

Co-operative Movement in Assam: Performance, Problems and Suggestive Measures of Co-operative Non-Credit Societies.

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Abstract- *Cooperative society is a joint equal participation of members working towards a common goal. Co-operation has a very important role to play for the economic and social upliftment of an economy like Assam. Since the Assam economy is predominantly rural in character, an extensive network of sound and viable co-operatives can help tremendously in giving right shape to the socio-economic structure of rural Assam. Co-operative society as formal association came to be setup in India as well as in Assam in 1904 mainly as credit societies followed by non-credit societies from 1912. The Royal Communication on Agriculture in 1928 rightly emphasized the importance of co-operatives as a potential instrument of rural development “If cooperation fails there will fail the best hope of rural India.” The Co-operative institutions have the advantage in tackling the problems of poverty alleviation, food security and employment generation and considered as a potential instruction for delivery of goods and services. It also helps to create social capital and contributes to National Integration. The non-credit Co-operative societies in Assam cover a wide range of activities like marketing, processing, storage, distribution, farming etc. In 2012-13, there were 4,452 functioning non-credit societies which were rendering valuable services to the economy of the state particularly to the farmers and artisans. As compared to credit societies the development of Non-credit societies is slow and backward. This paper is an attempt to study the performance, problems and suggestive measures of non-credit societies in Assam.*

Indexed Terms- *Cooperative, non-credit society, rural development, self-help, agriculture.*

I. INTRODUCTION

Cooperative society is a joint equal participation of members working towards a common goal. H. Calvert¹ has defined cooperation as an economic organisation to which people voluntarily associated together pooling their limited resources on the basis of equality for promoting their economic interest under certain definite rules. The main task of the Co-operative sector is to facilitate the formation and working of cooperative societies in the state for the purpose of promoting self-help and mutual aid among agriculturalists, artisans and other persons with common economic needs so as to bring about a higher standard of living, better business, better method of production and equitable distribution. The Co-operative institutions have the advantage in tackling the problems of poverty alleviation, food security and employment generation and considered as a potential instruction for delivery of goods and services. It also helps to create social capital and contributes to National Integration. It believes in the philosophy of “All for each and Each for All”. Though cooperative window is considered to be the best as it associates with the target group in its process implementation.

Co-operative society as formal association came to be setup in India as well as in Assam in 1904² mainly as credit societies followed by non-credit societies from 1912³. The Royal Communication on Agriculture in 1928 rightly emphasized the importance of co-operatives as a potential instrument of rural development “If cooperation fails there will fail the best hope of rural India.”

- Objectives:

The basic objective of the proposed study is to evaluate the performance, problems and suggestive

measures of Non-credit Co-operative Societies of Assam.

- Methodology:

The Said study is based on the secondary data only. The time period covers from 2010-11 to 2019-20. The data have been collected from the publication of the Registrar of Cooperative Societies, Government of Assam and Economic survey reports prepared by the Government of Assam. Simple Statistical tools such as percentage, tabulation are used. The major part of this paper is based on descriptive and table analysis.

- An Overview of Co-operative Societies in Assam: Co-operation has a very important role to play for the economic and social upliftment of an economy like Assam. Since the Assam economy is predominantly rural in character, an extensive network of sound and viable co-operatives can help tremendously in giving right shape to the socio-economic structure of rural Assam. The noted author of the book ‘The World Co-Operative Movement’ Margaret Digby⁴ stated, “Only through Co-operative institutions can the common man influence the direction of social and economic change in a decisive manner”. The economy of the state is mostly depending on agriculture and allied activities like Fishery, Dairy, Processing; which required various facilities like credit, irrigation, consolidation of holdings and marketing, supplementary occupation by developing cottage and small industries and consumers Co-operation etc. This can be met effectively with the spread of the network of Co-operation in these above-mention fields. The economic survey, Assam 1996-97 stated in this regard. “The economy of Assam being predominantly rural in character, an extensive network of sound and viable co-operatives can be of tremendous help in achieving the objectives of economic growth and social change in this area.

