CHAPTER XI
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SUMMARY OF FINDINGS, ASSESSMENT
AND CONCLUSION

1. Summary of Findings

The thesis has been based on a study of official records as well as
on information and data collected through field investigating of 25 sample
G.P. Level Multipurpose Co-operative Societies of the State. These have been
supplemented by discussions with the Chairman, Secretary, Office Staff of
the 25 sample G.P. level multipurpose cooperative societies, officers of the
e cooperative Department, Supply Department at the district level and other
eminent co-operators. The study covers the period from the starting of the
multipurpose societies up to December 1985, and the annual figures relate
to the cooperative year from July to June. From the field survey and other
secondary sources, the following findings have been arrived at -

(1) Roughly, 1,04,153 households were covered by the 25 sample G.P.
Level multipurpose cooperative societies during 1984-85. The percentage
of the total households of the 25 sample societies who have become
members under the jurisdiction of the societies was 49.48%. The
percentage of households covered by the Bihpuria S.S. of Lakhimpur
sub-division was highest (98.03%) while it was lowest (6.93%) in Bar-
barua S.S. of Dibrugarh sub-division. This was due to the fact that
the society was bifurcated from the old laruie and Jamirah Samabai
Samity and organised on 3rd February 1982.
(2) The name of the banks which provided finance to the Samabai Samities are United Bank of India, Assam Co-operative Apex Bank Ltd., Pragjyotish Gaolias Bank, United Commercial Bank and Purbanchal Bank Ltd..

(3) The total number of membership in the 25 sample societies were highest in Uttarchayani (4520) of Guwahati sub-division and lowest in Barbarua (243) and Maijan (515) of Dibrugarh sub-division during 1984-85.

(4) The individual paid up share capital of the societies during 1984-85 was highest in Chandrapur S.S. among the 25 sample G.P. Level multi-purpose Societies to the tune of Rs.67,680/- similarly, Government’s contribution to the share capital of the societies during 1984-85 was highest in Karara S.S. of Rangia sub-division (Rs.1,96,000).

(5) The Societies were managed by a Managing Committee consisting of 12 elected members and 2/3 nominated members. The meetings of the Managing Committee were held as per by-laws of the multi-purpose societies in all the sample societies. Of course, due to the movement on foreigners issue, no General Assembly meetings were held during 1981-82 to 1983-84. Adhoc Committees were seen in all the 25 sample societies.

(6) The attendance of shareholders in the annual general meeting held in 1984-85 in almost all the societies was very poor. In the general assembly meetings, the provision that atleast two-thirds shareholders belonging to the weaker sections of the communities should be present in the meetings.
The offices and godowns of the majority of the sample societies were accommodated in the buildings owned by the societies. The 4 societies such as Sonapur S.S., Maijan S.S., Barbarua S.S. and Garmur Katani S.S. had taken accommodation on rent.

The State Government had provided heavy financial assistance by way of Share Capital contribution, grants and subsidies, loans etc. in each G.P. Level multipurpose cooperative societies.

The volume of total business in the 25 sample societies reflected a substantial increase in 1984-85 over that in the year 1980-81. The Chandrapur S.S., Karara S.S. and Boko S.S. had the highest amount of Purchases and sales during 1984-85. During 1984-85, the Chandrapur S.S. had made purchases worth Rs.53,06,233.11, Karara S.S. Rs. 20,67,706.71 and Boko S.S. Rs.20,88,892.02.

Out of the 25 sample societies, the Bholaguri S.S. had earned highest amount of net profit amounting to Rs. 38,140.00 during 1984-85. On the other hand the Bangalmara S.S. of Lakhimpur sub-division had incurred maximum amount of loss to the tune of Rs.1,453. It is interesting to note that the Bholaguri S.S. was, however, able to achieve highest amount of Profit dealing in consumer business.

The net profit earned by the societies varies from year to year. In 1981-82 out of the total 25 sample societies, 22-numbers earned net profit whereas the figure came down to 20 in 1982-83. Similarly net profit position did not show much improvement in 1983-84, the figure being 17. The societies incurring loss were found to be the maximum during the year 1983-84.
All the sample societies appointed retail agents for effective distribution of essential commodities to the rural people in their areas of operation. The societies had taken Rs.250.00 from each agent as security deposit.

