CHAPTER VII

PROSPECTS OF CO-OPERATIVES

IN SIBSAGAR DISTRICT

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Though the success of the co-operatives in the district is not up to the expectation as seen in Chapter - 3 of the thesis, and in spite of the many problems faced by these as shown in Chapter - 6, yet it cannot be said that there is no prospect for the co-operatives in the district. Every cloud has a silver lining. So also, in the tune of Robert Browning it may be said 'welcome each refuss that turns earth's smoothness rough'. The problems and inefficient functioning of the co-operatives in the district are a pointer to the fact that if corrective measures are taken against the ills, the prospects of the co-operatives as an instrument of socio-economic progress can really be high. Co-operatives have immense possibilities in ameliorating the lots of the people of the district and of the state.

It was already stated in Chapter - 3 that 68% of the rural households of the district is covered by co-operatives, i.e., by the membership of Gaon panchayat level co-operative societies. The corresponding figure for the whole state is 83%. This itself is not a mean achievement. It is hoped that in near future cent percent of the rural households would be covered by the co-operative societies.

Theoretically the prospects of co-operatives as a potent instrument of achieving socio-economic goals is very high. But how far these will succeed in practice will depend upon the quality of members, state policy, attitude of departmental officials and many other such factors. The
degree of participation, foresight, practical wisdom and attitudes of the members will determine the state of functioning of the co-operatives. Co-operatives can be moulded by people's will. These will function in the way people want. Where there is will there is way. Undoubtedly the will to live a better life is never lacking. Nobody wants to live in a state of penury to which majority of Indians are subjected to. But how this will can be channelised into successful co-operative action depends upon co-operative leadership, motivation and education.

In rural uplift the prospects of co-operatives are very high. The poor people can act in a big way by forming co-operatives amongst themselves. Co-operatives, through collective action, will ensure common good and at the same time maintain the individuality of the members. In order to lift the common people from the morass of poverty presently the only way open before them is co-operation. Co-operative ventures enable to raise production and incomes, and at the same time help in reducing inequalities of incomes. Jawaharlal Nehru in his address to the Indian Co-operative Congress, New Delhi, April 12, 1958, said 'the only way open to us, is therefore, the co-operative movement. Through co-operation alone can the individual, the small individual, keep his individuality in tact, his freedom in tact and yet function in
... a big way and take advantage of science and technology.\(^1\)

The fragmented small holdings of the villagers of Sibsagar district can be consolidated through co-operative farming. This would enable them to reap the benefits of large scale farming, multiple and rotational cropping, provision of small and medium irrigation facilities, advantages of mechanised agriculture and many other such benefits. Such benefits would obviously raise farm output and earnings of the peasants. These will have other cumulative effects such as increased supply of raw-materi- als to various processing industries, boost to agro-based industries etc.

Further co-operative venture has the added advantage that here the cooperation of the members is spontaneous and is based on the principle of equality. Moreover, democracy as a political system to be successful must be supported by democratic spirit and action in the economic field. Co-operative ventures are basically democratic. 'A democracy working for social ends has to depend on the assent of the people and not the coercive power of the

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An enterprise based on good will and support of the people has greater prospects of success than an enterprise devoid of public co-operation. 'Co-operation has the merit of combining freedom and opportunity for the small man with benefits of large-scale management and organisation as well as good will and support from the community'.

After analysing the prospects of co-operatives in general in the paragraphs above, we will now analyse the prospects of specific categories of co-operatives in the district.

Prospects of Gaon Panchayat Level (G.P.L.) Co-operative Societies in the district:

The aims and objects of the G.P.L. Co-operative Societies were studied in detail in Chapter - 3. The problems of the societies were dealt in Chapter - 6. There are 81 G.P.L. Co-operative Societies in the district. These societies combine credit, production, distribution and other service functions. These societies if managed and guided well can render wonderful service to the villagers. These have immense potentialities in transforming the socio-economic picture of the villages of the district.

