Chapter 6
Chapter 6

Barriers impinging Social Contributions of Cooperatives

Cooperatives are neither philanthropic organisations nor evangelical missionaries nor charitable institutions that aim at creating better men and conscious society. Cooperatives infact make a man better through a unique approach, which brings developments by synthesizing acceptable economic means and cherished social values. Hence, they differ from Capitalism and Socialism. Cooperative touches no man’s fortune, seeks no plunder, causes no disturbance in society, and gives no trouble to statesmen. It enters into no secret association, it needs no trade unions to protect its interest, it contemplates no violence, it subverts no order, it envies no dignity, it accepts no gifts nor asks any favour, it keeps no terms with the idle and will break no faith with the industrious (Krishnaswamy 1985). Cooperation thus creates a new social order based on freedom, fraternity, equality and equity. Its motto is, “each for all, and all for each”.

Cooperation makes every man socially better and economically stronger. However, the effectiveness of Cooperative institutions in accomplishing their social objectives depends on their managerial efficiency and economic effectiveness. This means that economically ineffective Cooperatives cannot be socially effective. Hence economic effectiveness is the means while social effectiveness is the end of Cooperation. Consequently, when the ideologies and the principles of Cooperation are put into practice under varied socio-economic, cultural and political systems in reality, there bound to be significant differences in their social contributions. Moreover as Cooperative organisations constitute the subsystem of the total system, their economic efficiency is widely affected by both the micro and macro forces embedding the total system. This could be the basic reason in all countries in the world that the Governments have enlarged the economic roles of Cooperatives in the pursuit of Nations’ social objectives (Subburaj 2002). In countries like India where the Cooperative Movement is sponsored and nurtured by the Government since 1904, it has contributed a lot for the nation’s economic development. Some studies have revealed that 49.3
percentage of credit requirements of agricultural sector has been met by Cooperatives and 25.2 percentage of agricultural inputs are being produced and distributed through Cooperatives. Cooperatives assume monopoly in the fields of milk production and chemical fertilizers. They have been manifesting as a great enabling force of socio-economic security to 55 percentages of weaker sections and 92 percentages of India's eligible populations who depend directly and indirectly on Cooperatives for their livelihood are benefited out of Cooperatives (NCUI 2001).

Yet the economic contributions of Cooperatives are often underestimated by comparing the progress and performance of other forms of economic enterprises. This statement may be true. But the social contributions of Cooperatives cannot be undermined. Century old existences of Cooperatives and their rich expertise in the socialization process have made imprints on the social life of the Indian soil. However in the process of maximization of social impact, Cooperatives are confronted with several bottlenecks due to their constitutional, managerial and functional weaknesses. Problems arise out of organisational climate and environment, which mould Cooperatives, and frictions arise out of the psycho socio economic and cultural factors governing the people and that of the Cooperative organisation themselves including the Cooperative ideologies.

Perusal of reports of various Committees and Commissions and a few research works have highlighted several limiting factors, which impinge the economic as well as social performances of Cooperatives. Sir.Frederick Nicholson (1895-1897) found social stratifications and illiteracy among people in general and low productivity in agriculture and allied industries in rural area as limiting factors. Similarly, Sir.Edward Law (1901) noticed that feudalism and lack of voluntary action among people thwarted the Cooperative enterprises. Sir. Edward D. Maclagan (1915) observed that lack of diversification and sporadic existence of Cooperatives hampered the progress of Cooperatives. The Reform Act (1919) pointed out problems in self-governance and absence of micro plan for Cooperative development as major limiting factors. Whereas the Royal Commission on Agriculture (1928) found fault with the production and distribution systems and the drought prevailing in the country. The Central and Provincial Banking Enquiry Committee (1931) and the Report of the Reserve Bank of India
(1939) identified the chronic indebtedness and low productivity in agriculture as reasons for poor performance of Cooperatives. Also vested interest and absence of cooperative leadership have retarded the forward movement of Cooperatives (J.P. Niyogi Committee of Bengal 1940). Weak capital base and absence of organic link between Cooperative institutions, haphazard planning and laissez faireness of the State for the Cooperative development were the reasons for feeble cooperative development (Gadgil 1944 and Cooperative Planning Committee 1946). Indian Delegation to China on Agrarian Reforms (1948) identified existence of non-viable Cooperatives with single purpose business, covering very limited geography for business operations as a major reason for the stunted growth of Cooperatives. The All India Rural Credit Survey Committee (1954) emphasized lack of Integrated Approach for Cooperative Development. Malcolm Darling (1957) viewed the problems arising out of ambiguous policy resolutions on Cooperatives. Absence of diversification and failure in approach for holistic treatment of the primary unit is the cause for tardy growth of Cooperatives (National Development Council Policy Resolution J958). Sir V.L. Mehta (1960) found defects in the functioning of cooperatives including structural weaknesses and lack of coordination among various development agencies for cooperative development (Mirdha Committee on Cooperation 1964).