At present there are 13722 numbers of different types of Co-operative Societies in Assam during 2019-2020, including State Level Cooperative Societies such as Apex Bank, ASCARD Bank, HOUSEFED, and FISHFED. Various types of Primary Cooperative Societies like Gaon Panchayat level Cooperative (GPSS), Women cooperatives, Housing Cooperatives, Fishery cooperative, farming

cooperatives, consumer cooperative etc. are also organised for specific purpose and performing various economic activities.

- Types of Cooperative Societies:

As per the prevailing structure of Co-operative bodies in India, the Co-operative Societies in Assam may broadly be divided into credit and non-credit societies. During 2005-06, the State had 1,626 credit societies and 8,508 non-credit societies.

- Credit societies are voluntarily associated to accomplish their basic aspiration and requirements through an organization which is jointly owned and democratically controlled. The main motive of the society is to provide credit to local entrepreneur for undertaking various types of business activities. It works on the principle of self-help through mutual cooperation of members.
- Further, non-credit societies in Assam are consisting of farming societies, weaving societies, fishermen’s societies, marketing societies, warehousing societies etc.

- Performance of Non-Credit Societies:

The rural people of Assam are getting useful services from the non-credit societies in the line of organisation and improvement of their economic conditions. The non- credit Co-operative societies in Assam cover a wide range of activities like marketing, processing, storage, distribution, farming etc. Besides, there are some primary housing societies, contract and construction societies and forest societies which are gradually developing in the State. In 2012-13, there were 4,452 functioning non-credit societies which were rendering valuable services to the economy of the state particularly to the farmers and artisans. As compared to credit societies the development of Non-credit societies is slow and backward.

There are a few state level Non-credit cooperative societies functioning in the state namely Assam Cooperative Jute Mill Ltd. FISHFED, HOUSEFED, Agro processing and Tea Warehousing Cooperative Society, Assam Polyester Cooperative Society Ltd.etc. The performance of these societies are presented in the following table-

Table-1: Performance of state level Non-Credit Cooperative Societies in Assam.

Name of Societies	Year	No of Societies	No. of Members	Paid up Share Capital (Rupees in Lakh)	Paid up working capital (Rupees in Lakh)	Values of Sales (Rupees in Lakh)
Assam Co-operative Jute Mill Ltd.	2010-11	1	8262	333.01	1151.83	3324.14
	2013-14	1	1825	325.79	1237.92	3811.42
	2016-17	1	659	323.93	926.65	5244.66
	2019-20	1	658	323.86	392.73	4954.03
FISHFED	2010-11	1	496	496.00	1423.14	-
	2013-14	1	239	343.00	407.00	18.87
	2016-17	1	285	343.10	115.66	57.50
	2019-20	1	NIL			
HOUSEFED	2010-11	1	418	1550.19	12572.99	330.00
	2013-14	1	418	1663.55	15294.24	-
	2016-17	1	418		15744.75	-
	2019-20	1	21785	1618.93	97.92	-
*EAP & TW Cooperative Society Ltd.	2010-11					-
	2013-14	1	493	97.98	1889.00	1655.00
	2016-17	1	504	98.15	2459.65	1314.03
	2019-20	1	504	98.15	2459.65	1314.03
Assam Polyester Cooperative Society Ltd.	2010-11					
	2013-14	26	4618	1628.00	89.80	1885.24
	2016-17	37	4590	1648.12	-	-
	2019-20	37	4588	323.86	392.73	-

Source: Registrar of Cooperative Societies, Assam/ Statistical handbook- 2012, 2015, 2020.

*EAP&TW: Eastern Agro Processing & Tea Warehousing Cooperative Society.

• ASSAM CO-OPERATIVE JUTE MILLS LTD:

The Assam Co-operative Jute Mills Ltd. is situated on the South Bank of the River Brahmaputra at Silghat Town in the District of Nagaon, is one of the most successful Cooperative Industries in Assam. This industry is earning profit continuously and has been awarded with ISO certificate. The Mill has created employment opportunities for more than thousands of persons. This is the only Composite Jute industry in Co-operative sector in the Country, The Assam Co-operative Jute Mills Ltd. Has been marketing its major product of gunny bags. It was