2. First Five Year Plan, Chapter VIII, (Abridged Edition) published by the Planning Commission, Govt. of India, p-270.
3. Third Five Year Plan, Chapter XIII, published by the Planning Commission, Govt. of India, p-200.
The main object of the G.P.L. Co-operative Societies is 'to promote the economic interest and well-being of the members...' (Clause 2(i) of the Model Bye-laws). In pursuance of the main object, the society may grant short, medium and long-term loans to members mainly for productive purposes. The villagers are always in need of credit to carry on their agricultural and other productive operations. Because of their need for credit and non-availability of the same in time, they were easy prey to the village usurious money-lenders and traders. But now the G.P.L. co-operative societies by providing it, can free the villagers from the stranglehold of the money-lenders, and in fact these are doing so. The societies of the district granted loan to the tune of Rs. 12.42 lakhs in the year 1977-78 as shown in Table - 3 : 15 of the Third Chapter. But it must be admitted this is far short of the requirements as the annual requirements of such loans for the district is about Rs. 4 crores. Thus presently only 3% of the total rural credit requirements of the district is met by the G.P.L. co-operative societies. So there is enough scope for the G.P.L. societies to widen their credit operations. Provision of such credits in adequate quantities will go a long way in improving the lots of the villagers, since these will free them from the burden of payment of excessively high rate of interest to the village money-lenders for the money lent by them and at the same time help
in increasing the agricultural output. This will generate self-confidence and a sense of independance among the villagers. Healthy co-operation is possible only among members having self confidence, and a sense of honour and dignity, and not with subjugated and exploited members. The G.P.L. societies can really help the villagers to be independent, self-reliant and confident.

The G.P.L. societies by providing the farmers various agricultural inputs, such as, fertilisers, high-yielding variety of seeds, pesticides, improved know-how and implements, can entirely change the face of the villagers of the district and of the state as a whole. In fact the Societies offer various inputs as a part of agricultural loan to the villagers. The loans of the G.P.L. Societies are sanctioned partly in cash and partly in kind. This kind portion of the loan is given in the form of various inputs. This has been done so that the cultivators really use the credit facilities for agricultural purposes. If the entire loan is paid in cash, then the needy villagers in stead of using the loan for productive purposes, may use it for consumption purposes. Thus the agricultural loan has helped the cultivators in raising their incomes by increasing their farm output. The Societies can provide guidance to the farmers in modern agricultural methods. Through publicity campaigns and holding discussions among the villagers, the societies can change the sense of help-
lessness, negative attitudes and prejudices of the farmers. These can practically demonstrate that production from the same plot of land may be raised many times by the use of multiple cropping system and better inputs, and with better management.

Even the G.P.L. Societies can carry on agricultural operations on land owned by it or taken on lease to serve as model farms for demonstration to the villagers. Provision for such model farms is made by Clause 2(h) of the Model Bye-laws of the G.P.L. Co-operative Societies. The model farms may be the centre of dissemination of modern agricultural techniques. But no society of the district has so far done this.

The G.P.L. Co-operative Societies also consumers' stores, and these supply various consumers' goods to the villagers. This aspect of the Societies has a very important role to play in the village economy. Private traders are generally the suppliers of consumers' goods in the villages. More often than not, these traders charge exorbitant prices for the goods. They also indulge in manipulation of weights and measures against the villagers. Selling of adulterated and sub-standard goods is common with the private traders. Taking advantage of the ignorance of the villagers they even sell goods, the expiry dates of which are well over. The evil is greater when the trader is also the creditor. The G.P.L. Societies are now supplying goods in the villages. But these
are yet the replace the numerous village trader-cum-creditors. These societies with their net-work of consumers' stores can supply the essential goods to the villagers at reasonable prices. These can supply unadulterated and quality goods. Thus these societies have the prospects of replacing the village trader who thrives on buying cheap and selling dear. The exploitation of the people by the traders can be put to stop by the G.P.L. Societies. Moreover, all the malpractices adopted by the private trader to deceive the villagers can thus be checked by the Societies.