Daniel Thorner (1964) observed, "in general the heads of the cooperatives have been the big people of the villages and that they have their fingers in many other pies as well as cooperation and in case after case among the best cooperatives, the leadership turns out to be trader money lender." In fact, there has been an inadequate development of non-official leadership. It lacks competence, knowledge, integrity, efficiency and a sense of dedication. E.M. Hough (1966) observed poverty and malnutrition, widespread indebtedness, high percentage of illiteracy, lack of business experience, uneconomic holdings, inadequate transportation and storage, dearth of regulated markets, exploitation by money lenders and middleman, great price fluctuations and antiquated method of cultivation as reasons for poor performance of cooperatives. Myrdal Gunnar (1968) found fault with cooperatives themselves as an institution which have failed to bring even succor to the poverty-stricken peasants, artisans and small traders and absence of consolidation of Cooperatives to avail viability and
scale advantages (All India Rural Credit Review Committee 1969) as reasons for poor performance of Cooperatives. Poor coverage of population and neglect of weaker sections, absence of professionalisation and increased bureaucracy (Sivaraman Commission 1976), absence of single window system of delivering the services of Cooperatives and target orientation by subsiding the field realities, increased politicisation and defective implementation of schemes and programmes of government through Cooperatives (Datey Committee 1974), absence of infrastructure for cooperative development and poor backward and forward linkages among Cooperatives (Daniwala Committee 1966), poor financial management and non adoption of systems approach for cooperative development (Bavishkar 1980 and Kkushru Committee /95P), dual control and regulation of Cooperatives by the State and Central organisations, restrictive trade policies and procedures and increased financial burden, (Narasimman Committee 1991) myopia in realizing the Cooperative ideologies and the principles which resulted for crisis in Cooperative identity (ICA 1995), absence of friendly legal framework for Cooperatives affecting the autonomy and independent characteristics of Cooperatives (Brahm Prakush Choudary Committee 1991 and A run Biswas 1997), increased state intervention (Surinder S. Jodhka 1995, Mishra 1999, Cooperative Initiative Panel 1999 and Profulla Hazarika 2002) and paradigm shift from active membership to pseudo membership (Subburaj 2000 unpublished Draft Report) have been attributed for poor performance of Cooperatives. Self-help and self-reliance, which are the chief characteristics of the Cooperative Movement, are conspicuous by their absence in India (Cooperative Initiative Panel 1999).

All these literatures show that Cooperatives are imbibed with several defects and also confront numerous problems in their daily wake. Although all the defects and problems of Cooperatives are not new, an attempt is made to discuss problems, which hamper maximization of social benefits of Cooperation as perceived by members who actually involve in the development transactions of Cooperatives and people in general to whom Cooperatives strive for. Both close ended and open-ended questions were asked among respondents and responses to such and other issues are summarized below. Moreover, problems and barriers in deriving the social benefits of Cooperatives highlighted during Focus Group Discussions (FGDs) are noted in appropriate stages. Statistically
proved statements depicting reasons for poor realizations of social benefits of Cooperation are also presented. The report presents the problems / barriers associated in the realizations of social benefits of Cooperation under three major headings viz., Problems related to the Constitution, Management and Administration, and Business of Cooperatives. The members of cooperatives in particular have reflected their humiliation in the context of maximization of social contributions of Cooperatives. They never found fault with the approved techniques of Cooperation, rather they found fault with the method of adoption of the techniques which retard social effectiveness of Cooperatives.

