

A STUDY OF

***Agricultural Cooperative Societies  
in Indore District***

with Special Reference to Educational Needs

***A Report***



INTERNATIONAL COOPERATIVE ALLIANCE  
REGIONAL OFFICE & EDUCATION CENTRE FOR SOUTH-EAST ASIA



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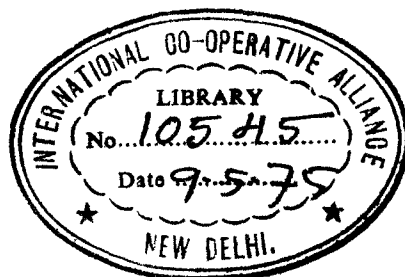
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## CHAPTER - I

### GENERAL INFORMATION

#### A. Introduction

1.1 It has been often said that cooperative education is sine-qua-non for cooperative development. The I.C.A. Commission on Cooperative Principles and subsequently the 23rd Congress of the International Cooperative Alliance accepted education as one of the fundamental activities of co-operatives. The Commission has stated in its report that it is the principle of education which ensures effective observance and application of other principles of Cooperation. However, it has very aptly recognised the fact that, for cooperative development, observance of all the principles of Cooperation is essential. The Commission also emphasises that the time has come when the Cooperative Movement has to take its educational activities more seriously than it has often done in the past. The Movement should define its educational problems and needs in much broader and more comprehensive terms and provide in its budget sufficient funds for a well planned educational programme.

1.2 Cooperative Education is at least as old as Co-operation itself. However, the former is the least understood subject. Sometimes, extreme positions are taken by enthusiastic cooperators as regards its nature and impact on cooperative development. The enthusiasts of cooperative education claim that education and education alone is the panacea for all ills and inefficiencies in cooperatives. On the contrary, experts in business often feel that cooperative education is a sort of burden to be carried out by cooperative unions, educational institutions or the government. They often fail to make a distinction between cooperative member education and their business propaganda and feel that advertizing may be enough for their success. It is rare that an objective position is taken, especially at the grass-root level. The reason is that cooperative education and its impact on development has not been studied systematically.

1.3 It was, therefore, decided to conduct a field project in cooperative education in Indore district in the central part of India for an initial period of three years. Exploratory work for the Project known as ICA/NCUI Field Project in Cooperative Education was done during 1970 and it was officially started from February 1971. The overall objective of the Project was to contribute to the development of cooperative societies and through that to the social and economic improvement of members. The specific objectives set before the

Project Office were as follows:-

- (1) To carry out education programmes for the employees, board members, and ordinary members (including active members, house-wives and youth) of selected primary societies as part of the current and projected development programmes.
- (2) To carry out educational activities for supervisory and extension personnel of secondary cooperative organisations, such as cooperative banks, and marketing societies, and employees of cooperative departments such as Inspectors and Supervisors, who come in direct contact with the primary societies.
- (3) To experiment with and demonstrate successful approaches and techniques in cooperative education which could then be duplicated elsewhere.
- (4) To produce educational material, manuals and audio-visual aids for use in the education project.
- (5) To involve cooperative institutions increasingly in the formulation and implementation of the project. Part of the resources may be provided locally.

1.4 Under the Project, efforts have been made to demonstrate the advantages of various methods and techniques and, of an integrated approach in carrying out educational and development programmes in rural cooperatives. Such an integrated approach involved proper study of the problems and their educational and development needs of local cooperatives and those of their personnel, viz. members, leaders and employees so that effective educational programmes could be developed for them.

1.5 It is, however, very difficult to isolate the factor of cooperative education and show its impact on economic development. Nevertheless, assuming that the variable of education has positive relationship with the personality and behavioural changes in members and employees to be educated, it should be controlled as far as possible and directed toward socio-economic development of cooperatives and their members. It can thus be seen that the Field Project has an educational and experimental character.

### The Research Study

1.6 To ensure proper planning and development of the educational project, it was considered necessary to know the existing conditions, problems and aspirations of local cooperatives and their members. This would help in determining educational and developmental needs of these cooperatives and consequently in the planning and needed adjustment of the educational programmes accordingly. The data collected under the study would also help us in assessing the impact of educational programmes on development of cooperatives and thus in evolving an educational approach to cooperative development in India and elsewhere.

### Objectives

- 1.7 The main objectives of the study are mentioned below :
- (1) To find out the present position of selected rural cooperatives, cooperative personnel, their problems and plans.
  - (2) To assess educational levels and needs of members, managing committee members and employees, particularly with regard to cooperative education.
  - (3) To identify the problems of rural cooperatives, which can be solved through cooperative education and to study the impact of education, especially on their development.

### Scope

- 1.8 The present study would concentrate on the following aspects:
- (i) The existing level of knowledge of various categories of personnel namely, members, committee members, employees of primary societies, about cooperative matters.
  - (ii) Interests and attitudes of various categories of personnel to Cooperation and their own cooperative societies.
  - (iii) Problems experienced by cooperative personnel mainly in relation to cooperative society.
  - (iv) Operations and problems of the cooperative societies, especially those which can be solved through educational approach.
  - (v) Information on social and economic aspects of the villages which may have a bearing on cooperative development, specially through cooperative education.

1.9 The study of educational needs of cooperatives meant the assessment of needs of cooperative personnel, viz. members, managing committee members, employees, etc., who are to be covered through educational programmes.

Educational needs of persons may be 'felt-needs' or interests in certain subject or problem areas. There may be subject areas which cooperative personnel are not aware of but those are important for them and for the development of their cooperatives. Such needs, which have not yet become 'felt needs', have also been included in the scope of the study.

1.10 There are various methods which could be used for the assessment of educational needs of cooperative personnel. For example, it would have been possible to go into details of the financial records of the individual members and their society only and then based on their deficiencies, educational programmes can be developed. However, a broader approach, using various methods, has been adopted for the present study.

#### Sample and Tools

1.11 Out of the total of 10 primary cooperatives covered under the Field Project five cooperative societies were selected for the study on educational needs of cooperatives in Indore district. These cooperatives were :

- (1) Service Cooperative Society Ltd., Barlai.
- (2) Service Cooperative Society Ltd., Dakacha.
- (3) Service Cooperative Society Ltd., Kamadpur
- (4) Service Cooperative Society Ltd., Manpur
- (5) Service Cooperative Society Ltd., Pigdamber.

1.12 The main methods used for the study were structured interviews with selected cooperative personnel and study of their records. Background information about these societies were collected with the help of Schedule No.1 and from the records of the societies.

1.13 It was decided to prepare lists of farmer members according to their land acreage. A 20% random of sample was drawn out of the total membership of each society. The list of members was prepared village-wise and then in Hindi Alphabetical order. The selected members were interviewed with the help of Schedule No.2

1.14 All the managing committee members and some active members from the selected rural societies were interviewed with the help of a separate tool - Schedule No.3.

1.15 Schedule No.4 was used to collect information from the employees of the selected cooperatives.

1.16 In addition, records of the societies and reports of various kinds were studied, in order to get a complete idea of the societies, their personnel and local problems. The byelaws and other practices of the society were also studied to find out their effectiveness and relevance to the Cooperative Principles.

#### Observation in the Field

1.17 Often the researchers accompanied the Project staff during their field trips and observed the on-going meetings and educational camps and sometimes participated in them to elicit members' views. In some cases, observation visits to respondents' farms or houses were made to interview them and to make the interviewers acquainted with the local situation.

#### Collection of Data

1.18 Data were collected by trained interviewers and the project staff during the period from March to December 1972. Details of interviews conducted are given in Table No. 1.

Table No. 1 Categories of Personnel Interviewed

H.Q. of the covering Branch of the IPC	Name of Organisation	Total member-ship	Interviewed on			
			Schedule No. 2	Schedule No. 3	Schedule No. 4	
			O.M.	MCM	MCM	(for employees)
Kshipra	1. Service Cooperative Society Ltd. Barlai	119	20	8	8	1
"	2. Service Cooperative Society Ltd. Dakacha	114	20	8	8	1
Manpur	3. Service Cooperative Society Ltd. Kamadpur	139	25	9	9	1
"	4. Service Cooperative Society Ltd. Manpur	214	35	10	10	2
Rao	5. Service Cooperative Society Ltd. Pigdamber	152	29	8	8	2
		738	129 + 43	=172	43	7=GT=222

§8 Women respondents were included in the sample.

Note: Villages having less than 10 members (of each society) were excluded from the sample. The figures collected from the records of the societies and from respondents mostly related to the financial year 1970-71

### Analysis of Data

1.19 Data from five cooperatives have been collected and tabulated separately for each society. A comparative analysis of data has been attempted and preliminary reports drafted (see case studies i to vi). Within each society the comparison has been made between the ordinary members and the managing committee members. Sometimes, cumulative data have been presented. An attempt has been made to study the progress of the society during various financial years.

1.20 Generally, percentage or average has been calculated for analysing figures. Wherever, data was found too small 'Decile' i.e. statistical calculation out of 10 (instead of 100) has been calculated, for comparison, among different figures.

### Interpretation and Use of Data

1.21 It has been assumed that educational needs of cooperative personnel can be ascertained from the study of the following factors, and educational programmes for them be made/adjusted accordingly.

Local area: geographical conditions, main crops, people, their customs, etc., possibilities of development through cooperative efforts.

Cooperative Society: Its area of operation and history, membership coverage,  
Economic position,  
Problem and plans &  
Possibilities of its expansion and collaboration with other agencies.

Members: Their age and family background,  
Social and Economic position,  
Education,  
Problems and plans for increasing incomes,  
Level of Knowledge and Experience,  
Areas of Interest.

Managing Committee Members: Their Age and family background,  
Social-Economic position.  
Education and Experience.  
Leadership qualities.  
Attitude toward the society.  
Knowledge about the society and Cooperation in general.

Employees: Their age and family background.  
 Education and experience.  
 Attitude toward jobs and their aspirations.  
 Knowledge about the society and management skills.  
 Their efficiency level and problems.

1.22 One of the main features of the research study is its effective coordination with the development efforts of the project staff. The Project staff and the local cooperative personnel have been actively involved in the study, after proper orientation. The society-wise reports and results of the study were therefore immediately used for improvement of the on-going programmes in different societies and did not await formal reporting by the research staff. Nevertheless, a general report giving main conclusions, observations and suggestions has been prepared. It gives a general view of service cooperatives of Indore and provides data for inter-society comparison.

1.23 It may thus be seen that besides making the study of societies broad-based as well as practical, an effort has been made to combine case-study as well as cross-sectional approaches, in presenting data collected.

1.24 Lastly, data collected and reported will serve as a useful reference material for periodical assessment and final evaluation of the educational and development activities being undertaken by the Project staff.

#### Reliability of Data

1.25 Data were collected from the members, M.C. Members and other respondents. They indicated their plans and problems and gave some information about their socio-economic status. However, the reliability of their responses were checked against the information and opinion given by local field personnel, such as Village Level Workers, Village Patwaries, staff of Indore Premier Cooperative Bank and the Project Staff.

1.26 As information about farmers' income was not found reliable, a special rating scale prepared by an I.I.T. behavioural scientist (Dr Uday Pareek) was therefore adopted to local situation and used to ascertain the socio-economic status of selected respondents.

1.27 To ensure reliability and validity of data, most of the questions in the Schedules were structured ones and detailed instructions for interviewers were incorporated in them. The interviewers were also properly briefed to collect reliable and valid data.

#### Main Difficulties.

1.28 In absence of frequent access to the records of societies and other agencies it was very difficult for the researchers to collect reliable data in time. Sometimes, records of the societies were found incomplete and not in order.

1.29 It was also found very difficult to win the confidence of respondents, especially women members, and collect reliable information particularly about their income. However, the Project staff often helped the investigators in this matter. It was found out that most of the respondents did not have clear idea about their income, nor they had any definite plan to increase their income.

1.30 The research staff which was limited had to work in a constrained situation because of poor access to local records and in absence of a well furnished library for reference material and equipment for statistical analysis.



CHAPTER - IIINFORMATION ABOUT THE SAMPLEA. BACKGROUND INFORMATION ABOUT INDORE DISTRICT

2.1 The Research Study on Educational Needs of Cooperative Societies was conducted in the Service Cooperative Societies located in Indore district and covered under the Cooperative Education Field Project. It would not be irrelevant to start the report on study with a background of Indore district in brief.

2.2 Indore district is one of the 43 districts in Madhya Pradesh and is located in south-west of the State. Out of the total area of 443,359 km. covered under the State, Indore district covers about 3831 sq.kilometres.<sup>(1)</sup> Indore district is, in fact, the smallest district in the State, save Datia. There are 665 villages in the district. Out of the total population of 67,70,323 in the state, 10,36,332 or 15 percent resides in Indore district.<sup>(2)</sup> The urban rural ratio is 63:37. Out of the total population of the district, 1,46,559 persons or 14.2 percent belonged to scheduled castes as in 1971.<sup>(3)</sup> The prominent amongst the scheduled castes are 'Balais', 'Mehtars' and 'Bagris'. Besides 883 persons<sup>(4)</sup> also belonged to scheduled tribes.

2.3 Out of the total population in the district, in 1971, 2,99,279 persons or 29.6 percent were workers. Out of these total workers 1,08,464 or 36.2 percent were engaged in agriculture.<sup>(5)</sup> Though Indore district is most urbanised, the classification of workers, occupation-wise, indicates the predominance of agriculture over other spheres of activities. Amongst the agricultural castes, 'kulmi' occupies a very prominent place. 'Khathi' and 'kalota' belong to agricultural castes and are regarded as hard working people. 'Rajput' in the district are industrious and own considerably larger land holdings.

2.4 The total geographical area of the district was 9,57,500 acres (3,83,000 hectares). Out of this 6,86,935 (2,74,774) or 71.7 p.c. was under cultivation as in 1971.<sup>(7)</sup> 13,250 acres (5,300 hectares) or 13.8 p.c. of total area in the district is covered by the forests.<sup>(8)</sup> Out of the total land holdings numbering 42,223, 21,830 holdings or more than 50 p.c. of the total have each 10 acres of land or less. They hardly command 12 percent of the total area. The average size of land holdings is comparatively higher, the same being 16.5 acres for Indore district as against the average of 8.6 acres for the State as a whole.<sup>(9)</sup>

2.5 The average rainfall in the district is 946.6 mm. Indore tehsil gets the highest rains, followed by Saver and Mhow Tehsils. The average number of rainy days is 56.<sup>(10)</sup>

2.6 The area irrigated, as in 1971 was only 47,307 acres (18,923 hectares).<sup>(11)</sup> In other words 6.88 percent of the total area under cultivation is irrigated. The main source of irrigation in the district is wells - which irrigate 70.32% of the total area irrigated. Other sources of irrigation include canals, tanks, and tubewells. The district thus suffers from lack of adequate irrigation facilities. Consequently agriculture has largely to depend on vagaries of monsoon. In order to ensure adequate moisture conditions especially in 'Rabi' season, irrigation facilities in the district need to be developed.

2.7 Crops: 'Kharif' and 'Rabi' are two main cropping seasons in the district. Area under 'Kharif' and 'Rabi' crops in 1970-71 was 3,39,620 acres (1,35,848 hectares) and 3,47,315 acres (1,38,926 hectares) respectively.<sup>(12)</sup> Thus area under 'Rabi' crops is higher than that under Kharif. The district, in fact, is one of the main food producing tracts of the State, chiefly 'Rabi' crops. Out of the total of 6,86,935 acres (2,74,774 hectares) under cultivation in 1971, 1,35,452 acres (54,181 hectares) or 19 p.c. was under non food crops and the rest was under Food crops.<sup>(13)</sup> The principal crops grown are Wheat, Jowar

Gram, Pulses and Maize. A small acreage is also under cash crops like cotton, Groundnut, Sugarcane, Vegetables etc. The percentage of area under Wheat, Jowar and Pulses is 30.7, 16.7 and 26.1 respectively. <sup>(14)</sup>

2.8 The methods of cultivation used by the farmers are still crude and old. Due to appalling illiteracy and backwardness amongst the rural masses of the district, agriculture continues to be a gamble in rains.

2.9 Literacy: The Indore district being most urbanised, the percentage of literacy as in 1971, was as high as 44.35 per cent. The percentage of literacy was however 23.66 in rural areas and 56.60 in urban areas. <sup>(15)</sup> The percentage of literacy was highest in Indore tehsil and lowest in Depalpur tehsil.

2.10 Livestock: The total livestock population in the district as in 1969-70 was 2.65 lakhs. The livestock includes cows and bulls which total 1.97 lakhs followed by buffaloes (0.87 lakhs) and goats (0.70 lakhs). <sup>(16)</sup> There are at present 69,000 draught animals in the district. Out of the total of 2.84 lakhs of cows and buffaloes 1.06 lakhs yield milk. Number of cows and buffaloes per 1000 human population as in 1970 was estimated to be 61 and 51 <sup>(17)</sup> respectively. The number of milch cattle per 1000 population is very low, being lowest in the State. There is great demand for milk in district especially in Indore city. The scope for development of dairy business is also enormous.

2.11 Poultry: The total poultry population in the district in 1970 was 52,817. <sup>(18)</sup> The largest concentration of fowl stock, which is largely indigenous, is in Mhow tehsil. Poultry farming is, however, very disorganised in the district. The demand for poultry birds and eggs has been increasing and there is a great scope for developing poultry farming as an occupation and a valuable source of supplementary income.

2.12. Industries: There are 69 agro-based processing units in the district. Out of these 11 are dal mills, 11 cotton gins, and presses, 45 oil mills, 4 flour mills and 1 khandsari unit. There is a plan for setting up a sugar factory, a soyabean oil extraction plant, a fruit and vegetable canning factory, an absorbant cotton plant and cold storages, in the district. These will definitely help in developing the agricultural economy of the district.

2.13. Finances: The financial needs of the people residing in Indore district are met by commercial and cooperative banks, State Government (Taccavi) and money lenders.

(a) There are 14 commercial banks with 49 offices (1970) in the district. One bank office serves every 19000 persons (19) which indicates a better development of banking in Indore district in M.P. and India/ where a bank office serves 85,000 and 52,000 persons respectively. Out of 49 offices 35 are located in the Indore city itself.

(b) The Cooperative Banks in the district include one central (Indore Premier) cooperative bank, one District Cooperative Land Development Bank, one branch of M.P. State Cooperative Bank Ltd., 5 urban cooperative banks with six offices and 358 primary credit societies<sup>(20)</sup> affiliated to Central Cooperative Bank.

2.14 There are in all 25 cooperative bank offices in the district. The Indore Premier Cooperative Bank Limited has 14 offices in the district. Out of these three are in Indore City and the rest in rural areas. The land development bank has its branches in all tehsil headquarters with adequate coverage. One cooperative bank office serves about 40,000 persons. The coverage of Indore Premier Cooperative Bank is 73,000 persons per office.

2.15 At present the Indore Premier Cooperative Bank is the largest single source of agricultural finance, which accounts for 94.5% of its advances portfolio. The bank lends for both short term and medium term requirements of agricultural operations.

For 1971-72 the bank provided credit to 124 agricultural credit society under crop loan system. The credit was provided to the tune of Rs.1,38,74,831 and Rs.7,74,631 for short term and medium term respectively. Besides Rs.22,15,500 were sanctioned as cash credit and overdraft limit for non-agricultural credit societies. <sup>(21)</sup> The total deposits of the bank as on 30th June 1972 were Rs.1,61,49,074. <sup>(22)</sup>

2.16 The maximum limit of crop loan per member is Rs.3,500 for traditional cultivation and Rs.5,000 for improved cultivation. <sup>(23)</sup> The maximum limit for medium term loan is Rs.10,000. For Sugar factory and Cold storage, the maximum limit is Rs.11,500 and for tubewells it is Rs.15,000. <sup>(24)</sup>

(c) Land Development Bank provides long term credit to farmers for land development purposes such as construction of wells, installation of electric motors, and oil engines, laying pipe lines and fencing, levelling and farm development plans and also for repaying old debts. The bank disbursed loans to cultivators to the extent of Rs.66.38 lakhs as in 1970. <sup>(25)</sup> The maximum limit for advance per farmer is Rs.25,000.

(d) The State Government provides credit to cultivators in form of taccavi, for purchase of inputs, construction of wells and for other agricultural purposes.

(e) Money lenders play a vital role in financing trade industry and also agriculture to some extent. There are 152 registered money lenders about 500 unlicensed money lenders in Indore district. The volume of business is an estimated to be around Rs.10 crores. <sup>(26)</sup> The lending rates are between 12 to 18% per month. The cultivators go to them for consumption and ceremonial and festival expenses. Thus money lenders act as supplementary agency for credit.

Primary Agricultural Credit Societies in Indore District

2.17 As on 30th June 1972, there were 178 primary agricultural credit societies working in Indore district and affiliated to Indore Premier Cooperative Bank. On an average one society serves 4 villages, the total number of villages in the district being 665. A total population of 381,726 resides in these 665 villages. Each society, thus covers a population of 2145, on an average. Out of these 178 societies in the district 116 were service cooperative societies and the rest were large sized or others. The individual members of these societies numbered 23543. Thus out of total of 75,820 agricultural families in the district, only 31 per cent could be said to be covered under the cooperative fold, assuming one member to represent one family. Again out of the total 1,08,464 workers engaged in agriculture, in the district only 21.7 per cent were members of an agricultural credit society. Average membership per society comes to 132. The total share capital of these societies was Rs.56,95,925, out of which 10,09,250 or 17.5 per cent was contributed by the Government. The average share capital per society was Rs.32,000. The Reserve Fund and Deposits of these societies were Rs.9,47,000 and Rs.15,94,225 respectively. The average Reserve fund and Deposits per society were, thus, Rs.5,320 and Rs.8,956 respectively. The total working capital of these societies was Rs.3,56,31,235. Out of which Rs.2,14,45,000 or 60 per cent was borrowed from Central Cooperative Bank or other agencies. The average working capital per society was, thus, Rs.2,00,175. The credit advanced by these societies to members was Rs.2,60,93,000 out of which Rs.1,96,28,447 was for short term and Rs.64,64,833 was for medium term. On an average each society advanced Rs.1,10,272 and Rs.36,319 for short term and medium term respectively. The total number of members borrowing from these societies was 19,089 which was 81 per cent of total membership. The agricultural credit societies, thus, served 25 per cent of the total agricultural households in the district, with credit. The average loan advanced per borrowing member during the year was Rs.1,414 (S.T + M.T.) The loans overdue from members to society amounted to Rs.1,00,69,000. The loans overdue per society was thus Rs.56,561.<sup>(27)</sup> Out of the total 178 societies, only 15 had their own godowns for storage of agricultural produce, seeds, fertilizers etc. The storage facilities in the district at the society level are thus far from adequate.

Marketing societies in Indore District

2.18 There are 4 marketing societies located at Tehsil levels, working in Indore district. The total membership of these marketing societies was 1248 of which 175 were societies and 1073 were individual members as in 1971-72. State Government is also a share holder of these societies. The total share capital of these societies was Rs.4,20,889 out of which Rs.2,03,000 or 48 per cent was contributed by Government. Average share capital per society was 1,05,222. The value of fertilizers seeds, implements, pesticides and agricultural produce purchased and sold by these societies was Rs.53,90,100 and Rs.54,89,579 respectively.

Cold Storages (Societies) in Indore District:

2.19 There are three Cold Storages working in Indore district, located at Rao, Gavli Palasia and Tillorekhurd. These societies undertake the work of storage of perishable commodities like Potato, Garlic and Eggs and also marketing of these products. Credit is also provided against the pledge of produce. These societies also undertake the sale of fertilizers and supply of seeds, pesticides and implements like sprayers and dusters etc. Cold Storage in Rao has recently undertaken the provision of Farm Guidance activities to its members. In 1972 total membership of these societies was 415 which included 4 societies. Government has also contributed towards the share capital of these societies. Total share capital of these societies was Rs.5,53,200 of which Rs.3,25,000 or 58.7 per cent was contributed by the Government. The total storing capacity of these societies is 75,000 bags. (28)

B. SOME INFORMATION ABOUT AREAS COVERED BY THE SOCIETIES

2.20 All the five societies selected for the study covered population of 25 villages, falling within the area of operation. The percentage of literacy covered by the societies is only 20.1. The percentage varied from society to society. It was highest (25%) in Manpur areas and lowest in Kanadpur area (12.0%). The number of villages covered by each of these societies varied between 2 and 11. The farthest village covered by any society was at a distance of 9 kilometres from the main village where its office was located.

2.21 According to 1971 Census, the total population falling within the coverage of the societies was over 16,600 comprising of 2,082 households. The total land cultivable was about 25,000 acres. Most of this land was unirrigated. Only 5.8% of the land cultivated was having irrigation facilities.

2.22 Each of the five societies covered on an average 3,324 persons or 500 households in its area of operation. The average coverage of rural population per agricultural cooperative in Indore district comes to 2,144. It shows that the societies selected for the study were having larger coverage of population. The societies covered population of 16,621 composed of 25,000 households. On the whole, 30.6% of total households were covered by the societies under study. The highest population and the land acreage fell within the purview of the Service Cooperative Society, Manpur. One of the lowest land and population coverage was given to the Service Cooperative Society, Dakacha. The membership of these societies varied from 212 to 115 - the highest in Manpur and the lowest in Dakacha. Some details of the information about the areas covered by the societies under study is given in Table No.2.



Table No. 2 Information About the Areas Covered by the Societies Under Study.

Tehsil	Name of the Society	No. of vill-ages covered	Distance from Indore (In k.m)	Total popula-tion (1961)	Total farm house holds	Total land (in acres)	Main crops grown in the area
Sanver	1. Service Cooperative Society Ltd, Barlai	2	26	2270	401	4754	Wheat, Jowar, Gram, Maize, Sugarcane, Groundnut, Alsi, Vegetables.
	2. Service Cooperative Society Ltd, Dakacha	2	19	2166	364	4663	Wheat, Jowar, Gram, Maize, Cotton, Groundnut, Sugarcane
Mhow	3. Service Cooperative Society Ltd, Kamadpur	6	49	2448	385	5262	Wheat, Gram, Sugarcane, Potatoes, Vegetables.
Mhow	4. Service Cooperative Society Ltd, Manpur	11	43	4803	534	9520 <sup>8</sup>	Wheat, Gram, Groundnut, Cotton, Towar, Potato, Sugarcane, Maize, Pann.
Mhow	5. Service Cooperative Society Ltd., Pigdamber	4	13	3060	340	5891	Potato, Wheat, Gram, Vegetables, Jowar, Maize, Sugarcane, Garlic.
Total .....		25	-	14747	2024	30090	
Average%		(5.4)	(30 km)	(2949.4)	(405)	(6018)	

Data do not include acreage of Kankariya and Undwa villages of which information about land was not available.

Land and Main Crops of the Area

2.23 Table No.2 shows that total area covered by the societies is 32,618.25 acres. On an average a society thus covered 6,523.7 acres of land. The total land irrigated was 1238 acres, which was only 5.82 per cent of the land cultivated.

2.24 The common crops grown by the members of societies in Sanver tehsil were Wheat, Gram, Sugarcane, Jowar, Groundnut, Maize, Pulses and Vegetables. In Mhow tehsil the common crops grown were Wheat, Gram, Coarse Grain, Potatoes, Sugarcane and Vegetables. Cotton is specially grown in Dakacha and Manpur areas. The latter is also known for cultivating bettle leaves (pan). Garlic was grown especially in the area covered by the Service Cooperative Society, Pigdamber in Mhow tehsil.

