CHAPTER - III

Genesis of the co-operative movement

Co-operation - A global perspective

Characteristics

Importance of co-operative movement in India.

Co-operative movement after independence
CHAPTER - III

THE ROLE OF CO-OPERATIVE MOVEMENT IN INDIA - AN OVERVIEW

In the words of Mahatma Gandhi, "There is sweetness in co-operation, there is no one weak or strong among those who co-operate. Each is equal to the other".

GENESIS OF THE CO-OPERATIVE MOVEMENT

Co-operation, an economic miracle of the nineteenth century, is not a mere slogan of the present era. 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. Emphasising 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 betterman and the quality of the human race is improved".1 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 in the ILO year book for 1933 noted "in some they are using it as an instrument for

1. HALL & WATKINS, British co-operation, Co-operative Union Ltd. 1951, P.461.
developing a backward economic system, in other more advanced
countries it is considered as a highly developed and advanced
form of economic activity and is therefore, entrusted with new
responsibilities is being associated with tasks of public
importance”.

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.

Co-operation has been defined in slightly different
ways, in various sciences and by various scholars. This is due
to its flexible nature which can lend itself to variety of purposes,
and adopt itself to widely divergent economic and social system.
In order to have a thorough understanding of the concept, some
well known definitions are analysed.

According to Hubert Culvert, “Co-operation is a form
of organisation wherein persons voluntarily associate together as
human beings on a basis of equality for the promotion of economic
interest of themselves”. 2

Louis P.F. Smith defines a co-operative as “an

association belonging to economic units (whether of producers or consumers) controlled by them for service to themselves in which the risk of profit or loss is borne by a variable price of goods and services rather than the profit on capital."^3

According to Websters Universal Dictionary 'Co-operation' is an association of a number of persons for a common benefit especially in carrying on some branch of trade or industry etc., the profit being shared as dividend among the members.

"In the view of Dr.C.C.Taylor two basic sociological ideas were involved in co-operation"^4


b) The other basic ideas seems to be that people are motivated by a device to join with other in a mutual effort and to live in peace rather than to compete against each other.

According to C.R.Fay, another protagonist, "a co-operative society is an association for the purpose of joint

trading, originating 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".5

According to Paul Lambert, a well known authority on co-operation seems to be more broad and liberal, "a co-operative society is an enterprise formed and directed by an association of users applying within itself the rule of democracy and directly intended to serve both its own members and community as a whole".6

LEGAL DEFINITIONS:

Sometimes a co-operative is defined as a body formed and working under the "Co-operative Act" of the country concerned.

Under the Austrian Act "a co-operative society is an association with unlimited number of persons the object of which is the promotion of industry or trade of their members by means of common action".7

5. Fay C.R. Co-operation at Home and Abroad, 1956, P.5.
Under the Japanese Law of 1921 "a co-operative society is an association having legal existence formed by persons of modest means in order to promote and develop according to the principles of mutuality, the exercise of their occupations and the improvement of their economic condition".  

As per Belgian law "a co-operative society is one which is composed of members whose number and holding are variable and whose shares are non-transferable to third parties".

CO-OPERATION - A GLOBAL PERSPECTIVE

The genesis of the co-operative movement can be traced back to the first half of the 18th century. Those were the days of scarcity and shortages in the 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 was the first to proclaim and propagate the ideals of co-operation in England. William King of Broughton popularly knows as the "poor man's doctor" was another staunch advocate of co-operative movement in England. From England the co-operative movement spread to some continental countries, particularly France, Germany and Italy.

Soon the movement attracted the attention of social workers of several other European Countries as well as those of the continents 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 organisation provides a forum for co-operation and reinforcement among national co-operative movements.

Another factor which contributed to the spread of the movement after the second world war was the emergence of several independent states particularly in Asia and Africa. The new states encouraged the spread of the co-operative movement as a part of their national strategy for planned development. As such by now it has spread into several countries round the Globe which is apparent from the following table.

