CHAPTER-II

REVIEW OF LITERATURE RELATING TO
DISTRICT CENTRAL CO-OPERATIVE BANK

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CHAPTER-II

REVIEW OF LITERATURE RELATING TO
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2.1. INTRODUCTION

Rural development has been recognized as an important strategy for expediting the process of development in developing countries. Because of the predominant agricultural nature of these countries, the process of rural development is inextricably linked with agricultural development.\(^1\)

In India nearly 80 per cent of the population lives in rural areas and agriculturists and agricultural laborers constitute about 70 per cent of the country’s working population. In a country where the agricultural sector contributes nearly 40 per cent of National Income, provides employment to 69 per cent of population and accounts for about 40 per cent of the total export earnings, the role of agriculture in the country’s economy need not be underestimated. Agriculture contributes to the growth of political and economic democracy, provides productive employment and makes a provision of food and fiber for a growing population\(^2\). The existence of substantial agricultural surplus is a pre-condition for industrial development\(^3\). The All India Rural Credit Review Committee is of the opinion that the agricultural sector would alone act as a catalyst in breaking the vicious circle of poverty\(^4\). In fact, the progress of the country hinges on the performance and prosperity of agricultural sector. Therefore, agriculture tends to receive the most attention in any programme of rural development\(^5\).
Development of agriculture in India, as in other developing counties, depends upon many factors like agrarian reforms, supply of fertilizers and seeds. Another important factor is the provision of credit facilities. The implementation of Intensive Agriculture District Programme, Intensive Agriculture Area Programme, High Yielding Variety Programme and introduction of a new technology with prospects of higher rates of return on capital has thrown upon increasing demand for external finance. Under the impact of the new technology and increasing commercialization, farming has become costlier. The demand for modern inputs has increased considerably and consequently, the credit requirement of the cultivators has shot up substantially. Hence, the provision of credit to farmers has become one of the most important pre-conditions for the progress and development of Indian agriculture.

2.1.1. AGRICULTURAL CREDIT STRUCTURE IN INDIA

The credit needs of the Indian farmers are met by institutional and non-institutional agencies. The institutional agencies consist of the Commercial Banks, Regional Rural Banks, Co-operatives and Government, Agencies. The non-institutional agencies comprise money-lenders, indigenous bankers, landlords, traders, commission agents, friends and relatives. But the non-institutional agencies are not beneficial for the farmers due to their high interest rates.

2.1.2. CO-OPERATIVES

Among the institutional agencies providing credit to rural sector, co-operatives play a major role. Co-operatives are one of the essential institutional infrastructures underpinning and contributing to the development
and modernization of Indian agriculture\textsuperscript{9}. Co-operation, an economic miracle of the Nineteenth Century\textsuperscript{10}, is not a mere slogan in the present era\textsuperscript{11}. It is one of the potent instruments to resolve the socio-economic problems of mankind not by resorting to revolution but through a process of mutual and co-operative effort. Emphasizing the importance of co-operation Hall and Watkins observed: "In working with others for the common good, man's highest qualities are enlisted and developed; and in the employment of these qualities the man himself becomes a better man and the quality of the human race is improved"\textsuperscript{12}. Thus, co-operation raises the peoples' standard both materially and morally. Because of these advantages, the roots of co-operation have spread wide and deep both in the developed and developing nations. As the I. L. O. Yearbook for 1933 noted, "In some countries co-operation is used as an instrument for developing a backward economic system; in other more advanced form of economic activity and is therefore, entrusted with new responsibilities in being associated with tasks of public importance"\textsuperscript{13}.

Since co-operation has received a lot of attention and experimentation all over the world, it is necessary to understand the term properly to study its salient features and trace its genesis at the global level, but more particularly in India.

2.1.3. CONCEPT AND MEANING OF CO-OPERATION

"Co-operation" is derived from the Latin word "Co-operari". 'Co' means 'with' and 'operari' means 'to work'\textsuperscript{14}. In other words co-operation means working together with others for a common purpose. Co-operation as "an association of a number of persons for a common benefit
especially in carrying on some branch of trade or industry, the profit being shared, as dividend among the members

In other words, co-operation is a joint or collective action of people directed towards some specified goal in which there is common interest of hope of getting some reward. Such co-operation may be voluntary or involuntary, direct or indirect, formal or informal, but always there is a combination of efforts toward a specific end in which all the participants have a stake, real or imagined.

The history of modern civilization is, in fact, the history of co-operation, for without it, social and economic progress would not have been possible. Man is now considered to be essentially co-operative rather than aggressive.

2.2. DEFINITION

Generally every one tries to define the term “Co-operation” in his own way and no two definitions are identical and alike. This is because of co-operative movement developed in different countries in different forms under different social environment.

Some of the definitions of co-operation:

1. Holyoake defined co-operation as “a voluntary concert with equitable participation and control among all concerned in any enterprise”.

2. According to C. R. Fay, “A co-operative society is an association for the purpose of joint trading, organizing among the weak, and conducted always in an unselfish spirit, on such terms that all who are prepared to
assume the duties of membership may share in its rewards, in proportion to the degree in which they make use of their association.

3. Calvert explained co-operation "as a form of organization, wherein persons voluntarily associate together as human beings, on a basis of equality, for the promotion of the economic interests of themselves." 

4. Paul Lambert, a leading authority on co-operation, has elucidated the co-operative undertaking thus, "A co-operative society is an enterprise formed and directed by an association of users, applying within it the rules of democracy and directly intended to serve both its own members and the community as a whole." 

5. A good explication of organized co-operation is found in the report of the inquiry on Co-operative Enterprises in Europe, published by the government of the United States. It sates that "A Co-operative enterprise is one which belongs to the people who use its services, the control of which rests equally with all its members and the gains of which are distributed in proportion to the use they make of its services." 

6. L. P. Jacks has called co-operation "the most difficult and beautiful art in the world." 

2.3. CO-OPERATIVE MOVEMENT ABROAD

The genesis of the modern co-operatives can be seen from the first half of the 18th Century. Those were the days of scarcity and shortages in whole of Europe. The capitalist structure created by the Industrial Revolution was also responsible for creating many social and economic evils in the society.
Robert Owen, a poor Welshman, the “father of modern co-operative movement”, was the first to propound and propagate the ideals of co-operation in England in 1793. William King (1828) of Broughton, popularly known as the poor man’s doctor’, was another staunch supporter of this movement in England. King’s main contribution was the publication of periodical entitled “British Co-operation”. He said, “Union is strength, what one could not do many might, but before many can work, they must join hands; they must know their object and feel a common interest and a common tie”.

Charles Horvath, another supporter of the co-operatives in England suggested that co-operatives can improve if all the members obey a code of conduct. Based on the code of conduct, a co-operative society was formed on 24th October, 1844 under the name of “ROCHDLE Equitable Pioneers Society”.

From England, the movement spread to some continental countries, particularly France, Germany and Italy. In France, Charles Fourier, son of a cloth merchant advocated co-operative production. Co-operative experiments of various kinds were made by Proudhon, Philipes Buchez, Charles Gide, George Fauquier and Louis Blane.

In Germany, Hermann Schulze-Delitzsh and Friedrich Wilhelm Raiffeisen, towards the end of 1840, set up several associations for benefiting the poor people in urban and rural areas respectively.

In Italy, development of co-operative movement was undertaken by Luzzatti and Leone Wollersburg. In order to acquire a thorough
understanding of the Raiffeisen System, Luzzatti went to Germany, and on return he set up in 1866, the first co-operative bank named, "Banche-Popolare" (People’s Bank).

Soon the movement attracted the attention of several other European countries as well as those of the countries of America and Asia, facing similar socio-economic problems. In fact, by now, the movement had attracted International attention, leading to the establishment of the International Co-operative Alliance (I. C. A.) at London in 1895. This organization provides a forum for co-operation and re-enforcement among national co-operative movement.

The Second World War, however, slowed down the progress of co-operatives as the resources were being diverted for defence purposes. After the Second World War, the movement again gained momentum and another factor responsible for this revival was the achievement of independence by Asian and African countries. These newly independent countries gave priority to co-operatives. At present, the co-operative movement has gained strength in all the countries of the world whether developed or developing. As such by now it has spread into several countries round the Globe which is apparent from Table 2.1 below:
Table 2.1

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Type of Co-operatives</th>
<th>countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Consumer's Co-operatives</td>
<td>England, Russia and Sweden</td>
</tr>
<tr>
<td>2</td>
<td>Credit Co-operatives</td>
<td>Germany, Italy, Sweden and India</td>
</tr>
<tr>
<td>3</td>
<td>Marketing Co-operatives</td>
<td>Canada, U.S.A. and Australia</td>
</tr>
<tr>
<td>4</td>
<td>Land Mortgage Credit</td>
<td>Germany, England and France</td>
</tr>
<tr>
<td>5</td>
<td>Dairy Co-operatives</td>
<td>Denmark and New Zealand</td>
</tr>
<tr>
<td>6</td>
<td>Farming Societies</td>
<td>Russia, Yugoslavia and Palestine</td>
</tr>
<tr>
<td>7</td>
<td>Housing Societies</td>
<td>U.S.A., Sweden and Israel</td>
</tr>
<tr>
<td>8</td>
<td>Producers' Co-operatives</td>
<td>France and England</td>
</tr>
<tr>
<td>9</td>
<td>Labour Societies</td>
<td>Italy</td>
</tr>
<tr>
<td>10</td>
<td>Insurance Co-operatives</td>
<td>England</td>
</tr>
<tr>
<td>11</td>
<td>Co-operative Education</td>
<td>England</td>
</tr>
</tbody>
</table>

Source: Kamra, Pawan K., Co-operative Management. p.20

As G.D.H. Cole observed: “Today co-operation is a world-wide movement. It exists in some form in every continent and in nearly every considerable country”\(^{31}\).

