

CHAPTER - VII

Conclusions and Observations

I. The agrarian structure of the district laid bare a number of features and provided the background to the research and analysis on the topic. The land, the crops, the availability of social overheads and the social canvass are all variegated. Even within the district it is rare to find any large measure of homogeneity. The economic pattern of the villages similarly reflects variations and indicate that they are representative of the wider conditions in the district.

II. The district and the villages have highly progressive agriculture and farming communities as well as the most backward agrarian conditions and backward and tribal farmers. The resource-base and inventiveness appear to go along with the natural equipment of land, water resources and the climate. It has been possible to mitigate these yawning gaps in the levels of agriculture through human effort. It is thus necessary to proceed to remedy this situation with these conditions as the basis. The success of the institutions such as the cooperatives and the panchayats, depends on these differences, but they can hardly afford to succumb to them. They have to fight these odds and through appropriate adjustments and leadership reinforcement proceed to grow to full stature to serve their respective communities.

III. The history of the cooperative movement in our country makes a fascinating reading. Over nearly seventy years the pattern has grown to its present comprehensiveness and stature to constitute an important sector in the rural economy as well as to provide a thrust of social values and human standards. Today it doubtless provides for correctives to exploitative tendencies, wastes and the human weakness to profit regardless of the service and the resourcefulness of the rural communities they serve. It is true that the present cooperative movement is the outcome of the imagination and drive provided by the reoriented cooperative policy enunciated by the All-India Rural Credit Survey (1951) and the subsequent Plan policies which aim at using it as a vehicle of agrarian change and development. And yet, it can hardly be said that in the first half of the century of the movement we were not groping and proceeding at the snails pace. The overwhelming emphasis on credit with a sprinkling of marketing were the major grooves of the cooperative endeavour. The reoriented cooperative policy, variously known as state partnership, supervised credit, crop loan system, or integrated credit marks a propound departure from the orthodox principles as also from anything seen in the field by the rest of the free world. And yet, even the most ardent and orthodox cooperator never questioned the propriety of change in cooperative policy and approach as was initiated by us. True, the structure has become complex and requires skillful handling and delicate

manouvering but it can hardly be said that it has not turned out to the substantial expectations of its framers.

The years 1951-68 marked the period of the refinement of the instruments and structural adjustment through various official and non-official committees. Yet the basic frame seems to have stood the test of time and the adjustments and refinements have merely gone to make it more and more useful and effective.

IV. Our study of the cooperative credit and marketing societies of the selected villages have been fruitful, because it is such case studies in depth and comprehensiveness of a few societies in their operational background that give us the clue to the success and failures of the cooperatives. Both the credit and marketing societies showed that their success depended as much on leadership as on the degree to which agriculture was market-oriented and perennial. An occupation so laid out provided a large and continuous turnover and activity to both the credit and marketing societies. One must not miss in this analysis the large urban market in the proximity for the agricultural production which in its turn is further connected both with communication and trade links with other urban cities and concentrations. The urban super cooperative frame and leadership were further supporting factors to ensure greater and greater strength and vitality to the village cooperatives

located on their periphery. To the extent to which this integration between credit and marketing was not available, cooperatives languished and had a limping existence as illustrated by the primary cooperatives of the remoter villages of our study. The features of the ten villages and their cooperative marketing and credit primaries thus eloquently prove that the resources, resourcefulness, the nature of the farming communities, the degree of progressiveness in agriculture and the cooperative leadership at the grass roots all go to make for success of cooperation. In other words, the analysis proves that cooperation or cooperative institution is what the people and the surroundings can make it. The roots have to be sound and the superstructure and the rest of them will follow as day succeeds night.

This deeper analysis of cooperation at the primary and subsequent stages disclosed one pathetic vein, which persists and which the sober and the wise leadership and official policy makers have not been able to resolve. This is the functional specialization of the cooperative credit and marketing societies of the area in which the latter is said to carry considerable overlapping of functions. The crop loan system has been less than two decades old, but the marketing societies looking after both the marketing and credit have been almost half a century in working. These marketing cooperatives are again single crop institutions except for a few which deal with both fruits and

vegetables. The credit societies with the crop loan system as their basis of working have also flourished and built up financial stability through acquisition of large owned funds. They command confidence of their membership and have been able to grow from strength to strength particularly in relatively more prosperous agricultural regions. Quite a few of them have strayed into functions other than credit such as distribution of agricultural inputs and sometimes even the necessities of life. No overdues have emerged over time in a few credit cooperatives. The quantum of the crop loan has been mounting through a process of trial and error and evolution. Similarly the marketing societies have by experience and understanding extended credit to match the marketable surplus of their members. They too have found that they could extend production and or more appropriately marketing finance and appropriately related them to the capacity of the farmers to repay as demonstrated by the quantities of the produce brought to the marketing cooperative year after year. And over a range of years the farmers have regularly squarred their accounts and created no predicaments for their institutions.