C. INFORMATION ABOUT THE SOCIETIES

2.25 All the societies selected for the purpose of the study were service cooperative societies working in Indore district and were registered in the Cooperative year 1959-60. All of them were at a distance between 13 and 49 k.m. from Indore and could be approached by Jeep during most of the year. They were attached to Kshipra, Rao and Manpur branches of the Indore Premier Cooperative Bank (IPC). Two of these societies were from Sanver tehsil and three from Mhow tehsil.

2.26 While the audit classification of all societies selected was 'B' in the financial year 1969-70, the same was changed to 'C' in the following year in case of the two societies (Pigdamber) located in Mhow tehsil. On the other hand, the audit classification of one of the two societies (S.C.S. Dakacha) in Sanver tehsil has been changed to 'A' for 1971-72. This happened mainly because of difference in recovery of overdue loans. Some information about the societies is given in Table No.3

Table No. 3 Information about societies (1971-72)

Name of the society	Year of Establishment	Audit Class for (1970-71)	Member ship	Borrowings from IPC Bank (amount in Rs.)	
				Short term (ST)	Medium-term (MT)
1. Service Coop. Society Ltd. Barhai	1960	B	145	1,17,277	495
2. Service Coop. Society Ltd. Dakacha	1960	B	115	64,175	393
3. Service Coop. Society Ltd. Kamadpur	1959	C	139	89,237	nil
4. Service Coop. Society Ltd. Manpur	1959	C	212	1,14,458	24000
5. Service Coop. Society Ltd. Pigdamber	1959	C	152	1,62,827	33200
Total .....			763	5,47,984	37888
Average per society	.....		153	1,09,957	14472
Average per member	.....		-	718	76

2.27 On an average there were 153 members in each society. Thus the societies covered about 30.6 per cent of total farm households.

2.28 Main activities of the societies included the provision of short-term and medium-term credit and distribution of fertilisers. Though linking of credit with marketing was also undertaken but it was done only for a small percentage of total credit advanced in all societies. During the year 1970-71, two of the societies had started 'fertilizer centres' for distribution of chemical fertilisers. The remaining two societies also proposed to start fertiliser centres during the financial years 1971-72. All the societies under the study have a plan to construct godowns, for providing storage facilities to members. Efforts in this direction have already been initiated in some of these societies. The societies also propose to meet the demand of members for better quality seeds. Two of the societies proposed to undertake the business of purchase of goods-grains and retail sale of consumers goods in near future.

2.29 The average borrowings of these societies from the Indore Premier Cooperative Bank was Rs.1,10,000 for S.T. and Rs.14,500/- for M.T. Credit. However, their loaning amount to members was more than the borrowings. So, the societies used a part of their own resources for credit and other business with members. On the whole their business for medium-term credit was very poor.

2.30 The share capital of the societies varied from society to society. Maximum share capital was in Manpur followed by Kamadpur, Pigdamber, Barlai and Dakacha. The average share capital per society in financial year 1971-72 was Rs.47,292/-. One of the obvious reasons for variations in share capital seems to be the difference in membership of these societies. The funds maintained by these societies included Reserve Fund, Common Fund, Credit Stabilisation Fund, Building Fund, Dividend Equalisation Fund and Bonus Fund. Two societies also maintained Bad Debt Fund and Depreciation Fund.

2.31 Even though the problem of overdues was common to all the societies, it was found less severe in societies attached to Kshipra Branch of the I.P.C. Bank. All the five societies showed profits during 1971-72. Economic position of the societies has been mentioned in Table No.4.

Table No.4. Economic Position of the Societies (1971-72)

Name of the Society	Share Capital (in Rs.)			Depo- sits	Loans advan- -ced to		Overdues as % of demand	
	Mem- bers	Govt.	Total		Members		% of demand	
					S.T.	M.T.	S.T.	M.T.
1. Service Cooperative Society Ltd, Barlai.	27615	10000	37615	14869	140379	644	7.7	45.8
2. Service Cooperative Society Ltd, Dakacha.	20100	10000	30100	7371	80918	-	30.0	100.0
3. Service Cooperative Society Ltd, Kamadpur	45750	10000	55750	15962	85580	11	40.9	86.9
4. Service Cooperative Society Ltd, Manpur	56965	10000	66965	17200	121228	35197	52.2	42.7
5. Service Cooperaive Society Ltd, Pigdamber.	36630	9400	46030	2560	169822	34419	31.1	88.5
Total...	187070	49400	236460	57962	597927	70271	-	-
Avg. per society	37412	9880	47292	11592	119585	17568	36.3	63.0
Avg. per member	245	65	309	76	784	92	-	-

2.32 Data also indicated that short-term loan was provided to 66.7% of members and the medium-term loan to only 4.6% of members during 1970-71. The credit provided by the society to its members varied from Rs.81,000/- to Rs.215,000/- for short-term and from Rs.nil to Rs.50,000/- for medium-term during 1971-72. The average loan per society was Rs.1,28,600/- for short-term and Rs.21,500 for (M.T). The average loan per member provided was Rs.784/- (S.T) and Rs.92/- (M.T). The average percentage of overdue to demand was 36.3% for short-term and 63% for medium-term credit to members.

2.33 The total number of employees with these five societies was only 7. Each of the societies selected had one or two full-time or part-time employees and one peon. The salaries of the full-time employees ranged from Rs.85/- to Rs.245/- per month.

2.34 The Managing Committee to each society comprises of 8 to 10 elected members. Besides, the Supervisor of District Cooperative Bank is the nominated member of the Managing Committees of society in his area of operation. The Managing Committee members who constituted the leadership in these societies were generally older than the average membership in Mhow tehsil whereas they were found to be of younger age in Sanver tehsil. Most of Managing Committee members were found belonging to dominant castes except in the tribal majority area of Manpur. They were having comparatively more education, more land and irrigation facilities. Most of them belonged to large sized families, larger than the average size of ordinary members' families. On the whole they availed of more credit and other facilities, so their share capital and compulsory deposits with their respective societies were found to be more compared to the ordinary members.

2.35 Small farmers having less than 3.5 acres of land comprised only 4. per cent of total membership in their respective societies. On an average 36 per cent of the total farm households in the area had been brought under the fold of respective societies. All the societies had relationship with Central Organisations like IPC Bank, Indore, Marketing society of respective tehsil, District Cooperative Union and Malwa Milk Cooperative Union. Besides the Chairman of each society was representative in village Panchayat of the area concerned. One of the societies also kept contact with local Gram Vikas Mandal.

2.36 On an average 27% of the total membership had attended its annual general meetings during 1971-72. As regards meetings of Managing Committee which are normally held every month, average attendance of committee members came to 5.7 out of 9.

D. CHARACTERISTICS OF RESPONDENTS (SAMPLE)

2.37 The five societies covered under the study had the total membership of 738 including 46 women members as on 30th June, 1972. Out of the total membership 172 i.e. 23% were interviewed on Schedule No.2 for the purpose of the study. This sample included 8 women respondents, who were ordinary members. No woman was elected to the position of Managing Committee members, and they constituted only 6.2 per cent of total membership.

2.38 Data show that 58% ordinary members interviewed were literate or having education for more than one year. All the 8 women members interviewed were found illiterate. About 82% managing committee members were found literate. But the percentage of literacy in general rural population covered by the societies was only 20.14. The average educational standard of respondents was very low, ranging 1.0 to 3.8 years of education. In all the societies, the average standard of education was slightly higher for members of managing committee when compared to ordinary members.

2.39 The respondents from various societies belonged to various castes and the dominant castes were Kalota, Khati, Bhil and Rajput. Brahmins and Rajputs were, however, found in all the societies. The mean age of the respondents from the selected societies varied between 41.5 and 55.00 years. The average size of farmers' family (mostly joint) comprised of 9 members. The average size of land holdings of respondents was 20.53 acres, the highest average holding being in Dakacha followed by Kanadpur, Barlai, Manpur and Pigdamber. The average land holdings of members of Managing Committee was comparatively higher than ordinary members responding in all societies except in the case of Manpur. The average land holdings of members of Managing Committee and ordinary members was 24.83 and 19.10 acres respectively.

2.40 The average age of managing committee members varied from society to society. The same ranging between 42.5 and 63.0 years. The general average being 47.0 years. The leadership of societies in Barlai and Dakacha was found to be younger than ordinary members. The leadership of the societies in Dakacha and Manpur were found to have more than five years of education, which may be taken as an acceptable level of functional literacy. Membership in general did not achieve this level in any of these societies. The general average for years of education works out to be 3 only. The mean duration of membership of respondents varied between 8 and 12 years from society to society.

On an average the duration of membership of respondents from various societies was 9.8 years. Data about respondents is given in Table No.5

Table No.5 General Information About the Respondents

Name of the Society.	Average Age			Average Stan- dard of Edu.			Average size of family			Average duration of membership		
	MCM	OM	Gene- ral	MCM	OM	Gene - -ral	MCM	OM	Gene -ral	MCM	OM	General
1	2	3	4	5	6	7	8	9	10	11	12	13
Service Coop Society Ltd. Barlai.	42.5	47.0	45.5	3.0	2.5	2.6	8.0	7.0	7.3	12.0	9.0	9.8
Service Coop Society Ltd., Dakacha	46.0	50.0	48.7	5.0	2.7	3.3	8.6	8.6	8.6	9.6	7.2	8.0
Service Coop Society Ltd. Kanadpur	49.0	46.4	47.0	3.6	1.1	1.8	10.5	11.4	11.0	12.4	11.3	11.6
Service Coop Society Ltd. Manpur	45.3	41.5	42.3	5.2	3.4	3.8	8.0	7.8	8.0	7.5	8.0	7.8
Service Coop Society Ltd. Pigdamber	63.0	43.0	52.0	3.3	2.4	2.7	14.0	11.0	11.6	11.6	12.0	12.0
All societies	49.0	46.0	47.0	4.0	2.5	3.0	9.8	9.0	9.3	10.5	9.5	9.8

2.41 As compared to ordinary members the share capital held by Managing Committee members was higher in all the societies. The average share capital of Managing Committee members and ordinary members was Rs.473 and Rs.272 respectively. The average share capital of the total respondents was Rs.322/- per member.

2.42 The average loans advanced per ordinary member and per member of Managing Committee was Rs.1186.5 and Rs.1943.5 respectively. Members of Managing Committee were getting comparatively more from society by way of credit in all the cases under study. The general average of short-term loan advanced to respondents comes to 1420 per member. Data show that on an average 71% of Managing Committee members and 53% of ordinary members were advanced short-term loan during 1971-72. The general coverage works out to be 58.7%. Economic position of members has been indicated in Table No.6 (also in Table No.3).

Table No.6 Economic Position of Respondents (1971-72)

Name of the society	Average land holdings (in acres)			Average share Capital(71-72)			Average loan advanced per member (ST)(71-72)		
	MCM	OM	Genl.	MCM	OM	Genl.	MCM	OM	Genl.
1.Service Coop.Society Ltd.Barlai.	22.91	22.4	22.54	346	304	317	1308.6	1053.6	1120
2.Service Coop.Society Ltd.Dakacha	31.9	23.27	25.7	499	243.5	316	2548	1022	1309
3.Service Coop.Society Ltd. Kanadpur	33.48	21.5	24.5	554	240	291	1988	1198	1503
4.Service Coop.Society Ltd. Manpur.	15.78	17.5	17.0	690	314.7	398	2710	1088.7	1458.5
5.Service Coop.Society Ltd.Figdamber	21.26	13.8	15.4	348	246.7	268	1636	1451.7	1500
All Societies	24.83	19.10	20.53	470	272	322	1953.5	1186.5	1420.6

S.T. = Short-term loan      MCM = Managing Committee Members

M.T. = Medium-term Loan      O.M. Ordinary Members.



CHAPTER - IIIMAIN FINDINGSA. LEVEL OF KNOWLEDGE3.1 Knowledge about the Society

(1) Fifty-four per cent of ordinary members and 20 p.c. of members of Managing Committee of the societies under study, did not know correct or approximately correct name of their society. Most of them called it a 'Bank' or 'Bank Society'.

(2) About 30 per cent of the total respondents of all societies could not give an approximately year of establishment of their society. Most of them (56%) has practically no idea about the reorganisation of their societies in 1959-60.

(3) The respondents generally did not have much idea about their own share capital in the society. Some of the members of Managing Committee could, however, roughly state their share capital in the society.

(4) The ordinary members responding seemed to be disinterested in the affairs of the society. They did not even bother to remember the name of the members of Managing Committee of their society. On an average they could remember the names of two members in the Committee. The M.C. members could remember 7 names out of 9.

(5) While 57 per cent of the respondents knew about the educational camps held in their respective societies/villages, the percentage respondents having attended the same was 40 only.

3.2 Knowledge about bye-laws of Society

While 62.8 p.c. of members of Managing Committee and 28 p.c. of the ordinary members responding stated that the activities of the society were governed by its byelaws but only 23.2 p.c. of members of Managing Committee and 5.6 p.c. of the ordinary members said that they had read the same. Thus a vast majority of respondents had not read the bye-laws of their respective societies. When asked to narrate any one byelaw of their

society, the respondent who had claimed to have read the same, gave the following narration, most of them are partly correct :

- (1) The society is registered by the Registrar.
- (2) A person who is not bankrupt can become a member of the society.
- (3) A person residing in the area of operation of the society can become its member.
- (4) An overdue member cannot be granted credit.
- (5) An overdue member cannot stay in the Managing Committee of the society.
- (6) If the member does not repay his dues in time he will be charged penal interest.
- (7) The members of Managing Committee are elected by the Annual General body after every three years.
- (8) The Managing Committee should meet every month.
- (9) The member is related to society and the society is affiliated to the bank.

### 3.3 Knowledge of Managing Committee members

(1) About 80% of Managing Committee members knew the full names of their respective societies. This was made possible on account of organisation of educational camps by the Project staff in the societies under study. However, when enquired about the area operation of their societies, about 17% could not give a correct reply.

(2) Data show that only 6 (14%) of Managing Committee members knew the correct audit classification of their societies, others either did not know or had wrong information about it.

(3) Majority of the respondents did not remember the date of the last elections. However, they said that their election was unanimous. One respondent did not know about the mode of his election. Their replies show that 15 of them (35%) were re-elected for the Managing Committee of their respective societies. It seems to be the general practice that 2-3 members are re-elected to Managing Committee in spite of the fact that there is no such restriction in the bye-laws of the societies concerned.

(4) A great majority of the Managing Committee members were not members of any other institution except their cooperative society. Only 12 i.e. (28%) indicated that they were the members of other institutions such as village panchayat, joint farming society, etc.

(5) When asked about the main objectives of their societies 72% of Managing Committee members said that provision of credit was the main aim of their cooperatives whereas 49% said that their society also aimed at supply of fertilisers. Only one respondent mentioned that the objectives of his cooperative included marketing of agricultural commodities. Another said that the society aimed at providing education to members.

(6) Only 35% of the members of Managing Committee of various societies said that the supreme power in the society should vest with the general body of members. It means that majority of the Managing Committee members did not clearly know that the supreme power of their society should vest exclusively in the general body according to the Bye-laws.

(7) Only 49% of members of Managing Committee knew that the economic liability of a member in his society was 10 times his share money. However 7 out of 8 Managing Committee members in the service cooperative society at Pigdamber showed correct knowledge about the members economic liabilities.

(8) The members of Managing Committee in all the societies under study had practically no idea about the various funds of the society, the borrowings of society from IPC Bank, the profit and loss position of the society, and distribution of profits of the society. Leaving aside the Chairman of two societies, the remaining members did not know anything about economic position and business transaction of the society

#### 3.4 Knowledge about Cooperative Principles

In the case of members at Burlai and Dakacha majority 80% of the respondents said that they did not know about the Cooperative Principles. Only 11 (20%) respondents out of 56 said that they knew the Cooperative Principles and when asked to mention one of the Principles various respondents explained them as follows :-

(a) Cooperation for the benefit of all.

- (b) Unity among the members.
- (c) To work together to solve problems.
- (d) No economic salvation without Cooperation

3.5 This shows that respondents did not have any knowledge about the Principles of Cooperation as accepted by the ICA. However, they had some general idea of what Cooperation meant.

3.6 In Kamadpur, Manpur and Pigdambar areas respondents were informed by the investigators in brief about the Principles of Cooperation and they they were asked to reply whether these Principles were observed in the business of their respective societies. In reply, majority of Managing Committee members said that all the six principles narrated were observed by their societies. However, 11 out of 27 Managing Committee members said that the Principles of limited interest on share capital and the distribution of surplus in proportion to members transactions with the society were not generally observed by their societies.

3.7 As regards ordinary members, majority of the respondents said that the Principles No.1,2 & 6 were being observed in their societies. However, majority gave negative or indefinite replies in relation to observance of Principles No.3,4 and 5. Details of the replies are given in Table No.7.

Table No.7 Level of Knowledge about Observance of Cooperative Principles

Principle No.	Yes %			No%			Indefinite %		
	MCM	OM	General	MCM	OM	Genl.	MCM	OM	General
1.	89.0	81.0	82.7	3.7	9.0	6.3	7.3	11.0	10.5
2.	89.0	73.0	75.0	0.0	11.0	8.6	11.0	16.0	16.4
3.	59.2	36.0	41.4	25.9	48.0	44.0	14.9	16.0	14.6
4.	59.2	38.0	43.0	30.0	45.0	41.0	10.8	17.0	16.0
5.	64.6	43.8	59.0	18.5	30.3	27.6	17.9	25.9	13.4
6.	77.7	56.5	61.0	7.4	22.5	19.0	14.9	21.0	20.0

3.8 In a comprehensive study like this, it was found difficult to determine the exact amount of knowledge the respondents had. It is, therefore, suggested to measure their knowledge and understanding about Cooperation, with the help of special tests. At this stage it can be concluded that most of the respondents did not know about Cooperative Principles and had had a very vague idea about their observance in the societies. Nevertheless, they had some idea of what Cooperation meant to them.

B. AREAS OF INTEREST

3.9 Respondents were asked to indicate the subjects of their interest which should be included in the educational programme for them. Most of them were presented with a check-list of about 40 topics and asked to react whether they are interested in those subjects. The check-list was included in the Schedule No.2 meant for interviewing members. The overwhelming majority of the respondents showed their interest in learning about most of the subjects presented through the check-list. The details of their responses are given in Table No.8.

Table No. 8 Subject Areas of Interest

Subject Areas	Barlai		Dakacha		Kamadpur		Manpur		Pigdamber		Percentage to Total		Genl.
	MCM	OM	MCM	OM	MCM	OM	MCM	OM	MCM	OM	MCM	OM	
Agricultural Development	7	17	7	17	8	11	9	30	8	25	90.5	77.0	80.8
Cottage Industry	5	14	7	12	5	17	8	27	7	22	77.4	71.0	72.0
Home Science	7	14	5	13	7	21	9	29	8	24	83.7	78.0	79.0
Social Studies	5	14	6	11	6	16	8	31	8	25	74.4	75.0	75.0
Cooperative Development	5	17	6	14	8	21	9	30	8	25	83.7	82.0	83.0
Functional Literacy/General Knowledge.	6	9	4	9	9	21	9	31	8	25	83.7	73.5	76.0
n =	8	20	8	20	9	25	10	35	8	29	43	129	173

3.10 In Cooperative Development and Agricultural Development, the respondents showed the keenest interest. On the whole the Managing Committee members showed more interest than the ordinary members in the subjects indicated in Table No.8. However, both the groups showed equal interest in cooperative development and social studies. It may be added that indication of interest by the respondents does not mean that all of them will necessarily participate in the educational programmes on the popular subjects.

C. EMPLOYEES

3.11 The employees of the societies under study include Secretary (Samiti Sewak) and Assistant Secretary (Assistant Samiti Sewak) and part-time or full-time peon. The societies in Kanadpur and Pigdamber have one employee each while the society in Manpur has 2 employees leaving aside peons. The societies at Barhai and Jakcha have two part time employees each. Employees of various societies were young men with rural background. Majority of them were educated upto Higher Secondary level. One of them was, however, educated upto middle standard and the other one had a Master Degree in Economics. All of them were untrained in Cooperation though two of the Secretaries had attended a 10-day training course organised by ICA-NCUI Cooperative education Field Project. Their level of knowledge in the field of Cooperation was not upto the standard and their thinking about their duties was rather vague. For efficiently carrying on the working of the society, a practical training is a must for them.

D. PROBLEMS OF SOCIETY AND ITS MEMBERS (WITH SOCIETY).

3.12 Most of the respondents from various societies did not have any idea about the problems of the society. Some of them, however, indicated a few problems. The most common problem as indicated by respondents from all societies are as under :-

- (i) Credit provided to members is untimely and inadequate.
- (ii) Small farmers are not adequately covered by society and their credit needs are not met.
- (iii) Overdue position to these societies is discouraging. A more effective procedure for advance and recovery of short-term credit should be evolved. Last date of recovery of short-term credit may be extended by about a fortnight.
- (iv) The societies do not provide storage facilities to their members.

- (v) Linking of credit with marketing is not very effective as the societies do not undertake marketing activities.
- (vi) The societies do not have proper office facilities, most of them are in rented buildings. Only one society has its own office and godown whereas another society has its office outside its main village.
- (vii) Working of the society is hindered and influenced by the vested interests.
- (viii) All members of society having joint holdings are expected to subscribe to one share of society each. Besides, they are required to bring priority letter every time, they are in need of credit. These conditions place the joint land holders in lots of troubles.
- (ix) Ignorance and apathy of Managing Committee members and ordinary members about the society is widespread. Many of them are illiterate.
- (x) Poor management, because of untrained and apathetic employees. Some of them do not have effective relations with their members and leaders.

E. MEMBERS' EXPECTATIONS FROM THE SOCIETY

3.13 Though many of the respondents from various societies stated that they did not expect anything else from society so long as it continued to provide them with cash credit for various purposes and seeds and fertilisers etc. in time. Some of the respondents, however, expected more than this from their society. The common expectations of respondents from various societies were as under :-

- (a) The societies should have threshers, spray machines, winnowing machines, tractors and other agricultural implements for being hired to members.
- (b) Societies should provide storage facility to members. For this purpose societies should have their own godowns.
- (c) The societies should run a consumer store to meet the daily domestic requirements of villagers. They should also undertake distribution of Sugar, and run seed stores for providing better quality seeds.
- (d) Marketing facilities should be provided by the societies to their members.
- (e) Education of members should be on a continuous basis. Employees of society should try to give satisfactory replies to doubts raised by members relating to societies' business.

- (f) Societies should guide members to bring about their economic development by (i) helping them in undertaking small-scale industrial activities, (ii) teaching improved methods of cultivation, (iii) promoting milk business.
- (g) Working of societies should be improved and better office facilities be provided in the villages.

F. MEMBERS PROPOSED PROGRAMMES FOR INCREASED INCOME

3.14 Many of the respondents from various societies said that they did not have any such proposed programme. The programmes indicated by respondents were, however, common to various societies. These included :-

3.15 Increase in irrigation facilities by digging wells or tube-wells. While some respondents from Barlai and Dakacha wished to go for tube-wells, many respondents from Manpur, Kamadpur, Barlai and Dakacha preferred to have wells for irrigation.

3.16 With the help of irrigation facilities developed the respondents proposed to undertake (a) Multiple cropping, (b) Vegetable and fruit cultivation, (c) Increasing land under cultivation of Sugarcane, Mexican wheat, Kalyan Sona wheat, Cotton etc.

3.17 By use of better seeds and increased use of chemical fertilisers (Super phosphate). Also by improving methods of cultivation.

3.18 Development of side business like milk business, pickles making, poultry farming, etc.



CHAPTER - IVSOME CONCLUSIONS, OBSERVATIONS AND SUGGESTIONS

4.1 As indicated earlier, the general level of education was very low (3 years of education) among members of the societies. Many of the ordinary members (42%) have been found to be functionally illiterate i.e. they could sign their names at the most. Under such circumstances it was very difficult for them to study the papers and records of their societies and participate actively in the business activities. On an average the educational level of members of Managing Committee was slightly higher than ordinary members, even then most of Managing Committee members did not have enough education so as to check the records of the society and guide its proceedings. Some time, illiterate members were elected to the Managing Committee and therefore seven (18.5%) Managing Committee members were illiterate. Such members need to have ability to judge the problems of their societies and those of fellow members. However, they at least need skills of reading, writing and arithmetic as to look into the records and correspondence of their society. In absence of functional literacy among leaders and members, they are likely to be misguided by some educated persons in the village. Even the employees of cooperatives who are educated are likely to have difficulties in dealing with them. None of the women members interviewed were found to be literate. The records showed that only 8.00% of women population in Indore district as a whole was literate.

4.2 Any programme of Cooperative Education has to keep in view the low level of literacy and education and lack of adequate interest of the members in the affairs of the society, discussed above. Low standard of functional literacy, does not necessarily imply that they are unintelligent or that the programme of Cooperative Education will not produce any effect. If the members perceive loan advancement as the main aim of the organisation of society, the cause for such perception lies in the start itself. Ever since these societies came into existence, no body took pains to educate the members about their significant role. Wherever,

since the Project staff has undertaken educational programmes the attitude of the members towards their Society has changed favourably.

4.3 No doubt, the elected members of Managing Committee of the societies specially the new members appear to be ignorant about the nature and working of the society, the shares purchased, the funds created, the dividend distributed, the profit and loss position and the distribution of profits as per the bye-laws of the society. The reason for this ignorance is absence of their active participation in the affairs of the society. Besides, the paid employees of the societies have a duty to bring these various aspects to the notice of elected leadership and to explain their implications. The paid employees seem to have not discharged this duty as they have not been prepared for it.

4.4 The standard of formal education of the employees is unlikely to add to their efficiency as Secretaries (Samiti Sewak) of societies, unless they are properly trained in Cooperative Management, Accountancy, Extension etc. The paid Secretaries of societies in order to discharge the routine duties of preparing registers, loan applications, and sending loan disbursement statements to the District Cooperative Bank, need to undergo the necessary training. Besides, the members of some of the societies though ignorant, are eager to know more about their society and its working. Unless the employees themselves are well informed and well trained they would fail to satisfy the doubts or queries of members. The employees of the societies have an obligation to look to financial, developmental and educational needs of the members. All the employees, except one, are prepared to undertake cooperative training on part time or full time basis. Some of them would also like to receive training through correspondence courses. In short, training of employees is a prerequisite for bringing about efficiency in the working of the society as well as for any plan of member education.

### Recommendations

4.5 In a short report like this it would not be possible to discuss and give a definite path or method to be adopted by the Cooperative Education Field Staff for enlightening the members and prospective members. Yet it would be logical to pick up and choose a few points that appear to be more important than the rest. The same are discussed as under :-

4.6 Basic Adult Education: As most of villagers including members of Cooperatives are functionally illiterate it is very difficult for service cooperative societies to involve them (in their social and economic activities) and expand their business. Urgent efforts are therefore required to eradicate illiteracy from the villages covered by the societies. As cooperatives may not have the required funds and expertise in literacy teaching they should join hands with other adult education agencies and the government. Special efforts should be made on the members and their families so that they acquire functional literacy and participate more effectively in the affairs of their societies.

4.7 The functional literacy and adult education programmes should take into account the main interests and needs of members. As the respondents have shown keenest interest in agricultural and cooperative development the programme of their education should include these and other necessary subjects. Specialists in agriculture and cooperation should work together to provide effective education.

