

Chapter –2

Cooperative Movement in Puducherry Union Territory – An Analysis

2.1 Introduction

The distinguishing features of the Cooperative form of organization are voluntary and democratic character, participatory nature and above all, its commitment to high ethical standards such as honesty, openness and social responsiveness and caring in all its dealings and activities (*Eleanor. et.al. 1967*). Combating exploitation reducing disparities, improving social conditions and gender sensitivity, and helping to create a more just society with pronounced concern for environmental protection and sustainable processes of developmental protection tend to make cooperatives a preferred and more socially desirable form of organization. The central challenge before cooperatives is to be distinct, socially aware, responsive and people-oriented institutions, and find constructive ways to build and retain competitive advantages in the market place.

In the planned economy that India adopted since its independence, each successive Five-Year Plan has stressed the role of ‘cooperatives’ as the principal basis of organization in many branches of economic life. Cooperation 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 the community (*Ostergaard G.N and A.H.Halsey, 1965*).

Thus rapidly growing cooperative sector, with special emphasis on the needs of the peasant, the worker and the consumer becomes a vital factor for social stability, for expansion of employment opportunities and for rapid economic development. Along with a growing public sector and private sector which functions with responsibility to the community as a whole the influence of cooperatives extends far beyond the particular activities organized on cooperative lines and gives the social structure and the national economy balance, direction and a sense of values. This chapter analyses the cooperative movement in Puducherry UT. It illustrates the progress made by cooperative Societies with a special reference to Puducherry UT.

2.2 Demographic profile of Puducherry U.T.

The union territory of Puducherry comprises of Puducherry, Karaikal, Mahe and Yanam regions which were erstwhile French establishment. On 26th April 1956 Pandit Jawahar Lal Nehru, the then Prime Minister of India announced in Parliament about the TREATY OF CESSION of French Establishments of French Government and the Government of India. Further he reiterated that from 21st October 1954, onwards the de facto transfer of these French establishments, Puducherry and other places, has taken place and they are placed under the control of the Government of India. The Territory of Puducherry was merged with the Indian Union on 1st November 1954 in terms of the defacto agreement signed between Government of India and Government of France on 21st October 1954, subsequently the dejure transfer of Puducherry took place on 16th August 1962. The Union Territory of Puducherry is administered under the provisions of Government of Union Territories Act, 1963.

Following is the brief information about four regions namely Puducherry, Karaikal, Mahe and Yanam

1) Puducherry

The district presents more or less a flat land. There are no hills or forests. The main soil types are red ferrallitic black clay and coastal alluvial. There are two main drainage basins, the one of gingeer river, which crosses it diagonally from north-west to the south-east and the other of Pennaiyar which forms the southern border. There is a railway line between Villupuram and Puducherry. Puducherry is an important trading port. The principal trade at this port consists of wheat, fertilizers and cement. The percentage of cultivable area to total area and percentage irrigated area to total cultivable area are 78.62 per cent and 54.27 per cent respectively. This district cultivates mainly rice, sugarcane, coconut, betel vines, millets, etc. In some parts cotton and flowers such as Jasmine, rose, and marigold are grown. The Bahour and Oussoudu lakes are the two biggest ones in Puducherry district for fishing purposes. The varieties which appear in fairly large numbers are ribbon fish, sardine, silver

belly, sharks, etc. The flying fish which lasts from May to July is the most important seasonal fishery of the district. Main items of exports include groundnut, rice, fish, hides and skin, handicrafts, etc.

Major industries in the area are Swadeshi Cotton Mills Ltd, Sri Bharathi Mills, and Anglo-French Textiles. Small scale industrial units are mainly engaged in the manufacture of furniture, dry cells, cosmetics, steel utensils, cement products, etc. Cottage industrial units include pottery, carpentry, blacksmith, basket making, dying, pipe making, cane works, hand made paper, bathi making embroidery etc.

