

RECENT TREND AND EFFECTIVENESS OF INDIAN CO-OPERATIVE SECTOR – A STUDY

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Abstract

The co-operatives have an all – persistent presence in nearly all the sectors of the economy. In India legally the co-operatives started in 1904. The co-operative movement was primarily organized against the moneylenders to save the farmers from the rule of Money-lenders. The number of PACS is around 1, 21,088 which cover 98% the villages. In the case of investment finance, there are state co-operative Agricultural and Rural Development Banks (SCARDBs) at the state level and primary banks at district level. The Government of India's contribution on share capital of co-operatives was very low. This paper highlighted at present position of co-operative societies in India and also indicated the co-operatives' contributions of India economy.

KEYWORDS: PACS, SCARDB, Money-lenders and Co-operatives

INTRODUCTION

The philosophy of co-operation is part and parcel of India culture and Tradition. Perhaps no other country in the world is the co-operative movement is large and as diverse as in India. There is nearly all sectors were touched by the co-operative movement in India as well as world. According to 2016 with more than eight lakh co-operatives were functioning in India and the co-operatives have a widely reached and it covered almost 98% of the villages in the country. Whether it is credit, marketing housing, agro -processing, dairy, spinning, tourism, Medical field and others. The co-operatives have an all – persistent presence in nearly all the sectors of the economy. In India legally the co-operatives started in 1904. The co-operative movement was primarily organized against the moneylenders to save the farmers from the rule of Money-lenders. The co-operative movement has documented as an efficient tool for the socio-economic development of the rural areas and for development in the standard of living condition of the rural people. At present, the government considers cooperatives significant for balanced development of the country. With the government is supporting and enhancing the co-operatives have exposed a high degree of diversification in new fields of activities. In 2004, the co-operative movement celebrated its centenary year. The year 2012, which is the United Nation, recognized International Year of Co-operatives was indeed a historic event for the enlargement of the co-operative sector in India. The sector of agricultural credit co-operatives were providing production finance is made of rural community level primary agriculture co-operative societies (PACS), federal organizations at the district level known as district central co-operative

banks and the apex organizations known as state co-operative banks. The number of PACS is around 1, 21,088 which cover nearly all the villages. In the case of investment finance, there are state co-operative Agricultural and Rural Development Banks (SCARDBs) at the state level and primary banks at district level. These banks were offered long term investment finance to the farmer community for improving their potentiality and income generating capability.

The victorious factors for the development of the co-operative movement in India are various. They are diversified:

1. Active Members Participation
2. Strong Leadership
3. Professionalism
4. Innovations
5. Effective Communications
6. Advocacy and Lobbying
7. Trust-building
8. Sound Business Practices

REVIEW OF LITERATURE

Anil Kumar Sonil & Harjinder Pal Singh Saluja (2013) this paper attempted to analyze the enlargement of cooperative movement in designed economy of the country. Empirical result shows development of cooperative movement in five year plan highly impressive. The emerging need of the economy in the new competitive and deregulated financial environment, cooperative institutions have re-oriented their policies by drawing up their prospective mission and strategy so as to make them globally competitive. India emphasized the process of planning stemmed partly from the urge of backwardness and partly from line which gave an force to achieve social justice, equality and a decent livelihood for all citizens, the promotion of cooperative thought of not merely as an extension of state action but as a step towards the realization of the best of the cooperative widespread prosperity.

Anil Kumar Sonil & Harjinder Pal Singh Saluja (2014) this paper highlighted the role of co-operative bank in agricultural credit. The cooperative sector has played a key role in the economy of the country and always recognized as an integral part of our national economy. Cooperatives have ideological base, economic objects with social outlook and approach. The cooperative covers almost all cent percent villages in India. The cooperative form of organization is the Ideal Organization for economically weaker sections in the country. According to recent study by World Bank and National Council for Applied Economic Research, the Primary Agriculture Credit Societies (PACS) amount for about 30 percent of micro credit in India.

Sachin R. Agrawal and S.S.Solanke (2012) it an attempt has been made to elaborate the problems and the relative perspective of co-operative banks in the Indian Economy. The rural areas are imposing the main effect on the co-operative banks. The rural area requires funds for two reasons viz. Working capital through short terms needs and agriculture and other bearing activities through long run requirements. The agricultural and other than agricultural processes in the rural areas is typically seasonal. The households required credit to work seasonal activities in earning and expenditure. A co-operative movement plays a major role in development of social and economic environment in India. But Govt. of India has not provided a good support to the cooperatives due to which many problems has been faced by them.

