

A SCENARIO OF CO-OPERATIVE SECTOR OF MAHARASHTRA

Abstract:-

Cooperative sector is playing very crucial role in the development of India. The main focus of the study is to find out the present scenario co-operative sector of Maharashtra by considering quantitative indicators and some selected aggregate indicators. The present research paper is entirely based on secondary data. Study found that co-operative sector has spread in all the major economic activities in general and rural area in particular. The study also reveals that the cooperative sector of Maharashtra is growing rapidly and continuously since last 50 years. Finally it concluded that in order to sustain and develop in this competitive era the cooperative sector has to be properly protected and assisted by



the Government. In other words there is an urgent need of Government assistance and protection for cooperative sector.

Keywords:

Cooperation, Cooperative Sector Development, Cooperative Societies, Economic Development.



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I. INTRODUCTION-

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise. Self-help, self-responsibility, democracy, equality, equity and solidarity are the values of cooperative organizations. The cooperative played vital role in development of Maharashtra. Especially in western Maharashtra i.e. Kolhapur, Sangali, Satara, Pune and Solapur districts cooperative is well developed. The Sugar, Milk dairies, Credit societies, Banks, Cotton spinning mill, marketing federation, are major cooperative sectors. The cooperative provide large-scale employment and allied business in rural area. These cooperatives changed life style of rural peoples. Some cooperatives started educational institutions and helps for total upliftment of rural area. To provide means of transportation roads are developed. The communication facilities and irrigation is also improved. Hence, most of the urban facilities are made available in rural area.

In 1904 the co-operative movement is started in India at the same time it was also started in Maharashtra but, after the establishment of Maharashtra the Co-operative movement is grows in economics, politics and sociology. The co-operative movement is well flourished in Maharashtra by efforts and philosophy of Mahatma Phule and Rajarshi Shahu Maharaj. The Great political leaders Vitthalrao Vikhe-Patil, Dhananjay Gadgil, Vasantdada Patil were contributed in the development of Agro based industries through the co-operation. Co-operatives also have played an important role in promoting agricultural and rural development, particularly in the field of credit, processing, and marketing. The Sugar co-operatives and dairy co-operatives of Maharashtra are good examples of co-operatives that can promote and sustain rural development. These co-operatives have changed the lives of millions of peoples from villages. The roads, education, irrigation and even the culture in the rural area have been supported by these co-operatives. Present study aims to study the present Scenario of cooperative sector of Maharashtra.

II. OBJECTIVES OF THE STUDY:

1. To observe the social significance of cooperative sector,
2. To study the Scenario of co-operative sector of Maharashtra,
3. To suggest the policy implications to the improvement of co-operative movement,

III. RESEARCH METHODOLOGY:

Data Collection:

Present research paper is entirely based on secondary data. Secondary data has been collected from books related to the co-operative movement and internet.

IV. SOCIAL SIGNIFICANCE OF COOPERATIVE MOVEMENT

Creation of employment

When common brands are developed for cooperative products, and are disseminated among consumers successfully, the resultant benefits then to the society will be limitless. It will offer huge direct and indirect employment opportunities to their members and will empower them with assured income. For example increased demand for dairy products will hire additional work force in dairy plants. It will also encourage breeding of milk animals and thereby help the women and cattle herders to earn additional income through milk production. Increased demand for processed agricultural products such as potato wafers, pickles, fruit jam etc can directly give employment to their members in the processing plants as well as indirectly it will induce the employment of farmers who produce the raw materials for such processed food.

Price holding and stability

Successful marketing of cooperative products will ensure their dominant position in price holding which safeguards the economic interests of general public. For example the price line of the milk pockets supplied by the private dairies are under control only because the tough competition posed by the cooperative dairies. When the cooperative consumer store successfully operate in a market the local super markets/ private groceries will be compelled to fix nominal price for the goods they sell. These price

advantages in the long run will help the cooperatives to win the community support and the faith over this great democratic movement will be regained once again.

Agricultural production will increase

The economy of any developing country shall be agro based one, India is not an exception. Despite her planned growth in many spectrums of industrial sector, Indian economy still remains agro based one. Understanding the need for developing the country in the agricultural way the Union Government has said the agriculture will be given the prime concern in the next plan. When the products of agro based cooperatives are marketed successfully, it will boost up agricultural production as well as employment opportunities in this vast field. The farming cooperatives, farmers service societies (FSS), Primary Agricultural Cooperative Societies (PACS), Fertilizer cooperatives, agro implements manufacturing units, agro processing units, etc can take an active part in this vital revolution.

Increased GDP & International trade links

When common brands are developed for cooperative products and are made as leading brands in the domestic market, cooperatives can extent their horizon globally by making memorandum of understanding with successful cooperatives abroad. Dairy products, textile products, leather goods, spices and other processed agricultural goods, processed food items such as canned meat; fish, etc can be exported by cooperatives, provided they meet the quality conditions demanded by the concerned foreign country.