2) Karaikal

The district is situated in more or less a flat land. There are no hills or forest in this district. This district consists of almost entirely coastal alluvial soil which is highly suitable for cultivation of paddy and pulses. The total geographical rural area of the district is 14035.56 hectares. The percentage of cultivable area to total area and percentage of irrigated area to total cultivable area are 84.92, 82.81 respectively. Pulses, cotton, chilies, coconuts, ground nuts, vegetables and sun flower are the other popular items grown in the district. Karaikal is a good fishing centre with the following ten marine fishing villages spread along the coast. They are Mandabathur, Kalikuppam, Akkampettai, Kottucherry, Kasakudymedu, in Karaikal municipal area, Kilinjalmadu, Karaikalmedu, in Tirumalairayam Pathinam Commune, Karukalachery in Neravy Commune, Keezhaiyur Pattinacherry and North Vanjore. Fresh and dried fish are exported. Good quality chanks (conch shells) are also available here in the sea of Karaikal. There is only few large scale industry in this district. Few handloom weaving units are also prevalent. There is an industrial training institute located in Tirumalairayan Pattinam.

3) Mahe

Mahe is bounded on the south-west by the Arabian sea, on the north by river Ponniyar and on the other sides by a stretch of calcareous hills of medium height which are linked to the Ghats by a series of wooden hillocks. The district consists of 3 entities namely, Mahe town proper, the small enclave of

Kallayi and of Naluthura. Mahe is situated on the Malabar coast. This district is entirely rain fed and is covered by typical red lateriate soil. There is no forest area in this district. The coast line here lies between the richest fishing belt between Ponnani and Mangalore on the west coast. Mahe is at the centre of a prawn grouped which stretch from Quilon to Mangalore. The major marketing centres in and around Mahe are Mahe, Cannanore, Kozhikode and Tellicherry. Industrial units have concentration only in Puducherry and Karaikal. The only large scale industry functioning in this district is the Cannanore Spinning and Weaving Mills.

4) Yanam

The district lies on the spot where the Coringa river and Godavari river separate. It is more or less a flat land. The soil is alluvial type suitable for the cultivation of paddy, tobacco, chilly, etc. The crops of this district are coconut, paddy, jowar, ragi, pulses, coriander, fenugreek etc. The main fishing units are Gulrimpeta, Agraharam, Kothapeta, Mettakur, Kanakalapeta, Kursampeta, Padvarevupeta and Sangadirerupeta. The shoe dhony (canoe) is the commonest fishing crafts here. Padona is another kind of boat in use. The catches consist mainly of mullets, hilsa, prawns, cat fish etc.

Despite of the high degree of urbanization, about 40 per cent of the people depend on agriculture for their livelihood. Beside rice and some other food crops, like ragi, bajra and pulses, a number of cash crops like sugarcane, cotton and groundnuts are also produced in Puducherry. Milk production and distribution is well organized and it is largely in the cooperative sector. A well established modern dairy is one of the achievements of Puducherry. Fishery is an important occupation as the Union Territory has a total length of about 45 km of coastline. There are about 28 sea fishing villages in the union territory. The inland fishery depends on lakes, ponds, tanks and river water. Main item exported includes rice, fish, hides and skin etc. There are 23 large and 79 medium scale industries. There are also 5,400 small scale industries. All these generate employment opportunities to nearly 50,000 persons.

The table 2.1 reveals the socio economic profile of the Puducherry U.T as on 31st March 2014. The total population of 12,47,953 spreads in Puducherry (9,50,289), Karaikal (2,00,222), Mahe (41,816) and Yanam (55,626) according to the 2011 census. The average density of population of the Union Territory is 2547 persons/Sq.Km which is found to be the highest as 3,232 Persons/Sq.km in Puducherry region and the lowest as 1,275 Persons/Sq.km in Karaikal region. The literate population is 9,52,309 persons (76.31per cent) which is found to be the highest in Puducherry region as 7,26,649 persons and the lowest in Mahe region as 36,470 persons. Paddy, Pulses, Groundnut, Sugarcane and Cotton are the principal crops cultivated in the Puducherry UT, and the total net area sown is 26,063 Hectares.

Table 2.1
Socio-Economic Development of Puducherry U.T
(As on 31st March 2014)

S. No	Items/ Details	Unit	Puducherry	Karaikal	Mahe	Yanam	State
1	Area	Sq.Km	294	157	9	30	490
2	Towns	Nos.	3	1	1	1	6
3	Municipalities	Nos.	2	1	1	1	5
4	Communes	Nos.	5	5	-	-	10
5	Cropped Area	Hectares	18,043	6,512	579	929	26,063
6	Food Grains Production	Tonnes	28,339	11,248	-	1,693	41,280
7	Ration Shops	Nos.	385	91	18	22	516
8	Education Institutions	Nos.	887	296	55	60	1,298
9	Length of Coastal line	Kms.	24	20	1	-	45
10	Hospitals	Nos.	5	1	1	1	8
11	Primary Health Centres	Nos	27	11	1	-	39
12	Industries SSI, MSI & LSI	Nos	7,067	1,099	250	378	8,794
13	Population	Nos	9,50,289	2,00,222	41,816	55,626	12,47,953
14	Literates	Nos	7,26,649	1,54,916	36,470	39,274	9,52,309
15	Population Density (Per Sq.Km.)	Nos	3,232	1,275	4,846	1,854	2,547
16	Length of Roads	Kms	478.354	188,4147	25.879	33.455	726.105

Source: Government of Puducherry (2013-14), Annual Administrative Report, Cooperative Department.