4.8 Practical Economic Education (a) The primary responsibility of the educators is to create interest in the members to know about the society. They have to realise how his cooperative society will benefit him and his village. The interest can be aroused by first taking interest in the people of the place, their local needs and difficulties. Economic motivation is the most effective means of arousing interest. For example, a practical solution of a common economic problem such as lack of irrigation facilities at the disposal of members would be the best starting point for economic education in Indore district.

(b) In places where increased land has been brought under irrigation by increased number of wells and tube-wells, the farmers would not only be willing but also be keen to learn the skills of getting the maximum output from newly available water. The cooperative credit agencies of the district, the manufacturers of tractors and machinery wanting to have wider market, manufacturers of fertilisers and pesticides would have to be involved in providing the practical training facilities, for benefit of farmers. The Project staff will have to work as coordinator and promoter in this respect and see that such coordination promotes the interest of the members as well as their cooperative institutions.

(c) Members in their own interest should prepare plans of their own crops and other production operations and the educational staff should help them in doing so as a part of their approach.

(d) Most of the respondents were having side-occupations such as dairying, poultry, farm labour, etc. They have shown interest in increasing their income by improving agricultural production and having some side occupations. The educational programme should cater these needs, and provide specialised training in dairying, milk business and other cottage industries.

#### 4.9 Cooperative Education

(1) It is hardly necessary to emphasise that the best way of learning cooperation is by doing it. Hence practical experience in running the cooperative society is more useful than the mere theoretical knowledge. The right way to start would be to educate members on cooperative ideas and their utility and inculcate cooperative spirit in them mainly through efficient services provided and day to day dealings with them. This will bring change in their attitude. They will learn to take interest in the activities of society and will be encouraged to participate in it as its constituents and not as outsiders. At present, the members contacts with their societies are infrequent and rather superficial.

(2) The members should be educated to realise that the loan they get from the society is from their money and that they must pay back the money in time. The members should also be made to understand that they should save their money not in hidden places, but in their society trust and

money they deposit will not only earn interest but will also help their fellow members and will also be available in cash wherever the owner needs it.

(3) The members should be made to realise that they are the actual owners of the society and that they should elect competent member to the Managing Committee and should not hesitate to oppose an incompetent and dishonest member or employee.

(4) Once the members have understood practical cooperation, they should be given a detailed knowledge of principles and practices of Cooperation and the bye-laws of the society.

(5) Events like general body meetings, celebration of Cooperative Week, Exhibitions etc. could be effectively utilised for educating members and helping them in developing their understanding about cooperative activities. These will also help in ensuring their active participation in managing the affairs of societies as enlightened members. As present 31 p.c. of ordinary members are attending general body meeting. Once their interest is aroused and information about such meetings is given to them well in advance, their attendance is bound to increase.

(6) Real training of members of cooperative societies also depends to a large extent on the activities that these societies undertake. It is through actual work and information activities that are taken up that the members get necessary knowledge. Besides, the respondents from societies under study, have actually shown, their interest in this direction. They expect their societies to cater to their other needs like storage, marketing, supply of consumer goods and money lending for non-agricultural purposes. The Project staff could very well persuade these societies to take initiative to increase their business and guidance activities according to local needs.

(7) Education of members and prospective members should be a continuing process. For example, the farmer members who participate in the training and education programmes conducted by Project staff, should be organised into small homogeneous groups of say 10 or 20 members. The members in these groups should be asked to continue the process of learning in between two educational camps by mutual discussions on topics already taught and other subjects of common interest.

(8) Special educational programmes should be arranged for youth, women and others interested in using services of the society. The ultimate aim should be to cover the whole family of members.

4.10 Members of Managing Committee & Employees of the societies. There should be properly worked out programme. They should be educated and kept well informed to be able to assess the difficulties and needs of members and should be able to solve them by suitable means. The most practical step that the Project staff can take in this direction would be: Soon after the annual general meeting has been held and new members of its Managing Committee elected, the Project staff should conduct a course for the leaders. In such courses the leaders should undertake among other things an intensive study of bye-laws of their society. This will help the committee and the society at large to see that the new leaders know the objectives of the society.

(1) The members of Managing Committee, especially the newly elected leaders should be further instructed on (a) their role in the day-to-day administration of the society, (b) their role in economy of the society, (c) their role in supervision of various activities of the society, to ensure that efficiency is maintained. The Managing Committee members should be made to realise that they have to work as democratic leaders and model members. For that they should work as a team and observe the rules of the society. Above all they should see that they get reasonable amount of loans and that they repay it in time. An overdue Managing Committee member sets a very bad example to others in the society.

(2) In order to create and develop new leadership, some of the active members willing to participate in Managing Committee course, should not be prevented from doing so.

(3) The contents of syllabi should be designed so as to meet the needs of society, keeping in view the areas of interest shown by the respondents as well. Subjects like agriculture and its development, development of subsidiary occupation, functional literacy, cooperative development, and for women subjects of home science like family budget,

child care and family planning should find place in the syllabi. They can also be taken for study visits to other local or nearby institutions.

(4) One of the practical methods of educating Managing Committee members and developing leadership quality in them will be to allow them to work in different sub-committee which should be formed in their cooperatives. Among others, special committees for education and development may also be formed.

(5) The employees of the societies should be clear with regard to what is being actually expected from the cooperative society. They should have a clear idea of why the service society is and how it is and what it should be in the coming years. The Project staff should take upon itself the responsibility of removing the vagueness of employees on such basic points and help them in making plans for undertaking the service activities and thus meet the members expectations.

(6) Ultimate responsibility of education and development of members and prospective members should rest with the society. It is suggested that leaders of the society should consider the issue of the work of education being entrusted to one of its personnel as a part of his duties. The society should create special fund for Cooperative Education and development. On an experimental basis the Project staff has been training Samiti Sewaks and conducting local educational activities through them.

#### 4.11 Cooperative Development

(1) The society should launch campaign for enrolling new members, especially from small farmers, and extend much needed services to them.

(2) The supervisors and other field staff of District Cooperative Bank have also an educational role to play. They have to learn to guide the societies and to help in solving their problems. They may even have to initiate farmer members into use of more effective business and agricultural practices. That would enable the member to repay loans in time. For ensuring proper utilization of credit the cooperative bank may therefore consider to give orientation to their staff to enable them to function as educators along with other extension workers. Anyhow the work of

Cooperative Education is an internal one and should ultimately be undertaken by the cooperative societies themselves of course with the help of other agencies such as the District Cooperative Union. It is not something to be thrust upon any outside agency.

(3) The Cooperative Banks and other secondary institutions should employ specialists in agricultural and allied subjects, for guidance of the field staff and solution of the special problems of farmer members. In addition, large sized cooperative societies may consider the possibilities of employing special extension staff for providing constant education to the membership.

(4) Even if the primary cooperatives are encouraged to undertake education and development programmes, they will not be able to plan and implement them systematically without the assistance of specialists and trained extension workers. Such specialists should be employed by a district level institution. They should conduct studies to find out the existing conditions and problems of local members, their leaders and cooperatives. It is only after conducting socio-economic studies of local cooperatives and their personnel, it is possible to have short-term and long-term plans of development and education at different levels. It is, therefore, suggested that a special research and development cell be created by District Cooperative Union. Only such a cell with the assistance of other agencies, will be able to realise the concept of real cooperative planning and development, starting from the grass root level.

#### 4.12 SOME GENERAL OBSERVATIONS

(1) Members' increasing expectations from the society, demand for improved agricultural implements, adequate finance for wells, etc. reveal that the consciousness among the rural population, especially the members of the society is increasing and they aspire for better services from the society. Though the agricultural implements used by the members at present are very traditional, they would go in for better implements if encouraged and helped.

(2) The livestock economy in the area showed the importance of bullocks as draught power and that of buffaloes as milch cattle. The breed of milch cattle was invariably 'Desi' (Local). Local feed were given to these cattle. Green fodder is given only during monsoon when it is available free of cost. Use of balanced cattle feed should be advocated in the area



but the cattle feed alone would not give full advantage, keeping in view the additional cost of additional cattle feed. Another practical course would be to encourage the inhabitants of the area to bring about an improvement in the breed of cattle itself. This could be done by active involvement of veterinary institutions and practical facilities provided to the owners of cattle.

(3) Audit inspection is not regularly done and other statutory control over the managerial and administrative activities of the cooperative societies is not judiciously exercised. Supervisor of the Bank who is also a nominated member of Managing Committee of all the societies in his area of operation, is not in a position to properly guide the members and the proceedings. In fact, he is not in a position to take active interest in the development of all the societies under his purview. Hence he adopts a detached or indifferent view. It is desirable for the supervisor, (as a member of Managing Committee) to transmit all the important knowledge and information to members of the committee, to explain the implication of the byelaws of the society, rights and duties of the committee members in achieving the objectives specified in the byelaws, etc.

(4) Secretaries of the societies who are expected to manage the affairs of the societies, adopt the attitude of being the owners of these institutions. They hardly care to keep the office bearers and committee members in light about the affairs of the society or the action taken on the resolutions passed. There is no regularity in the opening and closing time of the office of the society. Alertness, awareness and sense of belonging to the society can be developed among the members only if the secretary of the society makes it a point to be available to the members at the office at fixed time, even if it is to be for a couple of hours per day. This practice will be the most effective communication (a) among members, (b) of members with committee members and (c) of members with the secretary of the society.

#### 4.13 Suggestions for Further Studies

(i) In order to help the farmer, it is important to understand his socio-economic status, nature of farm operation, his problems and aspirations. It is therefore suggested that a deeper study of selected farm households be conducted and case studies be prepared. Such case studies

will help in assessing the education and development efforts on the farm households.

4.13 During the present study, it was difficult to collect information about the sources and utilization of credit given to farmers. Such findings will help in developing suitable education and development plans for them. A study of selected farmers on the subject mentioned above should, therefore, be undertaken. The problem of recovery of loans is intimately connected with the purpose, time, amount and utilisation of credit given to farmers.

4.14 During the field investigation, it was noticed that the secretaries of the societies were untrained and unenthusiastic. They were working under the cadre system of the Indore Premier Cooperative Bank which did not seem to function well, in favour of the primary cooperatives. The cadres system of the Bank and other personnel practices, therefore, need detailed examination. Based on the findings, a system of their training and promotion may be worked out.

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PART - III

Case Studies



Case Study - I. SERVICE COOPERATIVE SOCIETY, BARLAI.

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SERVICE COOPERATIVE SOCIETY LIMITED, BARLAI1. BACKGROUND

The Service Cooperative Society Ltd., Barlai was registered in May 1960 with its area of operation extending to two villages viz. Barlai and Budi Barlai located at a distance of 3 k.m. from each other. The audit classification of the society was 'C' during 1968-69 which was later changed to 'B'. The office of the society is situated in Barlai village in a rented premises at a distance of about 26 k.m. from Indore (on Bombay-Agra Highway). The total population, farm households, land, land irrigated, of the villages covered by the society is given in table No.1.

Table No.1 Basic Information about villages covered by society

Name of village	Population (1971)			Land (in acres)			Irrigation	
	Total Popula- -tion depen- dent on Agr.	P.C.of Col.3 to Col.2	P.C.of Col.8 to Col.6	Total (culti- vable	Land culti- vated	P.C.of Col.6 to Col.5	Land irri- gated	P.C.of Col.8 to Col.6
1	2	3	4	5	6	7	8	9
i. Barlai	1588	751	47.29	3142.86	3040.09	96.6	131.00	4.3
ii. Budi- Barlai	995	426	42.61	871.42	780.00	89.0	84.00	10.00
Total (Society)	2583	1177	45.56	4014.28	3820.09	95.0	215.00	6.0

The table reveals that the total population of the two villages covered by the society was 2583 of which only 45.56 percent were dependent on agriculture. The total geographical area under the society is 4753.67 acres. But the land cultivable is only 4014.28 acres. Out of the land cultivable 38.20 acres or 95% is under cultivation. There is thus a potentiality to bring the remaining 94 acres of land under cultivation. Out of total land under cultivation only 185 acres or 5 per cent had been brought under irrigation (1968-69). There is potentiality to increase agricultural produce in the society by persuading members to increase the yield per acre by bringing more of their land under irrigation. About 45.56 per cent of the total population is dependent on agriculture. The main crops grown in the area of operation of the society include Wheat, Gram, Jowar, Moong, Cotton, Maize, Sugarcane and Vegetables. Out of these crops like Wheat, Gram, Sugarcane and Vegetables are grown on irrigated land. Cultivators market their produce in 'Mandis' of Indore and 'Sanver'.

1.1 Cattle. There are 343 bullocks, and 528 milch cattle in area of operation of the society. Out of 528 milch cattle 282 are cows and 246 are buffaloes. The milk is marketed by village trader in Indore. The breed of the cattle is indigenous hence the yield of milk is not very substantial. Dairy as a subsidiary occupation can be developed in area if the owners of the milch cattle take up to balanced cattle feed and improvement of the breed of milch cattle. Poultry farming can also be developed as subsidiary source of income in the Barlai area.

1.2 Literacy. Out of the total population of 2582 in the two villages under the society about 520 persons i.e. 20.13 percent were literate. The percentage of literacy was 21 in Barlai and 18.8 in Budi-Barlai.

1.3 Membership. The total membership of the society in 1971-72 was 145. The number of rural households in the two villages covered under the society viz. Barlai and Budi-Barlai are 267 and 132 households respectively. Thus out of 399 households only 145 have been brought under the cooperative fold. The increase in membership is as under :-

Table No. 2 Increase in Membership

Year	Membership	Percentage increase over 1969-70
1969-70	112	-
1970-71	135	20.53
1971-72	145	29.51

The above table reveals that there was about 29.51 percent increase in membership of the society during the period of two years. There is potentiality to bring increasing number of farmers under cooperative fold, in the area, especially in Budi-Barlai area from where only 14 persons had joined the membership of society. The society can cover remaining families only through efficient and prompt service and proper publicity and education. The records show that majority of the members of the society are those cultivators who have considerably larger land-holdings, say, above 7.5 acres. There are only 20 cultivators having less than 7.5 acres of land who have become the member of the society. Members having less than



3.5 acres of land number 5 only. Thus the cultivators whose needs for credit are most urgent have been left out of cooperative fold.

#### 1.4 MEMBERS' PARTICIPATION

Generally the society has been holding over general body meeting every year. About 30 per cent of the members attend this meeting. The managing committee of the society consists of 8 members. All the members in the managing committee are from Barlai Village. The committee holds monthly meetings in the office of the society. The average attendance per meeting was 6 in 1970-71 and 5.5 in 1971-72. The committee held 13 and 11 meetings in 1970-71 and 1971-72 respectively.

#### 1.5 ECONOMIC POSITION (of the society)

The main business of the society was the supply of short-term and medium-term credit and some agricultural inputs. Out of total membership of 145, only 111 actually deal with the society. Number of members provided with short-term credit during 1970-71 and 1971-72 was 48 and 90 respectively. The compulsory deposits of the society which was Rs.9143 in 1970-71 had risen to Rs.14869 in 1971-72.

In view of the policy of linking of credit with marketing, produce of 49 members valued at Rs.15934 was brought in the marketing society and the value was adjusted by the service cooperative society against the credit obtained by these members from the society.

The society earned a profit of Rs.2228 and Rs.6031 during 1970-71 and 1971-72 respectively. The society plans to construct a godown at Barlai, land for which has been obtained from Gram Panchayat. The society also plans to start a fertilizer centre for chemical fertilizers.

#### 1.6 SHARE CAPITAL

The share capital position of the society during last 3 years is as under : Table No.3 Share Capital of the Society (in Rs.)

Year	Members	Govt.	Total	P.C. of Col.3 to 4
1	2	3	4	5
1969-70	10,930	4,975	15,905	31.20
1970-71	24,565	10,000	34,565	28.90
1971-72	27,615	10,000	37,615	26.59

The table No.3 reveals that there was a considerable increase in the share capital of the society during the period of last 3 years. The contribution of Government also increased during the period under review. It may, however, be noted that the percentage of Government contribution to the total share capital of the society had a declining trend, inspite of increase in actual contribution. This was mainly because members' share capital increased considerably (24 percent over 1969-70) during the period.

Other funds maintained by the society were Reserve Funds Rs.2018, General Reserve Funds Rs.2020, Common Good Fund Rs.464, Credit Stabilisation Fund Rs.464, Building Fund Rs.441, Dividend Equalisation Fund Rs.1507 as in 1970-71.

#### 1.7 LENDING OPERATIONS

The borrowings of the society from Indore Premier Cooperative Bank and its advances to members during the last 2 years is given in table No.4.

Table No.4 Borrowing, Advances and Overdues of Society

Year	Borrowings from IPC Bank Indore		Loans to Members		Demand for year		Overdues		Percentage of Overdues to demand	
	Short-term	Medium Term	Short term	Medium term	Short term	Medium term	Short term	Medium term	Short term	Medium term
	Outstanding	Outstanding	Outstanding	Outstanding						
1970-71	64871	7547	93233	11175	124919	11516	22712	5537	18	48.0
1971-72	69376	5093	106834	8609	137276	5918	10496	2709	8	47.3

The table No.4 reveals that while short term loans outstanding increased in 1971-72 as compared to 1970-71, there was a decline in Medium Term loans outstanding. As regards overdues, the position was quite satisfactory in case of short-term credit. But in case of medium-term, overdues were to the extent of 48% of demand.

#### MEMBERS OF SOCIETY -ORDINARY MEMBERS AND MEMBERS OF THE MANAGING COMMITTEE

#### 2. SAMPLE FOR THE STUDY

Out of the total membership of the society, a random sample of 20 persons was drawn out to find out the educational needs of the members in general. The sample, however, included 4 women members. The interviews with 8 elected members of the Managing Committee were also conducted. Out of the 20 respondents selected from membership 50 p.c. were Kalota by caste. The rest belonging to castes such as Brahmmins, Rajputs, Khatis, etc. Except for one Brahmin, all other members of Managing Committee were Kalota by caste and all the Managing Committee members belonged to the main village Barlai.

2.1 AGE:

The age groups to which the ordinary members and the members of Managing Committee belonged, is given in Table No.5

Table No.5 Age of Respondents

Age groups	<u>M.C. Members</u>		<u>Ordinary Members</u>	
	No.	Decile	No.	Decile
Below - 20	0	0	1	0.50
21 - 30	2	2.50	4	2.00
31 - 40	2	2.50	3	1.50
41 - 50	2	2.50	3	1.50
51 and above	2	2.50	9	4.50
	n = 8	10.00	n = 20	10.00

The age of the members of the Managing Committee ranged between 28 years and 65 years with two members above the age of 50 years. As against these the age of ordinary members ranged between 20 years and 78 years. 9 out of 20 members were found to be above the age of 50 years. The mean age for Managing Committee members and ordinary members was 42.5 and 47 respectively. This indicates that the leadership was evenly distributed among all the age groups and was comparatively younger.

2.2 EDUCATION

The educational qualifications of ordinary members and members of Managing Committee are given in Table No.6.

Table No. 6 Standard of Education

Years of Education	<u>M.C. Members</u>		<u>Ordinary Members</u>	
	No.	Decile	No.	Decile
Below - 1	2	2.50	9	4.50
1 - 3	4	5.00	7	3.50
4 - 7	1	1.25	1	0.50
8 - 10	1	1.25	2	1.00
11 - 13	0	0	1	0.50
	n = 8	10.00	n = 20	10.00

While none of the members of Managing Committee were illiterate, 8 out of 20 ordinary members were found to be illiterate. Four women respondents were all found out to be illiterate. There was one ordinary member having education upto Higher Secondary. The mean of the educational standard comes to 3 years and 2.5 years of education in case of Managing Committee members and ordinary members respectively.

### 2.3 SIZE OF FAMILY

Total number of members in the families of M.C. members and ordinary members ranged between 4 and 14 and 1 and 17 respectively. In case of 5 out of 8 M.C. members, number of members was in 8-9 range. In case of ordinary members, the highest frequency (9) was in the range of 6-10 members. The mean number of members in family was worked out at 8 in case of M.C. members and 7 in case of ordinary members. The average size of farmhold in this area works out to be 5.7.

### 2.4 LAND OWNERSHIP

The main occupation of Managing Committee members as well as ordinary members was agriculture. Side occupations undertaken by M.C. members and ordinary members included sale of milk, business service, labour etc. The land holdings of members can be judged from the Table No.7.

Table No. 7 - Land Holdings of Members

Acres	<u>M.C. Members</u>		<u>Ordinary Members</u>	
	No.	Decile	No.	Decile
1 - 10	2	2.50	6	3.00
11 - 20	2	2.50	6	3.00
21 - 30	2	2.50	3	1.50
31 - 40	0	0	2	1.00
41 - 50	1	1.25	1	0.50
51 and above	1	1.25	2	1.00
	n = 8	10.00	n = 20	10.00

The land holdings ranged between 5 acres and 75 acres in case of M.C. members and between 1.5 acres and 60 acres in case of ordinary members. The mean acreage of land was 23.2 in case of M.C. members and 21.6 in case of ordinary members. It may be noted that there was no vast difference in the land

holdings of cooperative leaders and members. However, the M.C. members tend to possess more land than ordinary members, with chairman possessing more than 40 acres of land.

### 2.5 IRRIGATION FACILITIES

The main source of irrigation for ordinary members as well as M.C. members was wells and tanks. Four of the ordinary members and four M.C. Members had no irrigation facilities. On an average M.C. members and ordinary members had 3.4 acres and 4.6 acres of irrigated land respectively. This does not show any vast difference in the resources of two categories of respondents.

### 2.6 DURATION OF MEMBERSHIP

All the members of the Managing Committee except one were members of the society since its reorganisation in 1960. 11 out of the total ordinary members (Respondents) were also members of the society since 1960. The duration of membership for rest of the members ranged between 1 and 4 years. The mean duration of membership was worked out at 10.8 years in case of M.C. members and 8 years in case of ordinary members. It may thus be seen that the local cooperatives leadership is very stable and rather traditional.

### 2.7 SHARE CAPITAL

The share capital of M.C. members and the ordinary members, in the society is given in Table No.8. It was compulsory for a member to have atleast one share of Rs.10/-.

Table No. 8 - Share Capital of Respondents (1971-72).

(In Rs.)	<u>M.C. Members</u>		<u>Ordinary Members</u>	
	No.	Decile	No.	Decile
Less than 200	3	3.75	11	5.50
201 - 400	2	2.50	5	2.50
401 - 600	2	2.50	2	1.00
601 and above.	1	1.25	2	1.00
	n = 8	10.00	n = 20	10.00

The share capital ranged between Rs.60 and Rs.740 in case of M.C. members and between Rs.10 and Rs.950 in case of ordinary members. However, the mean for share capital of M.C. members and ordinary members was Rs.348 and Rs.305 respectively.

### 2.8 COMPULSORY DEPOSITS

The position of compulsory deposits of M.C. members and ordinary members in the society is given in Table No. 9

Table No. 9 - Compulsory Deposits of Respondents (1971-72)

(In Rs.)	<u>M.C. Members</u>		<u>Ordinary Members</u>	
	No.	Decile	No.	Decile
Less than 200	5	6.25	14	7.00
201 - 400	2	2.50	4	2.00
401 and above	1	1.25	2	1.00
	n = 8	10.00	n = 20	10.00

The compulsory deposits ranged between Rs.42 and Rs.532 in case of M.C. members and between Rs.30 and Rs. 624 in case of ordinary members. Majority of ordinary members and Managing Committee members had compulsory deposits of less than Rs.200. The mean for compulsory deposits was worked out at Rs.205.45 in case of M.C. members and Rs. 171.44 in case of ordinary members.

### 2.9 LOANS

All the M.C. members took short term loans from the society and few of them also borrowed from other sources. The position of loans obtained by members from the society is given in Table No. 10

Table No. 10 - Loans from Society (1971-72)

(In Rs.)	<u>M.C. Members</u>		<u>Ordinary Members</u>	
	No.	Decile	No.	Decile
No. borrowings	0	0	2	1.00
Below - 1000	3	3.75	11	5.50
1001 - 2000	3	3.75	4	2.00
2001 and above	2	2.50	3	1.50
	n = 8	10.00	n = 20	10.00

The credit obtained from society ranged between Rs.254 and Rs.3,042 in case of M.C. members and between Rs.174 and Rs.3,256 in case of ordinary members. Credit was obtained only for short term by all borrowers except one ordinary member who had obtained M.T. credit for digging of wells. The mean of the S.T. loans obtained was worked out at Rs.1,306.6 in case of M.C. members and at Rs.1,047.6 in case of ordinary members. Two ordinary members were non borrowers during the year. One ordinary member and one M.C. member were overdue during the year.

Besides getting loans from the society, 3 Managing Committee members and 11 ordinary members had also borrowed from private sources viz. Friends, Relatives and Money lenders. The amount in each case was mostly below Rs.500. The main purpose for which such loans were obtained included (1) Marriage and other ceremonies; (2) Purchase of cattle; (3) Purchase of land; (4) Sickness and other household expenditure. The mean amount borrowed was Rs.417 in case of M.C. members and Rs.659 in case of ordinary members. The rate of interest charged on such loans ranged between 18 p.c. and 24 p.c. per annum.

#### 2.10 ANNUAL INCOME

It was found difficult to assess the annual income of respondents as they did not give reliable estimates of their income. According to responses given the gross annual income of M.C. members ranged between Rs.1,000 and Rs.28,000 and that of ordinary members between Rs.800 and Rs.10,000. This shows that the average income of managing committee members was more than the income of ordinary members.

Majority of the members stated that their annual savings were Zero. Only two M.C. members indicated that they had substantial savings of Rs.4,000 and 7,500 annually. One ordinary member informed that he had meagre annual saving of Rs.200. It seems that the members of Managing Committee were financially better off than the ordinary members.

#### 3. PROBLEMS OF THE SOCIETY

Most of the Managing Committee members did not have clear idea of the nature of problems being faced by their society. Members including the Managing Committee members and office bearers have indicated a few problems being

faced by them. The main problems indicated are given below :-

- 3.1 Because of the complex procedure followed in the society and the bank, members generally get loans very late which are often inadequate. If the Samiti Sewaks prepare in time, relevant papers and Supervisors take immediate action on them, then the process of granting loans can be accelerated.
- 3.2 The bank and the society are very strict in recovering loans from the members. If the last date for recovering loans is extended by a fortnight then the members need not pay penalty interest on overdue loans.
- 3.3 The income of society from its business activities is very meagre. Because of the overdue position created by some members of the cooperative society, all the members have to suffer.
- 3.4 Members of families having joint holding, have to compulsorily contribute to the share capital of the society.
- 3.5 Members are ignorant about the functioning of their cooperative and they do not take enough interest in its educational programmes.
- 3.6 Because of limited financial resources and other factors, the society is not functioning efficiently and economically. The provision of linking credit with marketing is also not working effectively in the society. Therefore it does not have any significant surplus.
- 3.7 The society does not have its own building. Nor can it provide any other facility to the members such as supply of improved agricultural implements.
- 3.8 Small farmers are not adequately covered and served by the society. They badly need short-term as well as medium term loans especially for digging wells.
- 3.9 The working of the society is hindered due to the problems created by money lenders, private traders and other vested interest in the village.