registered in the year 1959 under the Assam Co-operative Societies Act. 1949 and after much struggle it was commissioned in the year 1970. With the initial investment of Rs. 150 Lakhs. But the mill after running for about 14 years in rough weather has to close during March'1984 for acute financial crises and other infrastructure problems and remain closed for about 2 years. Again the mill was reopened on 1st January, 1986 under the terms of the historic Assam Accord with the financial assistance from the Central Govt. After continuous struggle and efforts, the mill has started improving its economy from the year 1992- 93 and marking continuous profit. Now the mill is completely free from the loan and liabilities and achieved economically viable position. During

the year 2016-17 the gross turnover of the Mill is Rs. 52.44 Crore having the net profits earned by Rs. 4.09 lakhs. Observing the activities and performance of the Mill, the State Government has placed the Mill in 'A' category and awarded the Mill with best performing Public Enterprise providing incentive of an amount of Rs. 12.00 lakhs during the year 2016-17.

• FISHFED:

Assam Apex Cooperative Fish Marketing & Processing Federation Ltd. shortly known as FISHFED is an apex level cooperative federation registered under the Assam Cooperative Societies Act, 2007 under registration No.G-25 ,dated 01/06/1978. The main objective of the federation is to help the fishermen community in their socio economic development through the primary fishery cooperative societies by increasing the production of fishes through member societies as well as through its own project and marketing the production through various market and sales booths of FISHFED by eliminating the middlemen assuring better price to the fishermen and an assured market to the consumer.

Schedule Caste and Backward communities are direct beneficiaries of fishery sectors as most of the people of these communities are fisherman by profession and fishery is taking place as most remunerative commercial venture. For all Un-employed irrespective of caste and creed, it is organised to help the poor fisherman community who are economically backward for their socio-economic development. Fishery sector has a higher growth rate than other agricultural and allied sectors and could play a pivotal role in the socio-economic development and employment generation in the State. The Apex body FISHFED has been responsibility to take up steps for coordinated development of primary fishery cooperative societies including Production, Marketing, processing of fish and provide technical guidance etc. Presently there are more than 450 Nos. of primary fishery co-operatives in the State. FISHFED is one of the running businesses of fresh fish marketing in hygienic manners and for this purpose. FISHFED has acquired four refrigerated vans. These vehicles are engaged in fresh fish marketing in different parts of Guwahati City. State Government has sanctioned an amount of Rs.25.00

lakh as financial assistance to FISHFED during the year 2016-17.

HOUSEFED:

As part of the Co-operative housing movement in India and with a mission to fulfil the desire of the countless common citizens to own a wholesome house, HOUSEFED was born on 27th March, 1978 with its headquarters at Guwahati. It was registered as Assam State Co-operative Housing Finance Ltd. under the Assam Co-operative Societies Act 1949. The name was subsequently changed to "Assam Co-operative Housing Federation Ltd." on 22nd June 2005. Funding of Housefed by way of providing Share Capital contribution, scheme subsidy for SC/ST and State Govt.

The primary objectives of HOUSEFED are: -

- To promote Organization of the Co-operative Housing Societies in the State and arrange loans for construction of dwelling houses for members of Primary Housing Society and individual member of HOUSEFED.
- To acquire and develop land for the benefit of housing programme and for construction of house, flats etc.

HOUSEFED is also leasing houses on rent for office accommodation to different Central and State Govt. There are 72 nos. of employees in the federation. It has many housing projects like Natbama Housing Project, Jorhat Housing Project etc.

• EAP & TW Cooperative Society Ltd:

Eastern Agro Processing And Tea Warehousing Co-operative Society Ltd. is managed strictly in accordance with the byelaws of the society prepared under the Assam Co-operative Societies Act and Rules. It was registered in the year 1971. The society is running the business of tea warehousing, mustard oil packaging, grinding of spices etc. The brand name of packed mustered oil is NIVAJ which is very popular in the market. The society is rendering services to the Guwahati Tea Auction Centre by storing teas meant for sale in the said centre. Services are also being rendered to about 100 firms/individuals by providing accommodation for carrying their business in the society's marketing

complex Building and storage Godowns. The society is functioning without any financial assistance from the Govt. and is performing well and earning continuous profits. The society has earned net profits to the tune of Rs 2,05,46,340.00 during 2016-2017.

