CHAPTER - VI

PROBLEMS FACED BY CO-OPERATIVES

IN SIBSAGAR DISTRICT
We have seen in Chapter - 3 and subsequently in the two case studies in Chapter - 4 and 5, that the state of co-operatives in the district, and for that matter in the whole of Assam, is not good. Now it is time to examine the problems those have impeded and crippled the growth of co-operatives in the district.

There are some general problems affecting co-operatives as a whole, and there are some specific problems of specific categories of co-operatives. Again the general problems faced by the co-operatives as a whole may be sub-divided into two groups. The first group of general problems may be referred to those problems experienced by an underdeveloped area as Sibsagar district or Assam as a whole is. These problems are:

(i) Lack or poor development of infra-structural facilities;
(ii) underdeveloped agricultural and industry;
(iii) shyness of Capital;
(iv) poverty of the people;
(v) illiteracy of the masses;
(vi) low Technical know-how;
(vii) lack of markets etc.

On the other hand second set of the general problems faced by the co-operatives pertain to their peculiarity of structure, organisation and way-of functioning. The structure and organisation of co-operatives are different from those of other forms of business organisations, such as, private and state undertakings. Such problems affecting the organisation and structure are:

(i) Lack of business acumen;
(ii) non-application of commercial and business norms rigourously;
(iii) dearth of suitable and trained personnel to man the co-operative organisation;
(iv) socio-economic maladies, such as, attitudes, pre-
illiteracy, education and ignorance of the members, lack of motivation in the co-operative principles; (v) attitude of the departmental officials; (vi) state policy; and the like.

One of the problems faced by the district is the poor development of infra-structural facilities. Absence of a network of good transport and communication system hinders the working of the co-operatives and impedes the economic development of the district and Assam as a whole. Assam is linked with the rest of India mainly by railway communication, that too primarily by a Metre Gauge railway line on a single track. The Broad Gauge railway line covers only a distance of 105 Kilometers of the State.\(^{1}\) Assam accounts for only 3 percent of the total railway kilometreage in India. From this, the length of railway line in Sibsagar, a district of Assam can easily be imagined.

Similar is the state of roadways. Assam is backward in road-development too. Though there are large number of roads in the district the length of surfaced roads is limited. However, road transport bears the major traffic in the district and in the province. The potentiality of inland water transport is immense, but until now little use of the inland water routes is made. Air service is negligible in the entire North-East. Recently a new Air Service by the name of 'Bayodut' has been inaugurated to serve the North-East. Absence of good transport facilities impedes economic development in an area in so far as it handicaps the flow of raw materials and

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\(^{1}\) Economic Survey, Assam, 1978-79 (Published by the Directorate Economics and Statistics, Govt. of Assam) p-32.
other inputs to the factories and carrying of finished products to the markets, hinders mobility of labour and retards the prospects of birth of commercial, business centres and townships consequential in the development and extension of different means of transport, specially the railways.

Another infra-structural difficulty of the district is the lack of sufficient power. In 1975-76 the installed capacity of power of Assam is less than one percent of the total installed capacity of India and the per-capita consumption of electricity in Assam in that year was 34 KWH as against 110 KWH for the country. In 1978-79 in Assam only 13.6 percent of the villages is electrified whereas the percentage of rural electrification for the whole country is 33. There are a few states in India where all the villages are electrified. The role of electricity as a source of cheap and uninterrupted power can hardly be overemphasised in the economic development of an area.

Shyness of Capital is another important handicap for the development of co-operative enterprises in the district. Similarly illiteracy of the common people is also an obstacle. The literacy rate for Assam as per census 1971 is 28.72, the same for Sibsagar district is 36.62. Illiteracy of the common people is at root of many evils. It stands on the way of adoption of new and improved methods of production. Villagers are

2. Ibid, p-37.
ignorant about the various Government schemes and measures undertaken for their benefit. Even many schemes of co-operative development are not executed because of non-response from the people for whom those are meant for. Illiteracy means this information gap.

General problems arising out of peculiarity of the co-operative organisation -

Structural and organisational - Co-operation in India is meant to be an instrument in ameliorating the conditions of the poor peasantry and the underprivileged classes. The very growth of present forms of co-operative societies is the outcome of the initial efforts of the Govt. and officials to improve the miserable conditions of the poor people and to free the villagers from the clutches of the money-lenders. But the initiative to form the co-operatives should be taken by the people themselves. They are to work on the basis of twin principle of self-help and mutuality. Success of any form of business depends upon its viability and profitability. Even after keeping the lofty ideals embodied in co-operation in fact, it must be said, co-operatives as a form of business organisation, must be viable and profitable. But the mass of poor, illiterate and ignorant people have little knowledge of the principles of co-operative functioning and business motivation.