#### 4. SUGGESTIONS FROM MEMBERS OF THE MANAGING COMMITTEE

In the opinion of the members of the Managing Committee, the working of the society could be accelerated and that it could be geared for the benefit of rural population if the following suggestions were adopted :-

- 4.1 Timely supply of credit seeds and fertilisers at a low rate of interest;



- 4.2 Collective marketing of produce of members in the village itself, in order to help the member to secure reasonable price.
- 4.3 Increase in the capital of the society by promoting the habit of thrift among members.
- 4.4 By undertaking business activities on a larger scale.
- 4.5 By member education and guidance.
- 4.6 Provision of storage facilities for members' produce.

5. EMPLOYEES OF THE SOCIETY:

The employees of the society include one Secretary, one Assistant Secretary and one part time peon. The Secretary as well as Assistant Secretary are educated upto Higher Secondary. The Secretary of the society has undergone a 10 days training course organised for ICA-NCUI Field Project, Indore. The Assistant Secretary is still untrained, and is employed on a temporary basis. The Assistant Secretary is therefore, dissatisfied with his present job and its working condition. Since both these employees have to work for two service cooperative societies (at Barlai and Gural), they feel that the work load is heavy and hence they cannot work whole heartedly for either of the societies. The employees feel that the capital of the society should be increased so that it could afford to pay better salaries to its employees.

5.1 It is necessary that constant training is provided to employed personnel so that they may have enough knowledge and insight into working of the society and problems of members. They need to have skills and right attitude for discharge of their duties.

6. LEVEL OF KNOWLEDGE

In order to know the standard of knowledge of the ordinary members, the members of the Managing Committee and the employees of the society, a few simple questions were asked, to each category of respondents. The replies made by them will help in deciding broadly the areas of education for each category.

6.1 ORDINARY MEMBERS

- (i) NAME: When asked to give the name of their primary society, majority of the ordinary members and three out of eight of the M.C. members could not give the full name of the society. Many of these called their society a bank. Hence the ordinary members and even some of M.C. members could not differentiate between bank and the society.
- (ii) Though most of M.C. members were able to give an approximate year of establishment of the society - 50 p.c. of the ordinary members interviewed, had very vague or no idea about the year of establishment of the society.
- (iii) The general idea among the members and M.C. members was that the main object for establishment of the society was provision of credit at a cheap rate of interest. 2 members had no idea about the purpose of its establishment.
- (iv) Majority of members and some of M.C. members had no idea about their share capital and other funds in the society. Most of them could not also differentiate between share capital and compulsory deposits.
- (v) Though the members of Managing Committee were supposed to have been elected by members at general body meeting, most of members could not remember the names of all the members in the Managing Committee nor could they give the name of their Samiti Sewak. The ordinary members generally remembered the names of 2 or 3 Managing Committee members.
- (vi) Only 25 p.c. of the ordinary members had been attending annual general meetings of the society. The rest had no idea about such meetings. Even those who attended the meetings were very passive participants. They could not remember the topics discussed at such meetings.
- (vii) The ordinary members had no idea about cooperative principles and byelaws of society, even Chairman of society had not read them.

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- (viii) Though 60 p.c. of the respondents knew about the education camp organised by ICA-NCUI Field Project, Indore only 40% had partly participated in it.
- (ix) When asked whether the respondent would like to attend the proposed educational programme, all the M.C. members and most of the ordinary members expressed their willingness to do so. They expressed their special interest in subjects related with agricultural development, cooperative development and functional literacy.

#### 6.2 MEMBER EXPECTATIONS FROM THE SOCIETY

The ordinary members and the Managing Committee indicated the following expectations to be met by the society.

- (1) Adequate credit should be provided to all members in time, so that they are saved from the clutches of money lenders.
- (2) Special help to small farmers e.g. in improvement of land, drilling of wells etc. should be given.
- (3) The society should help in agricultural development by making :-
  - (a) Arrangement for timely supply of improved variety of seeds, fertilisers, cattle feed etc.
  - (b) Arrangement for agricultural implements such as tractors and spray machine.
  - (c) Arrangement for godowns (storage facilities) and linking credit with marketing.
  - (d) Promotion of milk business.
- (4) Sale of consumer goods should be undertaken by society.
- (5) The society should give help to members in undertaking cottage, and small scale industrial activities.
- (6) The society should expand its business activities and provide assistance and guidance to members in their economic development. Frequent educational meetings should be held by the society. One ordinary member expected the service society to make some contribution towards the development of the village.

#### 6.3 MEMBERS PROPOSED PROGRAMMES FOR IMPROVING THEIR INCOMES :

It is pity to see that most of the respondents did not indicate any plan for improving their income. The Managing Committee members seemed to be more apathetic than the ordinary members in this respect. However,

the plans indicated by the members are given below :-

Most of the members (12/20) and some of Managing Committee members plan to increase their irrigation facilities specially by getting wells and or tube wells. It may be noted that 7 out of 20 respondents prefer to have wells fitted with electric motors whereas some (5) want to have tube wells. Because of the development efforts made by the Project Office demand for getting tube wells has been increasing. Three respondents already have tube-wells successfully drilled.

After getting some irrigation facilities members want to increase production of crops with the help of improved seeds, chemical fertilizers and modern methods of cultivation.

It may be added that cooperative education activities were initiated by the Project Office in February 1971. The question of getting improved irrigation facilities through tube wells was discussed in the educational meetings. As a follow up of educational activities, the project assisted in getting 12 tube wells successfully drilled with the help of Land Development Bank, Water Development Society, Indore. This successful example of cooperative education and development needs further follow-up so that farmers get more irrigation facilities and consequently better crops, through farm guidance on a regular basis.

#### 7. MEMBERS OF MANAGING COMMITTEE

7.1 Though 75 p.c. of M.C. members could give approximate month in which audit of society was done, none of them except the Chairman could tell the audit class of the society.

7.2 When asked about the main objects of the society as per its byelaws, the Managing Committee members could only make general replies such as (a) agricultural development; (b) credit for agriculture; (c) work on the basis of cooperative and the like.

7.3 When asked who should have the supreme power in the society only 3 out of 8 could reply that it should vest in the general body of members. The remaining 5 said that it should vest in Managing Committee (2) President of society (2) and Cooperative bank (1).

7.4 The Managing Committee members were not aware of the economic liability of members in the society. The general view was that the members liability was limited to the amount of share held by individual in the society.

One member said that he had no economic liability. Other two M.C. members had no concept about the liability. One member was, however, able to state that liability of member was limited to 10 times his share money.

7.5 When asked about the rights and duties of members of Managing Committee, the replies in general were, calling meetings (2); providing credit (5); Management (5); making rules, undertaking business activities etc. The M.C. members, however, knew that the power to change the Managing Committee vested in general body of members.

7.6 As regards the rules for calling meetings of Managing Committee, the members mostly replied that the peon circulates the agenda and thus a meeting is fixed. Other rules mentioned by some members included; to discuss agenda; to start meeting after the quorum is complete; to expel a member from the committee if he does not attend three meetings continuously; to expel overdue members from the Committee.

7.7 Except for the share capital most of M.C. members had practically very little idea about the various funds maintained by the society. The total share capital of the society was not known to any member of Managing Committee, including its office bearers. Most of them, however, know that their society had purchased the share of Central Cooperative Bank and the marketing society. When asked about the amount in various funds of the society even the Chairman was unable to make a reply.

#### 8. AREAS OF INTEREST

8.1 The areas of interest expressed by members and M.C. members for any future educational programme can be judged from the following table :-

Subjects of Interest	<u>M.C. Members</u>		<u>Ordinary Members</u>	
	No.	Decile	No.	Decile
1. Agricultural development	7	8.75	17	8.50
2. Cooperative development	5	6.25	17	8.50
3. Cottage Industry	5	6.25	14	7.00
4. Home Science	7	8.75	14	7.00
5. Social Problems	5	6.25	14	7.00
6. Functional literacy	6	7.50	9	4.50
7. Any other	4	5.00	10	5.00
	n = 8		n = 20	

8.2 The above table reveals that most of the respondents, whether Managing Committee members or ordinary members showed interest in subjects such as agricultural and cooperative development, home science for women. They have also shown interest in other subjects viz. dairying and cottage industries. The data collected indicate that the Managing Committee members as well as some ordinary members also realise the value of functional literacy. It may be noted that ordinary members showed more interest in subjects related to cooperative development than the Managing Committee members.

#### 9. SUMMARY AND CONCLUSIONS

9.1 The Service Cooperative Society Barlai was reorganised in 1960. Even then it is a small sized society serving all 119 members which constitute 29.6 p.c. of total households in the area. It has meagre resources and its progress is almost negligible during last 4 years. However, a relieving feature is that overdue position is not critical. As the society was considered of average type in Indore district, it was taken under the ICA-NCUI Field Project in Cooperative Education.

9.2 Although the society covers two villages i.e. Barlai and Budi Barlai, the leadership of the society comes from a cohesive farming class living in Barlai. Managing Committee members are elderly and comparatively well-to-do. Their position in the society as well as in their community and village seems to be stable. All of them are literate and more conscious of their position, interest, problems and future plans. They are to be made more planning minded and interested in the affairs of their society. Moreover, younger people should be prepared to provide more dynamic leadership.

9.3 Majority of M.C. members and the ordinary members had education for less than three years. All the M.C. members were literate whereas 40 p.c. of ordinary members were found to be illiterate. This shows a gap in educational levels of M.C. members and ordinary members. Secondly, the general level of education of leaders as well as members is low and seems to be below the functional level of literacy.

9.4 The pattern of land ownership in Barlai area, that on an average the members have about 15 acres of land, which may be distributed as follows :-

Irrigated land	15.57 %
Unirrigated land	78.29 %
Fallow land (Parat)	6.14 %
Total	<u>100.00%</u>

Efforts should be made to see that atleast 50% of land owned by each member is irrigated. It is pity to see that 41% of farmer members do not have any irrigation facilities. They should be given immediate assistance in getting this basic facility. They should also be guided in dry farming.

Moreover they may be encouraged to have more milch cattle. It may be noted that 48.5% of members have on an average 2.2 acres of fallow land each. They have fair chance of maintaining milch cattle, provided they are given due assistance in their milk business and animal husbandry.

9.5 **Barlai** was one of the first village selected for intensive work under the Project. Because of the extension work done by the Project Officer, several farmers were persuaded to go for tube wells for irrigation purpose. They were also assisted by the District Land Development Bank, Water Development Society and other agencies in getting this important facility. Thus their primary need was effectively met and a general enthusiasm was generated in the farming community for development efforts.

9.6 It may thus be seen that community development approach preceded cooperative development efforts in case of Barlai. Success in this approach helped some farmers and improved the image of Project staff. There is however, need of intensifying such efforts and providing similar facilities and incentives to other farmers. Those who cannot afford to have tube-wells may be helped in getting irrigation facilities through wells or any other convenient means.

9.7 As the farmer members have already indicated interest in learning about agriculture and cooperative method and home science for women, and functional literacy, farm guidance in a comprehensive form should be introduced in the society. To ensure sustained growth in farmers economy it is necessary to

arrange for functional literacy and education of members, especially of women folk who are at present most backward.

9.8 The society should be encouraged and assisted in enrolling more members especially small farmers. Special incentives and services should be provided to achieve such an end. For example, small farmers should be encouraged to increase their irrigation facilities and credit should be arranged by the society with the help of IPC Bank, Land Development Bank, and other agencies. If individual farmers are not in a position to get the tube-well or well, efforts should be made to get them on group basis. The society should also consider possibilities of owning improved agricultural implements, and irrigation facilities for hiring them out to needy members.

9.9 As mentioned earlier, the farmer members also need assistance and guidance in developing some side-occupation e.g. milk business. With the help of Cooperative Milk Federation the society can arrange collection and supply of milk. As the competition in milk is rather keen, a comprehensive plan is needed and the Project office should pay special attention to this subject.

9.10 It may also be suggested that the society should expand its membership and improve their services to members. Members need services and education to use them. This is possible only if management of the society is improved. To achieve such an objective, the personnel of the society viz. office bearers M.C. members and Samiti Sevaks are to be trained and guided. It is hoped that the Project office with the help of IPC Bank and other agencies, will be able to provide constant education to these personnel and their supervisory staff.

9.11 Last but not the least, to sustain progress it is necessary to educate and involve whole family in the development effort. For that special educational programme should be arranged for young farmers and women.



Case Study (ii) SERVICE COOPERATIVE SOCIETY, DAKACHA

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  - 1.2 Literacy
  - 1.3 Membership
  - 1.4 Members' Participation
  - 1.5 Economic Position of the Society
  - 1.6 Share Capital and Compulsory Deposits.
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  - 2.6 Annual Income
3. Duration of Membership
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5. Members of Managing Committee
6. Areas of Interest
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SERVICE COOPERATIVE SOCIETY LTD., DAKACHA1. BACKGROUND

The Service Cooperative Society Limited, Dakacha was registered under Registration No.85 dated 29.9.1960 in Sanwer Tehsil of Indore District with its area of operation extending to two villages viz. Dakacha and Lasuria-Parmar. The society does not have any office own or rented. The main village of the society i.e. Dakacha is at a distance of 16 km. from Indore. The two villages in the area of operation of the society are located at a distance of one kilometre from each other. Both are near the Bombay-Agra Highway. The Audit class of the society has been 'B' since 1968-69. The information about the population, farm household land and irrigation is given in Table No.1.

Table No.1. Basic Information About Villages covered by the Society

Name of Village	Population (1971)			Land in acres		Irrigation(1968)		
	Total	Population dependent on Agri.	P.C.of Col.3 to Col.2	Total (cultivable)	Land cultivated	P.C.of Col.6 to Col.5	Land irrigated	P.C.of Col.8 to Col.6
1	2	3	4	5	6	7	8	9
Dakacha	2059	890	43.22	2905.97	2669.96	91.88	155.50	5.75
Lasudia Parmar	517	225	42.74	1255.00	1155.00	91.80	36.00	3.12
Total	2576	1115	43.28	4160.97	3819.96	91.80	189.00	4.94

The table reveals that out of the total population of the two villages covered under the society 43.28 per cent were dependent on agriculture. The total geographical area under the society is 4651.58 acres. But the land cultivable is only 4160.97 acres. 91.8 per cent of the total cultivable land has, however, been brought under the plough. There is thus a potentiality for extensive cultivation on the remaining 341 acres of land. Out of total land cultivated only 3.94 per cent is irrigated (1968). The percentage of irrigation is lower in Lasudia Parmar, as compared to Dakacha village. There are 16 tube-wells, 12 wells and 2 tanks in the area, used for irrigation purposes. With 16 tube-wells which have recently been drilled in Dakacha, the land brought under irrigation has recently increased from 189 acres to 447.59 acres (as per information given by Gram Sevak). It may be added that Dakacha village is very near to Kshipra river. Main crops in the area covered by the society are Wheat, Jowar, Gram, Maize, Cotton, Groundnut and Sugarcane.

1.1 Cattle: There are 479 drought animals (bullocks) and 882 milch cattle in the villages covered by the society. Out of the total milch cattle 468 are cows and 414 are buffaloes. 84 per cent of the total milch cattle are owned by the residents of Dakacha village. Hence dairy development as subsidiary occupation and source of income can be promoted in Dakacha village of the society. There are 134 poultry birds in the area also. Poultry farming can also be developed in Dakacha village.

1.2 Literacy: 542 persons out of total population of 2576 are literate. The percentage of literacy is 21.15 in the area of operation of the society. Percentage of literacy is higher (22.05%) in Dakacha village as compared to Lasudia Parmar (17.6%).

### 1.3 MEMBERSHIP

The total membership of the society was 115 as in 1971-72. The number of rural households in Dakacha and Lasudia Parmar are 298 and 67 respectively. Thus out of a total of 365 rural households only 115 have been covered under the cooperative fold. The increase in membership during last 3 years is as under :-

Table No.2      Membership (Dakacha)

Year	Membership	Percentage increase over 1969-70
1969-70	95	-
1970-71	104	9.47
1971-72	115	21.0

The above table reveals that there was about 21 per cent increase in membership of the society during the period of 2 years. There is need and potentiality to cover all the rural households in the area of operation of the society. There are only 33 members from Lasudia Parmar village who have joined the society. It may, however, be mentioned that majority of members of the society own above 7.5 acres of land. The number of members having less than 7.5 acres of land is only 10. The number of small farmers having less than 3.5 acres of land in the membership of society is only 5. It may be remarked that the most needy of the cultivators and tenant cultivators have been practically left out of the purview of the cooperative fold. In other words, no efforts or initiative seem to have been made to encourage such

farmers to join the society or to assure them that their agricultural credit needs will be met by the society.

#### 1.4 MEMBERS' PARTICIPATION

One general body meeting is held by the society every year. On an average 31 per cent of members participate in these meetings. Managing Committee of the society includes 8 elected members: 5 from village Dakacha and 3 from village Lasudia Parmar. Supervisor of Kshipra Branch of Indore Premier Cooperative Bank is also nominated member in the managing committee of the society. Generally 12 meetings of managing committee are held every year. Average attendance per meeting is 6.

#### 1.5 ECONOMIC POSITION OF SOCIETY

The main business of the society was the supply of short-term and medium-term credit to members for seasonal agricultural operations and for improvement in agriculture respectively. Out of total membership only 59 members had obtained credit from the society in 1971-72 for short-term purposes. No member had obtained M.T. credit from society during the year. Besides the society had also started its own fertilizer for distribution of chemical fertilizers. During 1970-71, 13 members had obtained fertilizers from society of the value of Rs.5825. During 1971-72, 29 members obtained fertilizers of value of Rs.18569. In order to derive proper benefit from the fertilizer centre proper guidance by an agricultural expert seem to be the only answer. The society had obtained compulsory deposits of the value of Rs.7371 from 52 members.

The society earned a profit of Rs. 5929 during 1971-72. The society has a plan to construct a godown in 1973-74 and also to distribute seeds among borrowers members.

1.6 SHARE CAPITAL

Share capital position of the society during last 3 years is as under :-

Table No. 3 Share Capital of Society

Year	Share capital in Rs.			Percentage of Col.3 to Col.4
	Members	Government	Total	
1	2	3	4	5
1969-70	16170	5000	21170	23.6
1970-71	17140	5000	22140	22.5
1971-72	20100	10000	30100	33.2

The table reveals that the share capital of society increased during the period under review Govt. contribution towards the share capital of the society also doubled percentage of Govt. contribution to share capital of society increased from 23.6 to 33.2.

1.7 OTHER FUNDS

Other funds maintained by the society include Reserve fund, General Reserve fund, Common Good fund, Credit Stabilisation fund, Building fund, Dividend Equalisation fund, Bad debt fund, and other funds. The strength of these funds during the last three years is given in Table No.4

Table No.4 Funds of the Society (In Rs.)

Funds of society	1969-70	1970-71	1971-72
1. Reserve fund	4,519	4,519	5,269
2. General Reserve fund	3,822	3,822	3,822
3. Common Good fund	702	702	1,002
4. Credit Stabilisation fund	702	702	897
5. Building fund	787	787	2,379
6. Dividend Equalisation fund	787	787	787
7. Other funds	2,285	2,285	2,285

The position of 1971-72 reveals that there was an increase in various funds maintained by the society, the most prominent among these being in Building fund. There was also some increase in Reserve fund and Common Good fund of the society. The amount in the building fund was increased following a decision at the annual General Meeting of the society held

on 15.9.1971. It was decided in this Annual General Meeting that the dividend due to members of the society for profit earned by it, during 1969-70, which was to be distributed at the rate of 3 p.c. on members share, would be carried to the Building fund of the society. Since the society does not have its own building or office, a building would be constructed for society's office out of the fund so collected.

#### 1.8) LENDING OPERATIONS OF SOCIETY

The borrowings of the society from IPC Bank and its lending to primary members during last 2 years is given in Table No.5.

Table No.5 Borrowings and Lendings of Society

Year	Borrowings from IPC Bank		Advance to Members		Demand for year		Overdues		Percentage of overdues to demand.	
	Short term (Outstanding)	Medium term (Outstanding)	S.T. (Outstand)	M.T. (Outstand)	S.T.	M.T.	S.T.	M.T.	S.T.	M.T.
1	2	3	4	5	6	7	8.	9	10	11
1970-71	46503	4758	72443	4736	86779	3284	49381	-	56.9	0
1971-72	51111	4491	87087	4735	102484	567	36211	567	35.3	100

The table reveals that short term loans outstanding had increased in 1971-72 as compared to 1970-71. There was not much difference in medium-term loans outstanding. Percentage of overdues to demand decreased from 56.9 to 35.3. Medium-term loan was overdue to full extent, though the amount was very nominal. The number of borrower members for short-term was 34 in 1970-71 which rose to 59 in 1971-72. As regards medium-term credit while 2 members had obtained such credit, during 1970-71, no member had obtained the same during the following year. Number of members overdue was 35 in 1970-71 and 23 in 1971-72.

The society also undertakes linking of credit with marketing, under the lending policy of the bank. Such linking was done in case of 5 members. The produce marketed through marketing society valued at Rs.370 in 1971-72.

MEMBERS OF SOCIETY - ORDINARY MEMBERS AND MEMBERS  
OF MANAGING COMMITTEE

2. SAMPLE FOR THE STUDY

In order to have an estimate of the Cooperative Educational requirements of ordinary members, a 20 per cent random sample of the total membership was drawn. 20 persons were thus selected out of total membership of 98 (in 1970-71). The sample included 2 women members also. Eight elected members of Managing Committee were also interviewed in the capacity of members of the society. Majority of respondents were Khati by caste. Other castes coming in the sample were Rajputs, Brahmins and Malwis.

2.1 AGE

The age groups to which ordinary members (Responding) and members of Managing Committee belonged will be clear from Table No.6

Table No.6 - Age of Respondents

Age groups	<u>Managing Committee Members</u>		<u>Ordinary Members</u>	
	No.	Decile	No.	Decile
Below - 20	0	0	0	0
21 - 30	0	0	0	0
31 - 40	1	1.25	7	3.50
41 - 50	5	6.25	8	4.00
51 and above	2	2.50	5	2.50
	n = 8	10.00	n = 20	10.00

The Table No.6 reveals that while the age of ordinary members (responding) ranged between 35 years and 80 years, the same ranged between 35 and 53 years in case of members of Managing Committee. The mean age for ordinary members (responding) and the members of Managing Committee was worked out at 55 years and 45.4 years respectively.



## 2.1.2 EDUCATION

The standard of education of ordinary members (Respondents) and members of Managing Committee is given in Table No.7.

Table No.7 - Educational Standard

Educational standard	<u>Managing Committee Members</u>		<u>Ordinary Members</u>	
	No.	Decile	No.	Decile
Below - 1	0	0	9	4.50
1 - 3	2	2.50	2	1.00
4 - 7	5	6.25	7	3.50
8 - 10	1	1.25	1	0.50
11 - 13	0	0	1	0.50
14 and above	0	0	0	0
	n = 8	10.00	n = 20	10.00

While all the members of Managing Committee were educated upto 3rd (Class) or above, 45 p.c. of the ordinary members (Respondents) were either illiterate or could only sign their name. The standard of education of members of Managing Committee ranged between three and eight years of education (Schooling) as against that of ordinary members ranging between one and eleven years of education. The mean standard for education was worked out (4.8) years of education in case of Managing Committee members and (2.7) years of education in case of ordinary members (Respondents). In other words, the members of Managing Committee were comparatively more educated than most of ordinary members (respondents).

## 2.1.3 SIZE OF FAMILY

The total number of members in the families of ordinary members (Respondents) and the members of Managing Committee ranged between 1 and 14 and 5 and 16 respectively. The modal range of family members was 6 - 10 in both the categories of respondents. The mean number of members in family was worked out at 8.4 in case of Managing Committee members and 8.0 in case of ordinary members responding. There was, thus, not much difference in the size of families of the two categories of respondents.

2. OCCUPATION AND LAND HOLDINGS

The main occupation of members of Managing Committee and the ordinary members (responding) was agriculture. Two members of Managing Committee were having Truck business and labour as their side occupation. Six ordinary members responding had also side occupation like milk business, service, labour etc. The land holdings of respondents are given in Table No.8.

Table No.8 Land Holdings

Acres	<u>Managing Committee Members</u>		<u>Ordinary Members</u>	
	No.	Decile	No.	Decile
1 - 10	1	1.25	3	1.50
11 - 20	2	2.50	8	4.00
21 - 30	2	2.50	4	2.00
31 - 40	0	0	2	1.00
41 - 50	2	2.50	2	1.00
51 and above	1	1.25	1	0.50
	n = 3	10.00	n = 20	10.00

The land holdings of ordinary members (respondents) ranged between 4.82 acres and 52.32 acres. Out of 20 respondents 2 were tenant cultivators. The land holdings of members of Managing Committee ranged between 8.5 acres and 67.34 acres. The mean acreage of land was worked out at 32 in case of Managing Committee members and 21.53 in case of ordinary members (respondents). It may be noted that the difference between the average land holdings of members of Managing Committee and ordinary members (responding) was quite significant.

The crops grown by the respondents were mainly Wheat, Aloi, Gram, Jowar, Maize, and Pulses (especially Kali Toor). Other crops grown by some of them were Sugarcane, Groundnut, Cotton and Vegetables (especially chillies).

For milk, the respondents seemed to prefer to own cows than buffalows. The number of cows owned by Managing Committee members ranged between 2 and 4 and the number owned by ordinary members ranged between 1 and 6. Majority of respondents owned 2 bullocks each. Maximum number of bullocks owned was 6.

### 2.5 IRRIGATION

The sources of irrigation for ordinary members and members of Managing Committee were wells, Tube-wells, tanks and the river. Six out of 20 ordinary members (Respondents) had no irrigation facilities. Hence they had undertaken dry farming. 50 p.c. of Managing Committee members owned wells or tube-wells, the rest were using village tank water for irrigation. Majority of ordinary members irrigating the crops also owned wells or tube-wells (mostly wells).

The per centage of land irrigated to the total land of the respondents ranged between 5 and 55 in case of ordinary members (Respondents) and between 1 and 44 in case of members of Managing Committee. On an average 4 acres and 2.88 acres of land was irrigated by members of Managing Committee and ordinary members respectively.

### 2.6 ANNUAL INCOME

It was found difficult to assess the annual income of the respondents as they did not give reliable estimate of their income. According to the responses given, the gross annual income of Managing Committee members ranged between Rs.600 and Rs.10,000 and that of ordinary members (Respondents) was below Rs.4,000. The mean of annual income for Managing Committee members and ordinary members was worked out at Rs.6,000 and Rs.3,445 respectively.

Majority of members stated that they had no annual savings, 3 out of 8 M.C. members had savings ranging between Rs.400 and Rs.600. Six out of 20 ordinary members also had annual savings. Out of these 4 respondents had annual savings ranging between Rs.1,500 and Rs.4,000.

### 3. DURATION OF MEMBERSHIP

Most of the members of Managing Committee had joined the membership in 1962 or after. As regards ordinary members, more than 50 p.c. of those responding had joined the society in 1967 or after. One member of Managing Committee and one ordinary member responding had joined society since 1955. The mean duration of membership was worked out at 9.5 years for members of Managing Committee and 5.1 years for ordinary members (Respondents).

