CHAPTER XII

CONCLUSION: TOWARDS A HEALTHY
COOPERATIVE MOVEMENT

The Cooperative Movement in Manipur which was
officially introduced in 1947 now completes four decades.
No doubt, the Movement began to make some progress from
the beginning of the Third Five Year Plan. But, it
cannot still fulfil the high hopes and aspirations of
the people of the State for solving the gigantic problem
of removal of rural poverty.

By the end of the Sixth Plan there have been so
far 3,279 cooperative societies of all types in Manipur
with a total membership of 2,99,668. These cooperatives
have covered almost each and every village of the State
and their members have accounted for about 21.42% of the
total population of the State. Functionally, they have
covered a wide range of economic activities such as credit,
marketing, consumer and others. Looked at from this angle,
the Cooperative Movement in Manipur may be said to have
provided at least certain basic services to the people
of the State. Yet, in terms of coverage of the population
and the quantity and quality of services rendered by the
cooperative societies, the Cooperative Movement in Manipur
still lags behind its counterparts in some of the more
advanced States in the country.
By and large, the Movement is having a two-tier structure - the primary cooperative societies at the base level and the state level societies at the apex level, though recently, district level societies in the name of District Supply & Marketing Societies have been organised in the five hill districts of the State. Most of the cooperative societies at the base level of the structure are inactive. The apex level societies too, excepting a few, are not functioning properly. In no case, therefore, the two-tier cooperative structure in Manipur can be regarded as strong. Moreover, the growth of the Movement is also uneven and stunted in the sense that, compared to the Valley the Hills of the State are cooperatively much backward.

Though the scope of the Movement was previously confined mainly in the Agricultural Credit, in recent years, Non-Agricultural and Non-Credit Cooperative Societies have also entered the area of the Movement. Not only there has been increase in the non-credit activities of the societies but the Credit Societies have also taken themselves to non-credit activities with an aim of providing multiplicity of services to the members. The multipurpose idea has, thus, gained some momentum in the past few years.
In the Agricultural Credit Sector, many measures have been taken up for development of the sector. Arrangements have been made for providing managerial subsidy, share-capital contribution, agricultural credit stabilisation fund, etc. to the Manipur State Cooperative Bank, the apex level institution of the credit structure. Besides, arrangements have also been made for providing the PACS with proper godowns of 100 Metric Tonne capacity under the NCDC scheme. A breakthrough in the development of the Agricultural Credit Sector has also been made by introducing Agro-Service Centres under the NCDC scheme. As a policy of the Government of India and the NABARD, the State Cooperative Department has so far reorganised the existing 664 PACS into 98 G.P. level MPCs in the Valley and 53 LAMPS in the Hills and also started construction of godown-cum-consumer shops for these societies with the assistance obtained from the NCDC. It is contemplated to cover all the G.P. level MPCs and the LAMPS by the Agro-Service Centres by the end of the Seventh Plan. The Manipur State Cooperative Bank and nationalised commercial banks have been adopting these agricultural multipurpose cooperative societies (G.P. level MPCs and LAMPS) since the functioning of these societies. Alongside, to accelerate the development of the Cooperative Movement especially in the Hill areas, the State Government has formed the Manipur Tribal
Development Cooperative Corporation. The Corporation aims at linking of all the tribal cooperative societies in the Hills of Manipur.

In spite of all such measures the Agricultural Cooperative Credit Structure in the State still remains weak. Many of the PACS (G.P. level MPCs and LAMPS) do not function properly and are burdened with overdues. It will be surprising to note that loans amounting to Rs.272.33 lakhs were standing overdue against these societies at the end of the Sixth Five Year Plan.

In the Consumer Sector, the Manipur State Consumers Cooperative Federation at the apex level of the consumer cooperative net-work in the State is carrying out distribution of consumer and essential goods in the Valley areas of the State along with its affiliated primary consumer stores. Besides, some of the G.P. level MPCs are also undertaking such distribution works. In the Hills, in a bid to make the distribution and marketing net-work active and more even in the interior areas, the District Supply & Marketing Societies have been encouraged to take to such activities in a large magnitude. These societies have also been assigned the role of collection and marketing of agricultural and forest produces in the Hill areas.
Thus, in the Hills, the Manipur Tribal Development Cooperative Corporation at the apex level, the District Supply & Marketing Cooperative Societies at the district level and the LAMPS at the base level, form the trinity of cooperative network in the fields of agricultural credit, consumer and marketing activities.