Another difficulty of the co-operatives in the district is pessimistic attitude of many of the members of
co-operative societies. The poor people, who have been subjugated and exploited for long, cannot believe that they may own business organisations and manage them successfully. The common people is yet to feel the benefits of economic independence. Till now to them the gains of independence are only political, which too, only in the form of enjoyment of the right to vote. This, to a great extent, accounts for the poor growth of membership of co-operative societies in the district and in the state. Only recently, i.e., from 1974, membership of co-operative societies has registered a phenomenal increase. This is due to the formation of Gaon panchayat level co-operative societies which are expected to meet the multiferious needs of the village population. Even in this case also, active participation of the members is little. Only a rise of membership cannot be an index of the success of co-operatives. Democratic functioning which co-operation implies, calls for active participation of the members in the affairs of society. The rise in the membership of Gaon panchayat level co-operative societies (G.P.L. Co-operative Societies) is primarily due to state initiative, guidance, and help. Barring the G.P.L. societies, majority of other different categories of co-operative societies, are either defunct or in a very bad state. One of the reasons for this is the failure of the members to make a common course amongst themselves.

Very often members look upon their society as a charitable institution, wherefrom only benefits are to be derived and
no responsibility is to be shouldered for its proper functioning. Annual General meetings of many of the co-operative societies could not be held on due date due to lack of quorum. This is our experience from the personal survey we made. This state of affairs signifies callous and indifferent attitude of the members towards their society. This results in coterie rule and coterie chiques.

As a result of illiteracy of the common people, only a powerful section of the villagers control the levers of power for their personal gains in detriment to the general interest of the members.

Co-operative education has failed to make a visible impact here. Some of the co-operative educational instructors do their duties perfunctorily, nor is their number adequate in comparison to needs to do full justice to their assignment. So, there is the urgent need to increase the number of co-operative educational instructors.

Management Problems :- Few societies have grown their own management cadre. Dearth of managerial and technical personnel is one of the main reasons for the poor performance of many of the co-operative societies of the district. The dynamic, imaginative and pragmatic managers and secretaries are yet to be found in many of the societies. Even the right person to man the cash-counter is not available. Allegations of corruption, favouritism are also heard in many cases. Cases of loss of goods from the stores due to pilferage or otherwise are also heard.
Enforcement of discipline among the members is also difficult in co-operative societies. In many societies of the district the boards of management are to be superseded by the officials of the co-operative Department of the Government, and adhoc committees are to be appointed.

Lack of Capital: Lack of capital is the common problem of all the societies. It tells upon the expansion of business. In fact, many societies fail to carry on their normal business because of lack of capital.

State Policy: Since the submission of the Rural Credit Survey Committee Report (Gorwalla Committee) in 1954, the role of the State or the Government has become very important in the sphere of co-operation. More is so in case of rural credit societies. When the enquiry was undertaken in 1951, the co-operative societies were in total disarray. To combat the internal and external evils faced by the co-operative societies, the committee recommended that the initial help must come from the state. The help also must match the requirements of the societies and it must be of the kind which would enable the co-operatives to withstand the opposition of powerful cliques of traders, money-lenders and vested interests. The help from the state must not be of the kind of 'over-administration' and 'under-financing'; it must be adequate and timely. In short the committee recommended State partnership in co-operative enterprises, specially in rural credit co-operatives. For the sake of viability, the committee suggested formation of large-sized Co-operative Credit societies. But Pandit Jawaharlal Nehru
opposed such active participation of the state in the co-operatives, and thought that this approach was unhealthy for, he said, 'if the government money comes, that money is followed by govt. officials ............ the petty official becomes not only the petty boss but big boss.'

State partnership and guidance have to a great extent hindered the spontaneous growth of co-operatives all over India. This had made the members dependent on govt. help and actions, they became indifferent towards their own duties and responsibilities. But under the present circumstances there is no alternative to the present role of the State.

Official Procedures and attitudes of the Officials of the Co-operative Department:

Official procedure is also sometimes responsible for the delay in execution of co-operative programmes. Delay causes frustration, and dampens the enthusiasm of the members. Sometimes complicated procedure leads to serious delays. For example, sometimes agricultural loans reach the members well after the period of cultivation of the crop for which the loan was sought, was over.