2.3 Cooperative Movement in Puducherry U.T.

India is a land of villages depending on cultivation. In order to relieve the peasants from the clutches of private money lenders and capitalists, the Cooperative movement made its entry. The Cooperative Societies Act 1904 signaled the birth of modern Cooperative movement in India. Today Cooperative movement in India is the largest in the world. The movement has permeated through all walks of life, i.e., agriculture, horticulture, credit and banking, housing, agro-industries, rural electrification, dairy, handlooms consumers, tribal, agribusiness, HRD, information technology etc. During the last 100 years, a huge transformation within the cooperative movement has taken place. A horizontal and vertical structure has come in to being and the movement has become a third economic sector of substance. Not only the sector has generated a huge employment potential but also diversified its activities. Cooperation has always been acknowledged as the catalyst for the golden principle of “all for each and each for all”.

The cooperative movement in Puducherry originated in the wake of its liberation from the French Rule in 1954 after the defacto transfer, the new Administration in Puducherry initiated cooperative movement. As French Administration in Puducherry was following the ‘Laissez-Faire’ policy, the people of Puducherry were alien to the concept of cooperative movement. The Madras Cooperative Societies Act, 1932 (*Act VI of 1932*) was extended to Puducherry in the year 1955 and was officiated by the Tamil Nadu officials on deputation to Puducherry. Thus the steps had been initiated to start cooperatives in the Puducherry UT.

All the types of societies are present in the region. They include apex cooperative bank, apex land development bank, primary agricultural credit societies, employee’s credit societies, cooperative milk producer’s societies, lift irrigation cooperative societies, fishermen cooperative societies, weavers cooperative societies, industrial cooperative societies, consumer cooperative societies, cooperative housing societies labour contract societies, students cooperative stores, women cooperative societies etc. The rapid growth of the

Puducherry cooperative movement and the achievement of the desired results were due to the implementations of various schemes and programmes under Five Year Plans.

During the Second Five Year Plan, a Cooperative Central Bank in 1958 and a Land Mortgage Bank in 1960 were established. Two marketing societies one each at Puducherry and Karaikal were also started.

The achievement during the Third Five Year Plan were re-organization of rural primary societies, construction of godowns, development of consumer cooperatives, establishment of cooperative housing societies, development of agricultural marketing and the organization of farming societies.

During the Fourth Five Year Plan consolidation and strengthening of the cooperative movement received special attention. During this period, not less than 30 per cent of the cooperative production credit went to small and marginal farmers. Twelve lift irrigation cooperatives were also organized to increase agricultural production.

During the Fifth Five Year Plan, establishment of functional link between agricultural credit and marketing and also between consumer cooperatives and marketing societies was noteworthy. Labour cooperatives were started in rural areas.

During the Sixth Five Year Plan, a cooperative sugar mill, a cooperative spinning mill and a cooperative consumer federation were set-up in Puducherry. The cooperative dairy was expanded. A junior level cooperative training institute to impart training for employees of cooperatives at various levels was also established.

The Seventh Five Year Plan concentrated on democratic management of cooperatives, rural infrastructure including construction of storage and establishment of common facilities to strengthen institutional structure of cooperatives at all levels.

Business Development Plan was implemented for revitalizing the cooperative structure in the eighth Five Year Plan.

The development programmes under the Ninth Five Year Plan covered agriculture credit, consumer, weaker section and industrial cooperative, cooperative education, training and development of human resources. Major achievements during this Plan period were the establishment of mini-pasteurization plant, a capacity of 10,000 LPD expandable to 20000 LPD in the Karaikal Cooperative Milk Producers' Union and setting up of a modern rice mill in the Karaikal Central Cooperative Processing Supply and Marketing Society.

