PREFACE

The co-operative movement, which saw the light of the day in Europe, has spread thought the world. “Co-operative”, Fauquest writes, “is perhaps more widely distributed geographically than any other modern form of organization.” In 1937, there were 8,10,000 co-operative societies of various types in 103 countries of the world. These societies had a membership of more than 143 million. If this membership represented a like number of families, it would correspond to something like 30 per cent of all the families in the world. Since 1937, the co-operative movement had grown by leaps and bounds throughout the world.

Today, co-operatives are the most important type of voluntary organizations throughout the world. In some countries, they are the principal form of organization in agriculture, marketing and supply provision of credit and distribution of consumer goods.

The Indian co-operative movement, like its counterpart in other countries of the world has been essentially a child in distress. It has emerged out of that turmoil and dissatisfaction which prevailed during the last quarter of the 19th century and worked as a direct consequence of the Industrial Revolution. The Revolution led to the decay of cottage industries and growing pressure on land, making agriculture an uneconomic venture. The indebtedness of the farmers increased. Belief in fate strengthened. This fatalism coupled with illiteracy threw them in to the deep ditch of stagnation, dejection and disappointment. Before beginning of modern co-operative movement, chit funds and nidhis in South India, bund system in Vidharba, the phad system in Kolhapul and gnocchi in Andhra were prevailing in India, Cultivators were exploited by moneylenders. They use to charge exorbitant interest rates as well as cheating was also common phenomena. Disturbance of 1875 in Poona and Ahmedanagar districts of Maharashtra against money-lenders made the government to think on agricultural credit problem seriously.
Village credit societies are also known as Rural Credit Banks more popularity they are called Primary Agricultural Credit Societies (PACS). Primary societies are responsible for providing short and medium term credit, supply of agricultural inputs and marketing of the produce. Their other functions included attracting local savings through share capital and deposits, distribution of loans supervision of their proper utilization, their timely recovery and supply of consumer goods. They are also associated with the production and other socio-economic welfare programmes of the villages.

It is an established fact that the Primary Agricultural Credit Societies have been the hub for many economic activities in developing countries by virtue of their special features of capital sparing and labour intensiveness. In fact, the Primary Agricultural Credit Societies have a major role to play in developing nations which suffer from low capital formation and high growth of population. Realizing the important role of the Primary Agricultural Credit Societies, the Government of India has taken several measures for their promotions and smooth functioning, and allocated crores of rupees for its development during the plan periods. But to the dissatisfaction of many, including government agencies, the sector has not been working satisfactorily owing to different problems faced by the Primary Agricultural Credit Societies, both at the promotional and operational levels. Against this backdrop, the present study has been taken up to assess the working performance of PACSs analyzing the problems faced by them. To carry out the study on sound lines, it is hypothesized that the PACSs suffer from more than one problem.

The study assumes greater significance in the absence of similar study or studies pertaining to Primary Agricultural Credit Societies in Guntur District. This study is relevant particularly when the government aims at promotion and development of capital sharing and labour intensive societies. In spite of several ways of support extended to these societies by the government, these societies are not performing up to the expectations as they are cob webbed with manifold problems.
The importance of present study is to emphasize the fact that different problems are very much in store in these societies and that this study aims at the dissol
ving the varied problems of these societies. So far, many have conducted studies which are on place and the role of Primary Agricultural Credit Societies in a developing economy with reference to India. However, there has been little attention paid on these problems. Though there are certain studies which have probed into the problems of PACS Units they are conducted prior to enunciation of New Agricultural Policy & Economic Reforms, 2012. The present study endeavors to throw light on the varied problems of PACSs during the post implementation of New Agricultural Policy & Reforms. Further, this study facilitates the policy makers in the formulation of certain new policies in the light of changed conditions to resolve the problems of Primary Agricultural Credit Societies. The study also finds out certain new areas, which are opened for future research.

*****

iii