Perfunctory nature of attending work on the part of some of the officials is also not less responsible. The annual audit of many of the societies is pending for years. Dearth of adequate number of auditors is felt.

Specific problems faced by specific categories of Co-operative Societies of the district:

Credit Societies: Presently co-operative credit societies in the district and the state primarily refer to the Gaon panchayat level (G.P.L.) co-operative societies, formed during 1973-74. These societies as shown in Chapter - 3 of the thesis, have combined production, distribution, credit, service and other functions. In providing credit the G.P.L. co-operative societies encounter many difficulties. The societies may sanction three types of agricultural loan, such as, short-term, medium term and long term loans. Short term loan is meant for meeting the expenses of cultivation of a crop, and the duration of the loan is the period between the commencement of the cultivation season of the crop and its harvesting. The loan is to be repaid as soon as the harvesting of the crop is over, as such duration of the loan is 6 to 11 months depending upon the type of the crop.

Medium term loan is given for purchasing of cattle, agricultural implements, pumps for irrigation, shallow tube-wells etc. The duration of such loan is three years. Long term loan is provided for purchasing of tractors, pump sets, digging of canal etc.

The greatest difficulty in disbursing agricultural loan is procedural delay. This is more relevant in case of short term loans. The procedure of scrutiny of loan application is cumbersome and time-consuming. The application for the loan is
to be submitted to the Chairman, G.P.I. co-operative societies. The application inter alia will contain the area of land and number of the title-deed of the land for the cultivation of which the loan is sought. The society then will make enquiry in the Sub-deputy Collector's office about the genuineness of the ownership of land of the applicant. After receiving confirmation from the Sub-deputy Collector's office that the applicant has land in his name, then he will be entitled to get loan. Confirmation from Sub-deputy Collector's office may come after 15 days and sometimes one month or so from the receipt of the query. For this, every society has to maintain a Land Register, where the area of land and number and address of title-deeds of all the applicants will be recorded. After this the application will be forwarded to the Assistant Registrar, Co-operative Societies, who in turn would send it to the financing bank. The loan is granted partly in cash and partly in kind. The Bank after deducting the value of the loan articles, will send the cash portion of the loan to the societies for distribution among the applicants. The kind portion of the loan consists of fertilizers, pesticides, seeds etc. These loan articles are to be collected by the societies from the Agent or the dealers appointed for the purpose by the government. But by the time the indent for the articles is sent to the agent for the supply of the same to the societies, as the agent may not have them ready in stock.

Thus the procedure leads to inordinate delay. Sometimes such loans are disbursed when the period of cultivation
of the crop for which the loan was applied, is already over. Thus the purpose of the loan is lost.

The members are no less responsible for the delay. Generally the loan applications are made just in the eleventh hour. This is due to lack of consciousness on the part of the cultivators. They are not prepared well ahead, and they have no plans.

Moreover the Scale of Finance prepared for different areas by the Agricultural Department of the Govt. of Assam is also defective. Lands of an area, viz., a circle or a Gaon panchayat, are not uniform. It contains different grades of land with different fertility and there are differences in the chemical composition of the soil. But in the Scale of Finance the amount of fertilizers sanctioned to the loanees of certain areas is uniform. Such indiscriminate use of fertilizers will be harmful. The amount of fertilizers and other chemicals to be applied to the land can be prescribed only after proper testing of the land. But presently, this is not done.

Moreover, because of ignorance and prejudice, people are not willing to apply the chemical manure and pesticides given as loan article, and very often they sell these even at reduced price.

The loanees are more interested in cash portion of the loan than the kind portion. In course of our survey we found that sometimes the cash is utilised for purposes other than it was meant for.
Performance of the Societies in respect of disbursement of loans is also not very encouraging. It is estimated that the requirements of short-term loan presently for Assam in a year should be of the order of Rs.31 crores, but in 1977-78 short term loan to the tune of Rs.86 lakhs has been disbursed.\(^5\)

The amount of short term loan disbursed in Sibsagar district in that year amounted Rs.12.42 lakhs (as shown in Table -3 : 15), whereas the requirement for the same would be about Rs.3.7 crores.