New types of cooperatives like transport, labour contract societies, computer societies and housing etc., were established during the Tenth Five Year Plan. Notable achievements during this plan was the construction of office building of the Puducherry State Cooperative Bank, and starting of job oriented B.Ed and D.T.Ed., courses by the Puducherry State Cooperative Union. The Puducherry Cooperative Milk Producers' Union was vested with the responsibility of implementation of the scheme of assistance to members of women self help groups for purchase of milch animals with the Government's financial assistance.

During the Eleventh Five Year Plan, a sum of Rs.13.81 crores of agricultural loans along with interest was waived under the Agriculture Debt Waiver Scheme announced by the Government of Puducherry. Similarly, assistance amounting to Rs.479.23 lakhs was extended to waive interest and penal interest on housing loans availed by 1,888 members of housing cooperatives.

The Puducherry Central Cooperative Processing, Supply & Marketing Society established a new modern rice mill with milling capacity of 3 M.T/ hour at a project cost of Rs.2.06 crores. Financial assistance of Rs.116.00 lakhs was extended for waiver of interest and penal interest on housing loans availed by members of housing Cooperatives. The Puducherry Cooperative Spinning Mill has taken up modernization with the financial assistance from NCDC.

Due to the efforts taken during Five Year Plans the cooperative movement in Puducherry Union Territory has gained momentum and this is evident from the figures given in table 2.2.

During the year 2013-14, the physical and financial growth of the cooperatives has been impressive with 520 societies having total working capital to the tune of Rs.195 lakhs and paid up share capital to the tune of Rs.33,313.32. The average working capital per society happened to be Rs.15,659.93 which was Rs.38.60 during the year 1981-82. There were 292 societies in 1981-82 which increased to 520 in 2013-14. On the other hand, membership rose from 1.74 lakhs to 5.77 lakhs during the same period.

Table 2.2

Progress of Cooperatives in Puducherry U.T.

(1981-82 to 2013-14)

Details	1981-82	1991-92	2001-02	2010-11	2011-12	2012-13	2013-14
No. of Societies	292	369	482	515	523	524	520
Member ship (No.)	174451	338804	394256	576141	588379	597103	577097
Total Working Capital * (Rs.)	233.26	15219.01	35584.30	144198.80	164474.24	175389.70	195435.98
Share Capital Paid* (Rs.)	460.13	2,239.24	10,743.45	25,824.85	28,707.44	32,257.46	33,313.32
Popu lation* (No.)	6.04	8.07	9.74	9.74	12.44	12.44	12.48
Average Working Capital*	38.60	1,885.00	3,657.17	14,804.80	13,221.40	14,098.85	15,659.93

Source: As in Table 2.1

2.4 Administrative set up of Cooperative Department in Puducherry UT

Puducherry is a Union Territory of India, not a separate State, governed directly by the Central Administration in New Delhi. Puducherry is among the two Union Territories (*including Delhi*) which have the constitutional amendments to have a legislative assembly and a Cabinet of Ministers headed

by a Chief Minister. The Puducherry Municipal Council takes care of the Civil Administration of the city.

The Union Territory is administered by the Lt. Governor. The Lt. Governor is appointed by the President of India and is responsible for the General Administration of the Territory. The Central Government is more directly involved in the financial well-being of the territory through budgeted central grants; as against the states where financial administration is the responsibility to the State Government.

The details regarding the Cooperative Department Administration in Puducherry Union Territory is given in the table 2.3