CO-OPERATIVE MOVEMENT IN VARIOUS COUNTRIES

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Type of Co-operatives</th>
<th>Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Consumer Co-operatives</td>
<td>England</td>
</tr>
<tr>
<td>2.</td>
<td>Credit Co-operatives</td>
<td>Germany, Italy, Sweden &amp; India</td>
</tr>
<tr>
<td></td>
<td>Marketing Co-operatives</td>
<td>Canada, U.S.A. &amp; Australia</td>
</tr>
<tr>
<td>---</td>
<td>------------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>4.</td>
<td>Land Mortgage Credit</td>
<td>Germany, England &amp; 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 &amp; Palestine</td>
</tr>
<tr>
<td>7.</td>
<td>Housing Societies</td>
<td>U.S.A. Sweden &amp; Israel</td>
</tr>
<tr>
<td>8.</td>
<td>Producers' Co-operatives</td>
<td>France &amp; 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>

The development of the co-operative movement during Forties in the World was also highlighted by G.D.H. Cole in his book, "A century of co-operation". He observed that "today co-operation is a world wide movement. It exists in some form in every continent and in nearly every considerable country". In this connection it will be worthwhile to mention the observations of late Pandit Jawaharlal Nehru. He summed up the genesis and growth of the movement in the following words.

"The co-operative movement started long long ago in many countries on a relatively limited scale and with rather limited objectives. It has grown big in every country. Whether it is

---

communist, socialist or capitalist. It has grown big and is evergrowing bigger because it has supplied a very big need. It may differ slightly in various countries in its make-up but broadly speaking the basic things about the movement are much the same everywhere." 9

CHARACTERISTICS

The chief characteristics of a co-operative enterprise are discussed in the following paragraphs.

1. IT IS AN ASSOCIATION OF PERSONS:

The Chief feature of a co-operative society is that it is an association of persons and not an impersonal grouping of capital like a joint stock company. It is no denying that a co-operative society is also in need of capital, but the emphasis is on man and not on capital he contributes. For, in the words of Coady, "in economic co-operation it is man that counts not money".

2. IT IS AN UNDERTAKING:

A co-operative undertaking is not only an association

---

it is also an undertaking. It is not a charitable or a philanthropic association. A co-operative enterprise is run by members themselves at their own expense and not at their own risk.

3. IT IS A VOLUNTARY ORGANISATION:

A co-operative enterprise is based upon a voluntary form of organisation. No one is coerced to join a society against his will. Coercion in any form is considered to be incompatible with the concept of co-operation.

4. IT IS A DEMOCRATIC ORGANISATION:

A co-operative organisation is governed on the basis of democratic principles. Every member of the society has only one vote and no more, irrespective of the number of shares held by him.

5. KEY-NOTE IS SERVICE AND NOT PROFIT:

The key-note of a co-operative enterprise is service and not profit. A co-operative enterprise is motivated by a spirit
of service; its whole business mechanism is geared towards the provision of most economical service.

6. THE BASIS IS EQUALITY:

Another feature of a co-operative enterprise is that within its membership relations between man and man are governed by a rule of equality irrespective of possible differences of the race, creed, political opinion, social status or subscription of capital. All the persons possess equal rights and duties. For, according to Edgard Milland, "There can be no co-operation unless it is between equals".

7. IT IS BASED ON PROPORTIONALITY OR EQUITY:

The distinctive feature of co-operative social economy is in the method of distributing the social product. The surplus is distributed not according to share holdings but according to the proportion of business operations a member has effected with the society.

8. IT IS A SOCIO-ECONOMIC MOVEMENT:

The co-operative movement is a socio-economic
movement. It aims at bringing about revolutionary changes in the social and economic structure by peaceful means. It is based on self help and stands for moral uplift and honesty.