2.4. HISTORY OF CO-OPERATIVE CREDIT MOVEMENT

IN INDIA

Co-operation is not new to India. It has a fairly long history in India. The co-operative form of social and economic activities has been in existence since time immemorial. The oldest scriptural works like the Vedas, the Upanishads, the Bhagawat Purana, Kautilya’s Arthashastra etc., referred about joint actions of the people.

The Hindu joint family setup is the best example of co-operative endeavour and philosophy\(^{32}\). There were four main traditional forms of
co-operation in ancient India, viz., Kula, Grama, Shreni and Jati. According to
G. P. Srivastava, the working of these societies consists of "historically
speaking, Kula was the first form of co-operative activity that emerged in
Indian society..... It was both a political and socio-economic organization in
which kinsmen, friends and relatives worked co-operatively to promote their
social-economic and political interest. With the expansion and stabilization of
society, the aspects of economic and social co-operation gradually narrowed
to the limits of joint family; which has survived to the present day.

"Co-operation at the level of Grama emerged after Kula which
became a stabilized unit. The Grama Sabha was a co-operative organization
which undertook works for the economic and social progress of the village
lands, pastures, roads, highways, paths, common gardens and grasslands....
The agriculturists often pooled their resources of livestock or implements and
helped one another in tilling their lands. The members jointly undertook
buying or selling or obtaining equipments, tools, seeds other in terms of
production".

"The Shreni is a later development which emerged in the post Vedic
era. It was a co-operative and economic organization of artisans, industrial
handicraft workers, merchants, traders, bankers, agriculturists, house-builders
and building contractors".

"Co-operation at the level of Jati was mostly for social purposes as
education, charity and relief work, but when a particular occupation, craft or
trade became associated with a particular caste, the system evolved a pattern
in which co-operation became an important aspect of the economic activities
of the community."
2.4.1. STAGES IN THE CO-OPERATIVE MOVEMENT

The history of the origin and growth of the co-operative movement in India can be shown with the help of Figure 2.1 in brief:

![Figure 2.1: Stages in Co-operative Movement](image)

**Source:** Working of Co-operative Banks in India; Prasanna Deshmukh, Krisna Publishers, New Delhi, P. 20

2.4.2. PRE-INDEPENDENT ERA

Towards the end of the 19th Century, the condition of the rural masses in India was quite deplorable. The countryside was studded with problems of poverty, ignorance, improvidence and ancestral debt and occasional outbreaks of natural calamities. The outcome of all these factors was rural indebtedness. The rural poor were being exploited by money-lenders by way of charging usurious rates of interest. This led to murderous uprisings of the debtors against creditors. It also resulted in riots and rebellions. With a view to mitigate the sufferings of the peasants, provincial Governments
enacted several measures of relief, such as, Deccan Agricultural Relief Act (1879), Land Improvement Loan's Act (1883) and Agriculturist's Loans Act (1884). These measures however did not prove much success due to stringent and cumbersome official procedures.

In 1892 the Government of Madras Presidency deputed one of their senior officers, Sir Fredrik Nicholson to study the theory and practice of co-operatives structure in England and Germany, and to examine the feasibility and modalities of their introduction in the Indian situation. About the same time, H. Dupernex, an ICS Officer, experimented with village banks in the United Provinces. Similarly Sir Anthony Macdonnel did a pioneer work by establishing two hundred co-operative credit societies in 1901 in the United Provinces. Nicholson in his exhaustive Reports (1897 and 1899) observed that we must find “Raiffeisen in India”35. The intention of Raiffeisen was to collect together small bodies of men who lived in close proximity in each other and were fully cognizant of each other's circumstances and character and enable these persons by pledging their unlimited liability supervised by an elected committee in each society and the administration of the society was to be entirely gratuitous.

In 1901, the Government of India appointed a Committee under the chairmanship of Sir Edward Law, to study the prevailing economic conditions in the country. The committee recommended the introduction of co-operative credit societies on the Raiffeisen model. The Government accepted the recommendations and accordingly, the first Co-operative Credit Societies Act (No X), 1904 came into force.
2.4.2.1. The Co-operative Credit Societies Act, 1904

The passage of this Act was the first milestone in the co-operative movement in India. This laudable measure was hailed as “a turning point in economic and social history”\(^\text{36}\). It aimed at encouraging thrift habits among poor artisans and peasants by setting up co-operative societies. There was, however, no provision for the establishment of non-credit societies or central agencies, such as, central co-operative banks/ federations. In course of time, the 1904 Act was found insufficient to meet the growing needs of the farmers\(^\text{37}\).

2.4.2.2. Co-operative Societies Act, 1912

So, in order to rectify the shortcomings, the Government passed a Comprehensive Co-operative Societies Act in 1912. After which the movement made rapid strides and extended into many fields. In order to assess the quantitative and qualitative progress of the movement, the Government of India, appointed a Committee on Co-operation in 1914 under the chairmanship of Sir Edward Maclagan\(^\text{38}\). The Committee (1915) recommended stoppage of societies into the following classes- primary societies comprising individual members; central banks at the district level and provincial banks and federations of societies as apex banks/ unions at the provincial level for purposes of supervision. Though all the recommendations of the Committee could not be implemented, the report of this Committee remained as the “Bible of Co-operation in India” for sufficiently long time\(^\text{39}\). The birth of D. C. C. Banks was due to the recommendations of this Committee.
2.4.2.3. Government of India Act, 1919

The movement entered its next phase with the passing of the Government of India Act 1919 (Popularly known as the Montagu-Chemsford Act of 1919). Under this Act, the Co-operation became a Provincial subject. Under this Act, the provincial Government could enact separate Acts to suit the provincial requirements. The Bombay Province was the first to enact a separate Co-operative Societies Act, 1925. This was followed by Madras Act of 1932, Bihar and Orissa Act of 1935; Coorg Act of 1936 and Bengal Act of 1940 while the rest of provinces adopted the existing Act of 1912. The Act of 1919 gave great stimulus to the movement. Its success was measured more by its quantity than by its quality.

The Royal Commission on Agriculture was appointed in 1928 to examine problems of agriculture in general. It also dealt with Co-operation as an important part of its comprehensive enquiry. The Commission stressed upon the importance of co-operation. It remarked, "If co-operation fails, there will fail the best hope of rural India." In 1929, occurred the world wide economic depression and India was no exception to it. The Great Depression gave a tremendous set-back to co-operative movement. It was during this period that, on the recommendations of the Central Banking Enquiry Committee (1931), the Reserve Bank of India was set up in 1935. The Bank was entrusted with the task of conducting research in the development of the co-operatives.

The next phase of development started with the outbreak of the Second World War in 1939. The Movement got a fillip during the Second
World War as a result of the rise in the prices of agricultural commodities and the increased incomes of the farmers. Overdues of societies began to be cleared up and the area of their co-operation widened. Non-credit co-operative marketing societies, such as, consumer co-operative societies and co-operative marketing societies were set up.

In the meantime, the Government of India appointed the Agricultural Finance Sub-Committee under the Chairmanship of Gadgil in 1944 and the Co-operative Planning Committee under the Chairmanship of R. G. Saraiya in 1945 to study the problems of rural indebtedness.

The Gadgil Committee expressed the view that "the co-operation would provide the best and the most lasting solution for the problems of agricultural credit in particular and those of rural economy in general".

It pointed out that the existing co-operative organizations could not handle the entire problem single-handedly and that State's assistance was necessary. It, therefore, suggested for setting up of an Agricultural Credit Corporation as an autonomous body at the Provincial level. The Saraiya Committee, however, did not agree with the basic recommendation of the Gadgil Committee. It suggested that-

(i) Rural activities should be diversified by granting liberal loans to agriculturists,

(ii) Close links between credit and marketing should be established and

(iii) 25 per cent of the total marketable surplus of agricultural produce of the country should be brought within the purview of co-operatives.
The partition of the country in 1947 gave a big shock to the movement. The number of societies and their membership fell down considerably. The growth of the co-operative movement till Independence, is shown in Table 2.2.

<table>
<thead>
<tr>
<th>Year</th>
<th>No. Societies (in Lakh)</th>
<th>Membership (in Lakh)</th>
<th>Working Capital (Rs. in Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1906-07</td>
<td>0.02</td>
<td>1.60</td>
<td>6.80</td>
</tr>
<tr>
<td>1911-15</td>
<td>0.12</td>
<td>5.51</td>
<td>54.81</td>
</tr>
<tr>
<td>1916-20</td>
<td>0.28</td>
<td>11.30</td>
<td>151.70</td>
</tr>
<tr>
<td>1921-25</td>
<td>0.58</td>
<td>21.55</td>
<td>363.61</td>
</tr>
<tr>
<td>1926-30</td>
<td>0.93</td>
<td>36.90</td>
<td>748.80</td>
</tr>
<tr>
<td>1931-35</td>
<td>1.05</td>
<td>43.22</td>
<td>946.11</td>
</tr>
<tr>
<td>1936-40</td>
<td>1.17</td>
<td>50.77</td>
<td>1046.80</td>
</tr>
<tr>
<td>1941-45</td>
<td>1.50</td>
<td>72.18</td>
<td>1246.70</td>
</tr>
<tr>
<td>1945-46</td>
<td>1.70</td>
<td>91.63</td>
<td>1640.00</td>
</tr>
<tr>
<td>1946-47</td>
<td>1.41</td>
<td>91.01</td>
<td>1561.01</td>
</tr>
</tbody>
</table>

*Source: Reserve Bank of India, Review of the Co-operative Movement in India, (Bombay) 1952, p.1.*

Table 2.2 indicates that till Independence, co-operatives had made progress on all fronts. The increase in the number of societies, the number of membership and the working capital was 85 times, 57 times and 241 times respectively.