In the Marketing Sector, particularly in the Valley, the Manipur Apex Marketing Cooperative Society, the apex level marketing institution has been assigned the responsibility for procurement and distribution of agricultural inputs for the whole State. There are few marketing cooperatives at the base level of the marketing structure and their activities with respect to marketing of agricultural produces and distribution of agricultural inputs are insignificant. The G.P. level MPSCs in the Valley and the LAMPS in the Hills have also been entrusted the work of marketing and distribution in a bid to link credit with marketing. Though much is contemplated in the line of marketing and linking of credit with marketing, no remarkable progress can so far be achieved.

In the Industrial Sector, especially in the Handloom sector, the Manipur State Handloom Weavers Cooperative Society, the apex level institution of the weavers cooperatives,
has been carrying out the distribution of yarns and handloom appliances to its affiliated primary weavers societies and the marketing of finished products of the latter. The society, however, cannot fully meet the requirements of the primaries for their yarn and other inputs due to its financial constraints and organisational weakness. On the other hand, most of the primary societies are also weak and unviable and, therefore, cannot produce adequate quantities of quality handloom products for sale within and outside the State through the door of the apex society.

Similarly, in other sectors too, no satisfactory achievements can so far be seen. The most awkward experience of the Cooperative Movement in this State is that the Movement is not only having a stunted growth but its growth is also uneven. As noted earlier, compared to the Valley, the Hill areas of the State which account for nine-tenths of the geographical area of the State are cooperatively much backward. Up to the end of the Sixth Plan, the cooperatives in the Hills of Maniour account for about 50% of the number of cooperatives in the Valley, that is to say, the participation rate of the tribal people in the Hills in cooperation is very less. The progress of the cooperatives in the Hill areas is much less than that of the cooperatives in the Valley.
On the whole, although the Cooperative Movement in Manipur made considerable progress in terms of the growth of the number of societies of various types, many of the societies could not function satisfactorily. For instance, during the year ending 31-3-1986, as many as 349 societies had to be liquidated as they had no prospect of improvement.

It is an undeniable fact that the cooperative societies have received moral and financial support from the Cooperative Department and the State Government. In fact, the cooperative societies of various types and at various levels get supports from the State Government as also from other agencies and the Central Government by way of subsidies, share-capital contributions, loans, etc. The existing State Cooperative Societies Act in Manipur has also provided special concessions to the cooperative societies of the State in the form of exemptions from income tax, excise duty, stamp duty, registration fee, etc., though not complete exemption is yet enforced in the case of income tax and excise duty. It cannot, therefore, be said that the State Government has not done anything to support the Cooperative Movement in the State. The reasons for the slow progress of the Cooperative Movement in Manipur is to be sought not only in the inadequacy of State support but elsewhere as well.
The failure of the Cooperative Movement in many states of the country is often attributed to the fact that the movement came into being as a voluntary movement of the people. Of course, it is true that the cooperative movements in many advanced countries of the world sprang up spontaneously from the side of the people themselves and became successful movements. Such a consideration does not, however, rule out the possibility that the cooperative movements in the countries where they did not make their appearance in a spontaneous and voluntary manner will become successful movements. As a matter of fact, there are many countries in the world where cooperative movements still flourish in spite of their emergence through external stimuli. In most of the developing countries of the world, cooperative movements are making rapid strides through external stimuli and under the umbrella of state patronage and state aid. India is not an exception to this.

