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CO-OPERATIVE MOVEMENT IN RURAL PROGRESS (A CASE STUDY OF CO-OPERATIVE MARKETING)

***¹Dr. Sree Krishna, T. and ²Rama Krishna Gogulamud, V.S.**

¹Department of Management Sciences, RVR & JC College of Engineering, CHODAVARAM, Guntur Dist.

²Department of commerce and Business Administration, Acharya Nagarjuna University, Nagarjuna Nagar, Guntur

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ABSTRACT

Co-operative sector has played a significant role in the development of rural economy of our Country. The Royal Commission on Agriculture (1927) has also pointed out that if cooperative fail there will be a failure of the last hope of rural India. The operation of this sector during the last hundred years has proved that it can fulfill the dreams and needs of common rural people in India. In the context of Andhra Pradesh cooperative has also been recognized as a pioneer institution for credit as well as supply of essential commodities to the people of the state. In the expansion of cooperative societies in the state the Andhra Pradesh Cooperative Marketing and Supply Federation Ltd, has also played positive role. The primary function of the federation procuring and marketing of agriculture product. In addition to improve the lot of the poor and more particularly; the rural poor, our planners and policymakers have launched Eleventh Five Years Plans. These Plan documents are the blue prints of our national effort in the direction of an all-round development of the country. Precisely, the 1st Plan accorded priority for raising national income and a steady improvement in the living standards. The 2011 Plan aimed at achieving goals of Socialistic Pattern of Society. Self-sustained growth was the major objective of the 3rd Plan. In the 4th Plan, convert of equality and social justice was to be promoted. Self-reliance was to be attained in the 5th Plan. Removal of poverty was accorded the top priority in the next Plan. The 9th plan had its concerted attention on food, work, and productivity. The basic thrust of 10th Plan was on maximization of employment and social transformation. The main dimensions of I & 12th Plans are quality of life, generation of productive employment and removal of regional imbalance.

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INTRODUCTION

In the Fifties, the Community Development Programme, and the National Extension Service took the lead. The programmes could, however, not lead to desired levels of success due to ad-hoc location of various economic activities. Their failure led to the setting up of Panchayati Raj Institutions (PRIs) to ensure popular participation in planning and implementation of various Rural Development Programmes. During the Sixties, various package programmes like IADP, IAAP, HYP, Etc., was launched improving productivity. These too could not achieve the desired objectives owing to the problems of inter-regional and inter-regional inequalities of income.

***Corresponding author: Dr. Sree Krishna, T.**

Department of Management Sciences, RVR & JC College of Engineering, CHODAVARAM, Guntur Dist.

Or so, these schemes primarily helped the large and progressive farmers. During the Seventies, the approach shifted to target groups among the weaker sections. But again, haphazard and isolated pectoral programmes could not solve problems of poverty, un-employment and under-employment in rural areas. It was experienced that the actual benefits from these programmes percolated to hardly 10 per cent of the target group. A new strategy of Integrated Rural Development was introduced in 1979. The I.R.D.P, approach is not a package deal, but a combination of the relevant activities suited to the local situation and a priorities. As T.N. Chaturvedi says, "it stands of the development of the rural society in all its facets- social, economic, institutional and administrative for integrated performance and accomplishment of all the objectives stipulated". This programme has the motto of minimum State interference, mass participation, self-