Shri V.L. Mehta has stated "it is the claim of the co-operative movement that it can be the principal means of bringing about in a peaceful manner of social change of a fundamental nature ushering a social order non-exploitative, equalitarian, tolerant that harmonises the dignity of the individual with the wellbeing of the community". ¹⁰

IMPORTANCE OF CO-OPERATIVE MOVEMENT

David A. Morse, Director General of the I.L.O. has observed that "co-operatives have helped to rationalise distribution patterns, increase purchasing power, promote consumer protections, narrow the housing gap. They have contributed to the modernisation of small scale production in agriculture, fisheries, handicrafts and industry. They have made improved quality and greater volume of production and have led to more efficient marketing of increased output. They have stimulated productive capital, formation among large number of individuals. In a wider sense, "co-operative growth has thus become an effective stimulant to economic growth".

Henry W. Wolff has observed that "co-operation represents one of poor people's best and most useful and most trustworthy allies in the battle for progress and economic and social emancipation".

**ECONOMIC BENEFITS:**

From the economic standpoint, co-operatives are engaged in securing for their members services of various kinds, at low costs. These may include services of various socio-economic activities in the consolidation of holdings, the establishment of irrigation schemes, the contouring of land, the procurement of technical knowledge, the administration of credit, the buying of fertilizers, pesticides, seeds, electricity and machine services of consumers goods, the processing and marketing of produce and the provision of insurance, health and medical care or education.

Co-operation has also played an important role in checking monopolistic tendencies. In U.S.A. the House committee on Small Business reported.

"There is substantial evidence to show that the co-operative movement operates as a very successful means of competing monopolistic concentrations and as such is a very
healthy addition to the American economy).

SOCIAL BENEFITS

Co-operation confers a number of benefits on the society. This is so because the object of co-operation is to transform the member's condition in such a way that he makes his social life richer and happier. Dr. Fauquet, a well known authority on co-operation, has stated that "The ultimate aim of co-operation is to develop men-men imbued with the spirit of self-help and mutual-aid in order that individually they may rise to a full personal life and collectively to a full social life".

Modern life is full of social tensions. Urban vs. rural, consumers vs. producers, labour vs. capital, there are tensions with regard to religion, caste, language, state, race and occupation. Co-operatives tend to lessen these tensions and show all people how they can work together on common grounds. Mr. A.F. Laidlow states, "The co-operative movement provides the means of social change without reporting to the undesirable methods and violence". 11

Co-operative movement is an exercise in fellowship which seeks to end the exploitation of man by man. The  

co-operative movement teaches man and woman to rise above their own interests and to think in terms of the general good.

CO-OPERATIVE SOCIETY - MEDIUM OF DEMOCRATIC PLANNING

The co-operative society has an important role to play as the most suitable medium for the democratization of economic planning. It provides the local unit which can fulfil the dual function of educating public opinion in favour of a plan and of executing it. In carrying out its plans the state will wish to enlist the goodwill of the different sections of the community for and through who planning has to be undertaken. In this task it can derive considerable assistance from a body organised for a definite economic purpose and designed to carry out effectively this work of education and the awakening of a live interest in schemes of social and economic betterment. The co-operative society will study the implications of the plan and explain them to the individuals who constitute its membership. By making the plan popular it will create a better atmosphere needed for its execution voluntarily.

Co-operation has been described as the Keystone of an arch without which technical knowledge offered from the
side of the state and enterprise on the part of the people will not succeed in supporting a progressive rural economy among millions of small farmers and cottage workers. It is only through organised bodies built upon the smallest and most numerous economic units that large scale improvements can be introduced successfully. Such an economic unit need not necessarily be confined to a village. A feature of the co-operative system, which renders it particularly attractive is its extreme adaptability. The institutions organised can be so adjusted in their methods and practice as to suit the diverse requirements of the various elements comprising the social structure, persons with different ways and habits of life and with different economic needs. Co-operation has helped in several countries even to harmonise conflicting social and economic interests. The method of federation adopted in the movement imparts to it the strength which individual institutions standing alone obviously take. By this means the movements secures that degree of concentration which is needed for effective functioning in a modern community and for this reason it appears to be the only machinery that reconciles the conception of large scale economic planning to individual enterprise and initiative.
BEFORE INDEPENDENCE:

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 out-breaks of natural calamities. The outcome of all these factors was rural indebtedness. The rural poor was being exploited by moneylenders by way of charging usurious rates of interest. At some places of the country, peasants rose against the money lending classes. With a view to save the peasants from the clutches of moneylenders, Provincial Governments enacted several measures of relief such as Deccan Agricultural Act of 1879, Land Improvement Loan's Act of 1883 and Agriculturists' Loan Act of 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 Fredrick Nicholson to study the theory and practice of co-operative structure in England and Germany and to examine the feasibility and modalities of their
introduction in the Indian situation. Nicholson in his report (1901) observed that we must "find Raiffeisen in India". 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. Accordingly the first co-operative credit societies Act (No.X) of 1904 came into force. Introducing the Bill in the Imperial Legislative Council Sir Devzil Ibberson aptly remarked "Only along the co-operative route will India find the way from poverty to plenty".

THE CO-OPERATIVE CREDIT SOCIETIES ACT OF 1904

The passage of this Act was the first milestone in the co-operative movement of India. It aimed at encouraging thrift habits among the poor peasants and artisans by setting-up co-operative societies. The co-operative societies were classified as "rural" and "urban". The former had unlimited liability, while the latter had both limited and unlimited liability. With the enactment of this Act many credit societies started coming up and till the end of 1909-10 there were 0.02 lakh societies with
about 1.60 lakh members and working capital of Rs.6.80 million. There was, however, no provision for the establishment of non-credit societies or central agencies such as central co-operative banks/federations. In order to rectify these shortcomings the Government passed a comprehensive co-operative societies act in 1912. It provided for registration of all types of societies credit, non-credit and apex federations. With the enactment of this Act there was a hurried expansion in the number of societies together with their membership and working capital. 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 Sri Edward Maclagan. The Committee recommended stoppage of further registration of societies structural grouping of societies into these 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 the purpose of supervision.

The Royal commission on Agriculture 1928 while evaluating the progress of the movement in the country remarked "if co-operation fails, there will fail the best hope of rural India". The movement suffered a serious set back as a result
of the worldwide economic depression of 1930-31. It was during this period that on the recommendations of the Central Banking Enquiry Committee (1931) Reserve Bank of India was set-up in 1934. 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. During this period the boom in earnings substantial developments took place in the co-operative movement. In the meantime the Government of India appointed the Agricultural Finance sub-committee under the chairmanship of D.R.Gadgil in 1944 and the co-operative planning committee under the chairmanship of R.C.Saraiya in 1945 to review the progress of the co-operative movement in our country.

Statistically the growth of the co-operative movement till independence has been indicated in Table 3.1.
## TABLE 3.1

GROWTH OF CO-OPERATIVE MOVEMENT IN INDIA (1906-45)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NO. OF SOCIETIES</th>
<th>PERCENTAGE INCREASE/DECREASE</th>
<th>MEMBERSHIP (in lakhs)</th>
<th>PERCENTAGE INCREASE/DECREASE</th>
<th>WORKING CAPITAL (Rs. in lakhs)</th>
<th>PERCENTAGE INCREASE/DECREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1906-10</td>
<td>0.02</td>
<td>-</td>
<td>1.60</td>
<td>-</td>
<td>6.80</td>
<td>-</td>
</tr>
<tr>
<td>1911-15</td>
<td>0.12</td>
<td>500</td>
<td>5.51</td>
<td>244</td>
<td>54.81</td>
<td>706</td>
</tr>
<tr>
<td>1916-20</td>
<td>0.28</td>
<td>133</td>
<td>11.30</td>
<td>105</td>
<td>151.70</td>
<td>178</td>
</tr>
<tr>
<td>1921-25</td>
<td>0.58</td>
<td>107</td>
<td>21.55</td>
<td>91</td>
<td>369.61</td>
<td>140</td>
</tr>
<tr>
<td>1926-30</td>
<td>0.93</td>
<td>63</td>
<td>36.90</td>
<td>71</td>
<td>748.80</td>
<td>106</td>
</tr>
<tr>
<td>1931-35</td>
<td>1.05</td>
<td>13</td>
<td>43.22</td>
<td>17</td>
<td>946.11</td>
<td>26</td>
</tr>
<tr>
<td>1936-40</td>
<td>1.17</td>
<td>11</td>
<td>50.77</td>
<td>18</td>
<td>1046.80</td>
<td>11</td>
</tr>
<tr>
<td>1941-45</td>
<td>1.50</td>
<td>28</td>
<td>72.18</td>
<td>42</td>
<td>1246.70</td>
<td>19</td>
</tr>
</tbody>
</table>