Table 2.3

Administrative Set up of Cooperatives in Puducherry UT

Registrar of Cooperative Societies	Head of the Department and Coordinating authority of cooperative movement with overall administrative control of cooperative societies in the Union territory of Puducherry.
Joint Registrar of Cooperative Societies	Assisting the Registrar of Cooperative Societies in all technical matters including implementation of various provisions of the Puducherry Cooperative Societies Act and Rules and various development programmes and Head of Office.
Dairy Development Officer	Deals with Puducherry and Karaikal Cooperative Milk Producers Unions and Primary Cooperative Milk Producers' Cooperative Societies.
Senior Accounts Officer	Drawing and Disbursing Officer of the department. Deals with appropriation, budget, PAC and other accounts matters.
Deputy Registrar (Audit)	Deals with Audit, Arbitration, Execution and Liquidation.
Deputy Registrar (Planning)	Deals with formulation of plan scheme, Staff/Employees Cooperative Credit Societies and Puducherry State Cooperative Union, Co-ordination, public grievances, Web Coordinator.
Deputy Registrar (Legal)	Deals with all legal matters, Transparency Officer under the Right to Information Act.
Deputy Registrar (Handlooms)	Deals with Weavers Cooperative Societies and Cooperative Spinning Mills.
Deputy Registrar (Consumers)	Deals with Consumer Cooperative Societies, including Puducherry State Cooperative Consumer's Federation and Wholesale Stores, Consumer Cooperative Stores, Students Cooperative Stores and other Miscellaneous and Industrial Societies.
Deputy Registrar (Credit)	Deals with Agricultural Credit Societies, Puducherry State Cooperative Bank, Central Cooperative Land Development Bank, Cooperative Urban Bank, Cooperative marketing Societies, Lift Irrigation Cooperative Societies.
Deputy Registrar (Housing)	Deals with Puducherry State Cooperative Housing Federation and Primary Housing Cooperative Societies.
Junior Accounts Officer	Deals with the matters relating to establishment section.
<u>Karaikal Region</u> Deputy Registrar	Deal with audit, control, supervision and guidance of all cooperative societies in Karaikal region.
Mahe Region: Deputy Registrar	Deals with audit, control, supervision and guidance of all cooperative societies in Mahe region.
Yanam Region Cooperation Office	Deals with audit, control, supervision and guidance of all cooperative societies in Yanam region.

Source: As in Table 2.1

2.5 Regional wise position of Cooperatives in Puducherry UT

The figures given in table 2.4 show the position of cooperative societies in The Puducherry Union Territory. In Puducherry region, 367 cooperative societies were functioning as on 31st March 2014. It occupied the first place among all the regions by holding maximum number of societies as 367 (71 per cent) out of total 520 societies of which 103 were in Milk Producers Cooperative Societies, 6 in miscellaneous sector, 11 students' cooperative stores, 56 in staff/employees societies. The societies in miscellaneous sector included auto-rickshaw drivers' society, urban cooperative society, educational cooperative society, transport, ex-servicemen cooperative society and service cooperative society.

In Karaikal region, the Office of the Deputy Registrar of Cooperative Societies, Karaikal is the nodal agency for the development of the cooperative sector in the Karaikal region. As on 31st March 2014 eighty one societies were functioning, of which 54 were non-credit societies and 27 were credit societies. Of the total 27 credit societies in this region, 6 were agricultural credit cooperative societies and 21 were non-agricultural credit cooperative societies.

In Mahe region there were 29 Societies functioning of which 3 were in consumer sector, 14 in miscellaneous sector, 6 students' stores, 2 in credit sector. The societies in miscellaneous sector included printing press, horticulture, transport, auto-rickshaw drivers society, information technology and educational cooperative society, vanitha Cooperative Society, labour contract society, vikas women cottage industrial cooperative society, tourism development cooperative society, ex-servicemen cooperative society, urban cooperative society and pallor canteen catering and service cooperative society.

In Yanam region there were 43 societies functioning of which one was in consumer sector, 21 in miscellaneous sector, and two students' stores, 14 in fisheries, two housing, two employees' credit societies and one in dairy sector. The societies in miscellaneous sector included agricultural field labours society, Sri Hari Sand Boatmen Workers Society, Yanam Viswa Brahmins (*Goldsmith*) Society and Auto-rickshaw Drivers Society.

Table 2.4

Region wise classification of Cooperatives in the Puducherry UT(As on 31st March 2014)

S. No	Particulars	Puducherry	Karaikal	Mahé	Yanam	Total
1	Agricultural Cooperative Credit Societies					
1)	Pondicherry State Cooperative Bank	1	0	0	0	1
2)	Cooperative Land Development Bank	1	0	0	0	1
3)	Primary Agricultural Cooperative Credit Societies	47	6	1	0	54
	Total (1)	49	6	1	0	56
2	Non-Agricultural Cooperative Credit Societies					
1)	Urban Bank	1	0	0	0	1
2)	Staff/ Employees Societies	56	21	1	2	80
	Total (2)	57	21	1	2	81
	Total - (1 +2)	106	27	2	2	137
3	Non-Credit Societies					
1)	Marketing Societies	1	1	0	0	2
2)	Sugar Mills	1	0	0	0	1
3)	Milk Producers Cooperative Societies	103	20	0	1	124
4)	Fishermen Societies	33	17	2	14	66
5)	Spinning Mills	1	1	0	0	2
6)	Pondicherry State Cooperative Union	1	0	0	0	1
7)	Weavers Societies	14	1	1	0	16
8)	Housing Societies	53	3	1	2	59
9)	Industrial Cooperative Societies	11	0	1	6	18
10)	Industrial Women Cooperative Societies	3	2	2	3	10
11)	Consumers Stores	12	2	3	1	18
12)	Student Cooperative Stores	11	4	6	2	23
13)	Irrigation Societies	4	--	--	--	4
14)	Labour Contract Societies	5	0	1	1	7
15)	Transport Societies	2	1	3	2	8
16)	Other Non-Credit Societies (Miscellaneous)	6	2	7	9	24
	Total - (3)	261	54	27	41	383
	Grand Total - (1 to 3)	367	81	29	43	520