No doubt, numerically, the co-operative movement during its evolution made some progress but qualitatively it suffered from certain intrinsic as well as extrinsic factors such as illiteracy, willful default, disloyalty, irresponsible administration, embezzlement and lopsided development.
In spite of all these handicaps and weaknesses, the movement arrested the monopoly of money-lenders and also considerably reduced the interest rates. Thrift habits and the spirit of co-operation were inculcated. While commenting on the role of co-operation, a Report of the Reserve Bank of India (1949) stated: "It had reached a stage where it could be counted as a factor in the economic, social and political development of rural India".

2.4.3. POST-INDEPENDENT ERA

In Independent India, co-operation has been assigned a very important role in different branches of economic life i.e., credit, processing, marketing, consumers etc. The major development in the co-operative field immediately after Independence was the appointment of a committee known as the All India Rural Credit Survey Committee under the Chairmanship of Shri A. D. Gorwala in 1951. The Committee (1954) opined that co-operatives were the best agencies for supplying credit to the agriculturists but the position has revealed a sad picture.

In the post-Independent era, co-operation has been assigned a notable role in bringing socio-economic changes through the process of democratic planning with accent on assisting the weaker sections in the rural sector. Supporting this view point, R. B. Tyagi observed: "In fact, co-operation has begun to be felt as the only panacea for all our maladies, both social and economic and especially of the rural sector".

According to a Government Publication, "Co-operatives in the country's economy will not only avoid excessive centralization and bureaucratic control likely to result from planning itself, but also curb the acquisitive instincts, of the
individual producer or trader working for himself. For these reasons, various Five Year Plans have envisaged a great deal of scope for the organization of co-operative activity.

Firstly, the movement all along has been a Government fostered effort imposed and experimented upon the Indian masses suffering from poverty, malnutrition and widespread indebtedness. The monetary aid by the State has always been negligible. The position could not be eased even after the enactment of the Government of India Act, 1919.

Secondly, there prevailed wide-spread illiteracy.

Thirdly, there was an element of disloyalty among members and employees. The willful defaults, irresponsibility and embezzlements were common in co-operatives.

Fourthly, there was a lopsided development of the movement. For quite long, emphasis had been exclusively laid on credit, leaving out other important activities having a bearing on the lives of the people.

2.4.3.1. Co-operation during the Planning Era

The importance of co-operation was strongly emphasized by the Co-operative Planning Committee, when it stated “the co-operative society has an important role to play as the most suitable medium for the democratization of economic planning.”

In the pattern of development envisaged in the Five Year Plans, co-operation is expected to become progressively the principal basis of organization in several branches of economy, notably in agriculture, small
industries, marketing, processing, distribution, construction and provision of essential amenities for local communities.

2.4.3.2. Co-operation during First Plan (1951-56)

The First Five Year Plan of India recognized co-operation as "indispensable instrument of planned economic action in democracy, combining initiative, mutual benefit and social purpose." The First Five Year Plan "as it is the purpose of the plan to change the economy of the country from an individualistic to a socially regulated and co-operative basis, its success should be judged, among other things by the extent to which it is implemented through co-operative organization." However co-operation did not make much contribution towards the fulfillment of the broad objectives of the First Plan.

2.4.3.3. Co-operation during Second Plan (1956-61)

Co-operation was assigned an important role in the Second Plan as an effective instrument of fulfilling the objectives, viz., and a sizeable increase in national income, rapid industrialization, and expansion of employment opportunities, reduction of inequalities in income and distributing of economic power. The Plan stated "the building up of a co-operative sector as a part of the scheme of planned development is one of central aims of national policy."

(a) Supply of agriculture credit worth Rs. 225 crores through co-operatives;

(b) Membership of agriculture societies to be raised to 50 million persons; and
(c) Ten per cent of the marketable surplus of the agricultural produce to be marketed through co-operatives.

However, the actual results achieved were considerably short of the targets fixed. The membership could reach a level of 17 millions and covered only 75 per cent of the villages. During this Plan, Sir Malcolm was invited by the Planning Commission for the evaluation of the co-operative movement in the country. The Committee (1957) recommended for an effective structure at the higher levels. During this plan another Committee on Co-operative Credit was set up under the Chairmanship of V. L. Mehta, which submitted its report in 1960. It made very valuable recommendations for the development of credit movement.

2.4.3.4. Co-operation during Third Plan (1961-66)

Co-operatives were considered as one of the instruments for social stability and economic growth of the country in the Third Five Year Plan. During this Plan, the Primary Credit Societies were reorganized and their number was reduced. However, their membership rose from 17 million to 27 million and nearly 90 per cent of the villages were covered as against 75 per cent at the end of the Second Plan. Considerable attention was also given to co-operative marketing of agricultural produce and a number of primary marketing societies were set up throughout the country.54

The Third Plan observed, “Co-operating has the merit of combining freedom and opportunity for the small man with benefits of large scale management and organization as well as goodwill and support from community. Thus, a rapidly growing co-operative sector, with special
emphasis on the needs for the peasant, the worker and the consumer becomes a vital factor for stability, for expansion of employment opportunities and for rapid economic development. In 1962, the Government of India constituted National Co-operative Development Corporation (NCDC).

2.4.3.5. Co-operation during Fourth Plan (1969-1974)

In the Fourth Five Year Plan, emphasis was laid on "growth with stability" in all the fields. In this Plan more emphasis was laid on agricultural co-operatives and consumer co-operatives with a view to institutionalize the various services needed by the farmers. The Fourth Plan stated that "some of the major lines of reforms in this Plan will in regard to the introduction of "Crop loan" system linking of credit with marketing as part of intensified programme for the development of co-operative marketing and processing and reduction of overdues and strengthening the resources of co-operative banks and societies."

An important development during this Plan was the submission of the All-India Rural Credit Review Committee Report in 1969. Accordingly, the Governor, Reserve Bank of India appointed the All-India Rural Credit Review Committee in July 1966 in order to reassess the situation and make recommendations. This Committee made 322 recommendations covering almost all aspects of rural development, co-operative credit structure, and the role of Commercial Banks and also suggested ways for covering small and marginal farmers under the ambit of institutional financing etc. The main theme of the recommendations was adopting the multi-agency approach for providing institutional credit in order to achieve an integrated rural development. The Small Farmers Development Agency and Marginal
Farmers and Agricultural Labourer Agency popularly known as SFDA and MFAL agencies were set up in the country on the basis of recommendations of this Review Committee in 1969.\textsuperscript{57}

2.4.3.6. Co-operation during Fifth Plan (1974-1978)

During the Fifth Five Year Plan also, co-operatives were recognized as an important institutional framework to ameliorate the conditions of weaker sections, particularly in providing inputs and working as an important limb of the National Public Distribution Scheme. The Plan stated, "There is no other instrument as potentially powerful and full of social purpose as the co-operative movement"\textsuperscript{58}. The major development during the Plan was the appointment of a Committee on Integration of Co-operative Credit Institutions (Hazari Committee) by the Reserve Bank of India. It submitted its Report in 1975. The Committee recommended a single apex credit institution to plan and execute lending programmes in a coordinated and better manner.

Committee to Review Arrangements for Institutional Credit for Agriculture and Rural Development (CRAFICARD).

CRAFICARD report is one of the landmarks in the history of co-operative structure of our country. CRAFICARD was constituted on March 30, 1979 at the instance of the Government of India under the Chairmanship of B. Sivaraman, to review the arrangements for institutional credit for agriculture and rural development\textsuperscript{69}.

The most important recommendation of CRAFICARD was the setting up of the National Bank for Agriculture and Rural Development (NABARD). The Committee even provided a draft bill for setting up of this Bank. This
recommendation was accepted by the Government of India and NABARD was established in July, 1982. The Committee also suggested some improvements in the working of State Co-operative Banks, Central Co-operative Banks and the Primary Agricultural Credit Societies. The Committee also appreciated the major role still being played by the co-operative credit structure in the field of agricultural development and expected that the co-operatives could play a still bigger role for this.

2.4.3.7. Co-operation during Sixth Plan (1980-1985)

Sixth Five Year Plan made a thorough review of the co-operative movement since 1951 and in the light of the problems and constraints of the movement, suggested the four-point programme:

(1) Strengthening of primary village societies;

(2) Direct co-operatives to ameliorate the economic conditions of the rural poor;

(3) Re-orientation and consolidation of the role of co-operative federal organizations and

(4) Development of Professional manpower and appropriate Professional cadres to man managerial positions.