### 3.1 SHARE CAPITAL

The share capital of the respondents (members) in the society is given in Table No.9

Table No. 9 - Share Capital of Respondents (1971-72)

Rs.	<u>Managing Committee Members</u>		<u>Ordinary Members</u>	
	No.	Decile	No.	Decile (Respondent)
Less than 200	2	2.50	11	5.50
201 - 400	2	2.50	5	2.50
401 - 600	1	1.25	2	1.00
601 and above	3	3.75	2	1.00
	n = 8	10.00	n = 20	10.00

The share capital ranged between Rs.10 and Rs.1530 in case of members of Managing Committee of the society and between Rs.5 and Rs.960 in case of ordinary members (Respondents). While majority of (55 p.c.) ordinary members held share capital below Rs.200, most of M.C. members (75 p.c.) held shares of Rs.200 and above. The mean of the share capital of Managing Committee members and ordinary members (Respondent) was worked out at Rs.499 and Rs.26, respectively. The financial stake of members of Managing Committee in the society was, thus, somewhat higher than that of ordinary members (Responding).

### 3.2 COMPULSORY DEPOSITS

The position of Compulsory deposits of the respondents is given in Table No. 10.

Table No. 10 - Compulsory Deposits of Respondents (1971-72)

Rs.	<u>Managing Committee Members</u>		<u>Ordinary Members</u>	
	No.	Decile	No.	Decile
Less than 100	4	5.00	14	7.00
101 - 200	0	0	4	2.00
201 and above	4	5.00	2	1.00
	n = 8	10.00	n = 20	10.00

The compulsory deposits ranged between Rs.71 and Rs.825 in case of

Managing Committee members and between Rs.15 and Rs.271 in case of ordinary members (respondents). Two of the Managing Committee members and 7 of the ordinary members responding has no compulsory deposits with the society. The average compulsory deposits with society were Rs.214.5 Rs.68.4 for Managing Committee members and ordinary members (respondents) respectively.

### 3.3 LOANS

The credit obtained by members (Respondents) from the society is given in Table No. 11.

Table No. 11 - Loans from the Society (1971-72)

Rs.	<u>Managing Committee Members</u>		<u>Ordinary Members</u>	
	No.	Decile	No.	Decile
No borrowings	3	3.75	12	6.00
Below 1000	2	2.50	5	2.50
1001 - 2000	2	2.50	0	0
2001 and above	1	1.25	3	1.50
	n = 8	10.00	n = 20	10.00

Six members of Managing Committee and 8 ordinary members (Respondents) had borrowed from society during 1971-72. The amount of short-term credit obtained ranged between Rs.440 and Rs.8848 in 1971-72 in case of members of Managing Committee. In case of ordinary members (Respondents) the amount of credit obtained ranged between Rs.94 and Rs.2,600 in 1971-72. One ordinary member had also obtained medium term credit from society to the tune of Rs.5,000 which was being repaid by him in instalments. Seven ordinary members (Respondents) and 2 members of Managing Committee were overdue to the society during the year. The mean of credit obtained from society was Rs.1592 and Rs.409 for M.C. members and ordinary members respectively. Four members of Managing Committee and 8 ordinary members (respondents) had obtained credit from sources other than the Cooperative Society as well. The purpose for credit from other sources included household expenses, marriage and other ceremonies, construction of tube-wells, etc.

### 3.4 PROBLEMS AND LIMITATIONS OF THE SOCIETY

The main problems of the society as indicated by the respondents were as under :-

- (a) The society does not provide storage facilities (godown) and Marketing facilities to its members. Hence the members fail to get a reasonable price for their produce.
- (b) The society does not have any spray machine, winnowing machine or improved agricultural implements for being given on hire to members.
- (c) Though the society has opened its own fertilizer Centre, the supply of fertiliser to members is inadequate.
- (d) The credit provided to members - in cash and kind - besides being untimely, is also inadequate for the purpose for which it is granted. For example, while the actual cost of digging a well comes around Rs.10,000 and Rs.12,000 the society only provided Rs.6,000 for the purpose.
- (e) According to members the seed provided by society to members is not always of good quality. If the members are provided with genuine and improved variety of seed, the economic position of members will improve and it will be easier for them to repay their dues to society in time.
- (f) The date of recovery of credit from members should be extended to 31st May or 1st June, as it is not convenient for the members to sell their produce earlier and get cash.

### 3.5 SUGGESTIONS FROM MEMBERS OF MANAGING COMMITTEE

In the opinion of members of Managing Committee of the society the working of society could be accelerated if the society adopted the following suggestions:-

- (i) Increase in share capital of society by enrolling new members.
- (ii) Promotion of savings of society

- (iii) Provision of storage facilities for agricultural produce of members and non-members.
- (iv) Supply of agricultural implements to members on hire.
- (v) Increase in business activities of society.
- (vi) Education of members on continuous basis.
- (vii) Entrusting the work of only one society to the Samiti Sewak, so that he could be in the village for atleast 4-5 days in a week.

### 3.6 EMPLOYEES OF SOCIETY:

The employees of the society include one Secretary and one part time peon. The Secretary of society is educated upto M.A. but he had no undertaken any Cooperative training. He is working in the society since last three years on a temporary basis. He has to work for two societies - Dakacha and Palasia (Peer Karadia). He feels that the Samiti Sewaks should be given the same facilities and pay scales as those provided to bank employees. He is prepared to undergo Cooperative Training for better knowledge and efficiency. In his opinion arrangement for such training should be made by the Bank.

### 4. LEVEL OF KNOWLEDGE

In order to assess the standard of knowledge of the ordinary members, members of Managing Committee and the employees of the society, a few basic questions were asked to each category of respondents. The replies made by them will help in deciding broadly the areas for education of each category of respondents.

#### 4.1 ORDINARY MEMBERS

- (1) NAME: All the members of Managing Committee and 45 p.c. of ordinary members (Respondents) were able to give the name of the society. The rest of the respondents called it a 'bank' or a 'bank society'.
- (2) Exact year of establishment of society (1960) was not known to any respondent - member of Managing Committee or ordinary members. All members of Managing Committee could, however, give an approximate year of its establishment. The concept of reorganisation was not very clear to respondents. Four ordinary members (Respondents) could not give even the approximately correct year of establishment of society.

- (3) Majority of Managing Committee members as well as ordinary members (Responding) were of the view that the society was established for provision of credit seeds and fertilizers to members. Some of the respondents, however, said that the society was established for overall agricultural development of cultivator.
- (4) All the members of Managing Committee except one could name 5 or more members of the committee. On the other hand majority of ordinary members could only remember the name of Chairman. On an average of the ordinary members could only give the names of only two members of the committee.
- (5) The annual general meeting of the society was attended by 100 p.c. of Managing Committee and only 35 p.c. of ordinary members responding. The rest said that they had no idea about such meetings and that they were never informed of the date. The topics discussed at such meetings as expressed by members attending them were (i) Elections (ii) Business of society (iii) Recovery of credit etc.
- (6) Though 5 members of Managing Committee and 9 ordinary members (Respondents) knew that there were some byelaws of society, none of them except one had read the byelaws. One ordinary member had however, read these and he was able to narrate one byelaws of the society. Similarly the respondents had no idea about cooperative principles and they could not narrate a single principle of cooperation.
- (7) While 60 p.c. of ordinary members (Respondents) and 75 p.c. of M.C. members knew that education camp was held in their village only 35 p.c. of ordinary members and 62 p.c. of Managing Committee members had attended the same. The topics discussed at such camps as expressed by respondents included (i) Agricultural subjects like seeds, fertilizers, irrigation, (ii) Cooperative viz. name of society, cooperative rules and byelaws membership, annual general meeting, and other subjects related to welfare of cultivator.



#### 4.2 MEMBERS' EXPECTATIONS FROM SOCIETY

The respondents indicated the following expectations to be met by the society :-

- (a) Timely supply of seed and fertilisers.
- (b) Credit for tube-wells.
- (c) Sale of consumer goods especially distribution of sugar by the society.
- (d) Supply of agricultural implements like tractors to members on hire.
- (e) Provision of marketing, godown and storage facilities.
- (f) Meeting the credit requirements of members to the maximum extent possible (adequate credit for well).

#### 4.3 MEMBERS' PROPOSED PROGRAMME FOR INCREASING THEIR INCOME

Five members of Managing Committee and 12 ordinary members (responding) had planned to have wells or tube-wells for increased irrigation and the consequent agricultural development. Other methods proposed to be adopted for increased income by the respondents included - (i) Adoption of multiple cropping system; (ii) Increased use of chemical fertilizers; (iii) Cultivation of improved variety of Wheat (Maxican); (iv) Extensive cultivation by purchase of more land; (v) Cultivation of vegetables;

#### 5. MEMBERS OF MANAGING COMMITTEE

(1) All the members of Managing Committee know the full names of the society and villages covered under its area of operation.

(2) Month of audit and the audit classification was known only to two members of Managing Committee.

(3) The main objects of the society as per its byelaws as narrated by members of Managing Committee included (a) Supply of credit for agriculture (b) Supply of seeds, fertilizers, insecticides and agricultural implements, (c) Marketing of members produce (d) Solution of problems of cultivators; (e) Proper management of society etc.

(4) While 50 p.c. of the members of Managing Committee were aware that the supreme power in the society vested with the general body of members, the remaining 50 p.c. replied that it vested in the Managing Committee or President of the society.

(5) Six members of Managing Committee were of the view that the power of grant and recovery of credit vested with Managing Committee and the President of the society. Two M.C. members were of the view that it vested in cooperative bank, supervisor and samiti sewak.

(6) When asked about the economic liability of ordinary member in the society as per its byelaws only 2 M.C. members could make a correct reply. Other members of M.C. had no concept about their economic liability in the society.

(7) The rights and duties of members of Managing Committee as expressed by them were; (a) Sanction and grant of credit; (b) Recovery of credit in time (c) Calling meetings; (d) Management of society according to its byelaws; (e) Accepting deposits; (f) Giving all possible help to members.

(8) When asked about the rules for calling the meeting of Managing Committee the general reply was the President of society fixes the date of such meeting and circulated the agenda 2-3 days prior to the date of such meeting and that the items in the agenda are discussed in the meeting.

(9) when asked who could change the Managing Committee in the event of its not working properly, all members of the committee replied that such power vested with the General Body of members.

(10) Except for the share capital, the members of Managing Committee had practically very little idea about the funds being maintained by the society. Even the total share capital of the society was known to only two members of the committee. As regards the knowledge about the profit or loss position of the society, most of M.C. members knew that it was working on profit. Three members could also give (roughly), the amount of profit earned by society during the last financial year.

(11) Four members of Managing Committee were able to give (roughly) the amount of credit received by society from the central bank and the amount of credit provided to its members. The rest had no idea about the borrowing and lending of society.

(12) The members of Managing Committee, including the Chairman of the society had no idea about the percentage of profit going to various funds of the society.

(13) When asked whether they would like to be office bearers of society during next elections, 3 members of Managing Committee showed their dis-interest. The Chairman, however, remarked that he would like to give a chance to young blood and to educated and able persons.

#### 6. AREAS OF INTEREST

When asked whether the respondent would like to attend the proposed educational programme, all the members of Managing Committee and 18 ordinary members (Respondents) expressed their willingness to do so. The areas of interest expressed by them for any future educational programme can be judged from Table No.12.

Table No. 12 - Areas of Interest of Members

Topics	<u>Managing Committee Members</u>		<u>Ordinary Members</u>	
	No.	Decile	No.	Decile
1. Functional literacy	4	5.00	9	4.50
2. Cooperative Development	6	7.50	14	7.00
3. Agricultural Development	7	8.75	17	8.50
4. Cottage Industries	7	8.75	12	6.00
5. Home Science	5	6.25	13	6.50
6. Social Problems	6	7.50	11	5.50
7. Any other	6	7.50	10	5.00

The Table No. 12 reveals that most of the respondents have shown keen interest in subjects related to agricultural development, development of cottage industries and Cooperative development. They had also shown interest in subjects relating to social problems and functional literacy.

#### 7. EMPLOYEES

The 'Samiti bewak' is the only full time employee of the society. Since he has not undertaken any cooperative training his thinking about the working of the society, its achievements, and problems is very vague, Cooperative Training is very necessary for him.

## 8. DAKACHA - SUMMARY AND CONCLUSIONS

8.1 The Service Cooperative Society Dakacha which was registered in 1960 after amalgamating the village societies at Dakacha and Lasuria Parmar had the membership of 114 during 1971-72. The society supplied short term and medium credit, and some agricultural inputs to its members. However, it did not own any office building or godown. Recently, it decided to create funds for construction of its own building. The main problems of the society was the overdues from its members.

8.2 The members have very limited irrigation facilities within 5% of their land irrigated. Besides, agriculture the members had some side occupations such as dairying, service, transport business or casual labour. On an average each member had 20 acres of land but most of it unirrigated.

8.3 The leadership of Service Cooperative Society Dakacha came from both the villages. The President belonged to Dakacha and the Vice-President to the nearby village covered by the society. Six out of eight Managing Committee members belonged to the same community or caste. They were comparatively younger than ordinary members and quite stable in their social and economic status. Their standard of education was also higher than the ordinary members. None of them were illiterate and whereas majority of the ordinary members seem to be functionally illiterate. The sizes of their land holdings was bigger than that of the ordinary members. All the Managing Committee members had some irrigation facilities, whereas 30% of ordinary members had no irrigation facilities, so they were engaged in dry farming.

8.4 It is interesting to note that both M.C. members as well as the ordinary members were above 35 years of age. The M.C. members had about 10 years of experience in the society's business whereas the members had only 5 years experience on an average. The M.C. Members also had comparatively more share capital and compulsory deposits. They also had borrowed about four times more than the ordinary members. In addition, half of the membership borrowed from other sources mainly for consumption purposes. It seems that majority of M.C. members borrowed from the society as against majority of ordinary members who did not borrow at all.

8.5 The crude mean for land acreage owned by members and farmers in general in the area covered by the society comes around 13 acres. However, the average holdings of farmers in Lasuria Parmar area seems to be bigger than the average holding of farmers in Dakacha area. The comparatively better economic position of members in Lasuria Parmar is reflected in their representation on the Managing Committee of the Society.

8.6 All the M.C. members know names of their society only 45% of members could name it correctly. The rest of members called it by the name of 'Bank' or 'Bank Society.' The elected members of the Managing Committee seem to be ignorant about the capital of the society the funds maintained by it, the credit obtained by it from financing agencies, its audit class and the profit or loss position. They were also not aware of their rights and duties as the members of Managing Committee.

8.7 Majority of members showed keen interest in learning about agriculture, cottage industries such as dairying and Cooperation. About half of them showed interest in functional literacy and home science for women and social problems and other subjects. It is necessary that the ordinary members of the society in general and the members of Managing Committee in particular, are trained and educated to undertake the task of democratic management of their society. For this purpose it is necessary that the members realise fully the character of the cooperative society of which they are a member and also the importance of managing it themselves. This basic knowledge is required to be taught to the members in addition to the subject of interest expressed by them viz. Agricultural and Cooperative development, development of cottage industries and general topics of social problems.

8.8 At present, only 31.30% local households with 33.00% of land are covered under the membership of the society. Only 27.30% of farm households in Dakacha and 49.30% in Lasuria Parmar make use of the services of the society. So it is very necessary for the society to expand its membership, especially among small farmers and provide them with its services. If individual farmers cannot afford to have well, tube-well or any other irrigation facilities, efforts should be made by the Project Office in collaboration with the Indore Premier Cooperative Bank, the Land Development Bank and other agencies to provide such a service on group basis. If farmer

members are helped to get irrigation facilities and proper farm guidance, they can produce more and use the crop loans given to them effectively. It will help them in overcoming the problem of overdues.

8.9 The full-time Secretary of the society, who is expected (i) To prepare various registers under rules and byelaws; (ii) To prepare loan applications of society; (iii) To send loan disbursement statement to Central Cooperative Bank; (iv) To contact members for a repayment loan; (v) To conduct study circles etc. and thus to educate members and non-members about the advantage of Cooperative movement should himself be well versed with all the technicalities involved in it. Since the Secretary of the societies is untrained in Cooperation - he cannot be expected to discharge all these duties most efficiently. It is, therefore, necessary that he is provided with some kind of Cooperative Training - on a full time or part time basis. Lastly, he should sit at the registered office of the society, for a fixed period during the week, so that members can meet him at a central place and take help in solving their problems.

Case Study (iii). SERVICE COOPERATIVE SOCIETY, KAMADPUR

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- 1.2 Literacy
- 1.3 Membership
- 1.4 Members' Participation
- 1.5 Economic Position of Society
- 1.6 Share Capital
- 1.7 Other Funds
- 1.8 Lending Operation of Society
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2. Characteristics of the Respondents.

- 2.1 Age
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- 2.8 Compulsory Deposits of Members
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3. Employees of the Society

4. Knowledge of Members

- 4.1 Ordinary Members
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Members of Managing Committee

5. Some Conclusions and Observations

- I. Members' Problems with the Society
- II. Members' Expectations from Society.
- III. Members' Proposed Programme for Increasing their Income.
- IV. Members' Knowledge
- V. Knowledge About Management
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THE SERVICE COOPERATIVE SOCIETY, KAMADPUR1. INTRODUCTION

The Cooperative Society in Kamadpur was primarily registered under Registration No.32 on 14th March 1953, as a primary agricultural credit society. The society was renamed as Rural credit society on 30th Nov. 1959, and its registration No. was also changed to 29. It was, however, reorganised as Service Cooperative Society Ltd., Kamadpur on 31st October 1966 and its area of operation was extended to Kamadpur Panchayat area. The eight villages covered under Kamadpur panchayat area viz. (i) Kamadpur, (ii) Chainpura, (iii) Matlabpura, (iv) Fafund, (v) Silotia, (vi) Karadia, (vii) Lalpura and (viii) Khudalpura are thus, the villages covered by the Service Cooperative Society Ltd., Kamadpur. These villages are located within the radius of 5 kilometers from the main village Kamadpur. The coverage of population by society in these villages is given in Table No. 1.

Table No.1. Basic Information About Society

Name of Village	Total	Popula- tion de- pendent on Agr.	P.C.of Col.3 to Col. 2	Total culti- vable	Land culti- -vated	P.C.of Col. 6 to Col. 5	Land irri- -gated	P.C.of Col. 8 to 6
1	2	3	4	5	6	7	8	9
Kamadpur	1401	486	34.69	2523	2118	83.94	107	5.50
Chainpura	254	132	51.97	1328	938	70.63	3	0.32
Matabpura	234	90	38.46	681	509	74.74	10	2.00
Fafund	674	208	30.86	656	587	89.48	11	1.87
Silotia	221	92	41.63	660	523	79.24	1	0.19
Karadia	204	81	39.70	536	465	86.75	2	0.43
Lalpura	-	-	-	318	250	78.60	-	-
Khudalpura	22	2	9.10	606	513	86.65	12	2.34
Total (Society)	3010	1091	36.24	7308	5903	80.77	146	2.50

The table No.1 reveals that out of the total population of the two villages covered under the society 36.24 per cent was dependent on agriculture. The total geographical area under the society is 7698 out of which 7308 acres is cultivable. About 80.77 per cent of the land cultivable has been brought under the plough. Thus there is still a scope for bringing 1405 acres of

land under cultivation. Percentage of land irrigated is also very insignificant (i.e. 2.5 per cent). There is thus need to advocate intensive as well as extension cultivation of land. In the area covered under the society irrigation is almost negligible in Chainpura, Silotia and Karadia villages. Main crops in the villages covered under the society include Wheat, Jowar, Gram, Toor Cotton, Maize and Alsi.

1.1 Cattle: There are 624 bullocks, and 945 milch cattle in the area of operation of the society. Out of total milch cattle 662 are cows and 283 are buffaloes. Dairying can be developed as subsidiary occupation especially in Kamadpur and Fafund villages, where the number of such cattle is comparatively more. Poultry farming can also be developed especially in Kamadpur and Silotia villages. Total number of poultry birds is 126.

1.2 Literacy: About 363 persons out of total population of 3101 are literate. The percentage of literacy to total population was thus 12.06. The percentage of literacy was highest in Fafund village. Number of illiterates was, however, highest in Silotia village. There is, however, scope for advocating adult literacy campaign in the area.

### 1.3 MEMBERSHIP

The total membership of the society was 139 in 1971-72. The number of rural households in the area of operation of the society is 453. Thus only 31 per cent of the rural households have been brought under the cooperative fold. Increase in membership of the society during last 3 years is as under :-

Table No.2 Membership (of Society)

Year 1	Membership 2	Percentage increase over 1969-70 3
1969-70	127	-
1970-71	134	5.5
1971-72	139	9.5

The table reveals that the increase in membership of the society during last two years was only 9.5 percent. There is need to bring additional rural families within cooperative fold especially from Chainpura, Matabpura, and Silotia. There are only 6 small cultivators having less than 5.5 acres of land,

who are members of the society. Majority of members of the society (96) are those who have comparatively larger land holdings i.e. above 7.5 acres of land. Though the need for meeting the credit requirements of small farmers and ready section of population have been emphasised time and again, no efforts seem to have been made to persuade small farmers to enrol themselves as members of the society. Enrolment of small and marginal farmers in the society should be the first step towards making efforts to uplift them economically.

#### 1.4 MEMBERS PARTICIPATION.

About 35 per cent of the total membership participated in the annual general meeting of the society. Managing Committee of the society consists of 8 elected members and one Supervisor of Branch of IPC Bank as nominee in the committee. The committee held 14 and 9 meetings respectively in 1970-71 and 1971-72. Average attendance per meeting was 7.7 and 6.4 respectively in 1970-71 and 1971-72. Members participation in annual general meetings which is only 33 per cent of total membership needs to be examined and efforts need to be made, to encourage members to actively participate in the democratic management of the society through such meetings.

#### 1.5 ECONOMIC POSITION OF SOCIETY.

The society does not have its own fertilizer centre. Hence distribution of fertilizer is managed by society through giving permits to members in name of the marketing society of the area. Supply of seeds is also similarly undertaken. Linking of credit with marketing was also done by society for value of Rs.4743, of the produce belonging to 11 members in 1971-72.

The society plans to have its own office-cum-godown in from 1972-73. The society was working at loss in 1970-71 but it earned a profit of Rs.6350 during 1971-72.

SHARE CAPITAL, COMPULSORY DEPOSITS AND OTHER FUNDS

The share capital and deposit position of the society during last three years is given in Table No.3

Table No.3

Particulars	1969-70	1970-71	1971-72
1. Share capital			
(a) Members	33,288	42,564	45,750
(b) Govern,ent	5,000	10,000	10,000
2. Deposits (compulsory and other deposits)	9,725	11,240	15,962

The above table reveals that the share capital of the society from members rose from 33,288 in 1969-70 to 45,750 in 1971-72. The contribution of Government towards the share capital also doubled during the same period. The compulsory and other deposits of members in the society rose from Rs.9,725 to Rs.15,962 i.e. Rs.115/- per member on an average.

1.7 Other Funds: Other funds maintained by the society included Reserve Fund, General Reserve Fund, Common Good Fund, Credit Stabilisation Fund, Dividend Equalisation Fund, Bonus Fund, Building Fund etc. The strength of these funds during last 3 years is given in Table No.4.

Table No. 4

Particulars	1969-70 Rs.	1970-71 Rs.	1971-72 Rs.
1. Reserve Fund	4,026	4,026	4,026
2. General Reserve Fund	8,305	8,305	8,305
3. Common Good fund	991	991	961
4. Credit Stabilization fund	891	891	891
5. Dividend Equalisation fund	1,081	106	106
6. Bonus fund	694	694	694
7. Building fund	-	-	2,022
	15,788	1,503	17,005

The above table reveals that there was not much change in the position of the funds maintained by society during last 3 years. Since the society did not have its own building for office purpose, a sum of Rs.2,022 has been placed in building fund. Recently, a building has been purchased in Kandpur for office purpose out of this fund.

1.8 LENDING OPERATION OF SOCIETY

The borrowings of the society from IPC Bank and its advances to primary members is given in table No.5

Table No.5 Borrowings and Advances of society

Year	Borrowings from		Loans to Members		Demand for the year		Overdues		Percentage of overdues to demand	
	Short Term (outstanding)	Medium Term (outstanding)	S.T. (Outstanding)	M.T. (Outstanding)	S.T.	M.T.	S.T.	M.T.	S.T.	M.T.
1	2	3	4	5	6	7	8	9	10	11
1970-71	160735	123071	186192	123071	230995	36549	168247	13130	72.8	35.9
1971-72	129457	99876	146561	121382	211995	12996	86784	11296	40.9	86.9

The table reveals that the short-term and medium-term loans outstanding decreased during 1971-72 as compared to 1970-71. During 1971-72, 95 persons were advanced short-term credit. No member was, however, advanced medium term credit during the year. Percentage of overdues to demand for 1970-71, was as high as 72.8% the same reduced to 40.9 in 1971-72. In case of medium-term credit percentage of overdues to demand was 35.9 and 86.9 respectively in 1970-71 and 1971-72. During 1971-72, 52 members and 18 members defaulted in repayment of their short-term and medium-term credit respectively.

Besides providing short term and medium term credit to members for agricultural purposes, the society also distributed fertilizers worth Rs.4,533 during 1971-72. The linking of credit with marketing was also done by the society, to the tune of Rs.4,943/- only.

The society has proposed to construct a godown for providing storage facilities to its members. In addition, the society also proposes to distribute improved variety of seeds and chemical fertilizers amongst its members.

### 1.9 MAIN PROBLEMS OF SOCIETY

The main problems of the society as indicated by the members are as follows :-

- (1) The society does not have its own office.
- (2) The society does not provide any storage facility (godown) to its members.
- (3) The linking of credit with marketing is not very effectively enforced. Hence, the members do not get reasonable price for their produce. In addition, the overdues of the society were rising as 69 p.c. of borrowing members were overdue during 1970-71. Efforts should be made to make the procedure of recovery of such loans more effective and practical. Recovery may be effected in instalments instead of being in lump sum.
- (4) The working of the society is influenced by vested interests of traders in the village.
- (5) Seeds and fertilizers are not made available to members in time.
- (6) The society has only one employee to look after its working. An assistant should be provided.
- (7) The members of society are indifferent in attending every Annual General Meeting of society. The average percentage of membership attending the same was 39 in 1971-72 i.e. 28.1 per cent.

### 1.10 OPINIONS OF MEMBERS OF MANAGING COMMITTEE

In the opinion of the members of Managing Committee of the society

its working could be accelerated if the following suggestions were adopted by the society :-

- (1) Enrolment of new members in the society and thus increase in the share capital.
- (2) By making efforts to increase the owned funds of the society so that it might not have to borrow from the bank.
- (3) By starting its own consumer store.
- (4) By purchasing electric pump, tractors on behalf of the society.

In order to assess the cooperative education requirements of ordinary members and members of Managing Committee a 20 per cent random sample was drawn from total membership of 139. 25 persons were thus selected for interview. Nine elected members of Managing Committee were also interviewed in capacity of members of the society. The respondents belonged to various castes, viz. Rajputs, Khati, Bhil, Kachi, Ahir and Harijans. Khati seemed to be the most prominent caste. Majority of members of the Managing Committee were however, Rajputs.

## 2.0 CHARACTERISTICS OF THE RESPONDENTS

2.1 AGE: The age groups to which the ordinary members and members of Managing Committee interviewed belonged are given in Table No.6

Table No. 6

	<u>Managing Committee Members</u>		<u>Ordinary members</u>	
	Number	Decile	Number	Decile
Below 20	0	0	0	0
21 - 30	0	0	2	0.8
31 - 40	2	2.22	11	4.4
41 - 50	4	4.45	6	2.4
51 and above	3	3.33	6	2.4
	n = 9	10.00	n = 25	10.0

The age of members of Managing Committee ranged between 33 years and 72 years. The ages of ordinary members, on the other hand ranged between 25 years and 85 years. Majority of members of Managing Committee were in the age group of 45-55 years. The mean age was worked out at 49 in case of members of Managing Committee and 47 in case of ordinary members.