Moreover the G.P.L. Societies are entrusted with the task of marketing the village produce. The Societies can procure the agricultural produce and the products of the cottage industries of the villages, and sell these profitably. Co-operative marketing has enough prospects in Sibsagar district and in other districts of the state. Generally the village produce is sold to the traders and village merchants. The villagers are to sell very often their produce at throw-away prices. The traders dominate the villages in such a way that either they will have to sell their product at the low prices offered by the traders or to withdraw the product from sale. But the villagers cannot wait. Very often they have to make distress sales. The Money-lender-cum-trader strikes on this and make highly favourable bargains to himself depriving the seller their
due price. The villagers are ignorant about market outlets. Moreover the village traders indulge in manipulation of weights and scales against the sellers. They also make arbitrary deductions on various pretexts. The G.P.L. Co-operative Societies can stop these evils. These can ensure remunerative price to the producers, weight and scales manipulation as resorted to by the traders can be stopped if the G.P.L. Societies make purchases from the village producers. Societies are actually engaged in such marketing business. But marketing activities of such societies are highly limited at the present moment. These societies purchase mainly paddy. In some cases wheat is also purchased. But many other commodities produced in the villages, such as, mustard, pulses, gur, jute etc. are yet to be marketed by these societies. Moreover, as we have seen earlier only a fringe of the credit requirements of the villagers is met by the Societies, and still the money-lender holds his sway over the villagers. As a result in many cases the produce of the villagers is mortgaged to the money-lenders. Hence the dependence of the villagers on the money lenders is still continuing to their own detriment. The G.P.L. Societies providing integrated credit to the villagers can end this state of affairs. Even the societies by stocking the village agricultural produce can stop the evils of hoarding and artificial scarcity created by the private traders and village merchants. These can release the stocks in the scarcity months, thereby creating
a favourable impact on the prices of these goods to the
benefit of the common man. This would also stop the exces-
sive profiteering by the traders, who indulge in hoarding
and artificial scarcity. Thus in this sphere there is
enough ground to be covered by the Societies.

Moreover presently the products of village cottage
industries are sold at non-remunerative prices. This is
highly disincentive to the artisans. The G.P.L. Co-operative
Societies undertaking wholesale and retail trade of such
products can ensure remunerative prices, thereby ensuring a
good income to the producers. Even the Societies may underr
take to supply necessary raw materials at reasonable prices
to the artisans. The Societies may also provide training to
the village artisans in improved techniques, designs and
dying processes. The artisans may be advised and encouraged
to orient their production to meet consumers' tastes and
preferences.

The Model Bye-laws of the G.P.L. Co-operative
Societies also provide scope to 'undertake the construction
of roads, sinking of wells, construct and repair buildings,
tanks, canals, irrigation works and other job works by enter-
ing into contract with the Govt., local bodies or individuals
and execute the contract through or with the help of members
with a view to providing seasonal employment'.

Co-operative Societies(1973), framed by Government of Assam.
can create much-needed infrastructural facilities in the villages. Execution of some of these tasks, such as, digging of irrigational canals, sinking of tube-wells will help in raising agricultural production. Communication in the villages of the district is poor. The G.P.L. Societies by undertaking construction of village roads can help in the improvement of communication in the interiors. This in turn will help in smooth supply of the goods needed by the villagers and in supply of raw materials cheaply and quickly to the village artisans. These will also facilitate in carrying of the farm produce and cottage industry products of the villagers to the marketing centres.

In short the G.P.L. Co-operative societies of the district have a wide field of co-operative action. These have immense scope for undertaking multifarious tasks of rural uplift, development and prosperity.