Problems related to Constitution of Cooperatives: The term constitution in Cooperatives refers to objectives, membership and area of operation of the Cooperative. Whether Cooperative institutions have evolved objectives or not? Whether the objectives are broad based sufficiently to provide adequate scope to take up desired activities in line to the needs and wishes of members? Are there any discrepancies in the objectives which do emerge as an inbuilt block in the process of adaptation to the changed environment? Are there any deviations in the actual functions from the avowed objectives of Cooperatives? Whether membership is provided to those individuals who are in need of the services of the Cooperatives or not? Whether the conditions for membership enable for speedy accomplishment of objectives by Cooperatives? Whether the area of operation provides for scale advantages in the business transactions or not? Whether the area of jurisdiction enables to promote cooperative characteristics among people and identity to the institution or not? Whether heterogeneous composition of the population dwelling in the jurisdiction of Cooperatives is served by varied services or not? Are there any fraternal and service competitions to Cooperatives in their area of jurisdiction? Do people find area coverage of Cooperatives as a block in deriving the social benefits of Cooperatives? These and other issues were discussed with respondents and inferences are presented here.
Table-6.01
Problems in the constitution of cooperatives

<table>
<thead>
<tr>
<th>Problems</th>
<th>Category of members</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Landowning (N = 282)</td>
</tr>
<tr>
<td>Inactive members</td>
<td>280 (99.30)</td>
</tr>
<tr>
<td>Adoption of universal membership</td>
<td>258 (91.52)</td>
</tr>
<tr>
<td>Lack of cooperative education</td>
<td>276 (97.09)</td>
</tr>
</tbody>
</table>

Figures in parentheses are percentages to N total.

In the realization of social benefits of Cooperation, majority of members in general and landowning rural members in particular felt that existence of inactive members in the cooperatives has resulted in inefficiency among Cooperatives. Non-repayment of loans promptly in time (75%) lack of participation in the management and administration of Cooperatives (70%) absence of ownership spirit (70%), visualizing Cooperatives as an institution for availing benefits of the government (65%) and absence of commitment to the cause on the Cooperatives (70%) have hampered the social contributions of Cooperatives (Table not shown).

Majority (97%) of landless members felt that inactive membership in Cooperatives have created ambiguity in the constitution of Cooperatives. Realizing the advantages of objectives of the Cooperatives is affected by the effect of the implementation of the schemes and programmes of Government through Cooperatives.

They said,

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Membership behaviour is changed from ownership to mere clientele ....... for benefit of the scheme we seek membership in Cooperatives ....... that too, by the advice of the officials.
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Members in urban area reveal that inactive membership in Cooperatives is a barrier to the realization of social benefits of Cooperatives. It is apt to quote the inference made in chapter five of this report that there are differences in the realization of social benefits of Operation between members in rural and urban area. Although urban members have got fairly higher level of education and exposure to mass media than members in rural area, the problems of inactive membership remain common to both rural and urban members. However the problem of inactive membership compounded by inefficient business performance and non-adoption of need based business approach by Cooperatives in urban area is highlighted.

The problems related to constitution of Cooperatives are also aggravated by the policy of adoption of universal membership. Landowning members indicated that adoption of universal membership in Cooperatives is the major reason for infiltration of power and politics in Cooperatives. Landless members found this as the root cause for changing membership behaviour in Cooperatives. Urban members view that adoption of universal membership is the major cause for expanding inactive membership in Cooperatives. They said,

Those who are not in need of the core services of Cooperatives and whose economic requirements can not be met as per the objectives of the Cooperatives, those who would like to use cooperative membership as a stepping stone for their political advantages or local popularity or group dynamics were benefited out of universal membership policy.

(FGD among members in Shanarpatty village in ACR 2)

The constitution of Cooperatives is also affected by lack of informed membership. Cooperatives require individuals who can shoulder the responsibility of membership in Cooperatives at any point of time. They said,

Members who realize the significance of their membership in Cooperatives are found minority today. Individuals who join the Cooperatives with mere business propositions seek economic advantages even by neglecting social virtues and values.

(FGD among members in Ammapatty village in ACR 2)
While referring to area of operation of the cooperative society, majority of members felt that wider area coverage has widened the anonymity among members although the benefits of scale advantages in business transactions are accrued. Moreover serving the heterogeneous needs and wants of people by a Cooperative resulted in various segmentations among its members. When Cooperatives lack in expertise in different fields of their business operations, image building among people is highly affected. When people with unmet needs and wants constitute membership in Cooperatives, they justify their changed behaviour against Cooperatives by drawing strength and support from other agencies and institutions which aim at counter-fitting or outstripping the Cooperatives.

To sum up, constitutional problems of Cooperatives create several barriers in the realization of social benefits. Homogeneity in needs and wants of people which is the very fountain of the objectives of the Cooperative, self evolved code of conducts and inbuilt enabling force of oneness which emerge out of enlightened membership are felt very important prerequisites for delivering maximum social benefits by Cooperation.