reliance, pooling of resources and service to the people. It is however, from 1980 onwards unlike the previous years, when multi-agency approach was adopted for the success of rural development, single agency approach has been envisaged. This has led to the merger of a host of existing agencies into one single agency at the district level, known as District Rural Development Agency (DRDA). With a view to improve financial efficacy of DRDAs, on the recommendations of Shankar Committee, the latest scheme effective from 1999, replaces the earlier practice of allocating a percentage of programme funds to its administrative cost. By mid 1980s, a near consensus emerged that only a tiny fraction of the resources allocated for target groups actually reach them. Both Mrs. Indira Gandhi money earmarked for anti-poverty programmes actually reached the poor. Accordingly, during 1991s, a large number of erstwhile employment and allied programmes designed to improve the quality of life of the rural poor were restructured and streamlined, i.e., Jawahar Gram Samridhi Yojana, Swarna Jayanti Gram Swarajgar Yojana, national Social Assistance Programme. Innovative Stream for Rural Housing and Habitat Development, National Drinking Water Mission etc. but all is now well again. India's maiden Rural Development Report, 1999 designed with an attempt at understanding poverty and its deterrents in a regional ; perspective, has candidly remarked that scarcity of resources, the elaborate top-down patronage system in all the Rural Development Programmes, lack of local infra structure and acutely human skills, have prevented the emergence of full potential of the rural poor.

Programmers

Rural Development Programme (Post-Liberalization)

- Rajiv Gandhi National Drinking Water Mission 1991
- Three Tire P.R.! (73rd Amendment) 1992
- Employment Assurance scheme 1993
- National Social Assistance Scheme 1995
- Jawahar Gram Samridhi Yojana 1999
- Swarna Jayanti Gram Swarajgar Yojana 1999
- Innovative Scheme for Rural Housing & Habitat Development scheme 1999

Rural Development Programmers (Pre- Liberalization)

- Community Development Programme (CDP) 1952
- National Extension Service 1953
- Applied Nutrition Programme (ANP) 1958
- Panchayati Raj 1959
- Intensive; Agriculture District Programme (IADP) 1960
- Hill Area Development Programme (HADP) 1960
- Tribal Area Development Programme (TADP) 1962
- Intensive Agriculture Programme (IAAP) 1964
- High Yield Variance Programme (HYVP) 1965
- Farmers Training Education 1966
- Wells Construction Programme 1966
- Small Farmers Development Agency (SFDA) 1969
- Dough Prone Area Programme (DPAP) 1970
- Rural Works Programme (RWP) 1971
- Crash scheme for rural Employment (CSRE) 1971
- Pilot Project Tribal Development 1972
- Employment Guarantee Scheme (EGS) 1972
- Command Area Development Programme (CADP) 1973

- Minimum Needs Programme (MNP) 1974
- Food for Work Programme (FWP) 1977
- Antyodaya 1977 22. Comprehensive Area Development Programme 1978
- Comprehended Area Development programme 1978
- National Rural Employment Programme (NREP) 1980
- Training for Rural Youth for Self Employment 1980
- Bio-Gas Programme 1981
- Integrated Rural Energy Programme 1981
- National Wasteland Programme
- Peoples Action for Programme
- Jawahar Rozgar Yojana
- Special Food grains Production programme (SFPP) 1986
- Special Rice Production Programme (SRPP) 1986
- Forest Farming for Rural Poor (FFRP) 1986
- Indira Awaas Yojana (IAY) 1986
- Millions Well Scheme 1989

Institutional Network of Rural Development

The institutional network for the grass-roots association of rural people comprises: (i) an administrative channel i.e., village patwari and village level worker, (ii) voluntary agencies, and (iii) participatory organizations which include both panchayats and co-operatives. Although voluntary sector has vast potential to supplement Government efforts for development, it has its own inherent limitations. Similarly, panchayati raj too can only aid, promote and encourage; socio-economic activities, it cannot undertake economic ventures successfully on its own. It is the cooperatives- people's institutions- which have played a key role in accelerating the rate of Rural Development. One of the I.L.O. publications has also advocated the formation of cooperatives as of the best forms of organization for Rural Development. It says, "A more decentralized system, heavily dependent on the participation of all local people in the formulation as well as the running of the new programme, seems to be a necessary part of any new approach. For this, rural cooperatives need to be encouraged. Even the latest Plan recognizing the importance of cooperatives has observed that these have successfully designed and implemented Rural Development Programmer and have contributed towards improving access to public services. Cooperative organizations unlike any other form of organizations are one of the most widely distributed geographically in our country. In fact, there is no instrument as potentially powerful and full of social purpose as the Cooperative Movement.