Prospects of Farming Societies

There are good prospects for farming societies in the district. In the interest of improving the lots of the peasants themselves, and for the sake of higher agricultural productivity co-operative farming is essential. In India the average holding of land per family is very small, and that too, is sub-divided and fragmented. Small fragmented holdings are not suitable for the application of modern and improved methods of cultivation. So, raising the farm output requires co-operative effort. But at the same time one must not forget
the Indian cultivators' proverbial attachment to land.
The cultivators of Sibsagar district is no exception to this. Hence the cultivators are highly averse to any talk about collectivisation of land for agricultural operations. They may be persuaded to co-operate and to work jointly but a scheme of collective farming or co-operative farming cannot be imposed over them by law. Thus under such circumstances co-operative farming is the only way whereby the small bits of land of the peasants can be combined for applying and availing of the better and improved methods of cultivation without at the same time destroying individual ownership over the lands, and thus retaining individual initiative and action of the cultivators.

It was revealed in Table - 3: 5 of the Third Chapter that the number of cultivators with uneconomic holdings in the district is 12,1240 out of the total 2,21,655 cultivators. This group accounts for 54% of the total cultivators of the district. Another 25% is in the group of marginal cultivators. Thus the marginal and sub-marginal cultivators form 79% of the total. This shows that there is enough ground for co-operative farming in the district. Thus 79% of the cultivators of the district can profitably adopt co-operative farming.

Co-operative farming will help in creating agricultural infra-structural facilities, such as undertaking jointly by the farmers small and medium irrigation projects,
purchasing of tractors, installation of electrical pump-sets for irrigation purposes, provision of common fending etc. Co-operative farming would help in enjoying all the benefits of large scale farming without at the same time destroying the individuality of the farmers.

The Working Group on Co-operative Farming (Nijalingappa Committee) 1959, appointed by the Govt. of India made a strong plea in favour of co-operative farming. Otto Schiller also highly advocated co-operative farming. When he said '........ it was concluded that a complete transformation of the agrarian structure by the fusion of small holdings into larger co-operative units was called for'.

Weavers' Societies

It was pointed out in the 3rd Chapter that there are large number of weavers' societies in the district. Though their present functioning is not up to the mark, yet it cannot be said that these have no prospects. Definitely these have high prospects of growth and expansion if suitable and timely corrective measures are adopted. The number of weavers' societies in the district is 309.

In Assam, it is customary for every rural household to keep a loom. The weavers meet a good portion of the cloth requirements of the villagers. From this point of view, the prospects of weavers' societies are quite good. Majority of the villagers of Sibsagar district are habitual users of cloth produced by handlooms. Hence the weavers' products have a ready market. But in comparison to mill-made clothes, these are a bit costly for obvious reasons. Very few of the weavers' societies of the district are mechanised. As such production carried on with the help of looms cannot enjoy the advantages of large scale production availed by big Mills.

The weavers' societies are to adopt improved techniques of production and to diversify the products in order to thrive and to face the competition from the mill-made clothes. The Societies' products are sterto-typed and not oriented to consumers' tastes and preferences. The societies must be able to keep pace with changing patterns and fashions of the consumers. Designs must be improved so that buyers are attracted.

Assam Apex Weavers' and Artisans Co-operative Federation Ltd. (ARTFED) has a small design cell. This cell can render useful service to the weavers' societies in introducing new designs to their products. To make the societies commercially successful, professionalism of the members is highly needed. The members of these societies generally lack
professional character and business acumen. Even the members are not aware of the facilities offered by the state and the various agencies. Publicity measures are to be undertaken to inform the weavers about the various available facilities and schemes. Reserve Bank also has a special scheme whereby bank-credit to the weavers' societies at the rate of 6% interest per annum is available. National Co-operative Development Corporation also provides facilities for the development of the societies.

There is enough scope for the development of the weavers' societies. ARTKOD is taking steps to supply raw materials to the societies and to promote sales of their products. But much more is yet to be done. There is no reason why the weavers' societies would not be successful, when their products have a good ready market, as majority of the villagers are habitual users of handloom products. Good organisation, dedication of the members in shouldering the responsibilities of the society and good co-operative leadership can steer clear the weavers societies of their present difficulties. In addition to augmenting the incomes of the members, these societies can provide employment to large number of people. These are a source of subsidiary incomes to large number of cultivators who are engaged in weaving in their leisure hours and in off-seasons when there is no agricultural works to be done.
Prospects of Consumers' and Trading Co-operatives -

Consumers' and Trading Societies have also very good prospects in the district. The day-to-day requirements of 13 lakh population of the district can definitely sustain a large number of such societies. The Gaon panchayat level societies supply various consumers' goods in the village areas of the district and of the state. In the village areas, the G.P.L. Societies have replaced the consumers' co-operative societies. Many such societies are amalgamated in the G.P.L. Societies. But in the urban areas, consumers' societies are functioning. The area of operation of a G.B.L. Society is co-terminus with the area of the village panchayat. Hence the G.P.L. societies serve only in villages.

