conducted by the Manipur State Cooperative Union and the
training facilities given by the Manipur Panchayati Raj and Cooperative Training Institute, Imphal cannot benefit the tribal people in the Hill areas.

It is, therefore, suggested that more peripatetic units of the Cooperative Union are opened and that more tribal trainees are taken in by the Cooperative Training Institute. A separate training programme exclusively for the tribals should be arranged in the tribal areas so as to intensify the programme of cooperative education in the Hill areas. Scheduled Tribe Cooperative Education Instructors should be appointed and posted to these areas. Besides, other measures for widespread cooperative education such as, inclusion of 'cooperation' as a subject in the curriculum of schools and colleges, inter-school and inter-college debating competitions on cooperation, etc. should also be initiated with the help of the State Government. These arrangements will prove helpful in producing local talents and enlightened membership which are essential ingredients for the success of the cooperative movement.

(e) The recommendations of the Dhebar Commission appointed by the Government of India in April, 1960 under Article 339 of the Constitution, which emphasised, among
other things, the coordination and cooperation of the
different departments of the Government with the Coopera-
tive Department in an attempt to bring about an integrated
development of the tribal areas still sound much. These
recommendations must be attended to while formulating
any cooperative development scheme in the Hill areas of
the State.

To sum up, any development plan for cooperatives
in the Hill areas of the State should be of a long-term
nature, although the need for short-term development is
not lost sight of. As these areas suffer from many natural
handicaps the investment criteria to be adopted for these
areas must be one of Social Marginal Productivity rather
than Private Profitability criteria. But the application
of such an investment criteria should not rule out the
possibility of self-sustained economy of the tribals. It
is true that the Government has to make substantial invest-
ments in the Plans for the development of the tribals and
tribal areas. Many things have to be done for solving
the fundamental problems of these people. But a great
difficulty that seeks an urgent solution is the problem
of non-credit-worthiness of the tribal people in the real

technical sense. In view of the primitive method of cultivation, the tribals in the Hills of Manipur are not credit-worthy in the sense that they cannot offer tangible security for credit. As the lands cultivated by them belong to the tribal community and as there are no proper land records they cannot offer the lands as security for loans. They can offer only personal sureties and, therefore, in many cases, they are deprived of the facilities of institutional finance. The facilities of institutional finance usually flow to the persons who can hypothecate their tangible securities.

It is, therefore, necessary to relax the lending rules by the financial institutions so far as the flow of credit to the Scheduled Tribe and other weaker sections is concerned. It is desirable that the financial institutions make proper arrangements for advance of production credit to these people even on the basis of their personal sureties till such time when the Hill areas of the State are surveyed and proper land records are made available for these areas.

As most of the tribal problems discussed in the preceding paras are area-specific in nature, there is an urgent need for spatial planning of the tribal economy,
which requires democratic decentralisation as the main process of planning. Cooperative development programmes in the Hill areas of Manipur should necessarily be based on such a methodology of planning. As the tribal society is multi-ethnic, multi-lingual and multi-cultural and as their social and economic structures are also group specific there is the need for micro-level spatial planning of cooperatives in the Hill areas. Such a decentralised type of cooperative planning will not, however, mean a disaggregation of targets and resources at different levels. Rather, it would imply planning to be undertaken at each level independently but to be matched and fitted together at each level for a unified plan action.

As a matter of fact, the progress of the Cooperative Movement in the Hill areas of the State in the past few years was thwarted much by the ordainment of the same structure and the same laws for the cooperatives both in the Valley and in the Hills of Manipur. We cannot but admit the view of our late Prime Minister, Shrimati Indira Gandhi who observed, "The most critical input for tribal development is the quality of administration. The socio-economic conditions of the tribals vary considerably from one area to another and from one community to the other. Administrative conventions, evolved over long periods in
the past with reference to local situations have been superseded by uniform procedures creating adverse effects on the tribal population. The super-imposition of general administrative structure, evolved for advanced areas, on the simple tribal areas, has resulted in considerable confusion. There is over-specialisation, avoidable duplication, lack of coordination and diffusion of responsibility. As protective and developmental functions can be hardly distinguished in most of these areas, bifurcating of the development and the regulatory function is premature. The simple tribal situation needs a simple administrative structure within the comprehension of the people. 24

The present situation in this State requires the cooperative structure adapted to the local customs, traditions and behaviour of the tribal people. It would be futile trying to adapt these people to a pre-conceived cooperative structure, conceived primarily for developed areas. Formation of new cooperatives in the tribal areas should, therefore, be preceded by a preliminary study or survey of the local conditions and also by extension of preliminary education work for the tribal people. As

24. N.C.U.I., All India Conference on Role of Cooperatives in the Development of Hill Areas and Hill States (January 30-31, 1976), - Background Papers, p.79.
noted earlier, cooperative education has to be an integral part for organisation of cooperatives in the Hill areas. The policy of giving education and training at the door of the member and inplant training should be implemented. And, for successful implementation of the education programme a State Level Coordination Committee may be formed to guide and promote the cooperative education programmes for the tribal areas. The Seventh Indian Cooperative Congress (5 to 7 February, 1976) recommended, among other things, special training and education programmes for the personnel working in these tribal cooperatives, strengthening of the State Cooperative Unions financially and operationally, special leadership education programme and organisation of district cooperative unions where necessary, all aimed at promotion of cooperatives in the hills and tribal areas.25

In the ultimate analysis, the success or otherwise of the Cooperative Movement in the Hill areas will depend upon the voluntary efforts of the people themselves. No doubt, the State Government has to motivate them through systematic education, arouse in them the spirit of cooperation and guide them to form cooperatives of their own,

and supervise over their working until such time when good
cooporative leadership emerges locally. But after the
cooporatives have attained their efficiency and are able
to stand on their own legs, the Government need not nurture
them any further. They should be left free to go on their
own without any State support. This policy is like follo-
wing the pattern of character moulding of the young chil-
dren of a family by the head of the family. The children
are to be taught how to be honest and sincere in their
dealings and hard working in their pursuits and coopera-
tive in action to go on the way to progress. Quite
desirably, the tribals in the Hill areas possess the
quality of honesty which is the very essence of character
and one of the ingredients of cooperative philosophy. So,
it will not be hard for the Government too, to educate them,
guide them and, thus, show them the way they have to follow
in their common endeavour. This would be like the process
of development which was once emphasised by the Study Team
on Tribal Development Programme (Shilu Ao Committee) appoin-
ted by the Government of India. The Committee remarked,
"In the ultimate analysis, Cooperation is founded on
character; if there is one, think the average tribal
possesses an ample measure; it is the virtue of honesty
which is the essence of character. If cooperation has
not succeeded in this context, the reason for the failures is to be sought in factors other than those touching the honesty of the tribal.  