

COOPERATIVES – Marketing role in Rural Development

Prajjawal Pradhan

Assistant Prof. of Commerce, Darjeeling Government College, Darjeeling 734101, India.

Abstract: Cooperatives are an integral part of the Indian rural economy. They have direct and indirect impact on agricultural growth and rural development. Individual's traditionally possess efficient skill in producing products like milk, dairy products, carrot, red chili pepper, poultry farming, tea plantation, cardamom etc. Their market is not confined only to the district of Darjeeling alone but in different districts of West Bengal. However, these individuals suffer from a lack of adequate training and face problems in managing their capital and marketing their products. With the value addition to these local products through cooperatives the quality and life of the product increases providing a better return to the local producer. This paper reviews the evolution of cooperative movement, examines its role as a medium, a marketing institution for small individual producers and Self Help Groups of the rural areas under Kurseong which lies under the jurisdiction of West Bengal.

Key Words: Cooperatives, Rural Development, Self Help Group, Local Producers, Marketing.

I. INTRODUCTION

According to Census-2011, 68.84 per cent of total population of the country lives in the country side. Darjeeling District has 70.41 per cent of population living in the rural areas. They are agricultural laborer, rural artisan, petty retail businessmen and small services provider. The area of study has been of Longview T.E, Garidhura, Upper Dudhey, Sittong under Kurseong Sub-Division of West Bengal. It was seen that the production of individuals and SHG's were not properly channelized leading to the ultimate loss of the society. The main problems found in these areas are of provision of credit; input supply; technology dissemination; value addition through diversification favoring high value agriculture, agro-processing and warehousing facilities. Marketing network and infrastructure play a pivotal role in economic transformation in the villages and rural development. The need for institutional arrangements in these core areas is necessitated by the limitations of self-provisioning and heart-breaking exploitation of non-institutional agencies. Credit is the most vital input for economic activities in the rural areas and cooperative credit institutions are the main purveyors, other agencies being commercial banks and regional rural banks (RRBs).

Co-operative Society is voluntary associations started with the aim of rendering service of its members and contributes towards its society. Certain fields of activities, such as agricultural credit, marketing, processing, consumer Co-operation, Co-operatives of artisans, and labor and producers Co-operatives make themselves specially appropriate for Co-operative endeavor. These are the areas in which neither the system of private enterprise nor the

state ownership can match the advantages of Co-operative organizations.

The modern phenomenon of Co-operation is thus an economic concept and is of a formal nature. It is a distinct form of business which affects the pattern of production within the economy. It is an organization of people where the production activity is conducted by assigning a secondary role to capital. The Co-operative movement therefore offers a ray of hope to the economically weak to live in better conditions of life in the modern world.

II. GROWTH OF CO-OPERATIVE MOVEMENT IN INDIA

PRE-INDEPENDENCE ERA

The provincial Governments enacted several measures of relief towards the end of 19th century when the condition of Rural India was quite deplorable, such as Deccan Agricultural Relief Act (1879); Land Improvements Loans Act (1883); and Agriculturist's Loans Act (1884).

These measures, however, did not prove much success due to stringent and cumbersome official procedures.

Nicholson one of the deputed senior officers by Government of Madras in 1892 gave his exhaustive Reports (1897 and 1899) which observed that we must find "Raiffeisen in India". The intention of Raiffeisen was to collect together small bodies of men who lived on close proximity to each others and were fully cognizant of each others circumstances and character and enabled these persons by pledging their unlimited liability. In 1901, the Government of India appointed a committee under the chairmanship of Sir Edward Law, to study the prevailing economic conditions in the country. The committee

recommended the introduction of Co-operative credit societies on the Raiffeisen model. The Government accepted the recommendations and accordingly, the first Co-operative Credit Societies Act (No.X), 1901 came into force.

THE CO-OPERATIVE CREDIT SOCIETY ACT, 1904

It aimed at encouraging thrift habits among poor artisans and peasants by setting up Co-operative societies. There was, however, no provision for the establishment of non-credit societies or central agencies, such as, central Co-operative banks /federations. In course of time, the 1904 Act was found insufficient to meet the growing needs of the farmers.

CO-OPERATIVE SOCIETIES ACT, 1912

So, in order to rectify the shortcomings, the Government passed a comprehensive Co-operative societies Act in 1912. As a result, the movement made rapid strides and extended into many fields. In order to assess the quantitative and qualitative progress of the movement, the Government of India, appointed a committee on Co-operation in 1914 under the chairmanship of Sir Edward Maclagan. The committee (1915) recommended stoppage of further registration of societies, and structural grouping of societies into the following classes: primary societies comprising individual members; central banks at the district level; and provincial banks and federations of societies as apex banks/unions at the provincial level for purpose of supervision. Though all the recommendations of the committee were not implemented, the report of this committee remained as the "Bible of Cooperation in India" for sufficiently long time.

GOVERNMENT OF INDIA ACT, 1919

The movement entered its next phase with the passing of the Government of India Act, 1919 (Popularly known as the Montagu-chelmsford Act, 1919).Under this Act, the provincial Government could enact separate Acts to suit the provincial requirements. The Bombay province was the first to enact a separate Co-operative societies Act, 1925. This was followed by Madras Act, 1932, Bihar and Orissa Act, 1935; Coorg Act, 1936; and Bengal Act of 1940 while the rest of provinces adopted the existing Act of 1912.

The Government of India appointed the Agricultural Finance Sub-Committee under Chairmanship of Gadgil in 1944 to study the problems of rural indebtedness. The Gadgil committee expressed the view that "the Co-operation would provide the best and the most lasting solution for the problems of agricultural credit in particular and those of the rural economy in general."