Source: As in Table 2.1

2.6 Sector wise details of Cooperative Societies in Puducherry UT

The figures given in table 2.5 show the details regarding sector wise position of cooperative societies in Puducherry UT as on 31st March 2014. There were 520 cooperative societies functioning in Puducherry UT of which 97 percent (506) of the societies were at primary level, 1 percent (6) was central level and the remaining 2 percent of the societies were at apex level.

Table 2.5

Sector wise details of cooperative societies in Puducherry UT

S. No.	Particulars	No. of Societies			
		Apex	Central	Primary	Total
1	State Cooperative Union	1	-	-	1
2	State Cooperative Bank	1	-	-	1
3	Land Development Bank	1	-	-	1
4	Urban Bank	-	-	1	1
5	Sugar Mills	-	-	1	1
6	Spinning Mills	-	-	2	2
7	Marketing Societies	-	2	-	2
8	Dairy Societies	-	2	122	124
9	Employees Credit Societies	-	-	80	80
10	Housing Societies	1	1	57	59
11	Agricultural Credit Societies	-	-	54	24
12	Consumer Stores	1	1	16	18
13	Weavers' Societies	1	-	15	16
14	Irrigation Societies	-	-	4	4
15	Industrial Societies	1	-	17	18
16	Labour Contract Societies	-	-	7	7
17	Transport Societies	-	-	8	8
18	Women Societies	-	-	10	10
19	Other Non Credit Societies	-	-	24	24
20	Students Store	-	-	23	23
21	Fishermen Societies	1		65	66
	Total	8	6	506	520

Source: As in Table 2.1

2.7 Sector wise Performance of Cooperative Societies in Puducherry UT

The table 2.6 shows the sector wise performance of cooperative societies in Puducherry U.T in terms of membership, share capital and working capital as on 31st March 2014.

Table 2.6
Sector wise Performance of Cooperative Societies
(As on 31st March 2014)

S. No	Particulars	Units Regd. (Nos.)	Membership (Nos.)	Total (Rs.)	Working Capital (Rs.)
Credit Cooperatives					
1	State Cooperative Bank	1	285	1552.62	64950.95
2	Central Land Development Bank	1	16493	366.69	2228.11
3	Urban Bank	1	24525	517.00	17797.38
4	APCS/VACS/PACB	54	124071	1240.05	24839.46
5	Staff/Employees Credit Societies	80	39093	4403.84	37526.03
	Total - I	137	204467	8080.20	147341.93
Non Credit Cooperatives					
6	State Cooperative Union	1	46	0.38	0.00
7	Marketing Societies	2	808	626.88	1040.80
8	Sugar Factory	1	14590	9734.54	11838.39
9	Milk Producers Societies	124	55688	507.25	2084.07
10	Fishermen Societies	66	61996	136.47	416.54
11	Spinning Mills	2	1088	8125.28	9402.55
12	Weavers Societies	16	20986	1222.15	2384.38
13	Housing Societies	59	39544	1690.27	15161.98
14	Industrial Societies	18	1985	302.79	426.03
15	Women Industrial Societies	10	1091	208.24	239.87
16	Consumer Stores	18	42031	2237.89	3301.95
17	Students Stores	23	128260	20.60	43.39
18	Irrigation Societies	4	0	0.00	0.00
19	Labour Contract Societies	7	1007	41.97	121.11
20	Transport Societies	8	723	67.88	101.05
21	Other Non-Credit Societies	24	2787	310.53	1531.94
	Total II	383	372630	25233.12	48094.05
	Total – (I + II)	520	577097	33313.32	195435.98

Source: As in Table 2.1.