Similarly in the distribution of rationed goods the G.P.L. co-operative societies face many difficulties. These arise primarily due to lack of co-ordination between the different departments of the govt. responsible for the release of goods to the societies. For example, in case of allotment of sugar and salt, the societies' requirements will be intimated to the Assistant Registrar Co-operative Societies, who would then forward it to the Sub-Divisional Officer, Supply. The Supply department will then issue allotment order in the name of each society. The Supply department having no stock of its own, would send the allotment order to the Food Corporation of India, which stocks these commodities in its godowns. The societies after depositing the money in a Bank will approach the Food Corporation of India for the release of their quota.

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But Food Corporation of India may have office in one town and godown in another. The Chairman of the Missamora and the Brahmaputra Samabai Samiti voiced their difficulties to us when we contacted them in course of our personal survey. These societies are to contact the Food Corporation of India’s office at Jorhat, and then receiving the release order from it will have to contact the Food Corporation of India’s godown at Golaghat, wherefrom quota of sugar for these societies will have to be lifted. The distance from Golaghat to Jorhat is 48 kilometres. But on the day when societies will send man and vehicle to lift the sugar, on that day the stock in the godown may be empty. The society drawing a blank on that day, had to incur unnecessary expenses and to waste labour and time.

Thus this wastage of money of the societies is due to lack of co-ordination among the different departments involved in the distribution of rationed and subsidised goods.

**Recovery of Loans**:- This is another problem of the societies. As per the version of the Chairman of Missamora Somabai Samity Ltd., that 20% of the short term loans and 50 percent of the medium term loans of the society are overdue. Similar is the case with the Brahmaputra Samabai Samity Ltd. Here also about 40% of the short term loans are outstanding. This is the position of almost all the G.P.L. co-operative societies of the district.

There are many reasons for non-repayment of loans in time. Many of the loanees have used the money for unprodu-
ctive purposes. Vested interests also invite the loanees not
to repay the loans giving them the false impression that the
loans shall be written-off. Even in some cases such writing-off
of outstanding loan actually takes place. The Bye-law provides
such scope. Clause 36 of the Model Bye-laws inter alia reads
'........ if any loan due to society is found otherwise irre-
coverable either wholly or in part, it shall be open to the
General Assembly to write off such amount after obtaining the
sanction of the Assistant Registrar and the financing bank.'
Dishonest and members and vested interests try to persuade
other members to make a demand for general application of the
provision which is actually meant for areas of distressed mem-
bers and for bad debts.

Management Difficulties :- In respect of management,
the G.P.L. Societies face many difficulties. One such difficu-
lty arises because of the short tenure of the offices of the
Chairman and the Vice-Chairman. As per clause 27 of the Model
Bye-laws the tenure of office of the Chairman and Vice-Chairman
is one year. A chairman actually takes over office after expiry
of three to four months of the year. Because as per the Bye-
laws the Annual General Meeting is to be held within sixty
days of the end of the co-operative year. And if necessary, the
Registrar has powers to postpone its sitting for another sixty
days. Hence the duration of the period for which the chairman

6. Model Bye-laws of the new Gaon Panchayat Level Co-operative
Societies, Assam, Clause - 16(i).
is elected may be cut short. It is difficulty to demonstrate successful results within a year. Hence the tenure of office should be increased to at least three years.

In respect of the appointment of the secretaries of such societies, there is an anomaly. As per Clause 27 of the Bye-laws the Secretary should be appointed by the Managing Committee with the prior approval of the co-operative societies. But in reality, presently the Secretary is appointed by the government. This is due to the reason that the Secretary must be a trained man in co-operative principles and functioning. The societies cannot themselves make arrangement for training of their own secretary. The responsibility for training such personnel presently is entrusted with the Cadre Management Society, established in 1975. The Govt. appoints the personnel so trained as secretaries of the societies. Societies are against this procedure of appointment. They want that the Secretaries be appointed by themselves. Because in that case they will be able to appoint a local man who will have more interest in the society and who knows the local conditions and people better. The Secretary appointed by the Govt. is generally a stranger to the societies.

There are other difficulties also. As per the present scheme, the financial burden on account of payment of salaries to the secretaries should be borne by the Govt. fully in the first year. In the second year two-thirds of the burden will be borne by the state and one-third by the financing bank.
In the third year one third would be borne by the state and two-thirds by the financing bank. And from the fourth year onwards the G.P.I. Societies are expected to pay fully the salaries to the Secretary out of their own fund. But in practice this has not happened. The financing banks are not willing to bear the share allotted to them. Nor the Societies are self-sufficient to bear the expenses themselves. As a result the Govt. continues to pay the salaries of the secretaries. This is a clear demonstration that the societies lack viability and profitability. They are functioning only on the generous state help and state patronage. It betrays the weakness of the societies and of co-operative enterprise as a whole.