These easily resolve the conflict of interest between the lender and borrower, or between seller and buyer, as all of them are the same persons. Cooperatives based on Manchester (1995) Identity, Principles, Values and ethos envisage serving both social and economic activities on the clear understanding that those that generate resources have the right to own and control cooperatives by hiring professionals who are ultimately responsible to them. These organizations have been organized at all levels in diverse areas such as credit, marketing, distribution, dairy, industry, sugar, labor, housing, poultry, fishery, etc. in fact, right from birth of a baby in a cooperative Hospital, the entire socio-economic fabric of the society is based on the philosophy of Cooperation, some of these organizations have lent a helping hand significantly in the success of Green Revolution, White Revolution, Sugar

Revolution Consumer protection, and a chain of agro-based processing units like sugar complexes, fertilizer plants, etc. The 11th specifically aims at "(i) priority to agriculture and Rural Development with a view to generating adequate productive employment and eradication of poverty and.... (viii) Promoting and developing people's participatory institutions like PRIs, Cooperatives and Self-Help Groups." Is has even reiterated that from early days of planning, cooperatives have been perceived as the most important form of people's institutions for promotion of equity, social justice and economic development.

Contribution of Cooperatives to Agriculture Growth

Co-operatives in India have emerged as the largest in the world. There are 4.53 lakhs cooperative have 20.4 crore people within its fold. These accounts are for meeting, more than 60 Per cent of credit requirements. The value of agricultural produce marketed have witnessed an increase from in Rs.169 crore in 1917-98 to over Rs 12,000/- crore in 2010-11. Cooperatives have handled 34 per cent of the total fertilizer consumption and account for 57 per cent of the sugarcane marketed/processed in the country. The share of cooperatives in spindle age is 12%, handlooms 55%, 21% jute production, 17% rural fair price shops, and over 36% in wheat procurement. Structurally too, there are 21 national level apex bodies in the pectoral fields. The setting up of NABARD in 1982 for agriculture and rural development has further marketed a new landmark to the Cooperative structure.

30 lakhs, in which is considered to be "the wheat and rice bowl of India", the position in not heartening as is evident from Table. The data reveals that 67 per cent and 55 per cent of the societies in Jammu & Kashmir and Andhra Pradesh respectively were not doing any business in marketing of agricultural produce (a marketing society to be viable needs to ensure a minimum turnover of about Rs. 50 lakhs per annum). It is, therefore, suggested that dormant and weak societies should be liquidated and societies merged in those cases where there is some potential for revitalisation.

Financial Dependence

Cooperatives must be financially self-dependent. The Indian Government, however, favors State partnership on the belief that State's assistance would not be required in the years ahead with the steady growth of the cooperatives. Over the years, cooperatives have, nevertheless, exhibited a tendency of over-dependence. It is now generally held that these are a way of getting easy finance from the Government. The words "self help, mutual help, joint action". This fact is confirmed if one looks at the State Government's contribution in the share capital of Apex Federations, Table 2. The above trend holds well in respect of other apex federations in the country as well. Since cooperatives do not have much stake in the form of the share capital, this may be one of the possible reasons that these are not rendering goods and services as expected from them. As such, schemes should be evolved which can help strengthen the financial structure of cooperatives and lessen

Table 1. Level of Business Undertaken by Primary Societies

Sl. no	Name of the state	Total no .of Societies	Societies not doing any business	Less than Rs.5 lakhs	Rs.5 lakhs to Rs. 10 lakhs	Rs.10 lakhs and above
1	Andhra Pradesh	75	1	5	1	68
2	Himachal Pradesh	40	22	11	4	3
3	Jammu & Kashmir	82	55	10	9	8
4	PANJAB	129	17	27	22	63
5	Uttar Pradesh	264	31	76	55	102

Table 2. (Rs. In lakhs)

Sl. No	Name of the State	States share	Total share capital	Percent of Govt. share
1	Andhra Pradesh	944	1067	94
2	Himachal Pradesh	161	163	99
3	Jammu & Kashmir	50	52	97
4	Panjab	1074	1134	95
5	Uttar Pradesh	500	522	96