Following the mainstream of cooperative development programmes in the country, the State of Manipur made varying doses of financial outlays on Cooperation from the beginning of the Plan era. The table given below (Table No.12.1) shows the financial outlays made on Cooperation during the Plan era from 1951-52 to 1984-85.
<table>
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<tr>
<th>Sl. No.</th>
<th>Head of Development</th>
<th>1st Plan (1951-56)</th>
<th>2nd Plan (56-61)</th>
<th>3rd Plan (61-66)</th>
<th>Ad-hoc Plan (66-69)</th>
<th>4th Plan (69-74)</th>
<th>5th Plan (74-79)</th>
<th>6th Plan (80-85)</th>
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<tr>
<td>1</td>
<td>Agriculture &amp; allied Services</td>
<td>6.30</td>
<td>109.51</td>
<td>190.97</td>
<td>125.97</td>
<td>356.42</td>
<td>1177.00</td>
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<td></td>
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<td>(4.0)</td>
<td>(17.52)</td>
<td>(14.83)</td>
<td>(12.44)</td>
<td>(11.78)</td>
<td>(18.22)</td>
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<td>0.40</td>
<td>12.11</td>
<td>18.21</td>
<td>11.97</td>
<td>50.58</td>
<td>89.00</td>
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<td></td>
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<td>(0.3)</td>
<td>(1.94)</td>
<td>(1.41)</td>
<td>(1.80)</td>
<td>(1.67)</td>
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<td>115.00</td>
<td>424.88</td>
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<td></td>
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<td>(7.7)</td>
<td>(7.20)</td>
<td>(9.27)</td>
<td>(11.35)</td>
<td>(14.05)</td>
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<td>117.22</td>
<td>482.00</td>
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<td></td>
<td>(0.4)</td>
<td>(2.09)</td>
<td>(3.84)</td>
<td>(4.34)</td>
<td>(3.88)</td>
<td>(7.46)</td>
<td>(8.33)</td>
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<td>5</td>
<td>Transport &amp; Communication</td>
<td>91.89</td>
<td>215.46</td>
<td>441.00</td>
<td>428.60</td>
<td>1170.85</td>
<td>1305.00</td>
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<td></td>
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<td>(59.3)</td>
<td>(34.47)</td>
<td>(34.25)</td>
<td>(42.32)</td>
<td>(38.71)</td>
<td>(20.20)</td>
<td>(14.79)</td>
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contd....
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<th>Economic Services</th>
<th>General Services</th>
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<td>6</td>
<td>43.70 269.35 467.87 260.20 897.05 175.00 6670.00</td>
<td>- 0.62 1.75 27.84 8.00 47.00 165.00</td>
<td>- - - - - 238.00 520.00</td>
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<td></td>
<td>(28.2) (36.69) (36.34) (25.69) (29.65) (18.19) (27.79)</td>
<td>(0.09) (0.14) (2.75) (0.26) (0.73) (0.69)</td>
<td>(3.68) (2.17)</td>
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Grand Total: 154.89 625.11 1287.56 1012.82 3025.00 6460.00 24000.00

Figures in brackets indicate the percentages.

Sources:
It is evident from the above table (Table No. 12.1) that the State Government began to make small outlays on Cooperation from the beginning of the First Five Year Plan. However, compared to the outlays made on other sectors of the economy of the State such as Agriculture, Industry, Transport and Communication, the outlays made on this sector are quite meagre. The sectoral investment made on Cooperation thus accounts for a very small percentage of the total expenditure made on all sectors of the economy of the State taken together. It is alarming to note that the percentages of outlays on Cooperation to the total plan outlays stood at 0.3, 1.94, 1.41, 1.67, 1.38 and 0.75 during the 1st, 2nd, 3rd, 4th, 5th and 6th Plan respectively.

Inadequacy of funds allocated on Cooperation vis-à-vis other sectors of the economy of the State is, thus, one of the important causes of the slow progress of the Cooperative Movement in Manipur. Besides, the non-comprehensive and unstable policy of the State Government in the formulation and implementation of cooperative development programmes for the State has also been responsible for the stunted growth of the Movement. It is observed that even when Cooperation has become a state subject, the State Government still depends on the dictates of the
Central Government for the formulation and implementation of its cooperative development programmes, without giving due consideration to the applicability of the Central policies and programmes to the local conditions of the State and without attempting to evolve its own cooperative development policy. Different sectors of the Movement have different causes of their weakness and, these have been explained in detail in the foregoing chapters. Yet, there are some common causes which have checked the progress of the Movement. Majority of the population of the State are still illiterate, ignorant and conservative and, as such, they cannot adapt themselves to new innovations in cooperative system. Good cooperative leadership which is the sine-quo-non for the success of the Cooperative Movement is quite wanting in this State. This is primarily due to the fact that the Cooperative Education Programmes undertaken in the State are inadequate. Though much is contemplated in this regard by the Manipur State Cooperative Union, the apex level non-official organisation of the Cooperative Movement in Manipur, the Union is not as strong as to enable it to extend the benefits of co-operative education to all the members of the cooperative societies, not to speak of the people in general. The members of primary cooperative societies are, thus, not fully conversant with the principles of cooperation. Hence,
there is always lack of participation by the members in the affairs of their cooperatives. The situation prevailing in most of the societies is that only a few enlightened members on the Boards of Management of the societies become all-in-all in the business of the societies. The ultimate outcome is, thus, existence of vested interests in the societies. Irresponsibility and lack of dedication are the common characteristic features of a large number of Directors on the Boards of Management of the societies and of the paid managers, who are at the helm of management of the societies. Not only this, from the Departmental side also, the departmental personnel who are responsible for inspection, supervision and guidance of the cooperative societies, are perfunctory in nature. There is also insufficiency of staff in-charge-of audit for the societies. Therefore, heavy arrears of audit has become a regular feature of many societies both at the base level and at the apex level.