Public distribution system will be strengthened

Cooperatives deliver inevitable services to the economically weaker section of people through their public distribution system. They distribute food materials such as rice, wheat, sugar, atta and other materials like kerosene at subsidized rates. Besides they also distribute handloom products such as Sarees and Dhoties under the free distribution scheme of the governments. The successful existence of the movement will ensure the protected, caring institutional set up like PDS shops, to the people who struggle below the poverty line.

Creation of social assets

Success of cooperative will create a strong and value based society where the under privileged communities such as scheduled caste and scheduled tribes, women and other vulnerable populace are economically empowered as they shall be given equal opportunity to take direct participation in activities like production and marketing. It shall be a utopian world where people will observe high morale namely brotherhood in participation, honesty in dealings and found prosperity in all their operations.

V. ROLE OF COOPERATIVE SECTOR IN ECONOMIC DEVELOPMENT

Cooperatives are community-based, rooted in democracy, flexible, and have participatory involvement, which makes them well suited for economic development (Gertler, 2001). The cooperative sector, especially in developing countries, also presents itself as an important element that can contribute to the realization of the Millennium Development Goals. The process of developing and sustaining a cooperative involves the processes of developing and promoting community spirit, identity and social organization as cooperatives play an increasingly important role worldwide in poverty reduction, facilitating job creation, economic growth and social development (Gibson,2005).The statistics here indicates that modern cooperative movement has made tremendous progress in every walk of its activities and occupies a major place in the share of the national economy.

Table 1 Share of Co-operatives in National Economy
(Source: Indian Cooperative Movement - A Statistical Profile 2012).

| Sr. No | Co-operatives | Share of Cooperatives |
|--------|--|-----------------------|
| 1 | Rural Network (Village Covered) | 100% |
| 2 | Agricultural Credit Disbursed By Co-operatives | 46.15% |
| 3 | Fertilized Disbursed (6.049 million tons) | 36.22% |
| 4 | Fertilizer Production (3.293 MT- N&P) Nutrient | 27.65% |
| 5 | Sugar Produced (10.400 million tone | 59.0% |
| 6 | Capacity Utilization of Sugar Mills | 111.5% |
| 7 | Wheat Procurement (4.50 million tons) | 31.8% |
| 8 | Animal Feed Production / Supply | 50% |
| 9 | Retail Fair Price Shops (Rural +Urban) | 22% |
| 10 | Milk Procurement to Total Production | 7.44% |
| 11 | Milk Procurement to Marketable Surplus | 10.5% |
| 12 | Ice Cream Manufacture | 45% |
| 13 | Oil Marketed (Branded) | 50% |
| 14 | Cotton Marketed / Procurement | Not Applicable |
| 15 | Handloom in Co-operatives | 55.0% |
| 16 | Fisherman in Co-operatives (Active) | 21% |
| 17 | Storage Facility (Village Level PACS) | 65.0% |
| 18 | Rubber Processed and marketed | 95.0% |
| 19 | Direct Employment Generated | 1.07 million |
| 20 | Self Employment Generated for persons | 14.39 million |
| 21 | Salt Manufactured (18226 metric tons) | 7.6% |

Table no.1 shows that the share of co-operatives in the National economy. In this table share of rural network (villages covered) is very high i.e. 100%. Another highly contribution of co-operatives to development of national economy such as Handlooms in Cooperatives is 55% ,Capacity Utilization of Sugar Mills 111.5%, Ice Cream Manufacture 45%,Oil Marketed 50%, Kisan Credit Cards 38.3%,Fertilizer Distributed 36% etc. Therefore, this table clearly explains that the co-operatives are important in national economy and those are essential for the rural development of the country.

VI ROLE OF COOPERATIVE SECTOR IN ECONOMIC DEVELOPMENT OF MAHARASHTRA:

Co-operative movement in Maharashtra has been playing a significant role in the development of social and economic conditions of rural areas. This movement mainly bound to be field of agricultural credit. After that, it has spread on other fields like agro processing enterprises, agro-marketing, rural industries, social services etc. The progress of various types of co-operative societies in the year 1960-61 to 2011-12 is given in Table 2

Table 2: Progress of Co-operative Movement in Maharashtra (In Millions)

| Type of co operative societies | 1960-61 | 1970-71 | 1980-81 | 1990-91 | 2000-01 | 2010-11 | 2011-12 |
|--|---------|---------|---------|---------|---------|----------|----------|
| Apex and central Agril and non-agril. Credit institution | 39 | 29 | 31 | 34 | 34 | 34 | 34 |
| Primary agricultural credit societies | 21,400 | 20,420 | 18,577 | 19,565 | 20,551 | 21,451 | 21,443 |
| Non-agricultural credit societies | 1,630 | 2,964 | 5,474 | 11,291 | 22,014 | 23,434 | 22,847 |
| Marketing societies | 344 | 410 | 423 | 931 | 1,115 | 1,779 | 1,768 |
| Agro processing enterprises | 4,306 | 6,810 | 14,327 | 28,954 | 39,070 | 48,848 | 48,529 |
| Social service and other co-operative societies | 3,846 | 11,964 | 21,915 | 43,845 | 75,232 | 1,28,760 | 1,33,317 |
| Total | 31565 | 42597 | 60747 | 104620 | 158016 | 224306 | 227938 |