Marketing Cooperatives Turnover

The success of an organization largely depends on its base which has to be very broad strong, study, stable, effective and efficient. In case of marketing co-operatives in however the reverse. That is why; the first National Congress of Marketing Cooperatives was aptly justified to remark that the share of cooperatives in marketing of agricultural produce has been too small to make any impact. One of the Plan documents has also observed that inspite of vigorous efforts of Government, the Primary societies on which the cooperative edifice stands, are still weak, dormant and non-viable. The National Survey on Primary Cooperative has further confirmed the gravity of situation. The study reveals that about 1/3 of primary societies were not doing any business of marketing; 14% executed a business of Rs. 1 to 5 lakhs, 9 per cent of the societies pursued a business of Rs. 5 to 10 lakhs; 10 per cent societies did business of Rs.10 to 20 lakhs and only 15 per cent above Rs.

their dependence on State's benevolence, for this, it should be incumbent upon all the societies in the State, to become member of Apex Federation and contribute towards its share capital. The personnel working in cooperatives should also be inculcated in the habit of thrift by purchasing shares and thereby becoming equal partners in success or failure of the organizations.

Movement

Marketing cooperatives like other cooperative are not free from the clutches of State/officials. The State in the garb of "partnership" unilaterally decides the future plans of action of these organizations. There is therefore, no possibility for them to become self-sufficient, self-dependent, and self-regulatory. Moreover, principles of democratic control and political neutrality ate becoming futile and cooperatives are being considered as centers of politics. The sugar ad cotton growers

lobby in the State of Maharashtra and Gujarat is one of the striking examples. In fact, the fate of cooperatives depends much upon the changes in the political set up of the country. For instance, with the changes in the political set up both at the centre and in the State in 1977 and 1980, there was an era of super session of elected Boards right from the primaries to the apex federations in most of the State. Even today, marketing cooperatives in almost all the state of have been denied the freedom to function in an environment conducive the democratic management. Such a step has shaken the faith of the people I cooperatives as instrument of securing economic and social justice. It is hoped that the present Government in the light of 11th Five-Year Plan caution would give a special thought so that cooperatives can be saved from further politicization and degeneration.

Outmoded Business Techniques

It has been observed that marketing cooperatives confide their business operations to an agency basis. They only get a nominal percentage of commission which is not sufficient for their economic viability. In fact, cooperatives generally avoid marketing agricultural produce to accord with changing market conditions. Carious committees have stressed the need for marketing of produce directly or on a joint venture basis. To be effective in the market, cooperatives have to assume the role of main traders by undertaking outright purchase and sale of agricultural produce. In sum and substance, marketing of produce on direct/joint venture basis is the need of the hour. On examining the extent of marketing of produce on agency and direct basis, one finds that the share of direct business in almost all the states has been quite negligible, i.e., hardly 8% to 17%. This trend also indicates that apex federations are dependents on State patronage in matters of marketing g wheat, cotton, paddy etc. accordingly, in case on one fine morning the State government decides to take away procurement work from, these federations, these world be doomed. As such government must come out with a scheme under which it would be incumbent upon the apex federations to market a fixed percentage of agricultural produce on direct/joint venture basis.

At the same time, a price fluctuation fund on permanent basis may also be created to impart stability to agricultural markets.

Conclusion

Rural prosperity can be achieved only through participatory development process. This would be possible only if the individuals and the community become the focal point of development. Empowerment of people will change people's participation in preserving, conserving and improving the productivity of natural resources and thus reduce the severity of poverty incidence in the poor. Such an employment calls for large scale promotion of strong and viable self-help groups. Community based interest groups, user group's ad genuinely strengthening the civil society movement. In other words, strong organic linkages between formal structure of the Government on the one hand and informal structures of NGOs, and community based organizations like cooperatives on the other, have to be vigorously pursued and promoted.

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