

సహకార సంరక్షణ సమితి



## Co-operative Movement Protection Council

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Kind attention :

### The 93rd National Science Congress

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#### Co-operation - A system, the best suited for the Indian Rural Economy

- \* It is more relevant than the early years of the Post Independence
- \* It is in tune with the Development with the People's Participation

#### Indian Economy may be viewed as :

1. Rural Economy (For Co-operative Sector)
2. Industry & Trade Economy (For Private Sector & Public Sector)

Strengthening of the rural economy through Co-operative System leads to increase the "Purchasing Power" of the Small and Marginal farmers, rural artisans and the landless Labourers, in turn, it increases the "Demand" for the Industry & Trade goods. It is a sustainable development of the Indian Economy

If the Market forces are allowed in the rural economy, the land will be centralised and rural artisans occupation will be collapsed, then the small and Marginal farmers, rural artisans will become labourers, this leads to suicides, social tensions, economic struggles and so on ... It is a disastrous for the Indian Economy.

#### Co-operative Movement Protection Council

Co-operative Movement Protection Council is an "Forum" for the Co-operatives and the Co-operators. It is striving for the protection of the Co-operative Concept and lobbying for the favourable enactments.



## Constitutional Obligation for Implementing the Co-operative System

**Preamble** : A basic structure of the constitution, it says :

We, the People of the India, having Solemnly resolved to constitute India into a Sovereign Socialist Secular Democratic Republic and to secure to all its citizens : Justice, Social, Economical and Political.....

Co-operative concept is imbibed through article 39(C) :

**Article 39** : **Certain Principles of Policy to be followed by the State** : - "The State Shall, in particular, direct its policy towards securing -

(c) that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment

Direction of the Constitution through article 43 :

**Article 43** : "..... the State shall endeavour to promote cottage industry on an Individual or Co-operative basis in rural areas" ..

Hence it is a Constitutional guarantee for the Co-operative system to continue and implemented.

Co-operative Movement is called the people's movement. It makes the Man a social being and economical self-reliant. It has Values and Ethics and Principles universally accepted. It had International Forum called " International Co-operative Alliance (ICA)" at Geneva.

Co-operatives cannot be equated with the Associations or Unions which have limited objectives of the concerned persons.

### Co-operation - A system best suited for the Indian Rural Economy

Co-operative means "The system of people Voluntarily associated, working together on terms of equality to eliminate their economic exploitation by middlemen in respect of any economic need common to them, simultaneously themselves, eschewing the economic exploitation of others".

**"Cooperatives represents the humanistic Communitarianism" - Mahatma Gandhi.**

The Cooperative system is the reformist system to the Capitalistic / Market economy. By reforming, it tries to give a Human Face to the Capitalistic economy. It studies the Micro - economy at Primary Cooperatives level and Macro-economy at Federations level.

The Cooperative system recognises the surplus value concept. The Cooperative Principles are designed in such a way that surplus is distributed to the source from where it is raised and to the welfare of their communities.

It does not demand for nationalisation of Private Sector. The process of the Cooperative system makes the Production, the Market and the Capital formation are decentralised. And makes the user members economically self-reliant.



## Differences Between Private Sector and Cooperative Sector

Private Sector	Cooperative Sector
1. Association of Capital	Association of users.
2. Share capital is an investment from the income of an individual for making profit.	Share capital is the form of portion set aside from his necessities, not an investment from the income of the member.
3. Investor's economy.	User's economy
4. Joint stock Company form of business is the main tool of the investor's economy i.e. Capitalistic / Market economy.	Cooperative federations of the Primary Cooperatives is the Answer to the Joint Stock Company form of business.
5. Works in accordance with the Companies Act and Partnership Act.	Works in accordance with the Cooperative Acts and Rules.
6. Profit distribution according to their share capital ratio.	Surplus distribution : Capital formation Through Reserves, Social Benefits and the Patronage Dividend
7. Control vests in accordance with the size of the share holding.	Control vests in the members equally, irrespective of share holding. and democratically controlled.
8. centralizes the production, marketing and wealth.	Decentralizes the production, marketing and the wealth.
9. Exploitation is it's nature.	Principle action is to eliminate the exploitation.
10. Economic rights of the people are suppressed.	Promotes the economic rights of the people.
11. Curtails people's economic democracy.	Seeks to establish economic democracy.
12. The fittest only survives.	Makes all the user members economically self-reliant.

The Co-operative system can combine the best in the two worlds of individualism and collectivism, or democracy and socialism. It combines self help and mutual help, voluntary action, non-discrimination, openness in operations, democratic equality and decision through discussion which are the attributes of a democratic system based on individualism with equitable distribution of income, primacy of man over capital and nonacquisitive dis-interested and altruistic attitude towards property which are the attributes of collectivism and socialism. It differs from either by abandoning on one hand the philosophy of inevitability associated with Marxian socialism, and on the other hand, the touching belief in the efficiency of automatism of the market economy under the influence of "Invisible hand" which is the attribute of a free market economy.

- P.R. Dubhashi

### Results of the market Economy

As soon as Indian Economy is Liberalised, the Co-operative sector is ignored by the Governments. The Co-operative Sector is being removed from the Five Year Plan Document, as result-

- Share of Co-operative Agriculture Credit is reduced to 34% (2002-03) from 62% (1992-93)
- Co-operative dairy share is reduced
- Farmers and Weavers suicides had become order of the day.



## EVEN THEN, INDIAN COOPERATIVE MOVEMENT AT A GLANCE

### ALL CO-OPERATIVES - 2002-2003

(Value Rs. in Million)

* Number of Co-operatives (All Level)	: 549,119
(a) Primary Agri. land Credit Co-operatives	: 145,928
(b) Primary Non-Credit Coops. (All Types)	: 399,934
* Membership of Co-operatives (All Level & Tps)	: 229,510 Million
(a) Membership of Primary Agri/Credit. Coops	: 150.553 Million
(b) Membership Primary Non - Credit Coops	: 64.827 Million
* Share Capital (All Level & All Types)	: Rs. 223,944.0
* (a) Share Capital of Primary Credit Coops	: Rs. 102,791.8
(b) Share Capital of Primary Non-Credit	: Rs. 56,655.5
(c) Govt. Participation. in Primary Agri. Coops.	: 5.76%
* Working Capital (Credit + Non Credit)	: Rs. 3,827,496.4
* Reserves	: Rs. 300,504.0
* Deposits	: Rs. 1975,633.1
* Coverage of Rurla House holds	: 71%
* Villages Covered by Co-operatives	: 100%
* Number of National Level Coop. Federations	: 19
* Number of State Level Coop. Federations	: 367
* Number of District Level Coop. Federations	: 2,890

### Presently Attention Required

- \* Co-operative Sector is included in the Five Year Plan Document
- \* Strengthening of the Coop. Agricultural Credit Structure
- \* Financial assistance for the Coop. Agriculture Marketing structure
- \* Removing the Handloom Sector from the Textile Industry. Constitute Independent Handloom Department
- \* Providing incentives and infrastructure for the Co-operative Joint Farming.
- \* "Anand" Pattern (Dairy) in all districts,
- \* Promote Labour Contract Societies and direct the Panchayat Raj and Municipal Depts. to allot at least 25% of the works and have a tie-up with the Employment Guarantee Programmes.
- \* Strengthening of the Co-operative Education and Training Structures at all Districts.

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Convinor

State Conving Committee

**Co-operative Movement Protection Council**