Nor the emoluments paid to the Secretaries are attractive. The scale of pay is Rs. 300.00 only. The Secretaries obviously are not encouraged to give their best with a meagre pay scale.

Moreover the societies have problems of storage. It is desirable that the societies should be able to store the various loan articles in their own godowns. But very few societies have storing space. As a result the loanees are to collect the loan materials directly from the agents of the government. The agents are supposed to supply the articles to the societies and not to the individual loanees. This is also a source of corruption. The agents might manipulate weights, and knowing as they do that the loanees are more interested in cash money, they sometimes induce the loanees to sell the articles then and there at a lower price.
Moreover, many of the societies are the haunting ground of self-seeking politicians and vested interests of the villages. Very often party politics is injected into the working of the societies. Very often the annual general meetings of some of the societies end in confusion and bitterness. Here self-seekers and vested interests play their background roles. Very often political party interest takes precedence over general interest of the members.

Added to these, there are the indifferent and pessimistic attitudes of the members.

**Problems of Audit:** It is obligatory that the audited accounts of the societies be placed in the Annual General Meeting. The Registrar Co-operative Societies has himself admitted that audit of many societies is pending for years. This is, according to him, due to lack of adequate number of auditors. Pending of annual audit is dangerous. It is necessary that the number of auditors be increased to cope with the situation.

Efficiency and integrity of some of the auditors are also questionable. The Registrar himself has admitted that some of the auditors are under suspension.8

**Problems faced by Consumers' Co-operatives:**

In Sibsagar district there are at present 111 co-

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consumer co-operative societies. Of these many are non-functioning, and the state of those functioning is also not very encouraging. One society with reasonably good performance is the Jorehat Consumers' Goods Wholesale Co-operative Ltd. We personally surveyed this society. But in reality this society may be regarded more as govt. undertaking then a co-operative enterprise because 95 percent of its share capital is subscribed by the state govt.

One of the main problems of such societies is the organisational weakness. The members' co-operation is neither adequate nor spontaneous. Members procure only the controlled goods from these societies and buy the other goods of their daily requirements from private traders though prices are uniform. Even if the prices are slightly lower in the co-operative stores, still many members prefer buying the articles from the private traders. They do not mind slight variation in price. When majority of members behave in this fashion the loss to the society is great. This betrays those members' lack of economic sense and lack of co-operative spirit.

Another difficulty is that sometimes co-operatives with different names dealing with similar or same goods are established close to one another and unhealthy competition among them ensues.

Inadequacy of funds is another obstacle before the consumers' co-operatives. Lack of funds stand on the way of expansion of business; and sometimes normal business is also hampered by it.
The greatest problem with consumers' co-operatives in the district is the lack of business knowledge and acumen of many of the secretaries and other office bearers of the societies. Failure to cater to consumers' tastes and preferences is an example of lack of commercial character of the societies. Many of them lack professionalism. Very often they lack members' confidence. The integrity of the office bearers must be above the suspicion of the members. In many cases this is not so.

"The unique diversified functions and the current socio-economic development programmes of the co-operatives in the Bightees require well management and high managerial quality to accomplish its objectives. To achieve these objectives the need of a perfect Secretary or manager for the co-operatives is an inseparable part of the co-operative movement."

Dependence on honorary services is also responsible for the lack of professional and commercial character of the co-operative societies. Honorary functionaries are not induced to offer their best.

Competition from the private traders is also responsible for the failure of many consumers' co-operatives. In many cases the traders resort to cut-throat competition only to bring the downfall of co-operative societies so that whatever consumer resistance to price rise is being offered now by the co-operative society can be nipped in the bud. Even vested interests enrolling themselves as members of such societies sabotage it from within.

The consumer resistance movement is yet to make its impact in the district. In many cases societies are formed only to secure the supply of rationed and subsidised goods, and the success of such societies is also limited to that.

Supervision of the societies is also poor.

