

Department of Rural Economics

Study Material - 2: Degree Part – II

From: Dr. Saroj Kumar Singh
Associate Professor
SNSRKS College, Saharsa

TYPES AND ITS VALUES OF CO-OPERATION

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OBJECTIVES OF CO-OPERATION

TYPES OF CO-OPERATIVES IN INDIA

1. The Primary Agricultural Credit Societies The agriculture co-operative credit structure is broadly divided into two sectors:

- a. Dealing with the short-term and medium term finance.
- b. Dealing with the long-term credit. In the state, the short-term and medium-term credit structure is based on a three-tier system.
 1. The Apex Co-operative Bank (State level).
 2. The Central Co-operative Bank (District/Tehsil level).
 3. Primary Agricultural Credit Societies (Village level).

The major objectives of Primary Agricultural credit service societies are:

- i. To supply agricultural credit to meet the requirements of funds for agricultural production.
- ii. The distribution of essential consumer commodities.
- iii. The provision of storage and marketing facilities and for light agricultural implements and machinery.

2. Agricultural Non-Credit Societies While credit is and must remain for some time the chief concern of the co-operative movement relatively slow, since 1912, when the non-credit societies were brought officially under the aegis of the movement, the world war II (1939-45) came as a god send boon with respect to the development of the co-operative movement. Prices of agricultural goods began to rise and touched new peaks. The repayment of loans was accelerated and deposits began to pour in. The number of societies also rose. Another interesting development in co-operative

during the war was the extension of the movement to non-credit activities, i.e. consumer's co-operative marketing societies, consolidation societies etc.

3. Agricultural Co-Operative Marketing Societies

The development of co-operative marketing in India is closely bound up with the problem of credit—the claims of the money-lenders commonly inhabiting the cultivator's freedom of action in disposing of his crop. The full utilization of loans advanced depends upon the arrangements for the marketing of surplus produce. For this purpose, there the Punjab State Marketing Federation at the state level, wholesale societies at the district level and marketing societies at the market level. These societies also provide other agricultural facilities and arrange for the supply of domestic items in the rural areas. At the state level, the Punjab State Co-operative Supply and Marketing Federation (MARKFED) are playing an important role in building up an integrated structure for remunerative marketing and storing of agricultural produce. It has played an important role in hastening the Green Revolution in the state by arranging ready supplies of essential farm inputs needed by the cultivators.

4. Co-operative Farming Societies

Co-operative farming is a compromise between collective farming and the peasant proprietorship and gives all merits of large-scale farming without abolishing private property. It implies an organization of the farmers because of common efforts for common interests. Under this system, all landowners in a village form a co-operative society for tilling the land. The land is pooled, but each farmer retains the right of property. Each distributes the produce. They are allowed to withdraw from co-operative farm, whenever they desire. In India, the exceedingly small size of holdings is perhaps the most serious defect in our agriculture. If agriculture has to be improved, the size of holdings must be enlarged. The co-operative farming societies, thus, enable the cultivators to enjoy the economies of large-scale farming through the pooling of land management resources.

VALUES OF CO-OPERATION

Cooperatives are typically, based on the cooperative values of "*self-help, self-responsibility, democracy and equality, equity and solidarity*" and the seven cooperative principles. 1. Voluntary and open membership,

2. Democratic member control,

3. Economic participation by members,

4. Autonomy and independence,

5. Education, training and information,

6. Cooperation among cooperatives,
7. Concern for community,

Cooperatives are dedicated to the values of openness, social responsibility, and caring for others. Such legal entities have a range of social characteristics. Membership is open, meaning that anyone who satisfies certain non-discriminatory conditions may join. Economic benefits are distributed proportionally to each member's level of participation in the cooperative, for instance, by a dividend on sales or purchases, rather than according to capital invested. Cooperatives may be classified as either worker, consumer, producer, purchasing or housing cooperatives. They are distinguished from other forms of incorporation in that the interests of the community balance profit-making or economic stability. The United Nations had declared **2012 to be the International Year of Cooperatives (IYC)**.

OBJECTIVES OF CO-OPERATION

Self-help made effective by organization is called Co-operative Society. The main objectives of co-operatives of co-operatives are:

- **Elimination of Middlemen.** The First and foremost objective of co-operative society is to remove the intermediaries in different fields, who take away the gains that should have gone to the real beneficiaries.
- **Raising economic status of the poor.** The most basic aim of a co-operative society is to raise the standard of living of the poor.
- **Removal of the ills of capitalism.** The basic cause of the ills of capitalism is the profit motive. This leads to exploitation, class struggle, economic inequality, and unfair competition. These evils adversely affected the interest of workers and gave birth to co-operative movement. Therefore, the aim of co-operation is to restrict the amount of profit and provide better service to its members.
- **Raising moral standards of its members.** Co-operative movement wishes to direct human life towards goodness by raising their moral standard.
- **Increasing the prosperity of the whole community.** A co-operative society aims at bringing about the welfare of not a particular individual but of the whole community.
- **Abolition of Social Inequalities.** The feeling of 'high' or 'low' among members of the community act as a cause of social tensions, the removal of which is the goal of the co-operative movement.

- **Political and Religious Neutrality.** As far as possible, a co-operative remains aloof from political parties and religious groups.
- **Development of Corporate Life.** A Co-operative aims at providing a corporate life to the weaker sections of the community.