All the sample societies, except few, were dealing in some of the essential commodities, such as rice, wheat, cloths, soap, baby food etc. including non-controlled items in addition to paddy. However, some of the societies such as Barbarua S.S., Garmur Katani S.S. and Maijan S.S. were multipurpose in name only. The above societies dealt only in rice, atta and sugar. The Garmur Katani S.S. of Jorhat sub-division had no function whatsoever of any kind for two years. It was only after persistent demand of the members for distribution of rice and sugar that the activities of the society started. The society, even now, confine to these two items only.

The sample societies had to collect the necessary commodities from distant places. As a result they had to pay heavy transport cost and consequently issue prices became higher which as a result directly effected the consumers.

The sample societies have not made much progress in the matter of supplying rural credit, although this was one of the main objectives of organising the G.P. level multipurpose cooperative societies in Assam.
During 1984-85 only 16 societies out of the 25 sample societies had sanctioned short-term and medium-term loan to members. The remaining 9 societies did not sanction any loan. During that period the Dhekiyal S.S. of Golaghat sub-division issued highest amount of short term loan of Rs.8,72,885.00.

The G.P. Level multipurpose societies were also suffering from the maladies of loan outstanding. The Gurjognia S.S., Golaghat S.S. and Dhekiyal S.S. of Golaghat sub-division had the highest amount of loan outstanding during 1984-85.

Most of the sample societies did not deal in Agricultural inputs. Altogether 20 societies returned nil under this column. Only 5 societies viz. Shulaguri S.S., Golaghat S.S., Gurjognia S.S., Bihpuria S.S. and Pati-darang S.S. were undertook business in agricultural inputs during the period 1984-85.

Trading in Kerosene oil was taken by very limited number of societies due to problem of storage.

Though controlled cloth was very popular item in rural areas, due to short supply, not a single society could meet the entire requirement of its members.

There had been regular demand from the members for sugar, kerosene oil and controlled cloth throughout the whole year. But in respect of rice and atta, there had been little demand during the months
from November to February, except the Lahowal S.S. of Dibrugarh sub-division. The Lahowal S.S. had been dealing with rice business throughout the whole year as the society was located in areas where paddy was not grown in sufficient quantity.

(23) Clause 26 of the bye-law provides one year term for the Chairman and the Vice-Chairman. But it was felt that one year was too short a period for formulating any action plan and implementing it. Settling down and understanding the problems of the members certainly required more time.

(24) During field investigation it was found that the audit of the majority of the selected G.P. level multipurpose societies by the departmental officers was complete up to 1984-85. However in some societies audit could not be completed well ahead of the annual general meeting.

(25) Majority of the sample societies could not expand their business due to paucity of funds.

(26) The procurement of paddy was almost nil in 25 sample societies except Karara S.S. and Bholaguri S.S. during 1984-85. In fact procurement of Paddy was a very important business of the societies specially for those located in Paddy growing areas. If the whole operation could be managed in a systematic way, there is a good scope for earning profit by the G.P. Level multipurpose societies.
The general reactions of the members about the society were satisfactory, although some of them expressed dissatisfaction about the reliability of the retail agents, Secretary and other staff of the societies.

II Assessment

In the Preceding section, a summary of the functioning of the 25 selected MPCS at Gaon Panchayat level in Assam was made. The case studies revealed that the present trend of cooperative movement in Assam was not very satisfactory. Some of the major reasons for the failure of the societies appear to be the following -

(a) The participation of the banks in the development of the societies till date is not up to the required level.

(b) At the time of inception it was envisaged that the societies will issue loans to the farmer members at an interest rate of 4%, but this has yet to be achieved. Presently the rate of interest on short term loans by the Financing Banks is 11% plus an additional 2% is charged by the societies.

(c) Lack of qualified staff with proper knowledge about the role and functioning of G.P. Level MPCS is one of the major reasons for the poor performance of the societies.
(d) Lack of well-informed and enlightened membership is another reason for the poor performances of the G.P. Level MPCS. The members lack functional literacy which is sine qua non for the success of any democratic institution. The vested interests will go on exploiting the weaker sections of the society till they/sufficiently enlightened.