OBJETIVE OF THE STUDY

1. To evaluate the recent trend and effectiveness of co-operative sectors in India.
2. To offer the suitable suggestion for Indian co-operative sectors.

METHODOLOGY OF THE STUDY

This study fully based on secondary data. Data are collected from co-operative websites, Government reports, Ministry of rural development, Annual Report of NCDC, Study Material of NCUI.

RESULTS AND DISCUSSION

Table no. 1 Indian Co-operative movement at Glance -2014-2015

Total number of Co-operatives	833,560
Total number of Defunct/Dormant Co-operatives	46,870
Credit Co-operative (All Type)	141,118
Non-credit co-operatives (All Types)	692,442
Total Membership of Co-operative	274.97 million
Credit Co-operative Membership (All Types)	203.64 million
Non-credit co-operatives Membership (All Type)	71.33 million
Share capital (All Level & All Type)	Rs. 3,83, 285 million
Share capital of primary Non-credit co-operatives	Rs. 74,759 million
Working Capital (credit +Non-Credit)	Rs. 72,95,766 million
National Level Co-operative Federations	17
State Level Co-operative federations	399
District Level Co-operative federations	3,571
Multi State co-operative societies after MSCS Act,2002	1,255
Primary Agricultural Credit Societies (PACS)	92,789
PACS (Viable)	67,016

PACS (Potentially Viable)	19,929
No. of Villages Covered by PACS	629,778
PACS (Membership)	121.09 million
PACS (Total Paid up share Capital)	Rs.110,683 million
PACS (Govt. Participation)	7.54%
PACS (Total deposits)	Rs.846, 163 million
Kisan Credit card Issued by Co-operatives (upto February 2016)	3,91, 55,037
Amount Outstanding by Co-operatives (February 2016)	Rs. 10,77,003.3 million
Amount Disbursed by co-operatives (2015-2016)	Rs,16,27,921.27 million

Source: National Co-operative Union of India, Indian Co-operative Movement Statistical Profile-2016.

Table no. 1 shows that the Current scenario of Indian co-operative movement. According to 2016 the total number of co-operative societies in India was 833,560 (all types) but 46,870 co-operative societies Defunct/Dormant in India. The credit co-operative in India was 1, 41,118 and 692,442 non-credit co-operative societies at present. The total number of members of overall co-operative societies in India was 274.97 million. The credit co-operative society's membership was 203.64 million and non-credit co-operative society's membership was 71.33million in India. The share capital (All type & all level) of Indian co-operative was Rs.3, 83,285 million and working capital of credit and non-credit co-operative society was Rs. 72, 95,766 million. The share capital of primary non-credit co-operatives was Rs. 74,759 million. The number of National Level Co-operative Federations was 17 in India. The number of State Level Co-operative Federations was 399 and District Level Co-operative Federations was 3,571 in India. After the enforcement of Multi State Co-operative Societies Act, 2002 the number of 1,255 MSCS opened by India Co-operative. The number of 92,789 PACS was opened by Department of Co-operative but the number of 67,016 PACS was functioned viably, 19,929 PACS was functioned potentially viable and remains the Dormant and Defunct category. The total membership of PACS was 629,778 in 2014-2015. The total paid up share capital of PACS was Rs. 110,683 million but Government was Contribute only 7.54% on total paid up share capital of PACS. The PACS' total deposits were Rs. 846,163million. The number of 39,155,037 Kisan credit cards Issued by Co-operatives upto February, 2016. The amount of disbursement was Rs. 16, 27,921.27 million provide by co-operatives in India. The Government of India shall increase its' contribution of paid up share capital for all type and all level co-operatives. The Government of India shall create the awareness about the co-operative principles and ethic among societies. The recollection capacity of co-operatives was very poor so the co-operatives shall increase its' efficiency in all categories.