SOURCE: Reserve Bank of India, Review of the co-operative movement in India, (Bombay 1952) P.1.
The data shows that till Independence co-operatives have made progress on all fronts. The increase (1906-45) in the number of societies, the number of membership and the working capital was 75 times, 45 times and 183 times respectively.

CO-OPERATIVE MOVEMENT AFTER INDEPENDENCE

In the post independence 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 of the community.

R.B.Tyagi observed that "co-operation has begun to be felt as the only panacea for all our maladies both social and economic and specially of the rural sector". 12

"Co-operatives in the country's economy will not only avoid excessive centralisation and bureaucratic control likely to result from planning itself, but also curb the acquisitive instincts of the individual producer or trader working for himself" as was observed in a Government publication, various five year plans have envisaged a great deal of scope for the organisation of co-operative activity.

The first five year plan of India recognised co-operation as an indispensable instrument of planned economic action in democracy, combining initiative, mutual benefit and social purpose. The First Five Year Plan stated that, "The principle of mutual and which is the basis of co-operative organisation and the practice of thrift and self-help which sustain it, generate a sturdy feeling of self-reliance which is of basic importance in a democratic way of life. By pooling their experience and knowledge and by helping one another, members of co-operative societies cannot only find the solutions of individual problems but also become better citizens.

The financial outlay in the I Plan for the development of co-operatives was Rs.7.11 crores.

Reiterating the approach enunciated in the First Five Year Plan the Second Five Year Plan maintained that "the building up of co-operative Sector as part of the scheme of planned development is thus, one of the control aims of the national policy".

The Second Five Year Plan set before itself the broad objective of evolving a socialistic pattern of society. The
co-operative plans for the Second Plan were largely formulated on the basis of the recommendations of the Rural Credit Survey Committee which was set-up in the year 1951. The financial outlay for the improvement of co-operatives during II Plan was Rs.57 crores.

The Third Five Year Plan observed that "a rapidly growing co-operative sector with special emphasis on the needs of the peasant, the worker and the consumer becomes a vital factor for stability for expansion of employment opportunities and for rapid economic development".

The Third Plan regarded co-operation as one of the principal means for bringing about changes of a fundamental nature within the economy. A sum of Rs.77 crores was incurred on co-operative development programmes during the III Plan.

Based on the concept of growth with stability and social justice the Fourth Five Year Plan visualised a bright future for co-operatives.

Agicultural co-operatives and consumer co-operatives will occupy a central position in the strategy of co-operative development. Co-operatives are as large and varied as they can
render service effectively. While it will be for the co-operatives themselves to make the effort involved and reach those standards of efficiency which will enable them to compete with other forms of organisation serving similar purposes. Government for its part will endeavour to assist the co-operatives to equip themselves for the task in important aspects such as finance organisation and trained personnel. A sum of Rs.258 crores was incurred in the IV Plan on co-operative development.

During the Fifth Five Year Plan co-operatives were recognised as an important institutional frame-work to ameliorate the condition of weaker sections, particularly in providing inputs and working as an important limb of the National Public Distribution Scheme. The Plan stated that "there is no other instrument as potentially powerfull and full of social purpose as the co-operative movement".