(e) Bullock is very important to each and every farmer. But the G.P. level MPCS gives loan to buy bullock only to those farmers whose land holding are more than 6 bighas. This means that a large section of the farmers are ineligible to apply for such loan and thus improve their lot.

(f) The members of the G.P. Level MPCS, through their General Meetings and working Committee meetings, are responsible for running the affairs of the societies. In many cases, however, the Government takes the initiative and carries out these functions which results in the members considering their responsibilities as the government's responsibilities.

(g) Many of the societies do not have their own policy and programmes and consider the govt's policy as their own. As a result whenever the govt's policy changes, they become helpless. Again, whenever the articles dealt by them are decontrolled, the profits fall due to open competition. At this stage the societies almost come to stand-still.
Sometimes, before formation of the societies it becomes a matter of controversy as to who will be the chairman and the secretary of society and what types of benefits will they enjoy after the registration of the societies. The formation of societies with these motives definitely ignore the cooperative laws and principles. It is, therefore, necessary that those societies which are mere associations and cannot work as cooperative societies should be cancelled. Care should be taken in future that societies are organised only when they are genuinely co-operative. The registration of associations under the co-operative society Act not only leads to the wastage of public money and labour of the staff, but it also leads to the exploitation of the poor.

Last, but not the least, is the fact that many farmers buy fertilizers, pesticides etc. from the societies at a subsidised rate but due to their poor economic condition sell it at a higher price to the prosperous farmers. This diversion has affected the farmers in the long run for they cannot apply the fertilizer in their own farms.

In spite of so many lapses the prospect of G.P. level MPCS cannot be ruled out. A scrutiny of the functioning of the societies like Bholaguri Satra Samahai Samity, Chandrapur Gaon Panchayat Level Multipurpose Society, Karara Samabai Samity etc. always brings a ray of hope. There is ample scope for the G.P. Level MPCS to engage themselves in the improvement of the cooperative movement in the Punjab (India) by G.R. Madan, Page 203.

1 Cooperative Movement in the Punjab (India) by G.R. Madan, Page 203.
living conditions of the *weaker sections of the community. Provision of credit both for production as well as consumption, distribution of essential consumer articles to members, arrangement of marketing facilities etc. will strengthen the societies and benefit the rural people.

During the 6th Five Year Plan, the main emphasis was laid on the issue of short and medium-term loans to the weaker sections of the society. Under the Twenty Point Programme also special emphasis has been laid for the improvement of their lot. However, the information available so far reveals that majority of the weaker sections are not getting all the benefits that were envisaged for them. The main reason for such poor performance may be attributed to the failure on the part of the G.P. Level MPCS to identify the need of the weaker sections, and in some cases the weaker section itself showed their lack of enthusiasm. Absence of proper supervision of the utilisation of the credit has also caused difficulties to recover the loan allowances. The lack of proper managerial expertise on the part of the officials of the G.P. Level MPCS and the lack of their dedication is a major hurdle in the successful implementation of the scheme.

The function of the G.P. Level MPCS as an integrated body monitoring and controlling the disbursement of credit and marketing of the subsequent product also has not been very successful. The main reason appears to be

* The term weaker sections of the community in the bye-laws means and include families owning or cultivating less than 9 bighas of land or earning an income of less than Rs. 2,001/- per year or as defined by the Registrar of cooperative societies, subject to such amendment as he may make from time to time (Model bye-laws for Gaon Panchayat level cooperative societies. Published by Assam State Co-operative Union, Gauhati-7 Page.7).
the reluctance on the part of the farmers to market their produce through the G.P. Level MPCS as the societies will deduct the instalments due on the loan amount from the sales proceeds itself. As a result the farmers prefer to sell their products directly to the traders on village merchant even at a lesser price. These traders always try to exploit these poor villagers in such a way that they are bound to sell their produce at a very low prices. For successful functioning of the G.P. Level MPCS it is of utmost importance to eliminate these traders from the scene. This automatically implies that the marketing aspects of the G.P. Level MPCS need to be improved and extended to a considerable level by improving the infra-structure of the societies themselves. At present, the societies mainly purchases paddy and to some extent wheat. Many other produces are not marketed by these societies. Due to various reasons the farmers often mortgage their products to the village money lenders cum traders. For successful functioning of the societies the village money lender needs to be eliminated and this the G.P. Level MPCS can easily do by providing integrated credit to the villagers at liberal terms and conditions. To eliminate the village money lender the cumbersome procedure of getting financial assistance from the societies need to be simplified immediately.