From the figures in table 2.6 it is revealed that the total working capital of all the 520 societies in the Puducherry UT was Rs.1,95,435.98, of which Rs.1.47 lakhs (75per cent) belong to credit societies and Rs.48094 (25per cent) belongs to non-credit societies. It also showed that the total number of members in all the 520 societies was 5,77,097 of which students stores (*non-credit society*) hold the highest number of memberships as 1,28,260 followed by APCS/VACS/PACB (*credit society*) with 1,24,071 members. Out of total share capital (Rs.33,313.32) of all the 520 societies in the U.T., Rs.24,960.17

(75 percent) was held by the Government and the remaining Rs.8353.15 (25 percent) was held by the members.

2.8 Sector wise Profitability of Cooperative Societies in Puducherry UT

The table 2.7 showed the sector wise profit/loss position of cooperative societies in Puducherry U.T as on 31st March 2014.

Table 2.7

Sector wise profitability of Cooperative Societies

(As on 31st March 2014)

S.No	Type of Societies	Total	No. of Societies	
			Profit	Loss
	Credit Societies			
1	State Cooperative Bank	1	-	1
2	Central Land Development Bank	1	-	1
3	Urban Bank	1	1	-
4	APCS/VAS/PACB	54	26	28
5	Staff/Employee Credit Societies	80	65	15
	SUB TOTAL - I	137	92	45
	Non-Credit Societies			
6	State Cooperative Union	1	-	1
7	Marketing Societies	2	1	1
8	Sugar Mills	1	-	1
9	Milk Producers Cooperative Societies	124	73	51
10	Fishermen Cooperative Societies	66	42	24
11	Spinning Mills	2	-	2
12	Weavers Cooperative Societies	16	-	16
13	Housing Cooperative Societies	59	27	32
14	Industrial Cooperative Societies	18	8	10
15	Women Cooperative Industrial Societies	10	3	7
16	Consumer Cooperative Stores	18	2	16
17	Students Cooperative Stores	23	8	15
18	Irrigation Cooperative Stores	4	-	4
19	Labour Contract Cooperative societies	7	3	4
20	Transport Cooperative Societies	8	2	6
21	Other Non-Credit Societies	24	9	15
	Sub Total – II	383	178	205
	Grand Total (I + II)	520	270	250

Source: As in Table 2.1

The figures in table 2.7 revealed that out of the 520 societies in the Puducherry Union Territory, 270 societies were operating on profit and 250 societies were on loss as on 31st March 2014. It is also revealed that of 383 non credit cooperative societies 54 per cent (205) of the societies were on loss, whereas only 45 (33 per cent) credit societies were on loss as on 31st March 2014. It is also revealed that majority of the milk producers' cooperative societies (59per cent) and 81 percent of Staff/Employee Credit Societies were functioning profitably. It was found that the sugar mill, and all spinning mill, weavers cooperative societies, irrigation cooperative societies, majority of housing cooperative societies, consumer stores, and transport cooperative society were on loss.

2.9 Conclusion

The cooperative organization is a very complex task and needs to be understood in a proper perspective. The cooperative movement in India was initiated in 1904 under the auspices of British Government. Right from the beginning, the Government has adopted an attitude of patronizing the movement. Cooperative institutions were treated as if these were part and parcel of the administrative set up of the Government. The Government interference thus became an essential element in the working of these institutions. The design of a cooperative is an important factor in determining the manner in which it is governed, its success and viability. While designing a cooperative enterprise, one needs to consider factors such as local socio-political conditions, local economy, leadership, structure, by-laws, norms and rules, critical linkages with federal and other organization, macro policies etc (*Hough, E.M.1966*). Most cooperatives in our country have come in to being

through a top-down approach or based on a blue print model and are a result of target based programmes/actions taken by the higher tier organizations and Government. In Puducherry the Cooperative Department has to be referred for the institutional framework, finance structure and linkages, rules of conduct, conflict resolution and cooperative governance. Though the first cooperative central bank was started in the year of 1958 the growth of the movement within 57 years have achieved to a greater height. The considerable factors which triggered were the democratic management of the societies and its relationship with members, secretaries and the State. The elected leaders have brought about effective linkages, both forward and backward and maximized the benefits to the primary membership. More and more cooperatives at primary as well as higher levels were transacting business with non members. Cooperatives are frequently competing in business with their counter parts due the efforts of elected leaders. This fine blend of supporting each other is the way a cooperative has to survive in the globalised competition.

2.10 References

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