This Plan pointedly recognized the non-exploitative character of co-operatives, the voluntary nature of their membership, the principle of one man-one vote, decentralized decision-making and self-imposed curbs on profits eminently qualifying them as an instrument of development combining the advantages of private ownership with public good.
2.4.3.8. Co-operation during Seventh Plan (1985-1990)

The Seventh Five Year Plan aims at developing the primary agriculture credit societies as multipurpose viable units, promoting professional management and strengthening of effective training for improving operational efficiency. During this Plan period, the Reserve Bank of India appointed Agricultural Credit Review Committee (ACRC) in August 1986 under the Chairmanship of Khusro. The ARDC was the major committee after All India Rural Credit Survey Committee which reviewed the agricultural credit movement in the country during early 50's.

The ARDC made the recommendations regarding role and effectiveness of lending institutions; role and functions of the Apex level institutions in agricultural credit, lending costs and margins and organizational and management aspects and organization and management of NABARD.

Similarly, in order to look into the system, viability and implication of co-operatives a committee was constituted under the Chairmanship of S.R. Sankaran on Organization of Co-operatives for Rural Poor. The major recommendations of the Committee are as follows:

1. Co-operatives should promote economic interest of the rural poor through collective action.

2. Co-operatives should evolve a simple system of providing credit to poorer section of the society on the basis of their repaying capacity instead of asking for land or other security.

3. For the development of women the co-operatives can provide an effective organizational support in improving their economic status.
4. For the economic development of rural labourers the labour co-operatives should be strengthened.

5. For the economic development of the tribals the Committee highly felt that the LAMPS should prepare a time bound programme. During this plan the Planning Commission constituted another committee under the Chairmanship of Ch. Brahm Prakash to prepare a Model Co-operative Act.

2.4.3.9. Co-operation during Eighth Plan (1992-1997)

During this Plan, the Government of India opened the doors of our economy to global competition. Liberalization and globalization paved way for the entry of MNC’s in India, offering a wide variety of products. The Plan placed major emphasis on the following:

(1) Strengthening the role of co-operatives as a major thrust area in the new millennium.

(2) Providing more support to the co-operatives through apex level institutions. Strengthening the apex level institutions and providing them more autonomous powers.

(3) Providing a major thrust on exports, the government included some special subsidies for exporters in co-operatives and small scale enterprises.

2.4.3.10. Co-operation during Ninth Plan (1998-2002)

In the Ninth Five Year Plan, considerable progress was achieved in the co-operative sector. Some co-operatives withstood the competition from
MNCs, whereas some co-operatives perished the onslaught of MNCs. The plan emphasized on:

(1) Identifying new opportunities for the co-operative sector to develop in sunrise industries like insurance, food processing, animal husbandry, etc.

(2) Make them more competent by providing them marketing support.

(3) Developing the rural co-operatives into agents of change to meet the global competition.

2.4.4. PROGRESS OF CO-OPERATIVES DURING PLANNING PERIOD

The co-operative movement in India is one of the largest movements in the world. Since independence, it has progressively expanded in terms of membership, resources and transactions.

The numerical growth of the Indian co-operative movement after independence can be in Table 2.3

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Five Year Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>I</td>
</tr>
<tr>
<td>No. of Societies</td>
<td>1.8</td>
</tr>
<tr>
<td>Membership (Lakhs)</td>
<td>137</td>
</tr>
<tr>
<td>Share Capital (Rs. Crs.)</td>
<td>45</td>
</tr>
<tr>
<td>Working Capital (Rs. Crs.)</td>
<td>276</td>
</tr>
</tbody>
</table>

Source: Indian Agriculture in Brief, 1986, p. 345 and Indian Co-operative Movement- A Profile; developed by National Resource Centre of NCUI.

It is seen from Table 2.3 that co-operatives have made commendable progress during the Five Year Plans in terms of their membership, share
capital and working capital. Quantitative expansion as measured by the number of societies has been stopped by the Reserve Bank of India since the Third Plan. It has been the accepted policy of the Reserve Bank since then not to allow the growth of non-viable and weak societies. Instead, efforts have been made to merge weak societies with financially strong societies so as to make the co-operative movement stand on its own feet.

A salient feature of the Indian co-operative movement is that it has not only numerically expanded but has continuously diversified its activities over the years. It has left almost no sector of economy untouched. In addition to traditional activities like credit, marketing, distributions etc., it has penetrated into fields like fisheries, housing, handicrafts and handlooms.

Several national level organizations, over the years, have also come up in aid of co-operative movement and organizations. These organizations have been set up at the behest of, and with financial aid and statutory support of the Central Government. They are:

- National Bank for Agriculture and Rural Development (NABARD)
- National Co-operative Development Corporation (NCDC)
- National Co-operative Union of India (NCUI)
- National Agriculture Co-operative Marketing Federation of India Ltd. (NAFED)
- Indian Farmers Fertilizers Co-operative Ltd. (IFFCO)
- Krishak Bharat Co-operative Ltd. (KRIBHCO)

These organizations have added a new dimension to the co-operative sector. It has been their endeavour not only to build up co-operative economy on a wide base, but also to provide sufficient strength...
to the co-operative sector so that it can compete with other public and private agencies and to act as the nerve centers for the respective co-operatives at state, district/regional and local level. R. C. Dwivedi, a former Chief Executive of the National Co-operative Union of India in this context observed; "Co-operation has come to a stage of recognition as a vital and inevitable force and instrument for socio-economic transformation and development. Its impact has been perceptible and measurable".

Despite its ambitions, wide and development plans, the co-operative sector have faced numerous problems which have checked its optimum growth.

The primary societies, on which the whole of the edifice stands, are weak, non-viable or defunct. Mahatma Gandhiji criticized the quantitative policy as long back as in 1917.

2.5. PRESENT CO-OPERATIVE CREDIT STRUCTURE IN INDIA

The co-operative credit structure consists of two wings, namely, short-term and long-term. The short-term credit structure deals with medium-term credit also for agricultural purposes and it is federal in character. It is based on three-tire pattern with the State Co-operative Banks (SCBs) at the Apex/State level, District Central Co-operative Banks (DCCBs) at the intermediary/ District level and Primary Agricultural Credit Societies (PACS) at the base/village level.

The long-term credit structure is either unitary or federal in character with State Land Development Bank as the apex institution at the State level and their affiliated Primary Land Development Bank at the taluka/ block level.
The apex banks are operating through the primary units. The existing co-operative credit structure in India is shown in Figure 2.2:

**Figure 2.2**

![Co-operative Credit Structure Diagram](image)

The present position of Co-operative Credit Institutions is given in Table 2.4

Table 2.4
Co-operative Credit Institutions (1998-99)
(Values in Rs. Crores)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Items</th>
<th>3-tier structure</th>
<th>2-tier structure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>PACS</td>
<td>CCBs</td>
</tr>
<tr>
<td>1</td>
<td>No. of Banks/ Societies</td>
<td>93278</td>
<td>367</td>
</tr>
<tr>
<td>2</td>
<td>No. of Branches</td>
<td>-</td>
<td>12716</td>
</tr>
<tr>
<td>3</td>
<td>Total Membership</td>
<td>931.97</td>
<td>15.67</td>
</tr>
<tr>
<td>4</td>
<td>Share Capital</td>
<td>2678.77</td>
<td>2241.91</td>
</tr>
<tr>
<td>5</td>
<td>Deposits</td>
<td>6729.97</td>
<td>41646.75</td>
</tr>
<tr>
<td>6</td>
<td>Working Capital</td>
<td>25628.71</td>
<td>63416.22</td>
</tr>
<tr>
<td>7</td>
<td>Loans Advanced</td>
<td>16686.26</td>
<td>34035.7</td>
</tr>
<tr>
<td>8</td>
<td>Borrowings</td>
<td>-</td>
<td>11267.68</td>
</tr>
<tr>
<td>9</td>
<td>Overdues %</td>
<td>33.6</td>
<td>33.6</td>
</tr>
<tr>
<td>10</td>
<td>Branches in profit</td>
<td>-</td>
<td>6956</td>
</tr>
<tr>
<td>11</td>
<td>Profit %</td>
<td>42.9</td>
<td>54.70</td>
</tr>
<tr>
<td>12</td>
<td>Branches in loss</td>
<td>-</td>
<td>4553</td>
</tr>
<tr>
<td>13</td>
<td>Losses %</td>
<td>43.8</td>
<td>35.81</td>
</tr>
</tbody>
</table>


As per the figures showed in the Indian Co-operative Review- March 2000, it is seen that the PACS covered 100 % villages and 67 % rural households in March 1999. The percentage of viable PACS and of potentially viable PACS is 64.3 % and 23.5 % respectively on the same years.