Problems faced by Farming Societies

The socio-economic bearing of farming societies is highly significant. It can confer the benefits of large-scale farming to the farmers with small and marginal holdings. Co-operative farming became a subject of national importance after the adoption of the resolution on 'Agrarian Organisational pattern' at the 64th Session of the Indian National Congress held at Nagpur in 1959. The resolution inter alia read 'the future agrarian pattern should be that of co-operative joint-farming, in which land will be pooled for joint cultivation, the farmers continuing to retain their property rights, and getting a share from the net produce in proportion to their land ....' 10. Pandit Jawaharlal Nehru in course of his speech

10. Quoted by Tyagi, R.B., in his Book 'Recent Trends in the Co-operative Movement in India' (Published by Asis Publishing House, Bombay) p-152.
in the parliament on March 27, 1959, said, 'any approach that would leave the peasant to eke out his living from his small holding would inevitably lead to petrifying the poverty of the Indian peasantry ....... India should profit by experience of other countries including Russia, China, Poland, Yugoslavia, England and America in co-operative farming.'

In the district there are 85 farming societies. Almost all the societies are not functioning, and the lands under it are individually cultivated.

The problem in the formation of such societies is that illiterate villagers have the imaginary fear that membership of such societies might lead to the loss of ownership right over their lands. The Indian peasants are known for their proverbial attachment to their lands.

Prior to co-operation in fields, there is the necessity of co-operation of hearts and of a common cause among the farmers. But petty interests and quarrels keep them away from united effort and action.

Vested interests and money lenders for their own benefits play their dirty role to foil the attempts of the cultivators to be self-reliant and independent which, the formation of farming co-operatives may help to attain.

The failure of many societies is due to the fact that these are formed without sufficient preparations. Timely material help and guidance from the co-operative department is also not available to the members.

Cultivators' attitude, ignorance, lack of hope and self-confidence are also no less responsible for the failure of these societies.

**Problems faced by Processing Co-operatives:**

There are a good number of processing co-operatives in the district. Assam Co-operative Sugar Mill is one of them. The state of the Assam Co-operative Sugar Mill has been studied in detail in Chapter - 5. For the success of co-operative marketing, co-operative processing is indispensable. But the state of co-operative processing units of the district is not happy. One of the societies which has shown slightly good results is the Sorupathar Co-operative Processing Society Ltd., Sorupathar, in the sub-division of Golaghat in Sibsagar District. The society was established in 1960. It is engaged in processing of paddy and in wholesale trade in paddy. The main problem faced by it is transportation difficulties. The communication of this area is worse.

It also faces formidable competition from the private processing units.

The difficulty of societies processing oil etc., is the lack of adequate supply of raw materials. Many of the producers are bound by agreements with money-lenders and traders to supply the raw materials to them. Money is lent at the time of sowing. But co-operatives cannot make such previous payments.

There are also other problems like management difficulties, lack of members' co-operation and the like.
In case of Fishery societies also there are some difficulties. Generally these societies are not owned by real fishermen. We surveyed the Mari Dechoi Chengeli Suti Min Bilpa Samabai Samiti Ltd. of Dergaon circle under Golaghat Sub-division. The society is dominated by a few rich villagers. It leases the fishery to private parties against payment of a certain sum of money. The Annual General Meeting of the society is not held for years. Audit is also pending for a few years. Just a coterie of a few persons dominate it.

The state of other Fishery society is alike. No such society has even shown profits. The members are negligent and indifferent.

**Weavers' Societies**

The number of weavers' societies in the district is 309. We have personally surveyed a few of these societies. The societies face two formidable problems - (i) the difficulty in availability of yarn at reasonable prices, and (ii) difficulty in marketing of the products of the societies. The newly created Assam Apex Weavers and Artisans co-operative Federation Ltd. (ARTFED), established in 1977 has replaced the Apex Weavers' Co-operative Society. ARTFED is trying to solve these two problems of the societies mentioned above.

Another difficulty is that majority of the weavers are not professional. The total number of weavers in Assam in 7.84 lakhs, and the number of looms is 6.94 lakhs. Only 10 percent of the weavers are professional and as such only
only 10 percent looms are engaged in commercial production. The position is no better in the district. The co-operative societies in weaving also lack professionalism. Many of the societies are formed only to facilitate the members in availing of the opportunities afforded by the State Co-operative Department. Sometimes such co-operatives are confined to the members of a family and their close relatives.

In case of marketing the stiff competition from the Mill-made similar products is felt by the societies. Moreover the products are not consumers' tastes and preferences oriented.

Misuse of materials supplied by the Govt. at subsidised rates is not uncommon. Management is inefficient. Account keeping is poor.

In the next chapter the prospects of the Co-operative societies will be analysed.