## 2.2 EDUCATION:

Information about the educational standard of the ordinary members and members of managing committee is given in Table No 7

Years of Education	<u>Managing Committee members</u>		<u>Ordinary members</u>	
	No.	Decile	No.	Decile
Below 1	2	2.22	14	5.6
1 - 3	3	3.33	9	3.6
4 - 7	3	3.33	2	0.8
8 - 10	1	1.12	0	0
	n = 9	10.00	n = 25	10.0

The responses revealed that 2 members of Managing Committee and 9 ordinary members were illiterate. In addition to 9 illiterate ordinary members, 5 ordinary members were such who could only sign their names. In other words, 56 p.c. of the ordinary members were either illiterate or could only sign their names. The standard of education ranged between illiteracy and 10 years of education in case of members of Managing Committee. The mean of education was worked out at 4 years and 1 year of education respectively in case of members of Managing Committee and ordinary members. In other words, the standard of education was higher in case of members of Managing Committee when compared with that of ordinary members responding. However, both the groups did not seem to have functional level of literacy.

## 2.3 SIZE OF FAMILY:

Majority of the respondents had 6 to 10 members in their families. The mean number of members of families was worked out at 13 in case of committee members and 11 in case of ordinary members responding. The size of the members' families seems to be bigger than the average sized families in area constituting of 6 to 7 members.

## 2.4 OCCUPATION AND LAND HOLDINGS

The main occupation of all the respondents was agriculture. Two of two members of Managing Committee were in paid service. Hence the salary



of sons was<sup>a</sup> supplementary source of income to them. Income from service, labour and small business shops was a supplementary source of income for 5 out of 25 ordinary members responding.

The land holdings of the respondents, as per records of the society are given in Table No. 8

Table No. 8

Acreage	M.C. Member		Ordinary members	
	No.	Decile	No.	Decile
0 - 1	0	0	0	0
1 - 10	0	0	3	1.20
11 - 20	2	2.22	10	4.00
21 - 30	2	2.23	6	2.40
31 - 40	3	3.33	4	1.60
41 - 50	1	1.11	1	0.40
51 and above	1	1.11	1	0.40
	n = 9	10.00	n = 25	10.00

The land holdings of ordinary members ranged between 5 acres and 68 acres. Majority of respondents had holdings of land ranging between 11 and 30 acres. As regards members of managing committee, their holdings ranged between 16 acres and 73 acres. The mean size of land-holdings was worked out at 33.4 acres in case of members of Managing Committee and 21.3 acres in case of Ordinary members. In terms of land held, the members of Managing Committee were comparatively better off.

For milk, the respondents preferred to have cows rather than buffaloes. The maximum number of buffaloes and cows owned by the respondents was 5 and 9 respectively. As regards bullocks, the members of Managing Committee owned bullocks numbering between 2 to 8. Out of 25 ordinary members, 4 had no bullocks, the rest having bullocks numbering between 1 and 6.

#### 2.5 Irrigation facilities:

The sources of irrigation for respondents were either own wells or joint-wells or tanks and canals. All members of Managing Committee except one had irrigation facilities in the form of wells or joint-wells. As regards ordinary members, 10 out of 25 had no irrigation facilities. On an average, 4 acres and 1.3 acres of land was irrigated by managing committee members and ordinary members respectively. The Managing Committee members and ordinary members were irrigating, on an average, 12 p.c. and 5 per cent of their total land.

## 2.6 DURATION OF MEMBERSHIP

The duration of membership of the respondents in the Cooperative Society ranged between 5 and 13 years. 50 percent of the members of Managing Committee and 33 percent of ordinary members responding were however, the members of the society since its registration as Primary Agricultural Credit Society in 1953. These primary members were transferred to the membership of reorganised Rural Credit Society in 1959 and then to the Service Cooperative Society in 1966. The mean duration of membership was worked out at 11 and 10 in case of members of Managing Committee and the ordinary members respectively.

## 2.7 SHARE CAPITAL OF MEMBERS

The share capital of the respondents in the society during 1971-72 is given in Table No. 9.

Table No. 9.

Share Capital in Rs.	<u>M. C. Members</u>		<u>Ordinary Members</u>	
	No.	Decile	No.	Decile
Less than 100	0	0	6	2.40
101 - 200	0	0	10	4.00
201 - 300	4	4.40	2	1.20
301 - 400	1	1.11	4	1.60
401 - 500	1	1.11	0	0
501 - 600	1	1.11	0	0
601 - 700	1	1.11	0	0
701 and above	1	1.11	2	0.80
	n = 9	10.00	n = 25	10.00

The share capital of members of Managing Committee ranged between Rs.210 and Rs.920. The share capital of ordinary members ranged between Rs.10 and Rs.1200. The mean share capital of the members of Managing Committee was worked out at Rs.434.4 and for ordinary members at Rs.244. The financial stake of member of Managing Committee was thus, higher than that of ordinary members.

2.8 COMPULSORY DEPOSITS OF MEMBERS

The compulsory deposits of the responding members in the society is given in Table No. 10.

Table No. 10.

Deposits in Rs.	<u>M.C. Members</u>		<u>Ordinary Members</u>	
	No.	Decile	No.	Decile
Less than 50	1	1.11	11	4.40
51 - 100	1	1.11	7	2.80
101 - 150	3	3.33	3	1.20
151 - 200	1	1.11	2	0.80
201 - 250	1	1.11	1	0.40
251 and above	2	2.23	1	0.40
	n = 9	10.00	n = 25	10.00

The compulsory deposits of members of Managing Committee ranged between Rs.85 and Rs.354. Fifty percent of the members of Managing Committee had compulsory deposits above Rs.150. As regards ordinary members, 7 out of 25 had no such deposits in the society. The rest had compulsory deposits ranging between Rs.20 and Rs.366. Eighty-four per cent of the ordinary members had less than Rs.150 each as compulsory deposits. The mean of the compulsory deposits was worked out at Rs.165 for members of Managing Committee and Rs.80 for ordinary members.

2.9 LOANS TO MEMBERS

The amount of credit obtained by the respondents from the society is given in Table No. 11.

Table No. 11.

Amount of Loans in Rs.	<u>Managing Committee members</u>				<u>Ordinary members</u>			
	<u>1970-71</u>		<u>1971-72</u>		<u>1970-71</u>		<u>1971-72</u>	
	No.	Decile	No.	Decile	No.	Decile	No.	Decile
Below - 500	2	2.22	1	1.12	5	2.00	1	0.40
501 -1000	1	1.12	0	0	3	1.20	4	1.60
1001 -1500	0	0	2	2.22	2	0.80	1	0.40
1501 -2000	0	0	3	3.33	2	0.80	1	0.40
2001 and above	3	3.33	3	3.33	3	1.20	1	0.40
No borrowing	3	3.33	0	0	10	4.00	3	1.20
Overdue	0	0	0	0	-	-	14	5.60
	n= 9	10.00	n= 9	10.00	n= 25	10.00	n=25	10.00

The credit obtained by respondents was for short term and medium term purposes. During 1970-71, 3 members of Managing Committee and 2 ordinary members (Responding) had obtained credit for short term as well as medium term purposes. The rest had obtained credit only for short-term purpose. During 1971-72 all the respondents had received credit only for short term purposes. During 1970-71, 6 members of Managing Committee and 15 ordinary members (Responding) had obtained credit. For 1971-72 the mean of credit obtained by borrowing members was worked out at Rs.1880 and Rs.412 for members of Managing Committee and the ordinary members. Thus the average amount obtained was higher in case of members of Managing Committee when compared with ordinary members in both the years under study. Since 60 percent of the ordinary members (Responding) were found overdue to the society during 1970-71 they had not obtained credit from society in the financial year 1971-72.

#### 2.10 GROSS RETURN (PER ACRE)

It was difficult to assess the annual income of the respondents from agricultural and other sources. The respondents themselves claimed that they had no idea about the income from agriculture because they had undertaken it as a way of life rather than as a business. A rough estimate of gross returns from the primary crops grown by respondents was, however, worked out on the basis of the information collected from them. The estimate is given in table No. 10.

Table No. 10. Average Gross Return per acre.

Name of Crop	No. of Respondents	Average produce	Gross Return Rs.
Wheat irrigated	17	6.62 quintals	475
Wheat unirrigated	25	1.44 "	121
Alsi	21	1.28 "	151
Gram	25	1.56 "	121
Pulses	13	2.64	177
Cotton	10	1.43	200

During 1971-72 all the members of Managing Committee and 9 ordinary members (responding) had obtained credit

2.11 SOCIO-ECONOMIC STATUS OF RESPONDENTS

The socio-economic status of the respondents was measured with the help of a special scales devised for the purpose. The categories assigned to members of Managing Committee and ordinary members (Responding) as per their scores is given in Table No. 13.

Table No. 13.

Symbol	Category	Scores on the scale	M.C.M.		O.M.	
			No.	Decile	No.	Decile
A	Upper Class	48 and above	2	2.2	0	0
B	Upper Middle Class	38 - 47	3	3.3	3	1.2
C	Middle Class	29 - 37	3	3.3	12	4.8
D	Lower middle class	18 - 28	1	1.2	10	4.0
E	Lower class	below 18	0	0	0	0

The above table reveals that majority of members of Managing Committee belonged to A or B categories. As regards ordinary members 40 percent were in lower middle class, and another 48 percent in middle class. The mean score of members of Managing Committee was worked out at 39.5 or 40. In other words, on an average the members of Managing Committee belonged to Upper Middle class or category -B. The mean score of ordinary members was worked out at 30.4. In other words on an average the ordinary members belonged to middle class or 'C' category. Thus the socio-economic status of an average member of Managing Committee was higher than that of an average ordinary member of the society.

It is interesting to note that none of the respondents belonged to Lower Class i.e. Category-E and none of the ordinary members belonged to Upper Class Category-A.

The categorisation provides an insight into socio-economic status of respondents. The Service Cooperative Society, Kamadpur, which aims at economic upliftment of its constituents, cannot be expected to achieve

The scale used by the researchers was the adapted form of the Socio-Economic scale (Rural) produced by Dr Ugai Pareek.

the objective unless it is acquainted with the actual economic position of the members. A programme of cooperative education of members whatsoever its form, has not to be merely content with the teaching of principles of cooperation or byelaws of the society, or its working machinery. It has to create the necessary urge among the members to know how the society will benefit them and their village. In addition the members have to be taught the proper method in which to make use of the resources available for upliftment of their socio-economic status.

### 3. EMPLOYEES OF THE SOCIETY:

There is only one employee, i.e. the Samiti Sewak in the society. He is educated upto middle and has not undergone any cooperative training. He is working in the society since last eight years on a permanent basis at Rs.175/- per month as his total emoluments. He seemed to be satisfied with his job and the working conditions. He did not show much interest in undergoing any practical specialised cooperative training but if at all he is to take a training he would prefer to undertake training through correspondence course.

3.1 The 'Samiti Sewak' is the only full-time employee of the society. He is expected to maintain accounts and to provide facilities for deposits and disbursement etc. He is untrained in field of Cooperation and its content connected with present job. Also his knowledge about the cooperative organisation's achievements, and the problems of his society are very limited. He does not seem to have favourable attitude toward any training. But such training is necessary for him because it will be an instrument by which he will be in a position to discharge his responsibilities effectively.

### 4. KNOWLEDGE OF MEMBERS:

In order to decide broadly the areas for education of ordinary members, members of Managing Committee and employees of the society, a few basic questions were asked to each category of respondents. The standard of their general knowledge was thus, judged to some extent from the replies made.

4.1 ORDINARY MEMBERS

- (1) Sixty-eight percent of the ordinary members and 22 percent of the members of Managing Committee could not give the correct name of the society; 'Bank' Society was the most common name used by them.
- (2) The exact year of establishment of the society was not known to most of the respondents. Sixtyeight percent of the ordinary members could however, state that the society had been working since last 20 years or so. The members of Managing Committee could give an approximately correct span of life of the society. The concept of reorganisation of society in 1959 and again in 1966 was not clear to the respondents.
- (3) Main purpose for establishment of society, as per responses of members of Managing Committee and the ordinary members were credit seeds and fertilizers and the overall agricultural development. The reasons for becoming members were also similar, viz. for getting seeds, fertilizers etc. Some of the respondents, however, stated that they had become members of society in order to get credit at a low rate of interest and thus to save themselves from exploitation by the money-lenders.
- (4) As regards members' knowledge about their own capital in the society 40 percent of ordinary members and 11 percent of members of Managing Committee did not even have a rough idea about it. Rest of the respondents were in a position to give a rough idea of their share money with the society.
- (5) As regards the names of members of Managing Committee 60 percent of the ordinary members responding could only name less than 4 members. The members of Managing Committee were, however, in a position to give 6 or more names of their co-members (in the committee).
- (6) The Annual General Meeting of the society was attended by 60 percent of the ordinary members responding. All the members of managing committee, except one, had also attended annual general meeting. Rest of the respondents stated that

they had never attended any meeting held by the society. The topics discussed at such meetings, as expressed by the members attending them included:

- (a) Whole year's account of work;
- (b) Discussions on the budget of last year and the sanction of the budget for current year;
- (c) Election of members of Managing Committee
- (d) Discussion on balance-sheet and business transactions of society;
- (e) Income - expenditure and profit and loss position of the society;
- (f) Discussion on construction of godown and office building for society;
- (g) Other topics relating to agriculture, seed, fertilizers, etc.

(7) Bye-laws: Only 36 p.c. of the ordinary members had idea about the prevalence of byelaws of the society, out of which only two respondents had claimed to have read the same. Four members or 44 p.c. of the total members of Managing Committee, who were newly elected in the committee had no idea about the byelaws of the society. The remaining members of Managing Committee knew that the society worked as per its byelaws. But not a single member of Managing Committee including its Chairman, was able to narrate any simple byelaw of the society. One ordinary member of the society who had read the bye-laws, could narrate one, viz. members of Managing Committee are elected by the General body for a period of three years.

(8) Though the respondents had no knowledge about the basic principles of cooperation as such, they appeared to vaguely understand some of these when specifically asked whether such and such principles had been adopted by their society in practice.

(9) While 52 per cent of the ordinary members responding and all the members of Managing Committee knew that educational camp was held in the village, only 36 per cent of ordinary members had attended the same. Out of members of Managing Committee only 78 per cent of them had attended the educational camp. The benefits derived from the educational camp, as expressed by respondents included (a) take interest in persuading the members to repay their loans to society in time; (b) brought the society into profits; (c) were enlightened about the various activities



being undertaken by the society; (d) knowledge about the society increased i.e. about its business transactions and overdue position; (e) were informed about better seeds and fertilizers (f) cultivators problems were discussed.

#### 4.2 AREAS OF INTEREST

When asked whether the members would like to attend any proposed cooperative education programme, the respondents (leaving aside two) replied that they would like to attend the same.

Though a check list of subjects was placed before them, the respondents seemed to be interested only in topics relating to agriculture and its development. Some of the respondents were, however, indifferent about the subject of interest. They stated that they would like to listen to any topics that were discussed during such educational programme.

#### MEMBERS OF MANAGING COMMITTEE:

- (1) All the members of Managing Committee knew the full name of the society and the names of the villages covered under its area of operation. It may be mentioned that data from the respondents was collected after some educational activity was undertaken by the project staff.
- (2) Year of Audit was known to only one member of Managing Committee. The audit class was not known to members of Managing Committee including the office-bearers of the society.
- (3) The main objects of the society as per its byelaws, as narrated by members of Managing Committee included (a) supply of credit for agriculture, (b) supply of seeds and fertilizers, (c) sale of consumer goods to residents of village, (d) member education. 4 members of Managing Committee who had only very recently been elected in the committee, did not know the main objects of society as per its byelaws.
- (4) Only 22 p.c. (2) members of Managing Committee knew that the supreme power of the society should be vested in the general body of members. Rest of them stated that the same should be vested in the President of the society.

- (5) Only 66 p.c. (6) members of Managing Committee were of the view that the power of grant and recovery of credit vested with the Managing Committee and the President of the society. Two members of Managing Committee were of the view that the responsibility vested with Samiti Sewak or Cooperative Department of the Society. Some of these respondents stated that this responsibility was shared by President, Managing Committee and the samiti sewak.
- (6) About 50 p.c. of total members of Managing Committee stated that the economic liability of ordinary members was 10 times the members share capital in the society. The rest stated that it was equal to their share capital in the society.
- (7) The primary rights and duties of members of Managing Committee as expressed by the latter included; (a) Admission of new members; (b) Solution of problems of members; (c) Calling of general and other meetings; (d) Grant of credit to members and its timely recovery; (e) Proper management of society as per its byelaws; (f) Proper use of capital of society; (g) Construction of godown by getting grant from Government.
- (8) All the members of Managing Committee, except one, stated that the power to change the Managing Committee in the event of its not working proper vested with general body of members. One respondent was however, of the view that such power vested with Central Coop. Bank to which the society was affiliated.
- (9) When asked about the rules for calling and conducting the meetings of Managing Committee, the responses given were: (a) To circulate the agenda among members after fixing the date of such meeting (b) To carry on the meeting if quorum of 5 is complete; (c) To discuss the items placed in agenda; (d) To decide about filing suit against overdue members.
- (10) 66 per cent (6) of members of Managing Committee had no idea about various funds being maintained by the society. They also did not know whether the society was working on profit or loss. The Chairman of the society knew about maintenance of various funds but he had no idea about strength of each of them.

Two members of Managing Committee, including Chairman, knew that the society had earned a profit of Rs.6,000 during last financial year.

- (11) Two members of Managing Committee were able to give the approximate amount of credit borrowed by the society from the bank and the amount lent by society to its members. The rest of the respondents had no idea about it.
- (12) All the members of Managing Committee including the Chairman of the society had no idea about the percentage of profit going to various funds being maintained by it.
- (13) When asked whether the members would like to be office-bearer of society during next election, 75 percent or (7) members said that they would like to be President or Vice-President during next election. The rest (2) stated that they preferred to stay as members of Managing Committee because they had not much time and besides, they were not educated.

#### 5. SOME CONCLUSIONS AND OBSERVATIONS

The Service Cooperative Society Kamadpur covers eight surrounding villages. The society had 139 members during 1971-72 and thus covered only 36.1 per cent of farm households. The main membership of society came from medium sized farmers having middle or lower middle class socio-economic status. The small or marginal farmers having lower class status are not adequately covered by the society. The main business had been to provide credit facilities to members.

The Managing Committee members were elderly, all of them literate with the exception of two. The mean duration of their education was 4 years. They were having more agricultural land and better socio-economic status than ordinary members. The former also had better irrigation facilities than the latter.

Most of the members were illiterate and the average duration of the education worked out to be one year, which is much below the functional level of literacy. It may thus be seen that there is wide gap between members and their leaders.

#### I. Members' Problems with the Society:

The main problems with the society as indicated by the respondents were as under :-

- (a) The credit is not made available in time. In order to get the sanctioned amount the members are required to go to Manpur (which is at a distance of 5 Km. ) over and over again.
- (b) Seeds and fertilizers are not made available to members in the village itself.

- (c) The recovery of credit should be effected in instalments instead of being made in lump sum.
- (d) The overdue loans of members to the society are rising. Efforts should be made to make the procedure of recovery of such loans more effective and practical.

## II. Members' Expectations from Society:

The expectations of members from the society, as indicated by the latter were as under :-

- (a) The society should have a building of its own, to hold a regular office. The office of the society should be kept open to members from 11 a.m. to 5 p.m.
- (b) The society should have its own godowns.
- (c) The society should run a consumer store for not only providing necessities of daily life such as sugar, but also for supply of seeds, fertilizers, insecticides etc.
- (d) Society should start a seed store. Seeds and fertilizers should be made available to members in time and in the village itself. (At present, the members are required to go to nearby village, Hasalpur, for seeds and fertilizers.)
- (e) The society should keep stock of spraying machine, winnowing machine and other agricultural implements for being hired or sold to members.
- (f) The society should provide enough credit to members for hand pumps and digging of wells.
- (g) Members should be taught improved methods of cultivation.
- (h) Arrangements should be made for education of members on a regular and continuous basis.

The members, thus, feel that the society should play a bigger role than higher to, and meet their expectations (discussed above).

III. Members' Proposed Programme for Increasing Their Income:

- (A) Improvement in production by (i) Changing crops, viz.
- (a) Cultivation of 'Kalyan sona' variety of wheat.
  - (b) Extensive cultivation of sugarcane, cotton,
  - (c) Increased cultivation of 'alsi', 'chillies', 'gram (Kabuli)', 'garlic' and 'toor'.
- (ii) Increased use of chemical fertilizers etc. viz.
- (a) Larger dozes of fertilizers in Wheat cultivation.
  - (b) Use of super phosphate.
- (B) Increased irrigation by :-
- (a) Construction of new well;
  - (b) Deepening of old wells;
  - (c) With the help of well recently constructed.

The members thus acknowledge that there are possibilities for further production increases. The way has to be shown to them. Guidance on this point is a continuing challenge to the educational role of cooperative workers at grass root level.

IV. Members' Knowledge:

The members of society remained uninitiated as they have continued to be the passive members of society. The individual members are even unable to remember the full name of their society, its objects, its byelaws, its role, its achievements, its various functions, the problems of members and the society and finally the role of members in the society. It is due to lack of sufficient interest amongst the members in the working of the society that their involvement and participation in the affairs of the society has been negative. Efforts have to be made to arouse the interests of the members in the activities of the society and to encourage them to participate in it - as its constituents and not as outsiders who only come to the society because credit at a cheaper rate is made available to them.

V. Knowledge about management:

The members of Managing Committee are the elected representatives of total membership of the society and they are supposed to assess the needs and difficulties of general body of members and to solve them by adopting suitable measures. It is logical that as leaders of total members, the members of Managing Committee are well informed of the aims, functions and powers of the society, their own role in the day to day administration of the society and their role in maintaining the efficiency in the working of the society. The honorary office-bearers of the society viz. President, Vice-President and Treasurer of the society have also to be educated in the principles, policy and practices of cooperatives.

VI. Training of Samiti Sewak:

The samiti sewak is the paid employee of the society who is expected to maintain accounts and to provide facilities for deposits and disbursements etc. Unless the employee is well trained and well informed, it will be difficult for him to discharge his responsibilities efficiently. Besides, unless he is well informed it will not be possible for him to clear the doubts of the primary members in relation to affairs of the society. It is only a well trained employee who can actually help in giving practical education and enlightenment to the primary members because he remains in constant touch with them.

Case Study (iv) SERVICE COOPERATIVE SOCIETY, MANPUR

1. Introduction

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SERVICE COOPERATIVE SOCIETY LTD., MANPUR1. Introduction

The Service Cooperative Society Manpur was primarily registered as a Rural Cooperative Credit Society on 25th November 1959, with a membership of 11 and a share capital of Rs.55. The society was reorganised on the initiative of Cooperative Department of the State during 1966-67. The reorganised Service Cooperative Society had its area of operation extended to 11 villages of the Manpur Panchayat area. The office of society is located in Manpur village at a distance of 43 k.m. from Indore, on Bombay-Agra Road.

The main objective of the society was to support the economic interests of members and to encourage them to increase their agricultural production. The eleven villages covered by the society are located within a radius of 10 k.m. from the main village, Manpur. The villagewise membership of the society during 1971-72 is given in Table No.1

Table No.1. Basic Information about Society

Name of village	Population (1971)			Land (in acres)			Irrigation	
	Total	Popula- -tion depen- dent on Agr.	P.C.of Col.3 to Col. 2	Total culti vable	Land Culti vated	P.C.of Col.6 to Col. 5	Land Irri- gated	P.C.of Col.8 to Col.6
1	2	3	4	5	6	7	8	9
Manpur	3097	192	6.2	1149	1014	88.25	39	3.84
Kankaria	711	293	41.0	1139	995	87.35	82	8.24
Undwa	168	49	23.2	552	510	92.41	33	6.24
Rampuriya								
Khurd	235	77	32.0	479	437	91.23	12	2.97
Avalipura	107	67	62.6	483	458	94.82	2	0.43
Phut Talav	186	65	30.0	185	169	91.35	9	5.32
Gadaghat	35	10	25.5	47	42	93.60	0	0
Kalikirai	209	74	35.4	609	252	41.38	18	7.14
Kolani	244	79	32.4	616	537	87.17	18	3.33
Olani	266	100	37.6	242	226	93.00	3	1.32
Total Society	5392	1063	19.71	6715	4934	73.40	217	4.58

The table reveals that out of the total population in the area of operation of the society only 19.71 per cent was dependent on agriculture.

Percentage of population dependent on agriculture was highest in Rampuriya Buzurg village and lowest in Manpur village where only 6.2 percent of population was dependent on agriculture. The total geographical area under the society is 11656 acres out of which 6715 is cultivable. About 73.4 per cent of the total cultivable land has been brought under the plough. Percentage of land irrigated is only 4.58. There is thus scope for developing extensive as well as intensive cultivation in the area of operation of the society. There is practically no irrigation in Gadaghat, Avalipura, and Rampuriya Buzurg villages of the society. Percentage of irrigation is above the average for society in Kankariya, Kalikirai and Undwa villages. Main crops grown in the area of operation of the society include Jowar, Wheat, Groundnut, Alsi, Cotton, Mazie, Gram, Toor and Vegetables. Crops are marketed through Malav Cooperative Marketing Society, Mhow.

#### 1.1. Main Crops

The main crops in the area of operation of society include Jowar, Cotton, Groundnut, Gram and Wheat. The arrangements for sale of crops is made through Malav Cooperative Marketing Society, Mhow.

1.2 Cattle: There are 603 bullocks and 780 milch cattle in the area of operation of the society. The residents of the area prefer to keep cows as milch cattle (669 cows) rather than buffaloes (111). Number of total milch cattle is highest in Manpur village. Hence dairying can be developed in Manpur village. There are 1041 Poultry birds in the area of operation of society. Production and sale of eggs can be adopted as a business in the area. The potentiality for poultry farming seems most prominent in Kalikirai, Phuttalav, Kankariya and Rampuriya Buzurg villages.

1.3 Literacy: About 899 persons out of the total population of 5392 were literate. Percentage of literate population to total population was thus 25. Percentage of literacy is highest in Manpur village (40.6%). In the remaining villages the percentage of literacy is below 9. Percentage of literacy was very low in Rampuriya Buzurg and Phuttalab villages. There is thus scope for initiating adult literacy campaign in 10 out of 11 villages covered under the society.

#### 1.4 Membership

The membership of the society in 1971-72 was 212. The number of rural households in the area of operation of the society is 899. Thus only 23.7 per cent of the rural households have been brought within the cooperative fold. Increase in membership of the society during last 3 years has been given in Table No.2.

<u>Year</u>	<u>Membership</u>	<u>Percentage Increase over 1969-70</u>
1969-70	192	-
1970-71	194	1.4
1971-72	212	15.6

The table reveals that the increase in membership of the society during last two years was only 15.6 percent. More rural families can be brought within the cooperative fold especially from Manpur, Kankariya, villages. There are only 6 small farmers with less than 3.5 acres of land who are the member of society. 37 members have land between 3.6 acres and 7.5 acres. Majority of members 169 thus have comparatively larger land holdings (above 7.5 acres). The rise in the membership of the society has also been in middle-sized and large-sized landholders, to the utter neglect of small farmers, whose credit needs are most urgent. Efforts do not seem to have made to enrol more of such farmers.