III Conclusion

It is abundantly clear that the G.P. level Multipurpose Societies have miserably failed in fulfilling the objectives for which they were created. Immediate remedial steps are called for to enable these societies to come up to the expectations of the planners.
(a) It is indeed an irony that while the G.P. level MPCS are supposed to be 'voluntary' organisations, it is not the ordinary members, but the State Government that takes the decision of the formation of these societies. It is revealing that the presence of Government Officials in the first General Meeting of the society is mandatory. Naturally, the members of a society feel that the society belongs to the Government and that the Government is only concerned with the success and failure of the society.

While the members are supposed to take part in these societies entirely of their own volition, the overwhelming Governmental involvement in the functioning of these societies do not generate a feeling of belonging among the members. Thus, from the very inception, seeds of failure are sown in the society.

It has been estimated that a G.P. level MPCS must disburse loans worth about Rs. 2 lakh to be self-sufficient. It must, however, be understood that mere disbursement of loan without proper recovery of the same will just not do. Unless these societies have some training in this direction, efficient loan disbursement and recovery will remain a pipe-dream. Also, there is an urgent need to simplify the cumbersome procedures of loan disbursal. This can be done if proper record of bio-data of each member is kept in the office of the society.

(b) It is often seen that the societies are only interested in dealing in controlled commodities, though the profit margin therein is very low. It is of utmost importance that the societies start dealing in
other essential commodities too. A villager generally purchases his essential items in the local weekly or monthly market. Part of his purchases are on credit and the part in cash. The societies should at least stock those articles he is most likely to buy in cash.

(c) Self owned godowns are a must for the societies to store the essential commodities like paddy, rice, wheat and jute.

(d) The Departmental officials, Branch executives and other officials, while visiting the societies, should try to remove the obstacles faced by the societies. Similarly the annual auditors should analyse in depth the causes of the losses suffered by the societies and try to eliminate the lapses.

(e) It is very important that a common man comes to realise that practically anything he needs is available in the society at a lower price. If this can be achieved there is no reason why he will go to any other shop for his requirements. To achieve this, the STATFED must supply without any interruption all the necessary items to the societies at reasonable rates.

(f) The sale counters of STATFED themselves should not become competitors of the G.P. level multipurpose societies as is the case now. There should not be any difference of price between these counters. In fact, the STATFED counters should be there only till the G.P. level multipurpose societies counter became self sufficient. In short, instead of competing with, they should be complimentary to each other.
(g) The G.P. level multipurpose societies should try to maintain a close relationship with ARTFED and supply yarn and other allied items at reasonable rates to its weaver members. This will not only increase the profitability of the societies but also extend a helping hand to the weavers cooperative societies.

(h) The Cadre Management Society, while appointing its Secretaries and other officials, should not neglect the local sentiments and preference should be given to the local candidates if otherwise qualified.

(i) Major endeavours like flood control and mass irrigation can hardly be expected from a small G.P. Level multipurpose society. The concerned State Government Department, must came to assist the societies in this respect.

(j) If the cooperative movement is to succeed as a movement for all round socio-economic development of the people it is a pre-requisite that the members feel that they are a part and parcel of the society. That the G.P. level multipurpose societies cannot survive without him and he without the society. He should feel that the profit or loss of the society is his own profit or loss. The common feeling that the society belongs to the government and hence the profit and loss too is government business has to be removed from the mind of the member. A society where even the common member is actively involved cannot fail but one where the members feel secure by passing on all the responsibility to the Secretaries and President alone can hardly be expected to be successful. It is, thus, essential that a mass
publicity and training programme is undertaken to educate the members about the functioning of the societies so that when the need arises they can successfully take over the management of the societies. The state cooperative union may also help in the healthy and sound development of the movement. A great deal of publicity work is needed to stimulate the interest of the people. This work can be successfully undertaken by the cooperative union if these bodies are properly motivated and suitably strengthened. There is no reason why, with committed, dedicated, well trained and motivated members, the G.P. level multipurpose societies in Assam, which have so far been a failure, cannot be made a complete success.