2.5.1. REVIEW SINCE INDEPENDENCE

In the pre-independence era, the policy of the Government by and large was one of laissez-faire towards the cooperatives and Government did...
not play an active role for their promotion and development. After independence, the advent of planned economic development ushered in a new era for the cooperatives. Cooperation came to be regarded as a preferred instrument of planned economic development and emerged as a distinct sector of the National Economy. It was specifically stated in the First Five Year Plan document that the success of the Plan should be judged among other things by the extent to which it was implemented through cooperative organizations. In the sixties, special importance was attached to achieving increased agricultural production as well as rural development through cooperatives. A significant development on the agricultural front during 1966-71 was the implementation of the new agricultural strategy aimed at the achievement of self-sufficiency in food. The introduction of high-yielding and hybrid varieties of seeds and the allocation of large outlays for the provision of irrigation facilities and adequate application of farm inputs led to a manifold increase in the role of cooperatives. Thus, the Green Revolution gave a big boost to the activities of the cooperative societies, increased agricultural production and enhanced productivity necessitated an emphasis on value-addition in agricultural produce, marketing and storage and the development of allied sectors. As a result, specialized cooperative societies in the fields of milk, oil seeds, sugarcane, cotton, agro-processing, etc. were set up. Many large cooperatives emerged in the fields of fertilizer manufacture and marketing of agricultural produce. The role of cooperatives thus, no longer remained confined to their traditional activities and expanded to new economic ventures as in the case of other such enterprises in the public or the private sector.
The past few decades have witnessed substantial growth of the sector in diverse areas of the economy. The number of all types of cooperatives increased from 1.81 lakh in 1950-51 to 5.04 lakh in 1998-99. The total membership of cooperative societies increased from 1.55 crore to 20.91 crore during the same period covering about 67% rural households and about 99% villages. Cooperatives advanced agricultural credit to the tune of Rs. 16987.00 crore during the year 1998-99 and had 44.6% share in institutional agricultural credit. The share of cooperatives in fertilizer distribution is of the order of 30.35% while the fertilizer produced by the cooperatives accounts for 18.64% of the total fertilizer production in the country. 56.8% of the sugar production in the country is from the cooperative sector. There are 84,289 village dairy cooperative societies in the country procuring 157.80 lakh kg. milk per day. These village level dairy cooperative societies are having membership of 10628 lakh out of which 21.19 per cent are women members. Besides procurement and marketing of milk, dairy cooperatives are actively engaged in the field of superior cattle breeding, product diversification, nutrition, animal health and high quality animal feed. The number of urban cooperative banks rose from 1106 as on 30th June 1967 to 1936 as at the end of March 1999 and deposit increased from Rs. 15.3 crore to Rs. 50.544 crore. The average deposits per bank which stood at Rs. 13.83 lakh in March 1967 rose to Rs 26.11 crore by March 1999.

2.5.2. EXISTING CONSTRAINTS OF CO-OPERATIVES

In spite of the quantitative growth the cooperative sector is beset with several constraints related to legislative and policy support, resource availability, infrastructure development, institutional inadequacies, lack of
awareness among the members, erosion of the democratic content in management, excessive bureaucratic and governmental controls and needless political interference in the operations of the societies. 69

(1) Legislative and Policy Constraints

Co-operatives are basically economic enterprises requiring proper legislative and policy support aimed at the creation of an environment conducive to their healthy development. Provisions continue to remain in the cooperative laws which hinder and hamper the development of these institutions. The restrictive regulatory regime has also restricted the autonomy of the cooperatives.

(2) Resource Constraints

The cooperative sectors in general and cooperative societies in the agricultural credit sector in particular are facing severe resource-crunch. Mounting over dues in cooperative credit institutions and lack of recycling of funds together with inability to mobilize internal resources have made a large number of cooperatives sick and defunct.

(3) Infrastructure Constraints

The cooperative sector is still predominated by poor infrastructure particularly in the field of post harvest technology storage, marketing and processing apart from lack of basic rural infrastructural support such as roads, electricity, communications, etc.

(4) Institutional Constraints

There have been instances of cooperative institutions in some cases working at variance. Some federal cooperatives which were supposed to guide and nurse their affiliate organizations are competing with them resulting in deterioration of the health of the primary and grass root level cooperatives.
Lack of professional management and human resource development are also some of the traditional institutional constraints. Cooperatives in the financial sector and particularly in the banking sector are facing the problems of (i) dual controls (ii) increasing incidence of sickness and (iii) low level of professionalism which have been adversely affecting the depositors' interest.

(5) Constraint Relating to Member Awareness

A successful cooperative requires enlightened and informed membership. Although the membership of cooperatives in terms of numbers has increased manifold dormant membership and the absence of active participation of members in their management have not only resulted in sickness but also encouraged the dominance of vested interests causing blockages in the percolation of benefits to the members. In a large number of cases, elections and general body meetings in cooperatives are not held regularly. The non-conduct of elections and general body meetings regularly has been creating apathy among members towards the management.

(6) Constraint Arising Out of Excessive Government Controls and Needless Political Interference

Unjustified supersession of elected managements by the Government and bureaucratic controls over the management of cooperatives has rendered these institutions as Government driven bodies rather than the member driven. There are institutions where the administrators continue for unduly long periods and members are not allowed to exercise their right to elect their own management. This situation leads to a regulatory regime and excessive governmental control and political interference in the day-to-day management of cooperatives.
2.6. CO-OPERATIVE BANKS AT A GLANCE

2.6.1. STATE CO-OPERATIVE BANKS (SCBs)

The State Co-operative Banks (SCBs) in each State are the apex level institutions which are closely linked with the Reserve Bank of India which provide finance to the DCCBs. A State Co-operative Bank which is at the apex level of the three-tier co-operative short-term credit structure provides the liaisons between co-operative movement and the money market. The apex bank is of significance not only for mobilizing the financial resources needed by the movement but also for deploying them appropriately among the various sectors of the movement. They should establish close contact with their member banks as also with the agricultural credit societies at the base. In the words of Hough, “the State Co-operative Bank is the final link in the chain between the small, scattered primary societies and the money market as also with the Reserve Bank of India, the Central Banking Authority of the Country, which can be called on for short and medium-term accommodation under certain conditions.”

The progress of State Co-operative Banks in the country is shown in Table 2.5
It is clear from Table 2.5 that the proportion of reserve funds to working capital of State Co-operative Banks in India decreased from 9.38 per cent in 1960-61 to 8.07 per cent in 2002-03, indicating the poor financial resource base. It reflects the poor operational efficiency of State Co-operative Banks. The ratio of deposits to working capital increased from 32.63 per cent to 64.59 per cent during the same period. But the ratio of borrowings to working capital which has been 54.42 per cent in 1960-61 has declined to 19.69 per cent in 2002-03. This shows that the banks’ dependence on borrowings has declined.

The total advances by the State Co-operative Banks in India which stood at Rs 221.65 crores in 1960-61, have risen to Rs. 39355.21 crores in 2002-03, showing an increase of 17655.56 per cent over 1960-61. The percentage of

<table>
<thead>
<tr>
<th>Year</th>
<th>Reserves Deposits</th>
<th>Borrowings Deposits</th>
<th>Working Capital</th>
<th>Loans Deposits</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960-61</td>
<td>20.80 (9.38)*</td>
<td>72.33 (32.63)*</td>
<td>120.62 (54.42)*</td>
<td>221.65</td>
</tr>
<tr>
<td>1970-71</td>
<td>92.69 (13.45)*</td>
<td>278.70 (40.44)*</td>
<td>294.45 (42.72)*</td>
<td>689.21</td>
</tr>
<tr>
<td>1980-81</td>
<td>345.36 (12.56)*</td>
<td>1594.08 (57.97)*</td>
<td>730.90 (26.58)*</td>
<td>2749.74</td>
</tr>
<tr>
<td>1990-91</td>
<td>993.22 (8.04)*</td>
<td>6759.67 (54.73)*</td>
<td>3445.79 (27.89)*</td>
<td>12354.94</td>
</tr>
<tr>
<td>2000-01</td>
<td>3599.28 (7.13)*</td>
<td>31469.7 2 (62.35)*</td>
<td>11838.93 (23.46)*</td>
<td>50474</td>
</tr>
<tr>
<td>2002-03</td>
<td>4911.68 (8.07)*</td>
<td>39293.4 (64.59)*</td>
<td>11977.93 (19.69)*</td>
<td>60837.12</td>
</tr>
</tbody>
</table>

*Figures in parentheses are percentage of Working Capital.
**Figures in parentheses are percentages to Loan Outstanding.

Sources: Statistical Statements Relating to Co-operative Movement in India, Reserve Bank of India, Bombay (1960-61 to 1991-92) and www.ncui.net.in, Co-operative Statistics
overdues to loans outstanding has been on the ascent. It has increased from 4.18 per cent in 1960-61 to 14.35 per cent in 2002-03. This increase in overdues percentage indicates the weak recovery performance of the banks.

2.6.2. DISTRICT CENTRAL CO-OPERATIVE BANKS (DCCBs)

In the co-operative credit structure Central Co-operative Banks occupy middle level that is district level. The area of operations and jurisdiction of a central bank is generally confined to a district. The District Central Co-operative Banks (DCCBs) have opened branches in different parts of the districts. This branch arrangement helps them to improve their contacts with and supervision over Primary Agricultural Credit Societies (PACS). In a way it assists also to tap the savings of rural people through deposits. The DCCBs is meant to be the leader of the credit co-operative movement in the district of its jurisdiction.

2.6.2.1. History and Growth of DCCBs

When the Co-operative Societies Act was passed in 1904, there was no provision for the formation of central banks. In 1912 the Co-operative Societies Act was amended with the aim of permitting the Registration of Central Societies to finance the primary societies and to act as a balancing centre for them. These banks were originally organized with both societies and individuals as members. This pattern was chosen as it was thought that the association of individuals will enhance the prestige of bank for inspiring confidence in the investing public and the thereby helping resource mobilization. It was, however, suggested in 1915 for eventual transition of bank to a co-operative institution, the only shareholders being societies. The admission of individuals in the Central Co-operative Banks has been
allowed to continue as members and thus, we find today a mixed pattern of membership in majority of central co-operative banks.