Problems related to management of Cooperatives: Management in Cooperatives refers to structure and method adopted for management decision making in Cooperatives. Three tier bodies viz., general body, management board and the head / president and the method of decision making and system of controlling the affairs of Cooperatives are likely to influence the social performance of Cooperatives.

Absence of homogeneous interest group in the management structures, lack of autonomy in decision making, personal based voting, political interventions and group dynamics with personal objectives, group rivalries and group coterie, poor transparency in management affairs, absence of accountability and responsibility among elected as well as official leaders etc., are highlighted as limiting factors of maximization of social benefits of Cooperation.
Table 6.02
Problems in the management of cooperatives

<table>
<thead>
<tr>
<th>Problems</th>
<th>Distribution of members</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Landowning (N = 282)</td>
</tr>
<tr>
<td>Lack of Autonomy</td>
<td>247 (87.6)</td>
</tr>
<tr>
<td>Voting right to inactive members</td>
<td>278 (98.6)</td>
</tr>
<tr>
<td>Political intervention</td>
<td>259 (91.8)</td>
</tr>
<tr>
<td>Lack of management accountability</td>
<td>277 (98.2)</td>
</tr>
</tbody>
</table>

Figures in parentheses are percentages to N' total.

A few inferences from Focus Group Discussions are given below.
Landowning members suffer on account of absence of autonomy to their Cooperatives and they were unable to steer their Cooperatives towards goal maximization. They said,

The PACB accepts deposits from public as per the advice of the Central Cooperative Bank. Similarly loan sanction to individual members is made as per the guidelines of the Central Cooperative Bank. PACB is merely a distributive unit.

(FGD among members in Kosavapatty village in ACR2)

Though we submit loan applications in June - July months, the Primary Land Development Bank arranges for processing of applications probably during January on the presumption of issuing loan sanctions during the next June or July.

(FGD among members in Chatrapatty village in ACR1)

With regard to lack of autonomy of Cooperatives, leaders of rural Cooperatives said that the legal provisions governing the Cooperatives, circulars, and letters of the Department of Cooperation of the Government terribly shatter the Cooperative autonomy.

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They said,

We have Cooperatives of the State Government and not Cooperatives of ours. We have prescriptive Cooperatives and not the Cooperatives of what we wish to have...

( FG D among members in Manjanaickenpatty village in ACR1)

Decisions, which are resolved to tackle immediate problems of the emerging situations, do not yield expected result when it is executed with the approval of the Department.

( FG D among members in Kasipatayam village in ACR2)

We do not take decisions for personal ulterior benefits. But we are surprised at the decisions when they are blended with political benefits later.

( FG D among members in kalikkampatty village in ACR1)

Although politics is very essential for socialization, it is used often as a tool for de-socialization in Cooperatives due to State intervention.

( FG D among members in Konapatty village in ACR2)

The elected leader is not empowered to deal with even the fringe aspects of day-to-day management.

( Board of management of Cooperatives in kalvarpatty village in ACR2)

Problems related to administration of Cooperatives: Administration in Cooperatives refers to the mechanism, which is responsible for execution of decisions of management. The top executives viz., the President etc., the paid officials of Cooperatives, the procedures and manuals guiding the daily routine operational / functional performance of Cooperatives constitute the administrative system
Table-6.03

Problems in the administration of cooperatives

<table>
<thead>
<tr>
<th>Problems</th>
<th>Distribution of members</th>
<th>Rural (N= 368)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Landowning (N =282)</td>
<td>Landless (N= 250)</td>
</tr>
<tr>
<td>State intervention</td>
<td>255(90.4)</td>
<td>237(91.4)</td>
</tr>
<tr>
<td>Improper implementation of government schemes</td>
<td>237(84.0)</td>
<td>225(87.2)</td>
</tr>
<tr>
<td>Malpractices</td>
<td>277(98.2)</td>
<td>258(100.0)</td>
</tr>
<tr>
<td>Management by special officers</td>
<td>232(82.3)</td>
<td>227(88.0)</td>
</tr>
</tbody>
</table>

Figures in parentheses are percentages to N’ total.

Majority of members as given in the table 6.03 reveal that State intervention in Cooperatives, forced implementation of the Government schemes and programmes through Cooperatives, malpractices and mal-administration, management by special officers are limiting the social contributions of Cooperatives. During the Focus Group Discussion, land owning members revealed that State intervention in Cooperatives although has helped to expand the scope of activities of Cooperatives, has created willful defaulters among members. They also said,

Provision of Integrated Rural Development Programme (IRDP) loans by the direction of the district collector and political parties has geared up overdue position in PACB.... There is no harm in distributing IRDP loans through our cooperatives.... while doing so, either the identification of beneficiaries may be left with the cooperatives or loan of the IRDP may be excluded from computing outstanding overdue position of the bank ...