It pointed out that the existing Co-operative organisations could not handle the entire problem single-handedly and that state's assistance was necessary. It, therefore, suggested

setting up of an Agricultural Credit Corporation as an autonomous body at the provincial level.

POST-INDEPENDENCE ERA

In the post-independence era, Co-operation has been assigned a notable role in bringing socio economic changes through the process of democratic planning with accent on assisting the weaker Sections in the rural sector. Supporting this viewpoint R.B. Tyagi observed: "In fact, Co-operation has begun to be felt as the only panacea for all our maladies, both social and economic and especially of the rural sector.

According to a Government Publication, "Co-operatives in the countries economy will not only avoid excessive centralisation and bureaucratic control likely to result from planning itself, but also curb the acquisitive instincts, of the individual producer or trader working for himself." For these reasons, various Five Years Plans have envisaged a great deal of scope for the organisation of Cooperative activity.

III. CASE STUDY OF RURAL AREAS OF KURSEONG

Marketing is essential for the uninterrupted supply of product from growers to consumers bringing maximum benefits to the farmers and consumers. Co-operative Marketing association are composed of groups of farmers organised for the purpose of marketing the commodities they produce, Farmers have often felt that they did not receive the full value of their products when they were sold to local buyers whose margins were too large, because either of their inefficiencies or for wants of unorganized work. A study on the area of Longview T.E, Garidhura, Upper Dudhey, Sittong under Kurseong Sub-Division of West Bengal has been listed below:

a) Gender of the Respondents

Gender	Frequency	Percent	Cumulative Percent
Male	48	32.0	32.0
Female	102	68.0	100.0
Total	150	100.0	

b) Level of education of the Respondents

Level of Education	Frequency	Percent	Cumulative Percent
illiterate	60	40.0	40.0
Class five	40	27.0	67.0
Class ten	30	20.0	87.0
Ten +	20	13.0	100.0
Total	150	100.0	

c) Mode of Marketing of Agricultural Products

Mode of Marketing	Frequency	Percent	Cumulative Percent
Direct	25	17.0	17.0
Indirect	125	83.0	100.0
Total	150	100.0	

d) Fair price of Agricultural Product

Fair Price	Frequency	Percent	Cumulative Percent
No	140	93.0	93.0
Yes	10	7.0	100.0
Total	150	100.0	

e) Obstacle of Co-operative Society for Farmers

Obstacle for Co-operative formation	Frequency	Percent	Cumulative Percent
Knowledge	150	100.0	100.0

f) Interest in forming co-operative & effect of Co-operative for Agricultural Products

Effect of Co-operative	Frequency	Percent	Cumulative Percent
yes	150	100.0	100.0

h) Importance of the organization for forming co-operative from economic aspects

Type of organization for supporting co-operative	Frequency	Percent	Cumulative Percent
local government	150	100.0	100.0

i) Available of Storage facilities for Agricultural Products for farmers

Storage facilities	Frequency	Percent	CumulativePercent
No	150	100.0	100.0
Yes	0	0	
Total	150	100.0	

IV. SUMMARY OF THE STUDY:

1) A large section of female respondents were members of Self Help Groups and the number was less in case of male respondents. Block Divisional Office Kurseong gives training to Self Help Group (SHG) about the methods of farming and also gives training for skill development. The study area is dominated by the female and male's participation in agriculture is low.

2) It was revealed from the study that 68% farmers are female and only 32% farmers are male. 40% farmers were illiterate, 27% farmers had only class five level of education, 20% farmers had class ten level of education and only 13% farmers had above class ten level education.

3) It was revealed from the study that 83% farmers' mode of marketing were indirect channel of marketing. This indicates that majority farmers are selling their products to the rural bepari. 93% farmers did not get fair price of their products. This indicates that farmers are exploited by the rural middlemen.

4) 100% respondents were interested to form Co-operative Society for marketing their agricultural products but they could not form it due to the ignorance about the Cooperative society's rules and regulations. It was also revealed in the study that 100% respondents were on the

opinion that awareness programs were necessary for developing Cooperative Society among the farmers. 100% respondents were on the opinion that Local Government could play better role in the development of cooperative society for the farmers and political commitment was influential factor for the development of co-operative society for the farmers.

5) Lastly it was found that 100% respondents did not have storage facility for preserving their products which compelled them to sell their products immediately after harvesting period.

V. RECOMMENDATIONS OF THE STUDY

Co-Operative Department should take some pragmatic programs to increase farmers marketing efficiency. This can be done by introducing Co-Operative for the farmers. This system can enable them to take joint efforts of marketing their products. If this initiative is taken by the Department of Cooperative then the role of middlemen will be reduced gradually and thus farmer's economic welfare will be increased.

Local Government (Gorkhaland Territorial Administration) administration can be linked up with the Department of Cooperative. In the opinion survey 100% respondents opined in favor of the involvement of Local Government in this regard. If this arrangement is done then farmers will be motivated to participate in Co-operative Society as farmers believe that Local Government can play better role to motivate rural people to involve Co-operative farming and marketing. Department of Co-operative should take some programs to support farmer's initiative in Cooperative Society.

VI. CONCLUSION

The paper is divided into two parts: the first part gives a brief on the evolution of Cooperative in India and the second part where a case study of four rural areas of Kurseong has been studied. The sum of the study was to determine that a cooperative is the right approach in which to organize an intervention scheme to overcome barriers to markets (labor, financial and commodity markets) and facilitate market operations for the sake of development. The findings show that market barriers can be overcome by the cooperatives. It can be safely said that the principle of a strong, autonomous organization, a self-reliant, self-sustaining and self-administrative cooperative movement can play a key role in the economic, social and cultural development of the nation. Cooperatives are able to positively contribute towards job creation, income generation, resources mobilization, marketing and broad-based economic empowerment, thereby enhancing sustainable human development within an economy.

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