These banks have passed through several phases of expansion, stagnation and revival from their inception to the dawn of the planning era. Their growth and working have greatly influenced by the World Wars, the economic Depression of thirties and the post-war Boom. The All India Rural Credit Survey Committee found them to be unsatisfactory. However, since fifties, the banks have made rapid progress with the active support of the Government and the Reserve Bank of India. Now, they have come to be regarded as leaders of the co-operative movement at the district level.

2.6.2.2. Objectives

The chief object of Central Co-operative Banks is to meet the credit requirements of member societies. They finance agricultural credit societies for productive purposes, marketing, societies for marketing and supply operations and industrial and other societies for working expenses. They work as an intermediary to link the primary societies with the money market, further, the central banks secure as “balancing centre”, for adjusting the surplus and deficiency of the working capital of the primary credit societies. According to G. M. Laud, “the reason behind the establishment of district central co-operative banks is that there should be an intermediary agency between the primary credit society with rural bias run by agriculturists having no touch with the money market and the provincial co-operative bank run mainly by city men with urban bias and having no close association with the qountyside”72.

In brief, the main objectives of the DCCBs are as follows:
(1) They act as a balancing centre of finance for the primary societies in the district by providing them with funds when they have a shortage and by serving as a clearing house for their funds, which are surplus.

(2) They encourage thrift and collect saving from members and others.

(3) They provide safe place for investing the reserves of primary societies.

(4) They provide other banking facilities to the members.

(5) They develop and extend banking facilities in rural areas.

(6) They develop the co-operative movement in the district on sound lines and to act as ‘friend, philosopher and guide’.

(7) They supervise, guide and control the working of member societies.

Undertaking certain banking activities, acceptance of deposits, supervision, giving loans and advances, recoveries are the main functions of the DCCBs. “It is coming to be increasingly appreciated that it is the DCCBs which are eminently fitted for what is described as financial supervision, i.e., activities relating to scrutiny of loan applications, verification of disbursement, watch over use of loans, prompt recovery through sale of crop and so on”.

2.6.2.3. Progress of DCCBs

Even before the Act of 1912 came into force a few Central Banks had come to be established. One such bank was started at Bargarh (in Banda District of U. P.) in 1906. After the passage of the Act of 1912 DCCBs came to be established on a large scale.

During the period of Depression (1929-30 to 1936-37) there was a great setback in their working. Though the number increased from 588 in 1929-30 to 611 in 1936-37, the membership declined to 85,000 from 90,000 (of the individuals). The War period (1937-46) was the period of rehabilitation
for the DCCBs. Since 1937, the RBI began to take interest in the co-operative movement. It recommended the following:

(1) DCCB should be run more or less on commercial banking system.

(2) Safety of deposits taken from the public and the PACS should be properly looked into. This needed cash and liquid assets to be strengthened. The rate of fluid asset was recommended at 25 per cent of fixed capital, 30 per cent of saving deposits and 35 per cent of current deposits.

(3) Central banks should not indulge in making long-term investment and hence, long-term loans should be discouraged.

During the Second World War period, the number of DCCBs increased from 594 in 1938-39 to 601 in 1945-46, that of membership from 1.77 lakhs to 1.98 lakhs and working capital increased from Rs. 29.32 crores to 45.07 crores respectively. But, after the War and Independence period the capital structure of the DCCBs was found to be weak, owned resources to be meager and their dependence on apex banks rather large, overdues high and bad doubtful debts were high too. The All India Rural Credit Survey Committee found that "in many cases the paid-up share capital was so small that the DCCBs were not in a position to borrow even from the provincial bank according to their requirements, nor could they finance the PACS according to their needs. This was because the DCCBs were very small. The Committee, therefore, recommended the following:

(1) Each State should draw up plans for the rationalization and strengthening of the DCCBs in several respects, including financial and administrative.
(2) There should be one DCCB in one district so that its working could be economic.

(3) Small DCCBs in one district should be merged into one.

(4) Where a DCCB was serving in more than one district, its area should be curtailed and new banks should be registered in such district.

(5) Certain minimum standards for the formation of new DCCBs and the reorganization of the existing ones should be adhered to viz., paid-up share capital and reserves should be Rs. 3 lakhs and working capital Rs. 20 to 25 lakhs.

(6) No DCCB should engage in trading activities. During the Plan Period, the policy of re-organization and amalgamation has been followed. As a result of which the number of DCCBs has been reduced, but membership and working capital has increased substantially.

2.6.2.4. Re-organization and Amalgamation

Finding the structure of the central financing agency very weak, the Rural Credit Survey Committee suggested that each State should draw up plans for the rationalization and strengthening of Central Co-operative Banks in several of their aspects including financial and administrative. During the First Plan period, therefore, the States began to follow the process of re-organization and amalgamation of the Central Co-operative Banks. This process was vigorously followed during the Second Plan period also. The basic principle of one central bank for each district began to be followed in all the states and wherever more than one bank or banking union existed in one district, the same was amalgamated so as to form one strong and viable unit.
Where a Central Bank was serving more than one district, its area was curtailed and new banks were registered in such districts.

As a result of this reorganization and amalgamation, the number of central banks fell from 505 in 1950-51 to 1955-56 and 380 in 1960-61. In some of the states like, Bihar, Panjab, Rajasthan and West Bengal this phase programme had to be carried on during the Third Plan also. In Bihar the number of Central banks which stood at 35 in 1960-61 were brought down to 28 by 1965-66, in Panjab from 34 to 31, in Rajasthan from 28 to 26 and in West Bengal from 29 to 21. On account of this amalgamation and reorganization the number of these banks fell from 380 in 1960-61 to 346 in 1965-66. The process of rationalization of Central Co-operative Banks which was commenced at the level of banks was reduced to 341 as on 30th June, 1974.

The accepted policy is to have only one Central Co-operative Bank for each district. In some state notably Assam, Bihar and West Bengal more than one bank, however, still continue to exist in the same district in certain areas.

Besides, most of the DCCBs do other banking business such as accepting of deposits of various types from the public on current fixed or saving accounts; collecting bills, cheques, hundis, dividend warrants and railway receipts, issuing drafts and hundis, safe custody of valuables, purchase and sale of securities and advancing loans at times to individual members against fixed deposit receipts, Government paper, gold, silver and agriculture produce.
The DCCBs are also expected to maintain close and continuous touch with the PACS, be sympathetic and responsive to their needs and difficulties and provide leadership to them from the point of view of policy.

It is coming to be increasingly appreciated that it is the DCCBs which is eminently fitted for what is described as financial supervision, i.e., activities relating to scrutiny as loan applications, verification of disbursement, watch over use of loans, prompt recovery through sale of crop and so on.

The progress of the DCCBs in the country is shown in Table 2.6.

<table>
<thead>
<tr>
<th>Year</th>
<th>Reserves</th>
<th>Deposits</th>
<th>Borrowings</th>
<th>Working Capital</th>
<th>Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Rupees in Croers)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1960-61</td>
<td>50.86 (16.73)*</td>
<td>112.02 (36.84)*</td>
<td>135.09 (44.43)*</td>
<td>304.05</td>
<td>290.10</td>
</tr>
<tr>
<td>1970-71</td>
<td>199.05 (18.41)*</td>
<td>438.55 (40.55)*</td>
<td>393.14 (35.35)*</td>
<td>1081.42</td>
<td>866.40</td>
</tr>
<tr>
<td>1980-81</td>
<td>670.18 (14.66)*</td>
<td>2323.71 (50.82)*</td>
<td>1479.03 (32.35)*</td>
<td>4572.66</td>
<td>3210.97</td>
</tr>
<tr>
<td>1990-91</td>
<td>1832.01 (9.60)*</td>
<td>11180.56 (58.60)*</td>
<td>5460.31 (28.62)*</td>
<td>19079.25</td>
<td>18771.01</td>
</tr>
<tr>
<td>2000-01</td>
<td>5518.70 (6.65)*</td>
<td>55523.90 (66.90)*</td>
<td>15533.41 (18.72)*</td>
<td>82989.52</td>
<td>50638.18</td>
</tr>
<tr>
<td>2002-03</td>
<td>9688.07 (8.80)*</td>
<td>7228.65 (6.568)*</td>
<td>1921.28 (17.46)*</td>
<td>110053.3</td>
<td>59453.56</td>
</tr>
</tbody>
</table>

*Figures in parentheses are percentage of Working Capital.
**Figures in parentheses are percentages to Loan Outstanding.

Sources: Statistical Statements Relating to Co-operative Movement in India, Reserve Bank of India, Bombay. (1960-61 to 1991-92) and www.ncui.net.in, Co-operative Statistics
It is clear from Table 2.6 that the proportion of reserve funds to working capital of DCCBs in India declined from 16.73 per cent in 1960-61 to 8.80 per cent in 2002-03, indicating the poor financial resource base. It reflects the operational inefficiency of DCCBs. The ratio of deposits to working capital grew from 36.84 per cent in 1960-61 to 66.90 per cent in 2000-01 and after two years it show sudden decline up to 6.56 per cent. But the ratio of borrowing to working capital which has been 44.43 per cent in 1960-61 has deteriorated to 17.46 per cent in 2002-03. This shows that the banks' dependence on borrowing has declined.