(Villagers, mostly members of cooperatives in Kalvarpatti village, ACR 2.)

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While commenting the employees of PACB, a senior member said,

The owners of PACB have not grown in terms of economic status as their employees have grown. This tragedy occurs only to owners of cooperatives and not to any private or public sector mill owners.

(Members of cooperative in Chatrapatti village in ACR 1)

While narrating the style of functioning of special officers, some of the participants said,

The Government pays them. Even if they manage the Cooperatives inefficiently and incur loss continuously during their tenure of office, they are assured of their salary.

(FGD in among members in kanakkampatty village in ACR 1)

They also said,

The special officers are empowered with administrative and judiciary powers

(FGD among members in koovanuthu village in ACR 2)

Members in urban area while addressing the problems in administration of Cooperatives said that they are helpless to intervene in the administration of their Cooperatives due to widespread anonymity among themselves

Rural members while addressing problems in availing social benefits of Cooperation said:

Those who have supported the views of special officers have got special / additional benefits from Cooperatives. This resulted in factions among people in villages.

(FGD among members in Idayakottai village in ACR 1)

To sum up, problems arise out of management and administrations have hampered the Cooperatives in maximizing their social contributions.
Problems related to services of Cooperatives: Since Cooperatives are perceived primarily as an economic institution through which social emancipations can be achieved, the services of Cooperatives are not to be viewed with business propositions. Moreover, the services of Cooperatives are meant to those who have no option and those who were deprived of those services due to their own socio economic weaknesses. Hence, it is stated that Cooperatives are agencies of weaker sections and downtrodden; those who cannot overcome their economic sufferings out of their own individual efforts come together to organize their own enterprise on Cooperative line. Hence, the core feature of the services of Cooperatives is not the economic propositions rather it is social benevolence. Availing the services of Cooperatives thus promotes social contributions of Cooperatives among public.

As discussed elsewhere in this report, economic contributions of Cooperatives enhance the social impact among people in general and members in particular. In this regard problems in availing the economic services in fact manifest as a limiting factor against maximization of social contributions of Cooperatives. Majority of members during survey reveal that lack of needy services, inadequate quality and quantity services with Cooperatives and cumbersome procedures especially in availing financial services from Cooperatives are the major barriers affecting maximization of social benefits of Cooperatives (Table 6.04). A few inferences drawn from Focus Group Discussions are also summarized.

<table>
<thead>
<tr>
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<th>Rural (N= 368)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Landowning (N= 282)</td>
<td>Landless (N= 250)</td>
</tr>
<tr>
<td>Lack of provision of needy services</td>
<td>281 (99.6)</td>
<td>258(100.0)</td>
</tr>
<tr>
<td>Inadequate supply of services</td>
<td>279(98.9)</td>
<td>235(91.1)</td>
</tr>
<tr>
<td>Cumbersome procedures</td>
<td>273(96.8)</td>
<td>254(98.4)</td>
</tr>
</tbody>
</table>

Figures in parentheses are percentages to N total.
In the Focus Group Discussion held among members of PACB, it is observed that members are highly dissatisfied with the crop loan of their cooperative. They said,

No doubt that we are in need of cash and fertilizers for cultivation of crop. But cash which we get out of the loan is inadequate and untimely... Moreover the required types of chemical fertilizers are not offered; rather we are compelled to take unwanted fertilizers out of the loan money!
(Members of PACB at Gandhigram village, ACR2)

It is observed among members of Employees Thrift and Credit Cooperative Society that they are highly reluctant to continue their clientele with their cooperatives. They said:

Commercial banks are dearer than our Cooperative. They have come to our doorstep to serve the credit whereas the Cooperatives expect us to knock at their doors several times before herein.
(Members of employees thrift and credit society at Gandhigram village, ACR2)

Moreover atleast 6-8 times of the loan amount need not be kept with Commercial as well as Central Cooperative Bank either as down payment or share capital . . . But it is a must for availing loan from Employees Thrift and Credit Cooperative Society.
(Members of employees thrift and credit society at Gandhigram village, ACR2)

While referring members of PARDB, they perceive PARDBs as an institution, which primarily disperse agricultural investment capital against mortgage of immovable properties. The commercial and other institutional financial agencies are perceived as institutions dispersing allied / non-agricultural
investment capital against pledge / hypothecation of tangible assets. During the exercise they said,

Land owners who required huge sum for land improvement purposes including purchase of tractors alone are entertained by PARDBs and others who are in need of a small sum for investment on non-farm purpose can approach Indian Bank (commercial bank) where the assets likely to be created out of the loan amount is considered as security.