Table no. 2 Percentage Share of India co-operatives in National Economy – 2015-2016

Rural Network (Village covered by PACS)	94.32% (98%)
Total agricultural Credit Disbursed by Co-operatives	17.48%
Short Term Agricultural Credit Disbursed by Co-operatives to Small and Marginal Farmers	22.71%
Kisan Credit Cards Issued	75.71%
Fertilizer Distributed	36%
Fertilizer Production (10.77 million tonnes for the year 2014-2015)	21.85%
Installed Capacity of Fertilizer Manufacturing Units (3.638 million tonnes, N Nutrient, As on 31.03. 2015)	26.85%
Installed Capacity of Fertilizer Manufacturing Units (1.713 million tonnes, P Nutrient, As on 31.03.2015)	25.06%
Installed Number of Sugar Factories (327 as on 31.03.2016)	45.54%
Sugar produced (8.321 million tonnes as on 31.03.2016)	35.15%
Capacity Utilization of sugar mills (As on 31.03.2016)	81.3%
Wheat Procurement (9.440 million tonnes during 2012-2013)	24.8%
Paddy Procurement (5.518 million tonnes during 2011-2012)	14.8%
Retail fair price shops (Rural +Urban)	20.3%
Milk Procurement to Total Production (2014-2015)	9.50%
Liquid Milk Marketed out of total milk procured by co-operatives	84.17%
Spindleage in co-operatives (3.636 million – As on 31.03.2009)	9.83%
Fishermen in Co-operatives (active)	69.87%
Direct employment Generated by Co-operatives (2012)	13.30%
Self- employment Generated for persons (2012)	10.91%

Source: National Co-operative Union of India, Indian Co-operative Movement Statistical Profile-2016.

Table no. 2 explain that the contribution of co-operatives in India economy. The co-operatives covered 98% of villages in India. In India the amount of 17.48% of agricultural credit disbursed by co-operatives. In India the amount of 22.71% of short term agricultural credit disbursed by co-operatives to small and marginal farmers. The co-operatives issued 75.71% of Kisan credit cards to farmers. The co-operatives distributed 36% of fertilizer for famers in India through IFFCO and KRIBHCO Limited but it produced only 21.85% (10.77 million tonnes) of fertilizer. The installed number of sugar factories in India was 45.54% (321) and its' production was 8.321 million tonnes). The capacity utilization of sugar mills was 81.3% as on 31.3.2016 in India. The wheat and paddy procured by co-operative in India was 24.8%&14.8% respectively. The co-operatives were running retail fair price shops both are in rural and urban areas. The quantity of milk procurement was 9.50% and marketed 84.17% out of total procurement by co-operatives. The magnitude of Spindleage in co-operative was 3.636 million as on 31.3. 2009 it was 9.83%. The number of 18559 (69.87%) fisheries societies run by co-operatives. The amount of 13.30% direct employment opportunities generated by co-operatives and 10.91% of self-employment also generated by Indian co-operatives. The Government of India shall procure more amounts of wheat, paddy and other granaries through co-operative societies. The procurement and marketing shall increase by co-operative and provide cattle feed for fair price to cattle rear. The co-operatives have increased its employment generating capacity.

Table no. 3 State wise / Type wise Co-operatives in India (2015-2016)

State	PACS	Mkt.	Cons.	Indust.	Agro-pr. & Sug.	TT- & Handicraft.	FPDL	Labour	Housing	Others	Total
A&N Island	46	59	68	114	25	0	162	630	71	339	1514
Andhra Pradesh	1901	1569	0	2358	14	472	9423	4520	3535	43499	67291
Arunachal Pradesh	34	8	75	13	0	37	31	10	1	598	807
Assam	766	31	280	421	23	1503	1652	33	147	4599	9455
Bihar	8463	523	1875	2834	943	1090	4897	4577	2742	11211	39155
Chandigarh	17	0	0	0	0	0	0	0	108	3	128
Chattisgarh	1177	187	955	108	477	0	766	103	379	5346	9498
Dadra Nakar & Haveli	8	5	13	36	1	0	30	4	42	152	291
Daman & Diu	0	0	0	0	0	0	0	2	0	1	3
Delhi	0	0	568	1191	0	0	0	133	2107	1689	5688
Goa	79	10	71	21	7	0	194	19	2228	1808	4437
Gujarat	8605	2337	1984	0	780	0	15502	3544	17585	11194	61531
Haryana	663	0	0	0	13	0	7035	5980	360	49	14100
Himachal Pradesh	2135	0	0	0	0	0	845	1129	62	31	4202
Jammu & Kashmir	765	0	0	0	0	0	326	67	56	12	1226
Jharkhand	1331	0	0	0	0	0	60	1923	0	7115	10429
Karnataka	5376	308	1550	955	507	1096	15675	212	1644	12579	39902
Kerala	1642	1025	4672	20	40	2	3219	645	398	7149	18812
Lakshadweep	19	11	2	15	0	0	6	5	0	17	75
Madhya Pradesh	4537	356	6943	1986	1219	1016	12855	1599	2942	14977	48430
Maharashtra	21199	1602	3453	9073	1276	2708	35937	11665	94374	64675	245962
Manipur	223	47	137	91	309	2306	1141	339	215	420	5228
Meghalaya	179	27	54	104	28	71	225	7	34	464	1193
Mizoram	136	0	0	0	0	0	37	12	0	118	303
Nagaland	1719	44	116	23	22	329	689	6	0	4303	7251
Odisha	2701	76	468	0	79	0	5348	124	107	1202	10105
Puducherry	53	2	16	22	1	18	168	24	54	152	510
Punjab	1609	0	0	0	16	0	7411	1677	342	200	11255
Rajasthan	5671	0	0	0	1	0	14618	1118	1344	10852	33604
Sikkim	170	53	62	0	0	0	299	2845	0	222	3651
Tamil Nadu	4490	0	0	0	16	0	10940	127	826	421	16820
Telangana	906	10	0	0	2	140	5606	0	0	58408	65072
Tripura	268	15	232	0	40	207	305	61	4	788	1920
Uttar Pradesh	8929	268	1062	0	29	480	23760	708	1476	36592	73304
Uttarakhand	759	302	551	0	4	46	2393	196	61	69	4381
West Bengal	7402	0	0	0	0	0	4105	2648	1554	318	16027
Total	93978	8875	25207	19385	5872	11521	185660	46692	134798	301572	833560