Such consumers' societies are a potent instrument in resisting the price-rise of the consumers' goods. These societies may also supply quality goods to the members. The private traders very often indulge in malpractices, such as, manipulation of weights and scales against the buyer, adulteration of goods etc.; these can be checked by the consumers' co-operatives. Moreover, the private traders earn excessive profits by price manipulation. This also can be stopped by the consumers' co-operatives.

The Trading Co-operatives can ensure a fair price to the villagers for the village produce. These societies can stock produce of villagers, such as, mustard, pulses, paddy, wheat, gur etc. The G.P.L. Societies are engaged in
these trading activities. But their performance is absolutely limited. The private traders actually are cornering the village produce. They pay low prices to the sellers, and earn excessively high profits by selling the same at higher prices in the urban markets. This is due to ignorance of the villagers of the market outlets. The trading co-operatives can really render a great service to the producers by purchasing the village produce at remunerative price and supplying the same to the people at reasonable prices thereby making a profit for themselves. The profits would be paid back to the members in the form of dividends. Thus such trading activities by co-operative societies would be in the interests of consumers, producers and the people as a whole. But the trading co-operatives are yet to make such impacts. The scope is yet to be fully utilised.

If the processing and trading activities can be combined then the task of marketing of processed goods is made easier. In fact many co-operative societies of the district combine these functions.

In short the prospects of consumers co-operatives are very bright in the district in so far as these can ensure regular supply of quality goods to the people at reasonable prices, check the mal-practices indulged by private traders, and arrest the price rise of the essential goods.

The Industrial Co-operatives of the district have also good prospects. The prospects of two industrial
undertakings of the district in the co-operative sector were examined in detail in the two case-studies in Chapter 4 and 5. There are many advantages of co-operative industrial undertakings. These can profitably use the raw materials locally available. This would enhance the earnings of the raw-material suppliers. Private industrialists are more interested in maximising their profits, and very often are unwilling to pay remunerative price for the raw materials. But co-operatives when these include growers also as members, cannot ignore the interests of growers. Such co-operative industrial enterprises will afford chance to the small individual to be owner of an industry by virtue of his membership of the society. Otherwise, a man of small means can never aspire to be the owner of an industrial enterprise. Moreover profits of industrial co-operatives will be distributed amongst the members. But in case of privately owned enterprises, profits will be enjoyed by one or more rich individuals.

In the district there is ample scope for Industrial Co-operatives, specially in the tea industry. Many gardens owned by private parties are under serious trouble. So, also, the state of gardens managed by Assam Tea Corporation is not good as shown in the 4th Chapter. So, there is a strong case in favour of bringing those gardens under co-operative ownership and management.
Moreover in the district there are about ten thousand workers in the Household industry engaged in manufacturing, processing, repairing and servicing activities. There is enough scope amongst these workers for co-operative ventures. By farming co-operatives amongst themselves they can modernise their equipment and diversify their production. The paucity of finance faced by these workers can be overcome by forming co-operatives among themselves.

On the whole, the prospects of co-operatives in the district are bright provided the co-operatives are well-guided, members are conscious of the gains of co-operative enterprises in different fields. The members are to be imparted co-operative education and training. Co-operative motivation is to be strengthened. Literacy is one of the main factors determining the quality of members. Here Sibsagar district has an advantage. In literacy the district is at the top among the districts of Assam. The percentage of literacy for the district is 36.62 against 28.14 for the whole of Assam in 1971. 6