(Members of PARDB of Oddanchatram block, ACR1)

With regard to land valuation norms and procedures the borrower members at Paiani, said,

The value of land, which is offered as security for loan is assessed as per the Sub Registrar Office guidelines. These norms are unrealistic and obsolete. The valuation of land as per government norms is very beneficial for assessing land tax only.

(Members of PARDB at Paiani block, ACR1)

We do not find difficulties in preparation and submission of filled in application. But we are amazed how commercial banks have simplified their procedures which seem to be borrower friendly!

(Members of PARDB at Paiani block, ACR1)

While referring to the interest rate, they said,

. . . . that they did not find difference between PARDB and Non-Banking Financial Companies.

(Members of PARDB at Paiani block, ACR1)
With regard to availing input services people consider the cost aspect. It is observed that members are fully informed of the government policy regarding recovery of farm loans. When they are asked about loan recovery they said,

Commercial banks are very prompt in execution of decrees against loan defaulters.

(Members of PACB at Sempatti village, in ACR1)

While referring to the services of agricultural cooperative marketing society, members said,

Cooperative marketing society is located in the outskirt of the city as also the Regulated Market Committee. Traders and merchants through their own coterie, promote market yards (mandis-market place) where they have their own establishments.

(FGD among members of agricultural cooperative marketing society, Dindigul at Vemparpatti village, ACR2)

Since we approach once or twice a year for sale of our agricultural produce through the cooperative marketing society, the officials join hand with traders / merchants who establish daily contacts with the society....

(FGD among members of agricultural cooperative marketing society, Dindigul at Vemparpatti village, ACR2)

We do not keep our produces with cooperative marketing society... because protection to our produces from pests and insects including employees of the society itself cannot be guaranteed.

(FGD among members of agricultural cooperative marketing society, Dindigul at Vemparpatti village, ACR2)
in the Focus Group Discussion held among milk producers it is observed that milk producers are highly annoyed of their milk society for its delayed payment. They said,

We approached the milk producers Union in this regard .... the Union said that the milk procured from us had been sold on credit.

(Milk producer members in Mattaparai village, ACR 2)

When they are asked about role of their cooperative leaders in tackling the above problem; they said,

They are constrained by bureaucrats and political leaders; all along what they do is they arrange IRDP loans at their level.

(Milk producer members in Pallapatty village in ACR2)

Here it is apt to quote the words of a gram level worker of a political party who has also membership with cooperative bank. He said,

A list of my fellow party workers was recommended for a loan from Central Cooperative Bank for purchase of LPG cylinder and stove. We got it "not as a loan, merely as a bonus".

(FGD among member of PACB at Kalikkampatti village in ACR1)

Among handloom weavers it is observed that their cooperatives are not prompt in supply of yarn of desired quantity and quality. They said,

If yarn and other weaving inputs are available adequately throughout the year from our cooperative, why should we seek asylum under master weavers! After all we seek employment to feed our family. . . . . How long can we starve? Hence, we have decided not to train our children in weaving. 'Because we know that weaving under master weaver is more horrible! ...let the weaving skill die with us.

(Members of weavers cooperative at Chinnalapatti village in ACR2)
In the Focus Group Discussion held among women members of consumer cooperative wholesale stores it is observed that they perceive the cooperative store as an institution of the government dealing with Public Distribution System. When they are asked about sale of non-controlled items, they started listing out price disadvantages.

During the Focus Group Discussion among workers of an industrial weavers cooperative society, it is observed that they claimed the benefits of their cooperative through their trade union.

To sum this part of this section, non-availability of needy services, cumbersome procedures, high cost of services, absence of consumer orientation and marketing adaptation in rendering services to members in particular and public in general have been felt as barrier to maximization of social contributions of Cooperatives.

To conclude, it may be stated that economic performances of Cooperatives serve as a tool for maximization of social contributions of Cooperatives. Since the extent of services availed from Cooperatives alone discriminates a member of a Cooperative from non-member, the need to improve the service mix of Cooperatives is very apparent. Unless the entire Cooperative System is perfected, quality services at competitive cost cannot be offered. In the changed economic environment, when market driven forces govern the entire economy, Cooperatives should realize and manifest themselves as effective business enterprises so that they can maximize their social contributions.
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