The total advances by the DCCBs in India which have stood at Rs. 290.10 crores in 1960-61 have increased to Rs. 59453.56 crores in 2002-03 showing an increase of 20394.16 per cent over 1960-61. The percentage of overdues to loans outstanding has been on the increase. It has increased from 14.91 per cent in 1960-61 to 37.3 per cent in 2002-03. This growth in overdues percentage shows the weak recovery performance of the DCCBs in India.

2.6.3. PRIMARY AGRICULTURAL CREDIT SOCIETIES (PACS)

The Primary Agricultural Credit Societies (PACS) are the kernel of the co-operative movement in India. They are the very foundation stones of the co-operative credit structure and constitute the largest number of co-operative institutions in India. They operate at the village level and maintain direct contact with the farmers, for their own requirements of finance; they are linked to central co-operative banks, which in turn are linked to State Co-operative Banks.
The success of co-operative credit plans mostly depends on the working of the primary agricultural credit societies in India.

The progress of PACS in the country is shown in Table 2.7.

It is clear from Table 2.7 that the proportion of reserve funds to working capital of PACS in India reduced from 24.38 per cent in 1960-61 to 4.26 per cent in 2001-02, indicating the poor financial resource base. The ratio of deposits to working capital increased from 4.68 per cent to 26.60 per cent during the same period. But the ratio of borrowings to working capital reduced from 57.94 per cent to 20.18 per cent during the same period.

### Table 2.7
Progress of Primary Agricultural Credit Societies in India During 1960-61 to 2001-02

<table>
<thead>
<tr>
<th>Year-01</th>
<th>Reserves (Rupees in Crore)</th>
<th>Deposits (Percent of Working Capital)</th>
<th>Borrowings (Percent of Working Capital)</th>
<th>Working Capital (Rupees in Crore)</th>
<th>Loans (Percent of Loan Outstanding)</th>
<th>Overdues (Percent of Loan Outstanding)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960-61</td>
<td>75.57 (24.38)*</td>
<td>14.50 (4.68)*</td>
<td>179.59 (57.94)*</td>
<td>309.02</td>
<td>202.70</td>
<td>218.00 (20.18)**</td>
</tr>
<tr>
<td>1970-71</td>
<td>265.31 (23.00)*</td>
<td>69.40 (6.02)*</td>
<td>675.19 (58.54)*</td>
<td>1153.46</td>
<td>577.88</td>
<td>784.48 (41.05)**</td>
</tr>
<tr>
<td>1980-81</td>
<td>757.95 (18.78)*</td>
<td>291.34 (7.22)*</td>
<td>2957.42 (73.28)*</td>
<td>4036.03</td>
<td>1769.41</td>
<td>2450.64 (44.32)**</td>
</tr>
<tr>
<td>1990-91</td>
<td>1642.03 (13.83)*</td>
<td>1348.97 (11.36)*</td>
<td>7778.59 (65.52)*</td>
<td>11871.92</td>
<td>4678.85</td>
<td>6877.23 (45.64)**</td>
</tr>
<tr>
<td>2000-01</td>
<td>1680.59 (3.81)*</td>
<td>na</td>
<td>na</td>
<td>44083.33</td>
<td>24738.57</td>
<td>27228.16 (35.22)**</td>
</tr>
<tr>
<td>2001-02</td>
<td>2105.06 (4.26)*</td>
<td>13135.32 (26.60)*</td>
<td>na</td>
<td>49372.90</td>
<td>29326.44</td>
<td>32355.80 (34.27)**</td>
</tr>
</tbody>
</table>

*Figures in parentheses are percentage of Working Capital.

**Figures in parentheses are percentages to Loan Outstanding.

Sources: Statistical Statements Relating to Co-operative Movement in India, Reserve Bank of India, Bombay. (1960-61 to 1991-92) and www.ncui.net.in, Co-operative Statistics
capital which has been 57.94 per cent in 1960-61 has increased to 65.52 per cent in 1990-91 and it was 63.84 percent in 1991-92. This shows that the banks' dependence on borrowings has increased.

The total advances by the PACS in India which have stood at Rs. 202.70 crores in 1960-61 have shot-up to Rs. 29326.44 crores in 2001-02 showing a rise of 14367.90 per cent over 1960-61. The percentage of overdues to loans outstanding has been on the increase. It has dwindled from 20.18 per cent in 1960-61 to 45.64 per cent in 1990-91. This dwindling increase in overdues percentage indicates the weak recovery performance of the PACS.

2.7. ADMINISTRATIVE MACHINERY FOR THE CO-OPERATIVES

The co-operative movement in India has not originated from the grass roots but has been ushered in by the Government. As Sir Horace Plunkett observed, co-operation in India is not a 'Movement' but a 'Policy' created by resolutions of the Central Government. Therefore, it is the responsibility of the State to formulate the plans and policies, pass legislation, enforce the laws and regulate the working of the co-operatives. It is out of this imperative need there has grown an official machinery in the Government at the National and State levels.75

2.8. ADMINISTRATION AT THE NATIONAL LEVEL

A division in charge of co-operative attached to the Ministry of Food and Agriculture was set up in the year 1955 at the Central level. Later it was upgraded to the level of Department of Co-operation. Thereafter, it has been
bunched with a number of ministries and to a certain extent suffered a step-motherly treatment. At present, it is one of the Departments in the Department of Agriculture, with no attached offices, sub-ordinate offices or public undertakings, except one autonomous body, National Co-operative Development Corporation (NCD C).

NCDC, established in 1963, has been involved in promotional activities, financial assistance, technical guidance and constructive supervision and periodic review of the programmes. It is considered an executive organization with field-oriented and programme-based activities. Various public sector institutions like Reserve Bank of India (RBI), State Bank of India (SBI), Agricultural Refinance Corporation (ARC), Rural Electrification Corporation (REC) and National Bank for Agricultural and Rural Development (NABARD) have been helping the co-operatives.

2.9. REVIEW OF LITERATURE ON DCC BANKS

Deshmukh, P. G. has studied the working of District Central Co-operative Banks in India; he has studied the evolution and growth of DCC Banks. In this study, he states that, Employees of every DCC Banks in the state have to formulate their own representative union. Mutual co-operation between union and directors of DCC Bank was seen because of which Union-Management relations did not pose a serious problem. There was serious problem of overdues of DCC Banks in Maharashtra. To eliminate it, he says that there should be close co-operation and co-ordination between officials and non-officials to have an effective campaign of recovery of overdues.
Reddy and Reddy, in their book on 'Co-operatives and Rural Development', have attempted to evaluate the working of the DCC Bank of Chittoor in Andhra Pradesh in terms of organizational structure, operational performance and impact of co-operative credit. Their major suggestions are as follows:

(1) The General Body of the DCC Bank should consist of active, enlightened and interested members. The DCC Bank should encourage participation of members in internal organization and management.

(2) It is better to consists of both old and a young member in the Board of Directors as old provides, experience and the young inject dynamism.

(3) The General Manager is the Chief Executive of the Bank; he should work at the same place for a minimum period of three years in the interest of consistency of policy formulation and implementation.

(4) The DCC Bank should show keen interest in membership drive as the members are the pillars on which co-operative movement rests.

(5) The Bank should take active steps to increase owned funds since the strength of the Bank depends upon them.

(6) Depending heavily on external borrowings is not healthy; so the deposit mobilization camps should be conducted.

(7) The Bank should not forget the importance of the credit that timely, adequate and cheap credit should be made available without any cumbersome procedures.

(8) There should be proper supervision over the working of the Branches and the PACS. To this context, the supervisory staff should be made effective and be trained properly.
The DCC Bank should instruct the PACS to promote the economic interests of the rural poor, particularly weaker sections of the society.

If we consider the above points; no DCC Bank will be in loss in India.

Raja S. in his article of 'Performance Evaluation of MDCC Bank Ltd.- An Application of Structural and Growth Analysis' mentions that the majority of the income (99%) comes from interest received to the bank and the major part of bank expenditure (93%) was on the interest paid. The other expenses of the bank were operating expenses. This shows that the rate of interest paid to the depositors and the rate of interest charged on the loans becomes the part and parcel of the DCC Banks. If the rate is reduced and the operating costs are minimized then only the banks can be in profits.

The operation cost consists of salary and wages paid to the employees, amount spend on rental buildings, expenses of board meetings, T. A. and D. A. paid to employees, etc. For successful banking these things need to be brought in to real practice.

Even in the globalized economy there is no other alternative to the co-operative. Hence the PACS and DCC Banks in rural areas, especially in hilly and economically backward districts in our country are essential, Nayak Sudarsan, Registrar Co-operative societies, Orissa, states clearly that the co-operative is the vehicle of economic growth. He has studied all types of co-operatives in Orissa and he has come to the conclusion that the co-operatives have collected only 7% of the total deposits in all types of banks in the state and 93% of total deposits was being mobilized by the commercial banks and most of the deposits were from rural areas. But Commercial Banks hardly provide finance in rural areas. Therefore, the PACS and DCC
Banks are the only support to farmers in backward districts. It is true that Commercial Banks mobilize the deposits in rural areas and they finance for urban enterprises. He further states that the outstanding services and professional management is the main kingpin behind the success of co-operatives. The Berhampur district Central Co-operative Bank has followed the above practice, as a result of which the bank has received awards for four years from NABARD at national levels as one of the best DCCBs in the country.

While talking about the main problems of the DCC Banks, Shrinath A. R. states that both officials and non-officials who were managing the bank; lack with training required for managing bank successfully. He has mentioned the experience of Mysore DCC Bank (1995) and states that the bank was controlled by very few hands. Due to this reason the interest of small agriculturists had neglected. He further recommends that the special steps need to be taken to train to officials and non-officials as well as the members of Board of Directors of the Bank.

