INTRODUCTION

The role of cooperative farming as a means of stimulating the growth in the rural economy is a subject of considerable importance to all the agricultural countries that are still in the early phase of industrial development. In so far as declarations and recommendations help to illuminate the problem it may not be out of place to recall some of them.

The LXXIV Session of the Indian National Congress which met at Nagpur passed a resolution envisaging the establishment of Service Cooperatives as the first step towards joint cooperative farming. It emphasised the need for joint farming in which "all those who work on land, irrespective of whether they own land or not, will get a share of the produce in proportion to the work done by them."

To make agriculture a whole-time occupation, the official declarations on industrial policy of India show a similar line of thought. The resolution on Industrial Policy of India (6th April, 1948) states among other things that "Cottage and small-scale industries have a very important role in the national economy, offering, as they do, scope for individual, village or cooperative enterprise..." Similar declarations may be quoted from many other developed and developing countries. The Five

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Year Plans of India as well as Uttar Pradesh have also encouraged cooperative farming and the development of agro-industries as a means of planned economic development of India. Needless to mention that various boards, commissions and committees have also endorsed this view. In spite of the declarations and resolutions, the rural economy of India could not be diversified through cooperative farming. Uttar Pradesh presents a greater challenge as compared to other States because of its increasing population, growing unemployment, lower yield per acre and lowest per capita income. It is against the background of these features that economic opportunities are sought out in cooperative farming backed by agro-industries. This thesis entitled: “Cooperative Farming and its Impact on Rural Industries of India with reference to U.P.” concerns itself to these problems. It has made a critical study of cooperative farming during the First, Second and Third Plans of India.

The First Chapter outlines the role of agriculture in the national economy of India with particular reference to the Uttar Pradesh. It examines in detail the weaknesses of agriculture which have stagnated economic growth in the country. It has been noted that the crux of U.P.’s problem is her vast number of small cultivators who work on uneconomic holdings and remain idle for about four months in a year. The existing facilities available for the improvement of agriculture are beyond the means of the small farmers of U.P. Consequently, agriculture yields poor returns. The rural industries are also not developed. Hence, the masses have little opportunities for gainful employment to lead a
happy life. To meet the situation an institutional change in the agrarian economy of the State through Cooperative Farming is considered.

The Second chapter is devoted to the historical growth of the Cooperative Movement in India. References have been made to trace the basis of the development of this movement under different social, cultural and political situations. The study reveals that cooperation in the economic sense has never been a static movement. It has changed from time to time according to the needs of a country. In India we have not followed a dynamic policy on cooperative farming. Although a number of such societies increased but they were devoid of the functions of cooperative farming. They have not developed agro-industries to provide whole-time employment to the members and hired labourers. In this context the broad policies of the government during 1951-65 have been critically examined.

The Third Chapter examines the potentialities and progress of cooperative farming and its impact on agro-industries under the three Five Year Plans of Uttar Pradesh. It explores the possibilities of their development under the Fourth Plan. The study underlines the fact that cooperative farming societies working in Uttar Pradesh are not genuine. How to develop 'genuine' cooperative farming societies for the welfare of the rural population must engage the attention of the cooperator in the country.

For a deeper understanding of the problem, the Fourth chapter has
made a case study of the cooperative farming societies working in Alligargh district. The case study reveals that there has been absence of motivation in their formation. Most of the societies are suffering due to poor management. They are mostly under the control of one or two influential persons, who hold political power. Poor management is reflected in the fact that many societies have not been able to utilise the finances provided to them under the scheme. The loans raised by these societies have not been repaid in time. The accounts are poorly maintained. The field staff is unqualified and has shown poor interest in the work. The cooperative farms have not developed industries ancillary to agriculture because there was no provision for their development in the cooperative plan of the State. Later on, their importance was realised but no effective measures were undertaken. The societies working in Alligargh district are neither economically viable nor have made any contribution to the economy of the district.

The Fifth chapter gives a critical estimate of the development of rural industries in India under various programmes. It examines the progress made by these industries during the period 1951-65 and underlines their weaknesses. The study shows that the poor performance of the industries was partly due to the policy of the Government which lacked financial and administrative measures. Although the programme of organising a few selected types of agro-industries on cooperative farms was undertaken in 1963 but it was not backed by the allocation of sufficient finances for this working. Only instructions were issued to the
State Governments for favouring development of industries on cooperative farms. Some help was rendered by the Khadi and Village Industries Commission, but it was not substantial. The Fourth Plan, however, provides concrete steps for the development of agro-industries on cooperative farms but their implementation in an effective way is yet to be made.

In the last chapter the impact of cooperative farming on the rural industrial development of Uttar Pradesh has been studied. The study reveals that Uttar Pradesh has not followed any effective policy for the development of agro-industries on cooperative farms. The efforts made after 1963 were half-hearted, which could not accelerate the tempo of their progress. The deliberate shift in the State policy is recommended to overcome the bottlenecks that impede the development of agro-industries on cooperative farms. It is maintained that in their development lies the evolutionary and democratic process of industrialisation. The reorganisation of cooperative farming on the lines indicated would give rise to the spirit of enterprise necessary for the agro-industrial development of Uttar Pradesh.