#### 1.5 Member Participation

The society holds general body meeting every year. Member participation in the Annual General Meeting of the society for 1971-72 was 40 percent of total memberships. The managing committee of the society meets almost every month. Out of the 8 members in the committee, 6 members participated in the committee meetings on an average in 1971-72.

### 1.6 Economic Position

The society was running at loss in 1970-71 and 1971-72. The loss was of the order of Rs.8638 and Rs.5977 in 1970-71 and 1971-72 respectively.

### 1.7 Share Capital

The share capital position of the society during last 3 years was as under :-

<u>Year</u>	<u>Members</u>	<u>Govt.</u>	<u>Total</u>	<u>Percentage of Col.3 to Col.4</u>
1969-70	43600	10000	53600	18.63
1970-71	52895	10000	62895	15.90
1971-72	56965	10000	66965	14.90

The table reveals that the share capital of the society has been increasing during last 3 years. The increase is exclusively due to members contribution in it, government share remaining the same. Thus percentage of Government share in the total share capital of the society has shown a declining trend. Though the compulsory deposits of the society amounted to Rs.17,200 in 1971-72 as against 11,875 in 1970-71.

### 1.8\* Other Funds

Other funds being maintained by the society included Reserve Fund, Building fund, Common good fund, General Reserves, Credit Stabilisation fund and Dividend Equalisation fund. The strength of these funds during last 3 years is given in Table No.4

<u>Fund</u>	<u>1969-70</u>	<u>1970-71</u>	<u>1971-72</u>
1. Reserve Fund	791	5,491	5,525
2. General Reserve fund	-	593	593
3. Common Good fund	-	1,405	1,405
4. Credit Stabilisation fund	-	1,265	1,265
5. Building fund	6,671	6,671	6,671
6. Depreciation fund	-	28	28
7. Dividend equalisation fund	-	2,180	5,388
8. Bad debt fund	-	1,265	1,265
9. Other funds (Bonus)	-	1,265	951
<u>Total</u>	<u>7,462</u>	<u>20,162</u>	<u>25,091</u>

The table No.4 reveals that the position of various funds being maintained by the society has not much changed, except for a slight rise in Reserve Fund and Dividend Equalisation fund. The audit class of the society has also gone down from B to C in 1970-71, due to low percentage of recovery of credit from members.

#### 1.9 Lending Operations of Society

The credit obtained by society from IPC Bank and loans outstanding against to members during last 2 years is given in table No.5

Table No.5 Borrowings and Overdues

Year	Borrowing from IPC Bank		Loans to Members		Demand for the year		Overdues		Percentage of overdues to demand	
	Short Term (Outstanding)	Medium Term (Outstanding)	Short Term (O/S)	Medium Term (O/S)	Short Term	Medium Term	Short Term	Medium Term	Short Term	Medium Term
1	2	3	4	5	6	7	8	9	10	11
1970-71	179045	89128	207822	98972	219585	25686	184578	12190	74.00	47.46
1971-72	184981	96885	197663	105568	274738	49977	143351	21376	52.20	42.75

The table reveals that while society's borrowings from bank slightly increased, in short-term as well as medium-term credit the loans outstanding against members of society decreased in case of short-term credit and increased in case of medium-term credit. Major part of the credit business of the society is from borrowed funds. Percentage of overdues to demand was 52.20 and 42.75 for short-term and medium-term credit respectively, in 1971-72. In 1971-72, 93 members were overdue to society for short-term credit and 22 members were overdue to society for medium-term credit. Overdue position of the society is thus far from satisfactory.

Apart from providing short and medium term credit to members for seasonal agricultural operations and improvement of land, the society also undertook the work of :

- (a) Sale of cattle feed ( 'Sagardan' ) to members of milk society for Rs. 694/- in 1971-72.
- (b) Linking of credit with marketing to the tune of Rs.4,056/- in 1971-72.
- (c) Sale of fertilizers by the society's fertilizer centre, to the tune of Rs.1,906/- upto June 1972.
- (c) The society owns spraying machine, groundnut seed extraction machine, etc. for being given on hire to members.

1.10 Current Plans of Society

- (a) The society has started its own fertiliser centre in 1971-72.
- (b) The society proposes to construct its own godown during current year (1972). The cost of construction of the godown (Rs.15,000/-) will be provided by Government as a grant to the society.
- (c) The society proposes to have its own building for office.
- (d) It is also proposed to arrange for retail purchase and sale of food grains by the society - in near future.
- (e) The work of cooperative education and agricultural development of members has been initiated at the society's level. It is proposed to continue this activity in forthcoming years.

1.11 Main Problems of the Society

- (1) The members are provided with facilities of oil engine, electric motor, etc. through marketing society. The members find this arrangement inconvenient and costly. These facilities should be provided to members by Service Cooperative Society itself.

- (2) The society does not have its own office at present.
- (3) The linking of credit with marketing is not effectively enforced in the society.
- (4) Utilisation of credit is not properly supervised.
- (5) The recovery of credit is not effected in time. Hence society has gone down to 'C' class (audit).
- (6) The members of Managing Committee do not take sufficient interest in the activities and proper management of the society.
- (7) The members of Managing Committee should work devoid of vested interests and selfish motives.

#### 1.12 Opinion of Members of Managing Committee

In the opinion of members of Managing Committee of the society, the working of the society could be accelerated if the suggestions mentioned below were adopted by the society :-

- (a) Member education.
- (b) Increase in capital of society by enrolling new members.
- (c) Increase in activities of society.
- (d) Appointment of trained employees.

#### 2. SAMPLE CHARACTERISTICS OF RESPONDENTS

In order to assess the knowledge and Socio-economic background of ordinary members and members of Managing Committee about the society its use and its activities, a few simple questions were asked to 20 percent of total membership of the society (212), drawn at random. Thirtyfive (35) persons were thus selected for individual interviews and 10 elected members of Managing Committee were also interviewed in order to assess their knowledge as ordinary members. The respondents thus selected belonged to various castes viz. Rajputs, Brahmins, Mahajans, Muslims, Adivasis, Bhils, Jats, etc. Most prominent castes among the respondents were 'Bhils' and 'Adivasis'. The Managing Committee of the society was not dominated by any single caste. It comprised of members from various castes named above.

### 2.1 Age Groups

The age-groups to which members of Managing Committee and the ordinary members (responding) belonged is given in Table No.6

Table No. 6 Age Groups of M.C. & Ordinary Members

Years	<u>Managing Committee Members</u>		<u>Ordinary Members</u>	
	No.	Decile	No.	Decile
Below 20	0	0	1	0.30
21 - 30	0	0	8	2.28
31 - 40	2	2.0	8	2.28
41 - 50	7	7.0	12	3.44
51 and above	1	1.0	6	1.70
	n =10	10.00	n = 35	10.00

The age of members of Managing Committee ranged between 51 years and 60 years. The age of ordinary members (responding) ranged between 19 years and 82 years. As compared to the ordinary members the members of Managing Committee belonged to more active age group - majority of them being in age-group 41-50. However, the mean-age for members of Managing Committee was worked out at 45.3 years and for ordinary members at 41.5 years.

### 2.2 Education

The educational standard of the ordinary members and members of Managing Committee of the society is given in Table No.7.

Table No. 7 Educational Standard of M.C. & Ordinary members

Years of Education	<u>Managing Committee members</u>		<u>Ordinary Members</u>	
	No.	Decile	No.	Decile
Illiterate	1 )		7 )	
Below 1	1 )	2.0	5 )	3.44
1 - 3	2	2.0	6	1.70
4 - 7	3	3.0	11	3.14
7 - 10	1	1.0	5	1.42
11 - 13	0	0	0	0
14 and above	2	2.0	1	0.30
	n =10	10.0	n = 35	10.00



One member of Managing Committee of the society and 7 ordinary members responding were found to be illiterate. In addition one member of Managing Committee and 5 ordinary members could only sign their names. In other words 2 members of Managing Committee and 12 ordinary members did not have any formal education or schooling. On the other hand, 2 members of Managing Committee and one ordinary member were Graduate or above. The mean standard of education was worked out at 5 years of schooling for members of Managing Committee and 3.8 years of schooling for ordinary members.

### 2.3 Size of Family

The number of persons in the families of members of Managing Committee and ordinary members (Respondents) ranged between 2 and 12 and 3 and 18 respectively. Majority of the respondents had families consisting of 7 to 12 members. The mean number of members in families of the respondents was worked out at 8, and the ordinary members seem to have larger families than the Managing Committee members.

### 2.4 Occupation and Land Holdings

Leaving aside one member of Managing Committee and 2 ordinary members the main occupation of the respondents was agriculture. The rest were having service or business as their main occupation. 4 members of Managing Committee were also having side-occupations viz., Sale of Tobacco, restaurant business, milk business and petty service. Side occupations for 13 out of total ordinary members interviewed included: Sale of milk, grocery shop, 'Pan' (beetle leave) shop, brother or sons in service, casual labour, or some other form of business.

The land holdings of the respondents, as per the records of the society is given in table No.8

Acreage of Land	<u>Managing Committee Members</u>		<u>Ordinary Members</u>	
	No.	Decile	No.	Decile
Below 1	0	0	3	0.86
1 - 10	5	5.0	14	4.00
11 --20	2	2.0	8	2.30
21 - 30	1	1.0	0	1.70
31 - 40	1	1.0	2	0.57
41 - 50	1	1.0	1	0.28
51 and above	0	0	1	0.29
	n = 10	10.0	n = 35	10.00

The land holdings of the members of Managing Committee ranged between 2.70 acres and 45.70 acres. The land holdings of ordinary members responding ranged between 0.88 acres and 141 acres. The mean of the land holdings were 16 acres and 18 acres for members of Managing Committee and ordinary members responding, respectively.

For the milk the respondents preferred to have cows to buffaloes. Seven members of Managing Committee and 21 ordinary members did not own any buffaloes. Other animals owned by respondents included goats and calves. As regards bullocks, majority of respondents owned 2 bullocks or more. Maximum number of bullocks owned by a respondent was 10. However, one member of Managing Committee and 7 ordinary members interviewed did not own even one bullock.

### 2.5 Irrigation

The only source of irrigation in the area of society seemed to be wells. Six members of Managing Committee and 17 ordinary members had their wells for irrigation of crops. Besides, 3 ordinary members were having joint wells for the purpose. Four members of Managing Committee and 14 ordinary members responding had no irrigation facilities.

The percentage of land irrigated to total land of respondents is as under in table No.9.

Table No. 9 Percentage of Land Irrigated

Acres	<u>Managing Committee members</u>		<u>Ordinary Members</u>	
	No.	Decile	No.	Decile
0	4	4.0	17	4.85
1 - 5	0	0	4	1.15
6 - 10	0	0	0	0
11 - 15	0	0	2	0.57
16 - 20	0	0	1	0.29
21 - 25	0	0	1	0.29
26 and above	6	6.0	10	2.85
	n = 10	10.0	n = 35	10.00

Four members of Managing Committee or 40 percent of the Managing Committee members were not irrigating any land because they did not have any source for the purpose. Out of the remaining 60 percent who were irrigating land half the members of Managing Committee were irrigating 98 percent to 100 percent of their total land. As regards ordinary members responding 17 persons or 48.5 percent of them were not irrigating any land. On an average 7.14 acres and 3 acres of land was irrigated by Managing Committee members and Ordinary Members respectively. The average percentage of land irrigated to land owned was 44 and 16 in case of M.C.M. and O.M. respectively.

The main crops grown by the respondents included Wheat, Gram, Alsi, Potatoes, Vegetables, Jowar, Maize, Cotton, Pulses, Groundnut, and Soyabean.

#### 2.6 Duration of Membership

The duration of membership of the respondents is given in Table No.10

Table No. 10. Duration of Membership

Years	<u>Managing Committee Members</u>		<u>Ordinary Members</u>	
	No.	Decile	No.	Decile
0 - 5	5	5.0	15	4.23
6 -10	1	1.0	9	2.57
11-15	4	4.0	11	3.15
16-20	0	0	0	0
	n = 10	10.0	n = 35	10.00

The above table reveals that about 40 percent of members of Managing Committee and 32 percent of ordinary members responding had continued to be members of society since its establishment as Rural Credit Society in 1959-60. About 50 percent of members of Managing Committee and 43 percent of ordinary members responding had joined membership of society during last 5 years. The mean duration of membership has worked out at 6.4 years and 9.5 years for M.C.M. and O.M. respectively,

2.7 Share Capital

The share capital of the respondents in the society in 1971-72 as per their records is given in Table No. 11

Table No. 11 Share capital in 1971-72

Share capital in Rs.	<u>Managing Committee Members</u>		<u>Ordinary Members</u>	
	No.	Decile	No.	Decile
Less than 100	3	3.0	18	5.14
101 - 200	1	1.0	5	1.41
201 - 300	0	0	3	0.86
301 - 400	1	1.0	2	0.58
401 - 500	0	0	1	0.29
501 - 600	1	1.0	3	0.86
601 - 700	1	1.0	0	0
701 and above	3	3.0	3	0.86
	n = 10	10.0	n = 35	10.00

The share capital of members of Managing Committee ranged between Rs.10 and Rs.2300 and of ordinary members (Respondents) between Rs.10 and Rs.2640. The share capital of 51 p.c. of ordinary members was below Rs.100. On the other hand, the share capital of 60 p.c. of members of Managing Committee was above Rs.300. Thus individual status of members of Managing Committee in the capital of society was higher than that of ordinary members. The mean of share capital was worked out at Rs.690 and Rs.320 for members of Managing Committee and ordinary members respectively

2.8 Compulsory Deposits

The compulsory deposits of the respondents with the society were

as under :-

Table No. 12 Compulsory Deposits

Compulsory Deposits (in Rs.)	<u>Managing Committee members</u>		<u>Ordinary Members</u>	
	No.	Decile	No.	Decile
Less than 50	5	5.0	21	6.00
51 - 100	1	1.0	5	1.41
101 - 150	0	0	2	0.58
151 - 200	0	0	2	0.58
201 - 250	1	1.0	1	0.29
251 and above	3	3.0	4	1.14
	n = 10	10.00	n = 35	10.00

The compulsory deposits ranged between Rs.37/- and Rs.255/- in case of members of Managing Committee and between Rs.20/- and Rs.609/- in case of ordinary members (Respondents). Sixty percent of the ordinary members responding and 50 percent of members of Managing Committee had below Rs.50 as compulsory deposits. The mean of the compulsory deposits was worked out at Rs.209 in case of members of Managing Committee and at Rs.87 in case of ordinary members.

### 2.9 Loans from Society

Information about the credit obtained by members from the society is given in Table No.13

Table No. 13 Credit obtained by Members

Rs.	<u>Managing Committee Members</u>		<u>Ordinary Members</u>	
	No.	Decile	No.	Decile
Below 500	3	3.0	8	2.25
501 -1000	0	0	4	1.14
1001 - 1500	1	1.0	3	0.86
1501 - 2000	1	1.0	3	0.86
2001 - and above	1	1.0	2	0.57
No borrowing	1	1.0	4	1.14
Over 1000	3	3.0	11	3.14
	n = 10	10.0	n = 35	10.0

It will be evident from the above table that about 30 p.c. of the members of Managing Committee and 31.5 p.c. of ordinary members (Responding) were overdue to the society. The average amount borrowed by the borrowing members was worked out at Rs.1344/- for members of Managing Committee and at Rs.529/- for ordinary members.

#### 2.10 Gross Return (Per Acre)

The assessment of the annual income of the respondents from agriculture and other sources was not possible because the respondents did not ever try to make even a rough estimate of the same. The gross return to the respondents, from the crops primarily grown by them, was calculated. The return per acre in terms of rupees is given in the following tables.

Table No. 14 (a) Wheat (Irrigated) Gross Return per acre (In Rs.)

Rs.	No.	Decile
Less than 150	2	1.05
151 - 250	1	0.55
251 - 350	4	2.10
351 - 450	4	2.10
451 - 550	2	1.05
551 - 650	0	0
651 - 750	2	1.05
751 - 850	2	1.05
851 and above	2	1.05
n =	19	10.00

The mean of the gross return per acre for irrigated wheat was worked out at Rs.466. The average produce per acre was, however 6.5 quintals.

Table No. 14 (b) Wheat (Unirrigated) Gross Return per acre (In Rs.)

Rs.	No.	Decile
Less than 50	0	0
51 - 100	3	2.0
101 - 150	3	2.0
151 - 200	3	2.0
201 - 250	5	3.2
251 and above	1	0.7
n =	15	10.00

The mean of the gross return per acre for unirrigated wheat was worked out at Rs.168.3. The average produce per acre was 2 quintals.

### 2.11 Socio-Economic Status

For the calculation of the socio-economic status of the respondents from the society, the scales devised for the purpose were made use of. The following table gives the categories assigned to members of Managing Committee and the ordinary members as per their total scores :-

Table No.15      Categories assigned to Members of M.C. and O.M.

Symbol	Category	Score on Scale	M.C.M.		O.M.	
			No.	Decile	No.	Decile
A	Upper Class	48 and above	0	0	2	0.57
B	Upper Middle class	38 - 47	3	3.0	2	0.57
C	Middle class	29 - 37	6	6.0	14	4.00
D	Lower Middle class	18 - 28	1	1.0	15	4.29
E	Lower class	Below 18	0	0	2	0.57
			n = 10	10.0	n= 35	10.00

It will be evident from the above table that majority of members of Managing Committee belonged to C category or middle class. As regards ordinary members responding 83 p.c. of these belonged to C or D category, i.e. to middle or lower middle class.

The mean score of members of Managing Committee was worked out at 34.9 or 35. In other words, the average member of Managing Committee belonged to Middle class or C category. The mean score of ordinary members (responding) was 29.7 or 30 i.e. these members also belonged to C category or middle class. In short, though the score of members of Managing Committee was a little higher than that of ordinary members, both the category of respondents were placed in middle class, as per scale.

An idea about the socio-economic status of the respondents will be helpful in planning any educational programme for them. Any plan for educating the members would thus keep in view the urgency to change their traditional attitudes and unfold their minds to new ventures and aspire them to have a better living. In other words, the cooperative education programme should have the potentiality of elevating the economic moral and social standards of the members of the society.

### 2.12 Employees of Society

There are two employees viz. Samiti Sewak (Secretary) and Assistant Samiti Sewak (Asstt. Secretary) working in the society. Both the employees are educated upto Higher Secondary.

The Secretary of the society has an experience of 4-5 years in capacity of Secretary (Samiti Sewak). His total monthly emolument is Rs.179/-. But he is not properly trained in Cooperation, accounts, Secretarial practice, Law financial and Business management. The secretary has, however, undergone 10 days training course conducted by ICL-NCUI Cooperative Education Field Project in 1971. The Assistant Secretary of the society has only recently joined the post. He is untrained and is working on Rs.85/- as his total monthly emolument. Both the employees are prepared to undertake on the job training in the Field of Cooperation. The Assistant Secretary of the society expects his employers to grant him leave and other privileges for cooperative training. He feels that atleast one year's training is necessary for him.

### 3.0 AREAS FOR EDUCATION

An assessment of the knowledge of the ordinary members, members of Managing Committee and employees of the society, was made by asking a few questions about the society and its working, their respective contribution towards its development, their rights and responsibilities etc. The following points will help us in broadly deciding the areas for education of each category of respondents.

#### 3.1 As Ordinary Members

- (1) Name: One member of Managing Committee and 17 (49 p.c) ordinary members responding did not know the name of the society. Many of them called it a 'Society Manpur' 'Bank' or merely a 'Cooperative.'
- (2) Forty per cent of members of Managing Committee of the society and about 50 p.c. of ordinary members (Responding) could not give the correct or approximate year of establishment of the society. 13 ordinary members (37 p.c.) and 4 members of Managing Committee could give an approximately correct span of life of the society. The concept of reorganisation of society in 1966-67 was not clear to respondents.



- (3) The main purpose for establishment of the society as per the responses included supply (a) Credit, (b) Seeds and fertilizers, Agricultural development, (c) To bring about feeling of Cooperation among cultivators, (d) To help the poor. The purposes mentioned for becoming the member of society were also similar. One respondent, however, stated that he had become the member in order to maintain his family and children.
- (4) Majority of the ordinary members responding (58 p.c.) did not know the name of the secretary (Samiti Sewak) of the society.
- (5) One member of Managing Committee and 8 ordinary members responding had no knowledge of their own share capital in the society. The remaining were in a position to give a rough estimate of the same. The respondents could not however, differentiate between share capital and Compulsory Deposits.
- (6) While members of Managing Committee knew the names of 7 (out of ten) members of committee. On an average, 19 members (54 p.c.) could name at the most, only one member in the committee. Only 4 respondents (13 p.c.) could name more than 5 members in the committee. This shows the indifference of the ordinary members of the society as to who was being elected in the Managing Committee of the society.
- (7) Two members of Managing Committee and 17 ordinary members (48 p.c.) admitted that they had never attended the General Body Meetings of the society. Most of them said that they had no information about such meetings being held. The topics discussed at the last General Body Meeting, as narrated by the respondents attending the same included:
- (a) Discussion on previous year's budget and sanction of budget for next year;
  - (b) Credit transaction, balance sheet and profit and loss position of the society;
  - (c) Recovery position;
  - (d) Distribution of profits;
  - (e) Discussion on godowns,
  - (f) Discussion on share capital, deposits etc.,
  - (g) Other topics relating to agriculture.
- It may be added that some educational activity was undertaken by the project staff, before the interviews for collecting data were held.

(8) Byelaws: Two members of Managing Committee (20 p.c.) and 28 ordinary members responding (80 p.c.) had no idea about the byelaws of the society. Six members of Managing Committee and three ordinary members interviewed claimed to have read the byelaws of their society. Out of these only 3 members of Managing Committee and one ordinary member tried to narrate byelaws in simple form viz. (a) meetings of the Managing Committee of the society should be held every month; (b) A person who is declared bankrupt cannot become the member of the society; (c) A person residing in Manpur Panchayat area can become the member of the society; (d) Byelaw No.29-A - member of Managing Committee will cease to be in the Managing Committee, and his position in the committee will automatically terminate if he has not repaid the amount due to the society within 12 months of the last date of repayment.

(9) Eight members of the Managing Committee and 16 ordinary members (45 p.c.) knew about the educational camp having been held in their village (society). Out of these only 4 members of Managing Committee and 11 ordinary respondents had attended the same for full time or part time. As regards the organising agency of such camp only 7 respondents know about it. The topics discussed at such camps as stated by the respondents included: (a) Information about credit; (b) working of society - methods; (c) Objects of the society; (d) Byelaws of the society; (e) Weak financial position of cultivators; (f) Improved methods of cultivation; (g) Credit transaction of society; (h) Arrangement for education of members; (i) Proper use of credit; (j) Green Revolution; (k) Cattle and yield of milk.

(10) The respondents had very vague idea about the principles of Cooperation and also whether the same had been adopted by their society. The respondents, however, seemed to understand a few of basic principles when specifically asked. The respondents could grasp the principles like (a) Open and voluntary membership and (b) Democratic management. They also stated that these had been adopted by the society.

### 3.2 As Members of Managing Committee

(1) All the members of Managing Committee, except one, knew the full name of the society and its area of operation.

(2) Only 4 members of Managing Committee (40 p.c.) had any idea about the Audit of the society - its date and class. The rest did not know anything about audit.

(3) The main objects of the society as per its byelaws, as narrated by the members of Managing Committee included (a) Supply of credit; (b) Supply of seeds and fertilisers; (c) Agricultural development. Three members of Managing Committee stated that they had no idea about the objects of the society as per its byelaws.

(4) The respondents were of the view that the supreme power in the society was shared by the General Body of members, Managing Committee and the President of the society. Only 40 p.c. of the members of Managing Committee stated that the supreme authority in the society vested with General Body of members.

(5) Eighty per cent of the members of Managing Committee of the society stated that the responsibility for grant and recovery of credit mainly vested with the Managing Committee of the society. The rest of them stated that such responsibility was shared by Samiti Sewak, President of the society and the Cooperative Bank.

(6) Fifty percent of the members of Managing Committee knew that the economic liability of members to the society, as per its byelaws, was 10 times their respective share capital in the society. Three members (30 per cent) of Managing Committee stated that they had no idea about such liability.

(7) The rights and duties of members of Managing Committee of the society as narrated by them included; (a) To provide credit, seeds and fertilizers to members and to ensure its recovery in time, (b) To ensure proper utilisation of credit; (c) To keep account of income and expenditure of the society; (d) To give advice to members.

(8) Sixty percent of the members of Managing Committee stated that the power to change the committee of the society, in the event of its not working properly vested with the general body of members. The rest of them stated that

such power vested with general body, Cooperative Department and Cooperative Bank, in that order.

(9) When asked about the rules for calling and conducting Managing Committee meetings, the responses given were; (a) The Chairman of the society calls these meetings by circulating agenda; (b) To circulate agenda among members 5-7 days prior to the meeting; (c) To start meeting after a quorum of 5 members is complete, otherwise to give a fresh date; (d) To discuss the items placed in the agenda; Two members (20 p.c.) of the Managing Committee stated that they had no idea about rules for calling and conducting the meetings of the committee.

(10) Most of the members of Managing Committee had no idea about the various funds of the society. Only one or two respondents knew about some of these funds. As regards the strength of these funds, only Chairman of the society knew about it. The members of the Managing Committee also had no idea about profit/loss position of the society.

(11) Only the Chairman of the society could give the amount borrowed by society from the Indore Premier Cooperative Bank. The rest had no knowledge about the amount borrowed by society from the bank and the amount lent by it to primary members.

(12) The members of Managing Committee, including the office-bearers of the society had no idea about the percentage of profits going to various funds being maintained by the society - as per its bye-laws.

(13) When asked whether the respondents would like to be office-bearers of society during the next elections - 70 p.c. of them stated that they were not interested in being office-bearers because they had no time. One member, however, stated that since he was uneducated he would not like to be an office-bearer. One member of Managing Committee wanted to be representative of the Central Cooperative Bank during next elections.

### 3.3 Subjects of Interest

Leaving aside one member of Managing Committee and three ordinary members (responding) the rest were prepared to attend any proposed educational programme. In order to know their preference for any particular topic a check list of subjects were placed before them. In general the respondents were mainly interested in topics related to (a) Agriculture and its Development, (b) Better market of produce; (c) Cooperative and general education;

(d) Business. Some of the respondents stated that they would listen to any topics that was discussed at such meeting. They had no particular topic to interest them.

#### 3.4 Employees of Society

There are two paid employees in the society. The samiti sewak, though untrained in any branch of cooperation, seems to have a grasp over the problems of the society. He finds the job of secretary of society as challenging and whatever little efficiency he has acquired, it has been due to his experience in the field in the same capacity. He seems to be very enthusiastic and would like to undertake any such cooperative training which would help him to contribute towards the success of the cooperative movement.

The Assistant Secretary, due to his inexperience and lack of training has not got a clear grasp over the various problems of society. His understanding of books maintained by the society is also very poor. He is prepared to undertake training especially in the fields of marketing and office management.

The arrangement of training of these employees assumes crucial importance in as much as they are directly concerned with office-bearers of society at grass root level.