The progress of any organization largely depends on the performance of its employees. Blending the individual goals with organizational objectives for achieving their commitment to the organization assumes vital importance. Viewed in this context, job motivation has in recent times emerged as the most important areas of concern. Apart from certain monetary benefits, better job security, good work environment and comprehensive conditions of employment are motivational factors, which are considered important. Employees of co-operative enterprises cannot be separated from this. In other words, like other enterprises motivation plays a vital role in the success
of the co-operatives. The study made by Dr. Thirunarayanan and V. Jayamohan Nair, reveals that the level of job motivation in the DCC Banks in Kerala State was satisfactory. There was positive perception in respect of work, responsibility, opportunity, etc. expressed by majority of the employees. One can guess that the co-operative sector is most viable in the country. The DCC Banks in other parts of the country pay proper attention at the employees, job motivation level.

An economic analysis of multipurpose co-operative societies in Konkan region of Maharashtra was made by Ingale, Sale and Nawadkar. In that study (1996) they had stated that the PACS were doing the business of four types i.e. financing of short-term loan, medium-term loan, sale of farm requisites and sale of consumer goods. The study has shown that the sale of consumer goods and the sale of farm requisites was 22% and 27% of the total loan disbursement of village societies. But now a day these two functions have reduced and hence there is no other source of income to the village societies. This also affects viability of rural co-operative credit agencies including the DCC Banks.

A study conducted by Singh and Banafar on 'Impact of Crop Loan on Adoption of Improved Technology in Paddy Production in Raipur district of Chhattisgarh' shows that the recovery of loans of the co-operative banks has badly affected the recovery. The farmers who were taken crop loan for the purpose of HYVs, fertilizers, insecticides, pesticides and weedicides were not fully recovered due to the natural calamities. This is clear that the farmers' attitude towards the use of crop loan and natural calamities affects the performance of banks and hence not only the rate of interest charged on loan
is responsible for the performance of co-operative credit, but the natural factors also.

2.10. REVIEW OF LITERATURE ON AGRICULTURAL CREDIT

Rangnekar\(^84\) emphasized the role of co-operative movement in agricultural finance. Most of such studies are in connection with the role of short, medium and long-term credits.

Pandit Jawaharlal Nehru\(^85\) considered co-operative credit, as the test of the movement's success on how far it is helping and giving benefits to the socially and economically weaker sections of the community.

The role of co-operative credit in agricultural development has been emphasized by B. N. Choubey\(^86\). According to him credit is one of the important inputs, which increases productivity and leads to profitable agriculture.

The World Conference\(^87\) on Credit for Farmers in Developing Countries held at Rome has also regarded the credit as an important tool for agricultural development.

Dr. Jugale\(^88\) has pointed out that, 'Co-operation in India started with agricultural credit and even today agricultural credit dominates the spectrum of co-operative activity in the county.' Further he has stated, 'Co-operative form of organization has today assumed a place of pride as a distinct economic system. Moreover, co-operative credit is cheaper than other credit agencies. All principles of agricultural credit are tested well in the co-operative credit agencies. The co-operative credit has few features. Those are: (a) credit is cheap and safe, (b) has an effective linkages for recoveries, (c) is available also for consumption purposes, (d) issue of all types of credit
various types of co-operatives, (f) is disbursed only after examining the need." Of course, all the tests are not found in every credit cooperatives.

The co-operative credit plays a vital role in the sphere of agriculture and rural development. In 1937 the statutory report of the RBI states, "an agency which satisfied the requisite conditions for agricultural finance is the co-operative society and it has been so recognized in almost all agricultural countries."89

In 1945 the Agricultural Finance Sub-committee90 was of the view that the spread of co-operation would provide the best and the most lasting solution for the problem of agricultural credit.

The All India Rural Credit Survey Committee91 (1954) stated that 'Today, more than ever before, there is every reason for an institutional system of rural credit to be based on a co-operative association in the village. Even to these days, the significance of credit is not reduced.

Sawant S. D.92 stated that credit is one of the most important supply side factors which provides crucial support to growth in agriculture. The role of institutional credit is all the more critical in developing rural economies in view of exploitative practices generally prevalent in the informal money markets. That is why, policies pursued in India since Independence were aimed at providing adequate and timely access to credit to as large a segment of the farming community as possible.

Views of Various Committees on Credit

The Agricultural Credit Review Committee-1989 (Khusro Committee) undertook a comprehensive review of entire agricultural credit system and made various recommendations for strengthening the whole system. The
made various recommendations for strengthening the whole system. The Committee noted the serious shortcoming in the functioning of the rural credit institutions and suggested for its revival. The Committee strongly advocated the need for self-sustenance of credit co-operatives and suggested for liquidation of weak institutions without any further delay. The Committee endeavored to make it clear in various terms that centrally governed and bureaucratically driven co-operatives would no longer be sustainable at the cost of the society. Coincidentally, the publication of the report of the Committee was followed by the era of economic reforms as a part of which credit co-operatives witnessed a wave of reforms initiated by Reserve Bank of India towards decentralization of the regulatory framework.

In order to address the problems of weak co-operative institutions, the State Governments and the Reserve Bank of India and later NABARD initiated the programmes for rehabilitation of weak cooperative banks in both the short-term and long-term credit structures. Srivastava Committee-1996 emphasized upon the role of Government of India as well in development of co-operatives by way of financial contribution despite the co-operation being the State subject. In the context of financial sector reforms, the co-operatives were also expected to undertake several measures to face the challenges posed by multi-farious development in the national and international economy. In response to the demands for its role in financial strengthening of co-operatives, Government of India appointed Capoor Committee-2000 to study the co-operative credit structure and suggested measures to strengthen them. This Committee suggested four aspects; the financial, organizational, operational and systemic aspects. The debate on recommendations of the
Committee in separate conferences of State Co-operation Ministers and Chief Ministers led to setting up of a Joint Committee on Revitalization of Co-operative Credit Structure i.e. Vikhe Patil Committee-2001. It worked out the detailed framework for financial assistance by the Union and State Governments to rural credit co-operatives at all levels. The Expert Committee on Rural Credit-2001 set up by NABARD also called for expeditious action towards the recommendations of Capoor Committee. A Committee of the State Co-operation Ministers-2002 had also been constituted by the Ministry of Agriculture and Co-operation in Government of India. The Planning Commission's Working Group on Agricultural Credit, Co-operation and Crop Insurance i.e. Sisodia Committee also made its wide ranging recommendations while endorsing the broad framework suggested by Capoor Committee for strengthening of co-operatives. Government of India’s Committee on Issues Pertaining to Rural Credit (Geete Committee-2002) touched very briefly the co-operative credit issues as well. Ramrao Committee-2004 on Restructuring of Co-operative Credit Institutions was set up by Government of Andhra Pradesh and it had given some valuable suggestions on development of co-operative credit institutions that were equally applicable to other states. Vyas Committee-2004 of RBI had gone into the whole gamut of issues concerning rural credit structure. Government of India had set up another Task Force on Co-operative Credit Structure under the chairmanship of Prof. A. Vaidyanathan i.e. Vaidyanathan Committee- to recommend an implementable action plan for reviving rural co-operatives. Vaidyanathan Committee had suggested that financial aid be
provided to the agriculture cooperative banking system with State Governments promising to stick to stricter norms.

The above discussion shows the efforts made by Government of India and the RBI as well as the NABARD for strengthening the rural credit structure.

2.11. CONCLUSION

Among the institutional agencies providing credit to rural sector, co-operatives play a major role. In one form or another, speculative or reflective interest in co-operation is as old as human thought. It has spread into several countries round the Globe. So also, co-operation is not in any way new to India. It has been in existence since time immemorial. However, the passage of the Co-operative Societies Act in 1904 was the first milestone in the movement. No doubt, numerically, the co-operative movement made some progress during Pre-Independence era but qualitatively it suffered from certain intrinsic as well as extrinsic factors. In spite of these handicaps and weaknesses, the movement relieved the farmers from the clutches of money-lenders at least to a certain extent and the spirit of co-operation and thrift were inculcated into the minds of rural masses.

In the Post-Independent era, co-operation has been assigned a notable role in bringing socio-economic transformation through the process of democratic planning with accent on assisting the weaker sections. Since Independence, the movement has progressively expanded in terms of membership, resources and transactions. A salient feature of the Indian co-operative movements is that it has not only quantitatively expanded but has continuously diversified its activities over the year, leaving no sector of
economy untouched. But despite its ambitious plans and diverse development, the co-operative sector has faced numerous problems which have checked its optimum growth.

The co-operative credit structure consists of two wings, namely short-term and medium-term credit and long-term credit. The short-term and medium-term credit is based on three-tier pattern with the State Co-operative Banks at the intermediary/District level and Primary Agricultural Credit Societies at the base/Village level. The long-term credit has two-tier pattern with Central Land Development Banks (at present ‘State Co-operative Agricultural and Rural Development Banks’) at the Apex/State level and Primary Land Development Banks at the base/Taluka or Block level.

The co-operative movement in India has not originated from the grass roots but has been started by the Government. Though "Co-operation" is a State subject, the Central Government guides, assists and co-ordinates the movement in the States through the Department of Co-operation in the Ministry of Agriculture of the Government of India.
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