And yet the issue of functional specialization of the credit and marketing societies is very much alive. The insistence that credit should be disbursed only through credit societies is ever intense. The leadership of the marketing

cooperatives display equal firmness to retain the status-quo. They probably know that this functional exclusiveness of credit through credit cooperatives under the new scheme is being pursued without being too much sure of its coordination with marketing, which is an important pre-requisite for fully translating the crop loan scheme. Both perhaps could come about simultaneously. The leadership in all spheres needs to be persuaded and cajoled rather than unilaterally ordained about the pattern and the policy. There is no doubt that the necessary structure and the frame of the activities and the functions would lay itself out in due course on merit and advantages. Only patience and persuasion need be continued.

But the basic point to realise is whether the crop loan scheme has been more effective from the angle of credit or from the angle of marketing. Here probably a more detailed examination might still be necessary, but the limited study has revealed one or two characteristics. That the credit extended by the marketing societies have neither been improvident nor unproductively employed. There have almost been no defaulters. The devotion and loyalty of the members to the marketing cooperatives have been unclenching. Similarly, the growth of credit cooperatives have not been throttled for want of business or due to overlapping of functions as between credit and marketing. From this analysis one might be inclined to draw an inference that there is field of work for both and

neither of them have been able to go full length to bring out the best that is in agriculture and the farmer. This apart, the issue that needs intensive probing is whether we could allow the pattern to continue and at the same time to probe into the reasons for its sustenance to ascertain which of the methods would best help translate the crop loan system into greater and greater reality over time and lean towards the one or the other that is found to be more efficacious. An approach of this nature would help us to shake off the element of leaning in our psychology as between patterns and institutions and help us to reach perhaps a blend of both that would ultimately help to throw up the best and the most effective content of the crop loan system.

One other point that remains to be considered is this about the conflict about functions. There ought to be no conflict of functions as between production finance extended by the credit societies and the advance payment of price against the crops to be sold by the marketing societies. The real issue is where both extend production finance to the farmer, especially the same farmer. The question, however, to decide is which of the two is more efficacious in their role as purveyors of production finance. The marketing societies probably have an eye on the crops to be sold through them while extending production finance as well as paying a part of the advance price. Thus they have a better grip over the repaying

capacity of borrowers, whereas in the case of credit societies the experience is still accruing. The final judgement to a switch over would be when the latter achieves a satisfactory grasp of this.

V. The study of the credit and marketing cooperatives serving the ten villages of our intensive scrutiny throw up highly stimulating thoughts and carry significant policy implications for the cooperative movement, but especially for the integrated credit scheme. Cooperation in the tribal areas show disappointing performance. This is as it could be, for, the tribal population and backward agriculture are poor soil for cooperation and a large rehabilitatory content has led to frustrating experience. Poverty, lack of education and enlightenment, poor techniques and know-how, inefficient extension agency and a host of other factors that orient agriculture to change have not helped the farmer of these areas to the proper use of credit and the subsidised inputs placed at his disposal. Any intensive programme of development has to reckon with these facts, as they can be overlooked at the peril of progress and change.

But in the areas of progressive agriculture and farmers, cooperation displays a number of welcome features that cooperative development displays in more advanced countries of the world. Farmers are members of more than one cooperative. There are more than one member of cooperatives from the same family.

The distinction between the small and the big cultivator gets blurred in the receipt of facilities because progressive agricultural conditions pervade all of them and all varieties of cooperatives find a fruitful field to grow from strength to strength. Credit cooperatives flourished because they combined credit with some other cooperative functions, including sometimes marketing. Marketing cooperatives flourished because they combined marketing with credit in the form of both production and part advance payment of the price of the crop in anticipation of it being marketed through them at the next harvest. They all have adequate business and effective leadership. They all cover large membership and have earned abiding devotion and loyalty from their members. There is no rivalry or competition between the two types of institutions because there is enough or more to do for all of them.) The redeeming feature, however, of marketing cooperatives has been that they seem to have achieved a more perfect linkage between credit and marketing and have reached a level of adequate and effective quantum of crop loan. There appears to be little case for the redrawing of functions to leave the respective specialised work marked for both credit and marketing societies as both the categories of cooperatives appear to be guilty of overlapping functions and neither of them is to be singly blamed for over-stepping the other.

Just as the credit societies also undertake marketing and subsidised distribution of inputs and necessities where they have been reorganised as service cooperatives, all these activities are clubbed formally under one institution. We have already seen that marketing cooperatives extend credit and make advance payment of the part of the price of the crop marketed through them. In this way there is an overlapping of functions all over and no one single institution can be singled out for doing, which is not its legitimate function. Actually this phenomenon should not be treated as overlapping of functions but as activities which through experience will ultimately give an ideal combination of functions. Till this frame is clear it would be desirable not to disturb the working of various institutions in haste.

The conclusion seems inescapable that they may be allowed to function and grow on their own as they have been doing all these long years. The time does not seem to be yet to disturb the pattern and working arrangement evolved and adopted by them. Perhaps it might not come if we do not allow our zeal to outrun our experience and wisdom. A stage might arise when both their working and occupation they seek to serve take a turn and tend to miss their moorings. Till then it will be prudent to wait rather than proceed in haste to perfect a pattern which has yet to show its unassailability and universal success.