The major objective of the Fifth Plan would be to build up a strong and viable co-operative sector with special emphasis on the needs of cultivators, workers and consumers. A provision of Rs.379 crores was made for co-operative development during the plan period.
In the strategy of co-operative development the Fifth Plan laid a great stress on:

a. Structural improvement of weak Central Banks and a large number of non-viable primary agricultural credit societies.
b. Reorganisation of a large number of marketing societies and consumer co-operative stores.
c. Setting-up of farmers’ service societies as recommended by the National Commission on Agriculture.
d. Reorienting co-operatives so that they would look after increasing the small and marginal farmers and other underprivileged sections.
e. Bringing about a greater co-operation between public sector banks and co-operative banks and public sector commodity corporations.
f. Taking measures for the professional management of co-operatives.

The table 3.2 shows the comparative progress made by the co-operatives in the First 'Five' Five Year Plans.
<table>
<thead>
<tr>
<th></th>
<th>I PLAN</th>
<th>II PLAN</th>
<th>III PLAN</th>
<th>IV PLAN</th>
<th>V PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Societies</td>
<td>1.8</td>
<td>2.4</td>
<td>3.3</td>
<td>3.3</td>
<td>3.3</td>
</tr>
<tr>
<td>(in lakhs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of increase</td>
<td>-</td>
<td>33</td>
<td>37.5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Membership of Societies</td>
<td>137</td>
<td>176</td>
<td>342</td>
<td>585</td>
<td>734</td>
</tr>
<tr>
<td>(in lakhs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of increase</td>
<td>-</td>
<td>28</td>
<td>94</td>
<td>71</td>
<td>25.5</td>
</tr>
<tr>
<td>Share capital of Societies</td>
<td>45</td>
<td>77</td>
<td>222</td>
<td>663</td>
<td>1226</td>
</tr>
<tr>
<td>(Rupees. in crores)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of increase</td>
<td>-</td>
<td>71</td>
<td>188</td>
<td>198</td>
<td>85</td>
</tr>
<tr>
<td>Working capital of Societies</td>
<td>276</td>
<td>469</td>
<td>1312</td>
<td>4473</td>
<td>8648</td>
</tr>
<tr>
<td>(Rupees in crores)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of increase</td>
<td>-</td>
<td>70</td>
<td>180</td>
<td>240</td>
<td>93</td>
</tr>
</tbody>
</table>

**SOURCE:** Adapted from Indian Agriculture in Brief 1977-78
The table 3.2 clearly indicates that the number of co-operatives increased from 1.8 lakhs in the First Plan to 2.4 lakhs in the Second Plan and 3.3 lakhs in the Third Plan respectively. Thereafter the number of societies remained at 3.3 lakhs till the end of Fifth Plan which ended in 1979. However the membership of co-operatives has shown an increasing trend successively. Obviously, the share capital position of the co-operatives has recorded an upward trend in the successive five year plans. Ultimately the share capital has reached an all time high of Rs.1226 crores for all the co-operatives put together. Simultaneously the working capital position in these co-operatives shows a rising trend during the plan periods.

The Sixth Plan made a thorough review of co-operative movement since 1951 and in the light of the problems and constraints of the movement, chalked out the Four Point Programme.

a. Strengthen Primary Village Societies and make them function effectively as multipurpose units catering to diverse needs of their members.

b. Direct co-operatives to ameliorate the economic conditions of the rural poor.

c. Reorient and consolidate the role of the co-operative federal
organisations.

d. Develop professional manpower and appropriate professional cadres to man managerial positions.

The plan provides for a financial outlay of Rs. 475 crores on co-operative development programmes.

By and large the Seventh Plan would carry forward these programmes and policies enforced as spillover of the Sixth Plan. The co-operatives would be enabled to expand the flow of credit and ensure supply of inputs and services particularly to the weaker sections. The Seventh Plan will continue to strengthen the co-operative movement in comparatively weaker states especially in North-eastern region. It will continue to provide professional management and strengthen effective training facilities for improving operational efficiency of co-operative units. The plan provided for a financial outlay of Rs. 1400 crores on co-operative development programmes.