(Source: Economic survey of Maharashtra, 2012-13)

Table 2 reveals that Progress of Co-operative Movement in Maharashtra. In 1960-61 total Co-operative societies were 31565 and in 2011-12 they wear 227938. The rate of growth of cooperative

societies started increasing consistently from 1960-61 to 2011-12. The non- agricultural credit societies are just 1,630 in the year 1960-61 which gone up to 22,847 in the year 2011-12. On the contrary we found meager rise in primary agriculture credit societies. In case of social service and other cooperative societies we found a remarkable growth i.e. in the year 1960 it was just 3846 which rose 133317 in the year 2011-12. Thus overall growth of cooperative sector is satisfactory in Maharashtra.

Selected Aggregates of Co-operative Societies:

Co-operative societies have been getting a lot of encouragement from the people and the co-operatives have grown big and played a unique role. The people participation in the cooperative sector has been sharply increased over the period of last 50 years.

Table 3: Selected Aggregates of Co-operative Societies

| Items | 1960-61 | 1970-71 | 1980-81 | 1990-91 | 2000-01 | 2010-11 | 2011-12 |
|---|---------|---------|---------|----------|----------|----------|----------|
| No. of co-operatives societies | 31,565 | 42,597 | 69,747 | 1,04,620 | 1,58,016 | 2,24,306 | 2,27,938 |
| No. of members (ooo) | 4,191 | 8,581 | 14,783 | 26,903 | 43,022 | 53,022 | 52,495 |
| Working capital (Rs.crore) | 291 | 1,489 | 5,210 | 24,284 | 1,34,440 | 2,48,434 | 2,48,825 |
| Gross loan(Rs.Crore) | 270 | 1,098 | 2,934 | 15,148 | 72,067 | 1,00,681 | 1,17,406 |
| Outstanding loans (Rs.crore) | 171 | 883 | 2,311 | 12,062 | 67,653 | 1,11,862 | 1,27,129 |
| Turn over value of produced goods sold (Rs.crore) | 107 | 531 | 2,353 | 6,638 | 13,339 | 52,225 | 39,062 |

(Source: Economic survey of Maharashtra, 2012-13.)

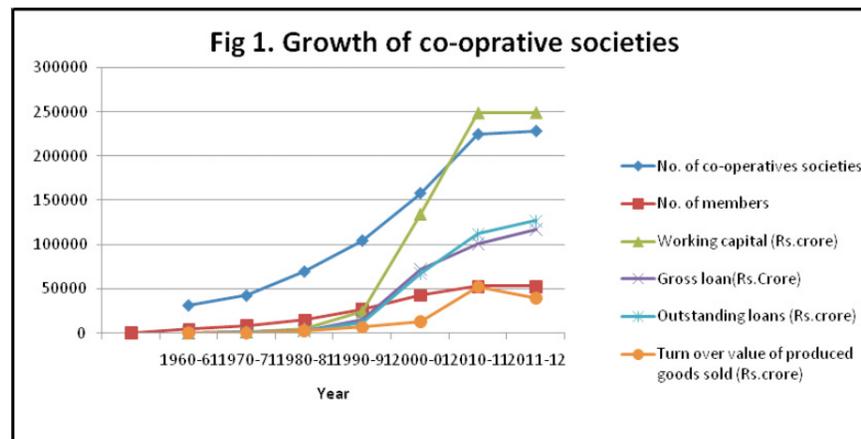


Table 3 reveals that Status of Selected Aggregates of Co-operative Societies from view of economic progress. In 1960-61 total Co-operative societies were 31565 and in 2011-12 they were 227938 and the total number of members were 4191 in 1960-61 and 52495 in 2011-12(fig.1). Besides that Working capital, Gross loan and outstanding loans are increasing in proportion with number of societies. The total turnover of societies in 1960-61 was 107 corers and 39,062 in 2011-12.

It is again interesting to note that the financial position of the cooperative sector is also significantly improved which is reflected in improved turnover over the period of last 50 years. The position of working capital show steadily tremendous increasing trend which indicates widening strong financial base. However the loan position is alarming which has been seen from the loan outstanding and loan position. Thus in brief it can be concluded that cooperative sector of Maharashtra is growing very smoothly and rapidly though we founds financial weakness particularly in case of cooperative sugar industry.

VII. CONCLUSION:

Co-operative sector has been playing a very significant role in the development of Maharashtra in general and rural area in particular. The cooperative sector spread in all the economic activities particularly it has been developed in the field of finance and production. Therefore it is an epicenter of the all socio-economic development of rural area. But at the present competitive era it is facing several problems. In order to sustain and develop in this competitive era the cooperative sector has to be properly protected and assisted by the Government. The people participation in cooperative activities is significantly satisfactory but not desirable. Government has look towards cooperative sector as an effective mean of poverty alleviation as it is an integrated part of society.

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