Instead of the cooperative officials' laying stress on the non-official character of the Cooperative Movement, and encouraging the peaceful and democratic working of the cooperative societies, they have gone to the extent of over-officialising the cooperatives. Such an attitudinal behaviour of the official personnel stems from politicalisation
or politicisation of cooperatives by the petty politicians in the State. Politicisation or politicalisation can do nothing better than infecting the society. The moment politicalisation has entered into the domain of cooperatives, it starts to paralyse the whole working of the society concerned.

Therefore, if the Cooperative Movement in Manipur has to play a big role as an instrument of economic development of the State, especially in the upliftment of the rural and urban poor, it has to be remoulded and revitalised. Indeed, there will be a bright future of the Movement if a multipronged attack is made on the problem of cooperative backwardness. The main lines of attack may be identified as under.

1. Revamping of the Agricultural Credit Movement:

Revamping of the Agricultural Credit Movement in the State is the first step to be taken. This calls for an all-out effort on the part of the State Government, the Cooperative Department and the cooperative credit institutions. There must be a proper coordination between the credit institutions and development departments like Agriculture, Irrigation Department etc. The area of
operation of the PACS (the G.P. level MPCS and LAMPS) should be better confined to only 3/4 small villages so as to achieve the objective of social cohesion and unity among the members. As the number of marketing and consumer societies at the base level of the two-tier cooperative structure is inadequate the PACS must, in course of time, take to multiplicity of functions such as marketing and consumer activities. As the Manipur State Cooperative Bank is the premier financing institution of the cooperative credit structure in the State, arrangements should be made for strengthening its financial resources. Since this apex bank cannot meet all the financial requirements of the PACS, the nationalised commercial banks and the rural banks should be encouraged to finance them. There must be close coordination and cooperation between the PACS and the Manipur State Cooperative Bank. The loans to be advanced to the members of these PACS should be linked up with the production plans of the individual borrowing members and, necessary monitoring should be taken up to ensure proper utilisation of the loans and to facilitate quick recovery. The PACS should also take up the scheme of linking of credit with marketing by making the borrowing members obligatory to sell their surplus produce to them. This will help in quick recovery of overdue loans.
The programme of revitalisation of the PACS should be undertaken simultaneously with the rehabilitation programme of the Manipur State Cooperative Bank. Recovery of overdues must be a prime task of the Bank for such a programme. A proper rapport should be established between the Bank and the PACS for an intensive recovery drive. The Bank's recovery staff should be assisted in every possible way by the Managing Committee members of the PACS. The Government should also render all possible helps in this regard. The long standing overdues such as loans falling overdue for more than 5 years may be treated as Blocked Account and, for this necessary approval should be obtained from the NABARD. This may relieve the Bank of its mounting overdues to some extent. When persuasion fails to make any good impact, coercive action must be taken against the wilful defaulters by fixing the time limits for disposal of arbitration cases and denying them the rights to continue as members/office bearers of the societies.

Alongside, the Bank should increase its membership in terms of cooperative societies, strengthen its internal resources through increased share capital contribution and deposit mobilisation, streamline its loaning policy and procedures. To meet the changing needs of the agriculturists the Bank should amend its Crop Loan Rules from