#### 4.0 SOME CONCLUSIONS

##### 4.1 Problems with Society

The main problems of members with the society, as indicated by the respondents were as under :-

(i) The credit, seeds and fertilizers are not provided to members in time. The Managing Committee of the society should make efforts to make these available to members in time.

(ii) The credit for digging of wells is made available in three instalments. It should be made available to members in lump sum.

(iii) The rate of interest charged by society is high. It should be lowered.

(iv) The society does not care to help the small farmers. The credit needs of small farmers should be met by society, irrespective of the inadequacy of landed security that they could offer.

(v) The work of recovery of credit is started even before the crop is harvested. The process should be started a little later.

(vi) Members having joint land holdings are expected to bring authority letter each time they are in need of credit. This rule should be made a little flexible.

(vii) The overdue position of the society is very discouraging. Efforts should be made for more prompt recovery.

(viii) The society does not have its own godown and office.

(ix) The members of society are not aware of their own rights. The members are eager to know more about society but such information is not made available to them by the employees of society.

(x) The employees of the society do not care to listen to the members of Managing Committee.

#### 4.2 Members' Expectations from Society

The expectations of members (Responding) from the society were as under :-

(i) The society should have its own building for office purposes.

(ii) Seeds and fertilizers should be made available to members in time.

(iii) There should be facility for cold storage of their produce.

(iv) The society should have its own godown. The members should be allowed loans on pledge of produce. The produce pledged should be stored in godown owned by society.

(v) The society should run a consumer-store, to meet the daily domestic requirements of the residents.

(vi) The members should be allowed to have individual accounts with the society.

(vii) Marketing facility should be provided in the village itself.

(viii) The society should initiate and encourage all sorts of activities necessary for bringing about agricultural development.

(ix) The employees of the society should try to solve the problems of members. The inquiries made by members on subjects related with society and its working should be answered honestly by employees and office bearers of the society.

(x) The members of Managing Committee should work as per its byelaws and also devoid of vested interest and selfish motives. The committee should attach equal importance to problems of all its members.

#### 4.3 Members' proposed programmes for increasing their income

The proposed programme of the respondents for increasing their income included the following :-

- (i) By taking up multiple cropping (3 crops in a year).
- (ii) Increased irrigation with the aid of well dug.
- (iii) By use of better seed and more fertilizers.
- (iv) Intensive cultivation.
- (v) By undertaking business like poultry farming, milk business, pickle business, motor business, contractorship etc.
- (vi) By changing crops - Increased cultivation of Sugarcane and maxican wheat.

#### 4.4 Members' Knowledge

It is a pity that the primary members of the society, for whose benefit the society and the whole cooperative movement is intended are unable to understand the meaning of Cooperation. They have neither the necessary urge nor background to work in the cooperative society. Through educational process they have to be made to feel how their society will benefit them and the village. The aim and objects of society, its working machinery, its functions and achievements, and finally the role of member and his obligations to the society have to be explained to him. Such education is likely to bring about more effective and active involvement of members in the affairs of the society.

#### 4.5 Knowledge about Management

The members of Managing Committee are equally ignorant about the affairs of the society. The members of Managing Committee are a group of people elected by general membership - to look to the day to day activities of the society. It is logical that these members should be more informed of the functions and powers of the society they control. They should also have a clear grasp and idea about the socio-economic problems of the society and its people.

For more intelligent and active participation of members of Managing Committee in the affairs of the society events like general body meetings of Managing Committee, Celebration of Cooperative Week, Cooperative exhibitions, etc, should be utilized for educating them and for developing their understanding about cooperative activities.

#### 4.6 Training of Employees

In order to discharge efficiently the simple duties of maintenance of accounts, provision of facilities for deposits and disbursements, the employees of the society need to have some type of cooperative training. Besides, the primary members of society though ignorant, seem to be inquisitive and wish to know more about society and its working. For the purpose they expect the employees to give satisfactory replies to their queries. Unless the employees themselves are well informed and well trained, they would fail to satisfy the members, for whom they work. They have an obligation to look to the needs of the members' financial developmental or educational and to satisfy them on all aspects. Hence, training of employees is a pre-requisite for the success of society as well as of any plan of member education.

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## Case Study (v)

SERVICE COOPERATIVE SOCIETY LIMITED, PIGDAMBER1. Introduction

The Service Cooperative Society Ltd., Pigdamber was registered in November 1959 in Mhow Tehsil under Registration No.20. The area of operation of the Society extends to four villages viz. Pigdamber, Umaria, Panda and Navda, located within the radius of 6 kilometres. The audit classification of the society was continued to be 'C' since last three years. The office of the Society is situated in Pigdamber village, at a distance of about 12 kilometres from Indore, in a rented premises. The total population, farm households, and land of the villages covered by the Society is given in Table No.1.

Table No. 1 Statistical Information about the Society.

Name of Village	Population(1971)		P.C.of Col.3 to Col.2	Land (in acres)		P.C.of Col.6 to Col.5	Irriga tion Land Irrigated	P.C.of Col.8 to Col.6
	Total	Population dependent on Agr.		Total	Land Culti vated.			
1	2	3	4	5	6	7	8	9
Pigdamber	1216	192	15.78	1083	685	63.25	170.06	24.82
Panda	471	82	17.40	1087	811	73.70	112.00	13.81
Navda	552	151	27.35	840	678	80.70	80.00	11.80
Umaria	831	126	15.16	705	604	85.74	139.00	23.00
Total (Society)	3070	551	17.95	3715	2778	74.77	501.06	18.03

The table reveals that out of the total population in the area of the society 17.95 percent were dependent on agriculture. The percentage of population dependent on agriculture was highest in Navda village. The total geographical area of the village covered by the society is 3859 acres out of which 3715 acres is cultivable. The land actually cultivated is 2778 acres which forms 74.77 percent of total cultivable land. There is scope for extensive cultivation in the society, especially in Pigdamber and Panda villages. Only 18.03 percent of the total land cultivated is under irrigation. Irrigation is higher than the society's average in Pigdamber and Umaria villages. Percentage of land irrigated is quite high in the society when compared to the district and State percentages of irrigated land. Main crops grown in the area include Vegetables, Wheat, Jowar, Gram, Aisi, Maize, Moor, and Cotton. Due to adequate irrigation facilities vegetables are grown on 40.40 percent of total cultivated land.

1.1 Cattle: There are 532 bullocks and 1062 milch cattle. Number of buffaloes and cows is 547 and 515 respectively. Number of milch cattle is highest in Navda, followed by Pigdamber and Umaria improvement in breed of milch cattle, and in cattle feed provided to these cattle can be encouraged in the x area. There is no scope for poultry farming in the area.

1.2 Literacy: 571 persons or about 18.59 percent of the total population is literate. The percentage of literacy is higher than society's literacy percentage in Navda and Pigdamber villages.

### 1.3 Membership

The total membership of the society as on 30th June 1972 was 152. It constituted about 40 percent of the total rural households in the area of operation of the society. The membership of the society during last three years was as under :-

Table No.2. Membership (Pigdamber)

<u>Year</u>	<u>Membership</u>	<u>Percentage increase over 1969-70</u>
1969-70	137	-
1970-71	146	5.67
1971-72	152	11.00

The table reveals that there was 11 percent increase in membership of society during last couple of year. 79 percent of the total membership comprised of moderately large size of land holdings. Only 6 farmers having less than 3.5 acres of land had been brought under the cooperative fold by the society.

### 1.4 Members' Participation

Usually, one General Body Meeting of members is held every year. The participation of members in this Annual Meeting of Society has been poor while 27.0 p.c. of total membership participated in the General Body Meeting held in 1969-70, the percentage of member participation was reduced to 18 in 1970-71. The member participation in Annual Meeting was 20.0 per cent during 1971-72.

As regards meetings of Managing Committee of the Society the participation percentage of M.C. members in such meetings has been comparatively better while 65.0 p.c. of M.C. members participated in the Committee meetings during 1969-70, the percentage participation was 51.0 in 1970-71 and 55.0 in 1971-72. Managing Committee of the Society consists of 8 elected members who normally meet every month.

#### 1.5 Economic Position

The society had earned a profit of Rs.4431 and Rs.10813 respectively in 1970-71 and 1971-72. The society plans to have its own godown and fertilizer centre by 1972-73.

Linking of credit with marketing was done by society for 19 members with a total value of Rs.2017 in 1971-72. The society had also collected compulsory deposits to the tune of Rs.2560 from 105 members.

#### 1.6 Share Capital

The share capital position of the society during last three year was as given in table No.3.

Table No.3 Share Capital of Society

Year	Share Capital (in Rs.)			Percentage of Col.3 to Col.4
	Members	Govt.	Total	
1969-70	26657	4000	30657	13.04
1970-71	31590	9900	41490	23.80
1971-72	36630	9400	46030	36.10

The table reveals that the share capital of the society has considerably increased during last couple of years. Government contribution to the share capital of the society has also doubled during the period. Percentage of Government contribution to total share capital has shown a rising trend.

1.7 Other Funds maintained by Society during the financial year 1971-72 were Reserve Fund Rs. 10018/-; Common Good fund Rs.1469/-; Credit Stabilisation Fund Rs.2144/-; Building fund Rs.428/-; Employees Bonus fund Rs. 1403/-; Depreciation fund Rs.184/-; Dividend Equalisation fund Rs.2330/-; and Bad debt fund Rs. 887/-.

1.8 Lending Operation of the Society

The borrowings of the society from Indore Premier Cooperative Bank and its loans outstanding during last 2 years are given in table No.4.

Table No.4. Borrowings, Loans Outstanding and Overdues of Society

Year	Borrowings from		Loans to		Demand for		Overdues		P.C.of Overdues	
	IPC Bank	_____	Members	_____	the year		_____	_____	to demand	
	Short	Medium	S.T.	M.T.	S.T.	M.T.	S.T.	M.T.	S.T.	M.T.
	Term	Term	(O/S)	(O/S)						
	(Outst	(Outsta								
	anding	nding)								
1970-71	215898	39234	214954	50112	277050	30926	159149	79139	57.2	78.1
1971-72	193637	63967	209517	81010	254598	30519	24124	26998	31.0	88.5

The above table reveals an increasing trend in Medium-term credit outstanding and decreasing trend in Short-term credit outstanding. Number of borrowers was 93 and 89 respectively for two years under review. Only 11 members had obtained M.T. credit from a society. Percentage of overdues to demand was 31 percent and 88.5 percent for short-term and medium-term respectively in 1971-72. In 1971-72, 49 members were overdue for short-term credit and 17 persons were overdue for medium-term credit.

1.9 Problems of the Society

Most of the respondents including the members of Managing Committee did not have any idea about the problems being faced by their society. Some of the problems of the society and the problems faced by members with the society were indicated by the respondents. These include :

(a) The standard of functional literacy of the members of Managing Committee of the society is low

(b) The members of Managing Committee do not take enough interest in the working of the society.

(c) The society does not undertake any other activity besides provision of cash credit, seeds and fertilizers to members. The problems of members with the society were as under :-

(i) In order to get credit from the society the members have to undergo some economic loss in the first instance. The procedure of finance should, therefore, be improved.

(ii) Overdue members of the society are put into great difficulty. Such overdue members should be granted extension till the next crop is available.

#### 1.10 Suggestions from Members of Managing Committee

In the opinion of some of the respondents, the working of the society could be improved if the following suggestions were adopted by it :-

(a) The society should provide information about agricultural implements and improved variety of seed, etc. to members.

(b) The office bearers and members of the society should be provided with practical educational facilities.

(c) In order to encourage the members of Managing Committee to take interest in the working of the society, the committee members should form themselves into sub-committees and undertake specific activities of society.

(d) The society should arrange for better marketing facilities for members' produce. Better seeds and agricultural implements should be made available to members when required and at a reasonable rate.

(e) Keeping in view the daily domestic requirements of members, the society should undertake increased business activities e.g. opening of a consumer shop, etc.

(f) For more efficient working of the society, the members of the society should be encouraged to put their savings in the society. The funds so created could be used by the society to undertake increased business activities.

## 2. EMPLOYEES OF SOCIETY

The employees of the society included one Secretary (Samiti Sewak) and one peon. The Secretary of the society is a young man of 20 years of age and educated upto Higher Secondary. He has neither got any cooperative training nor experience in the field of Cooperation. He is employed on a temporary basis at present.

The job of the Secretary demands that he should have a clear understanding of the purpose and activities of the society and the part that he has to **play** in it. Since he is responsible for keeping books and records, he should have the knowledge of accountancy, atleast upto the standard which is required by the extent of society's business. All this requires basic training of the Secretary in the field of Cooperation.

The Secretary of the society seems to be quite enthusiastic and he would like to undertake full-time training especially in the field of management. He is eager to do his job better and to improve his knowledge. The training will help him in placing his knowledge at the disposal of the members of Managing Committee and to advise them.

## 3 SAMPLE OF THE STUDY

Out of total membership of 152 a random sample of 20.0 per cent was drawn out to indicate the educational needs of members in general. The sample, thus, included 29 respondents from various villages covered by the Society. The eight elected members of Managing Committee were also interviewed. Out of 29 respondents selected for interview 16 or 55.0 p.c. were 'Thakur' by caste. Majority of members of Managing Committee (78 p.c.) also belonged to this caste. Rest of the respondents belonged to castes like Rajput, Kulmi, Dhangar and Anjana. The number of respondents from these castes was rather small. Half i.e. 50.0 p.c. of the members of Managing Committee of the society belonged to main village Pigdamber. The leadership, however, included members from each village in the area of operation of the Society.



4. CHARACTERISTICS OF THE RESPONDENTS4.1 Age:

The age groups to which ordinary members and the members of Managing Committee belonged are given in Table No.5

Table No.5 Age of Respondents

Age Groups	M. C. Members		Ordinary Members	
	No.	Decile	No.	Decile
Below 20	0	0	0	0
20 - 30	0	0	2	0.7
31 - 40	1	1.2	9	3.1
41 - 50	2	2.5	8	2.8
51 and above	5	6.3	10	3.4
	n= 8	10.00	29	10.0

All the members of Managing Committee were above the age of 38. The oldest member of Managing Committee was 75 years old. The ordinary members responding were 22 years old and above. The mean age of members of Managing Committee and ordinary members was 57 and 48.6 respectively. The leadership of the Society was thus of comparatively older age.

4.2 Education

The educational qualifications of ordinary members and members of Managing Committee are given in Table No.6

Table No.6 Standard of Education

Years of Education	M. C. Members		Ordinary Member	
	No.	Decile	No.	Decile
Below 1	2	2.5	10	3.5
1 - 3	1	1.2	9	3.1
4 - 7	5	6.3	9	3.1
8 - 11	0	0	0	0
12 and above	0	0	1	0.3
	n =8	10.00	n= 29	10.0

The Table No.6 reveals that two members of Managing Committee and 10 ordinary members responding were illiterate or having no education. Out of these, one member of Managing Committee and 3 ordinary members could sign their names. The mean standard of education was 3 years in case of all the respondents. One of the ordinary member was educated upto B.Sc.

#### 4.3 Size of Family

All the respondents except one ordinary member of the society were married. The number of members in the families of M.C. members varied between 8 and 30. In case of ordinary members responding, the number of family members varied between 3 and 25. The mean number of members in families of Managing Committee members and ordinary members was 14 and 11 respectively. Thus the size of house-hold of Managing Committee members was bigger in comparison to that of ordinary members.

#### 4.4 Land Ownership

The main occupation of all the Managing Committee members and majority of ordinary members (26) was agriculture. The remaining 3 ordinary members responding were in service and they regarded agriculture as a side occupation. One member of Managing Committee and three ordinary members responding undertook dairying or milk business as a side occupation. Other side occupations adopted by some of the respondents include in service, business shop, etc. The land holdings of the respondents can be judged from Table No.7.

Table No. 7 : Land Holdings of Members

Acres	<u>M.C. Members</u>		<u>Ordinary Members</u>	
	No.	Decile	No.	Decile
0 - 1	0	0	0	0
1 - 10	1	1.2	13	4.5
11 - 20	2	2.5	9	3.1
21 - 30	3	3.8	4	1.4
31 - 40	2	2.5	2	0.7
41 - 50	0	0	1	0.3
	8	10.00	29	10.0

The land holdings varied between 7.94 acres and 31.79 acres in case of M.C. members and between 1.64 acres and 42.73 acres in case of ordinary members responding. The main acreage of land held by members of Managing Committee and the ordinary members responding was 21.26 and 13.6 acres respectively. Thus, on an average the land holdings of ordinary members responding was smaller than those of members of Managing Committee.

#### 4.5 Irrigation Facilities

While all the members of Managing Committee of the society had irrigation facilities, four of the ordinary members responding did not have any such facilities. On an average the members of Managing Committee and ordinary members were irrigating 9.8 acres and 7.8 acres of land respectively. Main source of irrigation with the respondents was wells.

#### 4.6 Main Crops Grown

The main crops grown by the respondents in Rabi and Kharif included: Wheat, Potatoes, Sugarcane, Gram, Jowar, Maize, Groundnut, Pulses, etc. Besides, crops like Onion, Garlic and Alsi were also grown by some of the respondents.

#### 4.7 Duration of Membership

The average duration of membership of members of Managing Committee and the ordinary members responding was 10.6 years and 11.0 years respectively. There was, thus, not much difference between the duration of membership of both the categories of respondents.

#### 4.8 Share Capital of Members

The share capital of the respondents in the Society can be judged from the Table No. 8

Table No.8 Share capital of Members (1971-72)

In Rs.	<u>M.C. Members</u>		<u>Ordinary Members</u>	
	No.	Decile	No.	Decile
Less than 200	2	2.5	20	6.9
201 - 400	3	3.7	2	0.6
401 - 600	2	2.5	5	1.8
601 and above	1	1.3	2	0.7
	n = 8	10.0	n = 29	10.0

The share capital of members varied between Rs.30/- and Rs.640/- in case of M.C. members and between Rs.29/- and 890/- in case of ordinary members (responding). The average share capital of M.C. members and ordinary members in the society was Rs.334 and Rs.247 respectively. Thus, on an average financial status of members of Managing Committee in the society was higher as compared to that of ordinary members responding.

#### 4.9 Compulsory and Other Deposits

The compulsory and other deposits of the respondents - in the society are given in Table No.9

In Rs.	<u>M.C. Members</u>		<u>Ordinary Members</u>	
	No.	Decile	No.	Decile
Less than 20	6	7.5	24	8.3
21 - 40	1	1.2	2	0.7
41 and above	1	1.3	3	1.0
Total	8	10.0	29	10.0

The Table No.9 reveals that the majority of respondents had less than Rs.20/- as compulsory and other deposits. The average compulsory and other deposits of members of Managing Committee Rs.11/- only.

#### 4.10 Loans

During 1971-72, two members of Managing Committee and 12 ordinary members (responding) did not obtain short term or medium term credit from the society. The short term borrowings of respondents from the society are given in Table No.10

In Rs.	<u>M.C. Members</u>		<u>Ordinary Members</u>	
	No.	Decile	No.	Decile
No borrowing	2	2.5	12	4.2
Below - 1000	0	0	7	2.4
1001 - 2000	3	3.8	7	2.4
2001 and above	3	3.7	3	1.0
	8	10.0	29	10.0

The mean of the short term borrowings of respondents from the society was Rs. 1228/- and Rs. 851/- for members of Managing Committee and the ordinary members responding. In addition two members of Managing Committee and three ordinary members responding had also borrowed from society for medium term purposes the amount borrowed varying between Rs.500/- and Rs.5000/-. The average borrowings of members of Managing Committee from society seemed to be more than the average borrowings of ordinary members (responding).

Two members of Managing Committee and 8 ordinary members (responding) had also borrowed from other sources like Land Development Bank, money lender-traders, and friends and relatives. The amount of credit obtained from these sources varied between Rs.1000/- and Rs.10,000/-. The average amount borrowed by these 10 respondents from sources other than Cooperative Society, was Rs.4055/-. The purpose of borrowings from private sources included (a) repair of house (b) agricultural operations (when credit from society for the purpose is inadequate); (c) purchase of cattle; (d) to meet household expenditure; (e) purchase of sugarcane crushing machine; (f) for wells and pump-sets (from LDB).

#### 5.0 LEVEL OF KNOWLEDGE

In order to assess the level of knowledge of the ordinary members, the members of Managing Committee and the employees of the society, each category of respondents were asked a few questions relating to their cooperatives. The replies made by each category of respondents, will help in broadly deciding the specific areas for educating them.

#### 5.1 Ordinary Members

(i) Name : 25 p.c. (2) of the members of Managing Committee and 31 p.c. (9) of the ordinary members could not give the correct or partly correct name of the society. They simply called it 'Cooperative' or 'Cooperative Bank'.

(ii) Majority of the respondents had the idea about the time of establishment of the society in their village. Two members of Managing Committee and 9 ordinary members responding were very vague about it. They stated that the society had been in existence since last 25 to 50 years.

(iv) About 50 p.c. of ordinary members (responding) and 25 p.c. of members of Managing Committee did not know about their amount in the share capital or compulsory deposits of the society. They could not also differentiate between share capital and compulsory deposits.

(v) In ordinary members responding could generally remember 2 or 3 names of the members of Managing Committee. Members of Managing Committee, however, remembered the names of their co-members in the committee.

(vi) While all the members of Managing Committee, except one, had attended the Annual General meeting of the society, only 30 p.c. (9) of the ordinary members (Responding) had attended the same. The reasons given for not attending included (a) 'No information' and (b) 'No time.'

(vii) Though six members of Managing Committee knew about the byelaws of the society only two of them claimed to have read the same. None of them could, however, narrate any one byelaw of the society. Majority of (24) ordinary members responding had no idea about byelaws of the society. None of them had read these. The respondents did not also have a clear concept about the principles of Cooperation. The principles of voluntary membership and democratic management seemed to be a little better understood by respondents when specifically asked as compared to the other principles.

(viii) Majority of members of Managing Committee knew about the education camps having been held in the society/village, and they had also attended it for full-time or part-time. As regards ordinary members responding only 32 p.c. (9) had information about these. Out of these seven had attended it on full time and or part time basis.

(ix) While all the members of Managing Committee were interested in participating in any proposed educational programme, six of the ordinary members responding did not wish to attend any of these programmes. Reasons for disinterest included: 'No time' and 'Ill health.' The respondents expressed their special interest in subjects related to Agricultural Development, milk business, cooperative development, and other topics related to general and social problems. Majority of the respondents were, however, prepared to be taught any subjects that was thought proper by the organisers of the camp.

## 5.2 MEMBERS' EXPECTATIONS FROM SOCIETY

About 40 p.c. (13) of ordinary members and 25 p.c. (2) of members of Managing Committee stated that they had no other expectations from society besides obtaining credit. The rest of the respondents expected the following from the society:-

- (a) The credit supplied by society should be timely.
- (b) The society should make available Thresher machines and tractors to members.
- (c) The working of the society should be improved and made more efficient so that the members might get timely help. There should also be telephone facility in the office of the society.
- (d) The credit should be provided for purposes other than agriculture as well. For example, it should finance also for purposes or factors that affect agricultural development indirectly, viz. for building farm house.
- (e) There should be arrangement for member education.

## 5.3 Members' Proposed Programme for Increasing Income

Some of the respondents proposed to increase their income by the following methods :-

- (a) By increased irrigation (with the construction of wells).
- (b) Use of fertilizers and improved variety of seed.
- (c) By use of improved methods of cultivation.
- (d) By undertaking milk business.
- (e) By undertaking business in orchards.

## 5.4 Members of Managing Committee

(1) Fifty per cent of the members of Managing Committee did not know when the audit of their society was done. Rest of them knew that it was held last year or that it was being held every year. Only the Vice-President of the society knew that audit classification of society was 'C'.

(2) The main objects of society as per its byelaws, as narrated by members of Managing Committee included supply of cash credit, seeds and fertilisers and recovery of credit. Two members of Managing Committee however, stated that they had no idea about it.

(3) Leaving aside one member of Managing Committee, the rest knew that the economic liability of member was 10 times his share capital in the society. One member of the committee stated that member had no economic liability.

(4) When asked about rights and duties of members of Managing Committee the most common reply was grant and recovery of credit (5). Other rights and duties mentioned by some of the respondents included: Proper management (2); to ensure proper use of credit (1); calling meetings (1).

(5) Seven out of 8 members of Managing Committee knew that the power to change the Managing Committee, in the event of its not working properly vested with the general body of members.

(6) When asked about rules for calling and conducting the meetings of Managing Committee, the responses given were as under :-

- (a) To send notice through peon and to circulate agenda amongst members.
- (b) To have discussions according to items in agenda.

(7) Except for share capital and reserve fund, the members of Managing Committee had no idea whether any other funds were being maintained by the society. Amount in various funds of the society was not known to any of the respondents. They also did not have idea about the business operations of society or whether it was working on profit or loss.

#### 6. Areas of Interest

The areas of interest expressed by members and M.C. members for any future educational programme can be judged from the following table :-

Subject of Interest	Managing Committee Members		Ordinary Members	
	No.	Decile	No.	Decile
1. Agricultural Development	8	10.0	25	8.6
2. Cottage Industry	7	8.7	24	8.2
3. Home Science	7	8.7	24	8.2
4. Social Studies	8	10.0	25	8.6
5. Cooperative Development	8	10.0	25	8.6
6. General Knowledge	8	10.0	24	8.2



The table No.11 reveals that the respondents were interested in all the above subjects and especially agricultural development and cooperative development. They were also keen to increase their general knowledge and topics related to social life.

#### 7. SUMMARY AND CONCLUSIONS

(1) The Service Cooperative Society Pigdamber was reorganised in 1959. At present it covers about 82.0 p.c. of total farm households in the area of operation of the society. But the coverage of population was only 3.0 percent. The working of the society is not, however, very efficient and its audit classification has continued to be 'C' during last 4 years.

(2) The leadership of the society comes from all the four villages covered under the society. The mean age of members of Managing Committee is 57. Some of the leaders wish to discontinue in the committee because they are too old and they feel that they can do no good for the society. They feel that the younger people should come forward and take active interest in the affairs of the society.

(3) Mean standard of education for M.C. members and the ordinary members is about 3 years. But 2 members of Managing Committee and 10 ordinary members responding are illiterate. The general level of education of the respondents seems to be below the level of functional literacy.

(4) The average land holdings of the members of society is about 16 acres. On an average about 23.0 p.c. of the land owned by the farmer members is irrigated. In terms of acres 3.6 acres of land is irrigated by an average farmer member. Efforts need to be made to help the members to bring about increased acres of their land under irrigation by construction of wells or tubewells.

(5) The respondents have plans to undertake the use of improved variety of seed and larger doses of fertilizers. Steps should be taken to guide the members in these lines so that their plans to increase their income may materialise.

(6) On an average members of Managing Committee and the ordinary members responding own 5 and 3 milch cattle respectively. They should be helped in developing the sale of milk as a business and a continuous source of subsidiary income. For this purpose experts in the field of veterinary science should be involved to help the members to increase the yield of milk per day per cattle and to keep the milch cattle free from diseases.

(7) Small farmers should be encouraged to enroll themselves as members of society, and their credit needs however small, should be met by the society.

(8) At present the society is only channelising the funds it gets from its financing bank. No efforts have been made by society to provide any credit to members from its own resources. The society should therefore make efforts to increase its working capital by tapping deposits from its area of operation.

(9) The members of Managing Committee should be encouraged to take more active interest in the affairs of the society.

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