CHAPTER VII

NON-AGRICULTURAL NON-CREDIT MOVEMENT:
CONSUMERS COOPERATION

Consumers Cooperative Movement:

The Consumers Cooperative Movement in Manipur started very late in comparison to the movements in other States of India. A faint beginning of the Movement appeared in this State during the days of control of the Second World War. These cooperatives were meant mainly to distribute controlled commodities to the consuming public during the War. With the lifting of control the condition of these cooperative societies deteriorated and, ultimately, most of them disappeared from the scene. No specific scheme for revival of these societies was taken up by the then Administration of Manipur.

A fresh Movement started during the First Five Year Plan. There were only 14 consumers cooperative stores in the State by the middle of the year 1956. The number of stores increased to 29 in the year 1960, but they were not functioning properly. This was mainly due to the fact that the then Manipur Administration took very little interest in the organisation of the consumers cooperative stores. Most of these early consumer stores were, thus, only on
paper. The worse aspect of the scene was that the Cooperative Department at that time was looked after only by one Assistant Registrar of Cooperative Societies and eight Cooperative Inspectors. There was no Registrar of Cooperative Societies in the Department up to the year 1960-61.\(^1\) The Department was, thus, suffering from inadequacy of staff, and, due to this inadequacy, some of the cooperative stores were not even inspected for a period of more than two years.\(^2\)

Lack of interest on the part of the Administration in the development of consumer stores is vindicated by the fact that no provision was made for development of these cooperatives at the time of formulating its First Five Year Plan. No specific proposals were also made by the then Cooperative Department or the Administration for sectoral allotment of funds to these consumer cooperatives even in the beginning of the Second Five Year Plan. Up to the end of the Second Plan period many fair price shops in Manipur were run by the Local Committees even where the locality

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1. Annual Administration Report of Manipur Administration (1960-61).

had a cooperative society. Quite contrary to the expectation of the people, the then Manipur Administration did not examine whether, in all cases, fair price shops for an area could be run by the cooperative societies recommended by the Registrar of Cooperative Societies.3

Lack of initiative on the part of the Administration was thus one of the reasons for the slow growth of the Consumers’ Movement in Manipur during the first two Plans.

The number of consumer stores including school cooperative stores so far registered up to the end of the Second Plan was only 29.

The Administration began to realise the importance of consumer cooperatives only from the beginning of the Third Five Year Plan. Realising the gravity of the situation the Cooperative Department, in the beginning of the Third Plan, began to encourage the organisation of consumer stores both in the urban and rural areas. The Department also concentrated its activities on the consolidation and revitalisation of the few stores existing then. The Manipur Wholesale Consumers Cooperative Society Ltd. and 20 new primary consumer stores were organised during the year 1963-64.

3. Ibid., p.6.
Thus, by the end of the year 1963-64 there were 64 consumers societies including the Manipur Wholesale Consumers' Cooperative Society, with a total membership of 4,338; share capital and working capital of Rs. 2.21 lakhs and Rs. 5.02 lakhs respectively. The membership, share capital and working capital of the Wholesale Society alone stood at 108, Rs. 1.03 lakhs and 3.56 lakhs respectively. The working and progress of this Wholesale Society is analysed in the later part of this chapter.

**General Progress of the Movement during the Post-Second Plan period:**

The organisational structure of the Consumers Cooperative Movement in Manipur is a two-tier one - the primary consumers stores at the base level and the Manipur Wholesale Consumers Cooperative Society Ltd. at the apex level. An undesirable feature of the Movement which persists till today is that most of the consumer stores are concentrated in the urban and sub-urban areas and their coverage of the rural areas is almost negligible. This is partly due to the fact that the distribution of consumer and other essential goods in the rural areas and

hills has been mainly entrusted to the Agricultural Credit and Multipurpose Societies, and partly due to the lack of initiative on the part of the State Government to open more consumer stores in the rural areas.

The Third Plan targets for development of consumer cooperatives were mainly related to the organisation of the Manipur Wholesale Consumers Cooperative Society and reorganisation of some of the existing societies and organisation of some more new societies. The financial outlay recommended for development of these cooperatives in the initial year of the Plan, i.e., in 1961-62, was Rs.0.6 lakh only. In 1962-63 no scheme was taken up for reorganisation of these societies. In 1963-64, 10 primary consumer stores were reorganised, for which a sum of Rs. 0.18 lakh was provided. Altogether an outlay of Rs. 0.43 lakh was provided for development of consumer cooperatives during the Third Plan period. 5

The provision made during the Fourth Plan for development of consumer cooperatives was also inadequate. For the year 1967-68 (annual plan), a sum of Rs. 0.40 lakh was provided for development of these cooperatives. The Manipur

5. Third Five Year Plan (1961-66), Manipur Administration.
Administration proposed an outlay of Rs. 0.30 lakh as managerial subsidy and Rs. 0.70 lakh as clean credit accommodation for the newly organised Wholesale Society, but the Working Group on Cooperation for the Fourth Five Year Plan did not approve of the provisions. For the primary stores the Working Group, however, recommended Rs. 0.60 lakh for share capital contribution and Rs. 0.30 lakh for managerial subsidy for the Fourth Plan. Thus, during the first year of the Plan i.e. during the year 1969-70, the Administration spent a sum of Rs. 0.18 lakh only. Expenditure in the subsequent years, however, increased to Rs. 0.31 lakh in 1970-71, to Rs. 0.48 lakh in 1971-72 and to Rs. 0.72 lakh in 1972-73. Altogether an outlay of Rs. 2.00 lakhs was approved for development of consumer cooperatives during the Fourth Plan. 6

During the Fourth Plan, the Government of India laid much stress on the consolidation and strengthening of the existing consumers cooperatives, and as recommended by the National Development Council (N.D.C.), the scheme for distribution of consumer articles in the rural areas through the marketing and service cooperatives which was

a Centrally Sponsored Scheme up to the year 1968-69 was transferred to the State Sector from the first year of the Fourth Plan. Some achievements could, thus, be seen in the Consumers Cooperative Movement in this State too during this Plan period. But the progress was not uniform. While the Manipur Wholesale Consumers Cooperative Society Ltd. made considerable headway the primary consumers societies at the base level remained relatively weak.