- Assam Polyester Cooperative Society Ltd. (APOL):

The Assam Polyester Cooperative Society Ltd. is the only surviving cooperative spinning mill in Assam. It was registered on 14th September, 1981 under the Assam Cooperative Societies, Act, 1949. Initially, the Mill was set up as a spinning unit with 19,200 Spindles by purchasing 86 Bigha of land at Tulshibari, Rangia with financial involvement of Rs. 12.00 crore in June, 1988. The main objective of the society is to promote the economic interest of the members by under taking spinning, dyeing, weaving and manufacturing of textile (polyester) materials of all kinds and supply of yarn of all types to the weavers and others. Due to lack of working capital, the mill stopped its production in December, 2003 and after persistent efforts the mill re-started its production from the year 2006 and now, it is running smoothly. More than 600 employees are engaged in production of yarn in different counts and these are supplied to the local markets as well as markets of Kolkata. The machineries of APOL are required to be replaced due to overuse which has affected in production. The Govt. of Assam has taken steps to revive the mill through up gradation and replacement of the obsolete machineries under the sponsorship from North Eastern Council (NEC). The NEC has sanctioned a project of Rs. 457.34 lakh in this regard and has already released an amount of Rs329.28 lakh and the Govt. of Assam has also released the State share of Rs. 164.64 lakh.

- DAIRY CO-OPERATIVES:

Primary Milk Cooperatives are village level cooperatives. There are 505 Nos. of Primary Milk Dairy Co-operative societies in the State. Most of these co-operatives are the members of the Milk unions, that is, their Federation, namely, WAMUL and EAMUL. These Co-operatives sold their surplus milk to their union and their Federation. Three Regional Level Milk Cooperatives unions had been organized namely, West Assam Milk producers Union Ltd. (WAMUL), East Assam Milk Producers

Cooperative Union Ltd (EAMUL) and Cachar and Karimganj District Milk producer Co-operative Union Ltd. (CAMUL). After handing over the management of WAMUL, EAMUL and CAMUL to National Dairy Development Board (NDDB), New Delhi, WAMUL market its product under the brand PURABI, which has become a household name. It plans to double its packaged liquid milk production in the coming year. Besides, WAMUL is supplying Paneer, Curd, Ghee, Lachi and Cream to its customers. WAMUL has been continuously increasing its volume of operations and it has reached an average procurement level of 26.15 TKGPD and an average milk sale of 47.60 TLPD in the year 2016-17.

- Co-operative Sugar Mill:

Co-operative Sugar Mill Assam had two Sugar Mills at Co-operative sector. These are-

- Assam Co-operative Sugar Mill, Dergaon
- Nagaon Co-operative Sugar Mill

However, only Nagaon Co-operative Sugar Mill was functioning prior to 2003-04. Due to financial constraint and other various reasons, it had to stop its production for last couple of years and both the Sugar Mills have been sent in liquidation.

- Other Non-credit Co-operatives:

There are local skill based, local resource based and local potential Co-operative Societies, which are viable and functional Co-operatives likes –

- (a) Poultry, Piggery, Duckery, Pisciculture.
- (b) Cane and Bamboo Industries, Brick Industries, Transport and Communication.
- (c) Rickshaw puller, Bee-keeping, Blacksmith, Carpentry, Weaving etc.

These are mostly confined to economically weaker section of the Society. The Financial assistance to these societies will go a long way in enabling economically weaker section of the society to achieve their economic upliftment. The state Government provides financial assistance to such cooperatives societies from time to time.

- Problems faced by the Co-operatives Societies in Assam:

Since its inception, the Co-operative movement in Assam was suffering from some main weaknesses. Thus the movement could not gather its momentum and failed to provide necessary help and assistance to the poor farmers, artisans and craftsman. The main weaknesses are as follows:

1. The Co-operative movement in Assam is lacking its spontaneous growth. Lack of awareness about cooperative principals, rules and benefits of cooperatives among the masses, the formation of co-operatives, people do not come forward spontaneously to form co-operatives.
2. A successful co-operation requires enlightened and informed membership. Absence of active participation many co-operative societies in Assam are not growing in its size and importance at an expected rate rather many societies are dying before taking a good shape of its own.
3. Colossal ignorance and illiteracy of the rural people of Assam is standing on the way of the movement. Most of rural poor are illiterate, ignorant and conservative. They feel the need and importance of the movement but they are indifferent to the growth of the movement.
4. Lack of financial stability on the part of the co-operatives. Inadequate financial resources of the Co-operative societies in Assam, is one of the major weakness of the Co-operative movement in the state.
5. There is lack of efficiency on the part of management personnel of the Co-operative societies in Assam. This inefficiency leads to mismanagement of the societies resulting a huge loss on some occasions.
6. There is lack of adequate trained and efficient personnel's in the department to run these societies with the changing environment is making defective sectorial management.
7. There is lack of whole-hearted effort on the part of government official of the State which always goes against the interest of the movement.
8. Reluctant attitude of financial Institutions is also considered as one of the major constraints of co-operatives in enabling the people to have access to rural credit.
9. Inactive role of state co-operative union, the Apex organization for providing training and co-

operative education for healthy growth of Societies.

10. Lack of Publicity of success stories in co-operatives so as to attract involvement of more people including young generation.

- Policy Measures to Improve the Co-operative Societies in Assam:

Co-operative movement in Assam has not been able to make much headway although being an old movement. Following remedial measures are to be adopted to revitalise the Co-operative movement in Assam-

1. Involvement of youth for the success of co-operative movement is very much essential. Our country has the largest young population in the world. To this end, co-operatives need to develop youth centric programmes, activities and policies. Popularizing co-operative model in schools, colleges and universities so as to reach out to youth in large number has become utmost necessity.
2. To make it a people's movement, people in general need to be educated both in general and Co-operative lines. This will make them understand the structure and benefits of the Co-operative movement.
3. Financial position of all the Co-operative societies must be improved to accelerate the growth of the movement. The State Government must play its specific role in this regard. To provide adequate financial assistance to the Co-operative institutions, both the Reserve Bank of India, the State and Union Government, have been adopting series of measures in recent years.
4. To revitalise the Co-operative movement, proper training should be given to the Co-operative personnel. Thus, determined efforts have to be made to impart proper training both in Co-operative management and accounting procedure so as to ensure efficient management and proper accounting procedure of the Co-operative institutions of the State.
5. Non-credit Co-operatives should be organised in such a way so that their scale of operations can be extended throughout the State. Determined efforts should be made to free the organisation, from corruption, Nepotism, favouritism etc. Seventhly, primary societies of the state should be converted

into multi-purpose service Co-operatives to reap maximum benefits out of it.

6. The societies should be allowed to grow as a voluntary organisation to make the spirit of the movement spontaneous. Step must be taken to stop unnecessary Governmental interferences in the working of the Co-operative societies in the State.
7. A high power committee comprising of senior most level of officers of Departments like
8. Agriculture, Animal Husbandry & Veterinary, Dairy, Fishery, Sericulture, Handloom & Textiles, and Food & Civil Supplies etc. is felt necessary for formulation of Comprehensive plan for inclusive growth through Cooperative to bring about Socio-economic change in rural areas thereby improving the condition of rural people.
9. Co-operative societies may also be covered under GPDP(Gaon Panchayat Development
10. Program) scheme for its rapid development contributing to rural economy.
11. Proper implementation of Revival package announced as per recommendation of Baidya
12. Nathan committee may add new strength to the co-operatives particularly the GPSS.
13. To impart education to co-operative societies and board of management on various important aspects of co-operative movement, District level training centres may be set up.

CONCLUSION

In the context of liberalization, privatization and globalization of the Indian economy, the role of cooperative societies is very essential. As the largest young unemployed country, the success of co-operative movement is very much essential. It is only Co-operative societies, which assist the process of creating self-sufficient healthy modern communities. Indian cooperative movement is 100 years old. From the said study it is clear that the cooperative societies especially non-credit societies failed to fulfil the need of the economy. We should consider the cooperatives as the best way to mobilize the resources in the society. If the government wants to be part of development of society, then all the strategic aspects we highlighted may serve the society of Assam by lightening the path for collaborative development of citizens. Government as the well actors in the process

of development would be able promote brother hood, unity, inculcation of humanity through development of cooperatives. This is because it is only cooperatives which have understood the significance of empowerment of the rural poor. It has provided them more opportunities for their socio-economic upliftment, especially for the rural youth of the state. Thus only, through cooperative institutions can the common man influence the direction of social and economic change in a decisive manner.

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