Source: National Co-operative Union of India, Indian Co-operative Movement Statistical Profile-2016.

Note: PACS- Primary Agricultural Co-operative Societies; Mkt.-Marketing co-operatives; Cons. - Consumer co-operatives; Indust. - Industrial co-operatives; Agro-Proc. & Sugar-Agricultural Processing & Sugar Co-operatives; Textiles & Handicraft Co-operatives Societies; FPDL- Fishery, Poultry, Dairy and Livestock Co-operative Societies. Labour – Labour Co-operative Societies; Housing- Housing co-operatives; others- Others co-operative societies;

Table no. 3 demonstrates that the state wise and type wise co-operatives in India during 2015-2016. In India highest numbers of 21,199 PACS were functioning in Maharashtra after that Uttar Pradesh (8,929), Gujarat (8,605), Bihar (8,463) and west Bengal (7,402) respectively. The marketing co-operatives were functioning very high in Gujarat (2,337) followed by Maharashtra (1,602), Andhra Pradesh (1,569), Kerala (1,025) and Bihar (523) respectively. The maximum numbers of consumer co-operative societies were running in Madhya Pradesh (6,943), after that Kerala (4,672), Maharashtra (3,453), and Gujarat (1,984) respectively. The highest numbers of industrial co-operative societies were operating in Maharashtra (9,073) followed by Bihar (2,834), Andhra Pradesh (2,358), Madhya Pradesh (1,986) and Delhi (1,191) respectively. The agro-processing & co-operative sugar factories were highly running in Maharashtra (1,276) after that Madhya Pradesh (1,219) and Bihar (943) respectively. The textiles and handicraft co-operative societies were functioning maximum in Maharashtra (2,708) followed by Manipur (2,306) and Assam (943) respectively.

The more number of 35,937 Fisheries, Poultry, Dairies and Livestock co-operative societies were working in Maharashtra pursued by Uttar Pradesh (23,760), Karnataka (15,675) and Rajasthan (14,618) respectively. The labour, Housing and others co-operatives also were running very high number in Maharashtra (11,665), (94,374) and (64,675) accordingly. Overall the maximum number of co-operative societies were functioned in Maharashtra (2, 45,962) followed by Uttar Pradesh (73,304), Andra Pradesh (67,291), Telangana (65,072) and Gujarat (61,531) respectively. The Government of India shall increase the number of co-operative societies in various diversified field particularly in North East Frontier Areas (NEFA). To conduct co-operative rejuvenation programmes through co-operative department. The government of India has take remedies for dormant and defunct PACS in India.

CONCLUSION

The co-operative is an ultimate and wonderful weapon for poverty mitigation in India. In India the co-operative sectors are functioning in very elaborately but not very efficiently. The co-operatives covered 98% of India Rural areas but not much awareness about it among the rural people and also urban areas. The Government of India's contribution on share capital of co-operatives was very least. This paper highlighted at present position of co-operative societies in India and also indicated the co-operatives' contribution of India economy.

“Without Co-ordination there is no Co-operation; Without Co-operation there is no any Organization: Without Organization there is never Human Being”

Dr. Pazhanisamy Nagarajan.

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