The Sub-Committee of the Central Advisory Committee on Consumers Cooperatives set up by the Government of India to undertake closer observation and study of the working of consumers cooperatives in the different States submitted its report in April, 1971. The Sub-Committee expressed the view that "the consumers cooperative movement has immense possibilities and has come to stay". The various suggestions made by this Committee to improve the working of the consumer cooperatives were conveyed to the State Governments for consideration and implementation. But, very unfortunately, the Government of Manipur failed to act upon the recommendations of the Committee. Moreover,

8. Ibid., p.16.
the small sectoral outlay made on cooperation vis-a-vis other sectors is also indicative of the fact that the State Government had shown little interest in the development of these cooperatives. The progress of the Consumers Cooperative Movement during the Fourth Plan was, thus, not so impressive.

During the Fifth Plan it was proposed to continue the schemes which were implemented during the Fourth Plan. These continuing schemes were further to be expanded by introducing organisation of District Wholesale Consumers Cooperative Societies, organisation of Departmental Stores and distribution of consumer goods in the rural areas.

In the initial year of the Plan i.e. in 1974-75, a sum of Rs. 0.44 lakh was provided for giving subsidy and grant-in-aid to selected urban consumer cooperatives in the State. The financial outlay increased to Rs. 0.50 lakh in 1975-76. Thus, a total outlay of Rs. 1.20 lakhs was earmarked for development of consumers cooperatives during the entire Fifth Plan period (1974-79).\(^9\) This outlay on consumers cooperatives was earmarked out of the total sectoral outlay of Rs. 91.00 lakhs on cooperation for the Fifth Plan.\(^10\)

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10. Ibid., p.46.
Although no outlay was provided in the Fourth Plan for cooperatives undertaking distribution of consumer goods in the rural areas, an outlay of Rs. 2.00 lakhs was provided for these cooperatives during the Fifth Plan. The nature of business of the consumer cooperatives existing then was such that, out of the 72 societies existing at the beginning of the Plan period, 21 were dealing purely in consumer goods and the rest 51 were undertaking consumer activities as their subsidiary business. The Cooperative Department, however, proposed to organise 50 new primary consumer cooperatives on sound lines during the Fifth Plan. It was also proposed to set up 2 more District Wholesale Societies in the West District (now Tamenglong District) and the North District (now Senapati District) of the State in addition to the 3 Wholesale Societies existing then. Besides, 100 village societies and marketing cooperatives were given financial assistance for distribution of consumer goods in the rural areas.

During the Sixth Plan, an outlay of Rs. 10.00 lakhs was earmarked for development of consumer cooperatives, of which Rs. 8.00 lakhs was meant for strengthening the share capital structure of 100 consumer cooperatives and Rs. 200 lakhs for payment of subsidy to 90 cooperatives including school and college consumer stores.  

The financial assistance released under the Central/Centrally Sponsored Schemes for development of consumer cooperatives in Manipur during the past Five Year Plans are detailed below.

Table No.7.1: Financial Assistance to the Consumer Cooperatives in Manipur under Central/Centrally Sponsored Schemes.

<table>
<thead>
<tr>
<th>All Cooperatives</th>
<th>Consumer Cooperatives</th>
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</thead>
<tbody>
<tr>
<td>1. Third Five Year Plan (1961-66)</td>
<td>22.54</td>
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<tr>
<td>2. Annual Plans (1966-69)</td>
<td>9.78</td>
</tr>
<tr>
<td>3. Fourth Five Year Plan (1969-74)</td>
<td>45.60</td>
</tr>
<tr>
<td>4. Fifth Five Year Plan (1974-79)</td>
<td>84.69</td>
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<tr>
<td>5. Sixth Five Year Plan (1980-85)</td>
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</tbody>
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It is evident from the above table (Table No. 7.1) that central assistance for development of consumer cooperatives was not provided to Manipur before the Fourth Five Year Plan. Though central assistance was provided in the subsequent Plans, they were inadequate.

On the other hand, the State Government also did not make adequate provisions in its State Plans for development of these cooperatives. No expenditure was so far made on the development of consumer cooperatives till the end of the Second Five Year Plan. During the Fourth and Fifth Five Year Plans, Rs. 2.00 lakhs and Rs. 2.87 lakhs respectively were provided for development of these cooperatives under the Central Sector/Centrally Sponsored Schemes. But the expenditure made during the two Plan periods was quite inadequate, compared with the expenditure of Rs. 45.60 lakhs and Rs. 84.69 lakhs made on the development of all types of cooperatives taken together.

The State of Manipur, thus, stands out to be the one among the North-Eastern and Eastern States and Union Territories which made the least plan provision on consumer cooperatives. For example, while during the Fourth Plan, respective outlays of Rs. 20.00 lakhs, Rs. 4.00 lakhs, Rs. 4.00 lakhs, Rs. 8.25 lakhs, Rs. 15.80 lakhs, Rs. 25.30 lakhs, Rs. 35.47 lakhs and Rs. 52.96 lakhs were provided